

Cabinet

Date: **18 July 2024**

Time: **4.30pm**

Venue: **Council Chamber, Hove Town Hall**

Members: **Councillors:** Sankey (Chair), Taylor (Deputy Chair), Alexander, Burden, Daniel, Muten, Pumm, Robins, Rowkins and Williams

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Chief Executive
Hove Town Hall
Norton Road
Hove BN3 3BQ

Date of Publication - Wednesday, 10 July 2024

AGENDA

Part One

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21 PROCEDURAL BUSINESS

- (a) **Declarations of Interest:** Statements by all Members present of any personal interests in matters on the agenda, outlining the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- (b) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

Note: Any item appearing in Part Two of the agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the press and public.

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls and on-line in the Constitution at Part 3E.

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Ward Affected: Rottingdean & West Saltdean

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Ward Affected: All Wards

Tel: 01273 291461

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To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

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For further details and general enquiries about this meeting contact John Peel, (01273 291058, email john.peel@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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Brighton & Hove City Council

Cabinet

Agenda Item 29

Subject: The King Alfred Leisure Centre Regeneration Project

Date of meeting: 18th July 2024

Report of: Cabinet Member for Sports and Recreation

Contact Officer: **Name:** Max Woodford Assistant Director - City Development & Regeneration

Email: Max.Woodford@brighton-hove.gov.uk

Ward(s) affected: All

Key Decision: Yes

Reasons Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

- 1.1 This paper seeks a Cabinet decision on the preferred site to deliver the new 'West Hub' facility to replace the King Alfred Leisure Centre.
- 1.2 The replacement of the King Alfred Leisure Centre aligns with the Council Plan 2023-2027, particularly Outcome 1 *A city to be proud of*, which sets out a commitment to *'Deliver improvements to leisure facilities across the city'* and Outcome 3, *'A healthy city where people thrive'*. Replacing the facility is also a specific commitment of the council's Sports Facilities Investment Plan (SFIP).

2. Recommendations

That Cabinet:

- 2.1 Agrees that part of the existing seafront King Alfred site is the preferred site on which to take forward the development of the new sports and leisure facility to replace the existing King Alfred Leisure Centre.
- 2.2 Approves the indicative capital budget for the project of up to £47.4 million to be included in the Medium Term Capital Investment programme to be funded from a combination of capital receipts, government grants and council borrowing.
- 2.3 Approves an initial allocation of £2.7m of these resources to progress the project to planning application stage funded from council borrowing.

- 2.4 Agrees to the commencement of design work for the development of the Leisure Centre on the preferred site, to include procuring the lead architect and professional team to deliver the new facility and delegates authority to the Corporate Director to approve the procurement of the associated professional team and to progress the project to planning application stage.
- 2.5 Notes the inclusion of £1.07 million estimated ongoing revenue commitment within the Medium Term Financial Strategy to recognise the potential net financing costs of the project from 2025/26 onwards.
- 2.6 Notes that as the project progresses to key decision points further reports will be presented to cabinet in line with the timetable set out at 4.16.

3. Context and background information

- 3.1 The delivery of a new West Hub to replace the existing King Alfred Leisure Centre is central to the Council's Sports Facilities Investment Plan 2021-31 (SFIP). The SFIP was approved by Policy & Resources Committee in July 2021 and is the strategic plan for improving the city's sports facilities.
- 3.2 The proposal in the SFIP was based on full stock condition surveys which highlighted that significant investment and major works would be required in order to keep the centre operational. Due to the building's age and condition, a 'do nothing' option would increase the likelihood of the centre having to close in the short to medium term without any further investment. This would mean the loss of the city's largest leisure centre, without a plan to deliver a new one. Therefore a 'do nothing' option has not been assessed in detail. The option to refurbish the facility has been examined, and this is explained further in the following paragraphs (3.3 - 3.6).

Refurbishment

- 3.3 As a baseline 'reference case', the business case examines the cost and practicality of refurbishing the existing facility. The business case reports that an estimated £13.98m would be required to carry out the minimum remedial works for the facility to continue operating. These works include asbestos removal, structural concrete repairs, reinforcement of foundations, renewal of roof coverings, and replacing the main plant and pool plant. These works are anticipated to extend the usable life of the facility for an estimated 10 years. At that stage, the refurbished King Alfred would then still need to be replaced with a modern facility.
- 3.4 The facility's history as a 1930s building that was extended in the 1980s means that many aspects of the design and layout are compromised and fall short of modern standards and expectations. A refurbishment to the existing building would not address these issues. They could only be resolved by replacement with a modern facility designed and built to reflect Sport England guidance and best practice in modern sports facility operation. For example:

Sports Halls

- The current sports halls are constructed directly above the 1930s swimming pools, which has dictated their size and shape. The halls do not meet Sport England or sports' national governing body (NGB) requirements. The run-off outside the lined areas is constrained, and there are no spectator facilities. The heights of the ceilings, windows, and skylights reflect the original use as pool halls. The natural lighting requirements for newly designed sports halls is very different and the impact of bright sunlight creating glare for users of the current facility is an ongoing issue.

Pools

- The main 25m pool and leisure water area use the same shared body of water and have a common filtration system. The leisure water should be maintained at a higher temperature than the main pool, but this is impossible with the current design which a refurbishment could not feasibly address. Contamination in one pool also results in both being closed.
- The main pool has only 6 lanes, rather than 8, which limits use for competitive swimming clubs. The size and layout of the pools and the shallowness of the teaching pool means that separate private sessions for, say, faith groups cannot be accommodated. This issue was raised by some of those we spoke to during engagement as a barrier to them participating.

Gym and health & fitness provision

- The space occupied by the gym was previously the location of the café, and as with the sports halls is not a purpose-designed space. It accommodates 31 stations, much smaller than would be expected for a sports and leisure facility of the King Alfred's size. It could not accommodate the minimum 100 stations proposed for the new West Hub. Relocating the gym elsewhere in the facility would not be feasible without, say, giving up one of the sports halls, further compromising the facility as a whole.
- Gym & fitness remains one of the most popular ways for people to be active in our city, and therefore increasing the capacity and performance of our gyms will enable us to meet the demand now and in the future. Health and Fitness membership (which includes the gym) is one of the most important income sources for a modern leisure centre, and so a constrained gym would also limit the financial viability of the facility.

Voids and wells

- The 1930s parts of the building features a number of prominent void or well areas which are open to the air but not readily accessible for maintenance and cleaning. These represent further unused space within the footprint of the building, in many cases with glazing in poor condition, all of which adds to the heat loss and energy inefficiency issues.

3.5 For a refurbished facility, running costs would remain high. New boilers and other plant would be expected to provide more efficient heat generation.

However, heat losses through the fabric of the building would not be significantly improved by the works listed above. Further detail is provided at appendix 1.

- 3.6 The business case has shown that a refurbishment would represent a poor investment, referenced in paras 4.5. and 4.6 below. The economic modelling shows that the investment would return only 47p for every £1 invested. As described above, a refurbishment would also fail to bring the facility up to modern standards and Sport England guidance. With that in mind, the recommendation to Cabinet is to deliver a replacement facility as set out in section 2.

The need and urgency to replace the existing King Alfred facility

- 3.7 The requirement to replace the King Alfred with a new facility has been recognised for over 30 years. There have been three previous attempts to deliver a new facility with the last project (undertaken with Crest Nicholson) stalling in 2019. The failure of those projects and the lessons learned have highlighted the importance of:
- prioritising financial viability and practical deliverability
 - retaining control of the project
 - keeping the delivery of leisure centre separate from any residential development on the existing site
 - taking a realistic view of what the development is being expected to deliver.
- 3.8 The current project to replace the facility was initiated in late summer 2022. Three key workstreams have been undertaken to create the evidence base which informs the recommendations in this paper. Those are:
- a comprehensive site search, to identify and evaluate all sites in the west of the city with the potential to host the new facility
 - the development of an HM Treasury-compliant ‘Green Book’ business case to comprehensively examine and evaluate the options for delivering the new facility (detailed in section 4, below)
 - a programme of resident engagement to bring residents along with the project as it develops and to provide a means for their views to shape the project where practicable (detailed in section 5, below).
- 3.9 Only two sites emerged from the site search process – the existing King Alfred site (“the existing site”) and the council-owned land south of Sainsbury’s fronting Old Shoreham Road (“LSS site”).

4. Analysis and consideration of alternative options

- 4.1 The delivery options for a new facility on each site were assessed with sport and leisure consultants (Continuum Sport and Leisure) and architects Faulkner Brown using the Treasury Green Book methodology.

- 4.2 The Green Book methodology examines the costs for building and for operating the new facility, and compares that to the future revenue and benefits the leisure centre will deliver. The detailed evaluations for each option are summarised with one headline figure – the benefit cost ratio (BCR). The BCR shows for each option how much beneficial value is delivered for each £ spent.
- 4.3 This value of the benefits is built up by attaching an estimated monetary value to each of the key benefits each option is expected to deliver. These elements comprise:
- the value of the positive health and wellbeing impacts, including reduced healthcare costs to the exchequer and improved quality of life for residents
 - the direct land value uplift (LVU) – which measures the increased value of the site(s) arising from the delivery of the new facility and the delivery of the residential development on some or all of the existing site
 - the spillover land value uplift (LVU) – which measures the increased value of the land in the area(s) immediately around the location of the new sport and leisure facility and the new residential development.
- 4.4 The detailed evaluations for each option are summarised with one headline figure – the benefit cost ratio (BCR). For a delivery option to represent a sensible investment, the BCR must equal at least 1.0, representing one £ in benefits returned for each £ spent. Treasury guidelines consider any BCR between 2.0 and 3.0 as ‘good’, and any BCR greater than 3.0 is considered by Treasury as ‘very good’.

Economic benefits

- 4.5 Table 1, below, shows the BCR for each delivery option examined by the business case.

Table 1. comparison of economic costs and benefits of each of the options considered in the business case				
Option	1: Reference Case	2: Existing site - stacked design	3: Existing site - low rise design	4: LSS Site
Economic Benefit (National Scale Impacts)	£9.46m	£85.20m	£59.76m	£124.38m
Gross Economic Cost	£20.09m	£65.36m	£55.72m	£60.25m
Benefit/Cost Ratio (Gross)	0.47	1.30	1.07	2.06
Net Economic Cost	£20.09m	£49.08m	£45.54m	£39.90m
Benefit/Cost Ratio (Net)	0.47	1.74	1.31	3.12

- 4.6 The figures in table 1 show that:

- the reference case (option 1), which entails refurbishing the facility, represents a poor investment, returning just 47p in value for each £1 invested. This reflects the relatively high costs (£13.98m) and the very limited benefits that would be realised in terms of increased participation and improved health outcomes for the city.
- both delivery options examined for the existing site (options 2 & 3) represent acceptable investment options, with the more costly basement parking version (option 2) representing a better overall investment proposition, returning £1.74 for each £1 invested. This is largely due to the increased capital receipt received from the disposal of more of the existing site for development, reducing the need for borrowing.
- the LSS site offering a 'very good' investment option, returning £3.12 for each £1 invested. This is in part due to the greater health and wellbeing benefits expected to be generated, in part due to the greater land value uplift achieved, and in part due to the option enabling the maximum capital receipt to be achieved for the existing site. However, there are planning, legal, and other factors which favour the existing site, explained further in paragraph 4.7 below.

Wider factors influencing choice of site

4.7 In addition to the economic analysis other factors need to be considered relating to planning policy, legal matters, loss of green space, and the outcomes of public engagement. In brief, these factors are:

- planning considerations, which favour the existing site as it is allocated in the [City Plan Part 1](#) for a sports facility and residential development. Conversely, the LSS site has been designated in the [City Plan Part 2](#) as Local Green Space (CPP2 Policy DM38). This represents the strongest restriction to development equivalent to green belt designation
- legal constraints at the LSS site, where a restrictive covenant set by previous owners Sainsbury's would require removal, adding time and cost to the delivery of the project
- loss of green space and existing amenity value at the LSS site. An alternative ground for Portslade Cricket Club would need to be provided. Sport England are expected to be sensitive to the loss of a playing field, even though the planned development is a sports and leisure centre, and an objection from Sport England could also result in the application being 'called in' for determination by the Secretary of State.
- Whilst the results of the public engagement reflect differing views from different parts of the community the most recent survey work showed a clear preference for the existing King Alfred site. 70% of respondents indicated that a new facility at the existing site would be part of their active and healthy lifestyle, compared with 37% for the LSS site. This is explained in more detail in section 5.

Financial viability

- 4.8. The purpose of the financial case is to identify the delivery option which will be the most affordable for the city. The financial case models the new facility's capacity to increase user numbers and income generation whilst lowering running costs. Crucially, it also takes account of the borrowing costs for delivering new facility, which can be minimised by maximising the capital receipt from the sale of some or all of the existing site.
- 4.9 The capital cost estimates set out in the financial case have been prepared for each of the options based on outline designs. The basic description of these is set out in table 2 below.

Table 2. New build delivery options

Option	Description	Nominal capital costs
1. Reference Case	Refurbish existing facility to enable it to remain operational for a further 10 years. To include asbestos removal, structural concrete repairs, reinforcement of foundations, replacement of walls, masonry strengthening, renewal of roof coverings, redecoration, replacing the main plant and pool plant and other M&E works, external works and services including external landscaping.	£13.98m
2. Existing site, stacked design	5,925m ² new build leisure centre on part of KALC site with basement car park and remaining site sold for residential development.	£47.38m
3. Existing site, low rise design	5,925m ² new build leisure centre on part of KALC site with surface car park and remaining site sold for residential development.	£39.83m
4. LSS site	7,369m ² new build leisure centre with enhanced specification on LSS site with KALC site sold for residential development	£46.39m

Source: King Alfred Redevelopment Business Case – Final Report March 2024, Continuum Sport and Leisure

- 4.10 Conversations with funders and strategic key bodies in the sport and leisure industry will continue and the council will be closely monitoring and pursuing any available funding streams that are announced for the next cycle. This includes engaging and securing support for the project from Sport England and other relevant government departments.
- 4.11 The costs of financing the net borrowing required have been calculated, together with a detailed revenue projection to provide a Net Project Cost (NPC) for each new build option over a 40-year period. This is shown in table 3 below. The reference case is not included in this table, as it is expected that a refurbishment would extend the operational life of the facility for a maximum of around 10 years, after which replacement would be required.

