

Cabinet Agenda

Monday, 2 July 2018 at 6.00 pm

Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY

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		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Minutes of the Meeting Held on 4 June 2018	1 - 6
4.	Outturn for Treasury Management (Peter Grace, Assistant Director, Financial Services & Revenues)	7 - 22
5.	Final Accounts 2017/18 – Draft (Peter Grace, Assistant Director, Financial Services & Revenues) (Cabinet Decision)	23 - 48
6.	Agreeing the Delivery Model for the next Hastings Street Cleansing Service (Mike Hepworth, Assistant Director, Environment & Place) (Cabinet Decision)	49 - 66
7.	1-1 conversations and values and behavioural framework performance management approach (Verna Connolly, Executive Manager of People, Customer and Business Support)	67 - 128
8.	Notification of Additional Urgent Items	
9.	Urgent Items (if any) Exclusion of the Public To resolve that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of “exempt” information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.	

Confidential Business

10.	12/13 York Buildings (Peter Grace, Assistant Director, Financial Services & Revenues) (Cabinet Decision)	129 - 132
11.	Targeted Funding to Reduce Rough Sleeping (Andrew Palmer, Assistant Director, Housing & Built Environment) (Cabinet Decision)	133 - 140
12.	Agreeing the Delivery for the next Hastings Street Cleansing Service (Mike Hepworth, Assistant Director, Environment & Place) (Cabinet Decision)	141 - 174

Agenda Item 3

CABINET

4 JUNE 2018

Present: Councillors Chowney (Chair), Forward, Batsford, Fitzgerald, Rogers, Beaney, Lee and Patmore

There were no apologies for absence.

81. MINUTES OF THE MEETING HELD ON 9 APRIL 2018

RESOLVED that the minutes of the Cabinet meeting held on 9 April 2018 be approved as a correct record.

RESOLVED the chair called over the item on the agenda, under rule 13.3 of the council's constitution, the recommendations set out in minute numbers 82 and 83 were agreed without being called for discussion.

82. RIPA POLICY

Christine Barkshire-Jones, the Chief Legal Officer provided a report on the RIPA Policy. The purpose of the report was to up-date the Council's RIPA policies and procedures.

The Regulation of Investigatory Powers Act 2000 (RIPA) provides the legal basis for local authorities to carry out surveillance. There are three types of surveillance: Directed Surveillance; Covert Human Intelligence Source (CHIS) and Communications Data.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

RESOLVED that:

1. Cabinet approve the refreshed RIPA policy and procedures.
2. Delegated Authority be given to the Chief Legal officer in consultation with the Lead Member to make any necessary changes to the documentation.

The reason for these recommendations were:

Every three years Councils are visited by the Officer of Surveillance Commissioners to ensure that RIPA policies and procedures comply with the law. It is necessary for council staff to be aware of the policies and procedures and to receive necessary training.

83. GDPR – THE GENERAL DATA PROTECTION RULES

CABINET

4 JUNE 2018

Christine Barkshire-Jones, the Chief Legal Officer provided a report on GDPR – General Data Protection Regulation. The purpose of the report was to up-date members on what steps have been taken in preparation for this legislation which came into force on 25 May 2018. To seek Cabinet's approval of the recommendations as set out in the report.

The General Data Protection Regulation 2014 came into effect on 25 May 2017. It applies to both personal data and sensitive personal data. The data protection principles set out the main responsibilities for organisations. These are similar to existing data protection law the most significant addition is the accountability principle. This requires organisations to show how they comply with the principles.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

RESOLVED that:

- 1. To approve the Document Retention Policy.**
- 2. To give the Chief Legal Officer delegated authority to amend the Document Retention Policy as necessary (in consultation with the Lead member) without bringing further reports to Cabinet.**
- 3. Endorse the future development of an Information Management Strategy**

The reason for these recommendations were:

The GDPR came into effect on the 25th May 2018. As the Council processes data there are specific legal obligations that we must comply with.

84. DRAFT TOWN CENTRE AND BOHEMIA AREA ACTION PLAN

Kerry Culbert, the Planning Policy Manager presented a report on the Hastings Town Centre & Bohemia Area Action Plan Preferred Approaches. The purpose of the report was to provide an update on the development of the Hastings Town Centre & Bohemia Area Action Plan (AAP) and to recommend to Cabinet that the Preferred Approaches version of the draft AAP is published for consultation purposes.

It was stated that the plan aimed to improve infrastructure in the town centre and west of the town centre in to the Bohemia area (formerly known as the White Rock area).

She noted that though the town centre is the commercial heart of Hastings, the western Bohemia Area has much potential, and is compatible with some issues that the Local Plan addresses, such as retail floor space, culture and leisure.

Furthermore, it was stated that partnership working would be key to this. Being a significant land owner and organisation in Hastings, Hastings Borough Council would be able to take a leadership role. Currently, two workshops were ongoing in the town in regards to this area and a sustainability appraisal was ongoing.

CABINET

4 JUNE 2018

In view of the level of interest that is anticipated, and to accord with the compact for East Sussex the period of consultation will run for 12 weeks. Public consultation will therefore begin in late June with the precise date to be agreed with the Lead Member.

Councillor Forward proposed approval of the motion, seconded by Councillor Rogers.

RESOLVED (by 6 votes for, to 0 votes against with 2 abstentions) that:

- 1. The Preferred Approaches version of the Hastings Town Centre & Bohemia Area Action Plan, as presented at Appendix 1, be approved in accordance with Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012;**
- 2. The document, together with the supporting Sustainability Appraisal (Appendix 2), be published for public consultation, subject to any presentational and other non-substantive changes to be authorised by the Director of Operational Services or his deputy in consultation with the Lead Member.**
- 3. Public engagement be undertaken in accordance with the Council's Statement of Community Involvement to include a 12 week consultation period.**

The reason for these recommendations were:

To proceed with the preparation process of the Area Action Plan in accordance with agreed timescales.

85. CABINET APPOINTMENTS TO COMMITTEES, WORKING GROUPS AND PARTNERSHIPS

Christine Barkshire-Jones, Chief Legal Officer presented a report, subject to the amendments, on the nominations received for Cabinet appointments to committees, working groups and partnerships etc. and the appointments of the Chairs and Vice Chairs to the committees of Cabinet.

Two amendments were made to the documents in the report. The first was that on the Stade Partnership, "Councillor Poole" who was no longer a councillor would be replaced with "Councillor Louise".

The second was that Councillor Fitzgerald would be placed on the Safer Hastings and Rother Partnership, as the Environment and Equalities Portfolio Holder.

Councillor Chowney proposed approval of the motion, which was seconded by Councillor Rogers.

RESOLVED (unanimously):

CABINET

4 JUNE 2018

1. To appoint members to committees, working groups, partnerships and representative bodies as set out in Appendix A and B, and;
2. To appoint the Chairs and vice Chairs of Charity Committee and Museums Committee, as listed in Appendix A.

The reasons for these recommendations were:

Members are required to serve on the committees, working groups, partnerships and representative bodies to which Cabinet appoints. Chairs and Vice Chairs are required for the committees that report to Cabinet.

86. URGENCY PROVISION - HASTINGS FISH BRAND

Kevin Boorman, the Marketing and Major Projects Manager presented a report on the Hastings Fish Brand Project. The purpose of the report was to provide a summary of information on the Hastings Fish Brand project, and to recommend that the authority is delegated to the Director of Operational Services or his nominee to sign the funding agreement with the Marine Management Organisation (MMO) for the Hastings Fish Brand project and any other HBC-led Fisheries Local Action Group funded projects.

This report was presented to the Cabinet on urgency provisions.

Hastings Borough Council has been successfully approved by the MMO for funding for a Hastings Fish Brand via the Fisheries Local Action Group (FLAG) programme.

The small scale nature of our fleet, the seasonal and unpredictable nature of the catch and the demand from restaurants and consumers wanting to purchase the same product continue to be barriers to growth in sales of Hastings landed fish products. Hastings Fish Brand will market the fish landed as a premium, sustainable and local product using a simple and unique logo (see image in Appendix 2). The marketing will focus on education and understanding around seasonal produce, using this as a unique selling point.

It was noted that this fish brand would be appropriately debuted at the Seafood and Wine festival in the town in September. Furthermore, there would be no funding from Hastings Borough Council towards this project.

Councillor Forward approval of the motion, seconded by Councillor Batsford.

RESOLVED (unanimously) that:

1. The authority be delegated to the Director of Operational Services or his nominee in consultation with the lead member for regeneration:
 - To sign the funding agreement for the Hastings fish Brand with the Marine Management Organisation,

CABINET

4 JUNE 2018

- **To enter into the MMO funding agreements for any further HBC-led FLAG funded projects, including those summarised in Appendix 1.**

The reasons for this recommendation were:

Hastings Fish Brand has been formally approved by the MMO and we can now proceed with immediate delivery of the project, as set out in the submitted application form and business case. The delay in the MMO approving the funding means that urgency provisions have been used, set out in rule 26.20 of the constitution, and Cabinet is asked to note these.

(The Chair declared the meeting closed at. 6.28 pm)

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Agenda Item 4



Report to: Cabinet

Date of Meeting: 2 July 2018

Report Title: Outturn for Treasury Management

Report By: Peter Grace, Assistant Director of Financial Services and Revenues (Chief Finance Officer)

Purpose of Report

This report provides the opportunity for the Committee to scrutinise the Treasury Management activities and performance of the last financial year

Recommendation(s)

- 1. To consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this particular review**

Reasons for Recommendations

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2017-18.

Under the Code adopted the Full Council are required to consider the report and any recommendations made.

Introduction

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. The primary requirements of the Code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c) Receipt by the Full Council of an annual treasury management strategy report (including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.
3. Treasury management in this context is defined 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.”
4. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
5. Member training on treasury management issues was last undertaken on 10 January 2017 with further training on the medium term financial strategy in December 2017 in order to support members' scrutiny role.

6. This annual Treasury report covers
 - a) capital expenditure and financing 2017-18
 - b) overall borrowing need (the Capital Financing Requirement)
 - c) treasury position as at 31 March 2018;
 - d) performance for 2017-18;
 - e) the strategy for 2017-18;
 - f) the economy and interest rates in 2017-18;
 - g) borrowing rates in 2017-18;
 - h) the borrowing outturn for 2017-18;
 - i) debt rescheduling;
 - j) compliance with treasury limits and Prudential Indicators;
 - k) investment rates in 2017-18;
 - l) investment outturn for 2017-18;

Capital Expenditure and Financing 2017/18

7. The Council undertakes capital expenditure on long-term assets. These activities may either be:
 - Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
8. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Capital Programme Financing 2017/18	Outturn 2017-18	
	£000's	£000's
Expenditure :		14,341
Borrowing		11,160
Grants:		
Disabled Facilities Grant	1,047	
Coastal Communities	121	
Coastal Space	766	
Other Grants and Contributions	<u>9</u>	
		1,943
Reserves		1,140
Capital Receipts		98
Total		14,341

Overall Borrowing Need (Capital Financing Requirement (CFR))

9. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.
10. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
11. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
12. The total CFR can also be reduced by:
 - the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
13. The Council's 2017/18 MRP Policy was approved as part of the Treasury Management Strategy Report for 2017/18 by Council in February 2017.
14. The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against this scheme.

Table 2 CFR: General Fund	2016/17 Actual £000's	2017/18 Estimate £000's	2017/18 Actual £000's
Opening balance	18,064	29,783	30,078
Add unfinanced capital expenditure	13,225	13,177	11,160
Less repayments (e.g.LAMS)	(1,000)	(1,000)	(1,028)
Less MRP	(505)	(785)	(717)
Less finance lease arrangements	(0)	(0)	(0)
Closing balance	29,783	41,175	39,493

15. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
16. The Council's long term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2017/18 plus the expected changes to the CFR over 2018/19 and 2019/20 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's gross borrowing position against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 Internal Borrowing Level	2016/17 Actual	2017/18 Estimate	2017/18 Actual
	£000's	£000's	£000's
Capital Financing Requirement	29,783	41,175	39,493
External Borrowing	26,469	41,080	41,013
Net Internal Borrowing	3,314	95	(1,520)

Treasury Position as at 31 March 2018

17. The Council's debt and investment position at the beginning and the end of the year was as follows:

Debt	1 April 2017 Principal	Rate	Maturity	31-Mar-18 Principal	Rate
PWLB Loan 1	£7,500,000	4.80%	2033	£7,500,000	4.80%
PWLB Loan 2	£1,000,000	1.63%	2018	£0	1.63%
PWLB Loan 3	£2,000,000	0.40% (Variable)	2019	£2,000,000	0.61% (*Variable)
PWLB Loan 4	£909,027	3.78%	2044	£909,027	3.78%
PWLB Loan 5	£1,788,235	3.78%	2044	£1,788,235	3.78%
PWLB Loan 6 (Annuity)	£272,182	1.66%	2026	£243,901	1.66%
PWLB Loan 7	£1,000,000	2.92%	2056	£1,000,000	2.92%
PWLB Loan 8	£1,000,000	3.08%	2046	£1,000,000	3.08%
PWLB Loan 9	£1,000,000	3.01%	2036	£1,000,000	3.01%
PWLB Loan 10	£1,000,000	2.30%	2026	£1,000,000	2.30%
PWLB Loan 11	£2,000,000	2.80%	2054	£2,000,000	2.80%
PWLB Loan 12	£1,000,000	2.42%	2028	£1,000,000	2.42%
PWLB Loan 13	£2,000,000	2.53%	2057	£2,000,000	2.53%
PWLB Loan 14	£2,000,000	2.50%	2059	£2,000,000	2.50%
PWLB Loan 15	£2,000,000	2.48%	2060	£2,000,000	2.48%
PWLB Loan 16 (Annuity)				£7,221,917	2.53%
PWLB Loan 17 (Annuity)				£8,350,000	2.72%
Total Debt	£26,469,444	3.15%		£41,013,080	3.01%

* Rate at January 2018 (rates change every 3 months)

Table 5	31st March 2017 Principal	31st March 2018 Principal
Investments		
-In-House *	£27.8m	£29.7m
Total Investments*	£27.8m	£29.7m

* excludes deposits held in respect of the Local Authority Mortgage Scheme

Performance Measurement (2017-18)

18. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2017-18.

Table 6	2016 -17 Actual Outturn £000's	2017-18 Revised Budget £000's	2017 -18 Actual Outturn £000's
Gross Interest Payable	686	1022	1090
Gross Interest Received	(301)	(292)	(305)
Fees	17	9	9
Other (e.g. PWLB Discount)	(51)	(19)	(19)
Net Cost	351	720	775

19. The net interest on the Local Authority Mortgage Scheme (LAMS), as detailed below, is being transferred into the Mortgage Reserve. The balance on the Mortgage Reserve has been transferred to the General Reserve at year end.

Table 7	2016 -17 Actual Outturn £000's	2017-18 Revised Budget £000's	2017-18 Actual Outturn £000's
Gross Interest Payable	31	16	16
Gross Interest Received	(54)	(20)	(20)
Net Surplus	(23)	(4)	(4)

20. The Council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources are detailed below, and were in line with budget expectations.

Table 8 Reserves	31 March 2017	31 March 2018
	£000's	£000's
General Fund Balance	500	500
Earmarked Reserves	12,063	10,374
General Reserve	7,644	7,668
Total	£20,207	£18,542

It should be noted that Earmarked Reserves includes £585,000 (£1,264,000 at 31 March 2017) of Clinical Commissioning Group monies

The Strategy for 2017-18

21. The expectation for interest rates within the Treasury Management Strategy for 2017/18 anticipated that the historically low Bank Rate would be subject to gradual rises in medium and longer term and as such fixed borrowing rates would increase slowly during 2017/18. 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 and the uncertainty over the final terms of Brexit 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.
22. During 2017/18 longer term PWLB rates were volatile with little overall direction, whereas short term PWLB rates were on a rising trend during the second half of the year.
23. The general aim of the treasury management strategy has been to minimise the costs of borrowing in both the short and longer term. In the short term it can consider avoiding new borrowing and using cash balances to finance new borrowing. However to minimise longer term costs it needs to borrow when rates are a historically low levels. Given also that the Council's ambitions are to generate future income streams, which would involve future borrowing, the opportunities were taken to secure new borrowing in the year. The timing of new borrowing is therefore important to minimise the overall costs to the Council.

The Economy and Interest Rates

24. The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of 1.8% in 2016, (actually joint equal with Germany), and followed it up with another 1.8% in 2017, (although this was a comparatively weak result compared to the US and EZ).
25. 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; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 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 in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

26. Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The MPC meeting of 14 September provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to cooling expectations of much further action to raise Bank Rate over the next two years.
27. However, GDP growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise. The 8 February MPC meeting minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations 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. However, sterling did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.

28. The manufacturing sector has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more

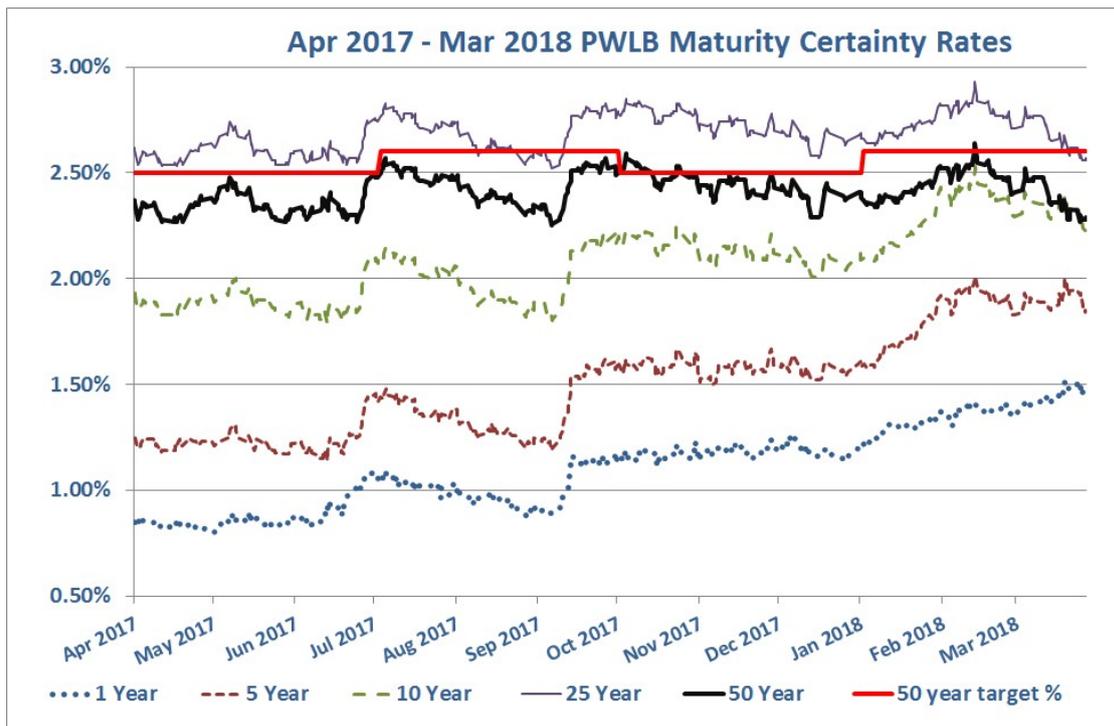
-muted effect on the average total GDP growth figure for the UK economy as a whole.

29. EU. Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in March, inflation was still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

Borrowing Rates in 2017-18

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

Table 9: PWLB rates



31. The table above highlights the fluctuation in borrowing rates throughout the year for different borrowing periods (in years).

Borrowing Outturn for 2017/18

32. Additional long term borrowing of £14.543m was undertaken in 2017/18, resulting in a total balance outstanding with the PWLB of £41,013,080 as at 31 March 2018.

33. The final PWLB loan in respect of the Local Authority Mortgage scheme was repaid (after 5 years) in March 2018 (£1million). This loan was taken out to fund the second tranche of the Local Authority Mortgage scheme and was matched with a deposit of £1m with Lloyds Bank .

Debt Rescheduling

34. The Council examined the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. When last reviewed on the 27 September 2017 the early repayment cost of the £7.5m PWLB loan, maturing in 2033, would have amounted to £3,177,343.

Compliance with Treasury Limits

35. During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

Investment Rates in 2017-18

36. 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 2018.
37. The Bank Rate was raised from 0.25% to 0.50% on 2 November 2017 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 February 2018.
38. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment Strategy

39. The strategy was agreed at the Council meeting in February 2017, enabling investments to be made in the CCLA Property Fund (£2m invested in April 2017). The Investment strategy did not change during the year, other than Investment returns being lower and for a longer period than previously anticipated.

Investment Outturn for 2017-18

40. Investments held by the Council - the Council maintained an average balance in the year of £31.3m. The average rate of return for the year was 0.63% (0.67% including LAMS scheme deposits). The comparable performance indicator is the

average 7-day LIBID rate (un-compounded), which was 0.21%.

