



# ADUR & WORTHING COUNCILS

31 August 2018

## Joint Strategic Committee

**Date:** 11 September 2018

**Time:** 6:30pm

**Venue:** Gordon Room, Town Hall, Worthing

**Adur Executive:** Councillors Neil Parkin (Leader), Angus Dunn (Deputy Leader), Carson Albury, Brian Boggis, Emma Evans and David Simmons

**Worthing Executive:** Councillors Daniel Humphreys (Leader), Kevin Jenkins (Deputy Leader), Edward Crouch, Heather Mercer, Elizabeth Sparkes and Val Turner

## Agenda

### Part A

#### 1. Declarations of Interest

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

#### 2. Minutes

To approve the minutes of the Joint Strategic Committee meeting held on 10 July 2018, copies of which have been previously circulated.

#### 3. Public Question Time

To receive any questions from members of the public.

In order for the Committee to provide the fullest answer, questions from the public should be submitted by **noon on Friday 7 September 2018**.

Where relevant notice of a question has not been given, the person presiding may either choose to give a response at the meeting or respond by undertaking to provide a written response within three working days.

Questions should be submitted to Democratic Services,  
[democratic.services@adur-worthing.gov.uk](mailto:democratic.services@adur-worthing.gov.uk)

*(Note: Public Question Time will operate for a maximum of 30 minutes.)*

**4. Items Raised Under Urgency Provisions**

To consider any items the Chairman of the meeting considers to be urgent.

**5. 1st Revenue Budget Monitoring 2018/19 (Q1)**

To consider a report from the Director for Digital & Resources, a copy is attached as item 5.

**6. 1st Capital Investment Programme and Projects Monitoring 2018/19**

To consider a report from the Director for Digital & Resources, a copy is attached as item 6.

**7. Annual Treasury Management Report 2017-18 Adur District Council and Worthing Borough Council**

To consider a report from the Director for Digital & Resources, a copy is attached as item 7.

**8. Local Government Funding in 2019/20 - Consultation Response**

To consider a report from the Director for Digital & Resources, a copy is attached as item 8.

**9. Going Local - a prescription of a different kind**

To consider a report from the Director for Communities, a copy is attached as item 9.

**10. 'Breathing Better' - working together to improve air quality across West Sussex**

To consider a report from the Director for Communities, a copy is attached as item 10.

## **11. Risk and Opportunity Management Strategy 2018-20**

To consider a report from the Director for Digital & Resources, a copy is attached as item 11.

## **12. Joint Overview & Scrutiny Committee - Review of Consultations**

To consider a report from the Director for Digital & Resources, a copy is attached as item 12.

## **Part B - Not for Publication – Exempt Information Reports**

None.

## **Recording of this meeting**

The Council will be voice recording the meeting, including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

---

For Democratic Services enquiries relating to this meeting please contact:

Neil Terry  
Senior Democratic Services Officer  
01903 221073  
[neil.terry@adur-worthing.gov.uk](mailto:neil.terry@adur-worthing.gov.uk)

For Legal Services enquiries relating to this meeting please contact:

Susan Sale  
Solicitor to the Councils  
01903 221119  
[susan.sale@adur-worthing.gov.uk](mailto:susan.sale@adur-worthing.gov.uk)

The agenda and reports are available on the Councils website, please visit [www.adur-worthing.gov.uk](http://www.adur-worthing.gov.uk)





## 1<sup>st</sup> REVENUE BUDGET MONITORING 2018/19 (Q1)

### REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

#### EXECUTIVE SUMMARY

##### 1. PURPOSE

1.1 This report updates the Joint Strategic Committee with the latest expenditure and income projections for each Council in the current financial year 2018/19, compared to the Revenue Budget approved by both Councils in February. Whilst the 'spend to date' will be the position as at the 30th June 2018, the forecast position will reflect the latest information available to ensure an up-to-date forecast is presented.

1.2 The following appendices have been attached to this report:

- (i) **Appendix 1** (a) Adur Summary  
(b) Adur Use of Earmarked Reserves
- (ii) **Appendix 2** (a) Worthing Summary  
(b) Worthing Use of Earmarked Reserves
- (iii) **Appendix 3** HRA Summary
- (iv) **Appendix 4** Table of Variations over £20,000

##### 2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked to note the report and projected outturn position for the Joint Strategic Committee, Adur District Council and Worthing Borough Council against the approved revenue budgets and proposed use of reserves (Appendix 1b and 2b).

### 3. CONTEXT

- 3.1 The Joint Strategic Committee considered the '5-year forecast for 2018/19 to 2022/23 on 5<sup>th</sup> December 2017.
- 3.2 This report outlined the Financial Context, and update of the outline 5 year forecast, the Key Budget Pressures and the savings proposals for addressing the budget gap for Adur and Worthing Councils. The report built on the strategy first proposed in 2016/17 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 3.3 The successful delivery of the strategy is fundamentally changing how the Councils are funded. The Councils are moving increasingly away from ever reducing government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities.

### 4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST

- 4.1 As part of the 2018/19 budget, and to address the reduction in Government support, the Councils committed to savings of £1.365m for Adur District Council and £1.981m for Worthing Borough Council to produce a balanced budget. Services have been required to carry out efficiency, procurement and base budget reviews.
- 4.2 The current year-end forecasts indicate, that at this early stage, that Adur will overspend by £23,000 and Worthing will underspend by £189,000. Considering the extensive commitments included in the current years budgets, overall, services are successfully achieving these targets by reviewing their services, thinking more commercially and changing how these are delivered.
- 4.3 In summary the overall revenue outturns reported for Q1 are as follows:-

<b>Summary of 1st Quarter Budget Monitoring Report</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Current Budget 2018/19	22,281	9,185	15,526
Projected outturn	22,144	9,208	15,337
Projected Forecast over/ (underspend)	(137)	23	(189)
Projected over/(underspend) percentage	(0.6%)	0.3%	(1.2%)

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST

The Joint underspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported budget variances in Adur and Worthing, in the table above, include the total share transferred from the Joint.

4.4 The Joint Strategic Committee (JSC) is asked to consider:-

- the current projections of variations in the two Councils General Fund Revenue Budgets;
- the current projections of variations in the Adur Housing Revenue Account; and
- any amendments and virements to budgets for each Council which may require a recommendation onto Council for approval;

4.5 We adopt a more structured approach to services which have more volatile budgets or hard to predict income streams. For 2018/19, these services are:-

- Crematorium
- Development Control
- Homelessness
- Theatres
- Commercial Waste

4.6 Most of these services are subject to closer monitoring because they meet one or more of the following criteria:-

- Demand led
- Income based
- Specialist
- Significant changes to the service are being made in the near future.

4.7 **Headline budget variations across both the Councils' and the Joint account**

4.7.1 **Car Parks**

##### Worthing

Income from parking charges is currently exceeding the budget by £50,000, this is after funding the financing costs associated with improving the lighting at the car parks. This increased income is due to last year's tariff review, which was implemented in early 2018. This excess income will in future years be used to fund MSCP improvements.

#### 4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST

##### 4.7 Headline budget variations across both the Councils' and the Joint account

##### 4.7.2 Housing Management

The continued increased spend on providing emergency and temporary accommodation reflects rising demand across the South East, including Adur and Worthing and the lack of housing supply for those needing affordable accommodation, whether this is to prevent homelessness or to move people on from emergency accommodation.

Across the South East there is competing demand between local authorities for both emergency and temporary accommodation, the latter often being leased private sector accommodation. Whilst Adur and Worthing have made significant progress in leasing more affordable units of temporary accommodation, competition does mean that prices in some areas (e.g. Worthing) are being pushed beyond the reach of the Councils, and the supply of suitable emergency and temporary accommodation within the Borough is reduced. The Councils are still faced with placing some clients in costly budget accommodation hotel chains when no other suitable options are available.

There is currently a projected overspend of £274,000 in Worthing and £54,000 in Adur. This estimate assumes the current caseload numbers in temporary accommodation remains static with an average room rate of £50 per night. More affordable units are projected to come on stream in the coming months, and the team continues to explore other avenues to prevent homelessness and consequently the need for temporary accommodation, as well as the potential purchase of suitable properties for this purpose.

Housing Management - Full Year forecast						
	2017/18			2018/19 - Full Year Projection		
	Budget for Year	Actual for Year	Variance for Year Over / (Under)	Budget for Year	Forecast for Year	Projected Variance for year Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ADUR</b>						
ETA Expenditure	318	643	325	635	764	129
ETA rental income	(102)	(261)	(159)	(411)	(279)	131
Grant funding	-	(184)	(184)	-	(206)	(206)
	215	199	(16)	224	279	54
<b>WORTHING</b>						
ETA Expenditure	748	1,402	654	1,405	1,974	569
ETA rental income	(259)	(548)	(289)	(725)	(883)	(157)
Grant funding	-	(120)	(120)	-	(138)	(138)
	489	735	245	679	953	274
	704	933	229	904	1,232	328



#### 4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST

##### 4.7 Headline budget variations across both the Councils' and the Joint account

##### 4.7.2 Housing Management

Housing Management - Comparative Financial position at June						
	2017/18 Year to Date			2018/19 Year to Date		
	Budget to P3	Actual to P3	Variance to P3 Over / (Under)	Budget to P3	Actual to P3	Variance to P3 Over / (Under)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>ADUR</b>						
ETA Expenditure	79	109	30	159	173	14
ETA rental income	(25)	(42)	(17)	(103)	(71)	31
Grant Funding	-	(184)	(184)	-	(206)	(206)
	54	(117)	(171)	56	(104)	(161)
<b>WORTHING</b>						
ETA Expenditure	187	302	116	351	401	50
ETA rental income	(65)	(125)	(61)	(181)	(164)	18
Grant Funding	-	(120)	(120)	-	(138)	(138)
	122	57	(65)	170	99	(70)
	176	(59)	(236)	226	(6)	(231)

For Adur, there is an additional overspend on Private Sector Leasing accommodation, £50,000 where there is an income shortfall over the cost of rent payable, in addition to a number of void properties.

Whilst for Worthing, the temporary accommodation overspend is currently partially offset by an underspend in the housing initiatives budget £120,000. It is projected that this budget will be used to support preventing homelessness projects over the course of the year.

##### 4.7.3 Waste and Cleansing

Worthing Commercial Waste income is projected to exceed the budget by £40,000. Disposal costs, however, are expected to be over budget by £120,000. This is in line with the overspend in 2017/18. Adur is on target to meet its budget.

In 2018/19, growth was approved to create two additional rounds to service new properties being constructed, these have not yet been implemented. However this budget is being used to offset the changes to the timeline of the service redesign and the continued use of agency staff, particularly during the good weather experienced in recent weeks where it has been essential to keep cleansing work at full capacity (6am -10pm) due to the increased footfall in our towns, parks and on our beaches. Plans however are being developed to ensure that these costs are minimised during the winter months.

## **4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST**

### **4.7 Headline budget variations across both the Councils' and the Joint account**

#### **4.7.4 Environment**

Crematorium - Income is currently on target despite one chapel being closed at present for improvements to the office accommodation area. This will continue to be closely monitored, but is not currently deemed at risk.

Parks & Open Spaces – Worthing has received a one off receipt of £80,000 relating to an inconvenience payment from Rampion for the continued use of Brooklands park during the construction of the Rampion wind farm. This will be used in part to offset a projected shortfall of income of £40,000.

#### **4.7.5 Building Control and Land Charges**

Building Control and Land Charges Income, which is derived from fees which are set on a cost recovery basis, is not predicted to meet its income budget (Worthing £47,000, Adur £45,000). This is a continuing trend from previous years and will need to be addressed in the next budget setting cycle. The Building Control team has recently reviewed fees and is actively pursuing opportunities to generate additional revenues. As a consequence, there has been a growth of 9% in income compared with quarter 1 in 2017/18.

#### **4.7.6 Farmers Markets**

Income from farmers market has already met the budget for the year to date and is expected to exceed by an estimate of £20,000 by the year end.

#### **4.7.7 External Borrowing Costs, Investments and Minimum Revenue Provision**

The Minimum Revenue Provision (MRP) is a statutory charge to the revenue budget to provide for the repayment of debt. The calculation is based on the level of historic capital spend that has been financed from borrowing. Consequently, once the accounts have been closed and the calculation has been updated for the capital spend in 2017/18, there is certainty about the charge for the forthcoming year.

Both Councils have an underspend on their MRP budgets due to reprofiling to 2018/19 of a proportion of the 2017/18 Capital programmes and the impact of changes to planned financing due to increased levels of capital receipts and capital grants both of which offset the need to borrow.

Adur will underspend by approximately £41,000 and Worthing by approximately £245,000.

## 4. ISSUES FOR CONSIDERATION - REVENUE 2018/19 FORECAST

### 4.8 Budget variations greater than £20,000

The Councils individual Summary Projected Outturns are reported in Appendix 1a for Adur District Council and Appendix 2a for Worthing Borough Council.

The variations greater than £20,000, for this report, are detailed in Appendix 4.

There are some expenditure items that are not identified until the year end that will impact on the final outturn. These items can have a positive or negative impact on the final position.

They include:-

- Movement in the estimate for doubtful debts
- A review of any amounts needed to be set aside for liabilities that are likely to occur in the future
- Changes in allocations of staff time to outside the General Fund

### 4.9 Future Risks

4.9.1 Vacancy provision – There is always a risk that the vacancy provision target, set at £758,000 this year, will not be met. It is currently on target to achieve but will continue to be monitored closely each month.

4.9.2 Commercial rent income - Target new commercial rent income of £416,000 for both Councils was set as part of the 2018/19 revenue budget. The Councils are in the process of acquiring property, but achievement of the budget will be dependent on successfully securing sufficient additional property over the coming months.

### 4.10 Cross Cutting Budgets

The following categories of expenditure are analysed across various services. It is anticipated that this will be on target:

- Equipment, furniture and material
- Postage
- Printing stationery and office supplies
- Consultancy costs
- Travel costs

More detailed workings on these areas are in progress and will be reported in future if there are any major variances.

### **Energy**

Due to a review of energy cost recharges to external organisations, it has been identified that these had not been completed for a number of years. It is estimated that costs of £100,000 will be recovered in 2018/19 relating to prior years.

#### 4.11 Housing Revenue Account

4.11.1 The Adur Housing Revenue Account is a ring fenced account. The HRA forecast is shown in Appendix 3.

	ORIGINAL ESTIMATE	PROJECTED OUTTURN	PROJECTED OVER/ (UNDERSPEND)
	2018/19	2018/19	2018/19
	£	£	£
General Management and Other	4,132,760	3,986,307	(146,453)
Annual Revenue Maintenance costs	2,823,320	2,939,251	115,931
Capital Financing costs & Depreciation	6,908,980	6,852,978	(56,002)
Provision for Bad Debt	50,000	36,411	(13,589)
<b>Total Expenditure</b>	<b>13,915,060</b>	<b>13,814,947</b>	<b>(100,113)</b>
Less Income	(13,180,490)	(13,085,363)	95,127
<b>Net (Surplus) / Deficit</b>	<b>(13,180,490)</b>	<b>(13,085,363)</b>	<b>95,127</b>
Funded from Reserves	(734,570)	(734,570)	
<b>Overall Position</b>	<b>-</b>	<b>(4,985)</b>	<b>(4,985)</b>

4.11.2 The HRA is forecast to remain within budget for 2018/19. The approved budget includes the use of HRA reserves of £734,570 required to meet the cost pressures from rent limitation and maintenance and repair work required to the housing stock resulting from the condition survey. A number of income shortfalls have arisen during quarter 1 but these can be covered by reductions in expenditure elsewhere in the budget.

#### 5. **ENGAGEMENT AND COMMUNICATION**

5.1 The Corporate Leadership Team and budget managers have all collaborated in the content of this report providing explanation and narrative on the forecast variances.

#### 6. **FINANCIAL IMPLICATIONS**

6.1 At this early stage at the end of the 1st Quarter of the revenue budgetary cycle, it is anticipated that Adur District Council will have an overspend of £23,000, whilst Worthing Borough Council and the Joint Committee be under budget by £137,000 and £189,000 respectively.

**Finance Officer:** Sarah Gobey

**Date:** 24.8.18

## 7. LEGAL IMPLICATIONS

7.1 Section 151 of the Local Government Act, 1972 requires the Councils to make arrangements for the proper administration of their financial affairs. Further, Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge.

**Legal Officer:** Edwina Adefehinti                      **Date:** 30.08.2018

### Local Government Act 1972

#### Background Papers

Revenue Budget 2018/19 Joint, Adur and Worthing – 2018/19 Budget Book

<https://www.adur-worthing.gov.uk/media/media,148471,en.pdf>

Joint Overall Budget Estimates 2018/19–

<https://www.adur-worthing.gov.uk/media/media,147643,en.pdf>

Adur District Council Budget Estimates 2018/19 and Setting of the 2018/19 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,147719,en.pdf>

Worthing Overall Budget Estimates 2017/18 and Setting of 2017/18 Council Tax –

<https://www.adur-worthing.gov.uk/media/media,147660,en.pdf>

Financial Performance 2017/18 - Revenue Outturn

<https://www.adur-worthing.gov.uk/media/media,149798,en.pdf>

#### Officer Contact Details:

**Emma Thomas**

**Chief Accountant**

**01903 221232**

**emma.thomas@adur-worthing.gov.uk**

## SUSTAINABILITY AND RISK ASSESSMENT

### 1. ECONOMIC

Matter considered and no issues identified

### 2. SOCIAL

#### 2.1 Social Value

Matter considered and no issues identified

#### 2.2 Equality Issues

Matter considered and no issues identified

#### 2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

#### 2.4 Human Rights Issues

Matter considered and no issues identified

### 3. ENVIRONMENTAL

Matter considered and no issues identified


### 4. GOVERNANCE

Matter considered and no issues identified

## SUMMARY - 1st QUARTER PROJECTED OUTTURN 2018/19

APPENDIX 1a

Actual Previous year 2017/18	ADUR CABINET MEMBER PORTFOLIOS	Original Estimate 2018/19	Current Estimate 2018/19	Projected Outturn to 31st March 2019	Forecast Over/(Under)
2,904,564	CM for Environment	2,844,860	2,844,860	2,844,860	-
1,002,320	CM for Health & Wellbeing	1,103,700	1,144,250	1,144,250	-
1,486,629	CM for Customer Services	1,164,740	1,164,740	1,258,740	94,000
583,779	Leader	598,120	598,120	598,120	-
1,345,284	CM for Regeneration	1,659,300	1,659,300	1,684,300	25,000
2,132,249	CM for Resources	1,963,740	1,993,740	1,938,740	(55,000)
-	Holding Accounts	(7,520)	(7,520)	(7,520)	-
<b>9,454,824</b>	<b>Total Cabinet Member</b>	<b>9,326,940</b>	<b>9,397,490</b>	<b>9,461,490</b>	<b>64,000</b>
(1,512,074)	Credit Back Depreciation	(1,821,540)	(1,821,540)	(1,821,540)	-
712,431	Minimum Revenue Provision	1,097,860	1,097,860	1,056,860	(41,000)
33,938	Non ring fenced grants	-	-	-	-
2,270	Financial Instruments Adjustment Account	-	-	-	-
<b>8,691,389</b>		<b>8,603,260</b>	<b>8,673,810</b>	<b>8,696,810</b>	<b>23,000</b>
	<b>Transfer to/from reserves</b>				
-	Contribution to/(from reserves)	14,000	14,000	14,000	-
	Budgeted contribution to/(from) Reserves	10,500	10,500	10,500	-
(20,552)	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	(70,550)	(70,550)	-
110,000	General Fund Working balance	-	-	-	-
385,023	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-	-	(23,000)	(23,000)
<b>9,165,860</b>	<b>Total Budget requirement before External Support from Government</b>	<b>8,627,760</b>	<b>8,627,760</b>	<b>8,627,760</b>	<b>-</b>


 ADUR DISTRICT COUNCIL <b>EARMARKED REVENUE RESERVE ACCOUNTS</b>	<b>Opening Balance</b>  <b>2018/19</b>	<b>Estimated Decrease</b>  <b>2018/19</b>	<b>Estimated Increase</b>  <b>2018/19</b>	<b>Projected Closing Balance</b>  <b>2018/19</b>
<b>Capacity Issues Fund including General Fund Carry Forward Reserve</b>  <b>Carry forwards</b> approved at JSC 10th July 2018  Budgeted contribution (to)/from revenue  Balance	£  384,093	£  (88,680)	£  10,500	£  305,913
<b>Insurance Fund</b>	174,943	(62,870)	30,000	142,073
<b>Investment Property Maintenance Fund - Revenue Maintenance Programme</b>	38,387			38,387
<b>Business Rates Smoothing Reserve</b>	74,000			74,000
<b>Grants and Contributions held in Reserves</b>	552,668			552,668
<b>Election Reserve</b>	7,880			7,880
<b>Special and Other Emergency Reserve</b>	81,080			81,080
<b>Projected Underspend/(Overspend) (Reserve to be identified at outturn)</b>		(23,000)		(23,000)
<b>General Fund Reserve</b>	518,171	-	-	518,171
<b>TOTALS</b>	1,831,222	(174,550)	40,500	1,697,172



SUMMARY - 1st QUARTER PROJECTED OUTTURN 2018/19

APPENDIX 2a

Actual Previous year 2017/18	WORTHING CABINET MEMBER PORTFOLIOS	Original Estimate 2018/19	Current Estimate 2018/19	Projected Outturn to 31st March 2019	Forecast Over/(Under)
1,079,949	CM for Environment	2,139,780	2,139,780	2,131,780	(8,000)
3,408,498	CM for Health & Wellbeing	1,702,990	1,722,990	1,722,990	-
1,304,543	CM for Customer Services	4,779,360	4,793,360	4,912,360	119,000
5,196,703	Leader	852,870	852,870	852,870	-
2,699,126	CM for Regeneration	3,039,710	3,169,840	3,196,840	27,000
1,746,447	CM for Resources	2,389,670	2,434,670	2,352,670	(82,000)
-	Holding Accounts	710,270	710,270	710,270	-
15,435,265	<b>Total Cabinet Member</b>	15,614,650	15,823,780	15,879,780	56,000
(3,531,618)	Credit Back Depreciation	(3,633,620)	(3,633,620)	(3,633,620)	-
809,289	Minimum Revenue Provision	1,408,260	1,408,260	1,163,260	(245,000)
(270,026)	Non ring fenced grants	-	-	-	-
12,442,910		13,389,290	13,598,420	13,409,420	(189,000)
	<b>Transfer to/from reserves</b>				
	Contribution to/(from reserves)	86,250	86,250	86,250	-
	Budgeted contribution to/(from) Reserves	41,050	41,050	41,050	-
212,932	Transfer from reserves to fund specific expenditure (inc carry forwards)	-	(209,130)	(209,130)	-
812,788	Net Underspend/(Overspend) Recommended For Transfer To/(From) Reserves	-		189,000	189,000
<b>13,468,630</b>	<b>Total Budget requirement before External Support from Government</b>	<b>13,516,590</b>	<b>13,516,590</b>	<b>13,516,590</b>	<b>-</b>

 WORTHING BOROUGH COUNCIL  <b>EARMARKED REVENUE RESERVE            ACCOUNTS</b>	<b>Opening Balance 2018/19</b>	<b>Estimated Decrease 2018/19</b>	<b>Estimated Increase 2018/19</b>	<b>Projected Closing Balance 2018/19</b>
	£	£	£	£
<b>Capacity Issue Reserve</b>	1,439,822			
- Marketing/legal costs re disposal of High St & Civic Centre car park sites (28/02/12 JSC/094/11-12) up to £50k each		(100,000)		
- Funding for Decoy Farm survey (22/7/14 JSC/031/14-15)		(150,000)		
- Preliminary costs of Theatre Trust bid (10 July 2018 JSC/026/18-19)		(100,000)		
<b>Expenditure funded from approved carry forwards from 2017/18</b>				
- Worthing carry forwards agreed Joint Strategic Committee 10th July, 2018		(241,330)		
- Budgeted contribution (to)/from revenue			41,050	
<b>Balance</b>				889,542
<b>Insurance Reserve</b>	296,907	(37,870)	30,700	289,737
<b>Joint Health Promotion Reserve</b>	7,810			7,810
<b>Leisure Lottery &amp; Other Partnerships - 01/02/18</b> JSC/078/17-18 for Museum Costume Research Centre	77,766	(50,000)		27,766
<b>Museum reserve - 12/09/17</b> JSC/037/17-18 release of funds to support grant bid	97,702	(60,690)		37,012
<b>Theatres Capital Maintenance Reserve</b>	141,149	(142,000)	70,000	69,149
<b>Special and Other Emergency Reserve</b>	34,292			34,292
<b>Business Rates Smoothing Reserve</b>	425,000			425,000
<b>Grants &amp; Contributions</b>	542,176			542,176
<b>Capital Expenditure Reserve</b>	29,658			29,658
<b>Projected Underspend/ (Overspend) (Reserve to be identified at outturn).</b>			189,000	189,000
<b>General Fund Working Balance</b>	843,625			843,625
<b>TOTAL</b>	3,935,907	(881,890)	330,750	3,384,767

**HOUSING REVENUE ACCOUNT QUARTER 1 BUDGET MONITORING**
**APPENDIX 3**

	<b>ORIGINAL ESTIMATE 2018/19</b>	<b>REVISED ESTIMATE 2018/19</b>	<b>PROJECTED OUTTURN 2018/19</b>	<b>PROJECTED OVER/ (UNDERSPEND) 2018/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>				
Supervision & Management	3,891,890	3,846,920	3,750,355	(96,565)
Special Services	214,570	259,540	207,368	(52,172)
Rent, Rates, Taxes & Other Charges	26,300	26,300	28,584	2,284
Repairs & Maintenance	2,823,320	2,823,320	2,939,251	115,931
Depreciation	4,600,000	4,600,000	4,599,958	(42)
Bad/Doubtful Debt	50,000	50,000	36,411	(13,589)
<b>Capital Financing Costs</b>				
Interest charges	2,308,980	2,308,980	2,253,020	(55,960)
Revenue Contributions to Capital	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>13,915,060</b>	<b>13,915,060</b>	<b>13,814,948</b>	<b>(100,112)</b>
<b>INCOME</b>				
Dwelling Rents	(11,991,720)	(11,991,720)	(11,992,916)	(1,196)
Non Dwelling Rents	(566,920)	(566,920)	(546,518)	20,402
Tenants' Service Charges	(374,210)	(374,210)	(326,276)	47,934
Leaseholders' Service Charges	(219,640)	(219,640)	(194,881)	24,759
Commercial Property Service Charges	-	-	-	-
Contributions Towards Expenditure	-	-	3,228	3,228
Reimbursement of Costs	-	-	-	-
Interest Received	(28,000)	(28,000)	(28,000)	-
<b>TOTAL INCOME</b>	<b>(13,180,490)</b>	<b>(13,180,490)</b>	<b>(13,085,363)</b>	<b>95,127</b>
<b>NET (SURPLUS)/DEFICIENCY</b>	<b>734,570</b>	<b>734,570</b>	<b>729,585</b>	<b>(4,985)</b>

Quarter 1 2018/19

The variations greater than £20,000, for this report, are detailed below

Service Area	Joint £000s (under)/ over- spend	Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations
<b>NET TRADING</b>				
<b>Parking</b>	-	-	(50)	Additional projected car parking income to July net of debt charges
<b>Total Net Trading</b>	-	-	(50)	
Service Area	Joint £000s (under)/ over- spend	Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations
<b>INCOME:</b>				
<b>Economic Development</b>	-	(20)	-	Farmers markets - additional market income anticipated for 2018/19 as budget already achieved in August
<b>Building Control &amp; Land Charges</b>	35	45	47	ADUR: Underachievement of Building Control & Land Charges income WORTHING: Shortfall of Income £70k offset by direct allocation of Value Added Income £23k
<b>Environment - Waste Services</b>	(72)	-	82	JOINT: Cessation of Pest Control service delayed net 6k, Fuel and Maintenance savings £-53k, Addtl recycling payment relating to 2017/18 less reduction in recycling credit from WSCC £-16k, Net impact of delay in staffing restructure £-9k, WORTHING Commercial Waste : Increase in tonnages from 17/18 not fully budgeted for, however, partially offset by additional income
<b>Environment - Parks &amp; Open Spaces</b>	-	-	(40)	Addtl inconvenience payment from Rampion for for the late reinstatement of the par 3 at Brooklands offet in part by shortfall in income of £40000
<b>Environmental Health</b>	-	(10)	(35)	HMO income increase expected due to change in regulations which make more properties eligible for licensing.
<b>Total Income</b>	(37)	15	54	

Service Area	Joint £000s (under)/ over- spend	Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations
<b>COSTS:</b>				
<b>Housing</b>	-	-	(20)	Housing Improvement Assistance fee income increase
<b>Homelessness</b>	-	104	154	ADUR: Increased use of temporary accommodation to meet increased demand from homeless applicants £54,000 plus an overspend in PSL accommodation WORTHING: Increased use of temporary accommodation to meet increased demand from homeless applicants £274000 less £120,000 Housing initiatives budget currently not used but will reduced futre TA.
<b>Finance</b>	-	(41)	(245)	MRP unerspends due to reprofiling of capital programme works
<b>Cross Cutting:</b>				
<b>Energy Costs</b>	(100)			Income recharged to law courts for electricity since 2013/14
<b>Allocation of Joint Variance</b>		(55)	(82)	Share of joint services allocated 40:60 to Councils
<b>Total costs</b>	(100)	8	(193)	
<b>Total Variance</b>	(137)	23	(189)	





## 1st CAPITAL INVESTMENT PROGRAMME & PROJECTS MONITORING 2018/19

### Report by the Director for Digital and Resources

#### EXECUTIVE SUMMARY

##### 1. PURPOSE

1.1 This report updates the Joint Strategic Committee on the progress made on the 2018/19 Capital Investment Programmes for Adur District Council, Worthing Borough Council. The programmes include schemes which support the delivery of services by the Joint Services Committee.

1.2 The following appendices have been attached to this report:

**Appendix 1:** Adur District Council Capital Monitoring Summary

**Appendix 2:** Worthing Borough Council Capital Monitoring Summary

**Appendix 3:** Adur District Council Reprofiled Budgets

**Appendix 4:** Worthing Borough Council Reprofiled Budgets

##### 2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked:

(a) **With respect to the Capital Investment Programme of Adur District Council.**

i) To note the reprofiling and likely phasing of the Adur District Council capital schemes as advised in paragraphs 7.2.1 and Appendix 3.

ii) To approve the purchase of health and safety equipment for the Council's cemeteries funded from contingency and underspends in the 2018/19 Capital Investment Programme, and the amendment to the 2018/19 Capital Investment Programme to include this scheme as detailed in paragraph 7.1.1 i).

## EXECUTIVE SUMMARY

- iii) To approve the virement from the Digital Strategy Budget to the Corporate Hardware Budget to create a budget for the purchase of ad hoc I.T. equipment as detailed in paragraph 7.1.1 ii).
- iv) To approve the Adur Homes purchase of health and safety equipment and ICT equipment, and the inclusion of this equipment in the Adur Homes Capital Investment Programme as advised in paragraph 7.2.2 i).
- v) To approve the virement of £30,000 from the 2018/19 Capital Investment Programme Contingency Budget to the Adur Memorial Recreation Ground Play Area Improvements Budget to fund land contamination issues prior to the play area improvements as advised in paragraph 7.2.2 ii).

**(b) With respect to the Capital Investment Programme of Worthing Borough Council.**

- i) To note the reprofiling and likely phasing of the Worthing Borough Council capital schemes as advised in paragraphs 7.3.1 and Appendix 4.
- ii) To approve the purchase of health and safety equipment for the Council's cemeteries funded from underspends in the 2018/19 Capital Investment Programme, and the amendment to the 2018/19 Capital Investment Programme to include this scheme as detailed in paragraph 7.1.1 i).
- iii) To approve the virement from the Digital Strategy Budget to the Corporate Hardware Budget to create a budget for the purchase of ad hoc I.T. equipment as detailed in paragraph 7.1.1 ii).
- iv) To approve the utilisation of £27,540 from the 2018/19 Capital Investment Programme Contingency Budget to fund the upgrade of the seafront lighting to LED lights as advised in paragraph 7.3.2. i).
- v) To note the Heritage Lottery Grant Award of £1m and a contribution of £5,000 from Southdowns National Park towards Highdown Gardens Infrastructure improvements. The 2018/19 and 2020/21 Capital Investment Programmes need to be amended to include these grants as advised in paragraph 7.3.2 ii).
- vi) To approve the change in amendments to the 2018/19 and 2019/20 Capital Investment Programmes to bring forward the improvements to the Pennycross and Northbrook Recreation Ground to 2018/19 and defer the improvements at Palatine Park to 2019/20 as detailed in paragraph 7.3.2 iii).
- vii) To note that the resurfacing of the Field Place tennis courts has been added to the Reserve List as detailed in paragraph 7.3.2 iv).



**c) With respect to both Councils**

To approve the method of approval for new digital schemes as detailed in paragraph 7.1.1. iii)

**3. CONTEXT**

- 3.1 In accordance with the Councils' Capital Strategy the Capital Working Group oversees the implementation and progress of both Councils' Capital Investment Programmes.
- 3.2 The Capital Working Group meets quarterly and monitors the programmes' progress and finance, seeking to address any problems at an early stage in order for schemes to be completed within budget and timescales. Where problems are highlighted the Group considers possible remedies including virements between schemes, reprofiling of budgets between years and the withdrawal of schemes from the programme when schemes are unable to proceed. This could be due to resourcing problems, time delays or other factors beyond the Councils' control.
- 3.3 Full summaries of the progress of all the schemes in the 2018/19 Capital Investment Programmes are prepared each quarter highlighting:

Schemes with significant challenges or where there are financial issues	<b>Red</b>
Schemes where progress is being closely monitored	<b>Amber</b>
Schemes progressing well	<b>Green</b>
Schemes where progress is beyond officers' control	■
Schemes with financial issues	£
Schemes where progress has improved	□
Schemes where progress has deteriorated	□

- 3.4 The Capital Working Group also ensures that capital schemes are approved within financial regulations; a Summary of Project Initiation Document (P.I.D.) Approvals for 2018/19 schemes and the P.I.D. documents (for schemes costing under £250,000) are available from the Councils' Joint Intranet.
- 3.5 Financial Regulations require officers to report each project on completion detailing the original estimate, tender estimate and the final outturn; a Summary of Capital Project Final Account Forms submitted together with the Forms are available from the Councils' Joint Intranet.
- 3.6 Each year a small number of schemes are selected for a more detailed evaluation on completion and officers are asked to complete a Post Scheme Evaluation Form. These forms are also available from the Councils' Joint intranet.

#### **4. SUCCESSES AND CHALLENGES IN THE 2018/19 CAPITAL INVESTMENT PROGRAMMES**

4.1 The following schemes are progressing well:

##### **4.1.1 Adur Homes Capital Investment Programme**

The Adur Homes Capital Investment Programme for the two years 2017/18 and 2018/19 was approved by the Joint Strategic Committee 12<sup>th</sup> September 2017.

Major contracts have been the subject of a joint review by Adur Homes and Technical Services, taking into consideration the most recent property condition surveys. This has taken some time to complete.

However, works have now been prioritised, urgent works have been identified and the following schemes are now being progressed:

- i) Bushby Court and Beachcroft Court – Replacement of doors, porches and screens.
- ii) Rocks Close – External works package to include fire safety works, electrical and water compliance works, and floor and stair coverings where required.
- iii) Locks Court – External works package to include fire safety works, electrical and water compliance works, and floor and stair coverings where required.
- iv) Millfield – Replacement balcony railings and walkways.
- v) Warren Court – Soffits and asphalt repairs.
- vi) Pashley Court – Repairs to flint wall.
- vii) Seaview Court central heating installation.
- viii) Essential boiler replacements.
- ix) Fire Safety works including flat front entrance doors.

##### **4.1.2 Adur Homes Development and Acquisition Programme**

The Council is currently progressing the following housing development schemes:

- i) Cecil Norris House (15 housing units) – Demolition and rebuild.
- ii) Albion Street (14 housing units) – Demolition and rebuild.
- iii) Hidden Homes Project – Conversion of garage sites.
- iv) 101 North Road, Lancing (2 housing units) – Conversion of ground floor into residential accommodation.
- v) Feasibility of other projects also in progress.

### 4.1.3 Adur Civic Centre – Redevelopment

- i) Demolition of the Civic Centre. The demolition completed 1<sup>st</sup> June 2017.
- ii) Phase I North New Office Development. The construction is in progress and is due to complete May 2019.
- iii) Phase II South development of the Civic Centre Site. The Joint Strategic Committee March 2018 recommended to the Council a conditional disposal of the site. The Council is currently exploring the inclusion of a GP surgery on the site as a condition of sale.

4.2 The following schemes are presenting the Councils with challenges:

#### 4.2.1 Play Area Improvements – Elmgrove Open Space

The contract was awarded in August 2017 and works were due to commence on site in October 2017. The start date was significantly delayed due to the contractor experiencing problems in the supply chain during manufacturing and delivery of the play equipment from their new factory in Poland.

Works eventually commenced on site March 2018 and were due to complete April 2018. However, the works were further delayed by bad weather causing poor ground conditions on site and the Contractors finding parts of the play equipment not being delivered.

There have been ongoing issues with the contractor's performance throughout the project. Liquidated damages are being considered. A snagging list has been provided to the contractor itemising the defective work and the Council is currently awaiting a date for the contractor to rectify and to arrange an independent ROSPA inspection.

#### 4.2.2 Financial Management System- Replacement

The project has been paused due to the supplier confirming that system performance issues and the required functionality will be only be addressed in software releases later in 2018.

There has been regular and robust contract management of the supplier, and we are currently assessing their offer of financial compensation. Meetings are in progress to re-plan the project subject to adequate assurances from the supplier, and benchmarking with other local authorities implementing the same software. Initial planning is for the project to go live in April 2019. The impact on the remaining budget is being assessed.

#### 4.2.3 Removal of asbestos from Town Hall roof space

Safe working zone works were completed in the main town hall and also sampling of ceilings to simulate maintenance activities have been undertaken in previous years to make the building safe.

The current budget for these works is £224,920 and is profiled in 2019/20 to allow time for a risk assessment to be completed. Meetings have been held with consultants regarding the extent of the works and the estimated cost of the project is now £353,400, a shortfall of approx £128,500 on the current budget. It is proposed to fund the shortfall from the 2019/20 Capital Investment Programme Contingency Budget.

Works to commence on the tender documentation in September 2018 for the scheme to be undertaken in 2019/20. A report will be submitted to the Joint Strategic Committee detailing costs and the funding.