Table 3. Capital and revenue costs of options (over 40 years)

Option	Capital costs (£m)	Capital receipt (£m)	Financing costs (£m)	Revenue surplus (£m)	Nominal finance costs net of revenue surplus (£m)	Net project costs (£m)	Annual net project costs (£m)
2. Existing site, stacked design	47.4	25.0	37.8	17.9	19.91	42.3	1.06
3. Existing site, low rise design	39.8	15.5	36.5	17.9	18.61	42.9	1.07
4. LSS site	46.4	31.0	31.1	22.3	8.78	24.2	0.6

Source: King Alfred Redevelopment Business Case – Final Report March 2024, Continuum Sport and Leisure

Note: Reference case (option 1) not included in this table.

- 4.12 The analysis above shows that a development on either site would be economically viable, with the potential for the greatest economic benefits at the LSS site (£3.12 for every £ invested). However, a new facility on the existing site could also deliver significant benefits for the city (up to £1.74 for every £ invested).
- 4.13 Furthermore, as noted in 4.7, there are other factors which favour development on the existing site. The city's planning policy allocates the existing site for leisure and residential development (City Plan Part 1) whereas the LSS site is protected from development (City Plan Part 2). The legal constraints at the LSS site would require removal adding time, cost, and risk to the delivery of the project. Development on the LSS site would also entail a loss of green space and would require an alternative ground to be found for Portslade Cricket Club.
- 4.14 Responses to the public engagement undertaken have shown a range of views amongst residents, but the majority of those expressing a view favoured the existing site. In the Council Plan 2023-2027 under Outcome 2: 'A fair and inclusive city' the council says it will improve engagement and collaboration with the city and its residents. This includes a promise to improve how we listen and respond to residents, as well as how we will collaborate to drive change and improve the city. As a listening council the views of residents who engaged in the consultation have therefore been a key factor in decision making. This is explained further in section 5.
- 4.15 Following Cabinet's decision, the next stage of the project will be to proceed with the appointment of the professional team including the lead architect to begin the design work for the new facility. Cabinet is not at this stage being asked to express a preference for a low rise or stacked design on the existing site. Further detailed design work will develop this ahead of a agreement to an RIBA Stage 3 scheme by Cabinet.
- 4.16 Below is an indicative timeline for delivery of the project. This may change as the details of the procurement route are developed. We will seek to use the Corporate Director's delegated authority to pursue procurement

following market engagement and review. This will include examining the options outlined in 11.2.

Table 4. Key project stages and cabinet decision points				
Project stage	Key activities	Start date	End date	Cabinet decision
Gateway 1				
Design	Design team tender	October 2024	December 2024	
	Design stage	December 2024	June 2025	
	Planning pre-app	March 2025	June 2025	Cabinet agree RIBA stage 3 design and give land owners consent for submission of planning application.
Gateway 2				
Planning	Planning application	June 2025	September 2025	
	Technical design stage	June 2025	September 2025	
	Planning approval	September 2025	December 2025	Cabinet decision for full budget approval
	Enabling works	Autumn 2025	Spring 2026	
Gateway 3				
Contractor procurement & construction	Contractor tender	December 2025	Spring 2026	
	Contractor appointment	Spring 2026	Spring 2026	
	Construction of new leisure centre	Spring 2026	Spring 2028	
Gateway 4				
Handover and operation		Spring 2028		

5. Community engagement and consultation

5.1 Since its inception in Autumn 2022, the current project has been accompanied by a wide-ranging programme of public engagement. There have been three key phases of engagement so far, these being:

- phase 1, September to December 2022. Focused on core users of the King Alfred such as the leaseholders (e.g. the boxing club), sports clubs, and community groups that regularly book the facility
- phase 2, from January 2023. Connecting with wider community groups and residents. This phase included the all-day drop-in event in April 2023, and specialist work with partners to engage with minoritised ethnic groups and younger people
- phase 3, beginning of January 2024. Focused on the on-line questionnaire which generated over 3,600 responses.

Key findings from the survey

- 5.2. The outcomes of public engagement are also a significant factor in informing the choice of site. In brief, whilst there has been a diverse plurality of views about the location of the new facility, the survey work conducted in the most recent phase of the engagement showed a preference for the existing King Alfred site. Residents were asked firstly if they would use a new facility on the current site, and then asked if then if they would use a facility on the LSS site. Respondents could therefore indicate if they had a preference for one site over the other, or they could show that they would be equally likely to use a facility on either site. Some 70% of respondents indicated that a new facility at the existing site would play a key role for them in an active and healthy lifestyle, compared with 37% for the LSS site (suggesting 7% would be content with either).
- 5.3. In interpreting these results it is important to consider that current users and those living close to the existing facility represented the largest group of respondents. The overall results are therefore strongly influenced by their views. It is also important to note that although the response rate was high, the profile of respondents was not fully representative of the city's population. Younger people (18-34) and those from minoritised ethnic groups were particularly underrepresented. For example, 28% of the city's population are aged 18-34, but only 10.5% of respondents to the survey were in that age group. Some 11.6% of the city's population identify as Asian, Black, or mixed ethnicity, compared to just 6% of respondents to the questionnaire.

Key findings from the unstructured questions and emails

- 5.4. Of the 3,679 responses received, some 2,287 featured a free-text response for question 18 which asked: '*Are there any additional comments you would like to make about the proposed options?*'. A further 128 emails were sent to the project mailbox featuring comments about the proposals.
- 5.5. A sentiment analysis was undertaken on these responses. That process entailed reviewing each of the responses and then categorising them against a schema in which each comment was mapped to one or more key messages that corresponded with the sentiments expressed in the free text.
- 5.6. Key themes from the sentiment analysis were:
- regular and keen users of the existing facility strongly prefer continuity of provision at the existing site
 - there are some residents close to the existing site who may not use the facility, but who are opposed to any new development on the site
 - some residents close to the LSS site are concerned about the impact of development on the site in terms of noise, traffic volumes, parking, property values, and related matters
 - users of the LSS site, most notably Portslade cricket club, are opposed to the site's redevelopment

- many residents around the Hangleton and Knoll area would welcome a new facility in the area and would prefer the LSS site for the new facility
 - some respondents were agnostic about the location but felt it important that the new facility be made accessible for active travel and public transport, families, and children.
- 5.7. In addition, the sentiment analysis entailed identifying which site the respondent preferred. Based on the responses received, the sentiment of preferred site is as follows:

Table 5. Sentiment analysis for preferred site	
Preference identified in sentiment analysis	Percentage of respondents
Existing site	60%
Don't proceed with either option	1%
LSS site	14%
No preference expressed	24%
One facility each site	1%
Total	100%

- 5.8. Of those who expressed a preference, the existing site had around four times as much support (60% of all responses) as the LSS site (14%). However, almost a quarter (24%) expressed no clear preference. As noted above, the self-selecting nature of the survey, and in particular the free text section, functioned to particularly mobilise current users of the facility, most of whom are in favour of keeping the facility at its existing site, as well as mobilising those opposed to development on the existing site and/or development on the LSS site.

6. Financial implications

- 6.1 The options for the reprovision and enhancement of the leisure facilities at King Alfred Leisure Centre provide compelling investment options from an overall outcome for the city perspective. However the options have different direct financial implications for the City Council, all of which will require a significant increase in ongoing funding for their delivery.
- 6.2 A robust evaluation of the business cases for the LSS site and the existing site has been undertaken. The evaluation of each site relied on detailed financial assessments of costs, revenues, and key assumptions. These have been applied consistently and demonstrate that the development at LSS provides the lowest direct financial impact on the council as shown in table 3, above. However, the overall assessment favours the existing site after considering wider factors as set out in paragraph 4.7.
- 6.3 The indicative capital cost of the recommended option is £47.4 million and the expected ongoing increase in revenue costs to service the net debt after allowing for an improved financial performance of the new facility is £1.07 million. This additional revenue cost is £0.47 million per annum higher than the lowest cost option. The increased revenue cost will add to future years'

budget gaps and therefore result in additional savings required for a balanced budget. The actual direct financial impact is subject to a number of key variables. These include the level and timing of any capital receipts, the success and level of obtaining government grants; overall build costs; financing costs; net change in parking revenue and the increase in net revenue from a replacement facility. The financial risks created by these variables can only be mitigated or fully understood through the development of a preferred option.

- 6.4 The costs of developing the business case to date has been met from the King Alfred development reserve. The estimated cost of completing this business case is £0.191m and this leaves £0.058m towards the next phase of the project.
- 6.5 The development of the recommended option will require significant financial resources that will be at risk. An initial allocation of £2.7 million within the 2024/25 and 2025/26 capital investment programme will support progress to the planning application stage. This investment would be funded from council borrowing with the interest being rolled into the overall project cost until the new Leisure Centre is completed.
- 6.6 This allocation forms part of the overall estimated cost of £47.4 million. However, if the project is not completed this initial investment would need to be covered by one off resources as it would not result in an asset.
- 6.7 The existing Leisure contract currently provides a net contribution to the council of £0.167m. The new facility is expected to deliver a substantial increase in net revenue to offset in part the increased financing costs of the investment. The existing facility has been under severe financial pressure due to the significant increase in costs of energy. The new leisure centre will be highly energy efficient and therefore help to mitigate this risk.

Name of finance officer consulted: James Hengeveld. Date consulted: (26/06/24)

7. Legal implications

- 7.1 The Council has a power under s.19 Local Government (Miscellaneous Provisions) Act 1976 to provide recreational facilities within its area and a duty under NHS Act 2006 to take such steps as it considers appropriate to improve the health of the people in its area. In addition, the Council has the general power of competence contained in section 1 of the Localism Act 2011 which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by these decisions. The recommendations in this report are in keeping with these powers.

Development of new leisure centre

- 7.2 The Council may in the exercise of its duties and powers develop a new leisure centre in its area. This design and build procurement is required to comply with legislation in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Council's Contract Standing Orders (CSOs) will also apply. Using a suitable Framework is a compliant route to market. As a key decision, the procurement route for this project may need to be made by Cabinet at a future date.

Name of lawyer consulted: Siobhan Fry Date consulted: (21/06/24)

8. Equalities implications

- 8.1 The council is committed to providing a range of opportunities and provision for residents across the city to participate in sport and be physically active. As set out in the Sports Facilities Investment Plan (SFIP), the successful delivery new West Hub Facility will be a key step in ensuring the council makes good on that commitment. With that in mind, the project team has prioritised engaging with communities representing the diversity of the city and has considered how the delivery of a new facility can help in addressing health inequalities across the city.
- 8.2 Officers began development of an equalities impact assessment (EIA) shortly after the initial project inception in September 2022. The Equalities, Diversity, and Inclusion team closely participated in that initial work and remain involved as the project and EIA is developed further.
- 8.3 Early engagement, including the drop-in sessions at King Alfred highlighted the way in which some groups were notably under-represented, in particular younger people and those from minoritised ethnic groups. In response to that officers have sought ways to better engage those groups and to ensure that their voices are represented. That has included:
- commissioning work with the Trust for Developing Communities to undertake focused community research communities representing minoritised ethnic groups and with young people
 - establishing a project reference group, seeking to ensure representation of younger people and those from minoritised ethnic groups, and those representing disabled people.
 - Engaging in face-to-face meetings with groups representing the diversity of the city, including groups representing:
 - **disabled people**, including: Dolphin's Disabled Swimming Club, Possability People East Sussex Sight Loss Council, and The Thomas Pocklington Trust, (a national sight loss charity)
 - **the LGBTQ+ community**, including: Out to Swim (LGBTQ+ swimming club), Older and Out (an over 50s LGBTQ+ group), Brighton and Hove LGBTQ+ Switchboard, and sports clubs with strong LGBTQ+ representation

- **older and younger residents**, including: the Youth Council, the 'Active for Life Social Ping' group (a sports club for older residents), and other sports clubs oriented to older members.
- 8.4 From an equalities perspective, the engagement work and EIA have shown that a new facility on either site offers the potential to improve inclusivity and remove barriers to participation in active leisure. For example, a purpose built new facility will have improved access for disabled people – including being easier to navigate for blind and visually impaired users – which arose as a theme during engagement. Similarly, some women, faith groups, and older people we spoke to indicated a wish for greater privacy in changing areas, studios, and swimming pools, which could be provided with a new facility on either site.
- 8.5 The findings from the engagement work have informed the development of the business case and will inform the detailed design of the new facility once a site is chosen. At that stage officers will engage with the groups mentioned above again, along with any others with expertise in this space, so that the understanding from their professional expertise and lived experience can continue to helpfully inform the project throughout the design and build stage.

9. Sustainability implications

- 9.1 For the outline designs used in the business case, architects Faulkner Brown adopted the same sustainability principles they used for other facilities they have recently designed such as the [Ravelin Sports Centre](#) and the [Britannia Leisure Centre](#). The new facility will be designed to BREEAM (Building Research Establishment Environmental Assessment Method) 'very good' or 'excellent' standards. Where possible, it will embody principles of Passivhaus construction.

10. Health and Wellbeing Implications:

- 10.1 Improving health and wellbeing for the local community is a key priority for the King Alfred regeneration project and supports the wider objectives of the Sports Facilities Investment Plan.
- 10.2 The business case examines the health and wellbeing implications of each delivery option in detail, and this is summarised in section 4. The estimates for health and wellbeing impact have been evaluated using Sport England's research which follows the Chief Medical Officer's (CMO) Physical Activity Guidelines 2019. For either site, a new facility is expected to deliver benefits. The greater benefits estimated for the LSS site reflect its closer proximity to the more disadvantaged parts of the city and the greater potential for increased physical activity in those communities.

Other Implications

11. Procurement implications

- 11.1 The approach for procuring the build contractors and professional team will be confirmed once the project progresses to the next stage. Officers are

exploring options, such as using the UK Leisure Framework, which could help to accelerate the procurement process.

- 11.2. The team have been undertaking initial research and soft market testing on the procurement route for the next stages of the project. This is likely to involve the procurement of a consultant and professional team (either via a framework or tender). This team will take the project through the next stages of design and planning and prepare for the appointment or procurement of a contractor to build out the development. There are a number of options including the UK Leisure and SCAPE Frameworks, as well as open procurement.

12. Crime & disorder implications

- 12.1. A new facility will provide an opportunity to positively influence crime rates. Research shows that good quality sports and leisure facilities help to build community cohesion and can assist in reducing levels of anti-social behaviour and other low-level nuisance and criminality.