41. The table below provides a snapshot of the investments/deposits held at 31 March 2018.

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal (£)	Term
NatWest	0.05			6,105	Call
Lloyds Bank	0.65	16/11/2017	16/05/2018	5,000,000	Fixed
London Borough of Sutton	0.60	29/03/2018	05/04/2018	3,000,000	Fixed
Suffolk County Council	0.75	29/03/2018	29/05/2018	5,000,000	Fixed
South Ayrshire Council	0.55	13/12/2017	13/06/2018	5,000,000	Fixed
North Lincolnshire Council	0.47	13/02/2018	03/04/2018	3,000,000	Fixed
Dumfries and Galloway Council	0.85	23/03/2018	23/05/2018	3,000,000	Fixed
Barclays	0.40			698,678	Call
Lloyds Gen	0.40			5,059,353	Call
CCLA	4.3614%*	27/04/17		1,935,806	Call
			Total	31,699,942	

*CCLA interest is variable and this was the rate on 31 March 2018.

42. In addition to the investments the Council has a few loans in place, namely as at 31 March 2018:-

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal (£)	Term
Amicus	3.78	04/09/2014	02/09/2044	1,788,235	Fixed
The Source	2.43	17/12/2015	17/12/2025	20,471	Fixed
Foreshore Trust	1.66	21/03/2016	20/03/2026	243,900	Annuity

43. It should be noted that the Council agreed on 9 April 2018 to lend monies (£134,037.60) to Freedom leisure for investments in the Council's leisure centre. The loan to be for a period of 5 years at 7%.
44. No institutions in which investments were made during 2017/18 had any difficulty in repaying investments and interest in full during the year.

Other Issues

45. 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.

46. 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. Officers will report to members when the implications of these new codes have been assessed as to the likely impact on this Authority.

47. Investment Guidance

48. The MHCLG investment guidance was issued on 2 February 2018. This focused particularly on non-financial asset investments. This has a significant number of implications for the Council which will result in a revised Treasury Management Strategy being presented to the Council before the end of the financial year.
49. The effective definition of a short-term investment as being repayable 'within 12 months' in the 2010 investment guidance, has been removed from the 2018 guidance. A long term investment is therefore one now for in excess of 365 days.

50. Minimum Revenue Provision (MRP) guidance

The MHCLG MRP guidance was issued on 2 February 2018. This has focused particularly on expenditure on purchasing non-financial asset investments. There are impacts for 2018-19 onwards.

Financial Implications

51. The security of the Council's monies remains the top priority within the strategy. Investment rates available in the market have continued at historically low levels during the last year. There has been new borrowing of £14.543m on which the borrowing costs are more than offset by the rental income received.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Implications

Relevant project tools applied? N/A

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Treasury Management and Annual Investment Strategy 2017/18
CIPFA - Treasury Management Code of Practice
CIPFA - The Prudential Code

Appendix 1 – Prudential Indicators

Officer to Contact

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Officer Telephone Number 01424 451503

APPENDIX 1 Prudential Indicators

The Council's Capital expenditure plans are the key driver of treasury management activity. The output of the Capital expenditure plans (detailed in the budget) is reflected in the prudential indicators below. The Authorised limit for external borrowing in 2017/18 was changed to £80m at the February Council meeting.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2017/18*	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt					
Borrowing	£75,000	£85,000	£95,000	£95,000	£95,000
other long term liabilities	£5,000	£5,000	£5,000	£5,000	£5,000
TOTAL	£80,000	£90,000	£100,000	£100,000	£100,000
Operational Boundary for external debt -					
borrowing	£65,000	£75,000	£85,000	£85,000	£85,000
other long term liabilities	£5,000	£5,000	£5,000	£5,000	£5,000
TOTAL	£70,000	£80,000	£90,000	£90,000	£90,000

2017/18* - proposed revision to authorised boundary from £70m to £80m. Operational boundary unaltered.

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Agenda Item 5



Report to: Cabinet

Date of Meeting: 2 July 2018

Report Title: FINAL ACCOUNTS 2017/18 - DRAFT

Report By: Peter Grace
Chief Finance Officer

Purpose of Report

This report sets out the draft final accounts position for 2017/18. These are subject to completion of the external audit.

Recommendation(s)

1. Cabinet review the outturn position on the General Fund for 2017/18.
2. Cabinet review the capital outturn position for 2017/18.
3. That the 2017/18 outturn position, along with the revised estimates for 2018/19 be taken into account when preparing the 2019/20 budget.
4. Cabinet review the achievement of Priority Income and Efficiency Review (PIER) savings for 2017/18.

Reasons for Recommendations

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money.

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

The 2016/17 Audit Completion Report from the council's external auditors (BDO) recommended that management report on the achievement of PIER savings following their implementation.

Introduction

1. This report provides members with the draft outturn results for the General Fund and Capital Programme for 2017/18. The financial accounts are subject to change until the external auditors have completed their audit report.
2. Variances are shown in (brackets) if they are favorable and without if they are adverse.
3. The Accounts & Audit Regulations 2015 require the Chief Finance Officer (Section 151 officer) to now certify the Statement of Accounts by the 31st May each year and publish them by 31st July (previously by 30 September in 2017).
4. The Council's external auditors (BDO) commenced auditing the full accounts in early June. The audited Statement of Accounts will be considered by the Audit Committee on 31st July– along with details of the auditor's findings and any material amendments made to the accounts.

Final Accounts

General Fund Position - Revenue

5. Total service expenditure amounted to £13,552,130 in 2017/18 compared to the revised budget estimate of £15,088,540, a variation of £1,536,410. This was offset by a reduction in the budgeted use of reserves of £1,575,615. Overall there is an improvement in the General Fund revenue outturn position compared to the revised budget of £36,235 (a budgeted deficit of £433,919 compared to an expected outturn deficit of £397,684). A summary of the provisional outturn for the year is shown in Appendix A.
6. The significant service budget variations are shown in Appendix B. Those over or under budget by £20,000 or more are narrated. Please note that the depreciation and capital charges, International Financial Reporting Standard adjustments, and notional aspects of the Minimum Revenue Provision (MRP) are excluded from this analysis – as they do not affect Council Tax.
7. In addition to the budget variations on services as shown in Appendix B there were underspends/ increased income in the year in respect of the contingency provision which was unused (£29,410 out of the original £400,000), provision for the repayment of MRP (£68,001), net interest and investment income (£51,528), business rates section 31 grant (£109,823) – as highlighted in Appendix A.
8. The budget for income from the businesses rates precepts has an adverse variance of £185,562 due to an increase in the levy paid by the council (£136,247) and an increase in the tariff (£49,315). The levy is payable to offset disproportionate financial benefits that some authorities experience as a result of business rates growth. The tariff is payable because the councils business rates base is more than its baseline spending level.

9. The service expenditure outturn at £13,552,130 is some £1,536,410 lower than the revised estimate. There are a number of significant one off adjustments that account for the majority of the difference such as an accounting adjustment for unspent Disabled Facilities Grants in the year (£494,000), Clinical Commissioning Group underspend (£449,000), carry forwards (£159,000), benefits bad debts provision adjustment and new burdens grants (£786,448). Overall the outturn is very close to the revised estimate albeit that there are numerous positive and negative variances as detailed in Appendix B.
10. Further work is being undertaken through the Priority Income and Efficiency Review process to identify the future ongoing savings, above and beyond those already included in the 2018/19 budget.

Council Tax

11. The balance on the Collection Fund at 31 March 2018 was £1.9m, of which the Council's share was £271,000.

National Non Domestic Rates (NNDR)

12. The rateable value of business premises at 31 March 2018 was £62,806,889 compared to £57,869,797 at 31 March 2017. This change mainly reflects the movement to the new 2017 rating list, and the increase in rateable values was offset by a reduction in the standard multipliers.
13. The net collectable sum for the year was £20,595,000, £229,000 less than original forecast (NNDR1) of £20,824,000. This partially reflects additional reliefs imposed by the Government, for which the Council is compensated by Section 31 grants.
14. The NNDR element of the Collection Fund has a deficit balance of £167,000 (the Council's share of the £418,000 overall deficit).
15. It is important to note that the deficit for 2017/18 takes into account estimates for the cost of appeals not yet decided, on the basis of the success rate of appeals actually determined by 31 March 2018. The final cost will only be evident when the appeals are decided during 2018/19 and possibly afterwards. The real difference between estimated and actual losses on outstanding appeals will therefore fall on years after 2017/18. Currently the appeals provision stands at £3.2m of which £1.29m is the Council's element.
16. Excluding multiple appeals there were still 76 appeals outstanding relating to the 2010 list, with a total rateable value of £10.1m, and many date back to the start of this list. There are a number of multiple appeals for the same property, making an accurate estimate of the liability very difficult. There is very little information on appeals against the 2017 list, so a standard percentage reduction in income has been estimated. There has been a significant appeal in respect of rate relief for NHS Hospital Trusts which has not been accepted by the Council and remains an ongoing appeal.
17. The new regime for dealing with non-domestic rates, which started on 1 April 2014, is mitigated by safety net provisions, funded by levies payable by councils with

higher rates of growth in business rates. This Council opted to form a pool along with other East Sussex councils and the Fire Authority in 2016/17 to avoid paying a levy to Government, which would have been £32,162 in 2016/17, but the pool was dissolved for 2017/18 due to the potential losses that could be incurred following the latest revaluation. The pool has been established again for 2018/19.

Reserves

18. Appendix E details the reserves position. As at 31 March 2018 the total of the reserves amounts to £18,042,000 – an overall decrease in the year of £1,665,000. This year £358,288 was used from the Invest to Save Reserve leaving a balance on the reserve of £420,000. The balance on the General Reserve at 31 March 2018 is £7,668,000 and the General Fund working balance remains at £500,000. The earmarked reserves total is £10,224,000. It should be noted that £585,000 of the total balance is in respect of monies held in respect of the NHS Clinical Commissioning Group initiatives.
19. The Council agreed at its budget meeting in February 2018 that the minimum level of General and Capital reserves should be £6m – given the risks and liabilities that the Council faces. The general reserve amounting to £7.668m at 31 March 2018.
20. The Medium Term Financial Strategy identified the need for any underspend to be used as an opportunity to strengthen reserves, and given the estimated budget reductions required in 2019/20 and beyond there remains a strong case for doing so. The Medium Term Financial Strategy will be reviewed in early autumn and will include a further review of reserves in the light of future government funding and expenditure pressures.
21. Underspends on reserve funded items e.g. government grant reserve, section 106, repairs and renewal monies will be re-profiled into 2018/19.

Capital Programme and Resources

22. Capital expenditure in the year amounted to £14.341m which was some £2.256m less than the revised budget estimate. The main variations against the revised budget being the underspends in respect of Work on Harbour Arm and New Groynes (£766k), Hastings Housing company (£720k), Priory Meadow (£185k), Coastal Communities (£151k) and Disabled Facility Grants (£108k).
23. Capital receipts, sums set aside from revenue, reserves, grants and borrowing have been used to finance the £14.341m of expenditure e.g. the purchase of the Bexhill Road Retail Park, Coastal Space projects, Hastings Housing Company property purchase, and development and implementation of the new ERP system. The majority of the programme was financed by new borrowing which amounted to £11.160 m from the Public Works Loan Board (PWLb).

Provisions for Credit Liabilities

24. From 1 April 2007 the Government introduced new regulations concerned with the treatment of MRP (Minimum Revenue Provision – a sum calculated to repay capital debt). This places a general duty on the Council to make prudent provision for the re-payment of capital debt. The option chosen by the Council has given rise to a charge to revenue in 2017/18 of £717,000.

Financial Strategy

25. Maintaining the Council's financial standing remains challenging in the current circumstances. The deficit in 2017/18 results in the use of the Transition Reserve for the first time. Whilst it was set up for a purpose the council has always managed to achieve in year savings to avoid its use until now.
26. Given the major reductions in future funding, the Council needs to continue to take important decisions, identifying further significant efficiencies and invest to save opportunities and generate more income to balance the budget in the future.
27. It is standard practice to analyse previous year variations when determining the forthcoming budget. It is recommended that the 2017/18 outturn position, along with the revised estimates for 2018/19, be taken into account when preparing the 2019/20 detailed revenue estimates.
28. A number of significant one off items have been identified and transferred to the Council's reserves – particularly grant monies such as those from Disabled Facility Grant (£494,000). The level of reserves, as well as the identification of future funding expectations, and potential spending pressures will be considered as part of the Medium Term Financial Strategy review in the early autumn.
29. The deficits forecast for 2018/19 and the years beyond requires the Council to identify yet more savings and new income generation initiatives if it is to achieve future balanced budgets.

Review of PIER Savings

30. In the 2016/17 Audit Completion Report from BDO the auditors observed that PIER savings are planned in detail within the council's annual budget process reports and savings identified are removed from the budgets once approved by Cabinet. They commented that there is opportunity to enhance reporting to Cabinet further by stating actual savings achieved compared to the original estimate.
31. It was recommended that management include the actual savings achieved against each PIER scheme following their implementation when reporting the outturn variance. This recommendation was accepted by the Chief Financial Officer and Appendix F details the achievement of the savings in 2017/18.

32. The 2017/18 budget identified net PIER savings of £731,800 and it has been calculated that £633,600 of those savings were achieved within the year. Some of the savings can be hard to quantify and for these accountants have provided commentary to help in the understanding of the figures. The main variation was for the cleaning contract and the contractor pulling out at the last moment. Appendix F only considers the PIER savings and does not look at other savings generated within the year or identify any non-related overspends.

Risk Management

33. The Revenue Budget Forward Plan (Appendix G of the Budget Report to Full Council on 21 February 2018) identified budget deficits of £1.039m in 2018/19 and £1.036m in 2019/20. The Medium Term Financial Strategy to be considered by Cabinet in September 2018 will provide updated projection.

34. The Transitions reserve will largely be exhausted after 2020/21 unless further cost savings are identified or income generated. At this point severe and drastic measures would need to be taken, which could potentially be avoided by identifying savings sooner and making reserves last longer in order to buy time to cover more of the deficit through income generation.

Timetable of Next Steps

35. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Review of 2017/18 under and over spends	2019/20 budget	February 2019	Chief Finance Officer

Wards Affected

Insert the list of wards affected

Implications

Relevant project tools applied? N/A

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness

Crime and Fear of Crime (Section 17)

Risk Management Yes

Environmental Issues
Economic/Financial Implications Yes
Human Rights Act
Organisational Consequences
Local People's Views
Anti-Poverty

Additional Information (preferably provide links)

Appendix A - Final Accounts Summary 2017/18
Appendix B - Major Variations
Appendix C - Capital Programme Expenditure (total) 2017/18
Appendix D - Capital Programme Financing 2017/18
Appendix E - Statement of Reserves
Appendix F - PIER Savings achievement for 2017/18

Officer to Contact

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Revenue Budget Summary**Appendix A**

	2017-18 Revised Budget £	2017-18 Actual Outturn £	Variance £
Corporate Resources	4,827,990	4,547,560	(280,430)
Operational Services	10,260,550	9,004,570	(1,255,980)
Direct Service Expenditure	15,088,540	13,552,130	(1,536,410)
Contingency Provision	29,410	0	(29,410)
Total Service Expenditure	15,117,950	13,552,130	(1,565,820)
Provision for repayment of debt (MRP)	785,000	716,999	(68,001)
Net interest	642,884	591,356	(51,528)
Total Expenditure	16,545,834	14,860,485	(1,685,349)
Funded By			
Revenue Support Grant	(2,038,000)	(2,037,981)	19
New Homes bonus	(1,008,963)	(1,008,963)	0
New Homes bonus return funding	(8,670)	(8,502)	168
NNDR (Surplus) / Deficit	236,693	236,693	0
Council Tax (surplus)	(232,205)	(232,205)	0
Housing Benefit Administration grant	(460,841)	(460,841)	0
Council Tax Support Admin Grant	(178,405)	(178,405)	0
Transition Grant	(5,466)	(5,467)	(1)
Business rates	(3,052,382)	(2,866,820)	185,562
Business rates - Pooling	0	(2,426)	(2,426)
Business rates - Section 31 Grant	(900,715)	(1,010,538)	(109,823)
Council tax	(6,282,031)	(6,282,031)	0
Total funding	(13,930,985)	(13,857,486)	73,499
Funding deficit / (surplus)	2,614,849	1,002,999	(1,611,850)
Reserve movements			
Contributions to Earmarked Reserves	1,016,570	1,777,554	760,984
Use of earmarked reserves	(3,197,500)	(2,382,869)	814,631
Net Contribution to (from) Reserves	(2,180,930)	(605,315)	1,575,615
Use of Reserves to fund deficit			
Trans to / (from) Transition Reserve	(433,919)	(397,684)	36,235
Contributions to / (from) Specific Reserves	0	0	0
Total	(433,919)	(397,684)	36,235
General Fund movement	0	0	0

Corporate Resources Major Variances 2017/18

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Estates Services	1022		(3,150)
Director of Corporate Services and Governance	1023		(3,435)
Internal Audit Services	1051		(4,300)
Accountancy & Exchequer Services	1052		13,579
Revenues and Benefits Service	1055		7,126
Fraud Joint Working Initiative	1058		(268)
Corporate Expenses	1080		(6,834)
Employment Areas	2101		12,403
Unit Factories	2201	Additional rents received.	(42,094)
Properties & Estates	2404	Additional rents received.	(45,286)
St. Mary-in-the-Castle	2602		(15,801)
Housing Benefit Payments	4200	£435k one off reduction in provision for bad debts relating to HBOP. £205k received in relation to new burdens. £87k FHSG allocation, £59k other variance.	(786,448)
Rechargeable Works Orders Admin	5225		(2,658)
Fin.Serv.-Other Expend.& Income	5299	Increased charge for bad debts provision.	230,332
Corporate Management Costs	5510	Additional costs in relation to Pier closure, including provision of £245k for future likely costs.	341,844
Tax Collection Costs	5950	Change in policy of taking to court has lead to a reduction in income received in relation to recovery of court costs.	146,048
Personnel and Business Support	1020		(474)
Corporate Policy and Partnerships	1024		(2,818)
Democratic Services	1031		(1,044)
Legal Services	1032		(5,414)
Digital By Design	1085		(4,156)
Corporate POD Expenses	1090	Training £25k under, Professional Fees £10k under - both requested as carry forwards	(35,744)
Admin.Bldgs.-Town Hall	1151		5,635
Admin.Bldgs.- Murial Matters House	1157		(11,216)
Admin.Bldgs.-General Expenses	1160	All R&R reserve - Legionella testing £10k under, Fire Risk assessments £6k under to be spent in 2018-19. Electrical Testing £5k under.	(21,286)
Admin Bldgs - HBC Archive, Castleham	1169		(562)
Registration Of Electors	1200		14,123
Sustainable Development	3405		(5,512)
Hastings Pier - Closure	5004		13,248
Cost Of Democratic Processes	5501		(2,153)
Borough Council Election Expenses	5503		2,186
General Election Expenses	5505		173
County Council Election Expenses	5506		180
Contact Centre	5712	Underspend on salaries due to staff turnover and delayed appointments.	(29,868)
Building Surveyors	1029		19
Shelters and Seats (Highway)	1501		(3,485)
Naming and Numbering Streets	1502		(2,920)
Decorative Lighting	5236		(16,056)
DCE-Information Technology Division	1034		(2,548)
IT Reserve Expenditure	5228		(1,904)
Land & Property Systems-GIS	5227		(81)
Corporate Systems - ERP	5514		(10,073)
Foreshore Trust	Various		262
Corporate Total			(280,430)

Operational Resources Major Variances 2017/18

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Environment Management & admin	1009		(3,012)
Food Safety	3401		(11,994)
Health & Safety Enforcement	3402		(2,979)
Environmental protection	3403		(12,982)
Health & Safety Corporate	3404		(341)
Pest Control	3407		(4,268)
Local Licensing	5100	Additional income	(25,301)
Scrap Metal Licensing	5102		(37)
Liquor Licensing	5105		8,274
Gambling Licensing	5106		(1,517)
Stray Dog Service	5125		345
Neighbourhood Safety	5214		(4,301)
Safer Hastings Partnership	5219	£25k received for Street Drinking initiatives to be spent in future years, rest is under on JAG fund. Balance transferred to Safer Hastings Partnership reserve.	(28,431)
Domestic Violence	5226		0
Emergency Planning	5223		(3,641)
Environmental Health Total			(90,183)
Waste and Parking Team	1074		(9,558)
Off Street Car Parking	1300	(£34k) R&R slippage from 2017-18 (Carlisle CP), (£14k) underspend on equipment and materials, (£60k) less income than anticipated. £94k less recovered from FST, £10k overspend on salaries.	(78,956)
Horntye Car Park	1350		(2,283)
CCTV Control Room	1370		(3,425)
Public Realm	1504		0
Public Conveniences	3033		(18,752)
Abandoned Vehicles	3301		(208)
Refuse Collection	3303	Under on waste contract	(61,458)
Street Cleansing	3313		(3,119)
Recycling	3410		(4,743)
Greenwaste	3411		8,134
Waste and Environmental Enforcement Team	3412		(9,470)
Together Action	5205		151
Waste and Parking Services Total			(183,686)
Open Space Management	1071		(3,059)
Hastings Country Park - Parking	1355		(3,803)
Watercourses	1420		(3,051)
ESCC Highway Tree Maintenance	1506		(2,534)
Cemetery & Crematorium	3102		8,945
Welfare Funerals	3103		(1,963)
Travellers Costs	5140		1
Town Centre	5257		668
Allotments	5280		149
Ecology	5281		(5,635)
Arboriculture	6200	Additional tree felling due to Dutch Elm disease	26,767
Parks & Gardens	6301	Cliff Works. Overspend financed by transfer rom R&R reserve.	73,954
Hastings Country Park	6503		(17,773)
INTERREG - Upstraw Project	6507		1,343
Countryside Stewardship	6508		(1,438)
Amenities Services Total			72,572