#### 4.2.4 Lancing Manor LC – Renewal of flat roofs and replacement of glazing units in the entrance hall

The 2018/19 Capital Investment Programme includes a budget of £85,000 to renew the flat roof area over the entrance hall and to replace the glazing units in the entrance hall.

The scheme has been tendered and the Executive Member has previously agreed to a virement of £45,820 from 2017/18 underspends to fund the total costs of the scheme.

However, a recent site visit has identified that the works will need to be re-tendered to include the refurbishment of adjoining flat roofs which now require essential works. Due to the additional works the scheme will need to be deferred to the Summer of 2019. In addition, building control has advised that the glazing units in the entrance hall require specialised glass which also needs to be included in the new tender.

The actual costs of the scheme are unknown at this time and will be reported in a further monitoring report.

### 5. PROGRESS OF THE ADUR DISTRICT COUNCIL 2018/19 CAPITAL INVESTMENT PROGRAMME – JULY 2018

5.1 There are 56 schemes in the 2018/19 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes are progressing satisfactorily or have completed	26	46.5
Schemes where progress is being closely monitored	26	46.5
Schemes with significant challenges or where there are financial issues	4	7

A summary of these schemes is attached as Appendix 1 to this report. A summary of the progress of all the schemes in the 2018/19 Capital Investment Programme is available from the Councils' Joint Intranet.

5.2 The current 2018/19 budget is £50,489,740 which has decreased by £16,925,710 from the original budget, resulting from the net impact of budgets carried forward from the 2017/18 capital investment programme, approved changes to the 2018/19 budget, and budgets reprofiled to and from future years. The main reason for the decrease in the current budget is the reprofiling of the Strategic Property Investments Programme which has now been capped at £25m per year. A summary of the movements in the budget, together with a funding breakdown, is shown on Appendix 1.

5.3 An underspend of £25,060 is currently forecast on the current 2018/19 Capital Investment Programme, which has mainly arisen from:

i) **Public Conveniences Cleaning Contract – Purchase of vehicles**

The Joint Strategic Committee approved the purchase of 4 new vehicles as part of the new public conveniences cleaning contract.

However, the new Environmental Services restructure has released Vehicles from other services and therefore these vehicles are not now required releasing a budget provision of £14,400.

**6. PROGRESS OF THE WORTHING BOROUGH COUNCIL 2018/19 CAPITAL INVESTMENT PROGRAMME - JULY 2018**

6.1 There are 61 schemes in the 2018/19 current capital investment programme which are progressing as follows:

	Number of schemes	Percentage %
Schemes are progressing satisfactorily or have completed	28	46
Schemes where progress is being closely monitored	30	49
Schemes with significant challenges or where there are financial issues	3	5

A summary of these schemes is attached as Appendix 2 to this report. A summary of the progress of all the schemes in the 2018/19 Capital Investment Programme is available from the Councils' Joint Intranet.

6.2 The current 2018/19 budget is £43,259,280, a decrease of £17,090,280 on the original budget due to the net impact of budgets carried forward from 2017/18, approved changes to the 2018/19 Capital Investment Programme and budgets reprofiled to and from 2019/20 and future years. The main reason for the decrease in the current budget is the reprofiling of the Strategic Property Investments Programme which has now been capped at £25m per year. A summary of the movements in the budget, together with a funding breakdown, is shown on Appendix 2.

6.3 An underspend of £65,860 is currently forecast on the current 2018/19 Capital Investment Programme, which has mainly arisen from the following projects:

i) **Public Conveniences Cleaning Contract – Purchase of vehicles**

The Joint Strategic Committee approved the purchase of 4 new vehicles as part of the new public conveniences cleaning contract.

However, the new Environmental Services restructure has released vehicles from other services and therefore these vehicles are not now required releasing a budget provision of £33,600.

ii) **Crematorium - Replacement and resiting of car park attendant's kiosk**

The scheme has been on hold following the results of a vehicle usage audit. A final report has now been received from consultants but the outline design and forecast costs indicate that the scheme is not cost effective and it has been removed from the Capital Investment Programme, releasing a budget of £19,800.

## 7. ISSUES FOR CONSIDERATION

### 7.1 Issues affecting both Councils

7.1.1 The following amendments to the Adur District Council and Worthing Borough Council 2018/19 Capital Investment Programmes are recommended:

i) **Cemeteries Health and Safety Equipment – Grave Shoring Equipment**

Following a review by the Institute of Cemeteries and Crematorium Management it has been identified that the Councils urgently need to purchase new grave shoring equipment to fulfil health and safety obligations to our staff and cemetery visitors. The equipment is required to keep staff safe when working below ground in confined spaces to prevent the grave from collapsing until it is backfilled following interment.

The existing shoring equipment is coming to the end of its operational life and there is not enough equipment to cover the number of graves being dug in busy periods.

The proposal is to purchase modern hydraulic grave shoring equipment to ensure all graves are shored to prevent risk of grave collapse and risk to staff. The new equipment will need to cover a range of grave depth and width requirements to ensure all eventualities are covered, and to meet current health and safety requirements.

The cost of the new equipment is £26,760 and the Adur / Worthing cost split is 55/45, Adur District Council's share of the cost £14,720, Worthing Borough Council £12,040.

It is proposed to fund Adur District Council's share of the costs from the underspend (£14,400) from the purchase of new vehicles for the new public conveniences cleaning contract where it is proposed to use vehicles transferred from other services, and £320 from the 2018/19 Capital Investment Programme Contingency Budget.

It is proposed to fund Worthing Borough Council's share of the costs from the underspend (£33,600) from the purchase of new vehicles for the new public conveniences cleaning contract where it is proposed to use vehicles transferred from other services.

ii) **ICT Corporate Hardware Budget – Ad hoc ICT hardware purchases**

The current Adur District Council and Worthing Borough Council 2018/19 Capital Investment Programmes include a joint budget of £412,160 for the rollout of the windows 10 laptop / desktop equipment.

However, in addition to the upgrade to Windows 10 there are likely to be requirements for other ad hoc purchases of printers, servers, cabling and other ICT equipment during the year.

It is proposed to vire £50,000 from the 2018/19 Joint Digital Strategy budget to fund the ad hoc purchases. The current 2018/19 Joint Digital Strategy Budget is £432,330:

The Adur / Worthing cost split of the virement of £50,000 is 47/53, Adur District Council's share of the cost is £23,500 and Worthing Borough Council's share of costs is £26,500.

iii) **Approval of Digital Strategy Schemes**

The remaining joint budget for the Digital Strategy Projects after the above virement will be £382,330. The current approved schemes in progress are:

- a) Land Charges / Building Control / Planning System £140,000.  
There have been delays in the delivery of these systems and payments have been put on hold. Progress on the different aspects is being reviewed and the contractual position is being reviewed.
- b) Waste Management System £19,670.  
Development progressing well with the launch of self serve options for clinical waste collections and missed bins, informed by customer engagement.
- c) Avaya Telephone System Improvements £40,000.  
Improvements complete.

All the above schemes were approved in 2017/18 and budgets have been brought forward for the schemes to complete in 2018/19. However, there are a number of other schemes currently being assessed for future funding from the remaining Digital Strategy Budget (£182,660) which may include revenues benefits service redesign, contact centre technologies, website improvements and asset management.

All digital strategy projects are submitted to the ICT Service Redesign Group for consideration and recommendation up to the Change Board attended by all Directors. Selected projects are then funded from the overall Digital Strategy Budget. Projects approved for funding will be reported to the Joint Strategic Committee via the capital quarterly monitoring report.

## **7.2 Adur District Council**

7.2.1 Budgets totalling £3,670,320 have been reprofiled to 2018/19 and future years, where the original project plan has changed and the schemes are not expected to complete in 2018/19. A list of schemes reprofiled is attached as Appendix 3 to this report.

7.2.2 The following amendments to the Adur District Council 2018/19 Capital Investment Programme are recommended:

### **i) Adur Homes – Purchase of health and safety and ICT Equipment**

Following an inspection from the Health and Safety Executive, Adur Homes is required to purchase a range of power equipment to mitigate the risks of hand and arm vibration injury. The inspection also highlighted the need for some new ladders. The total estimated cost of the equipment is £25,000.

The Adur Homes Repairs System has been launched to staff and will be launched for public use in September. Significant efficiencies are being seen, for example 150 invoices can now be processed in 3 hours, compared to 50 per day previously. Improvements are constantly being made to the system from feedback by users, and an allocation of £30,000 has been made complete the project to support technical and project management costs.

The Housing Repairs Team have requested tablet size equipment for operating with the new system, and this will cost in the region of £5,000 - £8,000.

Funding for the above will be reallocated from within the 2018/19 Adur Homes Capital Investment Programme where some of larger contracts will commence in 2018/19 but will not complete in 2018/19 due to procurement and leaseholder consultation timescales.

### **ii) Play Area Improvements – Adur Memorial Recreation Ground**

The 2018/19 Capital Investment Programme includes a budget provision of £100,800 to refurbish the play area at Adur Memorial Recreation Ground.

Unfortunately land contamination has been discovered on the site of the play area and surveys and ground testing are being organised.

The estimated cost of testing / excavation / disposal of the contaminated land is £30,000 and it is proposed to fund this additional work from the 2018/19 Capital Investment Programme Contingency Budget.

## **7.3 Worthing Borough Council**

7.3.1 Budgets totalling £1,303,350 have been reprofiled to and from 2019/20 and future years where the original project plan has changed and the schemes are unable to complete in 2018/19. A list of schemes reprofiled is attached as Appendix 4 to this report.



7.3.2 The following amendments to the 2018/19 Capital Investment Programme are recommended:

i) **Seafront Lighting – Upgrade to LED lighting.**

The seafront lighting upgrade to LED lights was approved by the Joint Strategic Committee 7th November 2017 and added to the 2017/18 Capital Investment Programme. The upgrade was estimated to save the Council between £5,000 - £10,000 p.a. for wiring maintenance and would also produce energy savings from the LED lighting. This saving will be monitored going forward.

The scheme completed in May 2018 at a cost of £27,540, and it is proposed to fund the scheme from the 2018/19 Capital Investment Programme Contingency Budget.

ii) **Highdown Gardens Infrastructure Improvements**

The Capital Investment Programme original included a total budget of £1m for infrastructure improvements to Highdown Gardens. The original budget was profiled and funded as follows:

2018/19 £100,000 funded from S106 receipts.  
2019/20 £900,000 funded from a Heritage Lottery Grant.

The Council has subsequently been awarded a Heritage Lottery Grant of £1m and has received a contribution of £5,000 from South Downs National Park and this funding needs to be added to the Capital Investment Programme and profiled as follows:

2018/19 £131,500 funded £96,500 from the Heritage Lottery, £5,000 funded from South Downs National Park and £30,000 from S106 receipts.

2019/20 £975,500 funded £903,500 from the Heritage Lottery and £70,000 from S106 receipts.

iii) **Play Area Improvements – Change of Site Improvement**

The current Capital Investment Programme includes the following play area improvements:

2018/19: Palatine Park  
2019/20: Pennycross and Northbrook Recreation Ground

It is proposed to defer the play area improvements at Palatine Park to 2019/20 due to planned works on site by Southern Water works and the Worthing Town FC proposal to improve facilities on site.

To continue the progression of the Play Area Improvements Programme, it is proposed to bring forward the play area improvements at Pennycross and Northbrook Recreation Ground from 2019/20 to 2018/19.

iv) **Field Place – Surfacing of the Tennis Courts.**

The external funding bid for £200,000 to the Lawn Tennis Association for the resurfacing of the tennis courts at Field Place has been put on hold as the grant scheme required a multi partner approach including the development of a “tennis network” of organisations around the area. Additionally the grant scheme offered a low cash investment and required significant match funding, and also included an interest free loan element.

The scheme has been removed from the capital investment programme and placed on the Reserve List.

**8. ENGAGEMENT AND COMMUNICATION**

- 8.1 The purpose of this report is to communicate with stakeholders on the progress of the Adur District Council and Worthing Borough Council 2018/19 Capital Investment Programmes. Officers of the Council have been consulted with on the progress of the schemes which they are responsible for delivering.

**9. FINANCIAL IMPLICATIONS**

- 9.1 There are no unbudgeted financial implications arising from this report as the Adur District Council and Worthing Borough Council original 2018/19 Capital Investment Programmes were approved by the Councils in December 2017. Subsequent changes have been reported to and approved by the Joint Strategic Committee. The issues considered in this report can be funded from within existing resources.

**Finance Officer:** Sarah Gobey

**Date:** 24th August 2018

**10. LEGAL IMPLICATIONS**

- 10.1 Local authorities have a statutory duty under section 28 of the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends or shortfalls in income emerge. Section 151 of the Local Government Act 1972 requires the Councils to make arrangements for the proper administration of their financial affairs.

**Legal Officer:** Susan Sale

**Date:** 20<sup>th</sup> August 2018

**Background Papers**

- Capital Investment Programme 2018/19 – 2020/21 Adur District Council, Worthing Borough Council and Joint Committee
- Capital Strategy 2018/21.

**Officer Contact Details:-**

Sarah Gobey  
Chief Financial Officer  
01903 221233  
sarah.gobey@adur-worthing.gov.uk

## **SUSTAINABILITY AND RISK ASSESSMENT**

### **1. ECONOMIC**

- The capital programme prioritisation model awards points for capital project proposals that impact positively on the economic development of our places or the economic participation of our communities.

### **2. SOCIAL**

#### **2.1 Social Value**

- The capital programme prioritisation model awards points for capital project proposals that impact positively on our communities.

#### **2.2 Equality Issues**

- The capital programme prioritisation model awards points for capital project proposals that address DDA requirements and reduce inequalities.

### **3. Environmental**

- The management, custodianship and protection of our natural resources are considered when capital schemes are assessed for inclusion in the Councils' Capital Investment Programme.

### **4. Governance**

- The Councils' priorities, specific action plans, strategies or policies are considered when capital schemes are assessed for inclusion in the Councils' Capital Investment Programmes.
- The Councils' reputation or relationship with our partners or community is taken into account when capital schemes are assessed for inclusion in the Councils' Capital Investment Programmes.
- Resourcing, risk management (including health and safety) and the governance of the either Council are fully considered during the preparation of the Councils' Capital Investment Programmes.



**CAPITAL MONITORING SUMMARY 2018/2019** **JULY 2018**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Executive Portfolios	Total ADC Scheme Budgets	Previous Years' Spend	2018/19 Original Budget	Net budget b/f from 2017/18	Approved Changes to Original Budget	2018/19 Budget Reprofiles to and from 2019/20	2018/19 Current Budget	2018/19 Spend to Date	Spend % of Current Budget
	£	£	£	£	£	£	£	£	
Customer Services	14,448,200	-	13,655,810	793,390	-	(2,956,070)	11,493,130	931,599	8.11%
Environment	3,069,530	1,048,820	1,740,490	185,910	97,310	(402,000)	1,621,710	173,474	10.70%
Health and Wellbeing	280,400	7,000	187,900	78,500	10,000	-	276,400	60,733	21.97%
Regeneration	41,562,500	2,221,870	51,249,200	(1,276,540)	(13,370,640)	(60,000)	36,542,020	2,234,863	6.12%
Resources	1,017,300	228,570	582,050	206,680	20,000	(252,250)	556,480	26,075	4.69%
<b>TOTALS</b>	<b>60,377,930</b>	<b>3,506,260</b>	<b>67,415,450</b>	<b>(12,060)</b>	<b>(13,243,330)</b>	<b>(3,670,320)</b>	<b>50,489,740</b>	<b>3,426,745</b>	<b>6.79%</b>

**Financing of 2018/19 Programme:**

<b>Adur Homes Capital Programme:</b>	<b>£'000</b>
Capital Receipts:	844
Major Repairs Reserve:	4,422
New Development Reserve:	160
Prudential Borrowing:	1,929
	<u><b>7,355</b></u>

<b>General Fund Capital Programme:</b>	<b>£'000</b>
Prudential Borrowing:	37,411
Capital Receipts:	1,271
Government Grants:	983
Revenue Reserves and Contributions	116
Other Contributions:	3,354
	<u><b>43,135</b></u>

**Summary of Progress:**

Schemes with significant challenges or where there are financial issues:	4
Schemes where progress is being closely monitored:	26
Schemes progressing well:	17
Schemes completed:	8
Non proceeding schemes:	1
<b>Total Schemes:</b>	<u><b>56</b></u>

**2018/19 Current Council Resources General Fund Underspend: (25,060)**

**Proposed Utilisation of Underspends:**

Cemeteries - Health and Safety shoring equipment 14,720

**2018/19 Remaining Council Resources General Fund Underspend: (10,340)**

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2018/19 Original Budget  £	(5) Budget Reprofiles to and from 2018/19 and Future Years  £	(6) 2018/19 Current Budget  £	(7) 2018/19 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2018/19 Anticipated (Underspend) /Overspend (Council Resources)  £	(10) COMMENTS AND PROGRESS  <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ^ Scheme Progress Improved v Scheme Progress Deteriorated	(11) Status
<b>Customer Services</b> <b>Affordable Housing</b> 1 Partnership Schemes with Registered Social Landlords (CA)	1,380,600	-	1,380,600	-	1,380,600	-	T.B.A. (C) T.B.A. (D)	-	The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is because the rent reduction will impact on registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years. Officers are in discussions with Registered Social Providers but no grants for affordable housing have been requested this financial year.	
<b>Environment</b> <b>Lancing Manor Leisure Centre</b> 2 Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall (DM)	90,620	5,620	40,000	-	85,000	195.00	Jan 19 (C) 14.3.17 (P)	Likely Overspend	The scheme has been tendered and the estimated costs were £45,820 over budget. The Executive Member has agreed a virement of £45,820. A recent site visit has identified that adjoining flat roofs also need to be refurbished. Also Building Control has advised that the glazing units in the entrance hall require specialised glass which will also have additional costs. The scheme will be retendered and works will be deferred to the Summer 2019.	£

(1) SCHEME (Responsible Officer)	(2) Total ADC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2018/19 Original Budget  £	(5) Budget Reprofiles to and from 2018/19 and Future Years  £	(6) 2018/19 Current Budget  £	(7) 2018/19 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D.(P)	(9) 2018/19 Anticipated (Underspend) /Overspend (Council Resources)  £	(10) COMMENTS AND PROGRESS	(11) Status
									<input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes with financial issues ^ Scheme Progress Improved v Scheme Progress Deteriorated	
<b>Play Areas</b> 3 Adur Memorial Recreation Ground - Refurbishment of existing play area (WB/DM)	100,800	-	100,800	-	100,800	2,125.00	Mar 19 (C) T.B.A. (P)	30,000	Land contamination issues. Overspend of £30,000 anticipated to fund contamination works. Surveys and ground testing being organised. Request for overspend to be funded from contingency.	£
<b>Resources</b> <b>Information and Technology</b> 4 Financial Management System Replacement (Partnership Scheme with Worthing Borough Council. Total Cost £565,000) (SG)	265,550	216,350	-	-	49,200	-	T.B.A. (C) 1.9.16 (D)	-	The FMS project has been temporarily halted due to system performance issues and required functionality being delivered in later software releases. Meetings are in progress to restart the project subject to adequate assurances from the supplier. Initial planning is for the project to go live in April 2019. The impact on the remaining budget is being assessed.	
<b>TOTAL:</b>	<b>1,837,570</b>	<b>221,970</b>	<b>1,521,400</b>	<b>-</b>	<b>1,615,600</b>	<b>2,320.00</b>		<b>30,000</b>		

RESPONSIBLE OFFICERS:

CA Cally Anthill  
 DM Derek Magee  
 SG Sarah Gobey

Head of Housing  
 Engineering and Surveying Manager  
 Chief Finance Officer





CAPITAL MONITORING SUMMARY 2018/19									JULY 2018
Executive Portfolios	(1) Total WBC Scheme Budgets	(2) Previous Years' Spend	(3) 2018/19 Original Budget	(4) Net Budget b/f from 2017/18	(5) Approved Changes to Original Budget	(6) 2018/19 Budget Reprofiled to and (from) 2019/20	(7) 2018/19 Current Budget	(8) 2018/19 Spend to Date	(9) Spend % of Current Budget
	£	£	£	£	£	£	£	£	
Customer Services	6,148,810	17,310	5,955,400	75,750	102,350	-	6,133,500	285,500	4.65%
Digital and Environment Services	6,132,050	845,570	2,862,050	800,510	742,820	817,750	3,587,630	437,241	12.19%
Health and Wellbeing	431,270	9,080	207,800	215,390	-	224,920	198,270	8,750	4.41%
Regeneration	8,821,360	804,760	5,729,760	480,020	1,748,980	-	7,958,760	493,814	6.20%
Resources	25,731,780	22,480	45,595,170	1,019,820	(20,973,190)	260,680	25,381,120	1,840	0.01%
<b>TOTALS</b>	<b>47,265,270</b>	<b>1,699,200</b>	<b>60,350,180</b>	<b>2,591,490</b>	<b>(18,379,040)</b>	<b>1,303,350</b>	<b>43,259,280</b>	<b>1,227,145</b>	<b>2.84%</b>

**Financing of 2018/19 Programme:**

	<b>£'000</b>
Borrowing:	40306
Capital Receipts:	1021
Revenue Contributions and Reserves:	452
Government Grants:	768
S106 Receipts	411
Other Contributions:	301
	<b>43,259</b>

**Capital Monitoring - Summary of Progress:**

Schemes with significant challenges or where there are financial issues:	3
Schemes where progress is being closely monitored:	30
Schemes progressing well:	21
Schemes completed:	4
Schemes not proceeding:	3
<b>Total Schemes:</b>	<b>61</b>

**2018/19 Current Council Resources General Fund Overspend: (65,860)**

**Proposed Utilisation of Underspends:**

Cemeteries - Health and Safety shoring equipment 12,040

**2018/19 Remaining Council Resources General Fund Underspend: (53,820)**

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2018/19 Original Budget  £	(5) Budget Reprofiled to and (from) 2019/20 and future years  £	(6) 2018/19 Current Budget  £	(7) 2018/19 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2018/19 Anticipated (Underspend) /Overspend (Capital Resources)  £	(12) COMMENTS AND PROGRESS  <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(13) Status
<b>Customer Services</b> <b>Affordable Housing</b> 1 Partnership Schemes with Registered Social Landlords (CA)	831,900	-	991,900	-	831,900	-	T.B.A. (C) T.B.A. (D)	-	The announcement in the Budget to cut social housing rents by 1% per annum over the next four years is likely to have a significant negative impact on affordable housing over the coming years. This is because the rent reduction will impact on registered providers' business model which was previously based on a rent increase of CPI plus 1% each year for the next 10 years. £167,000 has been vired for the development of the Fulbeck Avenue site to provide housing. Officers are in discussions with Registered Social Providers but no grants for affordable housing have been requested this financial year.	

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2018/19 Original Budget  £	(5) Budget Reprofiled to and (from) 2019/20 and future years  £	(6) 2018/19 Current Budget  £	(7) 2018/19 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2018/19 Anticipated (Underspend) /Overspend (Capital Resources)  £	(12) COMMENTS AND PROGRESS  <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(13) Status  £
Health and Wellbeing <i>Asbestos Removal</i> 2 Removal of asbestos from Town Hall roof space (DM)	234,000	9,080	130,000	224,920	-	-	T.B.A. (D) T.B.A. (C)	-	Removal of asbestos from Town Hall roof space £130,000. An estimated overspend of £100k has previously been reported and funding has been allocated from underspends in the over- all 2017/18 Capital Investment Programme. Meetings have been held with consultants regarding the extent of the works and the estimated cost of the scheme is now £353,400, a shortfall of £128,500 on the current budget. It is proposed to fund the short- fall from the Contingency Budget in 2019/20. Work to commence on tender documentation Aug 18 for the works to be undertaken in 2019/20.	£

(1) SCHEME (Responsible Officer)	(2) Total WBC Scheme Budget  £	(3) Previous Years' Spend  £	(4) 2018/19 Original Budget  £	(5) Budget Reprofiled to and (from) 2019/20 and future years  £	(6) 2018/19 Current Budget  £	(7) 2018/19 Spend to Date  £	(8) Anticipated Completion Date (C) / Approval Report(D)/ P.I.D (P)	(11) 2018/19 Anticipated (Underspend) /Overspend (Capital Resources)  £	(12) COMMENTS AND PROGRESS  <input checked="" type="checkbox"/> Progress Beyond Council's Control £ Schemes With Financial Issues ▲ Scheme Progress Improved ▼ Scheme Progress Deteriorated	(13) Status
<b>Digital and Environmental Services</b> <b>Information and Technology</b>										
3 Financial Management System Replacement (Partnership Scheme with Adur District Council. Total cost £565,000) (SG)	299,450	243,970	-	-	55,480	-	Apr 19 (C) 1.9.16 (D)	-	The FMS project has been temporarily halted due to system performance issues and required functionality being delivered in later software releases. Meetings are in progress to restart the project subject to adequate assurances from the supplier. Initial planning is for the project to go live in April 2019. The impact on the remaining budget is being assessed.	
<b>TOTAL:</b>	<b>533,450</b>	<b>253,050</b>	<b>130,000</b>	<b>224,920</b>	<b>55,480</b>	<b>-</b>		<b>-</b>		

RESPONSIBLE OFFICERS:

CA Cally Anthill  
DM Derek Magee  
SG Sarah Gobey

Head of Housing  
Engineering and Surveying Manager  
Chief Finance Officer



**ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
Adur Homes Capital Investment Programme	1,120,000	<b>External Works Programme:</b> There has been a delay in the commencement of many of the major contracts whilst a joint review by Adur Homes and Technical Services of the capital works programme was carried out, taking into consideration the recently received property condition surveys. Works have now been prioritised, urgent works have been identified and the schemes are now being progressed. However, due to timescales for leaseholder consultation and planning permissions, some of the schemes in progress are likely to continue in 2019/20.
	1,120,000	<b>Fire Safety Works :</b> Works in progress: i) Pilot scheme for bespoke fire doors. ii) Sheltered housing fire safety works. Further works still to be allocated.
	112,000	<b>Sheltered Accommodation - Community Alarm Systems</b> Tender documentation being prepared for tenders to go out August 2018. The installation is anticipated to commence October/November 2018 with 50% of the 13 replacements being installed 2018/19 and the remainder in 2019/20.
Adur Homes - Development and Acquisition Programme	604,070	Budget profiled in line with the report to the July 2018 Joint Strategic Committee regarding the development of properties.
Lancing Manor - Renewal of flat roof area over the entrance hall and replacement of glazing units in the entrance hall.	80,000	A recent site visit has identified that additional works will be required to the adjoining flat roofs. The scheme will need to be retendered for works in the summer of 2019.
Payroll System - Replacement (Partnership scheme with Worthing Borough Council. Total cost £175,000.	82,250	The replacement has been deferred to 2019/20.

ADUR DISTRICT  
COUNCIL**ADUR DISTRICT COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

<b>Scheme</b>	<b>Reprofiled Budgets</b>	<b>Reason</b>
Shoreham Harbour Projects (Externally funded by the Central Government Growth Point Programme)	60,000	A contribution of £75,000 has been agreed to an A259 green corridor. However the Council is awaiting the completion of a study into an A259 cycle route which may require land take from the green corridor. The study is currently in progress. The Council's contribution is likely to be to several smaller discrete projects 2019/20.
Southwick Leisure Centre - Replacement of the eastern set of three tennis courts with an outdoor all weather pitch for football / tennis / netball.	322,000	The original budget was to replace the outdoor courts with an all weather pitch for football / tennis / netball. Discussions have been held with the Lawn Tennis Association regarding an upgrade of the tennis courts instead of the provision of an all weather pitch and the possibility of an external funding bid. The bid was not successful and it is now planned to revert to the original plan to replace some of the outdoor courts with an outdoor all weather pitch.
Rolling programme of installation of solar panels and other energy efficiency measures	170,000	Schemes still under consideration.
<b>Total Reprofiled Budgets:</b>	<b>3,670,320</b>	



WORTHING BOROUGH  
COUNCIL

**WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS**

Scheme	Reprofiled Budgets	Reason
Asbestos removal from Town Hall roof space	224,920	Meetings have been held with consultants regarding the extent of the works and the estimated cost of the scheme is now £353,400, a shortfall of £128,500 on the current budget. It is proposed to fund the shortfall from the 2019/20 Contingency Budget. Works are to commence on the tender documentation in August 2018 for the works to be undertaken in 2019/20.
Brooklands Park - Replacement of Par 3 Club House	225,000	The Club House is currently closed until reinstatement works following the EON cabling works, which have overrun, have been completed. A Master Plan for Brooklands Park is currently being prepared and this budget will be used to part fund any works required.
Durrington Cemetery - Additional burial spaces	500,000	Works delayed by the need to obtain ecological surveys and the installation of an off site monitoring ground water well, which have now been completed. Consultants are now preparing the full design and tendering documentation. Some of the works need to be completed by December 2018 as the Council's existing burial spaces are anticipated to be fully used by then, but works will be ongoing in 2019/20.
Payroll System - Replacement (Partnership scheme with Adur District Council. Total cost £175,000.	92,750	The replacement has been deferred to 2019/20.
Solar Renewable Energy Projects and other Environmental Improvements	260,680	The June 2015 Joint strategic Committee recommended committing all council properties to a solar deployment programme. Following the demise of Carillion who were the appointed contractor of the WSCC YES (Your Energy Sussex) Partnership, officers have been liaising with Portsmouth City Council regarding works on Council properties.
<b>Total Reprofiled Budgets:</b>	<b>1,303,350</b>	







ADUR & WORTHING  
COUNCILS

Joint Governance Committee  
31 July 2018  
Agenda Item 10

Joint Strategic Committee  
11 September 2018  
Agenda Item 7

Key Decision : No  
Ward(s) Affected: All

## **ANNUAL TREASURY MANAGEMENT REPORT 2017-18 ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL**

### **REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES**

#### **EXECUTIVE SUMMARY**

##### **1. PURPOSE**

- 1.1 This report asks Members to note the Treasury Management performance for Adur and Worthing Councils for 2017/18 as required by regulations issued under the Local Government Act 2003.
- 1.2 Several of the main British banks have split their business into “ring-fenced” and “non ring-fenced” entities, as explained in 4.5 below. This report asks Members to approve the amendment to the Councils’ specified investments counterparties lists to include only the “ring-fenced” banks for 2018-19 onwards.

##### **2. RECOMMENDATIONS**

###### **2.1 Recommendation One**

The Joint Governance Committee is recommended to note this report and refer any comments or suggestions to the next meeting of the Joint Strategic Committee on 11th September 2018.

###### **2.2 Recommendation Two**

The Joint Strategic Committee is recommended to note this report.

###### **2.3 Recommendation Three**

Both Joint Governance Committee and Joint Strategic Committee are asked to approve the amendment to the Councils’ specified investments counterparties lists to include only the “ring-fenced” entities of those banks which have divided their operations.

### 3. CONTEXT

- 3.1 This report presents the treasury management activities and portfolio positions for the 2017/18 financial year for Adur District Council and Worthing Borough Council.
- 3.2 This is one of three treasury management reports that are required to be presented during the financial year (see Para. 4.1).
- 3.3 The presentation of the Annual Report is required through regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2017/18 (Appendix 1). This report also meets the requirements of both the Treasury Management Code of Practice (The Code) and the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), both of which are issued by The Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.4 To put the report in context, Treasury Management is defined by CIPFA as:

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

- 3.5 The Councils’ Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities set out in Platforms for our Places.

### 4. ISSUES FOR CONSIDERATION

- 4.1 For 2017/18 the minimum reporting requirements specified within the treasury management policy is that the Councils should receive the following:

**The Annual Treasury Management Strategy (TMSS)** in advance of the financial year – this was submitted to the meeting of the Joint Strategic Committee (JSC) on 2nd February 2017 and to the Joint Governance Committee (JGC) on 28th March 2017.

**A mid-year treasury update report** – a joint in-house operations report for both Councils was submitted to the meeting of JSC on the 5th December 2017 and JGC on 28<sup>th</sup> November 2017.

**The Annual Report** (this report) - to be submitted by 30th September after the year end, which compares the actual activity with the planned strategy.

- 4.2 The regulatory environment places a significant onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury management activities and highlights compliance with the Councils’ policies previously approved by members.

4.3 The Annual Report also confirms that the Councils have complied with the requirement under the Code to give scrutiny to all of the above treasury management reports by the Joint Governance Committee. Member training on treasury management issues was undertaken during the year on 15<sup>th</sup> June 2017.

4.4 This report summarises for both Councils the:

- Capital activity during the year and the impact on the Councils' underlying indebtedness (the Capital Financing Requirement)
- Overall treasury position (Section 7) identifying how the Councils have borrowed in relation to this indebtedness (Section 10), and the Councils' investment activity
- Reporting of the required prudential and treasury management indicators (Appendix 1)
- The treasury management strategy compared to the economic and interest rate environment (Section 6)

4.5 The largest UK banks are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". There are currently five UK banks that hold retail/SME deposits over £25bn. These are: Barclays, The Royal Bank of Scotland, Lloyds, HSBC and Santander. Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank will be focussed on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed into a separate entity – a non-ring-fenced bank. This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group. The Councils will only invest with the ring-fenced entities, which requires the amendment of the specified investments lists.

## 5. THE ECONOMY AND INTEREST RATES

*The following commentary has been supplied by **Link Asset Services Ltd**, the professional consultants for the Council's shared treasury management services provider. The context is significant as it describes the backdrop against which treasury management activity has been undertaken during the year.*

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant that growth was the slowest for the first half of any year since 2012. The main reason for this was 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 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. Consequently, the market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The minutes of the MPC meeting of 14 September indicated that the MPC was likely to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered by raising Bank Rate from 0.25% to 0.50%.

The 8 February MPC meeting minutes then revealed another sharp hardening in MPC warnings on 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 second half of 2017-18 and resulted in investment rates from 3 – 12 months increasing sharply during the spring quarter.

The major UK landmark event of the year was the inconclusive result of the general election on 8 June. However, this had relatively little impact on financial markets.

## **6. THE STRATEGY FOR 2017/2018**

- 6.1 The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31.3.2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates. During 2017/18, longer term PWLB rates were volatile but with little overall direction, whereas shorter term PWLB rates were on a rising trend during the second half of the year.
- 6.2 Against this background and the risks within the economic forecast, the strategy adopted by the Councils at JSC on 2 February 2017 was to be cautious with the 2017/18 treasury operations. The Chief Financial Officer would monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. When borrowing, rates available from the PWLB would be reviewed, but advantage should be taken of very low short term borrowing rates in the market, to reduce the amount of interest payable.
- 6.3 This strategy was followed during the year and no amendments were required for either Adur District Council or Worthing Borough Council.

## 7. OVERALL TREASURY POSITION AS AT 31 MARCH 2018

7.1 Adur District Council's position at the beginning and end of year was as follows:-

	Principal at 31.03.17 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.18 £m	Average Rate of Return	Average Life in Years
<u>Borrowing</u>						
PWLB	(56.609)	3.7%	26.4	(67.198)	3.4%	24.2
Other Borrowing	(17.943)	5.2%	49.0	(17.940)	5.2%	48.0
<b>TOTAL BORROWING</b>	<b>(74.552)</b>			<b>(85.138)</b>		
<b>CFR</b>	<b>75.012</b>			<b>88.603</b>		
<b>(Over)/under borrowing</b>	<b>0.460</b>			<b>3.465</b>		
<u>Investments:</u>						
Bonds	0.075	n/a	n/a	0.080	n/a	n/a
Property Fund	0.000	n/a	n/a	0.968	4.54%	n/a
Long Term	2.000	1.90%	1.67	0.000	n/a	n/a
Short Term	13.350	0.59%	< 1 year	9.800	1.04%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>15.425</b>			<b>10.848</b>		
<b>NET DEBT</b>	<b>(59.127)</b>			<b>(74.290)</b>		

7.2 Worthing Borough Council's position at the beginning and end of year was as follows:-

	Principal at 31.03.17 £m	Average Rate of Return	Average Life in Years	Principal at 31.03.18 £m	Average Rate of Return	Average Life in Years
<u>Borrowing</u>						
PWLB	(9.300)	1.86%	9.47	(31.536)	1.90%	12.02
Other Borrowing	(13.009)	0.78%	0.63	(10.028)	0.87%	1.05
<b>TOTAL BORROWING</b>	<b>(22.309)</b>			<b>(41.564)</b>		
<b>CFR</b>	<b>22.384</b>			<b>39.150</b>		
<b>(Over)/under borrowing</b>	<b>0.075</b>			<b>(2.414)</b>		
<u>Investments:</u>						
Bonds	0.075	n/a	n/a	0.075	n/a	n/a
Property Fund	-	-	-	0.484	4.54%	n/a
Long Term	-	-	-	-	-	-
Short Term	11.450	0.54%	< 1 year	11.000	0.54%	< 1 year
<b>TOTAL INVESTMENTS</b>	<b>11.525</b>			<b>11.559</b>		
<b>NET DEBT</b>	<b>(10.784)</b>			<b>(30.005)</b>		

## 8. THE BORROWING REQUIREMENT and DEBT

8.1 The Councils undertake capital expenditure on long-term assets. These activities may be financed in one of two ways:

- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Councils' borrowing need; or
- if insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

8.2 The Councils' underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). The tables below compare the gross debt against the underlying need to borrow, thereby highlighting any over or under borrowing. This comparison is one of the Prudential Indicators of affordability under the Prudential Code to show that borrowing levels are prudent over the medium term, and sustained for capital investment purposes – i.e that the Councils are not borrowing to support revenue expenditure.

8.3 Accordingly, the amount of gross debt should not exceed the CFR for 2017/18 (plus any expected changes to the CFR over 2018/19 and 2019/20) except in the short term.

### 8.4 Adur District Council

The introduction of HRA self-financing resulted in a revision to the CIPFA Code of Practice, recommending the inclusion of a separate HRA Treasury Management Strategy for the HRA. This recommendation was adopted and reported as part of the overall Treasury Management Strategy to the JSC in 2011, and is updated each year as part of the HRA Budget Report. The relative borrowing and CFR position at the end of the year is analysed between General Fund and HRA as follows:

CFR v Long Term Debt Position at 31 March 2018	ADUR DISTRICT COUNCIL		
	General Fund £000s	HRA £000s	Total £000s
Capital Financing Requirement	28,500	60,103	88,603
Actual Long Term Debt 1/4/18	27,263	57,875	85,138
(Over)/Under Borrowing	1,237	2,228	3,465
HRA Debt Limit	N/A	68,912	68,912
HRA Borrowing Headroom (Debt Limit – Actual Debt)	N/A	11,037	N/A

For Adur District Council, the HRA is under borrowed by £2.228m. The General Fund is under borrowed by £1.237m due to the use of internal borrowing to support capital expenditure.