13. Conclusion

- 13.1 The business case, as summarised in section 4, shows that a new facility delivered on either site represents a compelling investment option. The business case shows that the LSS site has the potential to deliver the greatest economic benefits (£3.12 for every £ invested), but also shows that a new facility on the existing site could also deliver significant benefits for the city (£1.74 for every £ invested).
- 13.2 However, the business case also considers other factors which favour the existing site. From a planning perspective, developing on the existing site would be consistent with the [City Plan Part 1](#), whereas the LSS site is protected from development ([City Plan Part 2](#)). In addition, there are legal constraints at the LSS site, (the Sainsbury's restrictive covenant), the removal of which would add time, cost, and risk to the delivery of the project. Development on the LSS site would also entail the loss of green space and would require an alternative ground to be found for Portslade Cricket Club.
- 13.3 Whilst responses to the engagement work have shown a range of views amongst residents from different parts of the community, the majority of those expressing a view favoured the existing site.
- 13.4 Cabinet is asked to consider the information set out in this paper and supporting documents and agree that part of the existing seafront King Alfred site is the preferred site on which to take forward the development of the new sports and leisure facility to replace the existing King Alfred, along with responding to the other recommendations set out in section 2.

Supporting Documentation

1. Appendices

1. Summary of the reference case (refurbishing the existing facility).
2. Summary of the site search process and outcomes.

2. Background documents

1. Brighton and Hove City Council [Sports Facilities Investment Plan 2021 to 2031.](#)
2. Preliminary Ecological Assessment (PEA) report by CSA environmental, November 2023.
3. Questionnaire and information booklet for the January 2023 engagement programme.

Appendix 1. Summary of the reference case (refurbishing the existing facility)

1. Background to the current facility and its condition

- 1.1 Of all the city's sport and leisure facilities, the need to replace the King Alfred Leisure Centre is the most pressing. The current facility remains popular with users. However, parts of the building date from the 1930s, and the building falls significantly short of modern standards for energy efficiency or space efficiency. It does not meet modern users' expectations.
- 1.2 The seafront location has contributed to weathering to the building's fabric and foundations. That in turn has contributed the increasing costs of maintaining the facility, and the increasing challenge of keeping it open and operational.
- 1.3 Due to its age and condition, the centre also requires careful management of health and safety issues. Some of the basement areas are no longer in use being of particular high risk because of poor air quality and the presence of asbestos. This is reflected in the high costs of the reactive and planned maintenance that has been required for the facility during recent years.
- 1.4 These costs include significant recent investment to replace major plant including boilers, control panels, pool plant, and improvements to air handling and ventilation. Additionally, there have also been costs associated with reactive maintenance to address issues not previously anticipated. This is likely to continue given the age and condition of the building.

2. Refurbishment of the existing facility

- 2.1 As a baseline 'reference case', the project business case examines the cost and practicality of refurbishing the existing facility. This work shows that an estimated £13.98m would be required to carry out remedial works to enable the facility to continue operating for a further 10 years. It is important to note that these works would not deliver more or better facilities and would not improve the energy efficiency of space.
- 2.2 The works would entail:
 - asbestos removal
 - structural concrete repairs,
 - reinforcement of foundations
 - replacement of walls
 - masonry strengthening
 - renewal of roof coverings
 - redecoration
 - replacing the main plant and pool plant and other M&E works

- external works and services including external landscaping.
- 2.3 The works would be expected to extend the usable life of the facility by around 10 years. At that stage, the refurbished King Alfred would then still need to be replaced with a modern facility.
- 2.4 During the extended life of the refurbished King Alfred the running costs and energy efficiency, although improved, would remain high. The new boilers and other plant are expected to provide more efficient heat generation. However, heat losses through the fabric of the building would not be significantly improved by the works listed above. Therefore heat loss, heating costs, and emissions would remain much higher than for a new build.
- 2.5 Similarly, the refurbishment works would not address the poor space efficiency of the building. Large sections of unproductive corridor space, stairwells et cetera would remain which would require heating, lighting, cleaning, and maintenance. Energy costs and maintenance overheads would consequently remain higher than for a new facility.
- 2.6 The refurbishment would not significantly improve the facilities available to users of the pools, gym, studios, and sports hall. This is because there are practical limitations arising from the design, layout, construction and condition of the current facility that restricts the extent to which it could be improved by refurbishment. Examples of these issues are set out below.

Sports halls

- 2.7 The current sports halls are located within the original 1930s part of the building. They are constructed directly above what were the original swimming pools, with the size and shape of the pools therefore dictating the size and shape of the sports halls.
- The sports halls are not built in line with Sport England or sports' national governing body (NGB) requirements. The run-off outside the lined areas is constrained, and there are no spectator facilities, which limits the extent to which competitive events and matches can be held.
 - The main sports hall at King Alfred is arranged into a single row of 5 courts, which greatly limits the extent to which the hall can be used and adapted to accommodate different activities and makes simultaneous use for two different sports generally impractical.
 - The purpose-built main sports hall proposed for the replacement facility would feature 6 or 8 courts arranged into two rows. This would enable the hall to be split in half or even quarters so that, for example, five-a-side football could take place on one half of the hall with badminton taking place on the courts on the other half. That degree of flexibility is designed-in to modern sports facilities. It enables the operator to respond to customer demand and maximise the use and value of the facility's assets.

- The halls have no modern ventilation or heating systems. One consequence is that the halls do not confirm to Sport England guidance on the desired number of fresh air changes per hour.
- The halls both lack spectator space, meaning they are not suitable for hosting events or competitions. This is one of the drivers prompting local clubs to hold their competitions outside of the city.
- The heights of the ceilings, windows, and skylights reflect the original use as pool halls. The natural lighting requirements for newly designed sports halls is very different and the impact of bright sunlight creating glare for users of the current facility is an ongoing issue.

Swimming pools

2.8 The current swimming pools are located in the rear extension to the facility which was added in the 1980s. They comprise a six-lane 25m pool, a leisure water area, and a separate small, shallow, teaching pool. Whilst a refurbishment could improve the finish of the pools with new tiling, there are other more fundamental issues about the design of the pools which a refurbishment could not address. These are:

- The main 25m pool and leisure water area use the same shared body of water and have a common filtration system. This means it is not possible to independently control their temperatures. To deliver the best user experience the leisure water should be maintained at a higher temperature than the main pool, but this is not possible with the shared body of water. In addition, any contamination in one pool, or any issue with the filtration system would result in both pools, rather than just one, being closed.
- The main pool has only 6 lanes, rather than 8, which limits use for competitive swimming clubs.
- Many of the swimmers we spoke to during the engagement work, particularly the younger women and girls, reported feeling uncomfortable about the lack of privacy. Whilst it is common to have the main pool overlooked by the gym, the size and layout of the pools and the shallowness of the teaching pool doesn't can't accommodate sessions for, say, faith groups. This issue was raised by some of those we spoke to during engagement as a barrier to them participating.
- The pools do not now operate as originally designed in relation to the pool water circulation system. There is no water inlet in the leisure water area (due to a historical pipework failure). This means that the circulation system does not perform as designed or as well as a modern system. As a result, there is limited turnover and agitation of the leisure water, which could result in increased contamination.
- Whilst some improvements to the plant room have been made over the years (including replacement of ozone with ultraviolet (UV) for secondary disinfection) further improvements and efficiencies are not practical.

Gym

2.9 The gym is located close to the main entrance and is separated from the reception area by transparent partitions and overlooks the swimming pool. The space occupied by the gym was previously the location of the café, and as with the sports halls is not a purpose-designed space.

- The current gym accommodates a total of 31 stations with a mix of cardio-vascular (CV) and fixed resistance machines, with some free weights. Whilst the slightly unusual shape of the gym space may have worked well in its former use as a café, it limits the ways in which gym equipment can be deployed. With only 31 stations it is smaller than would be expected for a sports and leisure facility of the King Alfred's size. It could not accommodate the minimum 100 stations proposed for the new West Hub. Gym and fitness remains one of the most popular ways for people to be active in our city, and therefore increasing the capacity and performance of our gyms will enable us to meet the demand now and in the future.
- The small capacity of the gym limits the number of members that can be signed up, which in turns impacts the financial viability of the whole facility. Health and Fitness membership - which includes the gym - is one of the most important income sources for a modern leisure centre, generating much more revenue per square metre than sports halls or studios.
- The lack of space around the gym means the studios are not in adjoining rooms and the spin room is located at the other side of the building. Ideally, the health and fitness suite should be adjacent to the studio space, which could be achieved with a new build but not with a refurbishment.
- The gym needs to be maintained at a cool temperature with low humidity. However, its location next the pools with only glass separation means that it frequently becomes hotter and more humid than is desirable, with heavy condensation sometimes forming on the windows and other surfaces. This also results in air conditioning units having to work much harder to maintain suitable conditions, resulting in greater energy consumption, more maintenance, and shorter lifespans for the units.

Voids, wells, and roofs

2.10 The design of the 1930s parts of the building features a number of prominent void or well areas which are not readily accessible. These voids introduce a number of issues, in particular:

- They represent further unused space within the footprint of the building. This adds to the space efficiency issues outline above.

- They add additional surface area to the building. In many cases the glazing is in poor condition, all of which adds to the heat loss and energy inefficiency issues described above.
- They create a challenging maintenance problem. The void areas are very difficult to access, so much so that arial drones had to be used to undertake the recent survey of the building. Pigeons and gulls have accessed the area causing damage with guano and droppings which, given the accessibility issues, is very difficult to manage and rectify. The internal walls of the voids are also subject to weathering and climatic damage, which is much more difficult to mitigate and repair than for external walls which can be accessed normally.
- In addition to the two large main voids, the 1930s building has other similarly problematic features including an open tower and a well in the ballroom area which is a full height (four storey) void which also attracts gulls, pigeons, and general weathering.

Energy efficiency

- 2.11 The building's layout also gives rise to wider challenges heating and lighting.
- 2.12 A single plant room is equipped with the three boilers and the control systems which provide heating for all parts of the building including the pools and hot water for the changing room showers. The building's layout is a compromised combination of repurposed elements from the 1930s and new build from the 1980s. This means that the heating system has to pump hot water through a very large and complex network of pipes which take long, circuitous routes around the whole building.
- 2.13 This plumbing arrangement is highly inefficient, with lots of lost heat energy through the old pipework, as well as creating multiple points of failure and potential for leaks in locations that are difficult to access. There is no plan of the pipe system, having been adapted numerous times over the years which also complicates any redevelopment or remodelling of the existing building.
- 2.14 It is likely that the 1930s parts of the building will not be suitable for cavity wall insulation. As part of the objective of refurbishing the building would be to preserve the character of the 1930s building, external cladding could not be used to improve energy efficiency. There would be limited scope for internal cladding, and use of internal cladding would result in the loss of even more internal space adding to the compromises set out above for areas like the sports halls.

Appendix 2. Summary of the site search process and outcomes

- 1.1 Between autumn 2022 and spring 2023 a comprehensive site search process was undertaken for the new project. Officers examined over 20 sites across the west of the city. In order to be a credible location to host the new facility, sites had to be at least 1.5 hectares in size to accommodate a new facility of up to 9,500m² with all the necessary ancillary features such as car parking space. Sites were also favoured which were more centrally located in the west of the city with good transport connectivity for private road vehicles, public transport, and for active travel.
- 1.2 The sites examined included both public and privately owned sites. Priority was given to looking at all viable brownfield sites in the west of the city which could offer the potential to deliver the new facility without the loss of open space or biodiversity. More information about the sites that were considered is given in paragraphs 1.6 to 1.12 below (*'Outcomes of the site assessment and EOI process'*).
- 1.3 The sites were assessed by a multi-disciplinary panel of experienced officers drawn from a range of relevant disciplines including planning, sport and leisure, regeneration, finance, legal, and estates. The assessments were conducted in a structured way against 10 criteria to examine each site's relative strengths and weaknesses. These criteria related to themes including location, land ownership, planning considerations, legal constraints, and likely development and maintenance costs.

Expressions of interest

- 1.4 To ensure that all potential sites were identified, the site search process was complemented by an 'expressions of interest' (EOI) process which was undertaken between January and the end of March 2023. Through this process over 100 developers, landowners, commercial agents, and other sector contacts were invited to come forward with any sites with the potential to accommodate the new facility. Five proposals were received in response to the EOI process, two of which were proposals based on sites which officers had already examined.
- 1.5 The proposals sent in through the EOI process were also assessed by the same cross-functional site assessment panel using the same approach as used for the officer-identified sites to ensure consistency.

Outcomes of the site assessment and EOI process

- 1.6 Through their assessments of the sites, the panel determined that the majority of the sites did not offer the potential for further development. The reasons for not taking forward the other sites are summarised below:
 - landowners not prepared to sell their sites

- the sites being too small, too constrained, or not sufficiently well connected to support the development of a landmark sports and leisure facility
- the sites' locations being too remote and not sufficiently accessible for local residents
- a disproportionate loss of open space or biodiversity that could not be readily replaced or mitigated with the new development
- the topography and shape of the site making development costly, and/or compromising the design layout and thus quality of any facility to be delivered on the site
- planning policy constraints on the sites.

1.7 The publicly owned sites which the council considered included:

- **Hangleton Bottom waste management site.** The site offers the space to deliver a high quality facility that would be readily accessible from the A27 and A23. This aligns well with the West Hub's role in hosting county and regional level events. However, the West Hub's primary role is as a community facility. With that in mind the location was judged to be too far from the centre west of the city to successfully fulfill that role.

There are also other constraints on the site. Specifically, the site has been designated as a waste management site in the East Sussex, South Downs and Brighton & Hove Waste & Minerals Sites Plan (Policy SP1) and is the only safeguarded site for new waste facilities in Brighton & Hove. Under planning law every city has to have designated waste land in the city for temporary storage and the land needs to be available for development of waste infrastructure if needed.

An alternative waste management site would therefore need to be identified before any development could take place. No suitable alternative sites are currently available.

- **The council-owned parks and recreation grounds in Hove:** (i) Hove Park, (ii) Hove Recreation Ground, (iii) Nevill Recreation Ground, (iv) Victoria Recreation Ground. Each of these sites is a designated area of open space in the City Plan and therefore subject to a strong level of protection under Policy CP16. In addition, these sites currently enjoy high levels of use by the local community. The topology of some of the sites, in particular Hove Park, would make the delivery of any facility costly and difficult.
- **Hove recycling centre.** The site's constraints would limit the scope of the facility that could be delivered. It would not be suitable for accommodating a flagship leisure centre intended to serve the community and host regional and county-level events. The access roads into the site are constrained which would make managing visitor flows

difficult at peak times. This could give rise to greater congestion on Old Shoreham Road and beyond.