Appendix B (cont)

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Externally Funded Enviro-Crime Service	5124		0
St Leonards Gardens - Lottery Grant	6300		0
Highways Management & admin	1006		0
Waste Services	1073		0
Admin Bldgs - Bulv. Depot Office	1166		0
DVLA Powers	1320		0
Highways Grass Cutting	6305		0
On-Street Car Parking	1360		0
ESCC Highways Management	1505		0
Crime Prevention/CCTV	5207		0
Friends of Alexandra Park	6303		0
Smart Sponge Project	6307		0
Coastal Defence Asset Survey	1402		0
Support for Events	5729		0
			0
Director of Operational Services	1015		(942)
Director of Operational Services			(942)
Marketing & Comms.Division	1025		(4,960)
Image Raising Campaign Project	1995		0
Meteorological Expenses	5237		(426)
Civic & Ceremonial Expenses	5507		877
Community Awareness	5705		(1,842)
1066 Country Campaign	5701		(10,022)
Tourism Marketing	5702		(496)
Battle Marketing	5703		(2,111)
Tourist Information Centre	5714		552
HIC Trading Account	5717		(6,358)
Twinning / Sierra Leone	5720		0
R.T.P. - Hastings Week	5722		151
R.T.P. - Jack-in-the-Green	5723		1,220
R.T.P. - Old Town Carnival	5724		106
R.T.P Events	5725		11,280
R.T.P. - Trolley Bus	5727		1,097
R.T.P. - Town Crier	5728		(713)
R.T.P. - Achievers Awards	5730		0
Filming	5740		(6,417)
Seafood and Wine	1962		3,671
Midsummer Fish Festival	5780		1,267
Herring Fair	5781		3,006
Marketing and Major Projects Total			(10,119)

Appendix B (cont)

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Regeneration Management & Admin	1021		1,438
Regeneration Activity	1900		(731)
White Rock Area Development	1904	White Rock Area Development to reserve	(31,088)
Planning Policy	1603	Carry forward requested for work not started on Area Action Plan	(45,477)
Cultural Activities	1922		(10,893)
Cultural Development (Getting Hastings Ready)	1945		(5,138)
External Funding Initiatives	1934		(2,309)
Community Cohesion	1980		(58)
Town Centre Management	5118		30
Community Development Activity	5119		0
Community Partnership Fund	5120		(412)
Youth Windfall	5121		(1,893)
Youth Activities	6006		230
Classroom on the Coast	1984		(334)
British BID DCLG - Loan Fund (Business improvement District)	1937		(5,250)
Externally Funded:			
Fisheries Local Action Group (FLAG)	1988		5,009
Coastal Communities Fund	1998	External funded projects to reserve	(33,069)
Sea Escapes - CCF III Coastal Communities Fund Revenue	2030		4
CHART CLLD	2040		0
Regeneration Total			(129,938)
Leisure & Cultural Dev. Div.	1070		430
Falaise Hall	2640		278
Sports Centres	6100		845
William Parker	6409		0
Opening Doors	6640		(6,006)
Lets Get Moving (CCG)	6641	CCG funding to reserve	(35,580)
Sports Development	6650		(1,304)
Street Games	6651		(5,686)
Active Hastings	6657		(7,980)
Play Development	6660		2,331
PCT Play Grant	6666		(1,250)
Play Pathfinder	6667		(1,441)
Playground Projects	6670		(2,836)
Sports for All	6675		1,427
Leisure Services Total			(56,771)

Appendix B (cont)

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Resort Services Management and Admin	1075		(624)
Sports Management	6150		(6,277)
Cliff Railways	2502	Emergency closure of West Hill lift in March (over and beyond Easter) due to potential retaining wall collapse	29,447
Seafront	5241	Foreshore Trust recharged additional £45k / offset against £20k overspend in repairs due to outfall pipe works, numerous small variances.	(20,474)
St Clements Caves	2512	Non payment of royalties 16/17 & 17/18 - Referred to Legal Dept.	39,501
Chalets & Private Hut Sites	2514		19,519
Coast Protection Sea Defences	1400		90
Navigational Aids	1410		(99)
Environmental Schemes (Net Huts)	1608		3,458
Hastings Castle	2510		(271)
White Rock Theatre	2601	No repairs carried out in 17/18	(20,632)
Museums & Art Galleries	6000		(18,157)
Fisherman's Museum	6005		10
Education - Museum	6008		(100)
Exhibitions - Museum	6009		13
First World War Project	6015		4,028
Resilience Fund - Museum (Arts Council)	6016	Final grant claim for expenditure not submitted yet. Once submitted and audited it is expected that we will receive grant to offset this overspend.	30,395
Resort Services Total			59,827
Regeneration Team - General Expenses	1910		0
Cultural Development (ABG)	1927		0
RGF4 - SUCCESS Programme	1928		0
ACE (Answers to the Carbon Economy)	1931		0
Town Teams	1938		0
SAFE-ICE	1939		0
Public Art	1940		0
Coastal Communities	1954		0
Hastings Pier CPO	1956		0
Working Neighbourhoods Project	1971		0
Area Co-ordination	1979		0
Employability	1999		129
Central St Leonards cost centre	2000		0
Talent Match	2020		0
Hastings Embroidery	2511		0
Local Space - HBC funded	4070		0
Local Space - funded by Local Space	4071		0
Hastings Pier	5005		0
1066 Community Grants	5116		(400)
FST - White Rock Baths	5291		0
Temporary Ice Rink	5718		0
Coastings Exhibition	6001		0
Old Town Museum	6003		0
Other Total			(271)

Appendix B (cont)

General Fund Activities	Cost Centre	Variance narrative	Total Full year Variance excl. Recharges £'s
Housing Management & admin	1072	Community Housing Fund & Controlling Migration fund to reserves	(130,688)
Housing Company	4009		4,174
Coastal Local Economic Partnership (LEP)	1953		(4,650)
Affordable Housing (section 106)	4012		0
Anti Poverty	4057		0
Housing NHS Clinical Commissioning Group	4045	CCG funding to reserve	(449,197)
Central St Leonards Renewal Area	4146		0
Local Land Property Gazetteer & Admin	1005		(3,163)
Local Land Charges Register	5211		(8,775)
Development Management	1600		2,333
Homelessness	4000	i) Increase in volume & clients staying in B&B longer ii) Using B&B's outside of area which are more expensive iii) DWP income has not been achieved due to processing difficulties in claiming UC. iv) Lack of affordable properties to move into v) £255k FHSG used in 17/18 to offset overspend	105,479
Homelessness Prevention	4001		(7,621)
Rough Sleepers Prevention	4002	3yr project - funds to reserve to spend in 18/19	(23,296)
Syrian Resettlement Programme	4004	Income is received at various stages - Families arrived in April when originally due in 17/18	97,097
Social Lettings	4025		412
Homelessness Strategy	4050		(10,188)
Deposits funded by ESCC and Discretionary Housing payments	4051		0
Youth Homelessness	4055		(5,663)
Housing Register	4120		629
Preventing Repossessions	4138		0
Building Control	1008		(411)
Housing Solution Services	4130	DFG REFCUS. Offset by transfer to reserves.	(560,729)
Housing - Works in Default	4135	DFG REFCUS. Offset by transfer to reserves.	(25,078)
Housing Renewal	4140		(9,952)
Selective Licensing	4158	Fewer licences processed than estimated. Income for licences received but not yet granted carried forward into the new year.	116,806
Housing Licensing Team	4160		(4,291)
Coastal Space Enforcement Activities	4300		0
Dangerous Structures	5001		(1,298)
SHINE	4183		(7,348)
CAN	4185		8,944
Housing and Built Environment			(916,473)
Operational Total			(1,255,980)

Capital Programme Expenditure 2017/18

Service	Gross Budget £000's	Actual £000's	Net Variation £000's
Corporate Resources	9,574	9,307	-267
Operational Services	7,023	5,034	-1,989
Total	16,597	14,341	-2,256

Capital Programme Financing 2017/18

		Outturn 2017-18 £000's
Expenditure :		<u>14,341</u>
Financed by :		
Borrowing		11,160
Grants - Disabled Facilities Grant	1,047	
Coastal Revival Fund	888	
Environment Agency	454	
Regional Housing Board	9	
Historic England	9	
Other Grants and Contributions	<u>14</u>	
		2,421
Reserves		662
Capital Receipts		<u>98</u>
		<u>14,341</u>

Statement of Reserves

	Opening Balance 1 April 2017	Transfers In	Transfer Out	Closing Balance 31 March 2018
	£000's	£000's	£000's	£000's
General Reserve	(7,644)	(334)	310	(7,668)
Capital Reserve	(637)	0	487	(150)
<u>Earmarked Reserves</u>				
Renewal and Repairs Reserve	(1,748)	(508)	628	(1,628)
Risk Management Reserve	(330)	0	0	(330)
Information Technology Reserve	(186)	(218)	252	(152)
On-Street Car Parking Surplus Reserve	(48)	0	8	(40)
Section 106 reserve	(542)	0	35	(507)
VAT reserve	(257)	0	5	(252)
Government Grant Reserve	(567)	(227)	92	(702)
Carried Forward Reserve	(271)	(159)	271	(159)
Ore Valley Reserve	(250)	0	0	(250)
Monuments in perpetuity	(48)	0	1	(47)
Invest to save and efficiency reserve	(778)	0	358	(420)
Mortgage reserve (LAMS)	(148)	0	148	0
Resilience and Stability Reserve	(600)	0	0	(600)
Transition Reserve	(2,222)	0	398	(1,824)
Redundancy Reserve	(648)	0	0	(648)
Community Safety Reserve	(350)	0	0	(350)
Economic Development Reserve	(501)	0	0	(501)
Safer Hastings Partnership	(43)	(29)	0	(72)
Bathing Water Project	(32)	0	32	0
First World War Project	(17)	0	5	(12)
Coastal Communities Grant Reserve	(10)	0	10	0
Clinical Commissioning Group	(1,264)	0	679	(585)
Young Peoples Council	(19)	0	0	(19)
Revenue Hardship Fund	(80)	0	0	(80)
Disabled Facilities Grant	(431)	(554)	60	(925)
Syrian Resettlement Programme	(36)	0	15	(21)
Selective Licensing	0	(77)	77	0
Housing Licensing	0	(6)	0	(6)
Community Housing Reserve	0	(244)	150	(94)
Total	(19,707)	(2,356)	4,021	(18,042)

PIER Savings achievement for 2017/18

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Council Tax	Council Tax – to remove the 50% discount for Prescribed Class D properties (i.e. vacant residential properties that are undergoing “major repair work” or “structural alteration) with effect from April 2017. Will also be a staff time saving (currently c.17hrs p.w.) which will be re-directed to maximising Business Rates income rather than visiting pre/post work completion.	17,000	10,700	(6,300)	In 2016/17 we granted £78,299.57. In 2017/18 we granted £1,578.22 (residual amount due to ending of discount). A saving of £76,721.35. The Council’s share is some 14%. Staff resources have been redirected to Business Rates work.
Public notices	Alternative provider sought to provide some public notices at a reduced cost	10,000	10,000	0	Used Hastings Independent Press to show notices rather than Hastings Observer. Budget line reduced by £13k - overspent by £3k.
Public Conveniences	Following a review of public conveniences provision in the town to inform the re-tendering of the public conveniences cleaning contract from April 2017, savings have been identified and a number of public conveniences have been identified for alternative opening hours or closure: · Closing Harold Place toilets (£32k closure and £32k cleaning and staffing) (also opportunity saving of £60k refurbishment costs that would have been required in near future)	100,000	49,000	(51,000)	£104k savings built into cost centre, complications with award of new contract meant SHS were drafted in at short notice for a 5 month temporary deal and new contract awarded from September, £58k budget was added to cover the costs. We ended up £3k below this (£55k over original). New cleaning contract for 2018/19 is £13k over original 2017/18 budget.

Page 40

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Building Cleaning Contract	Following a review of the councils building cleaning requirements and subsequent tendering of the contract, savings have been identified from 1 st April 2017. Staffing implications: N/A for HBC	41,000	61,000	20,000	£52k savings built into original budgets (not just the £40k/£41k per App K/K2), additional £9k achieved in 2017-18 and additional £3k expected 2018/19.
Environmental Health	Following a review, restructure the roles and responsibilities of the team and delete the role of the Deputy Environmental Health Manager. Staffing implications: 0.9 FTE	38,000	38,000	0	Saving ongoing - Deletion of Deputy Manager Post
Housing Options	Following a review, reduce the overall staffing structure by 1FTE, the work has been absorbed into the role of the Housing Needs and Policy Manager. Staffing implications: 1FTE vacant	37,000	37,000	0	Service Improvement Officer post was deleted. Combined into Housing Needs & Enabling Manager job role
Digital by Design	Savings have been identified following investment in a new digital platform Firmstep and a transformation programme to review how services are designed and delivered, with a focus on digital delivery · Reduction in software costs o Confirm Licensing	4,200	4,200	0	New contract negotiated

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
	o Anite software module	4,500	4,500	0	Savings have been made but more than offset with new software £12k, legislation requirements £20k and price increases of £3k meaning £35k overspend in code
	o Internet link connectivity contract renegotiated	3,600	-	(3,600)	Links budget has been stable £16.5k spend in last 3 years.
	o Multi-function device (printing/scanning etc.) contract renewal July 2017	-	4,000	4,000	Reduction in total rented MFD's
	o Revenues and Benefits disaster recovery cost reduction following new server implementation £8,000	8,000	8,000	0	Savings have been made but more than offset with new software £12k, legislation requirements £20k and price increases of £3k meaning £35k overspend in code
	o Oracle hardware support reduction £6,000	6,000	6,000	0	Savings have been made but more than offset with new software £12k, legislation requirements £20k and price increases of £3k meaning £35k overspend in code
	· Reduction in paper and printing costs*:				
	o Shred it savings	3,500	1,000	(2,500)	Shred it reduction in collections
	* Service managers have identified £31k of savings within supplies and services budgets for 2017/18 – these have been accounted for in service budgets)				
	· Further minimum reduction in paper and printing costs through implementation of 'Analogue Reduction Strategy' during 17/18:	20,000	9,000	(11,000)	Virtual Mail Room not yet implemented. Savings achieved in posting, stationery and books.
	o Photocopying savings (Uniflow)				Note there are continuous savings in Revs and Bens on mailing £2.5k less in 2017-18 compared to 2016-17.
	o Programme to eliminate paper usage				

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
	<ul style="list-style-type: none"> o Virtual Mail Room implementation Reduction in staffing requirements: <ul style="list-style-type: none"> o Housing Renewal technical post – work absorbed by changes to DFG process 1FTE post (vacant post) o People and Business Support (PBS)/Community Contact Centre – following a restructure, delete 1FTE CCC Team Leader post and (vacant) and make £18,000 net savings on changes to two other vacant posts (in PBS and Policy) equivalent to 0.8FTE o 0.5 FTE reduction in TIC staffing requirements following move of Licensing Applications on-line from April 2017 <p>Staffing implications: net 3.3 FTE</p>	30,000	30,000	0	Housing Renewal technical post removed.
		32,000	29,000	(3,000)	Actual saving taken was £29k. 1 FTE team leader per comment left.
		18,000	18,000	0	£10k 0.5 FTE from Business Support post became vacant. £8k Policy and Performance following restructure and vacant position arising.
		14,000	14,000	0	Licensing moved to online saving achieved
Regeneration	<p>a) From June 2017, delete the vacant Economic Development/ Regeneration Officer post</p> <p>The remaining Economic Development/Regeneration officers will focus on services supporting growth/retention of two key economic sectors: visitor economy and advanced manufacturing/high tech.</p>	33,000	33,000	0	Regeneration Officer post deleted

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
	<p>b) Reduce the economic development activity budget</p> <p>c) Net savings from vacant p/t admin post</p> <p>Staffing implications: 1 FTE</p>	<p>10,000</p> <p>4,000</p>	<p>10,000</p> <p>4,000</p>	<p>0</p> <p>0</p>	<p>Activities spend restructured</p> <p>Senior Admin Officer post deleted</p>
<p>External funding/ Programme Compliance</p>	<p>Restructure the posts that support external funding:</p> <ul style="list-style-type: none"> · Reduce the 1 FTE External funding officer post to 0.5FTE (no impact - current post-holder already reduced hours to 0.5FTE) · Delete one of the two Programme compliance and monitoring officer posts (1 FTE) <p>Focus dedicated resources on funding for:</p> <ol style="list-style-type: none"> a. economic and cultural development, b. public realm/environmental improvements; c. economic inclusion; d. Seafront strategy and White Rock area priorities <p>Staffing implications: 0.5FTE – vacant post 1FTE - re-deployment or redundancy</p>	<p>20,000</p> <p>37,000</p>	<p>20,000</p> <p>37,000</p>	<p>0</p> <p>0</p>	<p>Remaining hours for staff member paid from SHINE EU funded project</p> <p>0.41 FTE resigned post deleted 0.59 FTE paid from FLAG external funding</p>

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Tourist Information Centre	A review of the TIC operation is underway. Initial proposals include reducing opening times and staffing levels. Staffing implications: From October 2017 0.5 FTE – deployment or redundancy	14,000	14,000	0	Opening hours adjusted during year for earlier opening and weekend opening
Events budget	Increase income to off-set reduction in events budget – increase entry costs to the Seafood and Wine Festival Staffing implications: N/A	10,000	0	(10,000)	Ticket price increases but income stayed at same level as 16/17
Civic and Ceremonial	Alternative venue for Annual Council saving hire costs, changes to Mayoral travel arrangements outside of the borough. Staffing implications: N/A	8,000	7,500	(500)	Reduced number of visits & frequency of mayoral car valeting
Marketing	Reduction in non-staffing marketing budget Staffing implications: N/A	9,000	9,000	0	Activities spend restructured
Marketing and Communications	Delete fixed term Communications Manager post (1FTE) at end of term: use some savings to fund a restructure within the team and to fund an ongoing seasonal Fish Fairs officer post (0.6) Staffing implications: net 0.4 FTE	29,000	29,000	0	Communications manager post deleted saving £49k. £20k used to make seasonal fish fairs organiser post

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Cultural regeneration	Reduction in activity budget Staffing implications: N/A	1,000	1,000	0	Activities spend restructured. Regeneration Activity Budget (Dial a ride Adjustment 17/18)
Planning Policy	Reduce one senior planner post by 0.3FTE and reduce the external consultants budget to achieve the savings Staffing implications: 0.3FTE – re-deployment or redundancy	30,000	30,000	0	£30k removed from budget - staff member remained, larger reduction in consultant spent to achieve saving.
Community Partnership Funding	The Budget set by HBC in 2016/17 identified the following savings in the profile of CPF spend for commissioned activity. A further proposal is to increase the saving from CPF budget for 2017/18 to match the commissioning programme for two years. A budget of £208,000p.a. remains for 17/18 and 18/19	18,000 24,000	18,000 24,000	0 0	Activities spend restructured. 13 projects reduced to 5.
	Total PIER Savings above	633,800	569,900	(63,900)	

Growth items (funded by other reductions across Regeneration services)

Activity		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Cultural Development Manager	Building on the successful delivery of the Root 1066 festival employ the fixed terms Strategic Cultural Development Specialist as a permanent Cultural Development Manager Staffing Implications: + 1FTE	63,000	63,000	0	Growth
Community Development Activity	Small activity budget to support community regeneration activity.	5,000	5,000	0	Growth
Coastal Currents Activity Budget	One-year pump priming budget to enable Coastal Currents festival to become self-financing	20,000	20,000	0	Communications manager post deleted saving £49k. £20k used to make seasonal fish fairs organiser post.
	Total Growth above	88,000	88,000	0	

Page 47

FIO Other savings/income – already agreed and being implemented

		Budgeted PIER Saving 2017/18 £	Saving Achieved in 2017/18 £	Variance Over / (under) £	Commentary
Muriel Matters House (MMH)	Purchase of Council's main civic and operational building led to savings on: <ul style="list-style-type: none"> · borrowing costs vs rent liability · service charges which would have been due 	50,000 25,000	50,000 25,000	0 0	Income levels being achieved
Energy savings	Reductions in costs following smarter procurement and likelihood of less energy use in Muriel Matters House following refurbishment and better insulation	50,000	50,000	0	Ongoing savings following purchase in 2016/17.
MMH room rentals	Weekly rental of Council Chamber and committee rooms to Coroners Court service - income	15,000	15,000	0	Income levels being achieved.
Town Hall room rentals	Income from rentals of office space in Town Hall	6,000	11,700	5,700	Income being achieved. Rental to ESCC, SEAP, and other individuals and organisation.
Chalets	Income from investment in new chalets – invest to save already agreed	40,000	0	(40,000)	Income not achieved but chalets installed late autumn 2017. Delay on installation of chalets and problems with fee increases being delayed. Work being undertaken to further analyse chalet income.
	Total Other Savings	186,000	151,700	(34,300)	
	TOTAL Net PIER Savings	731,800	699,600	(32,200)	

Agenda Item 6



Report to: Cabinet

Date of Meeting: 2nd July 2018

Report Title: Agreeing the delivery model for the next Hastings street cleansing service

Report By: Mike Hepworth
Assistant Director Environment and Place

Purpose of Report

To provide Cabinet with comprehensive background information to the recommissioning of the council's street cleansing and bulky waste services and seek their approval to proceed with the preferred service delivery model as set out in the associated part two confidential report.