## 8.5 Worthing Borough Council

CFR v Long Term Debt Position at 31 March 2018	WORTHING BOROUGH COUNCIL
	General Fund £000s
Capital Financing Requirement	39,150
Actual Long Term Debt 1/4/18	35,564
(Over)/Under Borrowing	3,586

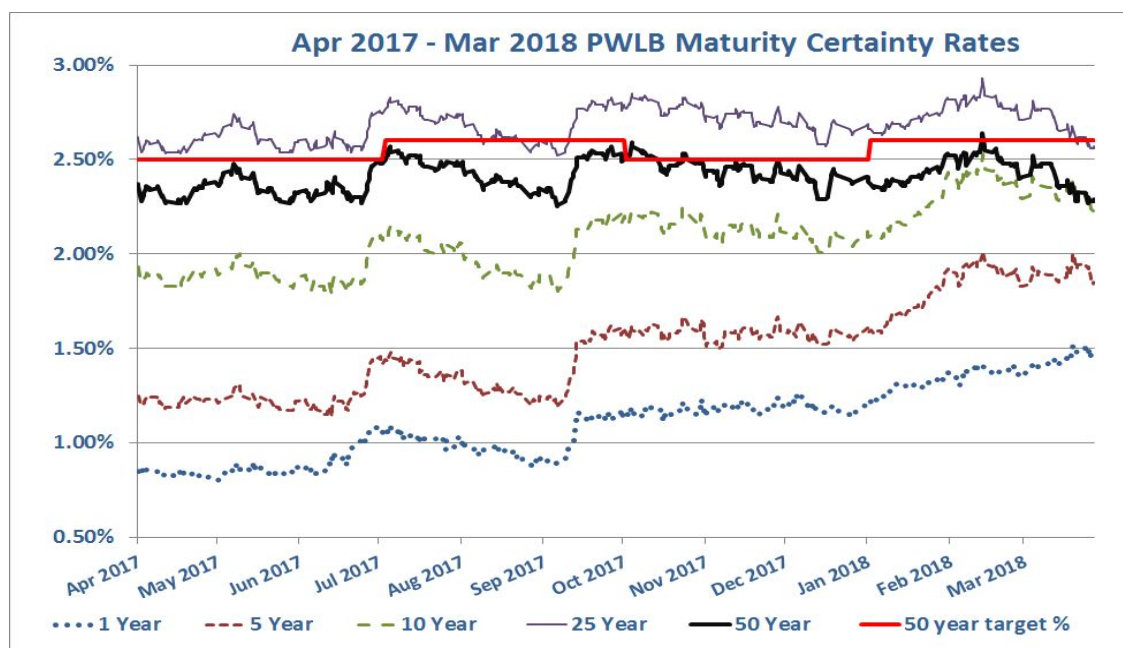
Worthing Borough Council was under-borrowed based on long term debt by £3.586m at 31 March 2018. The Council also had temporary borrowing of £6m at this time, £5m of which will mature fully by 17<sup>th</sup> July 2018 and will be supported by grants due in respect of major development projects in Worthing.

## 9. BORROWING RATES IN 2017/18

### PWLB certainty maturity borrowing rates

As depicted in the graph below PWLB, 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March. During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in quarters 1 and 3 and 2.60% in quarters 2 and 4.

The graphs and tables for PWLB rates show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



## 10. BORROWING OUTTURN for 2017/18

The following loans were taken during the year:

### 10.1 Adur General Fund (no borrowing was undertaken for the HRA)

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£11.466m	Fixed interest rate	1.85%	22/06/2037
PWLB	£1.6m	Fixed interest rate	1.25%	27/06/2026

£11.466m was borrowed to purchase commercial property, as approved in the Council's capital budget. £1.6m was borrowed for the replacement Waste and Recycling vehicles. Adur also held precepts of up to £302k on behalf of Lancing Parish Council for most of the year, as temporary borrowing.

### 10.2 Worthing Borough Council

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£2m	Fixed interest rate	1.25%	13/04/2027
PWLB	£5m	Fixed interest rate	1.83%	20/04/2027
PWLB	£6m	Fixed interest rate	1.94%	04/05/2037
PWLB	£3.455m	Fixed interest rate	1.89%	30/05/2037
PWLB	£2.5m	Fixed interest rate	1.25%	27/06/2026
PWLB	£5m	Fixed interest rate	2.51%	19/02/2028
Wealden District Council	£3m	Fixed interest rate	0.45%	21/06/2018
Harlow District Council	£2m	Fixed interest rate	0.40%	17/07/2018
Yorkshire Purchasing Org	£1m	Fixed interest rate	0.70%	07/02/2019
Hampshire CC	£2m	Fixed interest rate	1.00%	13/02/2020



## 10.2 Worthing Borough Council

Some short term borrowing was used due to the low interest rates available in the market and the anticipated grant receipts in respect of major projects in Worthing. The two £5m loans relate to loans made by the Council to Worthing Homes at a rate 0.7% above the PWLB rate payable by the Council. Long term PWLB borrowing was also used to fund commercial property purchases and other capital expenditure, as approved in the capital budget.

10.3 No debt was rescheduled during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

10.4 Adur District Council's debt repayments were as follows:-

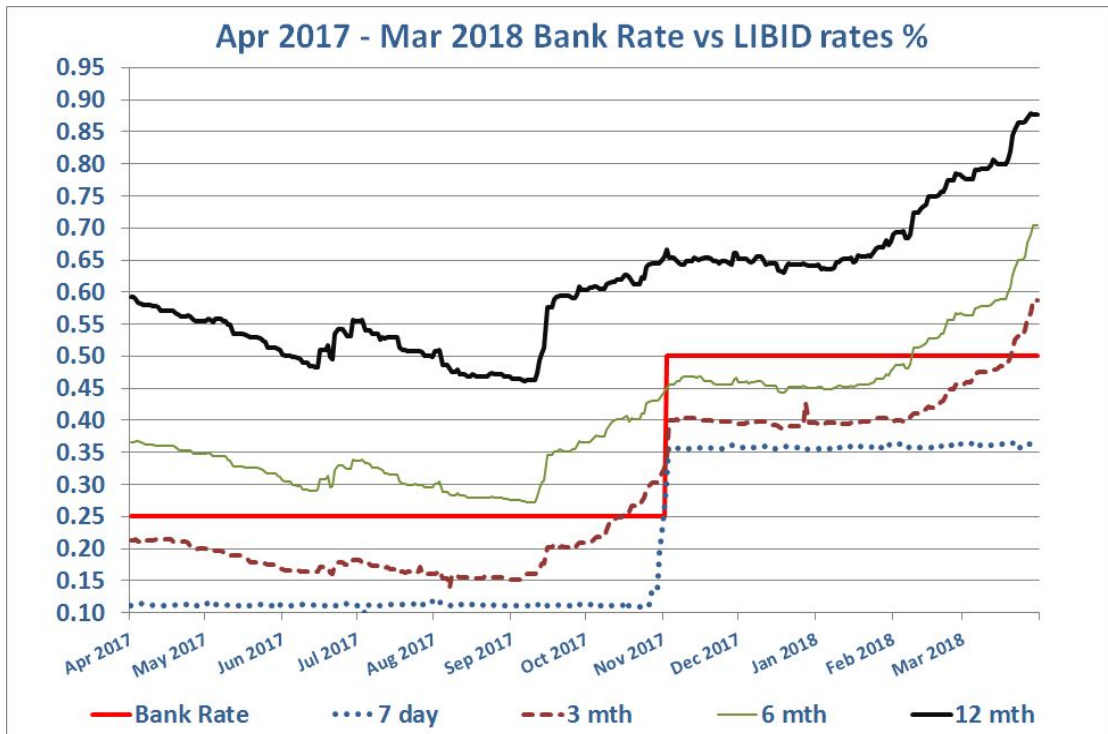
Lender	Principal £000s	Type	Interest Rate %	Period Lent	Duration
Lancing PC	302	Variable	Variable	Apr 2017 - Mar 2018	Variable
PWLB - HRA	1,711	Fixed Principal and Interest	3.03%	March '12 – March'42	30 Years
PWLB - GF	770	Fixed Principal and interest	1.7%	Various	Various

10.5 Worthing Borough Council's debt repayments were as follows:-

Lender	Principal £000	Type	Interest Rate	Period Lent	Duration
Barnsley Doncaster Council	2,000	Fixed Principal & Interest	0.60%	April 2016 - April 2017	< 1 year
London Borough of Ealing	2,000	Fixed Principal & Interest	0.62%	June 2016 - June 2017	< 1 year
Herts County Council	5,000	Fixed Principal & Interest	0.55%	July 2016 - July 2017	< 1 year
Mid Sussex District Council	2,000	Fixed Principal & Interest	0.60%	May 2016 - May 2017	< 1 year
PWLB	1,727	Fixed Principal & Interest	0.96%- 2.32%	Oct 2014 – May 2037	various

## 11. INVESTMENT RATES IN 2017/18

Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



## 12. INVESTMENT OUTTURN FOR 2017/18

12.1 **Investment Policy** – the Councils' investment policy is governed by MHCLG guidance, which has been implemented in the Annual Investment Strategy approved by the Joint Strategic Committee on 2 February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Councils had no liquidity difficulties.

### 12.2 Investments held by Adur District Council:

Adur District Council maintained an average balance of £16.988m of internally managed funds, which earned an average rate of return of 0.99%. The comparable performance indicator is the average 3 month LIBID rate, which was 0.286%. This compares with a budget assumption of £24.084m investment balance earning an average rate of 0.75%. Adur benefited from a long term £2m investment taken out

in 2013 at 1.9%. The interest and dividends earned in 2017/18 totalled £170k, which exceeded the budget by £30k due to the Property Fund investment.

## 12.2 Investments held by Adur District Council at 31 March 2018:

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Santander Corporate Bank	11/04/2017	10/04/2018	£2,000,000	0.85%	A
Santander Corporate Bank	04/05/2017	03/05/2018	£1,000,000	0.85%	A
Santander Corporate Bank	13/07/2017	12/07/2018	£1,000,000	0.85%	A
Close Brothers Limited	29/03/2018	29/03/2019	£1,000,000	1.10%	A
Federated Investors (MMF)	n/a	n/a	£800,000	Variable	AAA
Skipton Building Soc.	13/07/2017	12/07/2018	£1,000,000	0.76%	A-
Skipton Building Soc.	05/09/2017	04/09/2018	£1,000,000	0.75%	A-
Kingston Upon Hull Council	02/12/2013	30/11/2018	£2,000,000	1.90%	n/a
CCLA Local Auth Property Fund	25/04/2017	n/a	£967,901	Variable	n/a
Local Auth Cap Finance Co	30/09/2014	n/a	£50,000	n/a	n/a
Boom Credit Union & War Bond	06/03/2015	n/a	£29,630	n/a	n/a
<b>TOTAL</b>			<b>£10,847,531</b>		

## 12.3 Investments held by Worthing Borough Council at 31 March 2018:

Worthing Borough Council maintained an average balance of £15.079m of internally managed funds, which earned an average rate of return of 0.62%. The comparable performance indicator is the average 3 month LIBID rate, which was 0.286%. This compares with a budget assumption of £12.598m investment balance earning an average rate of 0.50%. The Treasury investment returns included in the reported income of the Council for 2017/18 amount to £100,515, £40k over budget due to the rise in Base Rate, the higher than forecast average balance and the Property Fund. The loan to Worthing Homes earned an additional net £37k.

Counterparty	Issue Date	Maturity Date	Principal	Current Interest Rate	Long Term Rating
Federated Investors (MMF)	n/a	n/a	£3,000,000	Variable	AAA
Leeds Building Society	16/08/2017	12/04/2018	£1,000,000	0.36%	A-
Lloyds Bank	05/09/2017	04/09/2018	£1,000,000	0.65%	A+
Goldman Sachs Intern'l Bank	05/09/2017	04/09/2018	£2,000,000	0.78%	A
Barclays Bank	12/09/2017	29/05/2018	£2,000,000	0.44%	A
Goldman Sach Intern'l Bank	15/09/2017	15/06/2018	£1,000,000	0.79%	A
Lloyds Bank	17/10/2017	21/06/2018	£1,000,000	0.41%	A+
CCLA Local Auth Property Fund	27/04/2017	n/a	£483,952	variable	n/a
Local Auth Cap Finance Co	30/09/2014	n/a	£50,000	n/a	n/a
Boom Credit Union	06/03/2015	n/a	£25,000	n/a	n/a
<b>TOTAL</b>			<b>£11,558,952</b>		

### **13. MINIMUM REVENUE PROVISIONS (MRP) FOR REPAYMENT OF DEBT**

- 13.1 The Councils, in accordance with legislation, make a provision from revenue to enable the repayment of borrowing that has been undertaken to fund the capital programme. This provision is known as the Minimum Revenue Provision (MRP) and is charged to the General Fund Revenue Account each year.
- 13.2 For 2017/18 an amount of £712k has been provided in the Adur District Council General Fund. No voluntary amount has been set aside for the HRA.
- 13.3 For 2017/18 an amount of £809k has been provided in the Worthing Borough Council revenue accounts.

### **14. CURRENT PERIOD TREASURY MATTERS**

#### **14.1 Revised CIPFA Codes**

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. The Capital Strategy submitted to the Joint Strategic Committee on 10th July 2018 incorporates these requirements.

#### **14.2 Markets in Financial Instruments Directive II (MiFID II)**

The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this Authority apart from having to fill in forms sent by each institution dealing with this Authority and for each type of investment instrument we use, apart from for cash deposits with banks and most building societies.

### **15. ENGAGEMENT AND COMMUNICATION**

- 15.1 The Adur and Worthing Councils' treasury management team provides treasury services to Mid Sussex District Council through a shared services arrangement (SSA). The SSA is provided under a Service Level Agreement that was renewed from 18th October 2016, and which defines the respective roles of the client and provider authorities for a period of three years.

15.2 Information and advice is supplied throughout the year by Link Asset Services Ltd, the professional consultants for the Councils' shared treasury management service.

## **16. FINANCIAL IMPLICATIONS**

This report has no quantifiable additional financial implications to those outlined above. Interest payable and interest receivable arising from treasury management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget.

## **17. LEGAL IMPLICATIONS**

The presentation of the Annual Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators for 2017/18.

### **Background Papers**

Joint Treasury Management Strategy Statement and Annual Investment Strategy Report 2017/18 to 2019/20 – Joint Strategic Committee, 2 February 2017, and Joint Governance Committee, 28 March 2017

Joint Half-Year In-House Treasury Management Operations Report 1 April – 30 September 2017 for Adur District Council and Worthing Borough Council – Joint Strategic Committee, 5 December 2017 and Joint Governance Committee, 28 November 2017

Link Asset Services Annual Report Template 2017/18

Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes

The Prudential Code for Capital Finance in Local Authorities

### **Officer Contact Details:-**

Pamela Coppelman

Group Accountant (Strategic Finance)

01903 221236

[pamela.coppelman@adur-worthing.gov.uk](mailto:pamela.coppelman@adur-worthing.gov.uk)

## **SUSTAINABILITY & RISK ASSESSMENT**

### **1. ECONOMIC**

The treasury management function ensures that the Councils have sufficient liquidity to finance their day to day operations. Borrowing is arranged as required to fund the capital programmes. Available funds are invested according to the specified criteria to ensure security of the funds, liquidity and, after these considerations, to maximise the rate of return.

### **2. SOCIAL**

#### **2.1 Social Value**

Matter considered and no issues identified.

#### **2.2 Equality Issues**

Matter considered and no issues identified.

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified.

### **3. ENVIRONMENTAL**

Matter considered and no issues identified.

### **4. GOVERNANCE**

4.1 The Councils' Treasury Management Strategy and Annual Investment Strategy place the security of investments as foremost in considering all treasury management dealing. By so doing it contributes towards the Council priorities contained in Platforms for our Places.

4.2 The operation of the treasury management function is as approved by the Councils' Treasury Management Strategy and Annual Investment Strategy 2017/18 - 2019/20, submitted and approved before the commencement of the 2017/18 financial year.

4.3 In the current economic climate the security of investments is paramount, the management of which includes regular monitoring of the credit ratings and other incidental information relating to credit-worthiness of the Councils' investment counterparties.

**COMPLIANCE WITH PRUDENTIAL INDICATORS 2017/18 – Adur District Council**

<b>1. PRUDENTIAL INDICATORS</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>
<b>Extract from budget and rent setting report</b>	<b>actual</b>	<b>original</b>	<b>actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>			
Non - HRA	2,203	19,390	17,364
HRA	2,826	6,496	2,936
TOTAL	5,029	25,886	20,300
<b>Ratio of financing costs to net revenue stream *</b>			
Non - HRA	15.44%	16.22%	17.68%
HRA	40.80%	24.10%	25.43%
<b>Gross borrowing General Fund</b>			
brought forward 1 April	12,978	12,968	14,971
carried forward 31 March	14,971	26,100	27,263
in year borrowing requirement	1,993	13,132	12,292
<b>Gross borrowing HRA</b>			
brought forward 1 April	61,290	59,581	59,581
carried forward 31 March	59,581	57,875	57,875
in year borrowing requirement	(1,709)	(1,706)	(1,706)
<b>Gross debt</b>	74,552	83,975	85,138
<b>CFR</b>			
Non – HRA	14,909	30,231	28,500
HRA	60,103	60,103	60,103
TOTAL	75,012	90,334	88,603
<b>Annual change in Cap. Financing Requirement</b>			
Non – HRA	(94)	14,313	13,591
HRA	(1,716)	0	0
TOTAL	(1,810)	14,313	13,591

**\*Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

**COMPLIANCE WITH PRUDENTIAL INDICATORS 2017/18 – Adur District Council**

<b>2. Maturity structure of fixed rate borrowing during 2017/18 – Adur District Council</b>	<b>lower limit</b>	<b>upper limit</b>	<b>actual 31 March</b>
under 12 months	0%	10%	4%
12 months and within 24 months	0%	15%	3%
24 months and within 5 years	0%	20%	10%
5 years and within 10 years	0%	30%	16%
10 years and within 20 years	0%	35%	26%
20 years and within 30 years	0%	30%	8%
Over 30 years	0%	45%	33%

<b>3. TREASURY MANAGEMENT INDICATORS (see definitions below)</b>	<b>2016/17 Actual £'000</b>	<b>2017/18 Original £'000</b>	<b>2017/18 Actual £'000</b>
<b>Authorised Limit for external debt</b>			
Borrowing	99,000	99,000	99,000
Other long term liabilities	1,000	1,000	1,000
<b>Total Authorised Limit for external debt</b>	100,000	100,000	100,000
<b>Operational Boundary for external debt</b>			
Borrowing	93,000	93,000	93,000
Other long term liabilities	1,000	1,000	1,000
<b>Total Operational Boundary for external debt</b>	94,000	94,000	94,000
	<b>Actuals at 31.03.17</b>	<b>2017/18 Limit</b>	<b>Actuals at 31.03.18</b>
<b>Upper limit for fixed interest rate exposure</b>			
Debt only	100%	100%	100%
Investments only	69%	100%	83%
<b>Upper limit for variable rate exposure</b>			
Debt only	0%	25%	0%
Investments only	31%	100%	17%
<b>Upper limit for total principal sums invested for over 364 days</b>	13%	50%	0%



**COMPLIANCE WITH PRUDENTIAL INDICATORS 2017/18 Worthing Borough Council**

<b>1. PRUDENTIAL INDICATORS</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>
<b>Extract from budget</b>	<b>actual</b>	<b>original</b>	<b>actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>			
Non - HRA	5,637	23,709	29,550
<b>Ratio of financing costs to net revenue stream *</b>			
Non – HRA	8.26%	10.01%	8.78%
<b>Gross borrowing General Fund</b>			
brought forward 1 April	19,136	26,136	22,309
carried forward 31 March	22,309	40,531	41,564
in year borrowing requirement	3,173	14,395	19,255
<b>Gross debt</b>	22,309	40,531	41,564
<b>CFR</b>			
Non – HRA	22,384	49,143	39,150
<b>Annual change in Cap. Financing Requirement</b>			
Non – HRA	(977)	15,322	16,766

The capital expenditure was higher than forecast due to the conclusion of the loan to Worthing Homes occurring in 2017/18 instead of 2016/17 as planned. The re-profiling of the purchase of properties from 2016/17 resulted in a lower than forecast 2017/18 year end CFR, because the forecast was prepared before the 2016/17 year end.

<b>2.Maturity structure of fixed rate borrowing during 2017/18 – Worthing Borough Council</b>	<b>lower limit</b>	<b>upper limit</b>	<b>actual 31 March</b>
under 12 months	0%	75%	20%
12 months and within 24 months	0%	75%	10%
24 months and within 5 years	0%	75%	18%
5 years and within 10 years	0%	75%	39%
10 years and within 20 years	0%	75%	13%
20 years and within 30 years	0%	50%	0%

**\*Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

**COMPLIANCE WITH PRUDENTIAL INDICATORS 2017/18 Worthing Borough Council**

<b>3. TREASURY MANAGEMENT INDICATORS (see definitions below)</b>	<b>2016/17 Actual £'000</b>	<b>2017/18 Original £'000</b>	<b>2017/18 Actual £'000</b>
<b>Authorised Limit for external debt -</b>			
Debt re Worthing Homes	10,000	10,000	10,000
Other Debt	34,000	49,000	49,000
Other long term liabilities	1,000	1,000	1,000
<b>Total Authorised Limit for external debt</b>	<b>45,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Operational Boundary for external debt</b>			
Debt re Worthing Homes	10,000	10,000	10,000
Other Debt	29,000	41,000	41,000
Other long term liabilities	1,000	1,000	1,000
<b>Total Operational Boundary for external debt</b>	<b>40,000</b>	<b>52,000</b>	<b>52,000</b>
	<b>Actuals at 31.03.17</b>	<b>2017/18 Limit</b>	<b>Actuals at 31.03.18</b>
<b>Upper limit for fixed interest rate exposure</b>			
Debt only	100%	100%	100%
Investments only	56%	100%	69%
<b>Upper limit for variable rate exposure</b>			
Debt only	0%	25%	0%
Investments only	44%	100%	31%
<b>Upper limit for total principal sums invested for over 364 days</b>	<b>0%</b>	<b>50%</b>	<b>0%</b>

The **Authorised Limit** is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Councils do not have the power to borrow above this level. The Councils did not breach the Authorised Limit during the year.

The **Operational Boundary** is the expected borrowing position of the Councils during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the Authorised Limit not being breached. The Councils did not breach the Operational Boundary during the year.

Gross borrowing and the Capital Financing Requirement - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Councils should ensure that the gross external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year (2017/18) plus the estimates of any additional Capital Financing Requirement for the current (2018/19) and next two financial years. This essentially means that the Councils are not borrowing to support revenue expenditure. This indicator allows the Councils some flexibility to borrow in advance of its immediate capital needs in 2017/18.



ADUR & WORTHING  
COUNCILS

Key Decision: No

Ward(s) Affected:

**Local Government Funding in 2019/20 - Consultation response**

**Report by the Director for Digital & Resources**

**Executive Summary**

**1. Purpose**

1.1 The Government released a technical consultation on the 24th July 2018 which sets out the Government preferred approach on four key issues for the 2019/20 Local Government Finance Settlement (Settlement):

- i) Multi-year settlement offer;
- ii) New Homes Bonus;
- iii) Council tax referendum principles; and
- iv) Negative Revenue Support Grant

1.2 The purpose of this report is to propose a response to the consultation document which is due by the 18th September 2018 which is set out in Appendix 1.

1.3 In parallel to the consultation, the Government has also announced a further round of business rate pilots for 2019-20. The terms offered for 2019-20 are not as good as those available in 2018-19: pilots will only retain 75% rather than the 100% retained in previous years and there will be no “no detriment” support. Current devolution areas – and possibly London – will continue on their existing terms, which are more favourable than those offered to other English authorities.

1.4 Councils wishing to be considered for pilot status in 2019/20 must have submitted their bid to DCLG by 25th September 2018. It is likely that there will be a competitive process and not all bids will be successful. Members are reminded that last years bid was unsuccessful. DCLG intends to announce the outcome of the bidding process in December 2018.

1.5 A successful bid should generate significant additional revenue of £20m

for the West Sussex authorities, and help local government shape the future roll out of fully localised business rates. It is proposed that the Councils participate in a County wide bid to be a pilot area for the business rate retention scheme. However, the timescales for submitting the bid are tight with a deadline of the 25th September. Consequently a delegation is requested to enable the Council to participate in the pilot.

## 2. Recommendations

2.1 The Joint Strategic Committee is recommended to:

- i) Approve the draft consultation response detailed in appendix 1 of the report.
- ii) Approve that the Chief Financial Officer can sign the business rate pilot bid on behalf of Adur District Council and Worthing Borough Council in consultation with the Leaders of the Councils.

## 3. Context

3.1 The Comprehensive Spending review of 2015 set the overall envelope of Local Government funding for the next four years (2016/17 - 2019/20).

Local Government – Departmental Expenditure Limit (DEL)					
Departmental Expenditure Limit	£ Billion				
	2015/16	2016/17	2017/18	2018/19	2019/20
Central Government funding for Local Government	11.5	9.6	7.4	6.1	5.4
Locally financed expenditure*	28.8	29.0	31.5	33.6	35.1
Total Local Government Spending	40.3	38.6	38.9	39.7	40.5
Annual percentage reduction in funding for Local Government		16.52%	22.92%	17.57%	11.48%
Overall reduction in funding for Local Government					53.04%

\* Treasury's own forecasts of the funding available from business rates, council tax and the social care levy

The Consultation is released within the context of the overall funding available for Local Government.

3.2 The government remains committed to a fundamental review of Local Government finance with the continued intention of introducing an updated, more robust and transparent distribution methodology for both Revenue Support Grant and the resetting business rates baselines which determine how much business rate income the Council can retain.

3.3 Members are reminded that the Councils no longer receive Revenue Support Grant and only keep limited business rate income under the current system. Of the overall income associated with the business rate system, the Councils retain the following amounts:

	Adur £'m	Worthing £'m
Estimated total net 2018/19 business rate income collected	18.45	33.01
Income retained locally	2.34	3.36
Percentage retained locally	12.7%	10.18%

#### 4. Issues for consideration

4.1 The consultation document sets out the Government's proposed approach to the 2019-20 settlement. Specifically it:

- outlines the approach to the fourth year of the multi-year settlement offer for those councils that accepted the offer, and arrangements for those that did not;
- outlines the Government's position on the New Homes Bonus threshold;
- outlines the Government's proposals for council tax referendum principles for 2019-20; and
- outlines the Government's proposals for dealing with the issue known as 'Negative Revenue Support Grant'.

The background to each of these proposals and the suggested consultation response is detailed below.

#### 4.2 **The Multi-Year settlement offer:**

4.2.1 The Government is confirming the 4-year offer that was made to authorities at the time of the 2016-17 settlement. This covered core local

government funding for the period of the spending review (2016-17 to 2019-20). The offer included certainty on:

- Revenue Support Grant
- Business rates tariff and top-up payments. Both Councils pay significant tariff payments to the Government.
- Rural Services Delivery Grant (£65m in 2019-20)
- Transition Grant (this grant was only payable in 2016-17 and 2017-18)

To qualify for the offer, councils were obliged to submit efficiency plans which both Councils opted to do. The sole benefit of subscribing to the offer was certainty over the level of funding that the Councils would obtain over the next four years. As the Councils no longer receive any Revenue Support Grant, Transition Grant, and never qualified for Rural Services Delivery Grant, in some respects the question is a little academic.

4.2.2 There were a small number of authorities who did not accept the original 4-year offer, and theoretically core funding allocations will be subject to an annual review. In practice, it seems very unlikely that the funding allocations for these authorities will be any different from those already published, but there is the outside chance of amendments.

4.2.3 The business rate tariffs and top-ups will be updated for the latest multiplier increase (CPI in September 2018) and for the impact of the 2017 business rate revaluation. These adjustments are required so that an authority's tariff or top-up matches the changes in business rate income that arise as a result of the multiplier or revaluation. The 4-year offer states that there will be no other changes to tariffs or top-ups.

4.2.4 The consultation poses the following question:

Do you agree that the Government should confirm the final year of the 4-year offer as set out in 2016-17?

4.2.5 Overall the concept of a 4-year settlement has been very beneficial for local government. It has provided certainty about some of the key funding streams that authorities receive enabling the Councils to plan properly for the reduction in funding. The Councils should agree with the Government's proposal and be supportive of a new 4-year settlement for the next spending review period (2020-21 to 2023-24).

#### 4.3 **New Homes Bonus (NHB):**

4.3.1 The Government made changes to the way that the NHB operated in 2017-18 and in 2018-19:

- Number of years of legacy payments was reduced from 6 to 5 years in 2017-18, and then down further to 4 years from 2018-19 onwards; and
- A national baseline was introduced in 2017-18. It was set at 0.4% of the current Council Tax taxbase in 2017-18 and remained at this level for 2018-19.

4.3.2 The stated purpose of both these changes was to “sharpen the incentive” for local authorities. In reality, the national baseline allowed the Government to manage the cost of the NHB scheme. By applying these changes the Government was able to reduce the cost of the scheme from £1.6bn in 2016-17 to £900m in 2019-20.

4.3.3 Whilst there are no specific questions within this consultation paper about NHB, the Government is clearly reminding authorities that the current scheme allows it to increase the national baseline to manage the overall cost of the scheme.

4.3.4 The upward trend in national house-building suggests that the national baseline could be potentially be increased from 0.4% in 2019-20. However it is very difficult to assess whether there will actually be any increase until all Councils publish the new Council Tax Base (CTB1) forms in late October 2018.

4.3.4 The level of the baseline is important for our financial planning for 2019-20. The current level of 0.4% makes it difficult for Adur District Council to generate any new NHB, any potential increase would inevitably mean that Adur is unlikely to benefit from any new grant in 2019/20 as well as reducing the amount of grant that Worthing Borough Council could benefit from. Members are reminded that the 5 year budget forecast assumes that Adur will not benefit from any new NHB in 2019/20 whilst Worthing will only benefit from an additional £120,000 so this risk has already been addressed within the forecasts.

4.3.5 Of more concern to many authorities will be the Government’s indication that NHB is not confirmed beyond 2019-20. There had already been indications that the Government wanted to make changes to NHB, and there have been repeated attempts to reduce the cost of the scheme. Put simply, the Government is not convinced that NHB is a good use of nearly £1bn or that it is a cost-effective way of incentivising housing growth. Within our own financial plans, the Councils have assumed that NHB will be phased out from 2020/21 onwards.

4.3.6 There will be a full consultation at some point in the next year, and this will no doubt feed into the 2019 spending review. The Councils should at this stage argue that as a minimum the Government should retain its commitment to the legacy NHB payments.

#### 4.4 **Council Tax referendum principles:**

4.4.1 There are no proposed changes to the council tax referendum principles to those that were used for setting council tax for 2018-19. District and Borough councils will be able to increase Band D by the higher of 3% or £5.

4.4.2 Importantly, the consultation paper says “the Government remains minded” to use these council tax principles, but it “intends to provide an update on its proposals for council tax referendum principles ... alongside the provisional Local Government Finance Settlement”. This indicates that these principles are not absolutely confirmed, and the Government reserves the right to make changes. However, it would be difficult to change the council tax principles at the last minute. It is also difficult to see what might change between now and early December that would force the Government to reduce the referendum limits.

4.4.3 The core referendum principle now appears to be set at 3%. For 2017-18 the threshold was 2%, and this was increased in the last settlement to 3%. The justification at the time was that this was in line with the prevailing rate of inflation. Inflation is now lower but the Government are clearly intending to continue with 3%, despite this being above inflation. This indicates a clear change in policy that has taken place in recent years: the Government is increasingly allowing Councils to increase council tax to replace funding that had previously been provided via Revenue Support Grant or from other Government Grants, and there is no indication that this will change.

4.4.4 The current financial forecasts assume an annual increase of 2%. The increase to 3% provides the councils with a welcome increase in flexibility although the councils need not increase by this level.

4.4.5 The consultation poses the following question:

Do you agree with the council tax referendum principles proposed by the Government for 2019-20?

4.4.6 The Councils should support the proposed referendum principles as they provide all councils with local discretion about how to address the funding shortfalls caused by the withdrawal of Government funding and the impact of unavoidable cost pressures including inflation (e.g increasing demand for services such as homelessness and adult social care).



- 4.4.7 The Councils should also lobby for the Government to provide early certainty about the maximum council tax increases to enable effective financial planning. Provisional settlement is usually in late December or early January. This is very late in the budget setting process and may cause logistical challenges if additional savings had to be found as a result of the referendum criteria changing..
- 4.4.8 The Councils could also lobby for some additional flexibility. The Police and Crime Commissioners have the ability to set the level of increase up to £12.00. A £12.00 increase last year was equivalent to 7.55% for the Sussex Police and Crime Commissioner. The current £5 maximum is likely to help very few District Councils nationally in 2019-20 and currently only benefits Worthing Borough Council. A higher maximum increase would assist more Councils in balancing the books and would give much more local discretion about how to meet the current financial challenges.
- 4.5 **Negative Revenue Support Grant:**
- 4.5.1 Each council has a Settlement Funding Assessment (SFA) which is the amount of funding that the Government has assessed that it requires by way of a combination of Revenue Support Grant (RSG) and the business rate Baseline Funding Level (BFL). The BFL is indexed every year in line with the business rate multiplier, and to date all reductions in the overall SFA have been made to an authority's RSG allocation.
- 4.5.2 However, we are now at a point where for some councils, such as Adur and Worthing, Revenue Support Grant has been eliminated and so no further reductions in this source of funding can be made. Negative RSG occurs when an authority's Settlement Funding Assessment (SFA) is lower than its BFL, which means that the Government then reduces the income retained from Business Rates.
- 4.5.3 A few authorities were affected by negative RSG in 2017/18 and 2018/19. In these years, any adjustment to tariffs that were required for Negative RSG were not implemented. But the adjustment required in 2019/20 is much larger (£153m) and affects too many authorities (168) so the issue now needs to be properly addressed..
- 4.5.4 Ministers have been under considerable pressure from those authorities who are affected to reverse the adjustment for Negative RSG in 2019/20 and the previous Secretary of State had made a commitment to review the issue.
- 4.5.5 Whilst there may be an argument that the adjustment is legitimate as it is based on the underlying SFA, the formula behind the SFA is significantly out of date and is now the subject of a major review ('Fairer Funding Review').

4.5.6 It should also be appreciated that Negative RSG went against the commitments that MHCLG had made in 2013/14 that top-ups and tariffs would be frozen until the reset in 2020/21. It was proposed that Negative RSG would be implemented via an adjustment to an authority's tariff. This adjustment was simply a way of implementing the adjustment required for Negative RSG because it is not technically possible to have a negative grant. The tariff adjustment meant authorities retained less business rates.

4.5.7 MHCLG have put forward a range of options for dealing with Negative RSG, although the preferred option is simply to not make a tariff adjustment. The options are:

- Directly “eliminating” Negative RSG via forgone business rates receipts

This is the Government's preferred option. The option is simply that no adjustment will be made to tariffs in respect of Negative RSG.

- Altering the Core Funding methodology

In this option, the Government would revisit the original methodology used to calculate the 2016/17 to 2019/20 funding allocations, particularly the use of actual council tax. MHCLG believes that it would have been “the fairest approach for the sector”. However, making such a change would not eliminate Negative RSG.

A complicating factor is that the Government has made a commitment to a four-year settlement. If any authority lost-out from this kind of change in methodology then MHCLG would have had to guarantee at least as much RSG as was announced in the multi-year settlement.

The cost of such a change in methodology would have been in excess of £500m and still leave significant residual Negative RSG. Thus, the option is both too expensive and does not achieve its ultimate objective.

- Moving existing funding, or injecting additional funds into Core Funding

Additional resource could be transferred into SFA (thus lifting every authority's funding) or existing funding streams could be transferred. Clearly this methodology is capable of eliminating Negative RSG entirely, it just requires sufficient funding to be made available. But this is very expensive (MHCLG estimate the cost at £2bn). Other grants could be transferred in (such as Public Health grant) but the distribution of these grants does not match the distribution of Negative RSG. For instance, although Public Health grant is a very large grant, no district council receives this grant.

- Remaining with the status quo of the current settlement methodology, such that authorities will have tariffs and top-ups adjusted

In this option Negative RSG would be implemented in line with the 2016/17 settlement announcement. MHCLG argue against this approach because they want to “honour” their commitment not to adjust tariffs and top-ups until the reset in 2020/21.

4.5.8 If negative RSG is eliminated, the Council’s could potentially increase the amount of business rate income retained by £180,000 for Adur district Council and £245,000 for Worthing Borough Council. It is clearly in the Council’s best financial interest to support the option proposed by Government.

4.5.9 The consultation poses the following questions:

Do you agree with the Government’s preferred approach that Negative RSG is eliminated in full via forgone business rates receipts in 2019-20?

If you disagree with the Government’s preferred approach to Negative RSG please express your preference for an alternative option. If you believe there is an alternative mechanism for dealing with Negative RSG not explored here please provide further detail.

4.5.10 Overall, the Government’s preferred option is the only viable option that reverses Negative RSG. The other options are too costly, break commitments on the multi-year settlement or leave some residual Negative RSG. The preferred option now looks very likely indeed to be adopted for the 2019-20 settlement.

#### 4.6 **Business Rate Retention Scheme Pilot bids:**

4.6.1 The Government has also announced that there will be a further round of business rate pilots in 2019-20. It is proposed that the pilots will operate in the same way in 2019-20 as they will in 2020/21: Business Rate Baselines will be calculated at new 75% retention levels; the funding from Business Rates that Councils can retain (Baseline Funding Level) will be increased to reflect any transfers of funding; and a new tariff or top-up will be calculated for each pilot authority based on their new baselines.

4.6.2 The main change from the 2018/19 pilot round is that the local share will reduce from 100% to 75%. There are good reasons for making this change. Firstly, the national scheme will operate on a 75% share from 2020-21, and it makes sense for the pilots to help MHCLG understand how the new national scheme will operate. Secondly, the cost of the pilot programme has become significant (£920m+) and reducing the share to 75% reduces the cost to the Treasury.