The cost of delivering an alternative recycling facility for the council's waste contractors (Veolia) would add significantly to the total project cost. There would also be cost, time, and risk implications associated with agreeing the surrender of Veolia's lease on the current site and with agreeing a lease on a new site.

- **Benfield Valley North.** The site's location is well connected and well located to serve the west of the city. However, the site is one the city's key areas of biodiversity, which together with its shape and topography combine to make the site much less viable than the site south of Sainsbury's.

Part of the site was allocated in the City Plan Part 2 for residential development. Hollybrook Homes are looking to bring forward a residential-led development of around 100 homes on the area of Benfield Valley north of Hangleton Lane part of which is allocated in City Plan Part 2 (H2 Housing Sites – Urban Fringe). The development is currently at the pre-application stage. With this development likely to come forward there would therefore be very limited capacity on the site for any further development.

- 1.8 The privately owned sites cannot be identified in this paper as the discussions with the current landowners were conducted on a commercial-in-confidence basis. We can however specify that they included sites across the west of the city from the Shoreham Harbour area in the west to sites in the east of Hove, in some cases on or close to Old Shoreham Road. Some of the sites were in current use for commercial purposes. Others have development currently taking place or are likely to have development taking place in the near future.
- 1.9 The reasons for the privately owned sites not being shortlisted often related to the sites being too small or too constrained to accommodate the new facility, and/or to their locations being too far from the centre-west of the city. However, for the most viable private sites, the principal reason for not taking the site forward was that the current owner was unwilling to sell.
- 1.10 Only two sites emerged from the site search and EOI process described above. These being:
- the existing site
 - the site at the council-owned land south of Sainsbury's (LSS).
- 1.11 A third site had tentatively been identified through the EOI process. A developer had suggested that an opportunity existed to deliver the new facility on the car park owned by Sainsbury's. Throughout autumn of last year officers pursued that option with Sainsbury's, including an approach by the Chief Executive.

- 1.12 However, Sainsbury's remained reluctant to engage and indicated that they were not willing to sell the site. With that in mind, that option was not included in the business case or site development options which feature in Continuum's final report.

Brighton & Hove City Council

Cabinet

Agenda Item 30

Subject: An Economic Plan for Brighton & Hove 2024-27

Date of meeting: 18 July 2024

Report of: Cabinet Member for Finance and City Regeneration

Contact Officer: Name: Peter Sharp/Liz Cadman

Email: Peter.sharp@brighton-hove.gov.uk /
Liz.cadman@brighton-hove.gov.uk

Ward(s) affected: All

Key Decision: Yes

Reasons Key: Is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

- 1.1 This report is to seek approval from Cabinet for the Economic Plan for Brighton & Hove, which strongly aligns with core outcomes 1, 2 and 3 of the Council Plan 2023-27, as explained in Table 1 below.

2. Recommendations

- 2.1 Cabinet agrees to recommend to Full Council that the Economic Plan (attached as Appendix 1) is adopted as part of the delivery of the Council Plan 2023-27.

3. Context and background information

- 3.1 In the six years since the Economic Strategy (2018-2023) was written, there have been fundamental changes in both the national and local economy. A new plan is needed to respond to a significantly different economic and political environment, to enable the city to be in a stronger position to respond to new challenges and opportunities. The aim is to support our residents and businesses in line with the Council Plan.
- 3.2 An Economic Plan for Brighton & Hove has been developed for the city as a whole providing a common goal and purpose that partners and stakeholders can work towards. This has been informed by extensive engagement (see Section 5) and will help support the delivery of Outcome 1 (a city to be proud of) in the Council Plan 2023-2027, as well as Outcome 2 (a fair and inclusive city) and Outcome 3 (a healthy city where people thrive). Delivering a fairer, greener and more productive economy strongly aligns with specific goals within the Council Plan as shown in Table 1 below.

Table 1: Alignment with the Council Plan 2023-2027

Outcome 1: A city to be proud of	
Investing in our city	Alignment with Economic Plan
Grow a diverse and sustainable city economy	<ul style="list-style-type: none"> The Economic Plan sets out eight key 'imperatives' to grow the city's economy over the next ten years, with a specific focus on actions that can be taken forward to 2027. The Plan specifically seeks to support micro and SMEs to scale and grow, creating more jobs for city residents and building increased community wealth.
Promote and protect what makes Brighton & Hove unique	<ul style="list-style-type: none"> The Plan highlights the role of Brighton & Hove as a vibrant, creative destination, reflecting the importance of the visitor and creative economies to the city and celebrating entrepreneurship, and identifying opportunities for growth. The Economic Plan identified the opportunity to better celebrate Brighton & Hove and promote the city to external investors that will contribute to economic growth.
Outcome 2: A fair and inclusive city	
An inclusive and fairer city	Alignment with Economic Plan
Work to reduce inequality	<ul style="list-style-type: none"> The Plan recognises that the city has areas of deprivation and communities that need to be supported to increase involvement in development of the economy.
Outcome 3: A healthy city where people thrive	
A better future for children and young people	Alignment with Economic Plan
Work with partners to deliver ambitious employment, training and apprenticeship opportunities	<ul style="list-style-type: none"> Building a stronger and more inclusive labour market is a key aspect of the Plan. It is recognised that this will be achieved through collaboration with partners and supporting the development and delivery of the emerging City Skills and Employment Plan.

- 3.3 In addition to the Council Plan, the new Economic Plan complements and aligns with other council strategies and policy documents, including the emerging City Skills and Employment Plan (aligning with the focus on 'building a stronger and more inclusive labour market') and the draft Housing Strategy (aligning with emerging actions to decarbonise council homes as a key component of the wider economy, as well as shared priorities around promoting economic and social wellbeing within our estates and neighbourhoods).
- 3.4 The new strategy will cover three years from 2024 to 2027. It includes priorities for the city's economy and an Action Plan that builds upon the city's economic strengths. It seeks to capitalise on opportunities for growth and areas of shared economic identity across the Greater Brighton City Region.
- 3.5 The final draft version of the Economic Plan is attached as Appendix 1. The plan is supported by an Action Plan which proposes a set of focused actions for the first year of delivery. This is attached as Appendix 2. The Plan's development has been informed by a robust Evidence Base (Appendix 3). An Equalities Impact Assessment (EIA) has also been prepared to accompany the Economic Plan.

Our Approach

- 3.6 A robust and extensive consultation exercise was undertaken with a broad range of stakeholders, comprising thematic sector-focused groupings, two engagement sessions focused on some of the city's more deprived communities, one-to-one/group interviews, presentations to the Brighton & Hove Economic Partnership and submissions from organisations and individuals in the private, public and third sectors. In total, it is estimated that over 300 stakeholders have been engaged in the plan's development, which is a significantly greater number than in 2018 and reflects the desire to engage as widely as possible during plan development.
- 3.7 The Evidence Base provides a snapshot of available data on the performance of the Brighton & Hove economy, the challenges the city faces as well as the opportunities that exist for growth. The Evidence Base highlights that Brighton & Hove has brilliant small businesses and, in the last five years, has seen an increase in larger employers.
- 3.8 The number of jobs in our digital and creative sectors has grown by over 35% since 2015 and the survival of new businesses is high, with 44% of new businesses surviving over 5 years. This resilient, digitally enabled small business community is at the heart of the city's competitive advantage looking into the future.
- 3.9 The city's visitor economy has bounced back from the impact of Covid and Brighton & Hove's brand has been boosted by an internationally renowned football club, growing tech conferences and a broadening festival offer. Brighton & Hove has all of the ingredients to be one of the best small cities in the world.

A Vision for Economic Growth

- 3.10 Together, this research has led to the creation of an Economic Plan covering three years with the aim to build on Brighton & Hove's strengths and adapt to a better future, delivering an economy that is fairer, greener and more productive. This is supported by an initial 12-month Action Plan that sets specific activities to commence the journey to achieving the ambitions of the new Economic Plan and provides the foundation for how the council and its partners will engage to support, diversify, adapt and grow the economy of Brighton & Hove over the next three years.
- 3.11 The Economic Plan seeks to recognise the challenges the city faces, as well as the shared ambition of our partners to work differently to reflect this context. It is developed around the idea of a new economy for Brighton & Hove, a ten-year journey to becoming a city which is more competitive, productive, fairer, and greener.
- 3.12 It recognises that the city is well placed to thrive in activities which will be critical to the UK and that this can be undertaken in a way which is more inclusive and equitable, accelerating our journey to net zero. It is underpinned by Community Wealth Building principles, and the ambition to

see a just transition and greater social purpose embedded in the approach to the economy.

- 3.13 The Plan identifies the areas where there is potential and headroom for economic growth and new investment; aspiring for the city to be world renowned in existing and emerging strengths. It promotes the scaling of small businesses, alongside new approaches to celebrating and marketing the city. Importantly, it recognises the missed opportunities created by inequality and the ambition to enable more of the city's communities to be more active in our economy.
- 3.14 It is important to note that the Economic Plan will not be delivered solely by Brighton & Hove City Council. It is underpinned by new partnerships and approaches, which explicitly challenge and evolve from how we have worked in the past. It recognises that Brighton & Hove should define its own economic future, that we are a genuinely unique city in the national context and that this can work to our advantage.
- 3.15 The Plan also looks beyond the shorter term, identifying eight longer-term drivers to guide economic thinking. These 10-year 'imperatives' are considered vital for delivering economic growth, creating prosperity and improving quality of life, and are set out in Table 2 below.

Table 2: Longer Term Drivers for Economic Prosperity

By 2027 Brighton & Hove will have a fairer, greener, and more productive economy	
Our Strategic Journey	By 2027 we will have...
Capitalise on our digital comparative advantage	Worked with existing companies (including micro and freelance) to better focus Brighton & Hove's role in a future economy, whilst helping to de-risk diversification, decarbonisation and growth
Build community involvement as a response to poverty and economic inequality	Given local people greater opportunity to influence neighbourhood economies as a foundation for greater participation in Brighton & Hove's economy
Decarbonise and create a more regenerative economy	Ensured that decarbonisation is an acknowledged priority across our economy, creating a more circular and regenerative economy for the city
Build a stronger, more inclusive labour market	Ensured residents and employers benefit from the provision of employment and skills support which is linked directly to the needs and opportunities within the local economy
Celebrate our city and welcome investment	Radically improved our external proposition, international profile and investor experience, to deliver enhanced levels of investment in the city
A world-leading creative destination worthy of the UK's best small city	Celebrating and promoting our role as a creative destination; altering perceptions and protecting core visitor, seafront, leisure, sport, green spaces heritage and creative & cultural assets
Build new knowledge partnerships to benefit all of our communities	Developed a closer three-way relationship between universities, council and business. Driving knowledge exchange and tackling the city's prevailing challenges
Thrive within a city region with a clear economic identity	Created a shared economic vision with our neighbours and a shared long-term plan of action for the City Region economy

Opportunities for an Evolving Economy

- 3.16 The make-up of the economy is changing and we need to consider and adapt to the type of activities which might thrive in the future. The Centre for Cities (with HSBC) has identified a definition of a new economy, based on 47 technologically advanced sectors which they believe will be of critical importance to the UK. They say: “the new economy encompasses knowledge-intensive sectors at the very forefront of new technologies and innovations including software, robotics, telecommunications and gaming. Fuelling these sectors is central to improving the UK’s productivity and prosperity, and to the development of the national economy.”
- 3.17 In relative terms, Brighton & Hove is very well placed to capitalise on this. The city has more clustering of new economy activities than other UK cities and falls behind only London, Reading, Milton Keynes and Cambridge in terms of the concentration of new economy firms.
- 3.18 This, along with high rankings on perception, enterprise and inward investment assets suggests that the raw materials exist for the city to evolve, grow and to be a much more significant contributor to the UK economy, as well as for local jobs, skills and growth.
- 3.19 However, the route to a more prosperous Brighton & Hove will not be achieved purely by backing these emerging strengths.
- 3.20 Brighton & Hove needs to seek balance, supporting both new and existing sectors which already employ local people in accessible, established jobs. The visitor economy, alongside cultural and creative sectors, is well-established, collectively employing tens of thousands of residents, contributing to the identity of our city.
- 3.21 Similarly, the city’s education sector is a comparative strength, bringing new people and ideas to the city, as well as supporting significant employment. These sectors play an important role both in supporting an ecosystem which is attractive to inward investment and growth, celebrating Brighton & Hove and welcoming more new people and perspectives to the city.
- 3.22 Brighton & Hove’s recent and historic success is underpinned by proximity to major international gateways (Gatwick Airport, Shoreham and Newhaven Ports) to the city, delivering visitors, freight and investment. This will continue to be a foundation in the city’s evolution. The ability, to meet and trade will remain, critical and Brighton & Hove’s ability to operate as a genuinely accessible global hub, should remain a competitive advantage.
- 3.23 It is essential that the city focuses upon the economic opportunities alongside tackling inequality and navigating the climate crisis – a new fairer, greener and more productive economy.

4. Analysis and consideration of alternative options

- 4.1 No alternative options were considered.
- 4.2 It was considered vital to prepare an Economic Plan for the city to reposition itself and remain competitive, particularly in light of the cost-of-living crisis and the new and existing opportunities and challenges facing the economy.
- 4.3 The development of a new Economic Plan also aligns with government guidance following the integration of LEP functions within Upper Tier Local Authorities. This requires the council to develop a local economic plan that analyses the competitive advantages and challenges of local areas, alongside opportunities for growth over a 10-year period¹.

5. Community engagement and consultation

- 5.1 It is important the Economic Plan is owned by partners and stakeholders from across the City and City Region.
- 5.2 A robust and extensive consultation exercise was undertaken with a broad range of stakeholders, comprising thematic sector-focused groupings, two engagement sessions focused on some of our more deprived communities, one-to-one/group interviews, presentations to the Brighton & Hove Economic Partnership and submissions from organisations and individuals in the private, public and third sectors. In total, it is estimated that over 300 stakeholders have been engaged in the plan's development, which is a significantly greater number than in 2018.

6. Financial implications

- 6.1 There are no direct financial implications arising from the recommendation in this report. The cost of developing the Economic Plan has been funded from existing Economic Development budgets. Any financial implications associated with the delivery of the actions set out in the Plan will be assessed within relevant future reports or business cases and appropriate approval for funding will be sought where required.

Name of finance officer consulted: John Lack Date consulted: 13/06/2024

7. Legal implications

- 7.1 There are no direct legal implications arising from this report.