Recommendation(s)

- 1. That Cabinet approve the recommendations for the recommissioning of street cleansing and bulky waste services set out in the associated part two confidential report on this agenda.**

Reasons for Recommendations

The existing waste services contract with Kier Environmental provided through the East Sussex Joint Waste Partnership ends 28th June 2019. New arrangements must be in place ready to commence on 29th June 2019, to ensure a seamless transition for residents.

Although the council is committed to continue to provide our refuse and recycling and garden waste collection services through a contracted-out service delivery model, we are considering whether to deliver our street cleansing, bulky waste and fly-tip removal services through an in-house direct service organisation. Officers have developed a fully priced in-house option for these services. However, to enable us to assess whether or not an in-house service represents 'best value', prices and methodologies for a contracted-out service have been requested through the East Sussex Joint Waste Partnership procurement team.

To enable the procurement and mobilisation processes to proceed in a timely fashion, the council is required to reach a decision on whether or not to opt for an in-house or contracted out service by no later than Friday 20th July 2018.

Introduction

1. As set out on the front sheet of this report, the council needs to decide whether to opt for a contracted-out street cleansing service again, or to provide these services via a new in-house service.
2. Contracted-out prices are being obtained through the East Sussex Joint Waste Contract Procurement Team, hosted for the partnership by Rother District Council. They should be available on Monday 18th June.
3. In advance of this the council's Waste and Cleansing Services Manager has developed a fully costed in-house service model. This will enable the council to assess whether or not the in-house model represents 'best value'. Assessing best value needs to take account of overall value, including economic, environmental and social value, not just cost.
4. The council needs to decide which service delivery model to use for this very important service and notify the East Sussex Joint Waste Procurement Team by no later than 20th July 2018.

The Reporting Process

5. The reporting process is as follows:-
 - a. **Tuesday 19th June 2018 – Coastal Users Group (CUG):** was presented with this report, but not the confidential part two report, which was not completed until the end of that week. Our purpose was to seek verbal feedback from CUG on the rationale behind the Council developing an in-house service delivery model for comparison with any prices and methodologies received from contractors. Their feedback is included within the part two confidential report to Charity Committee.
 - b. **Monday 25th June 2018 – Charity Committee:** met to consider this report, and the shorter part two confidential report setting out the results of the evaluation of the costs and potential quality of the different options. The purpose was to seek Charity Committee endorsement and approval of the recommendations, in the light of the pricing and quality information that we had received.
 - c. **Monday 2nd July 2018 – Cabinet:** presented with almost the same reports as Charity Committee and given a verbal update on the feedback from Charity Committee. The only difference is the nature of the recommendations, which are specific to Cabinet.
 - d. **Wednesday 11th July 2018 – Council:** will be asked to consider the decision made by Cabinet.

Background to why the council is considering delivering future street cleansing services through an in-house service

Early termination of the current waste and cleansing contract

6. On July 17th 2017 the council's Cabinet considered a report called Future Waste and Cleansing Services. It provided an update on arrangements for the provision of our new waste and cleansing services from the end of June 2019.
7. The report set out the background to the letting of the current East Sussex Joint Waste Contract to Kier Environmental in October 2012, and the subsequent problems experienced with the contract. In April 2017 these problems had resulted in a decision to agree to the mutual termination of the 10 year contract 3 years early at the end of June 2019.
8. The current contract operates on the basis that the contractor is responsible for the collection and disposal of all the household recycling collected across the whole partnership area (Hastings, Rother, Wealden, and Eastbourne). When the contract was let Kier Environmental anticipated that income from selling the recycling to reprocessing companies would offset their costs and generate a net income. Unfortunately, very early in this contract the international recycling commodity market collapsed and did not recover. This was a key factor in the early termination of the contract, as it resulted in significant ongoing financial pressures for the contractor.

Concerns about the operation of contracted out street cleansing services in Hastings

9. The report to Cabinet last June, set out some of the reasons why the council should consider changing from the contracted-out model of delivery to an in-house service for our street cleansing services. A year later, and with the experience of working with our contractor in the period leading up to the end of their contract, it is worth reviewing this rationale again.
10. In recent years the potential short-comings of the contracted-out service delivery model have been highlighted in several ways. For example, at the Partnership Joint Waste Committee on 16th June 2017, the Kier Environmental Contract Director presented the results of their partnership wide customer satisfaction survey. This highlighted a stark difference between Hastings and the rest of the partnership. On average about 80% of respondents from Rother, Eastbourne and Wealden were satisfied or very satisfied with their street cleansing service. This was only 58% for Hastings residents.
11. Throughout the last contract with Veolia, and the current contract with Kier Environmental, the council has worked closely with a specialist waste consultancy called WYG to carry out independent audits of 'street scene' 3 times a year. They work to a recognised methodology associated with a previous national indicator known as NI195. This enables an objective assessment of street scene issues such as litter, fouling, graffiti, and detritus. In 2012 NI195 was adapted by the Joint Waste Partnership and is used to monitor and assess the current contractor's street and beach cleansing performance. Some of the contract rectification and default provisions rely on this methodology.

12. The independent street scene environmental quality audit results for Hastings during 2016/17 were particularly poor, and they were not much better in 2017/18. In fact the 2017/18 Operational Services Directorate year end performance report to Overview and Scrutiny Committee includes reference to the fact that Kier Environmental's performance was such that we failed to meet the normal street cleanliness target for the year.
13. At the end of Summer 2017 street cleansing along the seafront had deteriorated to the extent that it was necessary for the Director of Operational Services to arrange for the Managing Director of Kier Environmental to become personally involved in agreeing how to improve the contractor's performance. This led to a series of meetings with them last autumn and to an action plan to address the issues. This appears to have been only partially effective and negotiating a way forward for the remaining year of the contract has not been easy.
14. As many long serving councillors will know, street scene issues such as littering and fouling have featured at performance review and overview and scrutiny meetings for many years, including well before the existing waste contract. Members have regularly reported street scene issues brought to their attention by residents, which are then often exacerbated by inadequate street cleansing performance. In a borough so reliant on regeneration and tourism, street and beach cleansing is one of the most vital services provided by the council.
15. Experience with the current contractor has highlighted that if a contractor doesn't perform to the standards set out in the contract, implementing the rectifications and defaults clauses doesn't necessarily result in improved performance. Furthermore, the contract dispute mechanisms have also not resulted in satisfactory outcomes for the council. This is despite the fact that these clauses were drafted by waste management specialists and reviewed by specialist contract lawyers. Some would say the answer is simply to include more robust and carefully worded rectification and default clauses in any new contract. However, this would result in contractors upgrading the risk associated with the contract, and their bids would reflect this.
16. Indeed, waste contractors involved in soft market testing for the development of the next waste and cleansing contract have made this point. Feedback from the Joint Waste procurement Team is that waste contractors (potential bidders) have become far more focussed on risk, and this will influence which contracts they choose to bid for, and the cost of the bids they develop.
17. Another serious frustration is that modern waste contracts are meant to be 'self-monitoring'. This means that the contractor should operate a staff supervisory and management system that is capable of proactively monitoring performance and adjusting resources as necessary. Unfortunately, our experience is that unless we notify the contractor's management of a problem it won't be addressed. This results in very negative contractor/client relationships, and the council has had to increase client team resources during the current contract.

Potential advantages of operating an in-house service

18. A significant potential benefit of an in-house service over a contracted out cleansing service is that the council would have direct control of it. This would enable the council to immediately address problems that arise. Rather than having to highlight

them to a contractor, and then wait for the contractor to analyse the issue and develop and implement a solution that may or may not work.

19. A good example is the problems we have experienced with our contractor servicing litter bins along the seafront during the busy Summer season last year and again this year. The process of agreeing a way to improve this element of the service has been tortuous and taken over a year. Involving a lot of senior management input to implement measures that, had we been providing the service in-house, would have been easily implemented with minimal additional expense well in advance of the 2018 Summer season.
20. Another potential benefit is the ability to adapt the service without the need to implement contract variations that can be very costly and slow to negotiate. The council could change the nature and scale of any element of the service, if it could be justified through a business case to senior management and councillors. Major changes are not normally practical/affordable during the 7 to 10 year period of a standard waste contract.
21. A management and supervisory capacity operating 7 days a week, which is directly linked to all other council services and communication systems, would be hugely beneficial to ensure that cleansing services are operated effectively all the time. Including during summer weekends when demand for cleansing will always be high. Without this level of supervision and direct access to management of the service, what should be easily manageable cleansing issues can quickly escalate to the extent that the council receives serious complaints. Leading to the involvement of senior management and councillors, and serious reputational damage. During recent years poor cleansing performance often caused by inadequate staff supervision and support, has frequently resulted in the need for council officers to become involved, diverting them from other important work.
22. Delivering a one team culture resulting in greater commitment to provide a good service, and to help service other Council activities such as events like the Seafood and Wine Festival, would also be far easier with an in-house service.
23. Another practical advantage of the cleansing services staff and management being direct council employees is the ability to train them in evidence gathering to enable them to work with our enforcement services to address issues such as fly-tipping, breaches of trade waste rules, and littering associated with the clientele of commercial premises such as takeaways and cafes. The street cleansing operatives will frequently come across evidence of enviro-crime on their rounds, and if trained and authorised should be able to help other council services target education and awareness raising initiatives on these residents and businesses. As well as potentially issuing Fixed Penalty Notices, and providing witness statements for fly-tipping cases, where education/awareness raising hasn't resulted in positive behaviour change. Problems they could assist with include:-
 - Residents persistently placing black bags of refuse out on the street on the wrong days;
 - Residents repeatedly placing black sacks of refuse out by litter bins rather than presenting their waste in the proper place on the day of collection;

- Traders dumping commercial waste inside litter bins;
 - Traders not providing litter bins to service their external tables and chairs areas, and not cleaning up their customers waste when they close.
24. We have unsuccessfully attempted to work more collaboratively with the last 2 waste contractors on this sort of enforcement. The main hurdles appear to have been the fact that we haven't had direct access to the cleansing operatives to train and brief them, and the contractor's management have had different priorities for their staff.
 25. The ability to provide reliable additional chargeable services to other departments is another important consideration, which will generate income to offset the core service costs. For example, to the Foreshore and Estates Teams.
 26. In time when the core street cleansing services are bedded in, there will also be the potential to add other cleansing operations to the core service when those contracts expire. For example, the currently contracted out Cleansing Services for the council's offices and public conveniences could be delivered from the new in-house service by TUPE transferring the staff across. Combining these services and their workforces could provide the services with greater flexibility and resilience, and cost efficiencies.
 27. In a similar vein, in time there could also be the potential to generate income by providing cleansing services for other public sector partners such as Optivo who operate large areas of social housing in the town. Optivo currently operate their own estate cleansing arrangements. But given the difficulties they face in servicing their estates, and the overlap with the council's street cleansing services they may be open to working in partnership. At one time the council's waste and cleansing contractor provided street cleansing services for the entire borough, including our main social landlord's holdings through a sub-contracting arrangement. This only changed in about 2008 when Amicus decided to cleanse their land holdings using an in-house work force.
 28. An in-house service can provide a more cost effective way of delivering our bulky waste and fly-tip removal services. Under the current contract these essential street scene elements of the service are relatively expensive.
 29. The ability to redeploy the manual work force during emergencies such as during severe winter weather is also beneficial. The current contract allows for this but it is chargeable. So if the contractor's cleansing staff are redeployed to help clear snow and ice from shopping areas, we have to continue to pay for the core street cleansing work that has been suspended due to the weather, and pay extra for the snow and ice clearance.
 30. Of course the other key advantage of an in-house service is that all income generated by the service will be retained by the Council, rather than paid to shareholders.

Arranging new waste and cleansing services to start at the end of June 2019

31. As a result of the early termination agreement it was clearly necessary for each of the 4 waste collection authorities in the East Sussex Joint Waste Partnership to agree arrangements for how their waste and cleansing services would be provided when the existing contract ends in June 2019.
32. For Hastings the Cabinet report last July concluded that the partnership approach to procurement with neighbouring councils had delivered a refuse and recycling service that had generally worked well for the majority of residents. It was also noted that after many years of contracting out this service, the council's capacity to take it back in-house was questionable. Procuring and operating a refuse and recycling service would require officer capacity and expertise in areas such as fleet procurement and servicing, which no longer existed to the degree that would be required for such a large operation. Therefore, despite the need for the early termination of the current Joint Waste Contract, it was concluded that the new refuse and recycling services should continue to be provided by a contractor, and that the council should again procure these services through the East Sussex Joint Waste Partnership.
33. However, whilst a contracted out refuse and recycling service had generally worked well for Hastings, the same could not be said for street cleansing. As a result, Officers and specialist waste management contractors had carried out some preliminary work to explore the option of an in-house street cleansing service for Hastings. This indicated that such a service could be provided within current cost levels.
34. Having considered the report, on 17th July 2017 the council's Cabinet unanimously approved a recommendation to:-
- Commit to and participate in a joint waste services procurement with the East Sussex Joint Waste Partnership for new waste services from 29th June 2019; and
 - To develop comprehensive fully costed arrangements for a potential Hastings street cleansing direct services organisation (DSO), which subject to meeting best value criteria, could provide street and beach cleansing, fly tip removal and bulky waste collection services in Hastings from June 29th 2019.

Update on the procurement of a new refuse and recycling contract

35. Last year following similar reports to the Cabinet of each of the 4 Joint Waste Contract authorities, and a number of meetings of the Partnership's Joint Waste Committees, it was decided that from the end of June 2019:-
- Eastbourne Borough Council would deliver all their new waste and cleansing services (refuse, recycling and street cleansing) through an in-house service in partnership with Lewes District Council;
 - Rother and Wealden would continue to deliver all of their waste and cleansing services (refuse, recycling and street cleansing) through a new contractor;

- Hastings would also continue to deliver their refuse and recycling collection services in partnership with Rother and Wealden through a new contractor;
 - Hastings would develop a fully costed in-house service delivery model for a stand-alone Hastings street cleansing, bulky waste and fly-tip removal service. However, Hastings would also seek to obtain a contracted-out price and methodology for this service, so that a best value assessment could be made before a final decision was made on how to deliver this service.
36. As a result, Rother District Council is again hosting and administering a Joint Waste Procurement Project for waste services for Wealden, Rother and Hastings, to ensure that a new contractor can be appointed in time to mobilise the new contract for the end of June 2019. In parallel with this they are also procuring prices and methodologies from the bidders for a stand-alone Hastings street cleansing, bulky waste and fly-tip removal service, to facilitate a best value assessment.
37. This work has been progressing well and it is hoped that on the 19th June 2018 bids will be received for:-
- The refuse and recycling elements of the service for all 3 councils;
 - The street cleansing service for Wealden and Rother; and
 - The stand-alone street cleansing, bulky waste and fly-tip removal service for Hastings.
38. To enable the procurement and mobilisation processes to proceed in a timely fashion, the evaluation of the bids is scheduled to take place immediately the bids are received, and it is therefore essential that this council reaches a decision on whether or not to opt for an in-house or contracted out service by no later than Friday 20th July 2018.

Summary of the proposed in-house street cleansing service

39. Following the Cabinet report last July, further discussions with Councillors, and in the light of the continued poor performance of the existing service, it was concluded that whilst the cost of the service is important, so is quality. Hastings needs a good quality street cleansing service. We have therefore specified an enhanced core service capable of supporting the needs of the community, business, tourism and regeneration across the town. This is summarised below.

Comprehensive levels of cover 7 days a week

40. Staff and supervisors will provide operational services seven days a week including public holidays. The only exceptions will be Christmas Day when a skeleton service will be provided in Zones 1/1+ to clear waste generated on Christmas Eve. All other public holidays will be treated as if they were a normal day.
41. Coverage for weekend working will be a fundamental requirement on the beaches, and in the town centre and secondary retail areas, particularly as weekends substantially increase footfall. To ensure adequate resources and a consistent approach this proposal has been developed as a seven-day operation to include

weekends in these key areas. Before implementation, this proposal will require staff consultation to seek employees and union acceptance of the change to working days.

Increased supervisory capacity

42. There will be a supervisor on duty at all times the service is in operation seven days a week.
43. Due to our many years of experience of working with street cleansing contractors, we are already aware of the hotspots in Hastings, and already involved in monitoring them. The location of each hotspot will be given to individuals and teams to monitor over the duration of their working week, and staff will be expected to proactively report incidents in new areas. The type and location of fly-tipping will be logged so that our management team can identify trends and begin a plan of action with our Wardens and enforcement colleagues.
44. Our supervisory team will play a similar role when out on inspections by ensuring that fly tipping areas are not missed or overlooked by the teams. Supervisors will have the responsibility of preparing reports on hotspot areas where there are frequent occurrences of fly tipping, and the reports will regularly be presented to the Waste and Cleansing Manager.
45. For at least the first year (exactly as now) three times a year independent monitoring of the street cleansing standards achieved will be conducted by an independent third party using the NI195 methodology set out by DEFRA.

Back office management systems for responding to requests for service, complaints and monitoring performance

46. Unlike now, we will use the Council's existing Firmstep and Dash applications to facilitate the management of information and for communicating with operational staff in the field. Following a recent consultation with our IT and Transformation Teams, it was concluded that these tried and tested applications were best suited to meet this need as they are familiar and already established as an integral part of the council's current IT infrastructure. By contrast, use of the Kier Environmental back office system has been problematic throughout the existing contract.
47. Use of the council's Firmstep on line reporting system will allow us to:
 - Electronically produce work schedules and job sheets responding to customer requests and complaints, that staff will complete and update in real-time as each task is carried out
 - Provide the Contact Centre staff with up to the minute information on cleansing progress/issues
 - Issue instructions to operational staff
 - Upload photos for before and after images and recording evidence
 - Run data reports to help identify developing hot spots for street scene issues based on intelligence from our customers

48. All staff will be provided with smart devices with the necessary apps pre-installed and with the ability to upload photos illustrating how they have addressed reported cleansing issues such as fly tips.

Zonal system for cleansing frequencies

49. The cleansing resources and frequencies have been carefully considered and determined by a combination of factors including levels of footfall, housing density and other environmental conditions, to ensure that we use resources effectively and efficiently and minimise the cleansing of streets that are already clean.
50. Operating a cleansing service in a busy urban environment poses specific challenges. For this reason, we propose early morning and team working to cleanse town centres and other areas of high footfall. Cleaning these areas before the start of the normal working day allows the cleansing teams more freedom of movement to deliver a service with minimum interruption and obstacles, due to far less vehicular and pedestrian traffic using these otherwise very busy areas.
51. The new service will clean the majority of streets by more intense and efficient mechanical cleansing, supported by mobile teams and concentrated street cleansing in the areas of high footfall and known hot spot areas.
52. We believe that in low-density residential areas, the need for cleansing should be far less frequent, potentially at six or eight week intervals, as only low levels of litter and detritus is generated. This will allow us to avoid 'cleaning' clean streets. However, supervisors and the 4 mobile teams will monitor these areas and adjust cleansing frequencies accordingly, as well as responding to requests for service from residents.
53. Based on our excellent knowledge of 'cleansing need' we have zoned the entire borough from high to low intensity, and developed cleansing frequencies to suit each zone. They range from daily cleansing in high intensity zones like the town centres and beach in the summer, to six or eight week intervals in the lowest intensity zones.
54. Each day work will commence early in the morning to cleanse the high intensity areas like the town centres and then the cleansing teams will disperse to attend to the other zones in accordance with scheduled cleansing programmes.
55. Throughout the day barrow beat operatives will be present in the highest intensity zones in order to maintain them at the required standard.

Beach cleansing

56. The beach is designated Zone 1+ and shall be free from all visible litter, waste and faeces by 09:00 hours and maintained to that standard throughout the day and throughout the year. Work on the beach will be from 06:00 hours to 20:00 hours in the summer, and 08:00 hours till 16:00 hours in the winter. Mobile teams will be deployed in the morning to bring cleansing levels up to the required standard, followed by the continuous presence of barrow operatives.

Fly posting and graffiti

57. A graffiti response unit will remove flyposting and graffiti, using a dedicated vehicle and carrying all the necessary equipment for this task including mobile pressure washer. Standard response times will be 24 hours, except for instances where the graffiti is offensive in which case a 4-hour response time shall apply from the time of report or next working day if at night.

Deep cleaning

58. Deep cleansing in areas which over the course of time have become fouled or stained, covered in chewing gum or bird droppings, will be undertaken by the graffiti response unit which will be equipped with a specialist high-pressure steam machine. Unlike the current contract where deep cleansing is not a core activity, we will be able to deep cleanse areas as and when required. The steam system identified is compact, light-weight, and can be used by a single operative, and has a low noise level so reduces disturbance to the public. It has low water usage and uses a biodegradable fruit-based cleansing fluid to help protect the environment.