- 4.6.3. Another important change to the pilot programme is that there will not be a “no detriment” clause for the 2019/20 pilots. “No detriment” ensures that the pilot will not be worse-off than the individual authorities would have been in aggregate in the 50% scheme. It was a very useful measure last year for authorities bidding because it meant that authorities could choose to apply for pilot status without worrying that they could lose money. Without it, many authorities will be concerned that a major loss of income in 2019/20 could leave them financially disadvantaged (for example, from a successful NHS Foundation Trust claim for charitable relief or from a major appeal).
- 4.6.4 Officers are preparing a West Sussex county-wide bid. Detailed financial modelling will be required to ensure pilot status will be financially beneficial to all authorities. If the initial modelling indicates that being a pilot is not financially advantageous, or is significantly risky a bid would not be submitted.
- 4.6.5 Other matters that will need to be worked up as part of a bid include:
- i) Tier splits ie how much growth will be retained by county and district Councils respectively.
  - ii) Which additional responsibilities, or loss of existing grants, would be rolled in to make the scheme fiscally neutral.
  - iii) How gains will be used. DCLG have indicated that they expect at least some of the gain to be used to generate economic growth.
  - iv) How risks will be mitigated.
- 4.6.6 Experience of having operated a business rate pool in the county means that much of the existing risk mitigation and governance arrangements can be built upon as part of this submission as they were in last year’s bid.
- 4.6.7 Finance officers are currently modelling different scenarios, with the aim of reporting these to the chief executives to consider in late August or early September. Following that meeting the bid submission can be refined in time for the 25th September 2018 deadline. The Leaders will be consulted on the bid to be made.
- 4.6.8 DCLG will announce successful submissions in December and depending on the deadline for acceptance it is intended that the final decision be reported back to Council for final sign off. If, however, DCLG deadlines means that it is not possible to take the matter back to full council, urgency provisions may need to be exercised in accordance with the constitution.

- 4.6.9 The Councils could continue to operate with the West Sussex business rate pool for 2019/20 as is the current case. This enables more of the income growth to be retained locally than would be the case without a pool (30%). However a successful pilot bid would enable all growth to be retained within the pilot area. Nevertheless this remains the fall back position should the pilot bid be unsuccessful.

## **5. Engagement and Communication**

- 5.1 All district, borough and county councils in West Sussex will need to collaborate on the bid for it to be successful. Finance officers and chief executives are therefore collaborating to enable a bid to be drafted. Each authority will need to consult their members according to their own constitutional requirements.
- 5.2 The proposed consultation response has been shared and discussed with other Officers in the Council.

## **6. Financial Implications**

- 6.1 If the Government implements the proposals outlined in the consultation document then the Councils will have greater flexibility in deciding the level of Council Tax increase to levy. The Councils could also benefit from additional retained business rate income if Negative Revenue Support Grant is eliminated.
- 6.2 The submission of a bid does not require additional resources, the cost of any consultancy is being met from the current Business Rate Pool. However, if successful, the bid should benefit the Councils' financially as more of the business rate growth would be retained in 2019/20.

## **7. Legal Implications**

- 7.1 To be accepted as a pilot for 2019/20, agreement must be secured locally from all relevant authorities to be designated as a pool for 2019/20 (in accordance with Part 9 of Schedule 7B to the Local Government Finance Act 1988) and to put in place local arrangements to pool their additional business rates income.
- 7.2 The S.151 officer of each authority participating in the Pool must sign off the proposal before it is submitted. In Adur and Worthing Council, this Officer is the Chief Financial Officer.

## **Background Papers**

The 2019-20 Local Government Finance Settlement Technical Consultation

Invitation to Local Authorities in England to pilot 75% Business Rates Retention in 2019/20 - MHCLG

<https://www.gov.uk/government/publications/75-business-rates-retention-pilots-2019-to-2020-prospectus>

Briefing note on the Local Government Finance Settlement - Pixel Financial Management.

### **Officer Contact Details:-**

Sarah Gobey

Chief Financial Officer

Telephone: 01903 221221

Email: sarah\_gobey@adur-worthing.gov.uk

## **Sustainability & Risk Assessment**

### **1. Economic**

- 1.1 The government expects that some retained income from growth to be invested to encourage further growth across the area.

### **2. Social**

#### **2.1 Social Value**

If successful, the bid will generate additional resources for the Council supporting a wide range of services which benefit the local community.

#### **2.2 Equality Issues**

Matter considered and no issue identified

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no issue identified

#### **2.4 Human Rights Issues**

Matter considered and no issue identified

### **3. Environmental**

Matter considered and no issue identified

### **4. Governance**

- 4.1 A governance agreement will be developed as part of the bid This will include details of:

- i) how any additional business rates income is to be used;
- ii) how risk is to be managed; and
- iii) how residual benefits/liabilities would be dealt with once the pilot ends;

The agreement will also include an indication of how the pool will work in the longer term and the proposals for sharing additional growth.

- 4.2 There is a potential risk that taxation receipts do not grow as fast as spending on the additional responsibilities. It is therefore essential that financial modelling is undertaken to establish which additional responsibilities are requested, and the risk is mitigated as far as possible.

**Question 1:** Do you agree that the Government should confirm the final year of the 4-year offer as set out in 2016-17?

**Proposed response:**

The Councils agree with the Government's proposal and would be supportive of new 4-year settlement for the next spending review period (2020-21 to 2023-24).

**Question 2:** Do you agree with the council tax referendum principles proposed by the Government for 2019-20?

**Proposed response:**

The Councils support the proposed referendum principles because they provide all councils with local discretion about how to address the funding shortfalls caused by the combination of the withdrawal of Government funding and the impact of unavoidable cost pressures (e.g inflation and the increasing demand for services such as homelessness and adult social care).

The Councils would welcome early confirmation of the referendum limits as these would enable effective financial planning. The proposal to confirm the principles at the time of Provisional Settlement may prove problematic, with Councils having to find additional savings at a late stage in the budget process.

The Councils would welcome a referendum principal for all District and Borough Councils which is more in line with that proposed for the Police and Crime Commissioners i.e. by the higher of 3% or £12.00.

**Question 3:** Do you agree with the Government's preferred approach that Negative RSG is eliminated in full via forgone business rates receipts in 2019-20?

**Question 4:** If you disagree with the Government's preferred approach to Negative RSG please express your preference for an alternative option. If you believe there is an alternative mechanism for dealing with Negative RSG not explored here please provide further detail.



**Proposed response:**

The Councils have long questioned the legitimacy of the Negative RSG adjustment to the tariff payment as this compromises the commitments to not adjust the Tariff payments until the business rate reset in 20/21.

The Councils support the Government's preferred option as the only viable option that reverses Negative RSG. The other options are too costly, break commitments on the multi-year settlement or leave some residual Negative RSG.





ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
11 September 2018  
Agenda Item 9

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

## Going Local - a prescription of a different kind

### Report by the Director for Communities

#### Executive Summary

##### 1. Purpose

The purpose of this report is to update Elected Members on the progress of *Going Local*, a social prescribing service which has been live in Adur and Worthing since November 2016. The 1,000th person will soon be referred into the service.

The project is a key deliverable in *Platforms of our Places* as *Going Local* promotes good physical and mental health of our communities, specifically addressing the wider determinants of health in our localities (2.6.1).

There are plans to extend the project which is also covered in this paper.

##### 2. Recommendations

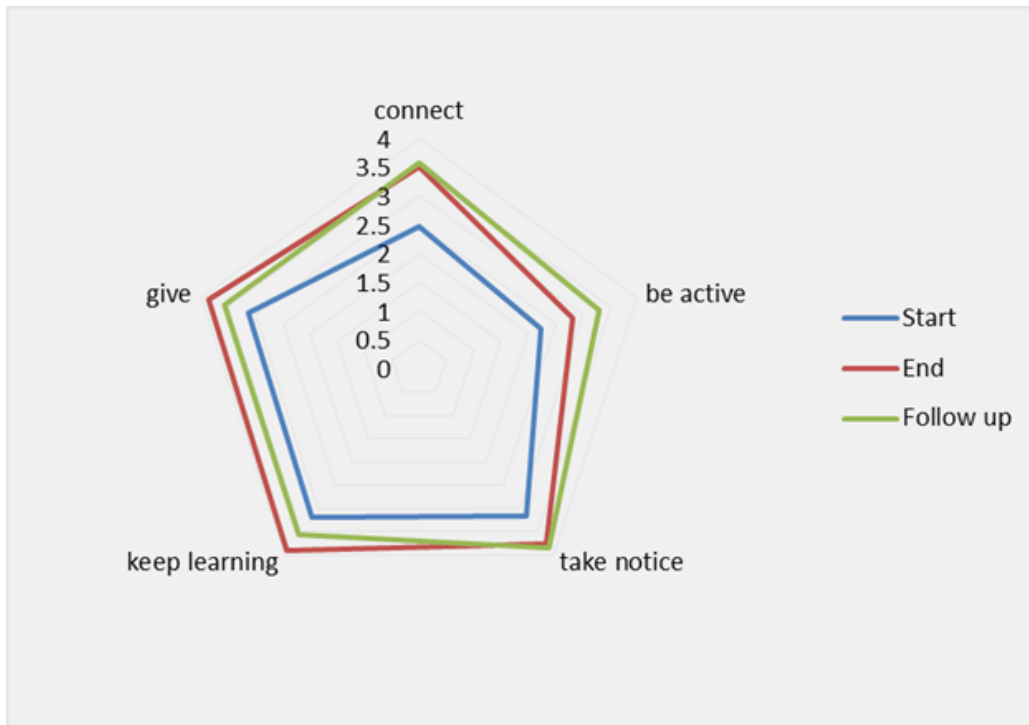
- 2.1 It is recommended that the Joint Strategic Committee note and celebrate the impact of *Going Local*.

### 3. Context

- 3.1. At the Councils' Joint Strategic Committee in April 2016, Executive Members agreed to a co-fund and host at Adur and Worthing Councils a new social prescribing project called 'Going Local'. The first person was subsequently referred to the service in November 2016.
- 3.2. Going Local is a pilot of a new co-commissioned and co-designed approach with Adur and Worthing Councils (AWC), Coastal West Sussex Clinical Commissioning Group (CWCCG) and West Sussex County Council (WSSCC).
- 3.3. Going Local's strategic purpose is to provide a way in which we can identify and tackle the increasing burden of 'failure demand' i.e the demands caused by the failure to do something or to do something right for the customer. In this instance the description relates to the demand for health services, in circumstances where the need is for another form of help, and that need has not been identified and/or met. Crucial, therefore, to the success of the service, is the person centred and holistic approach of the Community Referrers.
- 3.4. Briefly, Going Local is available in six GP practices in Adur and Worthing. There are two full-time Community Referrers on the team who take referrals directly (and only) from doctors and clinical staff through a digital App. The Community Referrers work with the person for as long as is needed and physically see them up to six times (the average is 3). They then refer and connect the individual to a whole host of voluntary, statutory and private services using another digital App called Find-it. Simply put, Going Local is the dispensing of social medicine, leaving the prescription of clinical medicine to GPs.
- 3.5. It is important to frame this work in the wider local and national context of social prescribing, which is - as a movement - gathering some pace across the country as a powerful way of supporting people to make effective and lasting improvements to their health and wellbeing. This work is very much part of and is connected to the national and regional Social Prescribing Networks. It has also helped to shape the development of social prescribing projects - modelled on Going Local- in the Local Community Networks in Coastal West Sussex, as part of the health integration agenda. Being part of this wider agenda is important to secure ongoing support and investment to this work. At the time of writing, a proposal for social prescribing across West Sussex is

being prepared and considered as part of commissioning in West Sussex.

- 3.6. This report is to update Elected Members on the progress of the project 18 months+ later. In Appendix one, a stand-alone summary paper can be found which details the day-to-day running and impact of Going Local, which helps to provide the full context for this report.
- 3.7. There are many success and good news stories as well as a long list of lessons learned during the Going Local journey to date. Some of the key areas are shared below:
- 3.8. **Going Local is good for people.** We are frequently told that people feel stronger, more resilient and able to cope with the many challenges that life presents. GPs have ten minutes with patients, our community referers have hour-long sessions, delivered flexibly at the persons pace and in accordance with their needs. Time and time again, we are told that just having space to talk and be listened to is empowering in itself. Evidenced is being collected using a validated evidence based tool - the 'Wellbeing Star' is a tool that is widely used to measure people's feelings in five different domains - we have seen self-scores increase for individuals. The Wellbeing Star data is gathered at three points - the beginning of the intervention, the end and three to six months after the end. The following chart represents 138 as the baseline, 34 people at the end and the follow-up based on 7 people so far:



This data tells us that people feel better connected, more active, able to give, keep learning and take notice more. Case-studies, some examples in Appendix two, show that Going Local is supporting people to change their own lives. It provides a stabilising element previously absent in some people's lives enabling them to engage and integrate more with their community.

- 3.9. **Going Local is good for Primary Care.** Whilst the number of appointments has not decreased, the use of the a person's appointment time with a clinician has improved considerably, as wider social problems are being dealt with by the community referrers and the patient, allowing the GP to focus on medical issues. This is crucial given some of the challenges we have nationally with the number and retention of GPs. Going Local is being evaluated by WSCC Evaluation and Evidence team and this has been evidenced by them. The Researcher has permission, where granted by those referred, to look through medical records, and talk to GPs. There has also been a reduction in no-shows and cancelled appointments. Going Local demonstrates that using different approaches, knowledge and skills, provides a more holistic service to patients, which is creating significant benefit and positive impact for our local GPs, the wider health system and patients. One GP said:

*“In today’s stressful society, the Going Local initiative is absolutely an essential part of the Primary Care Team. It provides an invaluable service to those patients that need that extra support to work through difficult life situations, leaving the clinicians to manage their medical care. The team are all friendly, knowledgeable and grounded and need to always be part of the overall team working in General Practice.”*

- 3.10. **Going Local highlights key themes.** Unsurprisingly, the data from Going Local can be used to identify issues, highlighting both assets and needs. Areas such as the challenging landscape of mental health provision; that people are experiencing multiple and complex issues or that housing and
- 3.11. finances have a huge impact on people’s health and wellbeing - and that quite often all of these are intertwined. The critical need to support people to retain their homes in order to be able to deal with other issues, led to the recommendation to Joint Strategic Committee in January 2017 to use grant funds to support a new unique housing advice service.

Since May 2018, this service jointly delivered by Citizens Advice, working in partnership with Worthing Churches Homeless Projects, a Wellbeing Housing Advice Team (WHAT) Advisor takes referrals directly from Going Local, providing the team and the individual with immediate support to begin to unpick and address complex housing issues. The WHAT Advisor sits within the Councils’ Housing Team which has been crucial in ensuring consistent approaches and shared knowledge and understanding. For the individual being helped, we think they open up in a different way because Citizens Advice is independent to the Council. The WHAT Advisor also helps people to see what the most pressing and urgent matters are - to assist in resolving their housing issue (often different from what the person may think).

- 3.12. **Going Local is developing assets for the future:** The Community Referrer role requires some truly unique individuals, skills and experience - and the recruitment, training, leadership and development of the team is paramount. Digital interest and support has also played a big part to the success of team. The Councils’ Digital Team were successful in applying for money from the Local Government Association which enabled us build and develop our own case-management and referral tool on Matsoft. We continue to improve and develop the tool but also share with other organisations

outside Adur and Worthing; at the time of writing, Chichester District Council are considering using it. The Going Local App has definitely made compliance with new data protection regulations straightforward, and as we have no paperwork and are agile in our approach to work, it supports wide ranging access, e.g. a tablet at someone's kitchen table if they are housebound!).

In July, Local Government Minister Rishi Sunak MP spoke about '[the local digital declaration](#)' at the Local Government Association Annual Conference 2018, and we were thrilled to be named as using digital solutions well. He said:

*"Today, we now think nothing of checking the location of trains in real time, or looking round a hotel room halfway across the world before booking it.*

*And doing all of that from something that fits in our pocket.*

*This revolution has affected public services too....*

*Adur & Worthing is piloting the Going Local service. And here GPs are directly referring can directly referring patients to the council's social prescribing team, helping thousands of them become fitter or stop smoking."*

- 3.13. **Collaboration in Action:** The project is jointly funded and the tripartite arrangement is replicated in the strategic oversight of the project. The steering group meets regularly to review progress and support continued evaluation and development of the service, as well as understanding how the wider parts of the system can help (or hinder) this work.
- 3.14. In summary, Going Local is a small-scale experiment of how different organisations working collaboratively and differently, with a person centred approach, that is agile and developmental, can work across complex systems and competing priorities *and* can have a significant and lasting impact.
- 3.15. We await the final formal evaluation from WSCCs Evaluation and Evidence Team in Spring 2019, and look forward to sharing this in due course.



#### **4. Issues for consideration**

- 4.1. Elected Members are not requested to consider any options, more to note the progress and impact of the project to date.
- 4.2. There are further surgeries that would like to have Going Local and there are discussions regarding funding to make sure this is right and will remain sustainable. One is Ball Tree Surgery in Adur, and we are working closely with partners to make this happen. This would mean additional recruitment on the existing Going Local team. There are also surgeries in Worthing who can see the success of the project and would also like to have it in their practice.

#### **5. Engagement and Communication**

- 5.1. Going Local is only advertised amongst the active six GP surgeries in Adur and Worthing. The team regularly distribute fliers and other materials, and attend Practice Meetings to give an update on the wider project. Based in the practices, the Community Referrers also frequently talk with GPs and can discuss specific cases together.

#### **6. Financial Implications**

- 6.1. The initial project dates were September 2016 (to include recruitment and training) to September 2018.
- 6.2. In May 2018, all current funding partners confirmed extended funding for two further years until September 2020.
- 6.3. The total budget for Going Local in 2018/19 is £76,000. Adur and Worthing Councils contribute £12,000 from existing budgets and WSCC and CWC CCG provide £32,000 each.

#### **7. Legal Implications**

- 7.1 Section 38 of the Local Government (Miscellaneous Provisions) Act 1976 permits local authorities to use their own surplus computer capacity to provide computer-based services to third parties and to charge for those services if they consider it appropriate to do so.

- 7.2 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 7.3 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the local authority

### **Background Papers**

<https://www.adur-worthing.gov.uk/media/media.139147.en.pdf>

### **Officer Contact Details**

Jo Clarke  
Communities and Third Sector Lead  
Portland House, Worthing  
01273 263175  
[joanne.clarke@adur-worthing.gov.uk](mailto:joanne.clarke@adur-worthing.gov.uk)

## **Sustainability & Risk Assessment**

### **1. Economic**

Going Local has the ability to have a positive impact on the local economy as people re-enter employment or begin new business. Going Local may also play a part in local GP retention and recruitment.

### **2. Social**

Going Local has a big social impact, often helping to reach the hardest or most vulnerable residents.

#### **2.1 Social Value**

A number of people referred to Going Local are now volunteering locally.

#### **2.2 Equality Issues**

Matter considered and no issues identified.

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified.

### **3. Environmental**

Matter considered and no issues identified.

### **4. Governance**

Going Local is a priority in Platforms for our Places and being hosted at Adur and Worthing Councils holds many benefits. The in-kind support potentially holds some risk in terms of redundancy payments, as the Councils would be expected to cover this. This scenario is, however, unlikely at this present time. Going Local is a small team and this provides some risk to resilience to the service. However, with new surgeries potentially coming on-board, recruitment would help mitigate this. There is limited risk to the Councils' reputation, particularly as the project has its own logo and brand - in fact, the Councils' reputation may be favourable due to the positive impact of the Going Local.



## Appendix one



Going Local - the story so far

November 2016 to July 2018

## Introduction

Ask yourself two questions:

What are you worried about and what do you want to change in your life?



It can be hard to answer these questions. It can be even harder to put those answers into practice. This is what Going Local does: it helps people understand their problems and find a way forward.

There are two full-time Community Referrers on the Going Local team working out of six GP surgeries in Adur and Worthing. They use a technique called ‘Motivational Interviewing’ to build rapport and identify priorities with people who are referred to them by the GPs.

Then, using detailed local knowledge that the whole team is constantly building on, our Community Referrers connect people to the right places to get the right help.

This includes using a brilliant App we have developed which helps the team find local resources and connecting to them, often literally as they are sat with the person they are helping.

“We want people to come away from their time with Going Local with a clear idea where help is available in their local area. If people have this knowledge, they have a stronger, more sustainable support network. Going Local is the short-term route to a network that helps a person sustain changes in the long-term.” says Tom, a Community Referrer on the Going Local Team.

You’ll also notice we use the word ‘person’, rather than ‘client’ or ‘service-user’. This is important to us because we think about people in the round person, and don’t define them by the services they wish to access or the problem they wish to solve.

Welcome to the story so far- this report has been prepared to provide an update on this exciting new initiative in Adur and Worthing and to show the difference it’s making to local residents.

### Let’s start at the very beginning

Going Local is a social prescribing project funded by four organisations: Adur and Worthing Councils, West Sussex County Council and Coastal West Sussex Clinical Commissioning Group. It started as a two-year pilot and Autumn 2016. We’re thrilled to report that a further two years have been committed by all parties- taking us into 2020.

Going Local is in six GP surgeries in Adur and Worthing, these are:

- Victoria Road, Worthing
- Worthing Medical Group- Heene Road and Shelley Road
- Limetree Surgery, Worthing
- Manor Practice, Southwick
- Harbour View, Shoreham
- Northbourne, Shoreham

Social prescribing isn't new, in fact it's has been around a long, long time. It's a non-clinical approach to helping people - the dispensing of 'social medicine' rather than a long term prescription of tablets.



For example, Mrs Smith sees her GP for depression and sleepless nights, she is referred to Going Local to unpick the root cause of the problem (a recent bereavement, money worries and fear of losing her home) whilst the GP helps with the traditional prescription in the interim.

The aim is that helping to solve the social problems will mean taking tablets for less time, visiting her GP less for this particular issue and being more resilient in the future should a similar situation arise in the future.

### How does it work?

Simply, GPs and their staff have access to an App and they click a few buttons to refer into Going Local. On the other side, we receive a notification and then make contact with the person within a week. We aim to physically see them within 2-3 weeks and have up to six hour-long sessions with them. Occasionally it's more and sometimes it's less. The sessions can also be over a long period of time- perhaps after a person has tried a particular group or course, and just wants to check in with us.



### Why did Going Local start?

Looking at the more strategic elements, Going Local is a solution to several health challenges that we're all too aware of 1) changes in the public's health needs 2) changing and stretched levels of funding for health services and 3) 'failure demand' ("demand caused by a failure to do something or do something right for the customer" Professor John Seddon, 1992).

Parallel to this, the huge challenge faced by the NHS of treating long-term health conditions. The NHS spends 70% of its budget on this, so better prevention and self-care is vital.

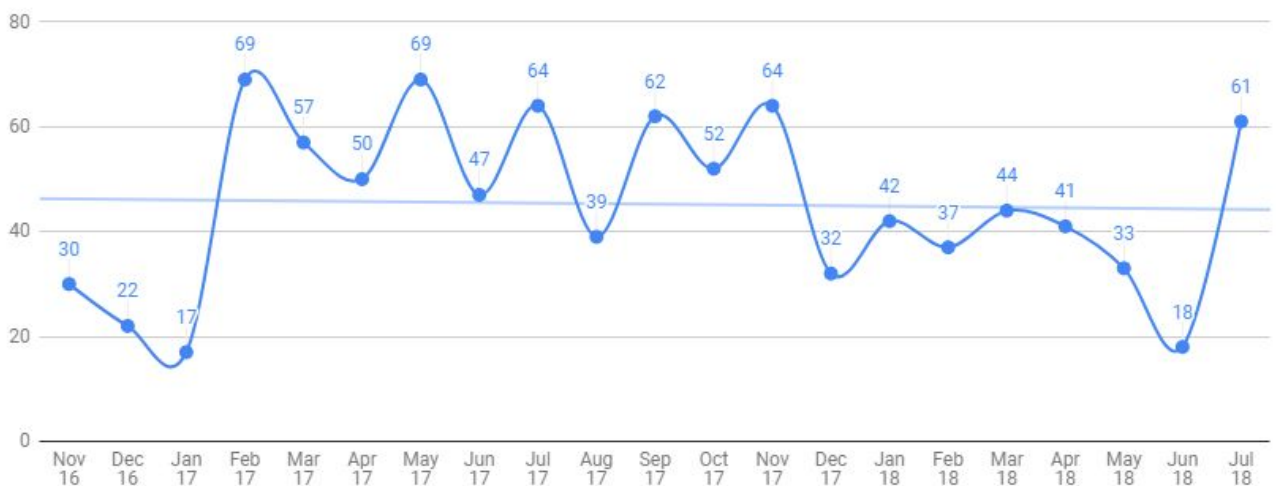
Each of the four Going Local funders bring lots of experience, expertise and knowledge from their respective organisations to the project. It also helps break down the barriers of “our” or “your” problem, instead, working together for the common good.

There are two full-time paid members of staff on Going Local, called Community Referrers, and we are hosted by the Communities and Wellbeing Team at Adur and Worthing Councils and managed by the Communities and Third Sector Lead. Being part of the Council has many advantages, such as lots of shared learning across front-line staff but sometimes it also works as a positive that the service has its own brand and identity.

### The scores on the doors

Since November 2016, **969** people referred by GPs to Going Local through six GP surgeries.

Number of monthly referrals to Going Local



Referrals are roughly 60% female and 40% male.

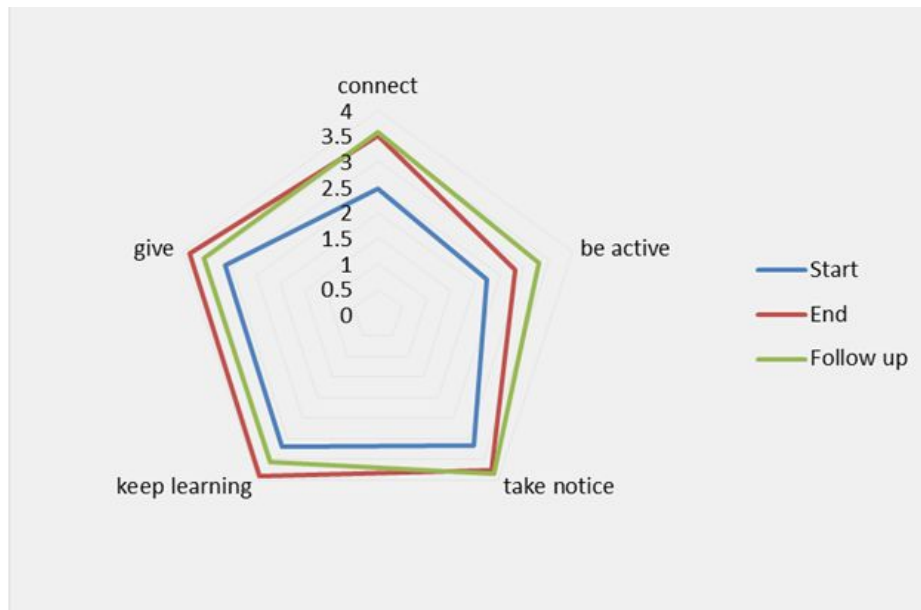
GPs can choose up to six reasons for the referral to Going Local. The team then categorise the online referral they make to further organisations. You'll see that quite often the referral reason can be quite different and also that some of the challenges can be resolved during the sessions by unpicking the woes with motivational interviewing:



Initial GP referral code and Community Referrer onward referral category



In the initial meeting with a person, they complete a ‘Wellbeing Star’. This tool asks people to rate their feelings out of five in five different areas. To date, we have noticed that the scores are increasing, demonstrating a increase in people’s health and wellbeing:



To date, **1,141** referrals have been made to services ranging from The Conservation Volunteers to befriending activities, IT support and weight-management groups.

The most referred to services are the Citizens Advice, The Corner House, Adur and Worthing Wellbeing Hubs and Guildcare.

Going Local is being evaluated by West Sussex's Evaluation and Evidence team and the results so far indicate that the impact is good for people and good for GPs. People are less likely to miss appointments, and because their non-medical needs are being looked after by Going Local, they and their doctor have more time to focus on their physical health needs. This also means doctors are less likely to be running late, making everyone happy!

We are helping hundreds of people get help, quickly and easily. We take away barriers to finding help, and do all we can to get people through the door of the service they want to access. With a GP taking a minute of their time to let us know a person needs help, we have a chance to make a difference that can change a person's life.

### **Don't just listen to us**

The real proof in the pudding is what people who have used Going Local say; many report that they feel supported, encouraged and enabled to make improvements in their lives. For example,

"More progress has happened in the last 3 weeks than in the last 3 years"

"The meetings were beneficial in the sense of spurring me on to get out doing things, being more creative and active and interact more with people."

And from a GPs:

"Many of the problems patients present to us have a social cause or trigger. Previously, I have felt ill equipped to help. Now I can refer patients to someone who can spend time looking at these factors and can signpost them or give them the help they need. This service is invaluable and makes a huge difference to patients. Without this focus on the social context we are not able to give the patient the holistic approach they need."

"In today's stressful society, the Going Local initiative is absolutely an essential part of the Primary Care Team. It provides an invaluable service to those patients that need that extra support to work through difficult life situations, leaving the clinicians to manage their medical care. The team are all friendly, knowledgeable and grounded and need to always be part of the overall team working in General Practice."

### **What else we've learnt**



We are keen to learn what people who use the service can teach us. We noticed that housing was a very difficult issue for lots of people, so we created a new service called 'Wellbeing Housing Advice Team'.

Now, people who come to Going Local with a housing issue can be seeing by a specialist, employed by Citizens Advice and working closely with Worthing Churches Homeless Projects, quickly. They get the best advice on their housing issue whilst the Community Referrer can help the person with the other things they want help with.

Going back to prevention, we also make sure we ask every single person about their housing and listen out for triggers (such as someone losing their job) as we know how fundamental secure housing is to health and wellbeing.

We also learned that lots of people needed help from the Citizens Advice, so we arranged with them for a quicker route to refer people. Now, people can quickly get help, usually within a few days. We try to avoid people re-telling their story too many times, so the referral process is tight to ensure the background is shared, making most use of everyone's time.

We also continue to notice that there is not common practice across doctors' surgeries regarding GP charges or filling out forms. Coincidentally, Citizens Advice are focusing some policy work on this. We also hope that we can make change by closely working with our colleagues in the Councils' Housing Team to unpick this. More to follow on this at a later date.

We feed back our work to a monthly Steering Group meeting, made up of representatives from the CCG, GP surgeries, West Sussex County Council and Adur and Worthing Councils, as well as Community Works and a lay-person representative. This lets us hear many different perspectives on the work we do, and helps us become a better and better service. The lay-person is invaluable for asking great questions, reminding us of the basics and not to talk in acronyms!

### **What's next?**

It is an exciting time for the project with 2 further years funding currently enabling the service to operate until late 2020. In this time we will help thousands of local people get help and make changes that can last a lifetime, whilst allowing GPs to do their job better. We also know there are other surgeries that would love to have Going Local so the list of surgeries could soon increase.

We love what we do and if you'd like to find out more or come shadow some of our work, please do get in touch:

[communityreferrals@adur-worthing.gov.uk](mailto:communityreferrals@adur-worthing.gov.uk)

## Appendix two - Case-studies from the Community Referrers:

“**Person A** was referred following concerns around her mental health and abuse of substances. We identified her priorities - her physical health worsened three years ago, resulting in the loss of her employment. The subsequent financial worries (and bereavements) had led to a relapse into substance use. We worked together and unpicked her financial worries - and were then able to set up more intensive support around mental health via The Corner House. Once this was happening Person A felt strong enough to start looking at her substance use. After completing the ‘Intuitive Recovery programme’ she felt empowered to make more changes.

Now, 8 months have passed and she has undertaken courses through the Corner House and plans to get involved in some voluntary work. Person A is feeling a lot happier, healthier and in-control.”

\*\*\*

“For **Person B**, the referral was ‘for a 70+ year old women with chronic back pain needing help’. I identified her worries as chronic pain, managing diabetes and achieving weight loss.

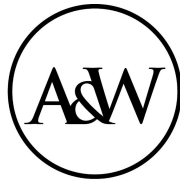
She had previously struggled to find activities that were affordable and mentally stimulating. The Wellbeing Hubs and The Get Active Programme acted as the ideal foundation for Person B to start thinking about making lasting lifestyle changes.

She was soon able to start reducing from her pain medication. Between us we then suggested that she try the Intuitive Recovery Programme - a week long course to try and alter how the brain perceives things that we might be addicted too. This transpired to be “one of the most insightful things CF had done” and led onto the “biggest improvement with pain and weight for 35 years”.

Person B’s GP reports that she has made substantial progress in regards to health - as she is no longer reliant on medication and is not needing to make as many appointments. To maintain this we are now looking at getting access to an affordable long term gym programme.”

\*\*\*

“I met **Person C** at the surgery in June 2017. He felt very isolated, with great difficulty engaging with various educational, recreational and vocational situations and services. He told me about an interest in computers, but said he didn’t have one. I told him about the IT Junction- he was interested but not confident to go. I arranged to go with him on his first visit to help overcome this. After this, **Person C** attended these sessions twice a week, and was even staying behind to help with tidying up- this was a gentle way to reduce isolation and offer, via the IT Junction, a comfortable gateway into more opportunities.”



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
11 September 2018  
Agenda Item 10

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

**‘Breathing Better’ - working together to improve air quality across West Sussex**

**Report by the Director for Communities**

**Executive Summary**

**1. Purpose**

- 1.1 To provide the Committee with the background and details regarding the county wide joint Air Quality Plan ‘Breathing Better’.
- 1.2 To seek approval from the Committee to formally working together with West Sussex County Council and all Districts and Boroughs across West Sussex to deliver the ambitions of this plan, with the aims of improving air quality and meeting our objectives as laid out in local plans and and our strategic direction of travel - Platforms for our Places

**2. Recommendations**

- 2.1 To note the contents of the report and agree to working in partnership to deliver the ‘Breathing Better’ West Sussex Air Quality Plan.
- 2.2 To approve the joint working with West Sussex County Council and all Districts and Boroughs across West Sussex to achieve the ambitions of this plan.

### **3. Context**

3.1 Stewarding our Natural Resources is one of the five platforms adopted by Adur and Worthing Councils as part of our approach to working with and in our communities. Improving air quality, supporting sustainable methods of transport, and enabling our communities to understand how they can contribute to this, are all ambitions that the Councils have articulated. These ambitions are now brought together in a West Sussex wide partnership plan 'Breathing Better', attached at Appendix A.

### **4. Issues for consideration**

4.1 Improving Air Quality is a multi-faceted activity that touches many areas of the Councils work. We already have a well developed multi-agency approach within Adur and Worthing and work closely with other Districts and Boroughs, the County Council and agencies such as DEFRA and Sussex Air. This countywide plan, brings together much of that work in one place, and asks all partners to commit to continuing to work collectively on this issue.

4.2 Air pollution is associated with a number of adverse health impacts. Nitrogen dioxide (NO<sub>2</sub>) is thought to cause 23,500 deaths per annum. District level mortality statistics for this pollutant are not available although Public Health England (PHE) is understood to be working on such a metric. PHE suggest that PM<sub>2.5</sub> (particles less than 2.5 microns in diameter) are responsible for ~4.4% of deaths in Adur and ~4.9% in Worthing. Both below the England average of 5.1%. The National estimate is 29,000 related deaths per annum. Given there is some overlap in these numbers the total UK premature mortality burden for the two pollutants is estimated at between 28,000 and 36,000 deaths/annum. Poor air quality is deemed to be the largest environmental risk to public health in the UK with a disproportionate burden borne by those in deprived areas (Air Quality Briefing for Directors of Public Health, Defra 2017).

4.3 Consequently any activity to improve air quality can only be welcomed. Across Adur and Worthing we have 3 Air Quality Management Areas and details of the background to those areas and how we monitor those areas, data associated with them and future plans can be found in the recent Annual Status reports provided to DEFRA and published on our website. However this is only a small aspect of the wide range of activities undertaken by the councils to support the improvement of Air Quality, in partnership with all relevant agencies.

Examples include:

- Close working with planning and planning policy
- Inclusion of Air Quality in the Adur and Worthing Public Health Strategy
- Fleet improvements
  - pool cars that include hybrid vehicles
  - Providing an electric vehicle infrastructure
- Low speed zones within the districts
- Sustainable transport initiatives
  - Walking and Cycling proposals
  - Improved public transport infrastructure]
  - Enabling active travel plans and the 'Living Streets Projects' (walk to school)
  - Anti-idling promotion and campaigns
  - Better driving campaigns
  - Car club and car sharing promotion
  - Home working to reduce travel (A&W employees)

4.4 Partnership across the County to further develop these approaches is therefore welcome. In order to support the delivery of the plan, an Inter Authority Air Quality group (IAAQ group) will be set up comprising of relevant Executive Members from each Authority and the strategic officer lead for the Council. Draft terms of reference are attached at Appendix B.

## **5. Engagement and Communication**

5.1 This plan has been developed following extensive consultation with all West Sussex Districts and Boroughs and Sussex-air. This included a visit by WSCC's Sustainability Team to Adur & Worthing to discuss the WBC and ADC Air Quality Action Plans and Annual Status Reports.

5.2 Officers from the Public Health & Regulation Team have provided assistance in the form of comments on several draft versions of the plan, as well as providing actions in our Action Plans and examples of good practice.

5.3 The Executive Members for Adur & Worthing have also participated in key leaders workshops arranged and delivered by West Sussex County Council as part of their overarching work in this area.

## 6. Financial Implications

- 6.1 This plan is a relatively high level strategic document with some agreed activities, however it has not been fully costed. Therefore as part of the ongoing delivery and governance structures, the IAAQ group, will review and support amendments to the plan as required, to reflect any particular issues of cost. In the main however it is expected that this will be delivered from within existing budgets or through joint applications for additional funding.
- 6.2 Any initiatives requiring additional funding will need to be considered by the Joint Strategic Committee.

## 7. Legal Implications

- 7.1 Part IV of the Environmental Act 1995 requires local authorities to review and assess air quality on a regular basis. Pollution levels within the local authority area are assessed against air quality objectives which are prescribed in both European and UK legislation for the protection of human health and the environment.

### Background Papers

- Previous Reports - particularly where related decisions were made.
- Strategy / Policy Documents
  - Platforms for Our Places
  - [Adur and Worthing Air Quality Action Plans](#)
  - [Adur and Worthing Annual Status Reports](#)
- Guidance Documents

### Officer Contact Details:-

Name: Mary D'Arcy

Role : Director for Communities

Telephone:

Email: [Mary.D'arcy@adur-worthing.gov.uk](mailto:Mary.D'arcy@adur-worthing.gov.uk)



## **Sustainability & Risk Assessment**

### **1. Economic**

- How does this proposal/issue impact on the economic development of our places or the economic participation of our communities?
- Improving air quality will improve the economic effectiveness of our places and may lead to different types of business and economic activity being undertaken in Adur & Worthing

### **2. Social**

#### **2.1 Social Value**

- What impact does the proposal/issues raised have on our communities or specific groups within our communities?
- Clearly there is wider social value in improving air quality - particularly the health and wellbeing of individuals and communities

#### **2.2 Equality Issues**

- Details of any equality issues, any equality impact assessment undertaken, or how the proposal impacts on access or participation.
- Poor Air Quality can adversely affect those with particular conditions, therefore a focus on improvement is assessed as beneficial to reducing health inequalities

#### **2.3 Community Safety Issues (Section 17)**

- Details of how the proposal helps to reduce crime and disorder and meet the Council's duties regarding crime and disorder reduction targets.
- Matter considered - no issues

#### **2.4 Human Rights Issues**

- Does the proposal impinge on anyone's human rights and if so how is it justified under the Human Rights Act? Human rights include: Right to a fair trial, respect for family life, private life, home and correspondence, freedom of thought, expression, assembly and association and protection and quiet enjoyment of property and possessions. Also ask, is the action proportionate to the anticipated response or outcome?
- Matter considered - no issues

### **3. Environmental**

- Are there any implications for the management, custodianship and protection of our natural resources?