Name of lawyer consulted: Siobhan Fry Date consulted: 17/06/2024

¹ [Guidance for local authorities delivering business representation and local economic planning functions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-for-local-authorities-delivering-business-representation-and-local-economic-planning-functions)

8. Equalities implications

- 8.1 A key principle in the Economic Plan is to promote inclusive growth in the city. An Equalities Impact and Outcome Assessment (EIA) has been prepared for the Economic Plan identifying where work can be effectively focused to maximise benefits for diverse and vulnerable groups. The Council will oversee and monitor progress of the Economic Plan and the supporting Action Plan against the EIA.

9. Sustainability implications

- 9.1 The Economic Plan will contribute towards the City Council's 2030 ambitions in response to the climate crisis. The Plan has a 10-year imperative to prioritise decarbonisation and create a more circular economy as a robust response to climate change. Its key principle is to ensure business support and engagement activity has some focus on the transition to net zero, working with larger businesses, investment partners and anchor institutions to continue to mainstream this work within our economy.

10. Health and Wellbeing Implications:

- 10.1 Studies have repeatedly linked unemployment to the deterioration of health. Improving the economic prospects of the city's residents through the development of an Economic Plan that seeks to create a fairer, greener and more productive economy is likely to contribute to improving the well-being of the city's residents. A key element of the plan is to promote inclusiveness and reduce inequalities across the city in relation to economic growth.

Other Implications

11. Crime & disorder implications:

- 11.1 Studies have repeatedly linked unemployment to rising crime and the deterioration of health. Improving the economic prospects of the city's residents through the development of an Economic Plan may contribute to reducing crime and anti-social behaviour.

12. Conclusion

- 12.1 Cabinet is asked to recommend to Full Council the adoption of the Economic Plan and associated Action Plan. This provides a work programme to progress the city towards a fairer, greener and more productive economy, working together with external partners to grow the city's economy and create wealth for our communities.

Supporting Documentation

1. Appendices

1. An Economic Plan for Brighton & Hove: Fairer, Greener, More Productive 2024-2027

2. Supporting Action Plan covering the first 12 months
3. Brighton & Hove Evidence Base – to inform the development of the Economic Plan

2. Background documents

1. Equalities Impact Assessment

An aerial photograph of Brighton and Hove, showing the coastline, city buildings, and a large park area. The image is partially obscured by a green diagonal overlay on the left side.

Brighton & Hove: Fairer, greener, more productive

An economic plan to build
on our strengths and adapt
to a better future

2024-2027

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Summary – building on our strengths and adapting for a better future

This new economic plan provides the foundation for how the council and its partners will engage to support, diversify, adapt and grow the economy of Brighton & Hove over the next three years.

It is a plan which recognises the challenges we face as a city in the UK economy in 2024, as well as the shared ambition of our partners to work differently to reflect this context. It is developed around the idea of a new economy for Brighton & Hove, a ten-year journey to becoming a city which is more competitive, productive, fairer, and greener.

It recognises that our city is well placed to thrive in activities which will be critical to the UK and that we can do this in a way which is more inclusive and equitable, accelerating our journey to net zero. It is underpinned by Community Wealth Building principles, and the ambition to see a just transition and greater social purpose embedded in our approach to the economy.

It identifies the areas where there is potential and headroom for economic growth and new investment; aspiring for our city to be world renowned in our existing and emerging strengths. It promotes the scaling of our small businesses, alongside new approaches to celebrating and marketing the city. Importantly, it recognises the missed opportunities created by the inequality of the city and the ambition to enable more of the city's communities to be more active in our economy.

This plan will not be delivered solely by Brighton & Hove City Council. It is underpinned by new partnerships and approaches, which explicitly challenge and evolve from how we have worked in the past. It recognises that Brighton & Hove should define its own economic future, that we are a genuinely unique city in the national context and that this can work to our advantage.

Whilst this is a three-year plan, it commences a ten-year strategic journey informed by the following imperatives:

10-year Imperatives

1. Capitalise on our digital competitive advantage
2. Build community involvement as a response to poverty and economic inequality
3. Decarbonise and create a more regenerative economy
4. Build a stronger, more inclusive labour market
5. Celebrate our city and welcome investment
6. A world-leading creative destination worthy of the UK's best small city
7. Build new knowledge partnerships to benefit all of our communities
8. Thrive within a city region with a clear economic identity

For these to be achieved, we will need to make changes to the way we work both within the council and alongside our partners. The focus of our economic plan 2024-2027 will be to guide this transition.

Our activity for the next three years is underpinned by the principles of Community Wealth Building. This means fundamentally changing systems and approaches to ensure that Brighton & Hove's economy evolves with the purpose of improving the city and the lives of its residents. Our action will be framed within this context, and is defined by the following specific, achievable missions.

By 2027 we will have:

1. Worked with existing companies (including micro and freelance) to better focus Brighton & Hove's role in a future economy, whilst helping to de-risk diversification, decarbonisation and growth
2. Given local people greater opportunity to influence neighbourhood economies as a foundation for greater participation in Brighton & Hove's economy
3. Ensured that decarbonisation is an acknowledged priority across our economy, creating a more circular and regenerative economy for the city.
4. Ensured residents and employers benefit from the provision of employment and skills support which is linked directly to the needs and opportunities within the local economy.
5. Radically improved our external proposition, international profile and investor experience, to deliver enhanced levels of investment in the city
6. Evolved our role as a destination; altering perceptions and protecting core visitor, heritage and creative & cultural assets
7. Developed a closer three-way relationship between universities, council and business. Driving knowledge exchange and tackling the city's prevailing challenges
8. Created a shared economic vision with our neighbours and a shared long-term plan of action for the City Region economy

Adopting a mission focussed approach means we must be focussed both on new ways of working and new projects. We have set out new partnership and collaboration arrangements, but also committed to specific priority actions which define our strategy.

Alongside the continued growth in output and productivity, our assessment of economic success will be broader in considering what a good future looks like. This will consider broader perceptions of economic value, exploring links between our economy and wellbeing, environment, nature, culture and housing. Built upon the foundations of community wealth building, this is a new type of plan both in terms of our values, and what we value.

Making the case for a new approach to the economy

In the five years since our last economic strategy, there have been fundamental changes in both the national and local economy.

Our evidence base reflects on the current position from which this plan will be delivered. It tells us that we need to work differently and adapt to this new context, but that Brighton & Hove is well placed to diversify and grow as a result of emerging opportunities in the UK.

Recognising the National & Local Challenge

Our economic plan cannot exist in a vacuum. The UK economy is in a period of stagnation. Real wages have not grown in the last 15 years; income inequality is growing across the country; taxes have increased; and foreign direct investment has declined by 11% since Brexit.

Our city is impacted by these larger structural challenges. For residents, the city is becoming increasingly unaffordable, with those on average incomes no longer comfortably able to afford to own or rent a home within Brighton & Hove. The rising cost of essentials means that in real terms pay is decreasing, and certain places and communities are disproportionately impacted by these wider economic challenges.

In areas such as Hangleton and Knoll, Whitehawk, Bevendean and Moulsecoomb, which have the lowest average earnings in the city, these challenges are most acute. These areas are also often further away from essential services, and housing stock can be of poorer quality, meaning residents are more likely to be exposed to fuel poverty and food insecurity. It can be difficult for residents in these areas to access opportunities within our city centre, due to barriers such as caring responsibilities, transport costs, journey times and not having the required skills. This has become a much more significant consideration since we last produced an economic strategy.

Commercially, there are fewer businesses scaling up relative to other UK cities. Availability and quality of commercial space is a persistent barrier for businesses seeking to grow, whilst the availability of local talent is highlighted as a barrier by many of our small businesses, despite the presence of two universities and expansive provision for 16-18 year-olds.

In addition to this, the biggest collective economic challenge we face is the climate crisis and the need to transition to a decarbonised economy. Failure to do this will increase costs for business and act as a drag on the economic growth of our city. The next three years are critical for addressing this.

Recognising our Competitive Advantages

Despite these challenges, Brighton & Hove has brilliant small businesses and, in the last five years, has seen an increase in larger employers. The number of jobs in our digital and creative sectors has grown by over 35%¹ since 2015 and the survival of our new businesses is high, with 44% of new businesses surviving over 5 years². This resilient, digitally enabled small business community is at the heart of our competitive advantage as we look to the future.

¹ Business Register and Employment Survey, ONS, 2023

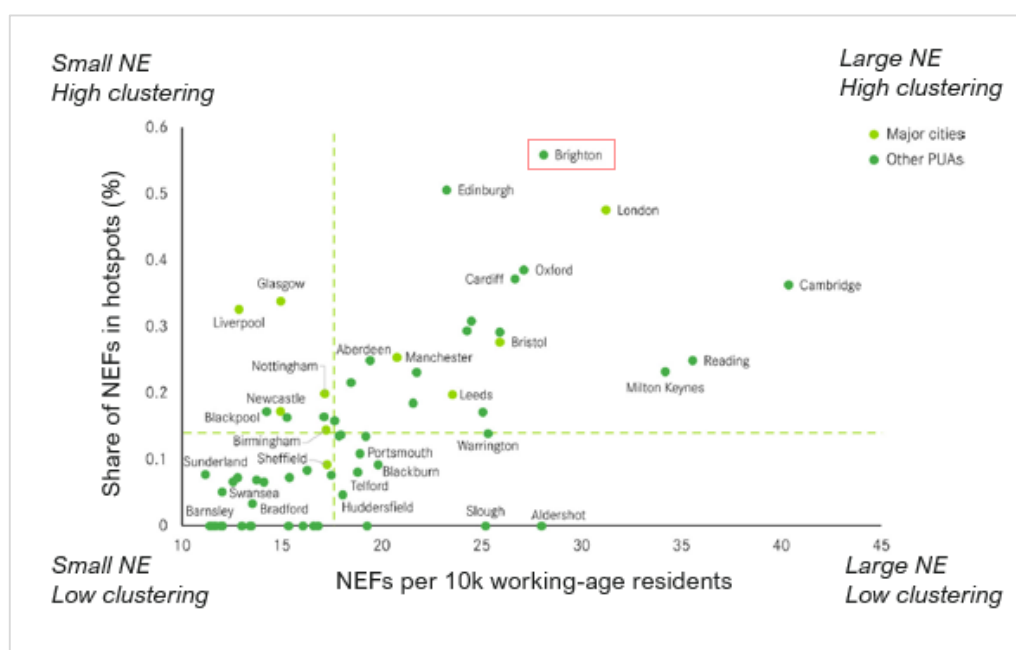
² Business Demography, ONS, 2022

Our visitor economy has bounced back from the impact of Covid and our brand has been boosted by an internationally renowned football club, growing tech conferences and a broadening festival offer. We have all of the ingredients to be one of the best small cities in the world.

The make-up of the economy is changing and we need to consider and adapt to the type of activities which might thrive in the future. The Centre for Cities (with HSBC) has identified a definition of a new economy, based on 47 technologically advanced sectors which they believe will be of critical importance to the UK. They say: “the new economy encompasses knowledge-intensive sectors at the very forefront of new technologies and innovations including software, robotics, telecommunications and gaming. Fuelling these sectors is central to improving the UK’s productivity and prosperity, and to the development of the national economy.”

In relative terms, Brighton & Hove is very well placed to capitalise on this. The city has more clustering of new economy activities than other UK cities and falls behind only London, Reading, Milton Keynes and Cambridge in terms of the concentration of new economy firms.

³*Amount of Clustering and the Size of the New Economy, 2022*



This, along with high rankings on perception, enterprise and inward investment assets suggests that the raw materials exist for us to evolve, grow and to be a much more significant contributor to the UK economy, as well as for local jobs, skills and growth.

However, the route to a more prosperous Brighton & Hove will not be achieved purely by backing these emerging strengths.

We need to seek balance, supporting both our new and existing sectors which already employ local people in accessible, established jobs. Our visitor economy, alongside our cultural and creative sectors is well-established, collectively employing tens of thousands of residents, contributing to the identity of our city. Similarly, our education sector is a comparative strength, bringing new people and ideas to the city, as well as supporting significant employment. We must acknowledge these sectors role both in supporting an ecosystem which is attractive to inward

³ ONS, the Data City and Centre for Cities Calculations, sourced from Innovation Hotspots, Clustering the New Economy, James Evans, 2023

investment and growth, celebrating Brighton & Hove and welcoming more new people and perspectives to the city.

Brighton & Hove's recent and historic success is underpinned by proximity to major international gateways (Gatwick Airport, Shoreham and Newhaven Ports) to the city, delivering visitors, freight and investment. This will continue to be a foundation in the city's evolution in a new UK economy. The ability, to meet and trade will remain, critical and Brighton & Hove's ability to operate as a genuinely accessible global hub, should remain a competitive advantage.

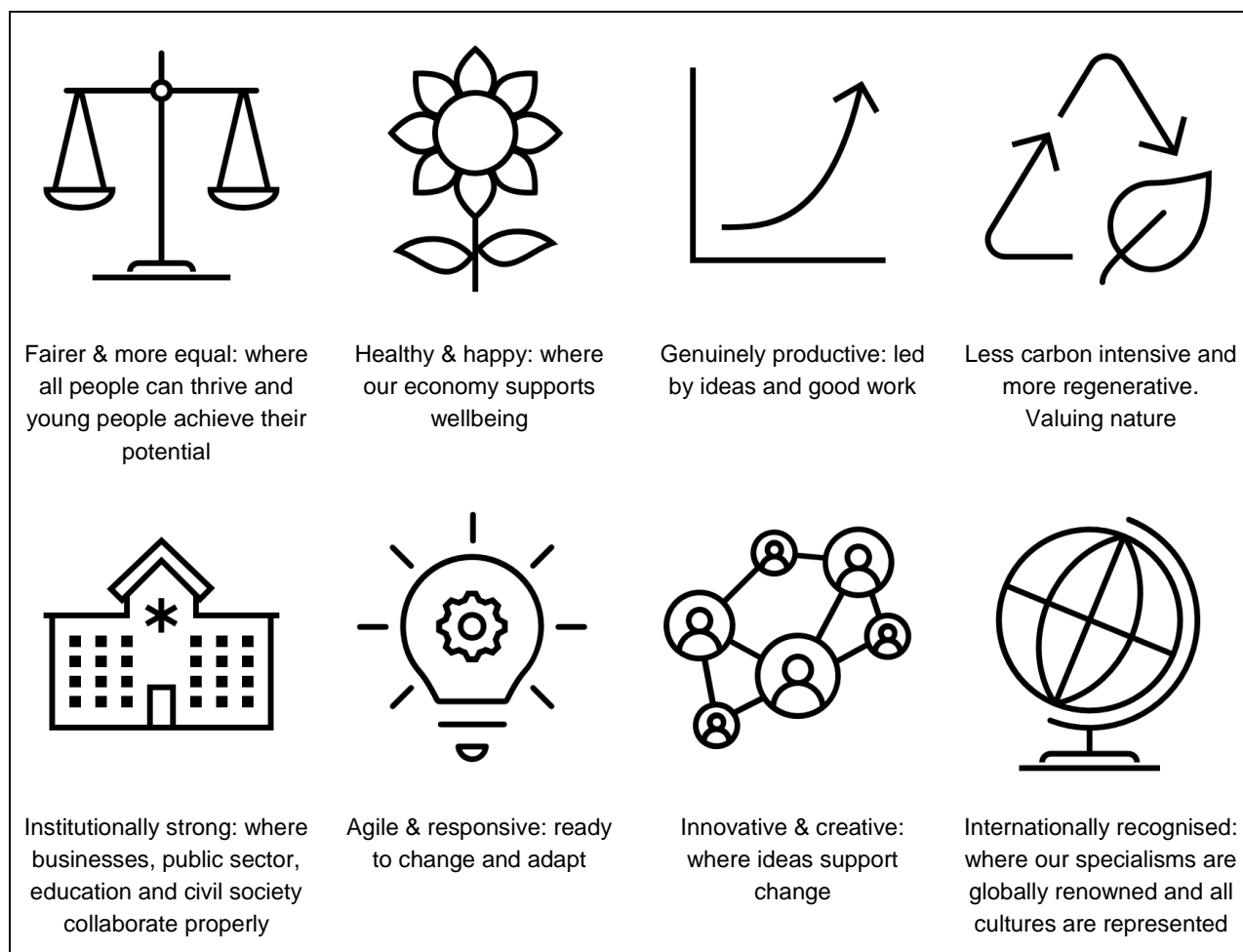
It is essential that we focus upon both the economic opportunities alongside tackling inequality and navigating the climate crisis – a new fairer, greener and more productive economy.