Weeds

59. Weed control has become increasingly difficult as international changes to environmental controls mean that there is now really only one herbicide available. It is widely recognised that it is difficult to apply this herbicide effectively, and we will need to review evolving best practice in this area of the service.

Leaf and blossom fall

60. Autumn leaf fall and spring blossom can create havoc with walking and driving conditions. The council has a duty to ensure that autumn leaf fall and spring blossom is proactively managed and will work to ensure this is delivered. Waste and Cleansing Services management will proactively plan for recruiting or diverting seasonal resources to meet the demand and a schedule of leaf and blossom clearance will be created.
61. Special attention will be given to ensure highways are kept free of leaf fall to prevent a health and safety risk to motorists and members of the public. Special arrangements can be made to dispose of leaf only materials and divert these to composting during the autumn period.
62. We will also provide all permanent street cleansing staff, including barrow operatives, with biodegradable sacks for the purpose of collecting leaves and blossom. These filled bags will then be sent for composting where they will contribute to recycling rates. Teams carrying out normal cleansing duties using mechanical and standard street cleansing equipment will also help to manage blossom fall.

Out of hours and emergency response during normal hours

63. A team responding to emergency call outs such as road traffic incidences/waste spillages etc. will be provided at all times during normal working hours, followed by a team on stand-by during out of hours Monday to Sunday, including public holidays.

64. Due to the unpredictable nature of this work, the response service will provide a combination of all the appropriate resources allocated to the street cleansing service. Initial response will usually be by the nearest mobile team who will assess the situation and call for assistance where required. These teams will carry out a range of ad-hoc work such as graffiti/fly posting removal, and clean-up work of anything that could not be left for the following day, and anything requiring emergency attention.

Car park cleansing

65. Waste and cleansing services will cleanse all council managed public car parks as part of the daily routine service.

Mobile teams

66. There will be four mobile teams deployed each day comprising of a driver and an operative and working from 06:00 hours to 14:00 hours using a 3.5t caged vehicle. For operational purposes the borough will be divided into four designated sections: North East, North West, South East and South West. Each mobile team will operate in a designated area to ensure a high degree of local knowledge and promote ownership and pride in the areas they have been allocated.

67. These teams will be providing the daily cleans to the Zone 1+ and Zone 1 areas already mentioned above and then from 08:00 hours moving onto their designated area. Each team will have a defined schedule within their designated area and will carry out all street cleansing tasks within their area including all footways, footpaths and channels at the pre-determined frequencies. They will also empty litter/dog bins during their scheduled cleans and remove smaller fly tipped material.

Use of mechanical sweepers

68. The mechanical cleansing requirement will be carried out using three machines of varying size with their own dedicated drivers. They will operate on a scheduled basis, and the frequencies will be adjusted over time to ensure that the resources are targeted as effectively as possible and that changing needs are met.

69. Working with the mobile teams, operatives will blow or sweep items from the pavements into the path of the mechanical sweeper which will also cleanse the channel and carriageways. The operation will include the cleaning of channels from abutting junctions, central reserves and islands, lay-bys and bus stop bays.

Servicing litter/dog waste bins

70. A tried and tested method employed in a number of boroughs throughout England is to deploy a dedicated team of driver and operative to service most litter bins in a small (7.5t) refuse collection vehicle.

71. Such is the importance of preventing litter bins from filling to full capacity, we propose double shifting this vehicle and thereby providing cover between 06:00 hours and 20:00 hours, Monday to Sunday. These crews will be provided with a daily schedule of the locations of litter bins and the frequency at which each bin requires emptying.

72. The benefit of using such a vehicle is that it can compact the deposited waste, which enables more litter bins to be emptied before tipping the load at the designated disposal site. This results in fewer trips to the disposal site and therefore less down time. It also allows us to use a wider range of litter bins which will permit us to install larger refuse type bins. For example along the seafront and to supplement normal litter bins for large public events like May Day.

Removal of dog fouling

73. Dog fouling is particularly disgusting and has a very negative impact on street scene, as well as being a potential health hazard. Our multi-faceted approach to street cleansing will enable fouling to be removed more effectively and faster than has been the case during the current contract. It will be dealt with by the barrow operatives and mobile teams in high footfall high intensity areas, and by the 4 area based mobile teams throughout the whole borough.

74. Supervisors, barrow operatives and mobile teams will see reports of dog fouling in their areas as they are logged on the Firmstep system by the public, enabling a faster response.

Liaison with the refuse and recycling contractor

75. A review of the current contractor's operation highlighted there is a significant amount of litter in areas where black sacks are used rather than wheelie bins. This is due to split bags and poorly presented waste being placed on the pavement by residents in flats, and in some cases uncontrolled waste from businesses. Waste sacks are sometimes not sealed properly before being placed out, are ripped open by vermin or are targeted by anti-social behaviour resulting in litter being strewn and blown over the pavements. Unfortunately, there are often no simple solutions to these issues. In some cases, seagull proof sacks can help and there is an ongoing need for informing residents of the best way to manage their household waste.

76. Our approach to dealing with this will be to ensure the waste contractor fulfils their contractual obligation to clear spilt waste through the course of their collection service, but also to time the street cleansing activity in these critical areas shortly following refuse collections.

Chargeable domestic bulky waste service

77. This is an important service that provides residents with a cost effective way of disposing of large bulky items such as furniture. Historically this has been priced to reflect the multi-deprived nature of the borough. It may also help reduce fly-tipping.

78. In the in-house service it will be provided by a crew also providing a rapid response to urgent cleansing incidences. They will utilise a 7.5t caged vehicle to provide sufficient capacity for these items and reduce the number of runs to the tip, thereby reducing down time. A tail lift will also be attached to the vehicle to aid the loading and unloading of larger items. Cleaning equipment such as litter pickers, brooms, shovels and spill granules will also be carried on-board.

79. This team will comprise of a driver and operative and will provide cover between 08:00 hours and 16:00 hours, Monday to Friday. A list of pre-booked domestic bulk

collections will be provided to this crew each morning and progress checked by a supervisor. Direct contact will be made by the supervisor when an urgent cleansing incident needs attending.

Fly-tip removal service

80. Again, this is an important service as fly-tipping has a serious negative impact on street scene. As with the bulky waste service it will be provided by another crew also providing a rapid response to urgent cleansing incidences. They will also utilise a 7.5t caged vehicle with a tail lift.
81. This team will also comprise of a driver and operative and will be double shifted to provide cover between 06:00 hours and 20:00hours, Monday to Sunday. A list of reported fly-tip collections will be provided to these crews each day and progress monitored by a supervisor. Direct contact will be made by the supervisor when an urgent cleansing incident needs attending.
82. In addition to this dedicated crew, all mobile teams during the normal course of their daily routine will also be collecting small amounts of fly tipping that they come across. This will ensure the swift removal of these types of fly-tips and ease the pressure on the single fly-tip crew. Our experience with contractors is that fly tips are not always cleared as quickly as needed, which can lead to more tipping at that location. There also appears to have been a tendency not to clear fly tips unless they have been formally notified to the contractor. We will be proactively removing them as and when we come across them.

Depot

83. Two options have been costed for a depot for the new service. Both are owned by the council. Bulverhythe depot on the same site that we anticipate the incoming refuse and recycling contractor will use and a unit on the Castleham Industrial Estate.
84. For a number of reasons, the Castleham unit is our preferred choice. It is cheaper to establish a street cleansing depot there and not being at the same site as the refuse and recycling contractor should make the culture change required to integrate the cleansing staff into our one council team easier.

ASSESSING BEST VALUE

85. Best Value was introduced to local government by the Local Government Act 1999. Its aim was to secure better value for money from local government services through continuous improvement. Although the original 'best value regime' is no longer in place, the council still needs to ensure that services are commissioned and delivered in accordance with best value principles.
86. Whilst there is no longer detailed statutory guidance setting out exactly how a local authority must assess best value; good practice is for local authorities to consider best value from a broad perspective and not just from a financial perspective. Assessing best value needs to take account of overall value, including economic, environmental and social value.

87. In this case the council's Waste and Cleansing Manager has been working with specialist waste management contractors, and the council's corporate services, to develop and refine a fully costed operational model for a Hastings Street Cleansing, Bulky Waste and Fly-Tip Removal Service.
88. The costings cover all aspects of the service. Such as human resources, vehicle acquisition and maintenance, fuel, plant, depot facilities, insurance, and consumables such as brushes, litter bin liners, etc. The way these costs were estimated has been reviewed by our finance team, to ensure that they are realistic and cover all aspects of the proposed service, including corporate recharges.
89. Comparison of the costs modelled for the proposed in-house service will need to be compared with contractor's costs obtained through the Joint Waste Procurement Team at Rother. However, as outlined above cost comparison is only part of the assessment. Factors such as those outlined throughout the earlier parts of this report also need to be considered.

POLICY IMPLICATIONS

90. There are clearly a number of policy implications arising from these proposals, and they are outlined below under the appropriate headings.
91. It should be noted that there are thought to be no 'equalities or community cohesiveness' implications, as a change in the method of service delivery should not result in any changes from this perspective.

Crime and fear of crime

92. Poor 'street scene' has long been recognised as contributing to the fear of crime, which in turn has a negative impact on how an area is perceived. This can have negative consequences for property values and investment in local businesses, and lead to a general decline and even blight.

Risk Management

93. There are a number of different risks associated with the way we deliver our street cleansing services. If they are poorly delivered there can be a serious impact on:-

- The economy of the town;
- The reputation of the town and the council;
- Tourism;
- The environment;
- The wellbeing and prosperity of residents and people operating businesses in the town.

94. These risks exist irrespective of the delivery model we choose. As we have seen in recent years a contracted-out service has had negative impacts, but this doesn't necessarily mean that a contracted out service cannot be successful. However, it

may be easier to manage these risks if the council has direct control of the cleansing service.

Environmental Issues

95. A key aim of our street cleansing services is to improve the quality of the environment. Effective cleansing operations remove litter and fouling that would otherwise accumulate, and be blown into open spaces, water courses and the sea leading to environmental pollution and hazards to flora and fauna.

Economic/Financial Implications

96. As with the risk management implications, there are potentially serious financial implications associated with operating our street cleansing services. Historically there has often been an assumption that contracted out services are more cost effective and deliver better value than in-house services. This is really an unfortunate generalisation that dates back to the last century when some council workforces were not managed efficiently and had larger than necessary work forces. This resulted in the drive to contract out services through compulsory competitive tendering, which is an approach to service delivery that a growing number of councils are now reconsidering.

97. As set out in this report, our experience during the current contract suggests that in order to reduce operating costs the contractor has not resourced the service sufficiently. Whilst this has resulted in lower contract costs for the council, it has also resulted in poor standards of service, and a large number of complaints, as well as a very poor working relationship with the contractor.

98. Although affordability is obviously a key factor in deciding which delivery method to opt for, so is quality of service. Especially for a service like this that can have such a significant impact on the economy of the town.

Organisational Consequences

99. Fewer complaints about street cleansing would result in reduced demand on our community contact centre. Waste and cleansing calls and complaints have consistently been one of the highest sources of demand on this service throughout the current contract.

100. Operating an in-house service will require additional input from corporate services, such as HR support, payroll, IT support, etc. These additional costs have been factored into the cost modelling for the service.

Timetable of Next Steps

101. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Seek approval to	Report to Cabinet	Approved at	Assistant Director

develop proposals for a fully costed comprehensive in-house street cleansing.	seeking approval to proceed.	Cabinet on 17 th June 2017.	Environment and Place
Develop a comprehensive fully costed model for an in-house Hastings street cleansing service.	Fully costed model must be completed before contract prices are received from the East Sussex Joint Waste Procurement Team on 18 th June 2018.	By week commencing 11 th June 2018.	The Waste and Cleansing Services Manager working with the Corporate Project Group set up to facilitate this process..
Determine whether the council will opt for another contracted out service or a new in-house service.	Reports to Coastal Users Group, Charity Committee, Cabinet and Full Council.	June and July 2018.	Assistant Director Environment and Place.
Mobilise the chosen service delivery model to ensure a seamless transition when the existing contract ends from June 29th 2019.	Whichever option we choose there are a number of key milestones including:- TUPE transfer of staff; Culture change for staff; Establish a depot facility as the base for operations; Procure equipment, plant and vehicles and associated maintenance arrangements.	August 2018 through to end June 2019.	To some extent this will depend which service delivery model is chosen. But will inevitably be the responsibility of the Assistant Director Environment and Place, the Waste and Cleansing Services Manager, and the Corporate Project Group.

Wards Affected

All Wards

Implications

Relevant project tools applied? Yes

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	No
Anti-Poverty	No

Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

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Agenda Item 7

Report to: Cabinet

Date of Meeting: 2 July 2018

Report Title: 1-1 conversation performance management toolkit

Report By: Verna Connolly
Executive Manager, People, Customer and Business Support

Purpose of Report

To provide Cabinet with a 1-1 conversation strengths based performance and talent management approach plus a values and behavioural framework.

This is aimed at ensuring we have the right people with the right skills with the right behaviours to meet future challenges.

Recommendation(s)

Cabinet are asked to consider and approve the implementation of the proposed 1-1 strengths management approach and values and behaviours framework.

Reasons for Recommendations

The Council's established appraisal process system has been in place for more than ten years and during this period feedback from managers and staff has been mixed.

The aim of the 1-1 performance and talent management approach is to improve the working relationships between a manager and individual. In addition, it enables the council to have a transparent and open approach to development and talent management which ensures consistency of approach across the organisation.

Managers currently hold 1-1 meetings with individuals and recent research supports this approach as it has been shown to improve performance and make staff feel more engaged and valued.

The inclusion of our values and behavioural framework alongside the 1-1 performance approach provides a clear picture of how we expect our staff to behaviour with internal and external customers and each other and is an easy reference tool to aid discussion on things that have gone well and what can be improved.

The proposed performance management approach will also play a significant part in embedding our 'one team-one council' approach'.

Introduction

The council intends to create an agile workplace that can help achieve goals set out in the corporate plan skilled for the future, motivated and engaged to deliver for the people of Hastings.

We will develop the right people, with the right skills, in the right place so that we can deliver our goals as set out in the corporate plan and be ready for the future. This will be achieved through the introduction of strengths' based 1-1 conversations performance management approach.

The aim is to develop a workforce committed to our organisations values and who display the behaviours required for 'one team'.

Background

The Council has an established appraisal system which helps the organisation to manage the performance and development of its staff. With the right preparation an appraisal can have a positive impact on employee's levels of engagement and productivity.

The present system has been in place for over 10 years and during this period feedback on the process has been mixed.

It is proposed to introduce a new approach to appraisals which moves away from a traditional twice yearly review of performance to a series of continuous conversations, where a review of performance and behaviours are discussed as often as required culminating in a full year review.

The 1-1 conversation performance approach will be used more to plot individual performance based on achievement of objectives, values and behaviours exhibited.

The data collected will inform our workforce planning agenda at both local and corporate level and will help target our approach to succession planning, talent management and learning and development.

To support the new system a guide has been developed and will be made available once approved. Specific training will be held throughout September 2018 for managers and staff.

The 1-1 conversations, values and behavioural framework performance management approach is an essential management tool to help us identify and manage all levels of performance from the new member of staff with scope for improvement through to high potential ready to go further – move onto more senior roles when they become available.

Why Change?

The new approach requires managers to focus on individuals' strengths and reduces the focus on the annual appraisals. The annual appraisal more often than not focuses on identifying and discussing areas of weaknesses in employees with emphasis on where they need to improve rather than what they are good at.

The Chartered Institute of Personnel Development undertook research in November 2017 on Strengths-based Performance Conversations. Their most important finding was the positive impact on how useful employees believe performance conversations with their managers are.

This something that Hastings Borough Council should choose to emulate.

A strengths based performance approach does not mean that poor performance should be ignored. However, managers need to be realistic about how far an employee can improve in an area where their performance is weaker. A heavy emphasis on negative feedback will leave staff feeling undervalued and demotivated. However, individuals feel motivated when they are positively stretched, doing work that energises them and where they feel supported by their managers and others. It is important to remember that recognition is an important human need – everyone wants to feel appreciated.

Research shows that overdone strengths frequently result in performance shortfalls. The strengths based performance approach helps managers address strengths used in the wrong way or at the wrong time which can undermine performance. For example, attention to detail when overdone can become perfectionism and self-confidence can become arrogance.

Also a strengths based performance approach is the best way to help people change habits that are undermining their performance. Managers have an important part to play in helping individuals to understand their strengths by using the toolkit. When individuals understand their strengths they can learn ways to change habits that are less natural to an individual.

Regular 1-1 conversations

In addition to the full year review meeting, the new performance management approach strongly recommends managers hold regular one to one conversations to review progress and give feedback on performance against the behaviours framework and objectives set. The timing of these meetings will vary depending on the individual as some may need more 1-1 time because they are new to their role or because they work better with more coaching/direction. The conversation will help reduce uncertainty, resolve problems, build trust and rapport, which in turn will strengthen manager/employee relations and improve work performance.

The timing of 1-1's should be discussed and agreed between the line manager and the individual concerned.

Benchmarking and performance review meetings

The proposed performance management approach will enable us to also address the issue of succession planning and talent management. Making talent management work in an organisation requires a level of commitment from managers. Its success depends on developing a talent management 'mind-set' and a transparent process throughout the organisation.

To ensure transparency there will be benchmarking meetings held by the directors, assistant directors and corporate services senior managers. These meetings are intended to encourage greater visibility of employees' performance across the organisation and of the actions being taken to develop employees. This process also enables managers' to place the performance of individuals in the context of a broader range of employees. This also ensures that individuals are not impacted on due to managers adopting different approaches to using the performance assessment standards.

The benchmarking meetings should be held between directors, assistant directors and corporate services senior leads before they meet with their direct reports and should be held before managers hold full year review meetings with team members.

Conclusion

The success of the performance, behaviour and talent management approach is dependent on people management skills of line managers and their experience of coaching, developing and managing performance of their staff. Line managers need HR support and development to fulfil this role successfully. They need to be clear about how they talk to their staff about their perceived potential. But line managers can also be extremely powerful in blocking the talent pipeline by hanging on to individuals' who boost a department's performance. The proposed approach is intended to improve the mobility of talent for the benefit of the whole organisation and is a significant move towards our project management 'one team' flexible working approach.

Timetable of Next Steps

- Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Staff and Management Working Group	TU consulted and new performance management approach approved.	First week in July – 2 – 6.07.2018	Verna Connolly
Introduction and overview of new performance management approach for all Managers and staff	Briefings completed.	30.09.2018 (QTR 2)	Verna Connolly
1-1's recorded on HR ERP system	Number of 1-1's dependent on agreed timeframes between managers' and individuals	During QTR 3 – reviewed 5.01.2019 (QTR 4)	Verna Connolly
Review Board established	Members agreed. Dates for review meetings diarised for March 2019.	31.08.2018	Verna Connolly

Wards Affected

N/A

Implications

Relevant project tools applied? Yes

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness

Crime and Fear of Crime (Section 17)

Risk Management

Environmental Issues

Economic/Financial Implications

Human Rights Act

Organisational Consequences Yes

Local People's Views

Anti-Poverty

Additional Information

Appendices:

1. Values and Behavioural Framework May 2018
2. 1-1 Performance and Development Toolkit, May 2018
3. 1-1 Conversation record form

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VALUES AND BEHAVIOURS FRAMEWORK

May 2018

Page 75



What are behaviours?

Behaviours are actions taken by individuals usually in relation to their environment. It is how someone shows their skills, knowledge and attitude.

What are the benefits of having behaviours?

- Greater transparency in which we need to do to perform well
- A tool to help in assessing strengths based performance
- A clear pathway to support career development
- Criteria for use in recruitment and selection, talent management and succession planning.

How do they work

The six behaviours apply to all employees' regardless of their position within the Council. We have split the behavioural descriptors into three parts (Required, Desirable and Leadership)– each part has its own individual descriptions relating to the way we work. The behaviours framework is a tool to aid discussion between manager and employee at each meeting. It will be used by managers in My 1-1 conversations as part of the 'discussion – performance management approach' where they will discuss strengths against expected behaviours and provide coaching for areas where the approach adopted by an individual does not display the strengths they have shown in other areas of their work. The managers will use a coaching style to improve areas of concern.

How to rate behaviour

Rating behaviour is a little more complicated than performance as often it's about how people perceive what you do, and also in the Council we often don't fully define how we want our employees to behave. It is essential that the organisation has a clear set of behaviours that define 'how we should all work around here', linked to Council aims and values, the Council constitution and service delivery plans.

Rating behaviours in its simplest form should form the basis of the actual My 1-1 Conversation (i.e. 180 degree review between the manager and employee).

Evidence Based Behaviour Review

Behaviour can be reviewed using a Behavioural Framework by helping the employee explore how they behave which could look something like this example:

Organisational behaviours	Rating 1 – Potentially meets 2 – Meets 3 – Exceeds	Comments and examples (Individuals, peers, reports, manager, others)
e.g. Treating colleagues with respect	2	Demonstrates consistent behaviour in treating colleagues in team with respect and support

Leadership

Leading by example, you work to deliver a high quality service meeting personal, organisational and customer expectations. You pursue a 'can-do' attitude in all of the work you deliver, ensuring it meets the needs of all current and potential customers and inspire colleagues.