- There are significant environmental benefits to be derived from changing behaviours that are associated with improving air quality that link directly to our ambitions as outlined in Platforms for Our Places

#### **4. Governance**

- Are there any implications for or alignment with the Councils' priorities, specific action plans, strategies or policies?
- No - fully aligned
  
- Are there any implications to the Councils' reputation or relationship with our partners or community?
- Yes - positive relationships are further developed
  
- Any implications for resourcing, risk management (including health and safety), the governance of the either Council?
- The plan is assessed as deliverable within existing resources or through bids for additional funding

# Breathing Better

a partnership approach to improving  
air quality in West Sussex



# FOREWORD

---

‘Our health and prosperity depend on the health of the planet on which we live. From the air we breathe to the water we drink, the food we eat and the energy that powers our homes and businesses, we need to protect and sustain the health of the natural environment

Nowhere is this more true than in the case of air quality. Air pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity.’<sup>1</sup>

West Sussex County Council and all West Sussex District and Borough Councils are committed to ensuring that our county is a healthy place to live. Improving air quality is a target in the West Sussex Plan and our partners have similar objectives, resulting in this joint Action Plan. Whilst we do not suffer the difficulties of large cities, we do have areas where average levels of pollution breach limits and where ongoing improvement in air quality is particularly needed. This plan highlights good practice already in place and shows where we will deliver improvements through working together more widely and effectively. Setting out an action-oriented plan of future activity, the plan is a living document that all partners are committed to reviewing and developing as we make progress.

The issue of air quality cannot be tackled by Councils alone. Ultimately many of the choices we make personally, while small, can add up to make a big difference. This can be as simple as turning off our car engine waiting at the lights or making more journeys on foot, by bike or on public transport. It can involve thinking about the impact of choices we make, big and small, about things we buy and consume. By doing this we can help to avoid simply exporting our problem somewhere else.

This is very much the start of a journey and we look forward to working ever closer with our partners, our residents and our local businesses to make real improvements to the quality of life for our residents - and beyond.



Louise Goldsmith  
Leader  
West Sussex County Council



Deborah Urquhart  
Cabinet Member for Environment  
West Sussex County Council

---

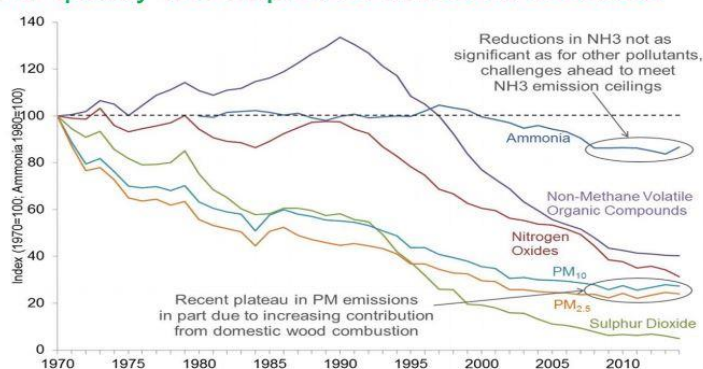
<sup>1</sup> *Clean Air Strategy 2018* Department for Environment, Food and Rural Affairs. Draft Consultation Document.

# INTRODUCTION

All of the local authorities in West Sussex are committed to working together to improve the quality of the air that we breathe.

Recent studies have shown that some forms of air pollution nationally have been declining, although, as has been seen recently in the media, there are still areas with significant problems. West Sussex, as a predominantly rural county, does not suffer the difficulties of large metropolitan areas but we have our own challenges.

## Air quality has improved in recent decades



- There has been a long-term decline in the emissions of key air pollutants since 1970.
- Between 1970 and 2015, emissions of sulphur dioxide fell by 96%, nitrogen oxides by 69%, NMVOCs by 66%, PM10 by 73% and PM2.5 by 76%. Ammonia emissions from agriculture decreased by 19% between 1990 and 2015.
- With the exception of ammonia and PM2.5, emissions of all pollutants continued to decrease in 2015.

Source: Department for Environment Food and Rural Affairs

Air pollution does not respect district or county boundaries, and is a shared problem. It is therefore essential to work in partnership to achieve the shared aim of reducing air pollution, as well as continuously doing all we can and challenging others to do more to address this issue.

The County Council and District and Borough Councils have agreed that the best way to meet the challenges facing us is to develop a joint approach to delivering actions and interventions to tackle air pollution. By doing so, we will

be able to work together more effectively, increasing efficiency and improving outcomes.

This Plan provides information about air quality across the County, and outlines some of the work taking place to reduce levels of pollution. It is a working document and will be updated when necessary and will be reviewed annually.

In this first section, we look at the responsibilities of the local authorities and discuss what the problem actually is in West Sussex; the health and environmental impacts and the pollutants of concern. We also cover the strategic context within which we are working.

The second section looks at some of the activity that is currently being undertaken and highlights the approach that will be taken going forward.

# SECTION ONE

---

## RESPONSIBILITIES

Statutory responsibility for monitoring and assessing air quality lies with the local authorities responsible for environmental health, and in West Sussex this is the District and Borough Councils. Areas where pollutants exceed, or are likely to exceed, Government health based air quality objectives are declared as Air Quality Management Areas (AQMAs)<sup>2</sup> and each authority is required to produce an Air Quality Action Plan (AQAP) to demonstrate how it will improve air quality in the AQMA(s). Each local authority responsible for environmental health has a statutory duty to produce an Annual Status Report (ASR) reporting on air quality monitoring, whether it has any AQMAs or an AQAP or not, and progress with actions to improve air quality is reported to Defra<sup>3</sup>. For more information on the requirement for monitoring and assessing air quality and links to the AQMAs and ASRs in West Sussex, see Appendix 1.

Where air quality problems resulting in AQMAs are related to traffic, which is the case for all AQMAs in West Sussex, as local highway authority<sup>4</sup> West Sussex County Council, has a statutory responsibility to work with the relevant District or Borough Council to develop and deliver the action plans for these AQMAs. Highways England has an equivalent responsibility to work with the relevant District and Borough Council in relation to the Strategic Road Network where there are AQMAs (i.e. the A27, the M23 and the A23 to the south of Pease Pottage).

Gatwick Airport also monitors its air quality and its performance reports are due to be audited in 2018.

West Sussex County Council as public health authority has a duty to take steps to improve public health and this means planning for, and responding to issues, such as poor air quality, that present a risk to public health.

Improving air quality can play a critical role in supporting other local priorities; encouraging active travel such as walking and cycling is good for physical and mental health and will improve health. These co-benefits will bring benefits to the individual and the community as a whole.

## THE ISSUE

In this plan we focus on sources of local outdoor air pollution. Most of this is transport related, although recent years have seen an increase in pollution resulting from domestic burning of wood and coal.

We are not just looking at statutory levels of pollution but how we can improve on background emissions of pollutants, as many pollutants cause health effects below the UK air quality objectives.<sup>5</sup>

---

<sup>2</sup> A full list of AQMAs in West Sussex can be found on the [West Sussex County Council website](#).

<sup>3</sup> Department for Environment, Food and Rural Affairs

<sup>4</sup> The County Council is responsible for all public or adopted roads in West Sussex except the A27 and M23/A23, which are maintained by Highways England. Private roads are not adopted or maintained by the County Council and may not be repaired, maintained or cleaned.

<sup>5</sup> [http://www.euro.who.int/\\_data/assets/pdf\\_file/0005/112199/E79097.pdf](http://www.euro.who.int/_data/assets/pdf_file/0005/112199/E79097.pdf)

There are a variety of different pollutants, but the main ones of concern are nitrogen oxides (NO<sub>x</sub>), particularly nitrogen dioxide (NO<sub>2</sub>) and particulate matter (PM). Particulate matter is often referred to by size, so you may see references to PM<sub>10</sub>, PM<sub>2.5</sub> or PM<sub>0.1</sub>.<sup>6</sup> For information on these and other pollutants please see the Defra website<sup>7</sup>.

Particulate matter is categorised on the basis of the size of the particles e.g PM<sub>2.5</sub> has a diameter of less than 2.5 micrometres (µm), PM<sub>10</sub> has a diameter of 10 µm or less (one micrometre is one thousandth of a millimetre).

Particles	Diameter
Nanoparticles/ultrafine particles	<0.1 µm
Fine particles PM <sub>2.5</sub>	2.5 µm or less
PM <sub>10</sub>	10 µm or less
Coarse particles	2.5-10 µm
Dust	75 µm or less

National and European objectives define levels based on the known effect these pollutants have on human health. Objectives are set in law and, where an AQMA has been designated, local authorities have a statutory obligation to work towards meeting them.

However, no threshold below which particulate matter would not pose a risk has been identified, so the approach for this is generally accepted to be a reduction in background concentrations to ensure the best health outcomes for the widest geographic range of people.<sup>8</sup>

### Health impacts

There is consistent evidence demonstrating clear adverse effects of exposure to air pollutants on health outcomes across all population groups. Poor air quality is linked with an increased risk of developing chronic conditions (eg chronic obstructive pulmonary disease), poor birth outcomes, lung cancer, respiratory disease and others.<sup>9</sup>

The Public Health Outcomes Framework (PHOF) includes an indicator which quantifies the contribution of exposure to particulate matter on mortality.<sup>10</sup> In 2015 the fraction of mortality attributable to anthropogenic PM<sub>2.5</sub> was 4.2% for West Sussex. This compares to an estimated fraction of 4.7% for England, and ranges from 4.1% for Arun, Chichester, Horsham and Mid Sussex District Councils, and 4.8% for Worthing Borough Council.

<sup>6</sup> 10, 2.5 and 0.1 relates to the size of the particle in micrometres (µm). Examples of particulate matter include dust, dirt, soot, smoke and drops of liquid.

<sup>7</sup> Department for Environment, Food and Rural Affairs: <https://uk-air.defra.gov.uk/air-pollution/causes>

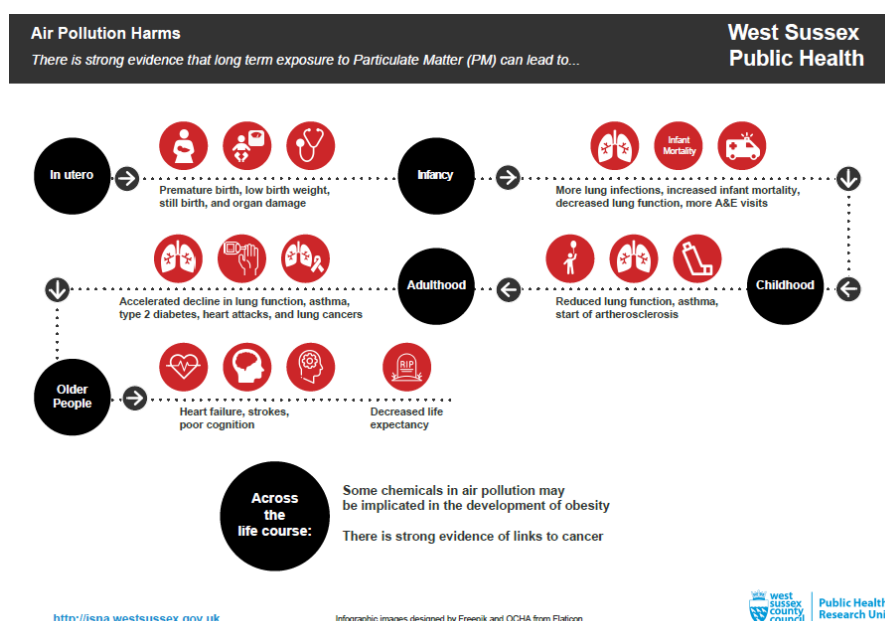
<sup>8</sup> *Ambient Air Quality Directive 2008/50/EC*

<sup>9</sup> *Spatial Planning for Health: an evidence resource for planning and designing healthier places*. Public Health England. 2017

<sup>10</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/545605/PHOF\\_Part\\_2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/545605/PHOF_Part_2.pdf)

Area	Fraction of mortality attributable to particulate air pollution (%) 2015
Adur	4.6
Arun	4.1
Chichester	4.1
Crawley	4.2
Horsham	4.1
Mid Sussex	4.1
Worthing	4.8
West Sussex	4.2
England	4.7

The figures for mortality due to air pollution are estimates of mortality attributable to a risk factor. Outdoor air pollution is a major public Health issue costing the UK economy £20bn a year and contributing to over 25,000 deaths a year.<sup>11</sup> It is important to understand that long-term exposure to air pollution is not thought to be the sole cause of deaths. Rather, it is considered to be a contributory factor.<sup>12</sup>



Air pollution is harmful to everyone. However some people suffer more than others because they:

- Live in deprived areas, which often have higher levels of air pollution
- Live, learn, or work near busy roads.
- Are vulnerable because of their age or existing medical conditions for example asthma or cardiovascular disease.<sup>13</sup>

<sup>11</sup> <http://www.adph.org.uk/wp-content/uploads/2017/11/ADPH-Policy-Position-Outdoor-Air-Quality.pdf>

<sup>12</sup> *Air Quality: A Briefing for Directors of Public Health*. Department for Environment, Food and Rural Affairs, Public Health England, Local Government Association. March 2017

<sup>13</sup> *Every breath we take: the lifelong impact of air pollution*. Royal College of Physicians, Royal College of Paediatrics and Child Health. February 2016.

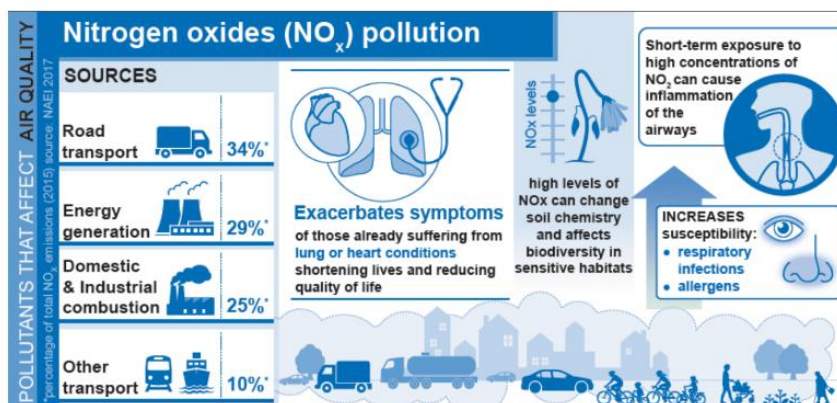


The health problems resulting from exposure to air pollution have a high cost to society and business, our health services and people who suffer from illness and premature death. These vulnerabilities are heightened among those living in the most deprived communities.

### Nitrogen dioxide (NO<sub>2</sub>)

Road transport is responsible for some 80% of NO<sub>2</sub> concentrations at the roadside, with diesel vehicles of greatest concern at a local level. This is due in part to improvements in real world emissions testing showing that laboratory test-based emission standards have not delivered expected reductions under real world driving conditions.<sup>14</sup>

There is also evidence to suggest that occupants are subject to higher levels of air pollution inside the car than those outside. In some studies the personal exposure inside the car was 30% higher than the concentrations in the fixed monitoring station.<sup>15</sup>



Source: Department for Environment Food and Rural Affairs

There are further implications of poor air quality on health and wellbeing as the perception of air pollution appears to be a barrier to participating in outdoor physical activity and active transport<sup>16</sup> which in turn would appear to result in more car trips.

### Particulate matter

Of the different sizes of particulate matter reported on, PM<sub>2.5</sub> has the strongest epidemiological link to health outcomes and is used for the Public Health Outcomes Framework indicator 3.01<sup>17</sup>. At this size the particles can be inhaled deep into the lungs. The very smallest particles, ultra-fine PM<sub>0.1</sub> once inhaled, are able to pass directly into the bloodstream.

Unlike NO<sub>2</sub> where concentrations are high immediately adjacent to the source, particulate matter has a wider geographical extent and guidance suggests we can use monitoring from up to 50 miles away as a reference.

<sup>14</sup> UK plan for tackling roadside nitrogen dioxide concentrations. Department for Environment Food & Rural Affairs, Department for Transport. July 2017

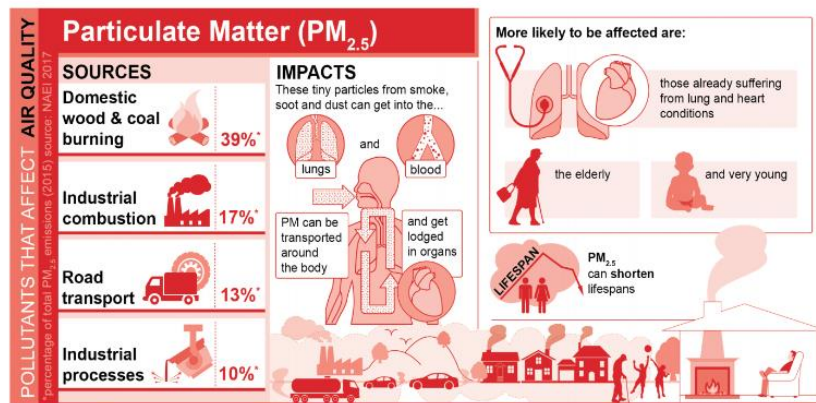
<sup>15</sup> Assessment of personal exposure to particulate air pollution during commuting in European cities—Recommendations and policy implications. Science of the Total Environment 490 (2014) 785–797

<sup>16</sup> Spatial Planning for Health: an evidence resource for planning and designing healthier places. Public Health England. 2017

<sup>17</sup> Public Health Outcomes Framework. Department of Health. 2016

One of the highest sources of particulate matter is domestic coal and wood burning. There has been an increase in recent years in the number of wood burning stoves; a 2015 survey by the Department for

Energy and Climate Change found that wood burning had been underestimated by a factor of three.<sup>18</sup> Proactive education on the best practice to limit the impacts of domestic burning is needed.



Source: Department for Environment Food and Rural Affairs

The major mobile source of particular matter is road transport, which produces particles when fuels are burned or lubricants are used up in the engine, when tyres and brakes wear down and from road

dust.<sup>19</sup> PM<sub>2.5</sub> is also produced from reactions between other gaseous pollutants forming secondary particles.

## Other pollutants

### Ozone

Low level ozone is not emitted directly by car engines or by industrial operations, but is formed on warm summer days by the reaction of sunlight on air containing a mixture of airborne pollutants, including nitrogen oxides. Traffic is the main source of these pollutants. Ozone travels long distances and can reach high concentrations a long way from the original sources of pollution. It is particularly important for our rural communities as the conditions that break ozone down in urban areas are less prevalent in rural areas.<sup>20</sup> Ozone also has impacts on incidence of respiratory symptoms.

### Environmental impacts

Air pollution also results in damage to the natural environment. For example, NO<sub>2</sub> contributes to acidification of soils which can lead to loss of plant diversity. NO<sub>2</sub> adds excessive nutrients to water courses that can cause algal blooms, which in turn can cause fish mortality and loss of plant and animal diversity. Any proposed plans or projects that may affect a protected European nature conservation site are assessed under the Habitats Regulations to consider their potential impacts, including air quality, and if those impacts will adversely affect the ecological integrity of the protected site.<sup>21</sup>

The importance of vegetation in improving air quality is important also. Trees and vegetation absorb carbon dioxide (the main greenhouse gas) and filter, absorb and reduce pollutant gasses including ozone, sulphur dioxide, carbon monoxide and nitrogen dioxide as well as producing oxygen.

<sup>18</sup> Summary results of the domestic wood use survey. Department for Energy and Climate Change. 2015

<sup>19</sup> <https://uk-air.defra.gov.uk/assets/documents/reports/areg/pm-summary.pdf>

<sup>20</sup> <http://www.irceline.be/en/documentation/fag/why-are-ozone-concentrations-higher-in-rural-areas-than-in-cities>

<sup>21</sup> [https://www.legislation.gov.uk/uksi/2017/1012/pdfs/uksi\\_20171012\\_en.pdf](https://www.legislation.gov.uk/uksi/2017/1012/pdfs/uksi_20171012_en.pdf)

The benefits of green infrastructure are well established and in addition to improving air quality they are also shown to improve water quality, reduce flooding, improve health and wellbeing, increase property values, increase biodiversity and create a resilient environment. Studies show that investment in green infrastructure is a cost effective way of delivering multiple benefits. However, it does require space and resources.

## STRATEGIC CONTEXT

The legislation relating to limit values of pollutants is set at the EU level in the Air Quality Directive and is transcribed into UK legislation through the Air Quality Standards Regulations. The enforcement proceedings against the UK begun by the EU in 2014 are for failure to meet air quality targets for nitrogen dioxide set out in the Air Quality Directive. Three private judicial reviews have also been brought against the UK Government, which have resulted in a number of different air quality plans.

The European Union (Withdrawal) Bill is designed to provide continuity by copying over all EU law and the Government has stated that there are no plans to change air quality limit values and targets. At present, monitoring and enforcement of the air quality standards in the Air Quality Directive is by the European Commission. The Government has announced plans to consult on a new independent statutory body that would have this role in England.

There are a number of plans and policies in place at a local level, both at the County Council and within the local plans drawn up by each of the District and Borough Councils.

### Central Government

*UK Clean Air Strategy – forthcoming 2018*

The *UK plan for tackling roadside nitrogen dioxide concentrations (2017)* sets out how the UK will be reducing roadside nitrogen dioxide concentrations. It requires specified local authorities to carry out studies to identify how to meet legal limits for nitrogen dioxide in the shortest possible time, and sets deadlines. After three court cases, the Government is required to produce a supplementary plan, setting out requirements for feasibility studies to be undertaken in additional areas. No local authority in West Sussex is specified in this Plan.

*Ambient Air Quality Directive (2008/50/EC)* sets legally binding limits for concentrations in outdoor air of major pollutants that impact public health such as particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>) and nitrogen dioxide (NO<sub>2</sub>). As well as having direct effects, these pollutants can combine in the atmosphere to form ozone, a harmful air pollutant (and potent greenhouse gas) which can be transported great distances by weather systems. In the UK the Air Quality Directive is implemented through the Air Quality Standards Regulations 2010.

*The Environment Act 1995* requires the UK Government and devolved administrations to produce a national air quality strategy that sets out the UK's air quality objectives. The Act requires local authorities in the UK to review air quality in their area and designate air quality management areas if improvements are necessary. Where an air quality management area is designated, local authorities are also required to work towards the Strategy's objectives prescribed in regulations for that purpose.

*The Environmental Permitting Regulations 2010* require regulators to control certain activities which could harm the environment or human health. Local Air Pollution Control is covered by the Regulations and is delivered by local authorities in England and Wales.

## **County level**

There are a number of local strategies, plans and policies at both County and District/Borough level.

### **West Sussex County Council**

The *West Sussex Plan 2017-22* sets out how the County Council plans to shape its services for the next five years. It contains our vision for West Sussex and what we are trying to achieve for our residents and for the county. It includes a headline target for improving air quality in Air Quality Management Areas.

The *West Sussex Transport Plan 2011-26* (LTP3) sets the strategy for guiding future investment in our highways and transport infrastructure. It also sets a framework for considering transport infrastructure requirements associated with future development across the county. Ensuring good air quality has a number of links to the four strategies that sit within the Transport Plan, and has particular relevance to improving public health.

The *West Sussex Walking and Cycling Strategy 2016-26* sets out our aims and objectives for walking and cycling in West Sussex. The strategy contains a prioritised list of over 300 potential walking and cycling improvements suggested by a range of stakeholders and partner organisations. The importance of increasing levels of walking and cycling in helping to tackle poor air quality is a key focus of this strategy.

The *Rights of Way Management Plan 2018-28* sets out West Sussex County Council's approach to managing the Public Rights of Way (PROW) network, as well as signposting how improvements can be achieved over the next ten years. The Plan highlights the importance of green space in improving air quality.

The *Bus Strategy 2018-2026* (forthcoming) will set out West Sussex County Council's aims and objectives for local buses and community bus transport and how the County Council will do more with partners and bus operators to promote bus travel.

*Parking Standards Review* – The parking standards outline the minimum and maximum requirements for car and cycle parking at new developments within the county. They are currently being reviewed and updated to ensure they comply with current guidance and are fit for purpose.

*Electric Vehicles policy* – forthcoming autumn 2018

### **District and Borough Councils**

Each District and Borough council has to prepare a local plan which sets planning policies in a local authority area. These are very important when deciding planning applications. A number of policies within local plans specifically reference air quality. See Appendix 2 for a list, full text can be found on District and Borough Council websites.

### **Sussex-air**

Sussex-air is a partnership of Environmental Health, Public Health and Transport Planning officers from all the Local Authorities in East Sussex, West Sussex and Brighton and Hove. The Partnership aims to promote

improvements in air quality in Sussex. The Partnership was established over 15 years ago to support Sussex local authorities with their Local Air Quality Management duties under the Environment Act 1995 and the implementation of the UK Air Quality Strategy. The partners meet quarterly to discuss air quality related issues and to share knowledge and good practice. The Group is actively engaging with Public Health in West Sussex, East Sussex and Brighton & Hove. It is hoped this will lead to greater partnership working and the delivery of projects aimed at reducing public exposure to poor air quality across Sussex. Sussex-air also provides the public with information on the levels of pollutants from continuous monitoring stations across Sussex, via its website.

# SECTION TWO

---

## ACTIVITY

Section 1 above looked at the issues we are facing and the strategic context.

This section looks at some of the activity that is currently being undertaken and highlights the approach that will be taken to deliver improvements through actions and interventions that can be implemented as and when resources allow. We have examined where we can work more effectively together and drawn out actions where one of the District or Borough Councils or the County Council is doing something that might be scalable and replicable. We also explain the governance procedures for this plan.

The appendices give more detail of local air quality management responsibilities, summarise the planning policies the District and Borough Councils use, highlight some of the key challenges we face and list the joint approaches the local authorities in West Sussex will take going forward.

District and Borough Councils and the County Council are already undertaking action (or are planning to take action) to improve our air quality. The tables below show some of the actions that have been identified in the action plans and reports for AQMAs as well as action being taken more generally across each West Sussex District and Borough. The tables cover the following themes:

- Low emission vehicles
- Traffic management
- Sustainable transport infrastructure
- Behaviour change
- Health and wellbeing
- Planning
- Travel planning
- Resourcing

Full information about actions being undertaken in specific AQMAs is available on the relevant District or Borough website (see appendix 1).

### Low emission vehicles

The biggest impact on traffic-related air quality will be reductions in emissions from petrol and diesel vehicles as a result of technological improvements. The Government confirmed in July 2017 that it will end the sale of all new conventional petrol and diesel cars and vans by 2040,<sup>22</sup> and the move towards low emission<sup>23</sup> vehicles will further improve air quality. The County needs to prepare for this transition so that

---

<sup>22</sup> <https://www.gov.uk/government/news/plan-for-roadside-no2-concentrations-published>

<sup>23</sup> The Department for Transport defines low emission vehicles as vehicles with pure electric engines, plug-in hybrid engines or cars with CO<sub>2</sub> emissions below 75 g/km at tailpipe. These include fuel cell electric vehicles which are often powered by hydrogen and Range Extended Electric Vehicles which have a combustion engine that acts as an on-board generator to top up the battery's charge.

its businesses and residents are not disadvantaged. The County Council is currently working with District and Borough partners to consider how best to achieve this.

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Fleet improvements	✓		✓	✓			✓	✓
Electric Vehicle infrastructure	✓	✓	✓	✓	✓		✓	✓
Taxi fleet licensing promoting low emission vehicles	✓		✓	✓		✓	✓	

Partners have an ambition to increase the uptake of electric vehicles in the County. As a first step, The County Council is working with a number of internal teams on introducing electric vehicle charging infrastructure and a small number of electric pool vehicles at County Hall, Chichester as part of a pilot during summer 2018.

In parallel, WSCC is developing a clear strategy and policy setting out its ambitions for ultra-low emission vehicles, including electric vehicles. This includes sharing knowledge, experience and resources with District and Borough partners with the aim of delivering a cohesive network of EV charging points across West Sussex.

Crawley Borough Council has included emissions from hackney carriage and private hire vehicles in its licensing policy to improve air quality in the borough through ensuring less polluting vehicles are licensed from first registration. It also limits the life span of vehicles to ensure they are removed from the taxi fleet in a progressive manner. The Council also discounts all licensed electric vehicles registered to £100 fee to encourage take up and also to improve air quality within the borough.

Chichester District council has a funded Cabinet resolution to deliver electric vehicle charging points across its car parks and has built a whole life costing business case to deliver electric vehicles in its fleet.

Adur and Worthing Councils have a fleet of pool cars incorporating hybrid vehicles and are investigating the use of electric vehicles within the fleet, aiming to reduce work related journeys by staff in their own vehicles. By having some control over the fleet used by staff emissions (and cost savings) should be better controlled. Using hybrid vehicles for local journeys means pure electric mode can be used for much of the time as speeds are low.

Adur and Worthing Councils have also developed an EV strategy to direct the installation of charge points across both areas. This has led to charge points being installed at three locations and the strategy identifies locations for possible future installation by the Council and/or private businesses.

### Traffic management

The focus of our traffic management work is to keep traffic moving smoothly thereby reducing the amount of emissions produced through stop-start motion. We will work together with local stakeholders to understand the micro-scale problems that are causing congestion and air quality problems, and consider whether there are any practical measures that might be taken to reduce impacts. Any traffic management

measures identified will need to consider aspects including: likely air quality benefit, feasibility<sup>24</sup>, deliverability, value for money, acceptability, ongoing management and likelihood of funding. Schemes will also need to be prioritised against other County Council highway schemes.

**West Sussex highway infrastructure measures development processes**

Processes for prioritising schemes within County Council work programmes include the Community Highway Scheme for smaller scale community identified schemes, the Local Transport Investment Programme (LTIP) for local infrastructure improvements e.g. schemes identified through local infrastructure studies to serve local policy objectives, and the Strategic Transport Investment Programme which is used to identify and develop strategic (i.e. larger than local) transport projects needed to support sustainable economic growth in the county.

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Low speed zones (inc 20mph zones)	✓	✓	✓			✓		✓
HGV/LGV assessment	✓						✓	
MOVA traffic signal optimisation	✓	✓	✓	✓	✓	✓	✓	✓

**Traffic signals**

We use automated MOVA<sup>25</sup> technology at all new traffic signal junctions and crossings and within all of our AQMAs. This technology is also introduced when traffic signal junctions and signal controlled crossings are upgraded.

**Speed limit changes**

Speed management changes should be in accordance with the West Sussex Speed Limit Policy and any initiatives will need the overall support of the local community. We will examine the feasibility of additional speed management initiatives where these are supported by the community, particularly where a speed limit change improves actual and perceived road safety and can encourage increased walking and cycling as opposed to car use.

**HGV/LGV routing assessment**

An advisory lorry route and services map is available on the West Sussex County Council map. It will require updating and this will be included in the Local Transport Plan review due to begin in 2018/19.

**Parking**

Road Space Audits (RSAs) are planned for Chichester, Crawley, Burgess Hill and Worthing. These areas have been chosen because RSAs are seen as integral to the development of the significant growth programmes that exist for these areas.

In due course, a prioritised growth programme for Horsham, Bognor Regis, Littlehampton, Haywards Heath and Shoreham will be drawn up and RSAs would likely be required for each of these. In addition, RSAs may

<sup>24</sup> There are some traffic management actions that we are either constrained by regulations from undertaking, there are practical reasons why they may not be suitable, or there are specific challenges that need consideration. Appendix 3 provides further explanation about these challenges.

<sup>25</sup> Microprocessor Optimised Vehicle Actuation



be considered for towns where there is a train station and attempts to address parking issues at one station may have knock –on effects at nearby stations.

Smaller towns or villages present a different set of issues and it is probable that District, Borough or Parish Councils will take the lead on dealing with these.

### Sustainable transport infrastructure

Walking and cycling are low cost modes of travel that have the potential to replace a significant proportion of motorised journeys. The relative lack of specific facilities and concerns about safety are barriers to increasing cycling and walking. The needs for cyclists, walkers, wheelchair users, mobility scooter users, people with pushchairs, equestrians, trike users, and cycles with trailers are different but can be shared. In addition specific needs vary depending on journey purpose and the person making the journey (e.g. children, families, and older people). People wishing to travel to work may have different needs from those who seek to access the countryside for leisure purposes. In addition a confident on or off road cyclist will be attracted to a level of facility that may not suit a child who is travelling to and from school or a family cycling or walking for leisure.

This implies that our approach needs to vary in different parts of the county. In general this means infrastructure improvements need to deliver:

- segregated paths following major high speed (40 mph+) corridors
- leisure facilities that are mainly off-road or less busy lanes
- a safer built-up environment based on area wide safety management and,
- where appropriate, reallocation of road space to create improved facilities

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Sustainable Transport Package Studies	✓		✓	✓	✓	✓	✓	✓
Walking and cycling infrastructure	✓	✓	✓	✓	✓	✓	✓	✓
Public transport infrastructure	✓		✓	✓			✓	✓

To deliver this West Sussex County Council has worked with local partners to produce the West Sussex Walking and Cycling Strategy. This includes a single, prioritised list of sustainable infrastructure schemes. This list is reviewed annually, with major revisions every five years.

Given on-going funding constraints the Strategy does not contain specific delivery targets, but we will continue to engage with key stakeholders to ensure that a co-ordinated approach is taken to delivering new walking and cycling infrastructure - particularly where routes may cross boundaries. We will also seek stakeholder support for future funding bids.

West Sussex County Council successfully bid to Coast to Capital Local Enterprise Partnership to jointly fund the £2 million extension of the National Cycle Network Route 2 between Bognor Regis and Littlehampton. Construction is expected to be completed in summer 2018. Feasibility studies on further sections of NCN2 through West Sussex are being planned for 2018/19.

The £14.8m Crawley Growth deal includes upgrades to sustainable transport infrastructure and highway upgrades to boost overall transport capacity and enable a significant shift from car usage to bus, rail, cycling and walking alternatives. In addition, connectivity enhancements at the major railway station of Crawley, Three Bridges and Gatwick will greatly facilitate commuter access to Manor Royal and the town centre via sustainable transport connections.

## Behaviour change

There are a lot of activities being undertaken by the local authorities that are having a beneficial impact on air quality in West Sussex. However, there are many ways in which residents and businesses can help.

There has been a focus on promoting alternative transport modes and as seen above, infrastructure improvements will go a long way to enabling more active travel.

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Active travel promotion	✓		✓	✓		✓	✓	✓
Anti-idling campaigns	✓	✓	✓	✓	✓	✓	✓	✓
Better driving techniques				✓		✓		✓
Car club promotion	✓		✓	✓	✓		✓	✓
Car sharing promotion	✓		✓	✓		✓	✓	✓
Encourage alternative transport modes	✓	✓	✓	✓	✓	✓	✓	✓
Living Streets projects eg walk to school	✓	✓	✓	✓	✓	✓	✓	✓
Home working policy encouraging reduced staff travel	✓	✓	✓	✓	✓		✓	✓
Public transport promotion	✓	✓	✓	✓	✓	✓	✓	✓

Crawley Borough Council has an interest free staff loan scheme for bicycles, rail or bus season tickets to encourage a modal shift from private vehicles. Staff are able to save between 25-39% on a new bike package from a choice of independent and online bike shops.

Partners will work together to explore ways at which behaviour change initiatives can be coordinated across District and Boroughs to encourage a bigger impact and to be more resource efficient. This will include sharing of information on the practicalities and success of initiatives between Sussex-air partners, and exploring potential joint funding bids.

The car club in Chichester recently increased its offer from 4 to 6 cars and Horsham car club has 3 cars. Adur and Worthing Councils are exploring opportunities for a car club in their areas.

We will be working with bus operators to promote buses over car travel to reduce emissions and improve life outcomes.

Aside from the wide range of general active travel and travel behaviour promotional activities that the local authorities undertake, specific areas of joint activity that will be explored include:

- Driver training targeted initially at local authority staff. Smoother driving techniques have been shown to have a beneficial effect on emissions as well as reducing costs.
- Anti-idling campaign through Sussex-air - The Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002 state that it is an offence to idle your engine unnecessarily when stationary. Possible actions include:
  - Stickers for resident/business vehicles “I’m not an idler”
  - Using public sector vehicles for messaging
  - Examining the feasibility of enforcing legal duty

### Health and wellbeing

A free service that provides text or email messages direct to people informing them about air pollution levels in their area is available through the Sussex-air website.<sup>26</sup> The Public Health team at West Sussex County Council is working to ensure that health considerations are embedded into all aspects of the Council and is currently undertaking a needs assessment into how air quality is affecting residents across the county.

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Health & wellbeing promotion	✓	✓	✓	✓		✓	✓	✓
Embedding air quality in Public Health Plan	✓		✓				✓	✓
AirAlert free warning service	✓	✓	✓	✓	✓	✓	✓	✓

Partners will continue to promote the free AirAlert warning service to encourage more people to sign up to receive alerts. It is important that residents have clear and consistent information to enable them to make informed decisions. We will work together to ensure that even with reduced resources, we can reach the widest number of people to obtain the maximum benefit.

Areas of joint activity to be explored include:

- Guidance notes on specific areas of interest to residents and businesses
- Engaging residents and businesses in activities that will benefit local air quality

### Planning

Sussex-air has developed planning guidance to assist local authorities and developers in the assessment of air quality and the mitigation of potential impacts from proposed developments. The purpose of this guidance is to:

- Provide a Sussex-wide approach for assessing potential air quality impacts from development and transport related emissions and provide a consistent approach to mitigating those impacts.
- Provide technical advice to local planning authorities on how to deal with planning applications that could have an impact on air quality

<sup>26</sup> <http://www.Sussex-air.net/>. A similar cold weather alert is also available.

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Air Quality Emissions Mitigation Planning Guidance for Sussex embedded into planning policy	✓	✓	✓	✓	✓	✓	✓	✓

Most major developments are required to complete an air quality impact assessment to determine the likely effects of that development on local air quality. They are also required to assess the health damage 'cost' of transport associated with the development. This 'cost' should then be used to provide appropriate and meaningful mitigation to help reduce the potential effect on health and the local environment. Such mitigation could include electric vehicle charging points, public transport improvements, cycling and walking infrastructure, etc. as per District and Borough Air Quality Action Plans. Early engagement with developers and transport planners is key to ensuring potential air quality issues can be addressed or designed-out - e.g. maximising the distance between residential facades and roads (thereby minimising exposure), ensuring airflow is not restricted by new developments and avoiding the creation of street canyons (which can trap pollutants).