Hallmarks of the Brighton & Hove Economy

Collectively, we have influence over the economy we want to create.

Whilst the UK economic growth has been negligible since 2016, our Gross Value Added has increased by 13%. Whilst this is positive, we must remain vigilant to changes in the labour market, growing inequality and the shared challenge of climate crisis. We therefore need to define what we believe is important to our city and make this part of our consideration of what we value, where we aspire to be and (most importantly) what we will do.

Based on our discussions with stakeholders and consideration of the evidence, we want Brighton & Hove to have an economy which is:



These are the hallmarks of our economy, both established and emerging, the features which will make us more competitive, because we work in a better and more purposeful way. Together.

Ten-year Imperatives

To transition into a more competitive, fairer, productive and greener economy, we must look beyond the three years of this plan. We have therefore identified eight priorities for the next decade to help guide our economic thinking. These set out the longer term aims for the city (in the context of a changing UK and global economy) for the next ten years which our actions will contribute towards.

Capitalise upon our digital competitive advantage

One in eight jobs in the UK now have some form of digital competency, with the sector worth £63bn per year to the national economy. The sector in the city is growing rapidly, but we can do more to harness its potential. We need to identify those digital businesses who want to scale up and grow in our city and support them to do so.

Over the last five years we have identified specialisms in Gaming, Simulation, Fin Tech, Content Creation and Quantum Computing – nationally important activities, with noted potential to grow. To capitalise we need to develop these as an ecosystem which enables collaboration, supports incubation and acceleration and provides the peer support needed to facilitate companies to scale and adapt in changing markets.

This is not just about commercial opportunity; it is about the role that our digital sector can play in enabling our transition and that of others. We need to better utilise the talent and ideas they provide, and partner with them to help us tackle the challenges we face. Recognising the role that the council and other anchor institutions play as customers and partners will be critical to creating the conditions for scaling in the city.

Build local community involvement as a response to economic inequality

Our economy needs to work for all of our people. Currently, not all of our residents can access the opportunities within our city equally. To ensure we have a thriving economy we need to work with residents to remove the barriers they are facing; building capacity and retaining wealth locally, whilst harnessing the unrealised potential which exists in our neighbourhoods and diverse communities. This includes recognising the value and contribution of our strong community and voluntary sector.

We also need to celebrate and support the everyday, too often overlooked, economies (including childcare, builders, beauty therapists, vehicle maintenance and household repairs) within our neighbourhoods, which collectively are major employers and provide important services in our city. We need to celebrate all of our talents and skills.

Decarbonise and create a more regenerative economy

To achieve our 2030 ambitions in response to climate crisis our economy needs to work within environmental limits. We need to reduce the carbon emissions of all our economic activities, creating a supportive environment to help businesses make this transition and enable them to contribute to, not extract from the wealth within our communities.

Decarbonisation will require us to think differently about the processes and systems which contribute to our economy. It will ultimately help to reduce the cost of operation and can be a differentiator for the city.

Alongside the shift to net zero, we need to make our economy more circular to reduce both raw material use and waste. With existing momentum and the natural resources at our disposal, Brighton & Hove can lead the UK in this area over the next ten years.

Build a stronger, more inclusive labour market

To address inequality and provide routes out of poverty, we need to ensure that barriers to work are supported so that everyone who wants to work can do so. We need our residents to develop the skills needed to access opportunities across our economy. This will ensure there is both a pipeline of talent to grow the key sectors in our new economy, but also that there are good career paths in the foundational and visitor economies, which provide a large proportion of employment in our city.

We need to create more and better jobs that are closer to home. This will in part, mean supporting a better deal for workers in Brighton & Hove, improving employment rights and supporting employers to provide a fair wage for the city.

To do this we need to address the fundamental issues which can impact upon access to training and employment through effective provision and services which support health, learning and employment needs. These could include supporting neurodiverse and disabled residents, accessibility, healthcare, transport costs, flexibility around religious ceremonies and customs, childcare costs and language barriers.

Celebrate our city and welcome investment

We need to celebrate our city more. To do this we need to raise our national and international profile and draw more investment into the city. This can include investment in the form of businesses relocating to Brighton & Hove as well as new investment into our businesses and anchor institutions.

We need a more welcoming environment for this as well as new systems for managing those who could come to the city as well as more targeted outreach and representation to international sources of investment. We need to organise ourselves better.

A world-leading creative destination worthy of the UK's best small city

We want to be recognised as the best small city in the world. To do this, we need our visitor and creative economies to evolve and deliver more value for the city whilst protecting and maintaining our vital cultural assets. This means creating a broader and deeper offer which works year-round and for 24 hours a day. It will be built upon our city's inherent creative identity, which not only creates intrigue and fun, but differentiates the city for investors and creates a competitive advantage over other locations in the UK.

New ideas and promotion must celebrate the activities where we have tradition, authenticity and pedigree. We must also demonstrate our evolving strengths in our creative identity, cultural production, visitor economy and diverse nighttime activities. The 'look and feel' of our city is crucial to our economic future.

Build new knowledge partnerships to benefit all of our communities

Our economy needs to capitalise upon the knowledge and ideas generated within the city, by the universities, businesses, entrepreneurs, the public and civil society sector and NHS. This should

be harnessed to address the complex and interconnected challenges that the city faces, whilst creating economic opportunity from new ways of working.

Thrive within a city region with a clear economic identity

Successful city economies typically operate in dynamic city regions. For our strategic imperatives to be achieved, we will need to adapt and build upon existing collaborative activity both within the council and alongside our neighbours.

Most of the ambitions we identify and the transitions we highlight can be accelerated and amplified by working at a regional level. In the next decade we need to adopt better systems to support regional working to create a stronger critical mass, with greater influence in the UK economy, and to help build prosperity over the lifetime of this plan.

Our 2027 missions

This is a three-year economic plan focused on the adaptations and transitions we need to achieve our ten-year priorities. We have translated our strategic journeys into a set of missions which we believe will support the transition we need to make in the next three years.

By 2027 Brighton & Hove will have a fairer, greener, and more productive economy	
Our Strategic Journey	By 2027 we will have...
Capitalise on our digital comparative advantage	Worked with existing companies (including micro and freelance) to better focus Brighton & Hove's role in a future economy, whilst helping to de-risk diversification, decarbonisation and growth
Build community involvement as a response to poverty and economic inequality	Given local people greater opportunity to influence neighbourhood economies as a foundation for greater participation in Brighton & Hove's economy
Decarbonise and create a more regenerative economy	Ensured that decarbonisation is an acknowledged priority across our economy, creating a more circular and regenerative economy for the city
Build a stronger, more inclusive labour market	Ensured residents and employers benefit from the provision of employment and skills support which is linked directly to the needs and opportunities within the local economy
Celebrate our city and welcome investment	Radically improved our external proposition, international profile and investor experience, to deliver enhanced levels of investment in the city
A world-leading creative destination worthy of the UK's best small city	Celebrating and promoting our role as a creative destination; altering perceptions and protecting core visitor, seafront, leisure, sport, green spaces heritage and creative & cultural assets
Build new knowledge partnerships to benefit all of our communities	Developed a closer three-way relationship between universities, council and business. Driving knowledge exchange and tackling the city's prevailing challenges
Thrive within a city region with a clear economic identity	Created a shared economic vision with our neighbours and a shared long-term plan of action for the City Region economy

The remainder of this document sets out how we will organise and intervene to deliver our three-year transition and long-term strategic objectives.

Capitalise on our digital comparative advantage

Work with existing companies (including micro and small businesses) to better focus Brighton & Hove's role in a future economy, whilst helping to de-risk diversification, decarbonisation and growth to become a truly digital city

Rationale

Brighton & Hove already has a comparative advantage in the quality of entrepreneurship, particularly in the digital sectors which are so important to the future of the UK economy.

Enabled by our freelance and microbusiness community, we have an agility and diversity which can support resilience, diversification and growth in a period of national economic uncertainty. Scaling these activities offers perhaps the most significant growth opportunity available to the city.

Our small business community has told us they want to play a more significant role in the future of their city. Evolving specialisms, a heritage of two decades of creative and digital support, and a new generation of companies starting in the city provides the foundation to deliver significant positive activity.

Digital and 'Createch'⁴ activity is growing at a faster rate than London, with Brighton & Hove now having the biggest concentration of Games companies outside of London. The city's biggest employment sectors, Health, Financial Services, Education and Tourism, all need to rapidly become more digital, creating opportunities for local collaborations in FinTech, Med Tech, and through adaptation to AI. Local demand, national prominence and momentum, provides a potent and timely opportunity for the city.

Barriers to this opportunity are, however, both familiar and persistent. There is still a lack of scale up within the micro business base, perpetuated by a shortage of move on space within the city centre and reported skills gaps within the local labour market. We need to offer small digital businesses (and small businesses more generally) influence in supporting the growth of their sector and companies, as well as in the city as a whole.

Supporting a New Economy

Brighton & Hove's micro businesses (particularly those in digital sectors) are at the heart of a new economy, not only for the city, but potentially for the UK as a whole. A new approach needs to give these companies a more prominent role, with a greater mutual understanding of their contribution to a rapidly evolving economy.

Strategy

We will work more closely with our digital businesses and particularly small and freelance companies. We will seek to engage them in the evolution of the city and work with them to help us innovate our responses to the bigger challenges in the city. For those that want to grow, we will seek to support them to do so.

⁴ <https://www.thecreativeindustries.co.uk/createch>

How we will work differently

We will seek to redesign partnerships to give micro businesses a greater say on the future of the city, creating structures and an environment where they can be contributors to the future of their city. We will focus delivery across this plan to meet their need, particularly in the provision of spaces and a workforce which can support those that wish to grow and thrive in Brighton & Hove.

Areas of activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Enhance the tech cluster network, celebrating their role and providing opportunities to meet and network. Bring together existing networks in order to create a clear dialogue and ongoing feedback on the experience of being a small business within the city.
- Learn lessons from other cities and approaches to growing the tech cluster, supporting scale-up and skills. Co-produce a digital programme which supports local companies, to scale up and access new investment.
- Strengthen collaboration between business, employability programmes and schools and training providers to enrich the curriculum, provide experiences of the world of work and signpost clearer routes to accessing opportunities in the digital sectors.
- Integrate responsibilities of the LEP Growth Hub into the Business & IP Centre to deliver more comprehensive and localised business support and signposting to small businesses seeking to scale
- Work with business support providers to further develop their webinars and workshops on topics that matter to businesses and start-ups
- Work with financial institutions to explore piloting new processes and products to increase access to finance for micro businesses in the city
- Engage with other public sector partners to identify spaces which can accommodate new activity within the city, including in assets owned by the council itself
- Work with local community and civil society organisations to better understand and combat digital poverty, promoting digital inclusion.

Role of the City Council

The City Council will work as a convener, bringing together partners including the tech cluster network, Brighton Chamber and the Brighton & Hove Economic Partnership, to build upon and grow partnerships which enable more real time feedback from businesses.

The council will engage the sector to consider its own adaptation and think about how local businesses can support its own transition and adoption of new practices. The council will also need to change to be a better partner, leading where necessary, but be an active council.

Funding and Investment in Action

There will be limited discretionary funding for businesses over this period. We will therefore work with new and existing partners to enable the increased investment directly into our business community. This could include enabling more active approaches to leasing of public spaces.

3 Year Indicators of Success

- Growth in jobs
- Increased businesses
- Increased turnover reported
- Increase in businesses scaling
- Increase in investment in Brighton & Hove businesses

Key Partners

This mission will be focused on the development of a tech cluster ecosystem necessitating this to be led by a partnership between Brighton & Hove City Council, Eagle Labs, Silicon Brighton and Brighton Chamber, together with the Business & IP Centre, University of Brighton, University of Sussex, Brighton MET, Sussex Innovation, Brighton Ai, Plus X Innovation, Digital Brighton & Hove and others.

Build community involvement as a response to poverty and economic inequality

Give local people greater opportunity to influence neighbourhood economies as a foundation for greater participation in Brighton & Hove's economy.

Rationale

When considering the economy of Brighton & Hove, it is easy to focus on the city centre and the seafront. It is the activity in these places which has defined the economy of the city over the last three decades and this is where investment has been focused.

Our evidence, however, has shown we have significant inequalities in our neighbourhoods. In places like Hangleton & Knoll, Whitehawk, Bevendean, Moulsecoomb and South Portslade, median annual incomes can be more than £5,000 lower than the national average; life satisfaction can be low and health limited; and there is a deficit in key services and local employment opportunities.

This is not just a problem of deprivation and poverty; it is a missed opportunity. Residents disengaged or unable to access the labour market means a loss of talent when our businesses are desperate for good employees; a lack of service provision limits opportunities for residents to move into employment and training; historic inequalities diminish the trust and civic pride which is needed to drive collaboration and enterprise.