Expected	Desirable	Leadership
<ul style="list-style-type: none"> ❖ You demonstrate expected behaviours and inspire others to follow your example. ❖ You strive to achieve results and remain focussed when things don't go to planned ❖ You are compassionate empathetic and caring to both colleagues and customers 	<ul style="list-style-type: none"> ❖ You motivate and drive positivity; taking an optimistic approach and engaging others. ❖ You resolve conflicts quickly and professionally ❖ You see successful and unsuccessful work outcomes as opportunity to learn and develop 	<ul style="list-style-type: none"> ❖ You act as a role Model ❖ You articulate visioning and direction to focus service delivery translating clear objectives for your team ❖ You recognise talent within your team and develop potential through training, mentoring and coaching ❖ You build a shared sense of purpose across services areas/directorates ❖ You promote and develop a culture that delivers results ❖ You deploy the skills of your team across the organization to work on propriety corporate projects ❖ You work to build commitment, engagement and improve behavior ❖ You are visible and accessible to all team and other colleagues ❖ You evaluate resources, options and consequences in your decision making to drive efficiency and productivity - using a project management approach

When Leadership is not demonstrated

- ◆ You adopt a command and control approach.
- ◆ You refuse to share information to maintain an advantage over others.
- ◆ You are self-interested and fail to acknowledge colleague and customer perspectives.
- ◆ You choose to ignore adverse criticism, seeing it as a personal attack rather than a way to develop yourself or your performance.
- ◆ You use emotional instability as a management tool.
- ◆ You fail to promote positive health and safety practices.
- ◆ You focus on the problems and not the solutions.

Responsibility

You are accountable for your own performance and development and you take responsibility for your action and decisions. You use your initiative to deliver work.

Expected	Desirable	Leadership
<ul style="list-style-type: none"> ❖ You seek to learn from colleagues. ❖ You review your own performance and ask for feedback to learn and improve through the 1-1 conversation meetings ❖ You are trustworthy and reliable ❖ You ensure you work safely to maintain the health of both yourself and others ❖ You use your initiative to solve problems and inform others when you are aware of potential issues ❖ You acknowledge when you make mistakes and take responsibility for addressing and correcting them ❖ You challenge unhelpful behavior ❖ You go the extra mile 	<ul style="list-style-type: none"> ❖ You take responsibility for delivering services to internal and external customers ❖ You are flexible in providing solutions to deliver improvements and resolve issues ❖ You take responsibility for your development needs ❖ You plan your own time and workload to meet your objectives ❖ You ensure there is a mutual understanding of task responsibility to avoid duplication or error ❖ You balance competing priorities to meet standards and expectations. 	<ul style="list-style-type: none"> ❖ You make informed decisions and take accountability for their impact ❖ You address poor performance in a constructive and timely manner in accordance with organisation's performance management guidance. ❖ You enable a blameless culture, empowering and supporting your team to initiate improvements to services without fear of reprisal ❖ You plan for the impact of variability to work; ensuring the appropriate level of system/resource flexibility is available ❖ You provide your teams with defined structures and clear direction to enable individuals to have a strong sense of ownership and personal responsibility for the delivery of objectives and outcomes. ❖ You lead by example and adopt the expected behaviours ❖ You stand by difficult decisions and openly acknowledge errors

Page 80

When 'Responsibility' is not demonstrated

- ◆ You blame the processes or others; demonstrating an unwillingness to take reasonable risks to do things differently
- ◆ You do not take responsibility for your actions, admit you are wrong or recognise how your actions affect others
- ◆ You ignore problems, don't use your initiative and hide behind your job description
- ◆ You dismiss alternative ideas and discourage colleagues from suggesting new work process/methods
- ◆ You manage your time poorly and do not deliver what is expected of you
- ◆ You behave in a way that may put others at risk.

Working together

Our 'one council' ethos means you work with others to reach a common goal, sharing information, supporting colleagues and seek expertise and solutions from lead professionals, other partners we work with. To meet the challenges ahead we need to respond as 'one council' prepared to work more within and across services in order to benefit the customer and the organisation.

Expected	Desirable	Leadership
<ul style="list-style-type: none"> ❖ You work together with colleagues and customers taking time to build effective working relationships ❖ You celebrate successes and have a positive approach to work ❖ You adopt the 'one team' approach working with others who have different ideas, perspectives and backgrounds <p data-bbox="100 734 145 885" style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 81</p> <p data-bbox="145 734 694 885">You share skills and knowledge and encourage others in applying their ideas to work - helping others to work through day to day challenges</p> <ul style="list-style-type: none"> ❖ Identify and take advantage of opportunities to deliver services collaboratively on an ongoing basis. 	<ul style="list-style-type: none"> ❖ You work with internal and external groups, flexible and adaptable, utilising specific skills as a member of a project team within a matrix management approach. ❖ You look for ways to maximise the value of working as 'one team' through building support, providing focus and giving direction to deliver outcomes ❖ You listen to colleagues and customers and respond to suggestions before making informed decisions ❖ You promote and encourage 'one team' working for the benefit of customers 	<ul style="list-style-type: none"> ❖ You spend time building relationships with partners ❖ You support others and encourage working as 'one team', helping to develop common purpose ❖ You are prepared to release resources to enable the council meet its corporate objectives for its customers and the wider community ❖ You inspire a 'one team' culture ❖ You facilitate member involvement ❖ You network with colleagues locally, regionally and nationally contributing your support and expertise to shape and drive forward agendas and addressing concerns

When 'Working together' is not demonstrated

- ◆ Not accepting colleagues as internal customers
- ◆ You use your status to disrupt collaborative working
- ◆ You do not co-operate within your own team or work in partnership
- ◆ You close down others by being judgemental, interrupting or talk-over them.
- ◆ You give face value to employee engagement and do not value the views received
- ◆ you view is the only acceptable view
- ◆ you choose not to work within the 'one team' approach by pursuing a separate personal agenda
- ◆ you do not recognise the impact of your actions on others

Communication

Communication is clear and concise, ensuring the message is understood by all – avoiding over-complication, confusion and non-bureaucratic approach

Expected	Desirable	Leadership
<p>❖ You use information systems and procedures when working to achieve outcomes</p> <p>❖ You are open to new ideas and suggestions and put forward more efficient and streamlined ways of working as they arise.</p> <p>❖ Information is communicated regularly and effectively in accordance with the customer first strategy</p> <p>❖ Communication style is adapted to meet the needs of the audience. - checked with the Customer First Manager to ensure there is a mutual understanding as well as assessment of potential impact on the Community Contact Centre</p> <p>❖ Project management toolkit/templates used for all projects - with support from project champions as required.</p>	<p>❖ You seek to streamline and interlink processes for a more simplified process.</p> <p>❖ You summarise complex information to make it understandable</p> <p>❖ You seek others opinions and are open and honest.</p> <p>❖ You are an advocate for business process reviewing and suggesting ways to improve efficiency and avoid duplication.</p>	<p>❖ You ensure your team are regularly updated with corporate and service information</p> <p>❖ You design, innovate and influence solutions to address inefficiencies</p> <p>❖ You listen to your team, encourage them to challenge the ‘status quo’ and provide feedback as part of the 1-1 performance management approach.</p> <p>❖ You work in collaboration with other Senior Managers/officers to evaluate the effectiveness of communications and lead and encourage open communication at all levels of the organisation.</p> <p>❖ You keep focused on the bigger picture; creating clear strategic direction.</p>

When ‘Communication’ is not demonstrated

- ◆ You over complicate your approach to work; create bureaucracy and cause frustration to colleagues and customers
- ◆ You purposefully put-up barriers to stop- working differently; discouraging change from happening
- ◆ Your choose ways of communicating that are not appropriate for the audience or cause confusion.
- ◆ You fail to communicate with colleagues or customers
- ◆ You overload others with only written communication
- ◆ You do not work to the customer first policy and processes

Excellence

You are enthusiastic and deliver a high quality service to meet personal, organisational and customer expectations. You have a 'can do' attitude in all of the work you deliver, ensuring it meets the needs of all internal and external customers.

Expected	Desirable	Leadership
<ul style="list-style-type: none"> ❖ You take pride in your own work and that of your team members ❖ You are willing to go the extra mile for customers and act upon their feedback ❖ You are punctual and friendly, and demonstrate a positive professional attitude ❖ Takes time to listen and understand what the particular customer need are so they can provide the best solution ❖ Follows through on customer enquiries and requests, even when these are beyond their service area ❖ Supports and enables customers to understand their choices and make appropriate decisions even when this may be difficult to do so ❖ Acts as customer champion by continually challenging others to think and act in a way that improves the customer experience 	<ul style="list-style-type: none"> ❖ You probe and drive continuous improvement ❖ You work with customers in tailoring services to meet their expectations 	<ul style="list-style-type: none"> ❖ Redefines services from a customer perspective ❖ Works across services to provide an integrated and efficient service to customers. ❖ Continually develops the team and service to deliver excellent and sustainable customer service. ❖ Establishes and embeds a way of working where improving the customer experience is everyone's goal

When 'Excellence' is not demonstrated

- ◆ You stick to outdated methods that have become ineffective
- ◆ You are unsympathetic or impatient with customers (internal or external)
- ◆ Don't consider the customer needs or frustrations and just follow processes
- ◆ Don't look for service improvement opportunities or act on customer or staff feedback.

Trust and Respect

You are aware of your impact on others. You value openness and listen carefully to understand the views of others.

Expected	Desirable	Leadership
<ul style="list-style-type: none"> ❖ You build effective relationships with customers, stakeholders, colleagues and partners. ❖ You are respectful and considerate to colleagues and customers. ❖ You understand how your behaviours can be interpreted and consider the impact you have on others. 	<ul style="list-style-type: none"> ❖ You continue to give time to colleagues who need help, even when the pressure is on. ❖ You trust colleagues to fulfil their responsibilities. ❖ You listen carefully to others - showing that you respect and value their input. ❖ You manage your reactions to situations professionally. 	<ul style="list-style-type: none"> ❖ You display a clear appreciation of your teams efforts and support them when there are difficulties. ❖ You encourage team members to recognise and value individual contributions. ❖ You look to understand other people and their behaviours, and use this knowledge to adapt your approach for effective working relationships. ❖ You are a role model for an inclusive leadership style; respecting colleagues, partners and customers and treating people according to their needs. ❖ You instigate changes in behaviour to improve the use of resources.

When 'Trust and Respect' is not demonstrated

- ◆ You are disrespectful, insensitive or unhelpful to customers and your manner causes upset to others.
- ◆ You don't say 'thank you' or give recognition where it is due.
- ◆ You deliberately exclude others from activities when you know they could benefit from being involved.
- ◆ You make little or no effort to understand things from your internal or external customer's point of view.
- ◆ You allow disrespectful or discriminatory behaviour to take place.
- ◆ You treat property in a way that is likely to cause damage or allow others to do so.

Where and how are the behaviours supported?

The behaviours are supported by the following processes and initiatives:

Recruitment

Applicants are interviewed and selected following behavioural based interviewing for cultural-fit as well as job-fit.

Performance management

Staff are managed, supervised and appraised for their work performance (in terms of task delivery) and behaviours (for reviewing the approach taken to work).

Learning and development

Personal development planning takes place as part of the performance management processes and corporate learning materials and training is available to support staff to deliver the required behaviours.

Partnership working and transformation

The way in which we work with our partners is key to delivering the business plan and our transformation programme; the behaviours framework is central to the success of this and to the development of relationships and information sharing with our partners.

Policy

The behaviours are fully supported by the policies, processes and guidance designed to support the workforce and our managers.

Well-being initiatives

We recognise that an individual's well-being can be affected by negative behaviour and we will ensure support is available and easy to access.

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MY 1 – 1 PERFORMANCE AND DEVELOPMENT TOOLKIT

May 2018

Page 87



Contents

Introduction	3	1 - High Potential to Go Further	17
My 1-1 Map	5	2 - Capacity for Key Roles	19
My 1-1 Conversation	7	3 - New to Role and/or Need Support	21
Preparing for My 1-1 Conversation	9	4 - Pivotal and Flexible	23
Holding My 1-1 Conversation	10	5 - Solid and Adaptable	26
Adopting a coaching style in My 1-1 Conversation	11	6 - Needs Stretching	29
After My 1-1 Conversation	12	7 – Achieves and Exceeds	31
How to Rate Performance	13	8 - Good Performer	34
My 1-1 Conversation Tool	15	9 – Scope to Improve	36
Definitions and Question Bank	16		

Introduction

Everyone can access My 1:1 map via the ERP system, and take some time to reflect and self-evaluate where they are on it. Managers will use the 1-1 Map to determine where all their team members are positioned.

My 1:1 is the Council's approach to managing performance and developing talent. This ensures that meaningful 1:1s take place between managers and their staff as regularly as required to manage and improve organisational performance.

The aim of My 1:1 is to help establish a culture of good 1:1s, recognising the value our employees bring to their current role, as well as reaching and maximising future potential.

My 1:1 is a key part of the Hastings Workforce Plan. This plan sets out how Hastings intends to create an agile workforce; which is skilled for the future, diverse, motivated and engaged to deliver for the people of Hastings. The Corporate Plan, Medium Term Financial Strategy and the Workforce Plan when read together describe the Council's priorities; the resources available as well as the capability and culture which we need to adopt in order to meet successfully the future challenges.

My 1:1 is one way for Hastings to assess how well we are achieving against these priorities and to make sure we have developed the right skills and behaviours required. It is clear that My 1:1, done well, will contribute to what 'good' looks like in Hastings.

My 1:1s matter. We all need to feel that we are listened to, understood and valued. There is an intuitive link between the quality of My 1:1s held and organisational effectiveness. We need to shift from simply evaluating past actions every six months. Managing performance is an ongoing activity.

Good My 1:1s are essential for the retention of employees, and to maintain motivation and engagement. One of the main reasons for losing talent in an organisation is the employee/manager relationship. Hastings is committed to growing and retaining our talent. We want the right people in the right roles with the right skills to achieve

My 1:1 will be used by everybody in the Council.

My 1-1 Map is not meant to be prescriptive, but used as a way to help understand a person and open up the My 1:1 Conversation about their strengths and development areas, motivations and career aspirations, as well as what input would support their development.

My 1:1 encourages self-evaluation and is a means for individuals to explore current strengths and aspirations; current performance (achievement of objectives) and the way they achieve (values and behaviours).

My 1:1 is an ongoing 1:1 between manager and employee as and when required. My 1:1 with your manager should happen, at **least** twice a year, to discuss and agree where each person is on the map. This will indicate the contribution each employee is making to the Council. My 1:1 should be a two-way coaching style conversation. Together with your manager, explore where you feel you sit on the map. It is an opportunity for reflection and feedback on successes to date, any action taken and on development plans, and considering next steps to enable the person to realise their potential and any future aspirations. Recognising what's important to staff, where they are keen to develop themselves can be key to helping retention.

The map will enable us to understand our workforce profile and plot where our employees are in terms of their contribution to the Council.

My 1:1 form captures objectives set, and the regular 1:1s that take place to support progress.

My 1:1 map

My 1:1 is an opportunity to:

- Confirm and review your objectives
- Review your performance
- Establish clarity around your role expectations and behaviour
- Provide and receive feedback
- Share achievements and examples of developing others
- Increase engagement and motivation
- Explore wellbeing
- Discuss career aspirations
- Establish development plans
- Support new starters
- Support you if you need to improve your performance

Regular My 1:1s are essential for developing relationships, ensuring work stays on track, helping to promote personal development and ensuring wellbeing.

We want to recognise performance in a new way – it will no longer be something we do once a year, but an ongoing 1:1 between manager and employee as and when required.

Initiating a My 1:1 is everyone's responsibility. Managers should ensure that they make time for all of their staff on a regular basis. Staff should also feel able to ask for a 'My 1:1' when they need one.

My 1:1 can take place anywhere that is suitable - somewhere quiet and comfortable is ideal. There may be other opportune moments for quick catch ups including team meetings (where appropriate).

Remember, the focus of the My 1:1 discussions, is not solely based on performance of tasks and should include the continuous support and development of staff to explore what/how they are achieving in their current role, well-being and also to discover future aspirations to ensure we have the right people in the right roles.

You will need to confirm and review objectives previously set; set new performance and development objectives; summarise the key elements of the discussion; highlight achievements and evidence: comment on reflections made and future actions planned.

My 1-1 Conversation

Effective and honest communication is at the heart of My 1-1. It is a two-way process where the manager and member of staff explore where they sit on the My 1-1 Map, through the manager giving constructive feedback about an individual's performance and the behaviours, and values that they demonstrate.

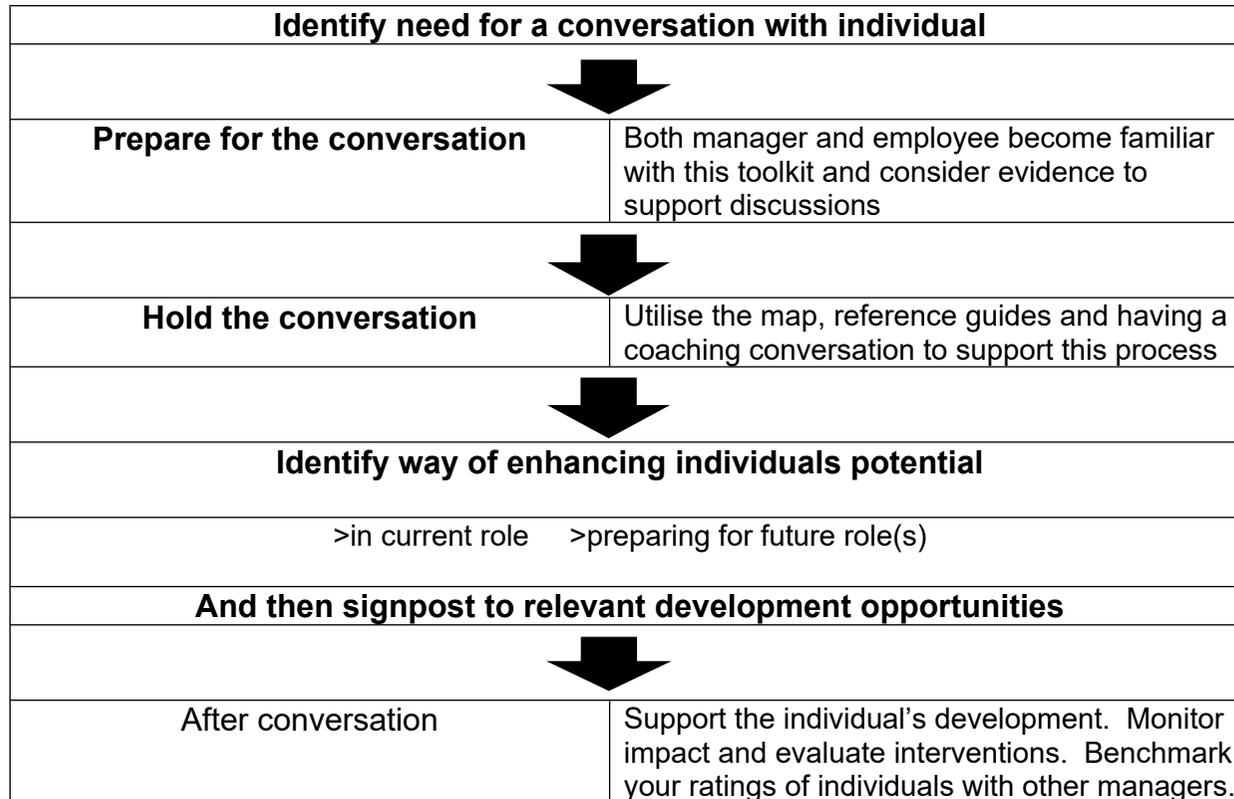
Page 93

This two-way conversation is about supporting an individual to reflect and consider the talent potential they already have within their current role, identifying and discussing any future aspirations they may have and may be likened to a coaching conversation in many respects. The My 1-1 Map helps to identify where the individual sits in relation to their potential role, and then to assist with identifying next supportive developmental steps for them.

My 1-1 Conversation

The following flow chart and supportive steps are designed to help both the manager and member of staff plan, undertake, enact and monitor the outcomes of the 1-1 conversation.

The following illustrates an overview of the process for having a My 1-1 Conversation.



Preparing for My 1-1 Conversation

When preparing, ensure both you and your employee have planned and prepared well for the conversation by:

- 1** Ensuring you have familiarised yourself with the process.
- 2** Giving the employee this My 1-1 Conversation guide in advance of the meeting, so they have full understanding of the process
- 3** Giving the individual protected time beforehand to encourage them to reflect on where they think their potential sits within the context of the My 1-1 Conversation Tool
- 4** Considering and bringing wider evidence to support the discussion e.g. performance outcomes.
- 5** Making sure you have time before hand so you as the manager are in a good place mentally to be able to have a good My 1-1 Conversation
- 6** Ensuring enough time is given for the meeting and that the time is protected
- 7** Being mindful of the environment where you hold this conversation – using quiet and comfortable surroundings

When making arrangements for your conversation ensure any personal needs are communicated and considered. You need to ensure your employees are at ease and able to concentrate on the conversation

Holding My1-1 Conversation

Having a My 1-1 conversation is very much like an appraisal. This is because it helps to explore what/how you're achieving in your current role to maximise your potential within it, and then naturally move onto what you are able to achieve in the future to maximise your longer term potential.