The Guidance is currently being revised and is due for publication by the end of the year.

### Travel planning

School Travel Plans propose a package of measures that encourage a shift away from car use towards safe, sustainable modes of travel for any journeys to and from school. This can have a range of potential benefits including: reducing traffic congestion and pollution around schools; improving road safety and improving health and fitness.

Travel plan networks can help employers promote sustainable commuting and business travel, and reduce parking pressures at their sites. Such networks can also provide a forum to share best practice and explore opportunities for joint working.

Through collaborative working, travel plan networks can also help secure travel discounts and other employee benefits. In West Sussex there are three subscription networks that employers can join, which are operated by 'easit'.

- [easitCHICHESTER](#)
- [easitCRAWLEY](#)
- [easitMID SUSSEX](#)

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	WSCC
Business travel plans	✓		✓	✓		✓	✓	✓
School travel plans	✓		✓	✓	✓	✓	✓	✓
Local authority staff travel plans	✓		✓	✓		✓	✓	✓

Cycle route information	✓		✓	✓			✓	✓
Journey planner	✓				✓		✓	✓
Residential travel plans			✓	✓				✓
Promotion of Easit discount to encourage sustainable travel for staff			✓	✓		✓		✓

WSSC's Travel Plan supports our Business Travel Policy in reducing the impact of their business mileage. Employees are encouraged to:

- Keep business travel to a minimum.
- Use public transport/free bus shuttle services rather than cars where reasonable to do so
- Car share with other colleagues travelling to the same venue (where public transport is not a practical option)
- Use a pool car where appropriate rather than a private car

To enable staff to make more sustainable transport journeys the County Council has introduced a number of initiatives. These include:

- An upgrade to IT equipment has enabled staff to work remotely, and enabled easy access to tele or video conferencing.
- Free to use pool bikes are available at all main hub offices.
- Staff can travel for free on a bus between campuses at Bognor Regis and Chichester. The service is shared with Chichester University.
- Staff can apply for an easitCARD. The card offer many benefits but primarily a 15% discount on off-peak and peak-time travel with Southern services.

Partners will be continuing discussions with developers to embed effective air quality mitigation within local development schemes including the promotion and establishment of effective travel plans. These focus on minimising number of trips made by car.

## Resourcing

A continuing challenge for all local authorities is the reduction in funding from Central Government. One of the ways in which we can try to redress this is to work in partnership; by working together we can do more with ever diminishing resources.

Grant funding is made available by central government annually, however the majority of funding is focussed on those towns and cities listed in the *UK plan for tackling roadside nitrogen dioxide concentrations (2017)*. There are no West Sussex areas included, so the County is considered low priority.

However, Sussex-air has been successful in gaining a Defra grant for work across East and West Sussex and Brighton & Hove, to deliver:

- An intensive and targeted intervention with 25 schools in the AQMAs across Sussex to:
  - reduce idling during school drop-off and pick-up times;
  - increase walking and cycling rates to and from school;
  - measure the change in walking and cycling rates, and idling, and assess the effect on local air quality.
- An intensive and targeted intervention with 25 businesses in the AQMAs across Sussex to:

- reduce local emissions from fixed and mobile plant;
  - increase walking and cycling rates to and from work, and reduce business mileage;
  - deliver eco-driver training to staff working in the 25 businesses;
  - evaluate the change in local emissions from the above measures.
- The dissemination of the project results and key lessons learned:

## **Governance and reporting**

As members of Sussex-air, all partners currently already meet on a quarterly basis to discuss air quality related issues. This will form the basis of a report to a newly created West Sussex Inter Authority Air Quality Group (IAAQ) made up of portfolio holders and senior officers of each of the West Sussex authorities. The IAAQ will monitor progress on air quality actions and highlight issues or concerns to the West Sussex Leaders' Board.

This plan will be updated as necessary and will be reviewed annually to ensure that new areas of work are reflected. We will also take all opportunities to work with a wider partnership including the South Downs National Park Authority and Highways England.

# APPENDIX 1

## Local Air Quality Management Duties

Established under the Environment Act 1995, Local Air Quality Management (LAQM) places a duty on all local authorities to regularly review and assess air quality in their areas, and to determine whether or not the national air quality objectives are likely to be achieved. Where an exceedance is considered likely, the local authority must declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) which sets out the measures it intends to put in place in pursuit of the objectives. There are currently over 500 Air Quality Management Areas (AQMAs) in England for non-compliance with the UK's Air Quality annual mean objective for nitrogen dioxide.

The statutory air quality objectives applicable to LAQM in England can be found in the table below:

Pollutant	Air Quality Objective <sup>‡</sup>	Measured as
	Concentration	
Nitrogen Dioxide (NO <sub>2</sub> )	200 µg/m <sup>3</sup> not to be exceeded more than 18 times a year	1-hour mean
	40 µg/m <sup>3</sup>	Annual mean
Particulate Matter (PM <sub>10</sub> )	50 µg/m <sup>3</sup> , not to be exceeded more than 35 times a year	24-hour mean
	40 µg/m <sup>3</sup>	Annual mean

<sup>‡</sup>Units are in microgrammes of pollutant per cubic metre of air (µg/m<sup>3</sup>)

After declaring an Air Quality Management Area, the authority must prepare an Air Quality Action Plan (AQAP) within 12-18 months setting out measures it intends to put in place in pursuit of compliance with the objectives.

The local authority is also required by statute to produce an Annual Status Report (ASR) showing the strategies employed by the authority to improve air quality and detail any progress that has been made.

There is no regulatory requirement on the Council to carry out continuous monitoring; it is up to the authority to determine how it monitors air pollution. Diffusion tubes (small plastic passive tubes) are a recognised standard method of monitoring for NO<sub>2</sub> and most authorities use them as they present value for money when compared to the high cost of continuous monitoring (which also has an ongoing service and maintenance cost).

Diffusion tubes need to be left in place ideally for 12 months, but at least achieve a data capture rate of 75% to enable results to be compared to the NO<sub>2</sub> annual mean objective. Levels are often elevated during the winter months and lower in other months. Exposing tubes for very short periods (e.g. a couple of months) will not enable comparison of the results with the annual mean objective.

Results from monitoring are not available until April of the following year, as correction factors from Defra are not made available until late March.

The long-term air quality objectives apply where members of the public are likely to be regularly present for long periods e.g. homes, schools, hospitals, etc. Guidance states that the objectives should generally not apply to gardens of residential properties and kerbside sites. The 1-hour mean objectives are designed to take account of short term exposure.

Concentrations of NO<sub>2</sub> decrease away from the roadside. Government guidance requires us to predict roadside measurements back to the nearest receptors using a standard modelling tool. When this is done at Shoreham High Street, for example, the level drops below the annual mean objective. Additionally, there is a link between pollutant concentrations measured both inside and outside of a building. For this reason it is considered appropriate to measure/predict at the building façade to represent relevant exposure and to assess exposure for pollutants with an annual mean objective. Smaller particles, especially PM<sub>2.5</sub>, do not decrease so rapidly away from the road. Where annual mean concentrations are measured above 60µg/m<sup>3</sup> this indicates the 1-hour mean objective may be exceeded.

Councils are not required to carry out monitoring of Particulate PM<sub>2.5</sub> at the moment. We are however working with other Sussex Authorities and West Sussex Public Health (through Sussex-air) to determine our approach to reducing emissions and concentrations as per Government guidance.

Costs associated with monitoring comprise the service and maintenance of the continuous monitoring sites (approximately £2,500-£3,500 per year for each site), diffusion tube monitoring (£2,500-3,000 per year) and officer time.

## **Links to Action Plans and Annual Status Reports for each Air Quality Management Area in West Sussex**

### **Adur**

Air Quality Action Plan 2007 <https://www.adur-worthing.gov.uk/media/media,104971,en.pdf>

Annual Status Report 2017 <https://www.adur-worthing.gov.uk/media/media,146121,en.pdf>

### **Arun**

Air Quality Action Plan – there are no Air Quality Management Areas in Arun District

Annual Status Report 2017 <https://www.arun.gov.uk/air-quality-including-bonfires>

### **Chichester**

Air Quality Action Plan 2015 <http://www.chichester.gov.uk/CHttpHandler.ashx?id=6298&p=0>

Annual Status Report 2017 <http://www.chichester.gov.uk/CHttpHandler.ashx?id=29107&p=0>

### **Crawley**

Air Quality Action Plan

Annual Status Report 2017 <http://www.crawley.gov.uk/pw/web/PUB337919>

### **Horsham**

Air Quality Action Plan Cowfold 2013 [https://www.horsham.gov.uk/\\_data/assets/pdf\\_file/0004/14494/Cowfold-AQ-Action-Plan-draftfinal..pdf](https://www.horsham.gov.uk/_data/assets/pdf_file/0004/14494/Cowfold-AQ-Action-Plan-draftfinal..pdf)

Air Quality Action Plan Storrington 2012

[https://www.horsham.gov.uk/\\_data/assets/pdf\\_file/0013/5431/Storrington-AQ-ActionPlan-draft.pdf](https://www.horsham.gov.uk/_data/assets/pdf_file/0013/5431/Storrington-AQ-ActionPlan-draft.pdf)

Annual Status Report 2017 [https://www.horsham.gov.uk/\\_data/assets/pdf\\_file/0007/50569/ASR2017\\_finalv2.pdf](https://www.horsham.gov.uk/_data/assets/pdf_file/0007/50569/ASR2017_finalv2.pdf)

### **Mid Sussex**

Air Quality Action Plan 2017 <http://www.midsussex.gov.uk/media/79521/air-quality-action-plan-2017-web.pdf>

Annual Status Report 2017 [http://www.midsussex.gov.uk/media/79904/mid\\_sussex\\_asr\\_2017\\_for-web.pdf](http://www.midsussex.gov.uk/media/79904/mid_sussex_asr_2017_for-web.pdf)

### **Worthing**

Air Quality Action Plan 2015 <https://www.adur-worthing.gov.uk/media/media,138133,en.pdf>

Annual Status Report 2017 <https://www.adur-worthing.gov.uk/media/media,147096,en.pdf>



# APPENDIX 2

---

## **District and Borough Councils planning policies**

Each District and Borough council has to prepare a local plan which sets planning policies in a local authority area. These are very important when deciding planning applications. A number of policies within local plans specifically reference air quality (see District and Borough Council websites for full text):

### **Adur: Policy 28: Transport and Connectivity**

In order to secure significant improvements to transport and mobility in Adur, new development should ensure it contributes to the mitigation of air pollution, particularly in Air Quality Management Areas. Air quality assessments may be required. Where practical, new development should be located and designed to incorporate facilities for electric vehicle charging points, thereby extending the current network.

### **Adur: Policy 34 Pollution and Contamination**

Development should not result in pollution or hazards which prejudice the health and safety of the local community and the environment. New development in Adur will be located in areas most suitable to the use of that development to avoid risks from noise, air, odour or light pollution. Where appropriate, air quality assessments will be required in conjunction with development proposals.

### **Arun: Policy QE DM3: Air Quality**

All major development proposals must assess the likely impacts of the development on air quality and mitigate any negative impacts. Development proposed nearby an Air Quality Management Area (AQMA) declared within the Plan period, will require an air quality assessment. Developers must ensure delivery of the actions set out within any Air Quality Action Plan.

### **Arun: Policy QE SP1: Quality of the environment**

All development must contribute positively to the quality of the environment and will ensure that development does not have a significantly negative impact upon residential amenity, the natural environment or upon leisure and recreational activities enjoyed by residents and visitors.

### **Arun: Policy H SP5: Traveller and Travelling Showpeople Accommodation**

Planning applications for Traveller sites shall, amongst other things be located in areas with easy and safe access to a range of local services including schools, shops and healthcare facilities either by foot, cycle, public transport or car. Residential sites shall not be located immediately adjacent to major transport corridors unless noise, safety and air quality impacts can be mitigated.

### **Chichester: Policy 32: Horticultural Development**

Within designated Horticultural Development Areas, planning permission will be granted for new glasshouse, packhouse and polytunnel development where it can be demonstrated that the proposal does not generate unacceptable levels of soil, water, odour or air pollution and there is no significant adverse impact resulting from artificial lighting on the occupants of nearby sensitive properties or on the appearance of the site in the landscape.

### **Chichester: Policy 39: Transport, Accessibility and Parking**

Planning permission will be granted for development where it can be demonstrated that, along with other essential criteria, the location and design will minimise additional traffic generation and movement and would not create or add to problems of safety, congestion, air pollution, or other damage to the

environment. Where development is likely to have an impact on an Air Quality Management Area, an air quality assessment will be required.

#### **Chichester: Policy 40: Sustainable Design and Construction**

For all new dwellings or for new non-domestic buildings, the developer must demonstrate, amongst other things, that the reduction of the impacts associated with traffic or pollution (including air, water, noise and light pollution) will be achieved.

#### **Crawley: Policy ENV10: Pollution Management and Land Contamination**

Development, including extensions and intensification of existing uses, will be permitted where the proposed use would not lead to a significant increase (including cumulative increase) in levels of pollution or hazards, or where impacts can be appropriately mitigated to ensure impacts are controlled, and as far as possible reduced.

#### **Crawley: Policy ENV12: Air Quality**

Development proposals that do not result in a material negative impact on air quality will normally be permitted. Developers must provide evidence showing the air quality impact of the proposed development, and outlining an appropriate mitigation strategy. Development proposals within a declared Air Quality Management Area, will demonstrate how mitigation measures will be incorporated to help address objectives identified in the relevant Air Quality Action Plan.

#### **Horsham: Policy 24: Environmental Protection**

The policy emphasises the need to minimise emissions from development and advises applicants to refer to the requirements of the HDC Planning Advice Document: Air Quality & Emissions Reduction Guidance (May 2014). This guidance sets out a range of locally specific measures to guide applicants on minimising and/or offsetting the emissions from new development, including the consideration of cumulative impacts.

#### **Mid Sussex: DP21 Transport**

Decisions on development proposals will take account of a number of factors including whether the scheme is sustainably located to minimise the need for travel; appropriate opportunities to facilitate and promote the increased use of alternative means of transport to the private car have been fully explored and taken up and the scheme avoids severe additional traffic congestion, individually or cumulatively, taking account of any proposed mitigation. Where practical and viable, developments should be located and designed to incorporate facilities for charging plug-in and other ultra-low emission vehicles.

#### **Mid Sussex: DP29: Noise, Air and Light Pollution**

Development will only be permitted where it does not cause unacceptable levels of air pollution; where existing exposure to poor air quality can be mitigated or would not cause any adverse effects on the proposed development, and where appropriate development proposals are consistent with Air Quality Management Plans.

#### **Worthing:**

A full review of the adopted Worthing Core Strategy is being undertaken and a new Local Plan is currently being prepared. It is expected that the Draft Local Plan (which will include policies relating to Air Quality) will be published for consultation in autumn 2018.

# APPENDIX 3

## What are our challenges?

There are some actions that we are either constrained by regulations from undertaking, or there are practical reasons why they are not suitable. These include:

Traffic management	
Action	Constraint
Yellow boxes to prevent roundabouts being blocked	<p>Traffic regulations state that yellow boxes can only be placed where there are also permanent traffic signals. This is because a circulating vehicle has priority over those entering and there is potential confusion over right of way if it stops to avoid obstructing the box when its exit is blocked. Also, a vehicle stopped in an outer lane might obscure vehicles continuing to circulate on the inner lanes (whose exit might not be blocked) from the view of drivers entering the roundabout.</p> <p>The regulations do not prohibit the use of keep clear markings on roundabouts, but the potential problems of sight lines and re-establishing priorities still apply.</p>
Countdown timers showing how long until traffic lights will change to green to encourage drivers to switch engines off	Countdown timers do not work with the MOVA automated control system at traffic lights. The system monitors traffic flows and changes the lights accordingly. A countdown would require the timer to complete before changing the lights regardless of whether there is traffic waiting or not.
Speed limits	The benefit of speed limit changes to improve air quality depends on the specific characteristics of any air quality problems in that location. Within AQMAs, traffic congestion that results in air quality problems often means that imposing speed limits is unlikely to directly address the problem as traffic is typically slow moving anyway. However, there may be a benefit to speed limit change if it helps to smooth traffic flow and prevent the stop-start nature of congestion. It may also help improve actual and perceived road safety which could encourage increased walking and cycling.
Diversions away from Air Quality Management Areas	Whilst the specific characteristics of AQMAs vary widely, a common theme in attempting to tackle the issues is that the opportunities to divert traffic away from these locations are limited by the lack of alternative routes which limits the number of measures available to address these issues.
Clean Air Zones/Low Emission Zones	These areas require political support and agreement amongst all tiers of government and local businesses and communities. In addition the ability to charge is restricted by Central Government. Feasibility studies are required to test their likely effectiveness in West Sussex.
Freight satellite navigation systems	<p>We have very little influence over the operators of satellite navigation systems. Local delivery services are likely to know where the better routes are and we have advisory information on the best through routes. Satellite navigation systems also require drivers/freight companies to update their device regularly.</p> <p>A further complication is satellite navigation devices for trucks are often significantly more expensive than that for cars, so some drivers may not be using the appropriate devices.</p>

# APPENDIX 4

## Summary of joint actions

Action	Rationale
Drivers in all West Sussex local authorities to be offered driver training	Smoother driving techniques have been shown to have a beneficial effect on emissions as well as reducing costs. Should be economies of scale for employing training across all authorities
Co-ordination of behaviour change activities	By providing a collective front we may have a bigger impact and be more resource efficient
Take advantage of opportunities to work together with communities	By providing a collective front we may be able to do more with less.
Engage parish councils, residents and businesses in activities that will benefit local air quality	Wider stakeholder engagement will strengthen the messages and can emphasise the co-benefits of taking action.
Public information campaign	There is a mass of information that is often difficult to interpret, making it hard for people to make informed decisions. Providing off the shelf information would help authorities with limited resources. Subjects could include: <ul style="list-style-type: none"> <li>• how to limit the impacts of domestic coal/wood burning</li> <li>• where to hire bikes</li> <li>• how to limit exposure to poor air quality</li> </ul>
Anti-idling campaign eg <ul style="list-style-type: none"> <li>• Stickers for resident/business vehicles “I’m not an idler”</li> <li>• Anti-idling messages on the back of public sector vehicles</li> <li>• Examine feasibility of enforcing legal duty</li> </ul>	The Road Traffic (Vehicle Emissions) (Fixed Penalty) (England) Regulations 2002 state that is an offence to idle your engine unnecessarily when stationary. The “switch off” signs at level crossings have limited success and schools report continuing problems.
Work with the planning system to increase the standards for developers including EV charging points	Future proofs new developments and is cheaper than retrofitting.
Joint statements to Government to push for action	There would be greater strength in statements from all partners.
Examine feasibility for adding air quality monitoring to on-street pay & display machines	Greater spread of monitoring will allow more accurate measurements.
Examine feasibility for differential parking charges to promote low emission vehicles	Positive promotion of low emission vehicles.
Take advantage of any opportunities to align policies	Aligned policies, such as taxi policy, would deliver consensus on encouragement or requirements and allow greater clarity for operators.
Produce a County Council ultra-low emission vehicle strategy	Working with partners to produce this will help enable a consistent approach across the county.

# **DRAFT**

# **Terms of Reference**

## **Inter-Authority Air Quality Group 2018**



Partner logos to be inserted

Version: 1.0  
Date: 8 June 2018

## Terms of Reference for Inter-Authority Air Quality Group (IAAQ)

### **Amendment History**

Version	Date	Author(s)	Comments
1.0	8.6.18	Margaret Enstone	Draft for comment
2.0	22.6.18	Margaret Enstone	Draft for comment

### **Distribution List**

Deborah Urquhart	West Sussex County Council
Lee Harris	West Sussex County Council
Steve Read	West Sussex County Council
Philippa Dart	Arun
Mary D'Arcy	Adur & Worthing
Nigel Sheehan	Crawley
Trevor Beadle	Horsham
Judy Holmes	Mid Sussex
Louise Rudziak	Chichester

## *Terms of Reference for Inter-Authority Air Quality Group (IAAQ)*

### **Group Membership**

The group shall be made up of Portfolio Holders and senior officer support from the following local authorities in West Sussex:

Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex, Worthing and West Sussex.

Each of the officer representatives should have sufficient authority to deliver and implement work resulting from the Group within their organisation or to escalate as appropriate.

The Chair of the Group will be expected to attend or send a proxy to the Sussex-air meetings.

West Sussex County Council will provide a Secretary to the Group.

### **Background**

On 17<sup>th</sup> November 2017, the West Sussex Leaders' Board agreed on a joint approach to delivering air quality improvements, including the production of a County-wide Air Quality Plan. The IAAQ will provide Governance on the plan.

### **Purpose**

The main aims and purpose of the Inter-Authority Air Quality Group shall be to:

1. Receive quarterly reports from the West Sussex authority partners on Sussex-air.
2. Develop and agree an annual action plan and monitor progress and impacts of air quality actions.
3. Provide guidance on issues of concern.
4. Highlight proposals, issues or concerns to the West Sussex Leaders' Board with recommendations for resolution or mitigation

### **Decision making**

Elected members of the Group shall elect a Chair from amongst themselves on an annual basis.

The Group has no formal decision-making powers and shall seek to move forward by consensus

### **Output**

Minutes of each meeting will be taken by Secretary and shall be distributed to group members and Sussex-air within two weeks of that meeting. Recommendations and

## *Terms of Reference for Inter-Authority Air Quality Group (IAAQ)*

reports to Sussex-air shall be made with the minutes where appropriate, and in person by the Chair or proxy of the IAAQ.

The IAAQ shall meet on a quarterly basis, two weeks following the Sussex-air meetings (unless otherwise agreed by its members).





ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
11 September 2018  
Agenda Item 11

Key Decision [No]

Ward(s) Affected: N/A

**Risk and Opportunity Management Strategy 2018-20**

**Report by the Director for Digital & Resources**

**Executive Summary**

**1. Purpose**

- 1.1 This report provides the detail of the updated revised Risk and Opportunity Management Strategy (ROMS) for the Councils for 2018 - 2020 which the Joint Strategic Committee (JSC) is asked to consider for approval.

**2. Recommendations**

- 2.1 That the revised/updated Risk and Opportunity Management Strategy 2018 - 2020 as set out at Appendix A to this report be approved and adopted from 1 October 2018.
- 2.2 That an annual summary of risks and opportunities be provided along with the strategy, following the recommendation from Joint Governance Committee referred to in paragraphs 4.2 and 4.3.

**3. Context**

- 3.1 The current Risk and Opportunity Management Strategy was approved by the Joint Strategic Committee in April 2016 for a two year period until 2018. The Strategy is now due for review and update to reflect changes in the framework for managing risks and opportunities in the Councils.

- 3.2 The revised/updated Risk and Opportunity Management framework set out in the revised Strategy will help continue to improve strategic, operational and financial management in the Councils and help provide better decision making.

#### **4. Issues for consideration**

- 4.1 A copy of the revised ROMS is attached to this report as Appendix A and provides the detail of the framework for how the Councils should manage risk and opportunities. The revised Strategy provides clearer guidance on how the Councils manage risks and opportunities and amendments have been made to the Strategy to reflect the changes to the reporting and monitoring processes adopted by the Councils since the previous Strategy was approved. This Strategy will continue to provide appropriate guidance to help the Councils embed the Risk and Opportunity management process within the workforce.
- 4.2 The revised ROMS was reported to the meeting of the Joint Governance Committee (JGC) on 31 July 2018 for comment from that Committee in its role monitoring the effective development and operation of Risk and Opportunity management. This report has been developed in response to a recommendation at that meeting that Joint Strategic Committee also receive a summary of corporate risks and opportunities along with the strategy document.
- 4.3 Attached as Appendix B to this report is a list of the Corporate Risks and Opportunities together with a summary of the internal controls in place to mitigate each risk and to take advantage of each opportunity. Looking forward it is suggested that an annual summary report on the Corporate Risks and Opportunities is presented again in this form to provide the extra governance and scrutiny requested by the Joint Governance Committee.

#### **5. Engagement and Communication**

- 5.1 The Councils Leadership Team and other appropriate staff have been consulted on this report. The Adur and Worthing Joint Governance Committee has also been consulted on the revised Strategy.

#### **6. Financial Implications**

- 6.1 There are no direct financial implications associated with the implementation of the revised ROMS, however, there will likely be some financial implications associated with the Risks and Opportunities identified.

## **7. Legal Implications**

- 7.1 The approved Code of Corporate Governance specifies that the Councils should have an effective system of Risk management in place. The approval of this revised Risk and Opportunity Management Strategy falls within the Portfolio of the Leaders but can be exercised by the Joint Strategic Committee. The Joint Governance Committee has been consulted on the Strategy because it has responsibility for receiving the receiving regular updates on the status of Risks and Opportunities and for monitoring the effective development and operation of Risk and Opportunity management.
- 7.2 Section 111 of the Local Government Act 1972 provides Local Authorities with the power to do anything ancillary or incidental to the discharge of their function.
- 7.3 Section 1 of the Localism Act 2011 provides the Councils with a general power of competence and empowers Local Authorities to do anything which individuals generally do.
- 7.4 The management of all Risks and Opportunities should be carried out in accordance with the Council's policies and procedures including the Constitution, the financial procedure rules and the Contract procedure rules.

## **Background Papers**

Risk and Opportunity Management Strategy 2016 - 2018

### **Officer Contact Details:-**

Mark Lowe  
Scrutiny and Risk Officer  
Town Hall,  
Worthing  
BN11 1HA  
01903 221009

## **Sustainability & Risk Assessment**

### **1. Economic**

Matter considered and no issues identified.

### **2. Social**

#### **2.1 Social Value**

Matter considered and no issues identified.

#### **2.2 Equality Issues**

Matter considered and no issues identified.

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no direct issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no direct issues identified.

### **3. Environmental**

Matter considered and no direct issues identified.

### **4. Governance**

A revised Risk and Opportunity Management Strategy will help the Councils achieve the objectives and Commitments contained in Platforms for our Places.



ADUR & WORTHING  
COUNCILS

**RISK AND OPPORTUNITY  
MANAGEMENT STRATEGY**  
2018 to 2020

**A Guide to managing Risks and Opportunities in  
Adur and Worthing**

**July 2018**

## 1. Risk and Opportunity Management Strategy

***This document outlines the Council's commitment to managing risk and opportunity in an effective and appropriate manner. It is intended to be used as the framework for the delivery of the Risk and Opportunity management function and provides guidance on developing risk and opportunity management as a routine process for all services.***

***This Risk and Opportunities management framework will help improve strategic, operational and financial management, provide better decision making, improve compliance and help improve customer service delivery and provide better outcomes for the citizens of Adur and Worthing.***

### Introduction

The Councils undertake that this Strategy will ensure that:-

- The management of Risks and Opportunities is linked to performance improvement and the Council's Strategic objectives contained in the Strategic vision - 'Platforms for our Places'.
- The Councils Leadership Team, Service Heads and the Adur and Worthing Executive Members lead and support on Risk and Opportunity management.
- Ownership and accountability are clearly assigned for the management of risks and opportunities throughout the Councils.
- There is a commitment to continue to embedding Risk and Opportunity management into the Councils culture and organisational processes at all levels including Corporate, Service and Project.
- All Officers acknowledge and embrace the importance of risk and opportunity management as a process by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
- Effective monitoring and reporting mechanisms are in place to continuously review and manage the exposure to the risks and opportunities.
- Accountability to stakeholders is fully demonstrated through periodic progress reports to the Joint Governance Committee and Joint Strategic Committee.
- The Councils approach to Risk and Opportunity management is regularly assessed by internal and external assessment.
- The Risk and Opportunity management Strategy is reviewed and updated every 2 years in line with developing needs and requirements.

**Endorsement:-**

***Adur and Worthing Councils are committed to ensuring that Risks and Opportunities to the effective delivery of services and achievement of its overall strategic objectives are properly and adequately controlled. It is recognised that effective management of risk and opportunities will enable the Councils to maximise their opportunities and enhance the value of their services provided to the Adur and Worthing communities.***

**Councillor Neil Parkin - Leader of Adur District Council**

**Councillor Dan Humphreys - Leader of Worthing Borough Council**

**Alex Bailey - Chief Executive**

## **2. What is Risk and Opportunity Management?**

Risk and Opportunity management is the control of business risks and opportunities in a manner to ensure that both long and short term objectives of the Councils are achieved and that opportunities are fully maximised. In this context risk is defined as uncertainty of outcome, whether positive opportunity or negative threat of actions and events. It is the combination of likelihood and impact, including perceived importance.

Risk and Opportunity Management is not always solely about eliminating risk as this would limit the ability of the Councils to develop and deliver its ambitions. Its purpose is to recognise the issues that could affect the achievement of Council objectives and develop actions to control or reduce those risks. The Councils have an agreed appetite for Risk which is explained later. Acknowledgement of potential problems and preparing for them is an essential element of risk that will enable the Councils to rapidly respond to change and develop innovative responses to challenges and opportunities .

Risk and Opportunity management is essential for the successful delivery of public services. An effective Risk and Opportunity management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective. It is also about identifying opportunities which may have been neglected because of perceived but unexamined risk. These could include:-

- Learning from the past - whilst past experience cannot necessarily be a predictor for future performance, signals that were ignored and missed opportunities can provide insight into organisational blind spots;
- Customer sensitivity - trying to understand customer needs and creating systems to exploit this information can lead to great gains.
- Learning from others - exploring and sharing best practice with other organisations can lead to benefits.
- Scenario planning - can be a powerful tool for generating new ideas.

When Opportunities are identified they should be described to include the expected benefits, contributions to business objectives and stakeholders.

### **3. Background - Process for Managing Risks and Opportunities**

The Councils have developed an effective process for managing Risks and Opportunities.

#### **Risk Management Framework**

Risks and Opportunities are split into three categories:

- **Corporate** - These are Risks and Opportunities which relate to the long term goals of the Councils. These tend to be medium to long term but some may feature for a shorter period of time because of a significant event or planned business activity. Inclusion of a Risk or Opportunity in the Corporate Risk and Opportunity register indicates that it is one of a number of Risks/Opportunities that the Councils need to be aware of and ensure appropriate management arrangements are in place to manage/mitigate them.
- **Service.** - These are Risks and Opportunities which relate to the day to day operations of each individual service. Service Risks and Opportunities should also link to each Service area's Business Plan. Service Risks will also be identified as part of the business continuity process. As part of these business continuity processes, each Service area will be required to complete a business impact analysis which will identify risks associated with its operation and the impact on business processes/activities and appropriate mitigation procedures that will be implemented. Local Service Business unit strategies will help to mitigate the risks.
- **Project** - These are Risks identified in connection with all major projects which the Councils undertake. These projects are run in accordance with appropriate project management guiding principles. Risks associated with major projects are those that if they occur will have an effect on at least one project objective.

All major projects risks will be identified, managed and reported via either the Corporate Risks or Service Risks registers. All major Project Risks should have a risk budget identified within internal controls.



## 4. Aims and Objectives

The aim for the Councils in Risk and Opportunity management is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks and opportunities across all processes to ensure that risks and opportunities are properly considered and reduced as far as practicable.

The Risk and Opportunity management aims and objectives of the Councils are to:-

- Integrate and raise awareness of Risk and Opportunity management for all those connected with the delivery of Council services.
- Embed Risk and Opportunity management as an integral part of strategic, information use, financial, business continuity and project planning and policy making.
- Establish a standard systematic approach to risk identification, analysis, control and monitoring and reviewing.
- Provide a process for identifying threats or drawbacks that also includes finding and considering opportunities.
- Provide a robust and transparent framework for managing risk and supporting decision making.
- Support well thought-through risk taking.
- Anticipate and respond to changing external and internal environment.
- Embed Risk and Opportunity management as an integral part of delivering and aligning successful partnerships.
- To embed Risk and Opportunity Management as part of the Council's culture of Governance.
- To provide a robust and systematic framework for identifying, managing and responding to risk.
- To provide a robust and transparent track record of managing, communicating and responding to risk.
- To encourage staff to think creatively about ways to work better, simpler and more effectively.

The three categories of Risks and Opportunities are split into Risk and Opportunity registers - Corporate and Service (each Directorate has its own Service Risk register for each service).

Both Registers detail the following information:-

- Potential effects of the risks identified, both negative (risks and threats) and positive (opportunities)
- The impact and likelihood of the risk/opportunity identified
- Existing internal controls in place to mitigate the risk.
- Internal controls planned to mitigate the risks with relevant timescales and the responsible officers.

## 5. Ownership

The responsibility to manage Risks and Opportunities rests with every member and officer of the Councils however, it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

The following defines the responsibility for the Risk and Opportunity management process at Adur and Worthing:-

**Councils Leadership Team** - Ownership of the Corporate Risks and overview of the Service Risks. Actively support the Risk and Opportunities Management Strategy and the framework. Directors to facilitate regular discussions on Risks and Opportunities at Directorate Departmental Management Team meetings.

**Joint Strategic Committee** - Responsible for approving the Risk and Opportunity Management Strategy.

**Adur District Council Leader** - Responsible for general Risk and Opportunity policy.

**Worthing Borough Council Leader** - Responsible for general Risk and Opportunity policy.

**Joint Governance Committee** - To monitor the effective development and operation of Risk and Opportunity management in the Councils.

**Director for Digital and Resources and Scrutiny and Risk Officer** - Lead Officers for the risk and opportunity management process, demonstrating commitment to manage risk and opportunities. The Scrutiny and Risk Officer is also responsible for the co-ordination of the Risk and Opportunity management process, co-ordinating and preparing reports and providing advice and support in consultation with Directors and Heads of Service.

**Heads of Service** - Ownership, control and providing updates on Service Risks in consultation with the Scrutiny and Risk Officer. Help contribute to the development of a Risk and opportunity management culture in their teams and facilitate discussions on Risks and Opportunities at Team meetings.

**All employees** - To understand and to take ownership of the need to identify, assess, and help manage risk and opportunities in their areas of responsibility and to bring to the management's attention at the earliest opportunity the details of any emerging risks and opportunities that may adversely impact on service delivery.

**Internal Audit and External Audit** - Annual review and report on the Council arrangements for managing risk and opportunities throughout the Council, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk and opportunity management and the control environment.

## 6. The Risk and Opportunity Management process

### Stage 1 - Risk identification

Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. Once a risk or opportunity has been identified the relevant Director or Head of Service will consider its inclusion on the relevant risk and opportunities register in consultation with the Scrutiny and Risk Officer.

### Stage 2 - Risk Analysis

When Risks and Opportunities have been identified they need to be assessed systematically and accurately. If a Risk is considered to be unacceptable then steps need to be taken to control or respond to it. The process involves discussions with Directors and Heads of Service in consultation with the Scrutiny and Risk Officer to assess the level of risk by considering:

The probability of an event occurring - 'Likelihood' and the potential outcome of the consequences should such an event occur - 'Impact'. Directors and Service Heads should assess each element of the judgement and determine the score in accordance with the scoring system set out below:-

### Stage 3 - Risk Control

#### Likelihood

Score	Likelihood	Threat/Risk
5	Very Likely (80-100%)	Is expected to occur in most circumstances.  Will undoubtedly happen, possibly frequently for example annually or more frequently.  Imminent/near miss.
4	Likely (60-80%)	Will probably occur in many circumstances.  Will probably happen, but not a persistent issue for example once in three years.  Has happened in the past.
3	Moderate (30-60%)	Could occur in certain circumstances.  May happen occasionally, for example once in 10 years. Has happened elsewhere.
2	Unlikely (15-30%)	May occur only in exceptional circumstances.

		Not expected to happen, but is possible for example once in 25 years.
1	Rare (0 to 15%)	Is never likely to occur. Very unlikely this will ever happen for example once in 100 years.

## Impact

Score	Impact	Threat/Risk
5	Extreme Risk	<p>Risks which can have an extreme effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>● Unable to function without aid of Government or other external agency.</li> <li>● Inability to fulfil obligations</li> <li>● Medium - long term damage to service capability</li> <li>● Severe financial loss - supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available.</li> <li>● Death</li> <li>● Adverse national publicity - highly damaging, severe loss of public confidence</li> <li>● Significant public interest</li> <li>● Litigation certain and difficult to defend</li> <li>● Breaches of law punishable by imprisonment.</li> <li>● Very significant exposure of public funds with funding being managed across organisations and complex reporting.</li> <li>● Total project budget in excess of £250,000.</li> </ul>
4	Major Risk	<p>Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>● Significant impact on service objectives.</li> <li>● Short - medium term impairment to service capability.</li> <li>● Major financial loss - supplementary estimate needed which will have a major impact on the</li> </ul>

		<p>Council's financial plans.</p> <ul style="list-style-type: none"> <li>• Extensive injuries, major permanent harm, long term sick.</li> <li>• Major adverse local publicity, major loss of confidence.</li> <li>• Litigation likely and may be difficult to defend.</li> <li>• Breaches of law punishable by fines or possible imprisonment.</li> <li>• Relatively large budget of £75K to £250K</li> </ul>
3	Moderate Risk	<p>Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Service objectives partially achievable.</li> <li>• Short term disruption to service capability.</li> <li>• Significant financial loss - supplementary estimate needed which will have an impact on the Council's financial plan.</li> <li>• Medical treatment required, semi permanent harm up to one year.</li> <li>• Some adverse publicity, needs careful public relations.</li> <li>• High potential for complaint, litigation possible.</li> <li>• Breaches of law punishable by fines only.</li> </ul>
2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. However, if action is not taken, then such risks may have a more significant cumulative effect.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Minor impact on service objectives</li> <li>• No significant disruption to service capability.</li> <li>• Moderate financial loss - can be accommodated at Service Head level.</li> <li>• First aid treatment, non permanent harm up to one month.</li> <li>• Some public embarrassment, no damage to reputation.</li> <li>• May result in complaints/litigation</li> <li>• Breaches of regulations/standards</li> <li>• Budget within delegation.</li> </ul>
1	Trivial Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect</p>

		<p>on service provision.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Minimal impact, no service disruption</li> <li>• Negligible impact on service capability.</li> <li>• Minimal loss - can be accommodated at Service Level</li> <li>• No obvious harm/injury.</li> <li>• Unlikely to cause any adverse publicity, internal only.</li> <li>• Breaches of local procedures/standards.</li> <li>• Budget within delegation and relatively small or within operational costs.</li> </ul>
--	--	---

The risk ratings for each part of the assessment are then combined to give an overall ranking for each risk. The ratings can be plotted onto the risk matrix, see below, which assists in determining the risk priority and the amount of attention it deserves.