Despite these challenges, the city's neighbourhoods (including the city centre itself) are also vital hubs for our 'everyday economy' and the location of many of our small business owners. Too often overlooked, many local businesses provide key services locally, such as childcare, which keep our city going. Trades, such as construction, plumbing, electricals, which often operate out of these locations, will be vital in supporting our transition to a greener economy.

Within our neighbourhoods we need to ensure that local businesses, residents and public services organise and work together to reduce inequality, strengthen local economies and support the growth of the economy across the city.

Supporting a New Economy

A new economy for the city will be more local, more asset focused and more optimistic, centred around local people and organisations. In line with the findings of the city's Fairness Commission, Accessibility Strategy, Anti Racism Strategy and research on employability amongst our LGBTQ+ communities⁵, we will recognise the talent and enthusiasm which exists in the city's communities, ensuring that responsibility within economies can be devolved, where possible, to provide more targeted local solutions.

Our new economy will be reliant on the involvement of the small businesses and talent which is located in our neighbourhoods. These will be a key source of the skills and services needed for the transition to a greener and fairer economy, where wealth is retained in the city.

⁵ [Spotlight on... Brighton & Hove - Sussex Community Foundation](#)

Strategy

Based on the evidence we have collected, our initial focus will be on Whitehawk, Hangleton, Moulsecoomb, Coldean and Bevendean. As we consider the city centre in other parts of this plan, we will also ensure we recognise and respond to residents living there, to provide similar local focus.

We will develop coalitions of relevant agencies who respond directly to local issues, seeking to devolve delivery to community level. We will seek to build community power, creating greater stewardship of local economies, as well as better support for our local businesses.

We will seek to build on the foundations already provided by the council's Community Development team and our active civil society organisations. We will capitalise upon the success of the council's engagement initiatives to better understand and coordinate in response to local issues.

How we will work differently

Our focus will be built around a new set of locally derived outcomes, which are more focused on local needs, assets and aspirations. Working with partners, we will build capacity within local communities and civil society to respond to the economic challenges and opportunities which exist in each place. This will act as a foundation for local people to engage more fully with the wider city economy.

Areas of activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Work with residents in target neighbourhoods to create a framework for measuring local economic success. In particular, develop a greater consideration of health, wellbeing and life satisfaction within the consideration of our economic aspirations
- Develop more consistency across local engagement to provide feedback on the experience of living in the Brighton & Hove economy. Focus in particular on existing themes of cost of living and health and wellbeing, alongside a focus on access to services and local needs.
- Develop local coalitions of civil society partners and anchor institutions to enable 'Total Place' coordination of resources and more efficient delivery.
- Develop capacity within local areas to support greater involvement in local economies. Test new approaches to community business and participatory budgeting to support opportunities for more practical engagement.
- Work with community partners and anchor institutions to explore the most effective ways of connecting residents, students, employers and staff with volunteering opportunities across the city, including our heritage, cultural and visitor assets
- Deliver direct business engagement in target areas, link these companies into the wider support infrastructure of the city and city region

- Build on existing food and circular economy activity at a local neighbourhood level to decrease food poverty and provide opportunities for local people to engage with the city's climate response
- Work with Black & Racially Minoritised owned businesses to understand opportunities to better engage these companies, evolving mainstream support to better meet their needs
- Continue to advocate for working residents to be paid a real living wage through promoting the Brighton & Hove Living Wage campaign in conjunction with the Brighton Chamber

Role of the City Council

The City Council has already responded proactively to the economic challenges faced by residents, through a Cost-of-Living Plan and Fairness Fund. The Community Development team also plays a critical role as a convener of activity and is well placed to act as a fulcrum between other public, civil society and private sector partners.

BHCC holds data and insights which will be critical to effective planning and leadership, therefore coordinating council departments and other partners (particularly NHS Sussex) will be a critical function. The council also has the relationships with local organisations which will sit at the heart of this activity and can act as a broker for advice to local businesses through the Business & IP Centre.

Funding and Investment in Action

The City Council is committed to prioritising future resources to address gaps in local provision. We will work with anchor institutions to bend existing resources where possible to support a broader economic focus, supporting a 'Total Place' approach to the economy which unites budgets in service of the local economy.

Where and when resources are available from central government, foundations and philanthropic investment, we will seek to broker investment to grassroots organisations within our target areas.

3 Year Indicators of Success

The success in supporting greater local economic activity must be judged on the depth of impact as well as the scale of outputs achieved. Across all measures of impact, it will be critical to track diversity and representation in the city, ensuring that activity drives fairness and reflects the profile of the city. Core areas for focus include:

- Increase in local business activity in neighbourhoods
- Increase in number of collaborative projects
- Increased participation in training
- Initial improvements in life satisfaction
- Increase in wealth retained in local neighbourhoods

Key Partners

Brighton & Hove City Council and CVS will act as the convener of activity supported by NHS Sussex and civil society partners. Collaboration will be supported by the Brighton & Hove Connected Partnership.

In due course a wider partnership of public, private and university partners can be supported to engage with city neighbourhoods to create more direct links to the opportunities in the rest of the city.

Decarbonise and create a more regenerative economy

Ensure that decarbonisation is an acknowledged priority across our economy, creating a more circular and regenerative economy for the city.

Rationale

In 2024 any economic plan has to provide a platform for decarbonisation. The next three years will be crucial to our city's journey to net zero. We need to respect the limits of the planet and find new ways of valuing the natural resources which are often overlooked in a conversation about economy.

Brighton & Hove City Council has declared a climate and biodiversity emergency and has a commitment to be carbon neutral by 2030. We are a designated UNESCO Biosphere, and the natural environment is a strong part of our identity as a city; a key reason why people visit and live in Brighton & Hove and it needs to be seen as an important economic asset.

Net zero is a central consideration when thinking about a transition to a new economy, and there will need to be fundamental changes to ensure that this ambition is met. Our businesses will need to be supported to make the adaptations necessary to reduce their carbon footprint and adapt to changing government legislation. We will also need to support our residents to gain the skills needed to access new green opportunities, or to upskill in their current roles.

There is also an immediate commercial need to act. Our research shows that 41% of our commercial space will not be fit for purpose by 2027 based on current Minimum Energy Efficiency (MEES) legislation – this creates significant pressure on our already tight commercial property market, particularly in the city centre. Doing nothing presents a significant economic risk to the city, potentially undermining our future diversification and growth.

Since the last strategy, we have made good progress in the development of the circular economy within the city, working with civil society partners and other organisations to think about how resources are used and reused in our economy. This needs to be further embedded, to ensure that circular practices are adopted within all areas of our economy. This alongside the necessary major investment which will facilitate decarbonised transport and energy systems can become a key part of our city's identity.

By supporting our workers and businesses to adapt, we can ensure that our city and residents are well-placed to benefit from the transition to net zero.

Supporting a New Economy

A new economy for the city needs to be green, circular and enabled by a just transition which benefits all residents and businesses – building wealth within our communities. We need to consider more fully the resources we use and the implications of our economic activity on nature and ecology around us and throughout value chains. Becoming greener and using less resources is already a fundamental business support need, with the overall costs associated with climate and ecological crisis a key cost consideration for everyone in the city.

Strategy

We will continue to develop our business support and engagement to ensure that all activity has some focus on the transition to net zero. We will also scale what we already do well, becoming better in circular economy, working with larger business, investment partners and anchor institutions to continue to mainstream this work within our economy.

How we will work differently

We will plan for a decarbonised economy, developing the case for investment which make Brighton & Hove a more resilient city and economy. This will include aligning the Circular Economy Action Plan further within our practices. We will consider key climate metrics and their suitability to become indicators of our ambitions for economic transition.

Areas of Activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Evolve the Circular Economy Action Plan, positioning Brighton & Hove as better, more effective actor
- Develop a deeper understanding of commercial retrofit needs and a route map to delivery. Explore the development of new investment vehicles to enable institutional investors (including those based in the city) to support the delivery of this
- Through our City Employment and Skills Plan, support residents to train and retrain in the skills we will need to enable mass retrofitting of our commercial and housing stock
- We will embed circular economy and decarbonisation within council services and procurement (including road maintenance, estate management), allowing BHCC to demonstrate practical leadership in our city
- Convene and support new and existing large employers investors with strong pedigree in circular economy (such as Ingka, Brighton & Hove Albion and L&G), to play a more prominent role in the city's journey to a more regenerative economy that also helps to build wealth within our communities
- Through our Growth Hub, explore ways of providing direct support for businesses seeking to decarbonise operations
- Consider the city and regional green infrastructure needs, creating clear plans to support investment into the environmental resilience of the city's economy
- Embed circular economy into local and neighbourhood partnerships, supporting local people and businesses to play a more effective role in addressing ecological and climate crisis

Role of the City Council

Brighton & Hove City Council will lead by example through the adoption of circular practices internally. There is also potential to use staff time to encourage other large businesses within the area to adopt greener practices.

We will act as an advocate for a strong circular economy within Brighton & Hove, to ensure that our progress and innovation as a city within the circular economy receives national recognition. Acting on circular economy principles will demonstrate how greenhouse gas emissions can be cut in buildings, energy use and consumption. We will engage more closely with government, institutional and philanthropic investors to understand their role in supporting projects and long-term investments in the structural and systems changes we need to make.

Funding and Investment in Action

We will seek to identify and apply for funding streams to support circular economy work within the city and improve our messaging to encourage inward investment within this area.

We will work more closely with institutional and other funders to understand their role in supporting projects and long-term investments in the structural and systems changes we need to make.

3 Year Indicators of Success

- Increase in the proportion of our commercial buildings which are EPC B and above, protecting supply of space for business
- Target a decline in yearly scope 1 emissions across the city's business base, with evidence of a decrease in the cost of doing business through annual surveys
- Decrease in the operational carbon emissions associated with the visitor economy
- Increase in number of residents completing green skills courses and finding employment
- Increase in waste intercepted and reused in the local economy

Key Partners

This mission will be led by the Circular Economy Steering Group convened by Brighton & Hove City Council. It will require the collaboration of key businesses within the city; Brighton & Hove Albion FC, Ingka, Amex and L&G will all need to be advocates for our strategy and the pursuit of a more regenerative economy, alongside groups representing small businesses and specific sectors.

The Cost-of-Living action group, Civil Society groups and CVS more generally, will enable links to community level projects and interventions, whilst Brighton & Hove Food Partnership can provide links to a key aspect of the city's nascent regenerative economy through the emerging Food Strategy.

Build a stronger, more inclusive labour market

Ensured residents and employers benefit from the provision of employment and skills support which is linked directly to the needs and opportunities within the local economy

Rationale

Brighton & Hove's labour market is highly qualified (45% of residents having degree level qualifications or higher), however businesses across our economy face challenges in finding candidates with the right skill sets. This is true in all activities, but particularly pronounced in those sectors in which we could diversify and grow in the next ten years. Failure to mobilise the city and regional workforce will impact upon businesses ability to scale and our ability to capitalise on the opportunity we have at this moment in time.

This is reflective of a national challenge. According to the Institute of Employment Studies there will be 3.4 million fewer people in work by 2040 due to an ageing population and there are already 500K fewer young people than in 2013. Unemployment remains above pre-pandemic levels and there are record numbers of young people not in education or employment. National policy changes to work visas and salary thresholds for migrant workers will impact upon the supply of overseas workers.

Businesses consistently report that they struggle to find the right people with the right skills. This is limiting the ability of our specialist sectors to grow and respond to the demands of a new economy, limiting our competitiveness as a city.

Within Brighton & Hove, as reflected nationally, economic activity has risen but many residents have long-term health and work limiting conditions whilst others are not actively looking for work. Evidence shows that there are significant spatial inequalities in terms of qualifications and economic activity. Within some parts of the city more than one in five residents have no qualifications.

Those out of work are at greater risk of becoming further disengaged from the world of work. Certain groups including disabled people, low qualified, ethnic minority groups, LGBTQ+, lone parents, and residents aged 50+ face disproportionate barriers to work. The impact of technological advancements on the local economy, is one of our comparative advantages, but it also will change the labour market in a way which could exacerbate inequality in the city, remaining aware and agile to this is key.

Mobilising our population to enable our sectors to compete, grow and respond to the demands of a new economy is essential. Tackling this is about equality but is also about the talent which is not supported or mobilised in the city. Given the demographic changes expected in our city, this is not only needed to improve outcomes for our residents but is an economic necessity.

The city benefits from a strong ethos of collaboration, across education and training, employer representative groups, technology-focused networks and employability and careers provision. These stakeholders can inform and influence how we respond to these changes.

Brighton & Hove has two highly esteemed universities, and in uncertain economic times, we need to lever even more value from these assets. Graduate retention could be higher and we aspire to more spinouts (of innovation and businesses), investment, growth and job creation. We need to

support our universities and further education colleges (including Brighton MET and Institute Of Technology) to have a more significant civic function in the context of the city economy; redesigning their role will be crucial to a more responsive, competitive and equitable city economy.

Supporting a New Economy

Transformational changes in our local economy and labour market will be driven by environmental, technical and demographic shifts. The workforce will need to change and adapt to support the transition to a new economy, particularly considering the climate crisis. In all sectors we will need new skills to support participation in new types of jobs

The city will need to strengthen connections and be more collaborative to create the routes of progression in a changing economy, to enable employers to access the skilled workers they need and residents to access new economic opportunities.

Strategy

We will bring together businesses and education providers to collaborate on creating a new city-wide approach which responds to and anticipates the workforce needs of the new economy. This will ensure there are tangible and transparent development pathways for our residents.

How we will work differently

Through the City Skills and Employment Plan we will facilitate collaboration and partnerships with a clear focus on education, skills and employment for a new economy.

Areas of Activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Publication of a new City Skills and Employment Plan. This will provide the foundation for collaboration between stakeholders including training providers and local businesses across our core and foundational sectors to meet the skill needs of residents and businesses
- Through the Careers Hub, we will inspire and prepare young people for the world of work and increase their understanding of the local economy through strengthening links between education and businesses.
- Support progression into employment and education for young people and adults, ensuring activity is aligned to the everyday economy to meet recruitment needs
- Deepen the collaboration between our post 16 and post 18 education and training providers, maximising relationships with industry to enrich the curriculum
- Explore the development of an inclusive economy charter to which companies can commit to good work standards and a commitment to ongoing training. It will be developed in collaboration with employers, business representative bodies and experts and include information and resources for employers.