Research consistently supports the value of effective communications in the workplace and evidence suggests that it leads to people feeling valued and energised at work. The reasons for these not happening ranges from fear of the conversation not going well, lack of confidence in ability to hold the conversation in an effective way and that there are more pressing operational priorities to attend with which may impact on the quality of the conversation.

Whilst these reasons are valid, they should not deter from these important conversations happening across the organisation.

Adopting a coaching style in My 1-1 Conversation

1 Establish the 1-1 Conversation

- Greet the individual in an appropriate manner and establish rapport
- Deal with agenda, e.g. duration of conversation, any potential interruptions
- Establish and make explicit that this is a two way process with each party taking responsibility for maximising the opportunities
- Create an appropriate sense of occasion i.e. we are beginning the 1-1 Conversation now

2 Identify topic of conversation and end goal

- Agree what you are going to talk about (the individual's performance, behaviours & potential)
- Agree desired outcome e.g. to ascertain path of leadership development

3 Surface understanding and build insight

- Enquire, build mutual understanding (ask questions as per quick reference guides)
- Enable knowledge and values to surface/enable reflection for individual

4 Shape agreements and reach conclusions

- Acknowledge what insights and conclusions have been gained
- Refine summarise conclusions and agree specific actions
- You may have to go back to step 2 for wider exploration; is there anything you haven't discussed yet?

5 Summarise and completion/closure

- Establish closure to the 1-1 Conversation
- Summarise and discuss what happens next (development opportunities identified)

After the 1-1 Conversation

Documenting and follow up

Following a My 1-1 conversation, the outcome should be recorded and focused on developing the individual, whether maintaining their development to continue doing the good job they are currently doing, addressing specific development needs identified within their current role, or tapping into potential strengths and talents to prepare them for their next role.

The conversation you have will be a catalyst for individual development which will then link into a choice of development

These should be documented, enacted, monitored and evaluated on an on-going basis to review the impact they are having in getting the employee where they need to be in maximising their potential. This document should be completed and stored on the ERP System.

Managers also have a responsibility to work with their Council learning and development functions to help them understand the development needs of their staff, and find ways of supporting these.

Managers consistency checking and removing bias.

For managers undertaking My 1-1 conversations for their whole teams, it is also good practice to discuss and de-brief the discussions and outcome against those with other peers/managers.

This helps to remove any bias and ensure all employees in a team are treated equitably, and also allows peer support between managers when applying the My 1-1 Conversation Tool consistently.

Use conversations such as senior team meetings to discuss individuals and their outcomes and why you both reached these conclusions to help standardisation of how all individuals in the team are rated – this helps to ensure that all managers are ‘comparing apples with apples’, and also allows open and transparent discussions around employees and how the Council is helping them maximise on their potential, linking to talent activities such as succession planning.

How to rate performance

Rating performance is probably the easy part. All Council employees should have performance development reviews where specific work objectives, on-going work responsibilities and supportive development objectives are set and achievement is reviewed. We know that this takes place formally as part of a performance review appraisal, and is also important as part of good management practice – we don't only review people's performance once a year, it's an on-going process between manager and staff.

Page 99

When we review work achievements and developmental objectives, it should be relatively easy for the employee and their manager to understand performance in role by looking at the evidence surrounding the output of their work.

How to rate performance

As part of a My 1-1 Conversation, we suggest that performance fits into three levels.

Performance rating	What does it look like?
Partially meets expectations 1	<p>Employees can evidence that they have met some of the objectives / tasks / on-going work responsibilities set for them, but not all of them. This can be for a variety of reasons that need to be explored further with the individual.</p> <p>Employees here often need to have the objectives / tasks / on-going work responsibilities and expectations associated with these clearly described and broken down for them, and often need extra supervision and support to achieve them.</p>
Meets expectations 2	<p>Employees are clearly and unambiguously able to evidence how they are meeting their objectives / tasks / on-going work responsibilities set out for them and the demands within their role (e.g. completed a project, providing a service etc.)</p> <p>Employees here will be given objectives / tasks / on-going work responsibilities and simply deliver them with little, if any supervision. They sometimes go unnoticed in doing this, but you know who they are as they are often the 'go to' people as they are known as reliable to get things done.</p>
Exceeds expectations 3	<p>Employees not only evidence how they have met the expectations of the work objectives / tasks / on-going work responsibilities that they have been set, they show how they take them all to the next level.</p> <p>Employees here only need to be given the vision/high level expectations of what needs to be achieved, and they do the rest, making it all into a reality, bringing their own style and added value. They are the high impact people you go to when you need something achieved with creative flare and added value.</p>

My 1-1 Conversation Tool

The following chart is for use with My 1-1 conversations. The remainder of the document explains how to use the references within the chart and hold a good conversation

1	High Potential to go Further	<ul style="list-style-type: none"> • A role model with the highest levels of performance, potential and ambition to move on • High performer, exceeds results and goals with capacity for immediate advancement • True asset – role model
2	Capacity for Key Roles	<ul style="list-style-type: none"> • Individual with high potential • Good rounded performance and delivers results • Behaves professionally in line with role • Has the capacity to be a consistent talent, or with stretch move to higher levels
3	New to Role and/or Needs Support	<ul style="list-style-type: none"> • New to post or task • Have yet to demonstrate results or high potential in a new position or development role • Future performance will allow assessment of where they align longer term
4	Pivotal and Flexible	<ul style="list-style-type: none"> • High performance with consistency of results across a variety of assignments and tasks • Acts wider than professional background • Possibly happy to stay in current position or perhaps move one level
5	Solid and Adaptable	<ul style="list-style-type: none"> • Good rounded performance and meets expectations • Behaves in line with role • Works wider than professional background • May demonstrate drive and ambition in the long term
6	Needs Stretching	<ul style="list-style-type: none"> • Low performance but strong demonstration of how we operate • Should be supported, stretched and challenged • May be bored, under-used or in the wrong role
7	Achieves and Exceeds	<ul style="list-style-type: none"> • High performance in own field • Consistent results and brings added value to tasks given • Shows upward potential, needs to develop greater focus on how results are achieved • Emergent wider skills
8	Good Performer	<ul style="list-style-type: none"> • Good reliable performance delivers solid results • Behaves professionally in line with role • Shows upward potential, needs to develop greater focus on how results are achieved

9	Scope to Improve	<ul style="list-style-type: none">• Current demonstration of performance and behaviours required of role• Needs focus and support• May be in the wrong tolw
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Definitions and Question Bank

The following provides definitions and suggested questions that can be used during each My 1:1 Conversation.

For each segment there is a description of the likely performance of the person. This is suggestive in areas and may differ between individuals depending on their particular experience, stage of career development etc. The questions provided are designed to open up the My 1:1 Conversation and explore the Hastings Values and Behaviour Framework

The questions you select will depend on your knowledge and understanding of several factors such as the individual, their performance history, and/or what changes they have experienced in their service areas recently. You will need to prepare for the My 1:1 Conversation.

Page 103

It is really important to consider these factors so as not to offend or patronise someone in the process. For example, people in 'Scope to improve' may have undergone significant change in their role, or have a history of poor performance but not previously been held to account or given support, or may be de-motivated and ready to exit. The questions you use will depend on those circumstances.

High Potential to go further

High performer with lots of capacity for immediate advancement

Definition

- Highest levels of performance and potential
- Role models behaviours that align to the Council
- Demonstrates mastery of current job/assignment
- Is relied on to always deliver
- Aspires to progress
- True Council asset
- First call to fill critical or emergency positions

Questions - General

- What strengths and expertise have you brought which have been pivotal in achieving success in your role?
- How does this role fit with your career path?
- Give me some examples of how you bring the values to life in your work
- How clear are the expectations of your role to you?
- What interests you about the role?
- What do you like/dislike about it?
- What motivates you?
- Tell me a bit about what you have achieved recently.
- How can you develop and support other staff?
- How do you view your role in driving the agenda? (Explore shorter and longer term career aspirations)
- What is the logical next step for you?
- What would represent a real stretch for you?
- What do you need to take the next step up?
- What ideas do you have for your service area? How are these aligned to the vision and mission of Hastings

Questions – Leadership qualities specific

- Where are your strengths in relation to the behaviours/leadership qualities?
- What gaps have you identified?
- What are your thoughts in relation to the future direction of Hastings?
- How do you view your role in driving the agenda? (Explore thoughts around driving and facilitating change).
- How do you impart your knowledge/expertise/experience to others?
- How do you manage to achieve results through others?
- (explore delegation, strength of their team to ascertain capability for them to focus on bigger projects)
- What are your thoughts on the future vision, and the changes ahead?
- If you were given free reign, what would you do to drive the changes?
- How do you hold yourself, and others, to account over delivery?
- What do you do when you encounter barriers and challenges to achieving results? What support do you need to help you manage or overcome these?
- How well do you lead and motivate people?
- How do you celebrate success and support people?
- How aware are you of your impact of your behaviour?
- What steps have you taken to improve your performance?
- You have demonstrated clear potential as a leader within the organisation. What do you see as being your next step? What are your career ambitions? What support do you need to take the 'leap' into leading the organisation – shaping services, being ambitious about outcomes etc.?

High potential to go further

High performer with lots of capacity for immediate advancement

Development considerations

- Thank these individuals and show them they are valued
- Access leadership development to support preparation for step change
- Future role, exposure to 'acting/step up' posts
- Identify 'appropriate career path'
- Immediate move and longer term view
- Stretch assignments, giving depth and breadth of experience
- Reinforce value of individual to Council, use praise and recognition appropriately
- Raise profile and exposure
- Use their skills to 'give back' in developing others in the wider organisation

Speak to Hastings HR partners for ideas for development interventions

- Maintaining Continuing Professional Development (CPD)
- Coaching
- Developing others
- Work shadowing
- Broadening networks
- Personal Profile Analysis (PPA)
- Mentoring
- Projects
- Research

Capacity for Key Roles

Good performer with the ability and potential to be a consistent talent

Definition

- Individual with high potential
- Good performance, can step up to deputise for higher roles when needed
- Demonstrates good professional behaviours in role and wider areas
- Has the ability and potential to be consistent talent
- Aspires and has ambition

Questions - General

- What do you see as being the key purpose of this role (explore both task and behavioural expectations)?
- Give me some examples of how you bring the values to life in your work
- How clear are the expectations of your role to you?
- What interests you about the role?
- What do you like/dislike about it?
- What motivates you?
- Tell me a bit about what you have achieved recently.
- How does this role fit with your career path?
- What constraints do you face in carrying out your role?
-

Questions – Leadership qualities specific

- Where are your strengths in relation to the behaviours/leadership qualities?
- What gaps have you identified?

- What support would you need to help you stretch yourself?
- What are your thoughts in relation to the future direction of Hastings?
- How do you view your role in driving the agenda? (Explore thoughts around driving and facilitating change).
- How do you impart your knowledge/expertise/experience to others?
- How do you manage to achieve results through others? (explore delegation, strength of their team to ascertain capability for them to focus on bigger projects).
- What are your thoughts on the future vision, and the changes ahead?
- If you were given free reign, what would you do to drive the changes?
- How do you hold yourself, and others, to account over delivery?
- What innovative ideas or solutions have you seen, or identified yourself which you think will support service delivery? What have you done to implement these? What support do you need to help you implement these?
- What do you do when you encounter barriers and challenges to achieving results? What support do you need to help you manage or overcome these?
- How well do you lead and motivate people?
- How do you celebrate success and support people?
- How aware are you of your impact of your behaviour?
- What steps have you taken to improve your performance?
- You have demonstrated clear potential as a leader within the organisation. What do you see as being your next step? What are your career ambitions? What support do you need to take the 'leap' into leading the organisation – shaping services, being ambitious about outcomes etc.?

Capacity for Key Roles

Good performer with the ability and potential to be a consistent talent

Development considerations

- Thank these individuals and make them feel valued
- Potential to access wider leadership development, but this has to be right for them
- Current role development
- Increase current performance/delivery and stretching in current role to do this
- Discuss future ambition/aspirations
- Specific competencies, experience and learning needed for future roles
- Use their skills to 'give back' in developing others

Speak to Hastings HR partners for ideas for development interventions

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- Projects
- Research

New to Role and/or Needs Support

High potential in new job, needs support to perform in new role to maximise on potential

Definition

- In transition having started in a new position or role
- They need time and dedicated support to achieve their full potential within their current role and become great achievers
- Behaviours and performance is aligning to their new role

Questions - General

- What do you see as being the key purpose of this role?
- What made you make the move to this role? How does it fit with your career path?
- What interests you about the role?
- What do you like/dislike about it?
- What are your key strengths and experience that you bring to the role?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?
- What key achievements have you made (that we can celebrate, build on etc.)?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).
- What concerns do you have about the role?
- What would good performance look like to you? How clear are expectations of your role to you? What are your key performance objectives or indicators?
- How clear are the lines of responsibility?
- What key knowledge or subject matter expertise do you need to carry out your role? Are there any gaps in your current levels of knowledge and expertise that you would like to address?
- How can we harness your motivation and overall approach to your work, and convert that into outcomes?

Questions - Leadership qualities specific

- How do you go about planning tasks and activities for yourself and others (and explore how well aligned these are to achieving outcomes)?
- How do you hold yourself, and others, to account over delivery?
- What challenges do you face in delivering your best performance?
- What do you do when you encounter barriers and challenges? What support do you need to help you manage or overcome these?
- What innovative ideas or solutions have you seen or identified yourself
- which you think will support service delivery?
- What support have you identified you need?
- What steps have you taken to improve your performance?
- What improvements have you made?
- Who has been helping and supporting you in role?
- Who else could you work with to support delivery or achieving better outcomes. How?

New to role and/or Needs Support

High potential in new job, needs support to perform in new role to maximise on potential

Development considerations

- Current role, skills and behaviours to be able to do a great job in role
- Motivate, mentor and coach – make them feel valued
- Direction and support and opportunities to bring their own flare to the new role
- Development plan to improve performance and demonstrate potential over the next 12 months

Speak to Hastings HR partners for ideas for development interventions

- Maintaining Continuing Professional Development (CPD)
- Coaching
- Developing others
- Work shadowing
- Broadening networks
- Personal Profile Analysis (PPA)
- Mentoring
- Projects
- Research

Pivotal and Flexible

High performance in a variety of areas

Definition

- High performance with consistency of results across a variety of assignments
- Role models professional behaviours aligned to their role and Councilwide
- Flexible, and could fill short term gaps or act up/deputise into higher roles when needed
- Moderate potential to go further balancing own ambition and capacity to move
- Could fill critical positions; perhaps move one level; likely to shift to key or high professional post over time

Questions - General

- What are the key strengths you bring to the role and your area?
- How does this role fit with your career path? (Explore motivation for taking on greater responsibility or complexity in their role).
- Give me some examples of how you bring the values to life in your work
- How clear are the expectations of your role to you?
- What interests you about the role?
- What do you want to achieve?
- What do you like/dislike about it?
- What motivates you?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?

- What key achievements have you made (that we can celebrate, build on etc.)?
- How well would you say you understand the vision and mission of Hastings? And how your service contributes to that? What do you see as being the key purpose of this role (explore both task and behavioural expectations)?
- How keen are you to take on a role with greater responsibility in the organisation? (It is perfectly ok to keep doing the good job they are doing)
- How can we stretch you/ keep you motivated in your current role?
- What support would you need to help you stretch yourself?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?
- What skills do you have that are currently under utilised?
- How could you develop others/what could you offer back?
- there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).
- How do we maintain your professional development in your current role? Describe the development you need and your ideas for gaining it
- What new projects or responsibilities would you be interested in taking on (if any) in order to support your development?

Pivotal and Flexible

High performance in a variety of areas

Questions – Leadership qualities specific

- Where are your strengths in relation to the behaviours/leadership qualities?
- What gaps have you identified?
- What are your thoughts in relation to the future direction of Hastings?
- How do you view your role in driving the agenda? (Explore thoughts around driving and facilitating change).
- How do you impart your knowledge/expertise/experience to others?
- How do you manage to achieve results through others (explore delegation, strength of their team to ascertain capability for them to focus on bigger projects).
- What are your thoughts on the future vision, and the changes ahead?
- If you were given free reign, what would you do to drive the changes?
- How do you hold yourself, and others, to account over delivery?
- What do you do when you encounter barriers and challenges to achieving results? What support do you need to help you manage or overcome these?
- How well do you lead and motivate people?
- How do you celebrate success and support people?
- How aware are you of your impact of your behaviour?
- What steps have you taken to improve your performance?
- You have demonstrated clear potential as a leader within the Council. What do you see as being your next step? What are your career ambitions?
- What support do you need to take the 'leap' into leading the organisation – shaping services, being ambitious about outcomes etc.?

Pivotal and Flexible

High performance in a variety of areas

Development considerations

- Thank these individuals and make them feel valued for the great job they are doing
- Motivational stretch to enhance fulfilment – opportunities to try something different?
- Further developments in role giving both breadth and depth of experience
- Identify 'appropriate' career path and options
- Reinforce value of individual to organisation, use praise and recognition to help them shine
- Potential 'give back' to use their skills to develop others

Speak to Hastings HR partners for ideas for development interventions

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Solid and Adaptable

Good performance with moderate potential to advance

Definition

- Good well rounded performance
- Good professional behaviours in line with role requirements
- Reliably meets expectations – a 'go to' person
- Moderate potential over time, but likely to be very happy doing the job they are doing
- Solid, steady team member who can be relied upon, often going unnoticed

Questions

- What do you see as being the key purpose of this role (explore both task and behavioural expectations)?
- Give me some examples of how you bring the values to life in your work
- How clear are the expectations of your role to you?
- What do you want to achieve?
- What interests you about the role?
- What do you like/dislike about it?
- What motivates you?
- How does this role fit with your career path? How keen are you to take on a role with greater responsibility in the Council? (It is

perfectly ok to keep doing the good job they are doing)

- How can we stretch you/ keep you motivated in your current role?
- What support would you need to help you stretch yourself?
- Where do you go from here?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?
- What key achievements have you made (that we can celebrate, build on etc.)?
- What skills do you have that are currently under utilised?
- How could you develop others/what could you offer back?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.)
- How do we maintain your professional development in your current role? Describe the development you need and your ideas for gaining it
- What new projects or responsibilities would you be interested in taking on (if any) in order to support your development

Solid and Adaptable

Good performance with moderate potential to advance

Questions – Leadership qualities specific

- Where are your strengths in relation to the behaviours and leadership qualities. What gaps have you identified?
- How well would you say you understand the vision and mission of Hastings? And how your service contributes to that?
- How do you view your role in driving the delivery agenda?
- How have you helped others understand the changes needed to ensure Hastings delivers the services for the future?
- How can you create a culture that champions high performance?
- How do you go about planning tasks and activities for yourself and others?
- How do you hold yourself, and others, to account over delivery?
- What innovative ideas or solutions have you seen, or identified yourself which you think will support service delivery?
- How comfortable are you dealing with complex information and ambiguity?
- How comfortable are you in instigating change
- What do you do when you encounter barriers and challenges? What support do you need to help you manage or overcome these?
- How well do you lead and motivate people?
- What steps have you taken to improve your performance?
- What improvements have you made?

Solid and Adaptable

Good performance with moderate potential to advance

Development considerations

- Make them feel valued for the good job they are doing
- Current role and development opportunities e.g. acting-up arrangements
- Enhance current performance
- Future career considerations
- Discuss future aspirations and ambition
- Consider developmental assignment
- Identify factors which motivate or de-motivate individual and affect performance

Speak to Hastings HR partners for ideas for development interventions

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- Mentoring
- Projects
- Research

Needs Stretching

Potential and moderate ambition to do more, however needs support to reach performance potential in current role or wider

Definition

- Low performance but showing moderate potential over time
- Behaviours may not fully align to their current professional role
- Needs pushing and stretching – may be bored or under used
- Could be in the wrong job

Questions

- What do you see as being the key purpose of this role?
- What made you make the move to this role initially? How does it fit with your career path?
- What interests you about the role?
- What do you like/dislike about it?
- What are your key strengths and experience that you bring to the role?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?
- What key achievements have you made (that we can celebrate, build on etc.)?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).
- What is your understanding of the performance tasks associated with this role

Questions – Leadership qualities specific

- What would good performance look like to you? How clear are expectations of your role to you? What are your key performance objectives or indicators?
- How clear are the lines of responsibility?
- How do you go about planning tasks and activities for yourself and others (and explore how well aligned these are to achieving outcomes)?
- How do you hold yourself, and others, to account over delivery?
- What challenges do you face in delivering your best performance?
- What do you do when you encounter barriers and challenges? What support do you need to help you manage or overcome these?
- What innovative ideas or solutions have you seen, or identified yourself
- which you think will support service delivery?
- What support have you identified you need?
- What steps have you taken to improve your performance?
- What improvements have you made?
- Who has been helping and supporting you in role?
- Who else could you work with to support delivery, or achieving better outcomes? How?