### Risk ranking table/Matrix

Likelihood ↑	Very likely (5)	Medium	Medium	High	High	High
	Likely (4)	Medium	Medium	Medium	High	High
	Moderate (3)	Low	Medium	Medium	Medium	High
	Unlikely (2)	Low	Low	Medium	Medium	Medium
	Rare (1)	Low	Low	Low	Medium	Medium
		Trivial (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
		→ Impact				

The risk rating is based upon the the result of any mitigation measures. If after considering mitigation it appears the likelihood or impact has been reduced then the risk rating should be changed.

## Risk Tolerance

Red (High Risk)	Must be managed down urgently
Amber (Medium Risk)	Seek to influence medium term/monitor
Green (Low Risk)	Acceptable but continue to monitor

### (a) Risk appetite

Risk appetite is the level of risk the Councils are prepared to tolerate or accept in the pursuit of strategic objectives. The aim is to consider all options to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery whilst also providing an acceptable level of value for money.

The acceptance of risk is subject to ensuring that all potential benefits and risks are fully understood and that appropriate measures to mitigate risks are established before decisions are made. The Councils recognise that the appetite for risk will vary according to the activity undertaken and hence different appetites and tolerances to risk apply. Specifically, our approach is to minimise exposure to compliance and reputation risk, whilst accepting and encouraging an increased degree of risk in other areas in pursuit of our strategic objectives as illustrated in the diagram and statements below:

	Lower Risk		Higher Risk		
	1	2	3	4	5
Compliance & Regulation					
Operational/Service delivery					
Financial					
Reputation					
Strategic transformational change					
Development & Regeneration					
People & Culture					

**Compliance and Regulation** - The Council recognises the need to place high importance on compliance, regulation and public protection and has no appetite for breaches in statute,

regulation, professional standards, ethics, bribery or fraud.

**Operational/Service delivery** - The Council accepts a moderate to high level of risk arising from the nature of the Council's business operations and service delivery to deliver an appropriate level of service at value for money, whilst minimising any negative reputational impact.

**Financial** - The Council acknowledges the responsibility it has for administration of public funds and emphasises to both the public and its employees the importance it places upon probity, financial control and honest administration. Financial Regulations provide the framework for managing the Council's financial affairs and should be adhered to at all times. All schemes must be fully financed and the Financial Services Section should be consulted when planning new projects.

**Reputation** - It is regarded as essential that the Councils preserve a high reputation and, therefore, a low appetite for risk has been set in the conduct of activities that puts the reputation of the Councils in jeopardy through any adverse publicity.

**Strategic transformational change** - The environment that the Councils work in is continually changing through both internal operations and the services provided. Change projects provide the Council with an opportunity to move forward and develop and establish benefits for the longer term. The Councils recognise that this may require increased levels of risk and are comfortable accepting the risk subject to always ensuring that risks are appropriately managed.

**Development and Regeneration** - The Councils have a continuing obligation to invest in the development and regeneration of the areas. To continue to be progressive and innovative in the work performed the Councils are willing to accept a higher risk appetite whilst ensuring that benefits are assessed and risks are fully scrutinised and appropriately mitigated before developments are authorised.

**People and Culture** - The Councils recognise that staff are critical to achieving objectives and, therefore, the support and development of staff is key to making the Councils an inspiring and safe place to work. It has a moderate to high appetite for decisions that involve staffing or culture to support transformational change and ensure the Councils are continually improving.

## **(b) Risk Response**

There are four basic ways of treating risk, which are:

- Treat - Ensuring effectiveness of existing controls and implementing new controls where considered necessary and cost effective.
- Transfer - Involves another party bearing or sharing the risk in other words via insurance.
- Tolerate - Where it is not possible to treat or transfer consideration needs to be given to how the risk and consequences of such are to be managed should they occur.
- Terminate - Deciding where possible not to continue or proceed with the



activity in view of the level of risks involved.

### **(c) Opportunity Response**

There are four basic ways of treating opportunity, which are:-

- Enhance - Seek to increase the likelihood and/or the impact of the opportunity in order to maximise the benefit.
- Ignore - Minor opportunities can be ignored by adopting a reactive approach without taking any explicit actions.
- Share - Seek partners/stakeholders able to manage the opportunity which can maximise the likelihood of it happening and increase the potential benefits.
- Exploit - Seek to make the opportunity definitely happen. Aggressive measures to ensure the benefits from the opportunity are realised.

### **Stage 4 - Risk Monitoring and reporting**

The risk and opportunity management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues/processes. Therefore, it is essential that there is a defined process and timetable for reporting the results of the risk and opportunity management process to both members and officers.

### **Types of report and monitoring**

- Reports to the Councils Leadership Team (CLT) - Corporate Risks and Opportunities on a quarterly basis and Service Risk and Opportunities review on an annual basis. Ad hoc reports need to be presented to CLT when any new and significant risk and opportunities issues arise.
- Heads of Service to review all Risks and Opportunities in consultation with the Scrutiny and Risk Officer on a quarterly basis.
- Three reports each Municipal year to the Joint Governance Committee detailing the progress made in controlling the Corporate and Service Risks and Opportunities and also updates on the overall Risk and Opportunity management processes undertaken by the Councils.
- Annual report to Joint Strategic Committee including a summary of current corporate risks and opportunities and their management.

July 2018

**APPENDIX B**

## **Corporate Risks and Opportunities 2018/19**

### **Risks**

#### *1. Potential impact of welfare reform changes*

Adur and Worthing Councils have been working very closely with DWP and other partner agencies to mitigate the risks associated with the move to Universal Credit. A multi-agency welfare reform group has met regularly for the last 12-18 months in preparation, seeking to understand the policy and implementation as it has evolved and been rolled out elsewhere in order to plan effectively for roll out across Adur and Worthing. As a consequence agencies have been able to respond individually and collectively in order to identify and work with those most at risk, provide digital skills training and support through wellbeing hubs and IT Junctions, and improve information, advice and guidance to professionals and our residents.. Work has been undertaken with landlords to enable them to access alternative payment arrangements, and members have received awareness training. A video is available on the Councils web pages to help communities better understand the new benefit. An updated report was presented to Joint Strategic Committee in April 2018 outlining this work. Housing colleagues are focusing efforts on rent arrears and rental income, with a new strategy to deal with historical arrears recently approved by members.

#### *2. Economic uncertainty - Risk that key national indicators might impact on the local economy.*

An [Economic Strategy](#) was adopted for 2018-2023, focused on growth through the three dimensions of place, people and prosperity. The strategy seeks to address challenges around employment space, housing and transport infrastructure, and recognises the need to expand on the strengths of our cultural economy and capitalise on the leadership our councils are providing on digital infrastructure. The Platforms for our Places commitments highlight the opportunity to be a trusted partner to support the retention of local business; make the best use of our existing assets to support local economic activity, secure new revenue income streams and position the Councils so that they are well placed to attract public and private investment.

#### *3. Housing supply - availability of affordable housing supply including; emergency and temporary accommodation; move on accommodation at LHA rates and suitable/affordable private sector rented accommodation.*

Funds have been allocated to purchase/develop temporary accommodation solutions that reduce the need for costly nightly paid placements. Several long term lease arrangements have been agreed and more are being explored. The Councils have also invested in the refurbishment of the Lyndhurst Road project, which has significantly increased the number of placements available for emergency accommodation. The Councils continue to review all options to purchase suitable property mindful not only of cost, but the appropriateness for this type of placement.

The Councils are leading a multi-agency preventing homelessness project, and an officer led strategic review is underway on the impact of the rise in homelessness applications, and the

recently implemented Homelessness Reduction Act. . A digital tool for making a housing application has been live for almost a year, and an end to end management system is in the process of being implemented. The Adur and Worthing Local Plans highlight the constraints placed upon further outward growth, although we continue to work with registered providers and developers to bring forward new homes as quickly as possible. A programme of development is also underway to bring forward new homes on Adur District Council owned land as part of the HRA.

*4. Commercial income - Risk that The Council's reliance on commercial income is increasing as central government grant support is removed.*

A consultant report "Commercial Health Check" has assessed the growth potential of our income generating services and waste services has been identified as a marketing pilot given growth potential. This pilot is due to commence in October. The Councils have also now adopted a Property Investment Strategy. Further investment in a balanced property portfolio will help deliver additional revenue and will moderate peaks and troughs in the property investment market.

*5. Organisational development - Policies and learning offer are outdated and limit our ability to adapt and drive change. Ageing workforce and need better succession planning.*

A raft of revised policies have been agreed and implemented, with a very successful series of year-round "roadshow" events put on to promote the changes with managers and staff. Six new policies are currently being reviewed by the HR team and a timeline has been set to finalise all HR policies by the end of 2019. Award of contract to Chichester College for the delivery of a Level 5 Leadership & Management apprenticeship, and a place-based level 3 Leadership & Management apprenticeship. Our e-learning platform is being upgraded so we will be able to create learning pathways for people to follow and set reminders for people to refresh their learning during their years of service in the organisation. The apprenticeship levy is being used by some areas to plan for the future workforce needs. All managers will complete Leading Quality Conversations training by the the end of 2019. Our People Working Group continues to support the development and implementation of initiatives. Work is ongoing to develop a reporting functionality for managers.

*6. IT Disaster recovery (DR) - Risk that hosting applications locally carries increasing risks given the pace of technological change. Risk that data centre cannot be sufficiently protected from physical threats.*

DR plans are in place for every service detailing what actions will be taken in the event of IT failure. Reports are provided to JGC on a regular basis. Power outage DR test successfully completed in June 2018. Recommendations being implemented. Annual Network security test carried out successfully and learning being implemented. Infrastructure as a Service (IaaS) cloud migration project underway to reduce risks associated with on premise service. The cloud migration project is progressing well, which involves moving applications out of the Town Hall data centre and into secure hosting with Amazon Web Services. Plan to migrate all document storage to Google Team Drive, taking the opportunity to review files and address GDPR compliance.

*7. Major projects remain undelivered and strategically important sites remain vacant*

Solution based approach working with key partners in the development sector to unlock challenging sites. Imaginative use of the Councils assets to attract necessary additional investment. Develop a portfolio approach to securing public monies to support the provision of infrastructure. Access to new investment markets and use of tools such as Compulsory Purchase Orders. Use of Local Growth Funding has helped to bring forward key brownfield sites for development and will help to facilitate development on sites.

*8. Emergency response - Review of capability to effectively respond to emergency incidents, including incidents requiring the use of Rest Centres*

Significant work has been undertaken to strengthen our approach with a new Strategic Duty Officer rota in place, and training delivered to CLT & OLG in January 2018. The Director for D&R and the CEO have also attended two training sessions with county colleagues. A scenario test was undertaken in March 2018. The Emergency Planning Officer role has now incorporated corporate health and safety. A new Safety & Resilience team has now been established which increases our resilience, with an additional full time member of staff.

*9. Failure to comply with General Data Protection Regulations*

An interim GDPR Lead/ Data Protection Officer has been appointed and has been working on delivering our action plan, with effective progress being made. 30+ GDPR leads from each service have been briefed and attended workshops. Reports to CLT and Joint Governance Committee with GDPR updates. Recruitment for a permanent Information Governance Officer in September 2018.

**Opportunities**

*1. Place based health - The increasing alignment/integration of Health, Social Care, Wellbeing and District and Borough services creates a real opportunity for Adur and Worthing Councils to influence and shape the long term health and preventative agendas for our residents.*

Work is at an early stage and includes: CEO involvement in Coastal Cabinet (work on integration/ alignment of health and social care at scale), the development of Local Community Networks with the heavy involvement and leadership of one of our senior managers on secondment, the Chair of our CCG meets regularly with our key Cabinet Members, CEO is a representative on the West Sussex Health and Wellbeing Board. Across Adur and Worthing we are running highly innovative Placed Based Health Projects (e.g. Going Local Social Prescribing) and influencing long term health and social care direction. The Council is leading the provision of a new integrated healthcare facility on the Town Hall Car Park site working closely with a range of health partners. The development of the Adur & Worthing 'Wellspring' Deal, with WSCC, Councils and the CCG is in train and will further increase integrated ways of working. Commissioning SameRoom design assistance, centred around patients, is also taking place.

*2. Place Leadership - Civic Governance and the way Adur and Worthing Councils co-lead with a range of community and key stakeholder partners is vital to provide the leadership and direction our communities and places need over the medium and longer term*

The Councils are developing strong place brand and a brand for the Councils and ensuring place reputation is well managed and also ensuring the strongest network of partnerships that can genuinely be both strategic and unblock operational and direction issues. This also involves building and continuing to build the capacity of our CVS infrastructure organisations to ensure the key voice of our CVS organisations are plugged into the right conversations; developing critical intelligence/data that all leaders of place require; progressing our systems leadership work; ensuring our Local Strategic Partnership remains relevant and adds value in addition to the other underlying thematic partnerships; and ensuring strong and sustained relationships are built and maintained with Greater Brighton partners, LEP, WSCC, Districts and Boroughs, commercial sector, community and voluntary sector, NHS and other statutory partners essential for a collaborative approach to leadership of place.

*3. Natural environment - The Councils will create and connect networks across Adur & Worthing that are passionate about protecting and enhancing our natural environment. They will help provide the capacity to deliver place and community based sustainability projects.*

A new Sustainability Manager started April 2018 and has established working relationships with local public and community sector networks at local, county, and regional levels. Strong links with business and academic sectors will also be established. A programme of work has been developed and informed the current Platforms update providing focused work on waste, renewable energy and energy efficiency, transport, planning and procurement.

*4. "SameRoom" - Build a service design and digital capability to help us transform ours and others' services.*

SameRoom has developed a good reputation for providing high quality support to change initiatives, putting residents and communities at the heart of service redesign. Preventing homelessness phase 2 is well underway, with a Families Lab and a Singles Lab working on designing and testing new solutions to preventing homelessness. SameRoom is successfully bringing together partner agencies in active design work. A further multi-agency project on Loneliness is about to start, and projects in revenues and benefits, asset management, and waste management are all in progress.

*5. Social innovation - This may provide an opportunity to look at issues, whether these be problems or not, in a different way. The key is to finding and developing a network of 'innovators' in our places who have the willingness and capacity to work together and with us to explore new ideas -*

There are a number of innovation projects emerging. These include working with individuals and businesses to unlock ideas and make connections; group together with partners to document themes and physical assets and resources (e.g. WSCC Transforming Libraries Project in collaboration with Capita); and Going Local which is going from strength to strength.





ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
11 September 2018  
Agenda Item 12

Key Decision [No]

Ward(s) Affected:

**Joint Overview & Scrutiny Committee - Review of Consultations**

**Report by the Director for Digital & Resources**

**Executive Summary**

**1. Purpose**

- 1.1 The Joint Strategic Committee (JSC) is asked to receive and note the findings and recommendations of the Joint Overview and Scrutiny Committee (JOSC) on consultation by the Councils. These recommendations follow on from the discussions of a Working Group set up by JOSC. A copy of the Working Group report is attached as Appendix 1 to this report.
- 1.2 Overall, the JOSC Working Group was generally pleased with the way that the Councils undertake Consultations and that some Service areas are using innovative techniques and providing above average levels of consultation which in turn generate good response rates. However, the Working Group believes that improvements should be made to the Councils' consultation processes to ensure a consistent approach across all Service areas to consultation delivery. The Working Group considers that if improvements are implemented then the Council consultations will be more effective and lead to improved engagement and higher response rates.

## **2. Recommendations**

- 2.1 That the Joint Strategic Committee note the report, findings and recommendations from the Joint Overview and Scrutiny Committee; and
- 2.2 That the Joint Strategic Committee agrees to receive a report in November 2018 on the issues raised by the Joint Overview and Scrutiny Committee and consideration of the implications for each recommendation contained in the Scrutiny report at Appendix 1 in order for the Executive to provide a formal response to the Joint Overview and Scrutiny Committee.

## **3. Context**

- 3.1 At its meeting on 25 January 2018, the Joint Overview and Scrutiny Committee (JOSC) received a request from the JSC for it to undertake a review of consultations as part of its Work Programme.
- 3.2 Councillors Keith Bickers, Stephen Chipp, Joss Loader and Bob Smytherman were appointed to the Working Group which agreed the following Terms of reference and project objectives for the review:-
  - To review the effectiveness of Consultations conducted by the Councils;
  - To assess how to maximise the responses to Council consultations; and
  - To consider if any changes are required to the way consultations are undertaken and to recommend any areas for change which are considered appropriate to the Joint Strategic Committee/relevant Executive Members and the Councils.
- 3.3 The JOSC Working Group has recently concluded its work and reported the findings and recommendations to JOSC on 26 July 2018. The findings and recommendations from the Working Group are contained in Appendix 1 to this report and were agreed by JOSC.
- 3.4 Joint Strategic Committee is now requested to consider the findings and recommendations from JOSC and its Working Group to provide the formal Executive response.

## **4.0 Issues for consideration**

- 4.1 The JOSC Working Group undertook the scrutiny review and formulated recommendations within a short three month timeframe. JOSC and the



Working Group have identified a number of conclusions and recommendations which are intended to help the Councils ensure that its consultation processes are successful.

## **5.0 Engagement and Communication**

5.1 As part of its report, the JOSC Working Group has engaged with local residents, Council Officers and both Council Leaders.

## **6.0 Financial Implications**

6.1 Any identified financial implications are set out in the report.

## **7.0 Legal Implications**

7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.

7.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).

7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

## **Background Papers**

Report to Joint Overview and Scrutiny Committee 26 July 2018

### **Officer Contact Details:-**

Mark Lowe

Scrutiny and Risk Officer

Town Hall,

Worthing

BN11 1HA

[mark.lowe@adur-worthing.gov.uk](mailto:mark.lowe@adur-worthing.gov.uk)

## **Sustainability & Risk Assessment**

### **1. Economic**

Matter considered and no issues identified.

### **2. Social**

#### **2.1 Social Value**

Matter considered. Effective consultations can help to improve social value in the communities depending on the outcomes from the consultations.

#### **2.2 Equality Issues**

Effective consultations can engage more people in the public participation process.

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified

### **3. Environmental**

Matter considered and no issues identified.

### **4. Governance**

Effective consultations can help improve the Councils reputation and inform the development of our service and solutions to issues faced by our communities.



**ADUR & WORTHING  
COUNCILS**

Joint Overview and Scrutiny Committee  
26 July 2018  
Agenda Item

Key Decision [No]

Ward(s): N/A

## **Scrutiny review of Consultations**

### **Report by the Director for Digital and Resources**

#### **Executive Summary**

##### **1. Purpose**

1.1 This report sets out the findings from the Joint Overview and Scrutiny Committee (JOSC) Working Group which was created as part of the JOSC Work Programme to review the effectiveness of the Councils' consultations.

##### **2. Recommendations**

2.1 That JOSC consider the report and recommendations from the Consultations Working Group and refer the recommendations to the Adur and Worthing Joint Strategic Committee for consideration in due course.

### **3. Context**

3.1 Following a request from the Joint Strategic Committee, the Joint Overview and Scrutiny Committee agreed to establish a Working Group to review the effectiveness of Council consultations and to look at ways to maximise the number of responses to future consultations.

3.2 The Working Group held a number of meetings between March and May 2018 to gather information and evidence and has identified a number of conclusions and recommendations which will help the Councils improve the way they undertake consultations.

### **4.0 Issues for consideration**

4.1 JOSC is asked to consider the report and recommendations from the Consultations Working Group, set out as the appendix to this report and refer those recommendations to the Joint Strategic Committee for consideration in due course.

### **5.0 Engagement and Communication**

5.1 The JOSC Chairmen and Vice-Chairmen have been consulted on this report. The Councils Leadership Team have also been consulted.

### **6.0 Financial Implications**

6.1 There are no direct financial implications relating to this report.

### **7.0 Legal Implications**

7.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.

7.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).

7.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

**Background Papers:**

None

**Officer Contact Details:-**

Mark Lowe

Scrutiny and Risk Officer

Town Hall,

Worthing

BN11 1HA

[mark.lowe@adur-worthing.gov.uk](mailto:mark.lowe@adur-worthing.gov.uk)

4 July 2018

## **Sustainability & Risk Assessment**

### **1. Economic**

1.1 Matter considered and no direct issues identified.

### **2. Social**

#### **2.1 Social Value**

Matter considered. Effective consultations can help to improve social value in the communities depending on the outcomes from the consultations.

#### **2.2 Equality Issues**

Effective consultations can engage more people in the public participation process.

#### **2.3 Community Safety Issues (Section 17)**

Matter considered and no issues identified.

#### **2.4 Human Rights Issues**

Matter considered and no issues identified.

### **3. Environmental**

Matter considered and no issues identified.

### **4. Governance**

Effective consultations can help improve the Councils reputation.



## ADUR & WORTHING COUNCILS

### Scrutiny review of Consultations

#### Report by the Consultations Working Group

#### 1.0 Summary

- 1.1 This report sets out the findings and recommendations from the Consultations Working Group which was established as part of the Joint Overview and Scrutiny Committee (JOSC) Work Programme and at the request of the Joint Strategic Committee, to review the effectiveness of Council consultations and to look at ways to maximise responses to consultations undertaken by the Councils.
- 1.2 This Working Group wants to ensure that Adur and Worthing Councils have adequate consultation procedures in place to ensure that local people are engaged in the planning and delivery of local services. By having effective consultation procedures, the Councils will ensure that customers and local communities can be involved in helping the Councils develop and design policy and service delivery and help the Councils deliver on the commitments in the strategic vision - 'Platforms for our Places.'
- 1.3 The Working Group has undertaken this scrutiny review and formulated conclusions within a short three month timeframe. It has concentrated on the Councils' existing procedures in place for the communities who receive information on the consultations and respond. It has also reviewed the procedures in place for Council Officers who design consultations and engage with residents. The review's objective has been to act as a 'critical friend' to assess if the procedures are effective and review why some recent consultations have received low response levels. This timeframe has given the Working Group the opportunity to:
  - Speak with Council Officers on the current approach to undertaking consultations;
  - Consult with local residents and community groups to find out their views on the current approach via a survey;
  - Engage with a consultation professional on how consultation and other forms of engagement should be undertaken and the legal principles which should underpin all consultations. Research has also been undertaken to review Consultation practice elsewhere in West Sussex.

1.4 Overall, the Working Group is generally pleased with the way that the Councils undertake consultations and that some Service areas use innovative techniques and provide above average levels of consultation which in turn generate good response rates. However, the Working Group believes that improvements should be made to the Councils' consultation processes to ensure a consistent approach across all Service areas to consultation delivery. If these improvements are implemented, the Working Group believes that the Council consultations will be more effective and could lead to improved engagement and higher response rates.

## **2.0 Background**

2.1 Consultations are one of a number of ways in which the Councils interact with residents, service users and other interested parties to understand their needs and aspirations for services. The Councils will consider whether to undertake a consultation if an activity will impact on members of the public or stakeholders. Consultations should only happen when there is a real scope for change and decisions have not already been made. The Councils consult for a number of reasons, including to:-

- Help improve take up of services;
- Provide policies and services which better reflect people's needs;
- Improve quality of services;
- Help alert the Councils to problems quickly;
- Position customers and communities at the heart of decision making; and
- Provide participation opportunities for all sections of the community, particularly people and groups that are often missed out of consultation and engagement activities (so-called hard to reach groups)

2.2 There are a number of different approaches to consultations applied by the Councils and the methods that are used will depend on many factors such as the scope of the project, with whom the Councils are consulting and the time and budget available. Methods to use include:-

- Public meetings
- Surveys (online, paper, face to face, telephone)
- Documentary (Document put to the public for comment)
- Focus Groups
- Exhibitions
- Stakeholder meetings
- Social media (Twitter/Facebook)

2.3 At its meeting on 25 January 2018, the JOSC received a request from the Joint Strategic Committee (JSC) for the Committee to undertake a review of Council consultations as part of its Work Programme. Councillors Keith Bickers, Stephen Chipp, Joss Loader and Bob Smytherman were appointed to



the Working Group. The Working Group met on 14 March, 4 April, 30 April and 22 May 2018 as part of its evidence gathering and Councillor Joss Loader was appointed as Chairman of the Working Group.

2.4 The Working Group discussed and agreed the following Terms of Reference and project objectives for the review:-

- (a) To review the effectiveness of Consultations conducted by the Councils;
- (b) To assess how to maximise the responses to Council consultations; and
- (c) To consider if any changes are required to the way consultations are undertaken and to recommend any areas for change which are considered appropriate to the Joint Strategic Committee/relevant Executive Members and the Councils.

2.5 This report provides the detail of the discussions and findings from the Working Group and some recommendations which the Working Group considers will help improve the effectiveness of Council Consultation methods. The Working Group considers that these can be delivered as part of an overarching Consultation and engagement strategy. The report and findings have not just concentrated on a 'shopping list' of 'wants' but have tried to investigate under the surface of the existing consultation processes and the offer provided and propose subsequent recommendations which can have the biggest impact on improving the standard of consultations and engagement which the Councils undertake.

### **3.0 Information Gathering**

3.1 The Working Group met on 4 April 2018 and heard evidence from the following witnesses:-

- Mike Gilson, Head of Communications
- Paul Tonking, Head of Revenues & Benefits
- Andy Edwards, Head of Environmental Services

These witnesses provided information on how their Services undertake consultations or provide support for consultations, budgets which their Services have available to undertake consultations, how effective they consider consultations to be and suggestions on how consultations could be improved.

3.2 The Working Group also met on 30 April 2018 and received evidence from David Evans, Director, The Campaign Company, an industry leading research, communication, behaviour change and community consultation company, who had worked with the Local Government Association in producing its 'New Conversations' Guide which was a guide for Local Authorities working to build

a stronger dialogue between Councils and their communities. The Guide includes a Section on effective consultations.

<https://www.local.gov.uk/sites/default/files/documents/New%20Conversations%20Guide%2012.pdf>

The Working Group was advised on the principles for engaging and consulting, the laws relating to consultations and received some examples of good practice relating to engagement and consultation practice.

- 3.3 The Working Group also met on 22 May 2018 and received evidence from James Appleton, Head of Planning and Development, on how the Planning and Development Teams get involved in consultations and he also provided information on the statutory requirements relating to planning consultations and the Local Plans. The Working Group was advised that the Councils' Planning and Development Teams consult on some planning applications and also the draft Local Plans. The Councils exceed the statutory minimum requirements for undertaking Planning application consultations and the Service have found that the most effective form of consultation on planning applications is a direct letter to a neighbouring property. The Council's Statement of Community Involvement which covers the Council's agreed policy on publicising Planning applications is due to be revised. There is the potential to improve the way that social media could be used for the consultation on Planning applications and the Head of Planning and Development advised that he would be looking to address those issues.
- 3.4 The Working Group has also undertaken its own survey of local people which asked for responses to a series of questions on consultations. The aim of the survey was to help the Working Group canvas general views from local residents to help it better understand why local residents did and did not respond to consultations and to find out their views on the overall consultation process. The survey was made available by on line form on the Council website, at local Council offices and via local residents and community associations. 204 responses were received and an analysis of the results is attached as Appendix A to this report. The Working Group considers that these responses have provided the Group with a good cross section of views to help it assess the current view of consultations across Adur and Worthing.
- 3.5 The Working Group also received written evidence from Jacqui Cooke, Head of Wellbeing at the Councils on the Wellbeing Service approach to consultations and which also included information on work which she was undertaking with the Chief Executive's Policy Officer to develop a consistent approach to engagement across the Councils. The aim of this work is to develop core principles of engagement and participation which could be adopted and utilised for the range of engagement activities undertaken by the Councils and this is an activity linked to the delivery of the commitments contained in the strategic vision - 'Platforms for our Places'.

3.6 Evidence was also received from a member of the public which highlighted the latest Government consultation principles which should be used when designing consultations and another member of the public submitted comments which related to the need for the Councils to ensure that they adhered to the 'Gunning Principles' which governed the law relating to consultations and this reminded the Councils that there was a need to ensure that consultations are risk assured.

3.7 Research was undertaken by the Working Group into how the other West Sussex Authorities approached consultations. Arun (Under review), Crawley, Chichester and West Sussex County Councils employ Officers who advise and provide support on consultations which help provide a consistent corporate approach. Horsham and Mid Sussex have dedicated Service

Teams

that provide assistance on consultations. The Working Group was also advised on the number of responses received by the other West Sussex authorities in relation to the most recent Council Tax support scheme consultations (The original request by the Joint Strategic Committee to JOSC had highlighted concern at the low level of responses received by the Adur and Worthing consultations). In fact, compared with Arun (74 responses), Chichester (71 responses), Crawley (22 responses), the Worthing response of 91 compared well but with only 17 responses Adur was the lowest recorded. Mid Sussex and Horsham did not undertake the consultation because the Councils had not changed the scheme since 2013.

3.8 The Working Group have also reviewed recent consultations that have been undertaken by the Revenues & Benefits, Environmental and Parking Services Teams since 2016. These related to the Council Tax

Support

schemes for Adur and Worthing (The Working Group has reviewed the analysis of responses received for these consultations as well as the questions asked), a local discretionary Business rates relief scheme, parking review tariff increases and various consultations undertaken by the Environmental Service covering play equipment changes and the public consultations relating to Brooklands Park in Worthing which had been very successful with over 800 responses being received. The Working Group was particularly impressed with the effectiveness of those consultations undertaken by the Environmental Service, particularly the one relating to the future of the Brooklands Park which received over 800 responses. The Working Group also welcomed those techniques used by the Service in undertaking consultations relating to play areas equipment (a recent consultation on play equipment changes at West Park playground had achieved 492 responses). The Service does not have a dedicated consultation budget, but employs a local community art company to assist in the play areas consultation and that involves visiting local schools and consulting with parents only. They charge between £500-£1,000 per scheme, the fee changes based on the number of local school visits required. The

Working Group also discovered that there was no dedicated budget available for consultation work and each service area made its own budget arrangements.

## **4.0 Findings and Proposals**

### **4.1 The effectiveness of consultations undertaken by the Councils**

For the purposes of this review the Working Group has agreed the following definition of 'consultation' - *'Consultation is the dynamic process of dialogue between individuals or groups based upon a genuine exchange of views with the objective of influencing decisions or programmes of action'* - The Consultation Institute.

- 4.2 The Working Group has reviewed the effectiveness of the consultations undertaken by the Councils and in doing so has concentrated closely on the publicity, communication and other processes of the consultations which it sees as key elements to achieving effective consultations if done well. The results from a public survey undertaken by the Working Group show clearly that a number of those who responded consider that the Councils are not communicating effectively on consultations which is preventing people from responding, thus reducing the effectiveness - A number of respondees have told the Working Group that they were not aware of consultations and that they would have responded if they had known about them.
- 4.3 The Working Group has been advised that the Councils are committed to consulting with and engaging local people in the planning and delivery of services and the Councils have a Consultation Policy statement <https://www.adur-worthing.gov.uk/media/media.124557.en.pdf> which sets out the minimum standards which the Councils will follow when developing a consultation and engagement exercise. The Working Group has noted that this Policy Statement has not been updated recently and is showing out of date information. The Working Group have also noted that there is no formal consultation strategy for the Councils and no formal up to date Consultation guidance/toolkit that is in use and available for use by Council Officers undertaking consultations. There is a Consultation and engagement policy which provides some guidance for officers which is available on the Intranet. Unfortunately, the Policy is now out of date and should be revised and updated to reflect current practices - The Working Group is concerned that it is not current (The Consultation Officer left the Council's employment in 2015). The Working Group has also been informed that the Councils are currently working on developing a set of core principles of engagement and community involvement which will include consultations. The Working Group believes that this will help with the overall delivery of consultations.
- 4.4 The Working Group has also noted the updated Government consultation principles which have recently been revised for 2018. Copy attached as Appendix B. These principles cover the following issues and state that

consultations should:

- Be clear and concise
- Have a clearly stated purpose
- Be informative and written in plain English
- Be part of a process of engagement
- Last for a proportionate and clearly stated amount of time
- Be targeted and take account of the groups being consulted
- Have a clear format that is agreed before publication
- Facilitate scrutiny
- Produce responses that should be published in a timely fashion
- Not generally be launched during local or national election periods. August and the Christmas period should also be avoided where possible.

4.5 The Working Group considers that these principles should be followed when the Councils undertake consultations.

4.6 As referred to in Paragraph 4.3 above, the Working Group has also discovered that there is no longer a Consultation Officer employed by the Councils to oversee each consultation process - This post was deleted as part of a service redesign in 2015 and was not replaced. Responsibility for undertaking and arranging each consultation now sits with the relevant Head of Service and his/her Service Teams with relevant advice being provided by the Head of Communications and his team, if required, in relation to the questions being asked and providing guidance on the most appropriate method to undertake the Consultation. Appropriate Legal advice is also provided to the Head of Service by the Head of Legal Services and her team if instructed but that is not provided as standard. The Working Group is concerned by the reduction in support for the consultations process but acknowledges that the Councils have needed to rationalise budgets and reduce the way that certain discretionary services are delivered. However, the Working Group considers that more effective use of existing Officer resources to provide additional support/guidance should be made by the setting up of a designated named service area to provide more proactive support to all Services and Officers when they undertake consultations. (This should be provided within existing resources and not involve any additional costs). This would provide a 'go to' Team who could provide some guidance if necessary - The Working Group is not currently convinced that there is an adequate check in place to prevent things going wrong and guidance is required.

#### **4.7 The Corporate approach to consultations - What can be improved?**

4.8 The Working Group has reviewed how consultations are publicised. This includes looking at what publicity is provided for consultations on the front page of the Councils' website and in the separate consultation section of the website. It appears that the practice is that larger 'higher profile' consultations

are always made available on the front page of the website with links to the consultation and how to respond. There is also a separate section of the website which should provide the communities with accurate information on forthcoming consultations and links to previous consultations in a central place. This does not appear to have been updated since 2015. The Working Group considers that publicity for consultations should be improved, including how the information is presented on the Council's website and relevant signposting.

- 4.9 The Working Group considers that the website information should be updated regularly in order to provide the communities with up to date information on consultations and this should include, where proportionate, information on planned, current and completed consultations on a single web page. For each consultation there should be a link to the individual responses for each consultation or a Statement relating to each consultation, a summary of responses and in due course, the outcomes of the consultation. The Working Group believes that transparency is vital in the consultation process and that respondents to consultations need to be able to see that their comments have been read, considered and formed part of the analysis. A number of responses received to the Working Group's survey echo this point. The Working Group considers that after consultations have ended, particularly those which are large scale and high interest, a statement of consultation and a summary of responses should be produced detailing what responses were received, the final decision taken and any changes which are made as a result of the consultation.
- 4.10 The results from the residents' survey undertaken by the Working Group back these points up with some of those who responded considering that there should be better communication of consultations and their outcomes. A number of residents also indicated that they were unaware of a number of important consultations undertaken by the Councils. The Working Group believes that the information on the website is currently out of date which might be due to there being no real corporate ownership within the Councils to ensure that it is updated. Services undertake their consultations in silo unless they are considered to be 'high profile' or corporate enough to warrant press coverage. The Working Group believes that there is no consistent approach applied to Consultations which should be addressed. The Working Group believes that the designated named service area referred to earlier should be allocated to take responsibility for ensuring that information on consultations is collated and made available through appropriate media channels and that the website pages are updated. Access to all consultations should be made available on the front page of the Councils' website.
- 4.11 The Working Group also believes that an updated Consultation Strategy and toolkit/guide to the Consultation process should be developed for use by Officers when undertaking consultations to ensure a consistent approach and this will also help new officers to the process. The Working Group considers that a toolkit would provide Officers with advice and information on designing

a consultation and help them consider the most appropriate consultation method, who to target the consultation at and how, running the consultation, collation and analysis of the results and feeding back to decision makers and respondents. It is also considered that Officers planning on running large scale consultations, and those affecting a large number of people or where there are large budget implications, should ensure that they receive appropriate advice on good practice from the designated named service area and/or the Legal Team. This is important to ensure that the correct communication channels are being used and that there is certainty on the legality of the consultation processes being used. Mandatory training on consultation procedures should also be provided to those officers who undertake consultations to help them develop the appropriate skills.

- 4.12 The Working Group has also noted that the Councils no longer use Resident Panels (Adur Viewpoint and Worthing Talkback) to gain opinions on issues. This form of consultation has just 'disappeared' from use and Council Leaders have no knowledge why. Links to these Residents' Panels, however, still remain on the Councils' website which adds to the confusion for residents and others trying to establish how the process works. The Working Group does not, however, see a need to reconstitute the Panels because they become out of date quickly but would like the website links to be removed as part of the overall update of the consultation website pages that is proposed.
- 4.13 The Working Group, however, does consider that an updated list of local residents associations and community groups should be created (subject to compliance with the General Data Protection Regulations - GDPR) which could then be used as a consultee list for services when they undertake consultations. The Working Group believes that the Councils could do more to connect with the local Residents' Associations and other community groups and encourage them to act as conduits of communication to provide the Councils with a better sense of consultee network and help overall engagement with the community. Many residents' associations are very active in spreading messages and the Working Group was, in fact, able to utilise the support of the residents' associations to gather in extra responses to its survey and feels that their help could be used by Officers for consultations in the future. A list of these Associations and Groups will need to be updated regularly and the responsibility for this should also sit with the designated named Service area mentioned previously.
- 4.14 It is also considered important that all local Councillors (not just Executive Members) are kept informed of relevant consultations, particularly those in their Wards, in order for them to be able to alert and communicate effectively with local residents to encourage them to respond to Consultations. As part of the wider engagement with local Councillors, the Working Group also suggests that the Councils should consider reconstituting the Community Engagement Task Group to ensure that local Councillors are kept up to date with consultation matters.

- 4.15 The Working Group also considers that the Councils should ensure that all consultation methods are considered and used as appropriate when undertaking consultations. Officers should not just use digital techniques because some residents have indicated that they prefer to receive door to door communication. Email communication was also considered a useful communication means with nearly 50% of the survey respondents indicating that they preferred email communication. With that in mind (subject to appropriate compliance with the GDPR), it is suggested that an email database is created of those residents wishing to receive emails so that this can also be used for future consultations. The named Service area mentioned previously should undertake this work as well.
- 4.16 Throughout its information gathering sessions, the Working Group has identified that the design of consultations and questions is very important in ensuring that responses are maximised. Local residents have stressed the importance of this to ensure that the consultations comply with the Government consultation principles and the 'Gunning Principles', the legal principles relating to consultation practice. The principles are set out in Appendix B to this report. With this in mind the Working Group considers that the Councils should review all future consultations measured against these principles.

## **5.0 Conclusions**

- 5.1 The Working Group would like to thank all those involved in this review and the local communities for their collective knowledge, and insight that has enabled the Working Group to draw together its findings and develop its recommendations.
- 5.2 In making its findings, the Working Group acknowledges that there are a number of statutory and local requirements that the Councils are subject to in the case of some consultations. The Working Group recognises that there are some good examples of consultations undertaken as set out in the report and is pleased with the work of Service areas in undertaking these consultations, however, in order to improve the effectiveness of consultations there are some areas where improvements should be made in consultation practice to make the consultations more successful. The recommendations and findings in this report are, therefore, intended to help the Councils ensure that its consultations processes are successful. Recommendations are based on the findings from the review and best practice.

## **6.0 Recommendations**



In the light of the information supplied to the Working Group and the discussions held, the Working Group has identified some issues that it would like to submit to the Joint Strategic Committee for consideration which are referred to earlier and as part of these, the Working Group proposes the following:-

**(1) That the Joint Strategic Committee agrees to support the creation of a dedicated Consultation Strategy/toolkit which sets out the overarching approach which should be applied by Officers to Consultations undertaken by the Councils. This Strategy should include the following issues, the rationale for which is explained earlier as part of this report and the new Strategy should be made available to the local communities and Officers:-**

- **An updated Consultation Policy Statement to be provided for the website**
- **Improved techniques for publicising consultations and updated consultation pages to be included on the website.**
- **An updated contact list of local residents' associations and community groups to be created and used as a list of consultees for relevant consultations. This list should also include contact details of individual local residents who want to engage and be consulted regularly on consultations (subject to appropriate compliance with the GDPR).**
- **Advice on all methods of consultation techniques that can be used.**
- **Advice on the 'Gunning Principles' and the law relating to consultation practice.**
- **Advice on designing consultations in accordance with the Government Consultation principles.**

**(2) That a designated named Service area (to be provided at no extra cost to the Councils and within existing resources), be allocated to provide advice to Services and the communities on the Consultation and Engagement Strategy and to provide some light touch overall guidance on consultations;**

**(3) That mandatory Corporate consultation training be provided to all Officers who undertake consultations, to help provide them with the necessary knowledge and skills required to deliver effective consultations;**

**(4) That the Councils consider reconstituting the Member/Officer Community Engagement Task Force to help monitor consultation and engagement activity.**

**(5) That the Councils ensure that all local Councillors, as both representatives of local residents and the Councils, be made aware of all consultations and the consultation responses which affect their wards and the areas as a whole at an early stage to ensure that they are informed and to enable them to be able to alert and communicate effectively with local residents to encourage them to respond to consultations.**

**Local Government Act 1972  
Background Papers:**

None.

**Contact Officer:**

Councillor Joss Loader  
Chairman of the Consultations Working Group  
Shoreham Centre,  
Shoreham-by-Sea  
[joss.loader@adur.gov.uk](mailto:joss.loader@adur.gov.uk)

## APPENDIX A

### Joint Overview and Scrutiny Committee Consultations Working Group

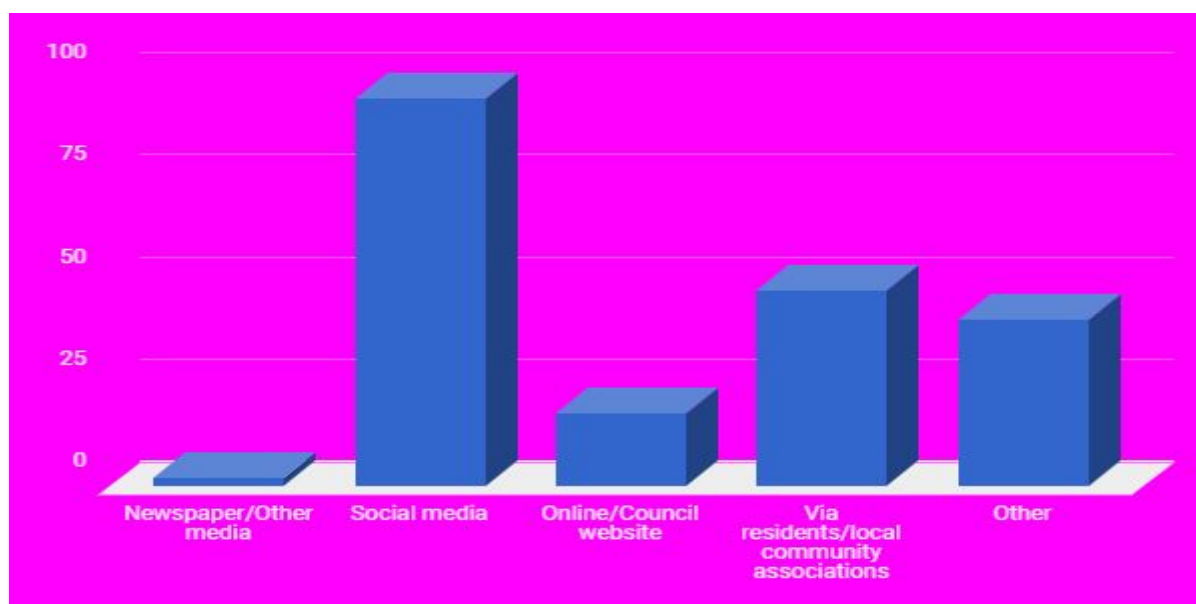
#### Results from the survey on the review of consultations

204 responses were received.

#### Section 1

Q1 How did you find out about this consultation?

- 2 ( 0.98%) Newspaper/other media
- **95 (46.57%) Social Media**
- 18 (8.82%) Online/Council website
- 48 (23.53%) Via Residents/local Community Associations
- 41 (20.10%) Other



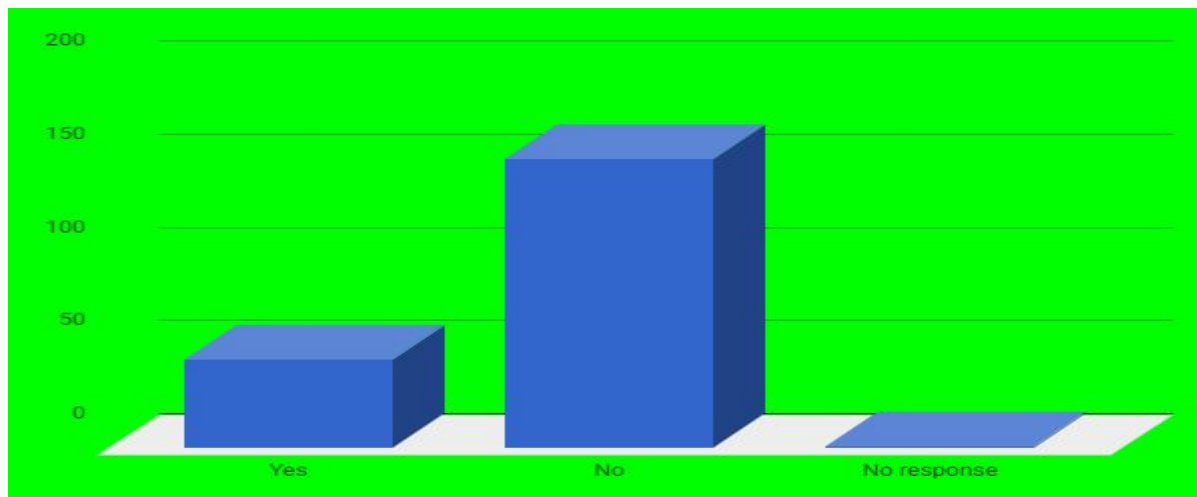
## Section 2

Q1 Have you ever been consulted by Adur & Worthing Councils directly before?

Yes - 48 (23.53%)

No - 155 (75.98%)

No response - 1 (0.49%)



## Section 3

Q1 If you answered 'Yes' to the previous question did you participate in the consultation and if so which ones?

Some people had participated in more than one form of consultation.

- Parking review tariff increases - 6
- Local Plan consultation - 22
- Worthing Council Tax support
- Scheme consultation - 6

- Adur Council Tax support  
Scheme consultation - 1
- Brooklands Park review - 2
- Other - 10

#### Section 4

Q1 If you have not responded to any consultations please explain why?

**Responses -**

- Not been asked, not seen any etc - 31
- Unaware - 32
- New to area - 5
- Because I was a Councillor.
- I always respond.
- Lack of publicity.
- Not relevant.
- Not been interested.
- Have not come across one which directly affects me.
- I may have, I cannot remember - Answered some questions on policing once.
- Not felt the need.
- News came too late.
- Lack of time and not seeing them on the website would probably influence whether I fill them in or not.
- Residents need a sign up email newsletter or portal.
- The deadline was so short it was too late
- Not easy enough to access
- Councillors lie, accept bribes, refuse to answer questions and go against public wishes.
- In some cases I feel I will not be much impacted by the decision. In others I feel not well qualified to influence a decision. Also I am dubious to the impact that my views will have.

Q2 - What would influence you to respond to consultations in the future?

- Time/Interest
- If I felt that there was any point. My perception is that consultations make no difference to the eventual outcomes which have been decided already.
- More awareness/notice and communication/publicity of them x 25
- Affect me directly.
- A belief that things would change in line with public opinion.
- Being listened to and receiving a response. X 2
- Reminder on Facebook
- Assurance that my opinion was being taken account of.
- Subject matters that concern me .
- Local issues 5
- Good information on the alternatives - A reasonable time to respond - Not last minute.
- Simple process. Ease of access/Easy to get involved. Being able to do them online just by clicking a link/using Facebook 8.
- Simply knowing that there is a chance to engage and provide comment.
- Getting visible results.
- If opinions of normal people counted.
- Email me for my opinions - WSCC does.
- Direct Contact/Invitation 23
- Sensible and not too long.
- Timely feedback
- Being taken seriously, not paid lip service to.
- Good feedback from this one.
- Local issues/Items of interest in the community 2
- I always try to give feedback, especially when it impacts on the environment around me.
- I'm very interested to help the future of Worthing regeneration so email me or i'd be happy to join a Board.
- Regular email updates on action following consultation.
- The level of impact the consultation would have.
- Explanation of relevance to the consultation to me and/or my family - What am I being consulted on and what will I gain?
- Living in the area.
- A better questionnaire than this one appears to be.
- Understanding what they are for and what change I can influence.
- If I thought it a worthwhile consultation and that my response would matter.
- A response to questions.
- The subject of the consultation and the impact on me 7.
- A clearer basic explanation on who and how it may affect those who live and work in the community.
- Some knowledge on the outcomes.
- When the opinion could make the difference.
- Make it more attractive, interesting, social, accessible/easy, timely/relevant
- Given good time to think about the issues.
- Email contact.
- More notice
- If I thought that what I had said would maybe be considered.
- If it affects me.

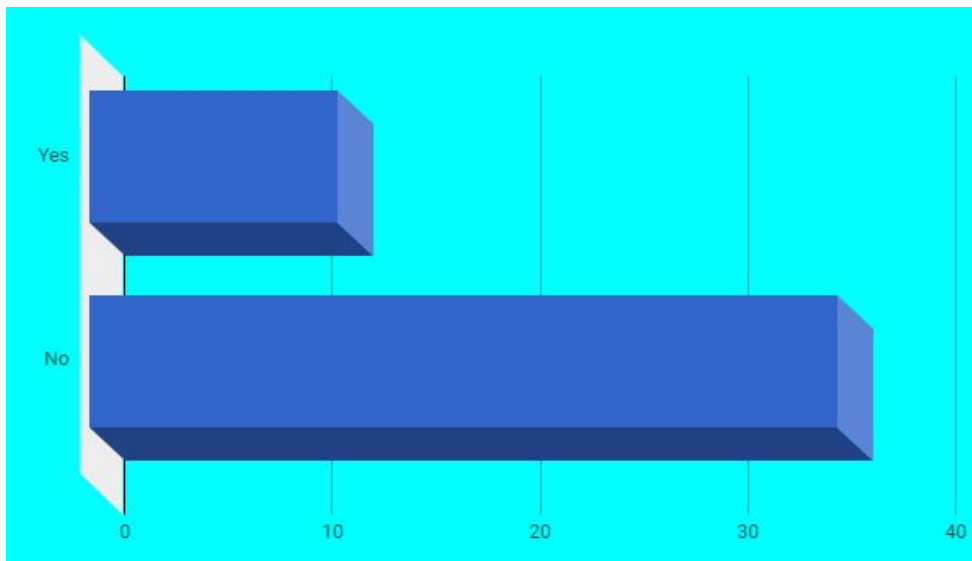
- Making it easy but contacting me at work because I am a staff employee.
- Being listened to
- Access to information
- Cuts to services.
- Building development
- To have an impact on decision making.
- Easy accessibility and clear communication about what the consultation is about.
- Housing
- Delivered to my door.
- Unbiased Council who listens to the public and deny stupid developments that will affect the local residents quality/rights of life.
- The thought that it might have some effect rather than it being ignored.
- I would respond if I thought that they were relevant, that I had something worthwhile to contribute and if I thought that they would be seriously considered. Most consultations that I have seen from such sources as developers were inept questionnaires that were geared to getting the answers that they wanted.
- If our opinions matter and if we're assured our responses would influence decision making.

## Section 5

Q1 - If you responded to consultations did you consider that the views you provided made a difference to how the Council's operate and the eventual outcome?

Yes - 12 (25%)

No - 36 (75%)



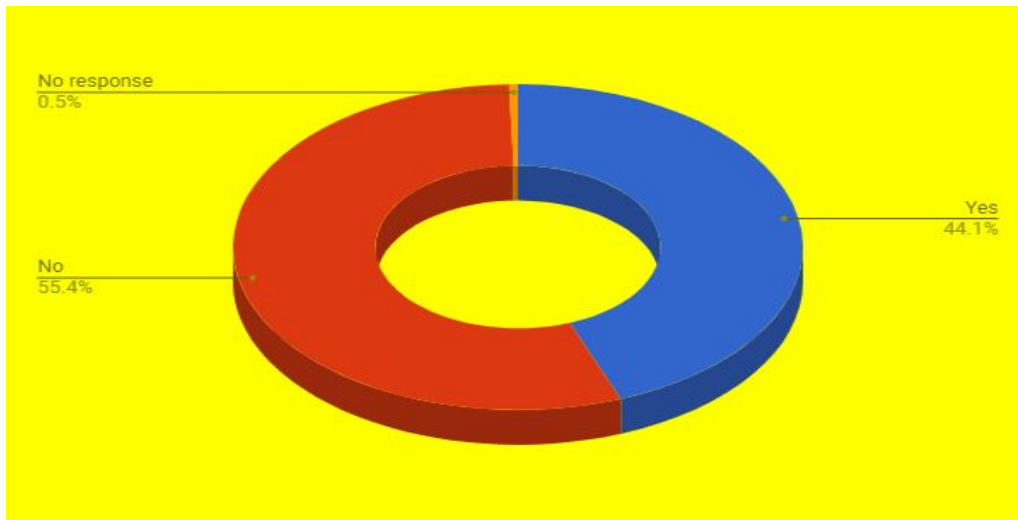
## Section 6

Q1 - Do you consider that the Council's consultation processes give you a voice?

Yes - 90 (44.12%)

No - 113 (55.39%)

No response - 1 (0.49%)



Q2 - If you answered no please explain why?

- Decision has already been made and consultation is an afterthought 8.
- First I've heard of them.
- How can we know when this is the first response.
- Never enough advertisements of what is going on to have a voice normally.
- I have not answered a consultation before.
- It rather depends on whether a consultation is simply seen as a necessary evil or really a means to engage. I suspect the former in most cases.
- No evidence that anyone outside the Council is listened to. Plenty of examples where people are not listened to.
- The agenda is already set.
- Appear to give lip service to consultations.
- Too little time to speak at Planning meetings.
- It's just a process to tick a box. Opinion counts for nothing. The Councillors will do as their political party tells them. The exception is an Independent Councillor - They listen and they do the best for everyone, they do not have to tow the party line.
- Any replies to emails I receive are bland and uninformative. I do not think that Councillors, on the Planning Committee specifically, listen. They have their own imperatives.
- Need to introduce participation budgeting like other Councils.
- Don't know.



- Because I have never really felt that the Council really wants to hear what I have to say. I have always believed that decisions are made on our behalf but does not represent what I truly believe and want i.e anti social behaviour.
- Consultations do not take public opinion into account and vote by party.
- Councillors have own agenda often outdated and Un progressive
- One or a few voices is not a consultation process.
- They're not communicated to wide audiences.
- Council is a closed shop.
- My Councillor never asks for my opinions.
- Not aware of process. Never been consulted. 16.
- Because they will be ignored.
- The Council is too guarded on what is happening and only want to connect with residents when they need votes.
- Being taken seriously and not paid lip service to.
- Never been consulted in this way before.
- Obviously not as we have never been asked in this way before. Take the annihilation of the flower beds opposite Heene Terrace as an example. No one living on the Terrace wants a cycle rack in the middle planting area, so why is the Council trying to install one. It really would be polite to involve residents, after all we are paying for it.
- Consultations not broadly made public.
- The only consultation I heard of was re the proposed McCarthy build in Heene Road, and the planning committee totally ignored everything the local residents said. They also did not inform of us of any amendments to the plans - which were considerable!
- It's not open/advertised enough to people who aren't already engaged, usually politically aligned, and therefore slants the voice received.
- I'm sure you don't care what my opinion is.
- Because my local councillor is too busy to come to ask me.
- Because you don't listen. Councillors just do as they always would regardless of people's views.
- But only if you know about them.
- I feel big business and views of Council upper management decide what is going on regardless of common sense and residents' views.
- Have my doubts about whether it would make a difference it did not with WSCC in respect of refuse now they have had to go back!!
- Hopefully it will.
- Because my perception is one that ultimately the decisions are made by 'the powers that be' and not the general public.
- Council drafted questions.
- Not really - I have visited many a planning application and the lobbies seem to be ignored unless the Council agrees with your view - at least that is how it appears - it may be different now that Adur is running the show.
- Not required getting planning permission.
- I don't feel resident's views matter if the economic argument in favour of something is strong enough.
- Consultation - as it stands today - allows a few 'hard liners' to be involved in discussions as representatives of the overall community. The word 'consultation' in itself is a barrier to true community involvement. I would be absolutely shocked if previous 'consultation' had involvement of any more than 0.5% of the people it affected.
- Not sure as I've never done it before. (this is a bad question with only a yes/no reply)
- Never hear from them. Buildings etc just go ahead whether or not residents want them.

- Results of recent consultations.
- National policies rather than what the local effect is seems more important.
- Sceptical - Consultations are a bit trendy at the moment.
- Some consultations are worthwhile and produce a valid range of views. Some questions, like this one, could offer a middle ground answer. I think that some consultation questionnaires are limiting in terms of possible responses and outcomes.
- I don't feel that most consultations are honest or allow enough time. This one is an example, Yes or No to each question? Yes it gives me a voice in the process. Do I feel that voice is listened to - often NO.
- Because I have never been asked my opinion so therefore my voice is unheard.
- Because my view is decisions have already been taken and my voice would be a waste of time.
- Not widely communicated.
- No feedback.
- It would seem that consultations are a sham as I believe that they are a smoke screen for decisions already made.
- It's not really a no, it's an I'm unsure if you would take any notice of me. The Council appears to do what it wants regardless of public opinion.
- Not really - I think it is a gesture to try to make residents think that their views are taken account of.
- Decision making process is not always transparent. Communications as to what the vision and plan is for the Borough is not always clear. Do not make optimal use of all communications media.
- They aren't published very widely.
- Consultations appear to be affirmation of decisions already made.
- Public consultation is seen as a sham. As there appears to be little heed paid to the public opinion. Not one public consultation has come out on the side of the people.
- Questionnaire was short.
- But only if you know about it.
- Most likely council decision would remain the same despite consultation - as with the over development plans in Shoreham at the present time.
- I have not seen any evidence that public consultations are listened to - but I will be very happy to be proved wrong!
- I don't think the Councils listen to the voters, just each other.
- They are not interested in letting us know.
- Not sure that they will take on board what we the residents want.
- Time limit too short to research complicated questions-Adur website ridiculously complicated (only lawyers could find their way through the new development maze)
- This is the first I've heard about it - someone I know shared it on Facebook
- Councillors and the Council have never listened to the public - Never have and never will.
- Mainly NO confidence in council acting on what residents say
- Council do not care or listen to reason.
- You'll do what you want anyway.
- I feel planning regulations and government views are overriding local views
- You ask us for our views and then carry out what the Council want. You never listen to the Residents.
- Just happened to see this questionnaire on a page I happen to belong to.
- I don't believe the council truly cares about the opinions and voices of its residents
- All decisions are made behind closed doors by the members of the majority party on the councils who don't care about the views of the local population but only their personal gain.

- I only received this form today via the New Monks Farm website and it is due today. so here it is 10 o'clock at night. that is not time for a proper consultation when you receive it on the day it is due. When was it sent out originally? How do you decide who to send the consultation forms to? How are they normally sent out. Are they sent to groups or individuals? I have tried consulting via the JOCS and found it quite undemocratic. We submit 2 questions, were not allowed to give the background of the question, received a written reply and had no chance to rebut inaccuracies in the reply. When appearing at a planning meeting we were limited to 3 minutes, listened to a long reply which even the council admitted they did not understand. That is not consultation. it is not showing that residents' views are valued. It certainly isn't a fair way to get people to feel involved.
- Cabinet rule!!!
- I have not been consulted on anything as a resident in 13 years of living in Adur or if I was asked I was not aware.
- Plenty of examples - take traffic for instance - there's lots of voices saying how bad congestion on A259 and A27 is - is there anything being done about it? Building more houses / homes / an IKEA etc will only make the situation worse - the general consensus is that we're not being listened to are we?
- It feels like local comments are ignored. Viz; the trees at the end of Warwick street coming down for an unneeded cafe

## Section 7

Q1 - How do you prefer to receive consultation material?

Online - websites - 16 (7.84%)

Social media - 33 (16.18%)

Newspapers and other media - 2 (0.98%)

Leaflets, posters and flyers distributed via Council and community buildings - 10 (4.90%)

Door to door distribution - 34 (16.66%)

Email - 101 (49.50%)

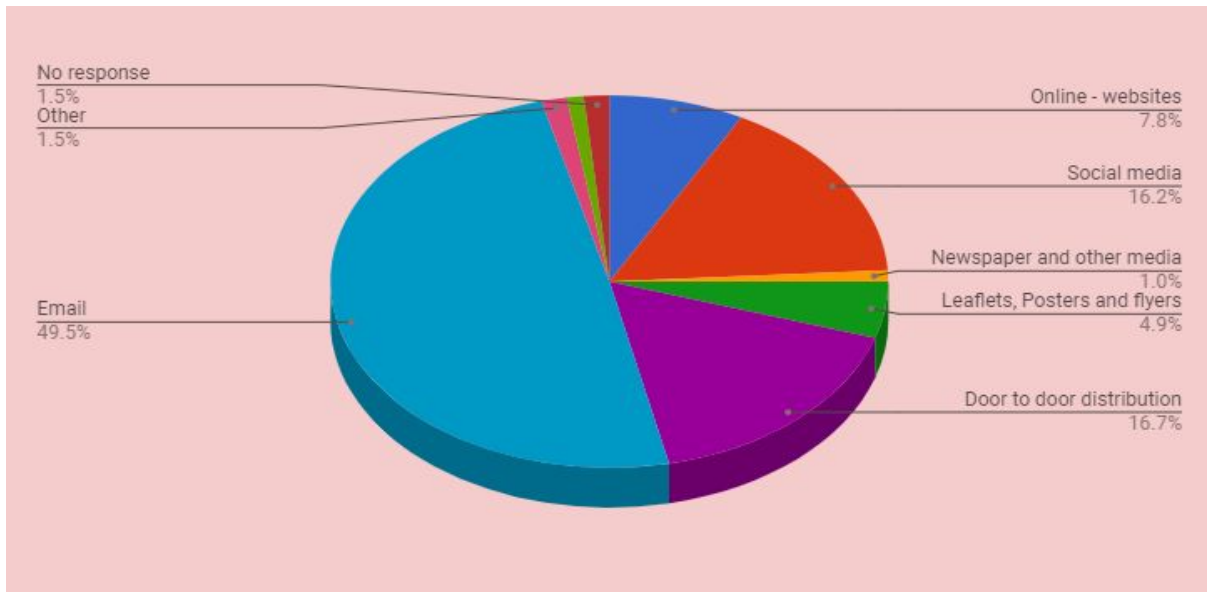
Other - 3 (1.48%)

All of the above - 2 (0.98%)

No response - 3 (1.48%)

Additional comments -

If you only distribute electronically you are alienating a proportion of the population of Adur who don't have computers.



## Section 8

Q1 - Please provide any further suggestions to help us improve our Council consultation process.

- More open discussions with more information - listen to the public they can have some good ideas. Don't be afraid of challenge it can be healthy.3
- More/Better publicity and advertising of consultations and good search on website for consultations. Use social media more 9
- Keep the public informed and we should have a say in how OUR MONEY IS BEING SPENT!
- You haven't asked what we want to be consulted on. I thought that was the point of this consultation? If this is a representation of what future consultation are going to be like I won't be answering anymore. Completely useless.
- Reduce reliance on social media. The algorithms used mean that things can easily be missed.
- More time for consideration of information. Longer period at public meetings to explain objections. Better opportunities to ask questions and seek clarity
- Make them more wide spread so everyone knows about them. Then tell people what the consultation process said - and what the Council decided
- Evidence of listening.
- Residents Panel.
- I think the council should agree a consultation protocol with timeframes which all staff have to accept. Too often consultation is a last minute thought.
- Listen to Shoreham residents when they say proposed new building will cause chaos for roads, schools and doctors. one set of traffic lights caused traffic to back up and take 45 minutes to pass through Shoreham
- Launch coffee mornings at the weekend.
- Listen to the public.
- Online surveys are open to abuse. We have two mailers a year that should or could be used to consult. Council Tax and voter registration. Efforts should be taken to ensure surveys are representative and statistically significant. If not, should they form part of council papers?

- Referendums on major planning and strategic decisions.
- It should be decided beforehand the percentage of replies needed to regard the consultation process as being classed as valid.
- Methods must include everyone including those who don't have access to Internet/email.
- Needs to be a mix of online and paper material.
- Door knocking getting people's opinion directly will get a bigger response.
- Take notice and act on comments.
- Councillors that interact with their residents and not just at election times
- To act promptly and up to date.
- You already have names and addresses from council tax records and electoral lists so why not ask who wants to be kept informed and consulted via those papers and build up a data base. That way you will only be targeting residents who want to be involved.
- I think when there are major town developments the council should not be influenced by what money that will give back to them but also the consideration strongly of the impact on residents is a must to keep people from moving out of the town. Worthing seems more proactive to improve Worthing and encouraging small business set up. Lets ensure we avoid the big chains as they destroy sme and the future of any city /large town effectiveness is built on SME. We must also avoid too much commercial space to resi conversion if you want to keep jobs and business growth/spend in Worthing.
- Email residents
- Consult on more issues and not just the issues which the Council has an obligation to.
- I think using local groups as happened on this occasion.
- Opening an online forum so that the public can have their queries answered
- To listen and act on what local residents concerns.
- Actually ask people?
- Consult people who live in the area.
- Using things like social media as well as local newspapers so as you are reaching a broader group of people
- Take the A27 improvements, what have you done about those? ...I don't know!
- Web site I can go to which will update me without taking a lot of time.
- Worthing Herald.
- An email request for my view on a topic would suit me best
- Make it a real meaningful consultation. Not a tick box exercise.
- The Councillors should be more responsible for the decisions made and not put the onus of the results onto the consultants. Consultants should only be used when Councillors or officers are incapable of making a personal decision, otherwise they are NOT serving their residents.
- Convince us that you would take notice.
- Surveys and reports should be carried out when plans are being produced not several years prior and also by national surveyors not companies from abroad.
- Collect email address from either Council Tax or electoral roll.
- To be honest is any council consultation process going to make a difference? I have been to several public gatherings where there has been much opposition to what the council has proposed and my perception is that whoever has the big bucks will win (as in the case of the Aquarena and the miserable little thing that has replaced it together with huge blocks of flats)
- Demonstrate we are listened to and not being used as a cop out.
- Use existing databases, like Electoral Roll, Council Tax etc.
- The tone of voice perhaps needs to be adapted depending on who it is aimed at.

- Deliberative Democracy type process ( sort it into randomly selected groups) of residents to discuss and deliver their opinions on matters of council policy and issues. The council then can use the outcomes of these discussion to influence policy and support policy decisions.
- Allow for resident input to questions.
- Be specific not as vague as the above Q - for instance in the above you do not set out why the Consultation process is important to you!
- Be transparent.
- Too often it feels the decision has already been made. This should not be the case.
- More awareness , dont usually find out until things have been decided.
- Not sure what your consultation process is yet.
- Greater use could be made of local publications:Goring Guide, Worthing Journal, Worthing Herald, 'Whats On'.
- For planning changes, they need to start earlier. For ones affecting the whole area, send out reminders that national consultations are going on. Probably has to be by email unfortunately.
- Gather contact info (possibly via Council tax) and reach out to all offering option to participate
- Yes, take on board what the local residents views are.
- Clarity about how the public's views will shape eventual decisions and how those most affected will gain preference.
- Not sure I saw an actual result of survey in numbers
- A facebook page linked to the area facebook page would probably engage most people most easily.
- Earlier press releases or preferably direct email.
- More feedback.
- Use direct means, not social media, local papers etc.
- Ensure all consultations are sent to local residents' groups for distribution
- Social media is excellent for consultation and information
- If a consultation is held it would be useful for the results to be included in the relevant committee paper and if relevant, the reasons for a different decision being made than that shown by the consultation given.
- Council needs to get emails of as many residents as possible and keep them in touch with what is happening locally
- Actually, I did attend the consultation re Teville Gate which is of great importance to me.
- Could use West Sussex CC quarterly paper.
- Tell the truth and stop false consultations.
- For staff, contacting us via the Staff Newsletter is perfect. I don't think until recently the Councils had really considered how valuable speaking to their staff is as most of us are residents of either Adur or Worthing
- Target consultations to ensure that key demographics for the decision are aware that this is happening
- Make better use of social media
- More user friendly website - consider consultations section that is separate from other areas of the website where people are able to feedback 365 days of the year on decisions that are being made
- Try different methods of gauging public opinion alongside full engagement - opinion polls, surveys, live chat feedback with Councillors. Actively seek public opinion and then demonstrate that it has influenced decision making
- Never seen any consultation material, make it more visible.

- LISTEN!
- Just more visibility and awareness of them. Strongly suggest an e-newsletter like your 'buildings in Adur / development' one. Quarterly perhaps
- Start from the basis that the consultation is genuine. Consult at the beginning of the process.
- Fight austerity policies and for better education, social care, housing and other services
- Let's see what other people think, monitor responses online
- Dedicated group or website.
- Listen to the concerns of the residents and don't make decisions based just on party politics. ie NMFD
- Prove that you are listening to residents with action based on their views ,this does not happen, so consultation is deemed useless and residents don't bother to respond .Also simplify and hold Cllr surgery style so that residents can ask Cabinet Members for their responses personally far more interaction at community level .Work much more collaboratively with Parish Councils to get the message out there There is a definite reluctance to work in partnership with Parish ,they are the grass roots level and are the first point of call for community issue
- Why, you're going to go ahead no matter what residents say!
- Local councils should NOT be political and if they must be then they should ALL put personal preferences to one side and work together - at times it's like a playground.
- I would like to see all channels of communication used to alert community of consultations.
- Listen to what people are saying. The Adur Plan is not working for people. It's developer led policy for developers.
- To actually pay attention to residents concerns about building on floodplain and provide information on how risk of flooding will be mitigated for existing homes.
- Learn how to communicate with the public.
- Better communication and actually act on what residents say and want
- Make it so the people elect councils/civil servants, and if there is a public vote of no confidence, this should result in dismissal. Councils are rife with corruption!!! The public know it, yet nothing is done!!!
- More notice taken of local people views
- Listen to what the Residents have to say and act on it.
- We elect you. It is your duty to keep us informed.
- Residents should be contacted personally.....you work FOR us
- Listen
- Adur Residents Environmental Action had a public meeting on Monday 16 April. Over 200 residents attended and some opposition councillors. Not one Adur conservative Councillor attended. There were very deep concerns expressed about many aspects of life, travel, pollution and development in Adur. If the Council were serious about consulting the people they would have sent along at least one majority party councillor or official.
- The council has spent thousand of pounds employing outside consultancy firms like Parsons Brinckerhoff where groups ideas were put forward. But nothing has happened.
- Is there any point in the council consulting if they are not concerned enough about residents opinions to meet with them , listen and not use excuses as to why certain things can not be done. The general tone from residents at the public meeting and when talking with them in the market is that they are not listened to, that everything is a done deal and that their feelings about what is happening in their area do not matter. There is no point in consulting if you are not going to listen. Just as there was no point in giving feedback to the developers because they didn't listen.

- I would suggest that the council hold some public meetings where people get more than 3 minutes, where either councillors or officers are present to provide the answers there and then and the discussion is not limited to just a question and answer. The meeting could be themed so that the correct officer/ councillors could be present. There should be ample notification time of the meetings and themes. Minutes of the meetings and actions carried out as a result should be circulated. Perhaps there could be a website dedicated to these meetings so interested parties could read what had gone before. These should not be party political! There should be forthright discussion irrespective of party line. It is a shame local politics is so party oriented.
- Ensure all forms of communication are used and give plenty of notice it is coming out.
- You should hold public meetings. There is no democracy. when the cabinet make decisions how is this democratic. The turnout at local elections is poor because the community recognise that their voice is not heard. Councillors are whipped to follow the Government's agenda. The developments along the coast road bear this out. The size of the developments are totally inappropriate for Shoreham. Congestion, no increase infrastructure
- We are supposed to have joint services why then are the flower beds in Shoreham not maintained to the same standard as in Worthing?
- Time for CHANGE.
- Clearer website and a newsletter outlining any consultations.
- Just let me know there IS a consultation
- Post rather than email. Too many old fashioned users in this area.

#### Post Code

142 People provided their post code details.

BN11 (Worthing - South of railway line, west up to George V Avenue and East up to Worthing Borough boundary) = 34 (23.94%)

BN12 (West Worthing - West of George V Avenue to Borough boundary in the West = 6 (4.23%)

BN13 - (Worthing North to High Salvington - North of railway line and as far east as Offington Lane) = 28 (19.72%)

BN14 - Worthing North to Borough boundary near Findon and east from Offington Lane to eastern part of Borough in Broadwater north of the railway. = 18 (12.68%)

BN15 - Sompting, Lancing areas = 15 (10.56%)

BN42 - Southwick, Southwick Green and Hillside areas = 1 (0.70%)

BN43 - Shoreham Beach and Shoreham areas = 40 (28.17%)



Age range

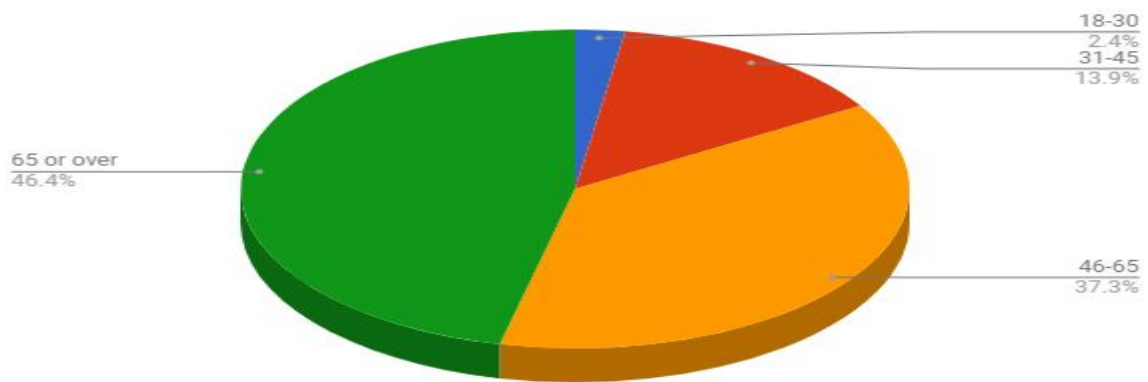
166 people provided their age range.

18 - 30 = 4 (2.41%)

31 - 45 = 23 (13.86%)

46 - 65 = 62 (37.35%)

65 or over = 77(46.38%)



### Consultation Principles 2018

- A. Consultations should be clear and concise Use plain English and avoid acronyms. Be clear what questions you are asking and limit the number of questions to those that are necessary. Make them easy to understand and easy to answer. Avoid lengthy documents when possible and consider merging those on related topics.
- B. Consultations should have a purpose Do not consult for the sake of it. Ask departmental lawyers whether you have a legal duty to consult. Take consultation responses into account when taking policy forward. Consult about policies or implementation plans when the development of the policies or plans is at a formative stage. Do not ask questions about issues on which you already have a final view.
- C. Consultations should be informative Give enough information to ensure that those consulted understand the issues and can give informed responses. Include validated impact assessments of the costs and benefits of the options being considered when possible; this might be required where proposals have an impact on business or the voluntary sector.
- D. Consultations are only part of a process of engagement Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process.
- E. Consultations should last for a proportionate amount of time Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses.
- F. Consultations should be targeted Consider the full range of people, business and voluntary bodies affected by the policy, and whether representative groups exist. Consider targeting specific groups if appropriate. Ensure they are aware of the consultation and can access it. Consider how to tailor consultation to the needs and preferences of particular groups, such as older people, younger people or people with disabilities that may not respond to traditional consultation methods.
- G. Consultations should take account of the groups being consulted Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action, such as prior discussion with key interested parties or extension of the consultation deadline beyond the holiday period.
- H. Consultations should be agreed before publication Seek collective agreement before publishing a written consultation, particularly when consulting on new policy proposals. Consultations should be published
- I. Consultation should facilitate scrutiny Publish any response on the same page on gov.uk as the original consultation, and ensure it is clear when the government has responded to the consultation.

Explain the responses that have been received from consultees and how these have informed the policy. State how many responses have been received.

J. Responses to consultations should be published in a timely fashion. Publish responses within 12 weeks of the consultation or provide an explanation why this is not possible. Where consultation concerns a statutory instrument publish responses before or at the same time as the instrument is laid, except in very exceptional circumstances (and even then publish responses as soon as possible). Allow appropriate time between closing the consultation and implementing policy or legislation.

K. Consultation exercises should not generally be launched during local or national election periods. If exceptional circumstances make a consultation absolutely essential (for example, for safeguarding public health), departments should seek advice from the Propriety and Ethics team in the Cabinet Office. This document does not have legal force and is subject to statutory and other legal requirements.

### **Gunning Principles**

1. That consultation must take place when the proposal is still at a formative stage;
2. Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response;
3. Adequate time must be given for consideration and response;
4. The product of consultation must be conscientiously taken into account.