Needs Stretching

Potential and moderate ambition to do more, however needs support to reach performance potential in current role or wider

Development considerations

- Understand what motivates them and check they feel valued
- Current role and factors that could motivate the individual more
- Assess their strengths and if they align to their current role
- Ambition discussion
- Understanding barriers
- Current performance and future improvements/alignment to role

Speak to Hastings HR partners for ideas for development interventions

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- Mentoring
- Projects
- Research

Achieves and Exceeds

High performance in own field with consistent results

Definition

- High performance in own field
- Reliable and consistent results, often bringing own flare to tasks given
- Role models professional behaviours
- Shows upward potential, but likely happy being expert in own field
- Skills which can be harnessed to support others
- What are the key strengths you bring to the role and your area?
- What motivates you?
- How keen are you to take on a role with greater responsibility in the organisation?
- What are your key strengths and experience that you bring to the role?

Questions

- What do you see as being the key purpose of this role (explore both task and behavioural expectations)?
- How does this role fit with your career path?
- What interests you about the role?
- What do you like/dislike about it?
- Is this role the right one for you?
- Do your personal values fit with the Hastings Values?
- What do you think it is really like to work with you? How might you get such feedback?
- What key achievements have you made (that we can applaud, build on etc.)?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).

Achieves and Exceeds

High performance in own field with consistent results

Questions – Leadership qualities specific

- How well would you say you understand the vision and mission of Hastings? And how your service contributes to that?
 - How clear are you on how things are achieved in the department/ organisation – the behaviours that align us to our goals? Why are these important?
 - Where are your strengths in relation to the Behaviours or leadershipQualities? What gaps have you identified?
 - How do you work effectively with others?
 - What feedback have you received on your style of working with others?
 - What is it really like to work with you?
 - How do you view your role in driving the agenda? (Explore role as a leader of others, focus on people management and development alongside task and outcomes focus).
 - How do communicate with others (e.g. to understand their views, build support or convey key messages)?
 - How do you manage to achieve results through others?
- (Explore delegation, development of others, communication).
- How do you get the best from others?
 - What support have you identified you need?
 - What steps have you taken to improve your performance?
 - What improvements have you made?
 - Who has been helping and supporting you in this role?
 - How do you impart your knowledge/expertise/experience to others?
 - How clear are you on how things are achieved in the department/ organisation – the behaviours that align us to our goals? Why are these important?
 - Where are your strengths in relation to the behaviours/leadership qualities? What gaps have you identified?
 - How do you seek to balance the achievement of outcomes with working effectively with others?
 - How do you show consideration for the needs, feelings or opinions of others?
 - How do you build relationships with others?
 - How do communicate with others (e.g. to understand their views, build support or convey key messages)?

Achieves and Exceeds

High performance in own field with consistent results

Development considerations

- Reinforce their value to organisation – thank, praise and encourage them
- CPD in current role
- Stretch opportunities out of field to broaden experience in the Council
- Aspirations and exposure to wider networks and thinking
- Using these individuals to support other people's development

Speak to Hastings HR partners for ideas for development interventions

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- Broadening networks
- Personal Profile Analysis (PPA)
- Mentoring
- Projects
- Research

Good Performer

Good performance in professional field and showing upward potential

Definition

- Good reliable
- Behaves in a way that is professional to their role
- Showing upward potential, but likely to be happy doing the good job they are doing
- Meets experience needed to do a good job

Questions

- What do you see as being the key purpose this role (explore both task and behavioural expectations)?
- How does this role fit with your career path?
- What interests you about the role?
- What do you like/dislike about it?
- Is this role the right one for you? Do your personal values fit with the Hastings Values?
- What motivates you?
- How keen are you to take on a role with greater responsibility in the organisation?
- What are your key strengths and experience that you bring to the role?
- What do you think it is really like to work with you? How might you get such feedback?
- What key achievements have you made (that we can applaud, build on etc.)?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).
- What concerns do you have about the role?
- How clear are the expectations of your role to you?
- How clear are the lines of responsibility?

Questions – Leadership qualities specific

- How well would you say you understand the vision and mission of Hastings? And how your service contributes to that?
- How clear are you on how things are achieved in the department/ organisation – the behaviours that align us to our goals? Why are these important?
- Where are your strengths in relation to leadership
- Qualities? What gaps have you identified?
- How do you go about planning tasks and activities for yourself and others?
- How do you hold yourself, and others, to account over delivery?
- How do you work effectively with others?
- How do you communicate with others (e.g. to understand their views, build support or convey key messages)?
- How do you get the best from others?
- What challenges do you face in delivering your best performance?
- What do you do when you encounter barriers and challenges? What support do you need to help you manage or overcome these?
- What innovative ideas or solutions have you seen, or identified yourself
- which you think will support service delivery?
- What support have you identified you need?
- What steps have you taken to improve your performance?
- What improvements have you made?
- Who has been helping and supporting you in role?

Good Performer

Good performance in professional field and showing upward potential

Development considerations

- Thank these individuals for their reliable contribution to the organisation
- Current role development
- Improve strengths and motivation/ambition to go further
- Increase current performance in role
- Stretch projects to evidence ability

Speak to Hastings HR partners for ideas for development interventions

- Maintaining Continuing Professional Development (CPD)
- Coaching
- Developing others
- Work shadowing
- Broadening networks
- Personal Profile Analysis (PPA)
- Mentoring
- Projects
- Research

Scope to Improve

Showing potential to be professional in field, but needs support to align performance and/or behaviours to role

Definition

- Has potential, but low level performance and or/behaviours that are required within the role
- Need support to bring out their potential
- Possibly lacks drive or motivation for role which needs exploring / may not feel valued
- Strengths and values may be misaligned with current role
- Some sparks of brilliance which need harnessing

- Are there any knowledge gaps you would like to address?
- How well would you say you understand the vision and mission of Hastings? And how your service contributes to that?
- How clear are you on how things are achieved in the department/ organisation – the behaviours that align us to our goals?
- How do you feel about others that you work with? How could you work more effectively with them

Questions

- What do you see as being the key purpose of this role?
- What aspects of the role do you believe you do well in? What are your key strengths and experience that you bring to the role?
- What aspects do you find more difficult?
- What interests you about the role?
- What do you like/dislike about it?
- How can we make best use of your skills and experience to deliver what we need to in the team/service/department?
- What key achievements have you made (may be in previous roles, or this one - that we can applaud, build on etc.)?
- Have there been any changes recently in the role or the context in which it is carried out? (If so, could explore this further, what's changed, why, how they've found it etc.).
- What challenges do you encounter with being able to deliver what is needed?
- Who could support you to enhance your performance?

For those established in role, but under-performing

It is important to explore, from their point of view, why this is the case. It may be that they lack clarity on the role requirements (particularly if these have changed recently), are struggling with some aspect of the role (behaviours or expertise), or it may be that they do not feel valued, are disillusioned, or are in the wrong role. There may be personal circumstances that are impacting on them at work

Scope to Improve

Showing potential to be professional in field, but needs support to align performance and/or behaviours to role

Development considerations

- Current role development to be able to perform professionally
- Support the employee in feeling valued
- Use appropriate performance/development improvement plan
- Understand aspirations, motivators and work importance
- Assess strengths and if they align to current role, or potentially elsewhere
- Remember that people's strengths shine when they get matched to a role they resonate with

Speak to Hastings HR partners for ideas for development interventions

- Above all - make them feel valued and supported to reach their potential
- Appropriate skills, knowledge and behaviour/attitude development in current role
- Interventions related to de-motivators or 'de-railers' (if there is evidence that these will result in improving performance)
- Action taken quickly for remedial and targeted development
- Projects (use as measure of competencies for next role as well as playing to strengths)

- Managing personal growth
- Further education
- Mentoring (as mentee)
- Secondments – internal
- Coaching 1:1
- Career counselling
- Clearly define the areas of poor performance, measured against criteria technical procedures, Leadership Framework etc.
- Develop agreed plan with individual with key actions and timescales for delivery
- Have monitoring process in place for delivery plan
- Manager to give regular feedback on performance
- Formalised performance management dependent upon time scale – the appropriate formal procedure should be applied
- Consider your own local development activity

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My 1-1 Conversation Form

Date of review	
Employee	Job Role
Line Manager	Job Role
Senior Manager	

Both you and your line manager should use the following headings and have familiarised yourselves with our Values and Behaviours Framework to form the basis and structure of the My 1-1 conversation.

My Review/Performance

Before your conversation, you and your line manager should use this space to:

- Summarise what has gone well/less well this year (including any feedback from members of the public, customers or colleagues on your performance).
- Consider how you have demonstrated our Values and Behaviours in your day to day role, any particular strengths, successes and areas for improvement.
- Give thought to your health, safety and wellbeing including the impact of your attendance/absence on your performance.
- Any learning and development taken this year?

My review	My line manager's review

My Outcomes and Goals

Before your conversation, you and your line manager should use this space to outline any thoughts or known outcomes and activities for the forthcoming year. These will be reviewed on an ongoing basis through your 1-1 meetings.

What am I going to achieve	What key activities need to happen and when

My Development and Career Aspirations

Training or development required for this year.

- Include any statutory training, audits, assessments or CPD requirements that need to be undertaken.
- Summarise any discussions you have had about your career aspirations.

Any Other Points

Summarise any other points or agreements discussed.

eg, Ideas for improving the way we work.

Managers will be required to record that the 1-1 Conversation has taken place on the ERP system.

It is also the line manager's responsibility to ensure a copy of this form is retained and uploaded in PDF format onto the ERP System.

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Agenda Item 11

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Report to: Cabinet

Date of Meeting: 2 July 2018

Report Title: Targeted Funding to Reduce Rough Sleeping

Report By: Andrew Palmer, Assistant Director, Housing and Built Environment

Purpose of Report

To advise Cabinet of a successful bid, in partnership with Eastbourne / Lewes Councils, for additional funding to reduce rough sleeping and the proposed programme of activities and mobilisation timetable.

Recommendation(s)

- 1. To authorise the expenditure of £664,000 of funding awarded to Hastings and Eastbourne/Lewes Council's to deliver a programme of services commissioned under the Ministry for Housing Communities and Local Governments (MHCLG) Targeted Funding to Reduce Rough Sleeping during 2018/19.**
- 2. To delegate authority to the Assistant Director, Housing and Built Environment and the Assistant Director Financial Services and Revenues, in consultation with the Lead Member for Housing and Leisure Services, to finalise arrangements for the mobilisation of the projects.**

Reasons for Recommendations

Rough sleeping continues to rapidly increase across the county, particularly in urban, coastal areas. Hastings and Eastbourne / Lewes Councils – in partnership with Rother and Wealden District Councils – have been awarded £664,000 of funding during 2018/19 by the Ministry of Housing, Communities and Local Government (MHCLG) to significantly reduce rough sleeping this coming winter.

Introduction

1. Between 2012 and 2017 the number of people estimated to be sleeping rough in East Sussex on a typical night has increased by 370% from 19 to 90. In 2017, 81 out of the 90 estimated rough sleepers were found in either Eastbourne or Hastings, with the numbers being split evenly across the two areas.
2. In April 2018 the Ministry for Housing Communities and Local Government (MHCLG) announced additional funding to tackle rough sleeping. Hastings and Eastbourne / Lewes Councils were invited to develop initiatives which will have an immediate impact on reducing the number of rough sleepers before the winter of 2018/19.
3. The timescale to develop the proposals was very short, to meet the deadline for the bid on 18 May 2018. Both local authorities worked intensively with partners across the statutory and voluntary sectors to identify local needs and potential solutions.
4. On 11 June 2018, the MHCLG announced that the bid had been successful and funding of £664,000 has been allocated to Hastings and Eastbourne / Lewes Councils to reduce rough sleeping in 2018/19. The MHCLG have not yet confirmed if funding will be available beyond 2018/19, however, an outline proposal for the second year of the project has also been submitted.

The Proposal

5. The proposal approved by the MHCLG addresses the lack of temporary accommodation and long term housing solutions which are accessible to rough sleepers locally. It also provides an opportunity to tailor and co-ordinate service delivery by statutory partners to meet the complex needs of this group and expand existing activities to prevent rough sleeping. Moreover, the funding will enable investment in infrastructure to improve information sharing across county networks to improve levels of engagement with rough sleepers.
6. The proposal comprises an accommodation pathway to provide relief from rough sleeping and assist rough sleepers to access temporary and long term housing solutions. Service users will receive intensive support from a multi-disciplinary team of health, mental health, adult social care, substance misuse and housing professionals and intensive floating support from dedicated officers across the accommodation pathway, providing direct, co-ordinated access to services and accommodation.

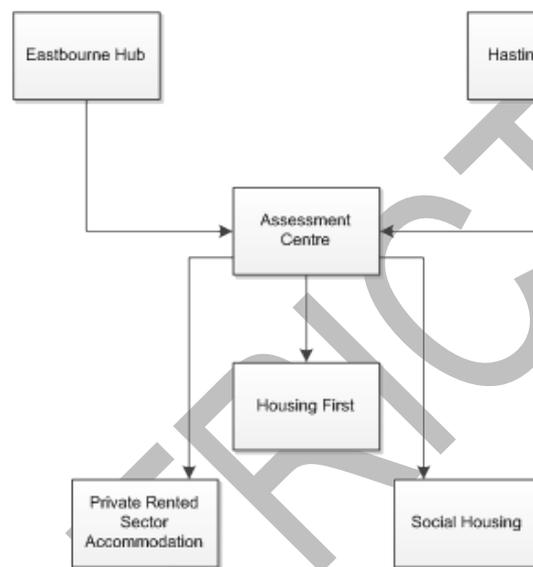
Accommodation Pathway

7. The proposed accommodation pathway enhances the existing service provision in both Hastings and Eastbourne. The existing network of services working with rough sleepers will act as gateways to the Assessment Centre. The Assessment Centre will provide relief from rough sleeping and create a stable environment for

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the multi-disciplinary team to identify each individual's support requirements. From here, clients will be supported to access longer-term housing solutions, including local authority temporary accommodation, accommodation based support or the private rented sector, where appropriate. Clients assessed as having the most complex needs will be accommodated in Housing First units. These units will provide a permanent, stand-alone housing solution with intensive ongoing support will be provided by the multi-disciplinary team.

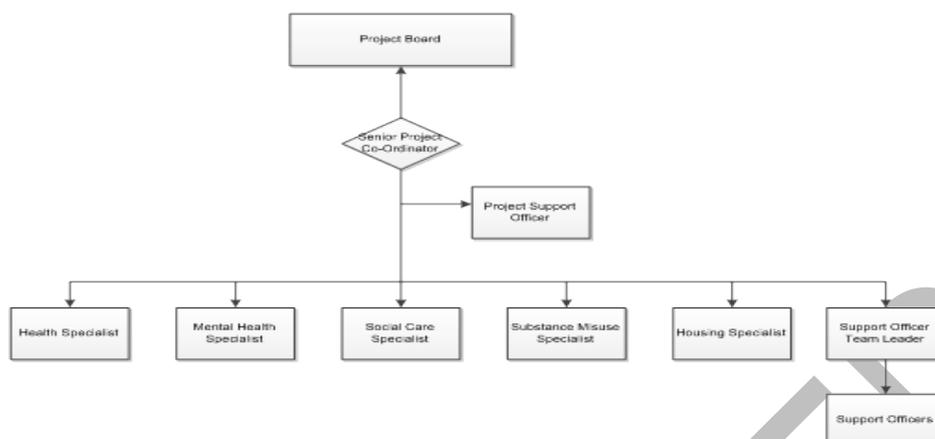
- It is intended that accommodation for both the assessment and housing first units will be sourced directly by East Sussex authorities. Work is ongoing with a number of potential accommodation providers across East Sussex.



Multi-Disciplinary Team

- The multi-disciplinary team will support clients across the accommodation pathway, providing direct, co-ordinated access to statutory services. These activities will be underpinned by a Rough Sleeping Safety Protocol, drafted by the Project Co-Ordinator. Professionals will be seconded to the team for statutory services, but will continue to be hosted by their services to help maintain close links with providers. Key performance indicators will be formed by the project board. The team will work alongside floating support workers, provided through existing county council commissioned services.

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Expansion of the Sussex Rough Sleeping Prevention Project

- The Sussex Rough Sleeping Prevention Project (SRSP) has been operating across the county for the past year. The SRSP is externally funded and delivered through an existing county-council commissioned support service. The project works with individuals who have been identified as being at a high risk of rough sleeping to access accommodation and support. The project carried out 217 interventions across East Sussex over the past year and successfully prevented rough sleeping in 88% of cases.
- The first year of the project has identified a significant unmet demand for these services. It is therefore proposed to increase the number of support workers delivering the project from 2 FTE to 4 FTE.

THINK Database

- Evidence suggests that many rough sleepers are transient and move between local authority areas in East Sussex and beyond. Brighton & Hove City Council who recently invested in the database which can now be expanded across East Sussex to enable greater information sharing across service networks. This will enhance levels of engagement and knowledge amongst service providers to improve outcomes and tailor services to the needs of individuals.

Funding

- Total funding of £664,000 has been allocated to the project in 2018/19. The funding has been allocated as follows:

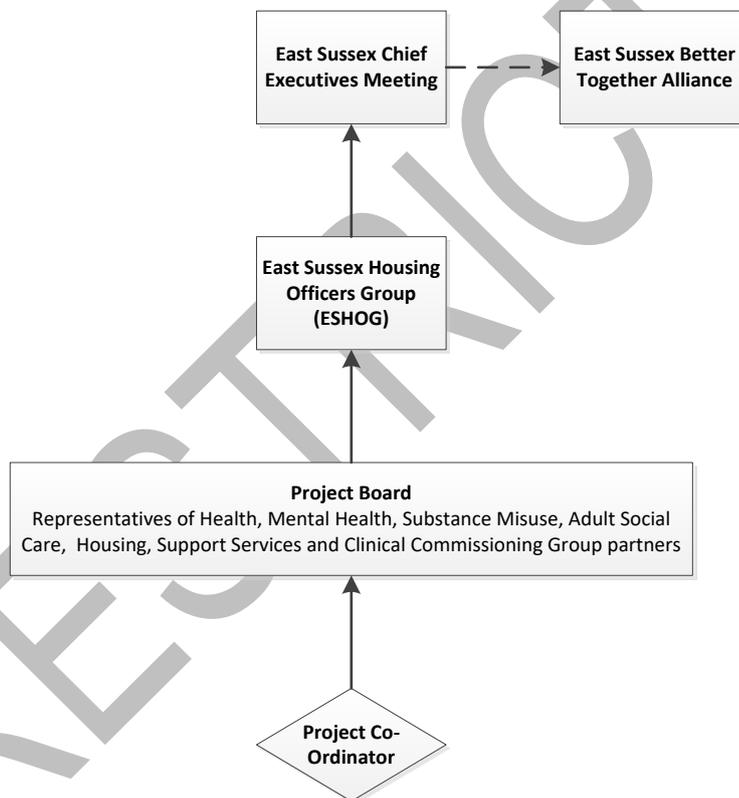
Post	Funding (including salary and on costs)
Project Co-Ordinator and	£70,000

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Project Support	
Multi-Disciplinary Team	£240,000
Assessment Units	£152,000
Housing First Accommodation	£132,000
Expanded Sussex Rough Sleeping Prevention Programme	£60,000
THINK database	£10,000
Total:	£664,000

Governance



- 14. The governance structure needs to reflect the county-wide approach of the programme.
- 15. The programme will be overseen by a Project Board. The board will include representatives of statutory agencies, support services providers and key partners. The board will be responsible for monitoring performance against a number key indicators. The board will provide updates on the performance of the project to the East Sussex Housing Officers Group (ESHOG).

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16. The delivery of the programme will be project managed by the Project Co-Ordinator. The Project Co-Ordinator will report to the project board on performance against key indicators.
17. Learning from the project will also be shared at a strategic level via the East Sussex Chief Executives meeting and the East Sussex Better Together Alliance.

Risk

18. A risk register has been included in the project plan and will be monitored and updated by the project board.

Timetable of Next Steps

19. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Project Board	Project board formed to monitor the implementation of the proposals and review performance.	July 2018	Housing Needs and Policy Manager / Housing Needs and Allocations Lead
Project Co-Ordinator	Senior professional responsible for implementing the proposals and delivering the project objectives.	In post from August 2018	Project Board
Multi-Disciplinary Team	Comprising professions from health, mental health, adult social care, substance misuse and housing.	In post from September 2018	Project Co-Ordinator
Assessment Units	8 units providing relief from rough sleeping and a stable	Operational from September 2018	Project Co-Ordinator

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	environment for the multi-disciplinary team to assess each individual's needs.		
Housing First	20 units providing a stand-alone housing solution for individuals with the most complex needs.	Operational from September 2018	Project Co-Ordinator

Wards Affected

All wards

Implications

Relevant project tools applied? Yes

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	Yes
Organisational Consequences	Yes
Local People's Views	No
Anti-Poverty	Yes

Additional Information

Officer to Contact

Officer Name Joe Powell

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Officer Email Address jpowell@hastings.gov.uk
Officer Telephone Number 01424 451314

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