- Review provision and employability support to ensure it is reaching our areas of greatest inequality. Support residents that face barriers to participate in the local offer, so that everybody who wants to work can do so.

Role of the City Council

Brighton & Hove City Council will act as a convenor, facilitator, enabler and funder. We will publish and monitor the City Employment and Skills Plan and oversee its ongoing delivery.

Funding and Investment in action

Brighton & Hove City Council will create and facilitate the delivery of a new City Employment and Skills Plan which will set out priorities for the city to inform opportunities for resource and funding, working collaboratively with stakeholders to progress the action plan.

3 Year Indicators of Success

Success measures will be developed through the City Employment and Skills Plan, but could include:

- Decrease in unemployment and economic inactivity
- Decrease in those Not in Education Employment or Training
- Participation in and achievement of apprenticeships
- Growth of Skills Bootcamp provision locally
- Successful implementation of Universal Support across the city

Key Partners

This mission will be led by the City Employment and Skills Steering Group overseen by Brighton & Hove City Council. It recognises the key role of VCS through direct delivery and as representatives of residents. The city benefits from strong existing collaboration across education and training, employer representative groups, technological focused networks, Departments of Education, Work and Pensions and employability and careers providers, including University of Sussex, University of Brighton, Chichester College Group (incorporating Brighton MET), post 16 colleges and independent training providers, large employers, Brighton Chamber, B&H Cultural Alliance and Sussex Chambers of Commerce as Employer Representative Board for the Local Skills Improvement Plan.

Celebrate our city and welcome investment

Radically improve our external proposition, international profile and investor experience, to deliver enhanced levels of investment in the city

Rationale

With a national decline in Foreign Direct Investment (FDI) and domestic inward investment in the last decade, we are now in a much more competitive environment when it comes to attracting and retaining businesses in the city. Currently, we do not promote ourselves confidently enough and do not have the processes to convert opportunities.

A report by Irwin Mitchell named Brighton & Hove the most attractive city outside of London for FDI and ranked it highest in the nation for growth potential. This recognition, however, has not translated to actual investment and growth. Although the Southeast was the top location for foreign domestic investment projects outside of London in 2023, the Coast to Capital LEP attracted only a small proportion of those projects.

Developing this plan has illustrated the exciting initiatives and success stories in Brighton & Hove: world beating businesses, nationally significant knowledge exchange, innovation and university spin outs, successful events, superb culture and globally significant digital conferences. We have, however, heard repeated feedback that awareness of these successes was too low and that we are not as confident as other UK cities in talking about our assets.

We do not currently have a formal process for welcoming potential businesses and investors and recognise the need to better position the city for future success.

Supporting a New Economy

New economies will be led by new investment. The city needs to be better positioned to attract this and make this stick in Brighton & Hove and the city region.

Nationally and internationally, businesses and institutional investors are becoming more aware of their contribution to places in which they invest and operate and particularly the ability that place has in supporting them to achieve their social and environmental goals.

A digitally enabled, socially focused economy with proximity to markets and a strong visitor economy combined with excellent natural environment is the fulcrum of Brighton & Hove's offer. These are tried and tested ingredients in those cities globally which have a reputation for innovation and competitiveness. We need to organise ourselves better.

Strategy

Raise the profile of Brighton & Hove, recognising and celebrating successes in the city, redeploying resource to prioritise clearer signposting and an enhanced welcome to potential investors.

How we will work differently

We will develop a refreshed narrative focused on our assets and comparative advantage. We will be progressive in our outlook, promoting our city as one with an economy which is fairer, greener and more competitive than other cities in the UK. Our diversity is also a strength.

We will align more effectively with our City Region partners creating a more coherent and collaborative offer, with a more effective, follow up and aftercare service for those seeking to locate and invest in the city.

Areas of Activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Understand the strengths and weakness of the current inward investment pitch and work with partners to identify areas of focus
- Develop a new brand and identity for the city's inward investment pitch which encompasses the city's role as an entrepreneurial hub, a university city, a creative destination, a digital powerhouse and a progressive city
- Develop a business prospectus using digital assets to more directly targeted at specific needs of businesses, and reflecting the new digital economy
- Work closely with the Department for Business and Trade and institutional investors, developing our proposition, processes and routes to market
- Provide specific resource to track and follow up investment leads, being more proactive in a competitive UK market
- Provide more effective brokerage between small businesses and potential angel and venture capital investment

Role of the City Council

Brighton & Hove City Council will spearhead the refresh of this approach, convening partners to establish a shared identity and vision for external communications.

The City Council will increase communication and joint working with DBT and regional partners, such as the City Region, around routes to market. It will establish an enhanced offer to businesses and investors who are interested in the City.

Funding and investment in action

The City Council is committed to increasing the amount of investment in Brighton & Hove. It will use its resources to amplify activities which are already happening and to bring partners together to deliver new projects. We will provide named contacts to support and welcome potential new investors in the city.

We will seek financial and in-kind contributions from our anchor institution partners, avoiding duplication and recognising the collective benefit of improved welcome and perception.

3 Year Indicators of Success

- Establishment of a dedicated inward investment resource within the City Council
- Increased number of investment enquiries into the city
- Increased profile and engagement and evidenced FDI activity
- Increase in leverage of public and private funding into the city

Key Partners

This mission will be led by Brighton & Hove City Council in partnership with a wide range of stakeholders. Likely to include as a minimum:

VisitBrighton, Brighton Chamber, Department for Business and Trade, Develop: Brighton, Greater Brighton Economic Board, Business & IP Centre, Brighton & Hove Economic Partnership

A world-leading creative destination worthy of the UK's best small city

Celebrating and promoting our role as a creative destination; evolving perceptions, innovating and protecting core visitor, seafront, leisure, sport, green spaces, heritage and creative & cultural assets

Rationale

Brighton & Hove has always been the epitome of alternative thinking, innovation, creativity and leisure, complemented by its iconic coastal location, unique natural setting and un-paralleled cultural heritage. Our difference has always been the lifeblood of our unique identity, attracting visitors, driving economic growth, and fostering innovation. Our versatile destination offer is a foundation for future investment and competitiveness and critical in our journey towards being the UK's best small city.

We welcome millions of visitors every year, generating over one billion pounds of investment into our city, supporting jobs, employment and creating a busy citywide ecosystem. Brighton & Hove Albion alone, has become an established international brand contributing an estimated £600m annually to the city economy. The club is a huge asset, an example of what we need to celebrate and elevate as the city thinks about brand, perception and offer.

As we strive to establish our credentials as the UK's premier small city and a global creative destination, investing in and growing our diverse offer will be fundamental and positioning ourselves as a 21st century city is vital.

To transform our economy, we must evolve a bigger, more diverse visitor market; we need to think and behave differently, and overhaul our approach, to build a visitor economy fit for the 21st Century. And a creative economy that is sustainable, healthy, secure and thriving, rooted in our city, Sussex, South East England, strengthening connectivity with the capital; and speaking to a global audience.

Supporting a New Economy

New visitor and creative economies for the city need to be rooted in what makes us unique, our local people, talent, independence, entrepreneurialism, and creative freelance economy. Driving value (economic, social and commercial) from this will be crucial to the city's distinctiveness and competitiveness.

Brighton and Hove needs to be more of a test bed, a place for talent and collaboration, a creative destination that is open and accessible, a gender beacon, a place that represents the diversity of the city, and connects our offer in a way that mirrors how we want visitors to experience the city. We need to collaborate with the best and brightest thinkers and creatives to help us continue to promote and capture our difference and influence investment.

A new fairer, greener and productive economy needs to be tangible; the look and feel of our city is crucial to our residents, visitors and businesses. If we aspire to be the UK's best small city, we need the best city centre and to highlight the tapestry of neighbourhoods that support this and provide the best arrival and welcome. We need a city where all aspects of our strategy are realised; where circular, foundational and visitor economies interact; where new opportunities for residents meets new investment into the city.

Strategy

If we aim to elevate our city's international reputation and ambition, we must prioritise dynamic year-round visitor experiences across the city's neighbourhoods, including new and different experiences in the evening/night time economy (6pm-6am), to ensure Brighton & Hove remains an attractive place (or series of places) for creative professionals to thrive.

We must adapt and safeguard our physical assets, from our grassroots music venues and artist studios to our large scale production spaces, investing in new creative hubs supporting the whole industry and nurture our creative workforce at all levels. It's imperative for the city to protect our creative infrastructure and our talent base, from the grassroots to the major elite. In addition, we need to support adjacent sectors which collectively underpin our destination identity such as our hospitality, accommodation, and restaurant sectors as they contribute to the vibrancy of the city.

We will seek to deliver a Creative Destination plan that is forward looking, fair and inclusive; inspiring sustainability, promoting health and wellbeing, celebrating our natural environment, and amplifying existing best practice. Our starting point will be the amazing talent and vital civic engagement in the city which underpins deep sense of place with a stronger, more contemporary vibrant feel.

We will work collaboratively across our different sectors and our wider city region: to build new and imaginative strategic partnerships; horizon scan for new opportunities; develop ambitious ideas and interventions that can attract and leverage investment that will improve our ageing infrastructure, create new spaces to grow for our workforce and develop new destinations for our visitors. We will use the assets, planning tools and licensing policies in our gift to realise positive change, especially across the nighttime economy.

How we will work differently

Our work will be reliant on a collective approach to partnership, visioning, and entrepreneurialism.

We will use our powers as convenor and facilitator to develop new innovative partnerships to help shape our ambitions, drawing together communities, sectors, partners and businesses with a stake in the visitor and creative economies, locally, regionally, and nationally. We will develop a set of clear outcomes and clear actions for how we intend to deliver our plan together as a city. We will put resource into positioning the city as a destination of choice for investors and ensure that we have the systems in place to support our strong inward investment propositions.

Areas for Activity

The accompanying Action Plan sets out how we will commence our initial ideas for a programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

Develop a 10-year Creative Destination Plan that seeks to focus on governance, alongside the following growth areas:

- Establish a new Creative Destination National Stakeholder Board to oversee the Creative Destination Plan and inform its distinctiveness, trends and ambitions.
- Proactively address gaps in creative infrastructure and identify routes to investment.
- Ensure we use our leveraging powers such as planning and licensing to protect culture at risk.

- Improve our investment in global marketing/storytelling and international campaigns focussing on new media, filming and content creation, and expanding markets.
- Build strong foundations in collaboration as part of the Local Visitor Economy Partnership on the Sussex Strategy for Growth, setting ambitious targets for growth for first time and returning domestic and international visitors.
- Work collaboratively with city partners on Brighton & Hove's profile as a major global conferencing destination both nationally and internationally, to identify and build new markets.
- Drive a new approach to diversifying the visitor experience with a focus on experiences and campaigns across the multiple neighbourhoods across the city; and diversifying the night-time economy experience for the city, connecting daytime to night-time through the experiential economy.
- Develop an ambitious major events calendar to include a diverse range of festivals/events across the year, focussing on shoulder months, and delivering for new market segments.
- Establish a Major Events Board to oversee the current events programme, horizon scan for major new opportunities, and to advise on new cross thematic ideas.
- Develop Brighton & Hove's profile as a centre for major elite sports events, with at least one major international sporting event held every three years.
- Develop a new Investment framework and Commercial Strategy for the seafront, city parks and our open spaces, to improve our heritage capital, secure new income streams and create welcoming destinations.
- Explore the potential to either expand or encourage new BIDs, to cover a wider range of sectors and geographies, including decarbonisation of the city's visitor economy, and hospitality sector infrastructure improvements.

Role of the City Council

Brighton & Hove City Council will act as a convener, making the case for working differently and linking new actors to existing partners to support new approaches. We will use our strategic influence to drive collaboration to deliver improvements, new ideas, the promotion of the city to create positive experiences for all who come here.

Funding and Investment in action

To deliver a revitalised creative destination, we will take an entrepreneurial approach, working to realise the collective power of the city, its residents, businesses and major stakeholders. We will work across the public and private sectors to build vision, ensure collaboration, secure a breadth of investment opportunities and advocate for successful good growth.

3 Year Indicators of Success

- Greater media coverage and new positive global narratives about the city
- An improved look and feel across the city with greater attention to our city's landscape
- More confident, secure, healthy creative industries, more space to grow and diverse workforces.
- Success in securing a wide range of investment opportunities for infrastructure projects to realise our destination ambitions.
- An attractive place for industries to build partnerships, collaborate, test new ideas and express their creativity.
- Stronger working relationships with our many communities.

Key Partners

We will set up and lead a national stakeholder advisory group made of up leading agencies (UK Sport, Sport England, Arts Council England, BFI, Music Venues Trust, DCMS, LGA, VisitBritain, Creative Industries Council, Heritage Lottery Fund, Historic England) to collaborate on and develop a strategic creative destination plan with distinctive ambitions.

We will work collaboratively as part of the East Sussex, Brighton & Hove and West Sussex Local Visitor Economy Partnership, transforming our visitor economy landscape through a new and robust structure, with shared ambitions.

Greater value needs to be levered from the expertise within our small business base working with the Destination Experience Group, the Brilliant Brighton BID and the Chamber of Commerce, and the influence of our larger employers. Brighton & Hove Albion as a major international brand, AMEX as global HQ, Ingka as a new arrival, and others, will be given greater influence in this space to ensure that the city's destinations also serve their ambitions.

Build new knowledge partnerships to benefit all of our communities

Develop a closer three-way relationship between universities, council and business. Driving knowledge exchange and tackling the city's prevailing challenges

Rationale

Brighton & Hove has a large education ecosystem, including two internationally significant universities, a growing further education offer, esteemed language schools and digitally enabled primary and secondary education. Our businesses are innovative, whilst we recognise that scale within public sector institutions can provide a platform for new ways of working.

Working together better through sharing knowledge and resources across public and private sectors, can not only come up with new solutions to our challenges, but create greater commercial benefit from collaboration.

The innovation and knowledge generated by the universities are core assets of the city, but this is not always commercialised and allowed to scale in Brighton & Hove. This means that companies leave or fail to achieve their potential, often becoming untethered from the assets and networks which could enable them to thrive in a university city.

The lack of physical space to scale, collaborate and innovate within the city is well documented, there is also however, a lack of virtual and collaborative space within the city for partners to work together and create more civic and economic benefit from shared knowledge assets.

Supporting a new economy

A new economy for the city will be built on the strength of our partnerships and the ability for us to realise potential of new collaborations between public, private and academic institutions. In a new economy, this can not only act as a driver of productivity but can also support strong civic foundations of the economy and stronger public value.

Strategy

Our focus will be on developing a coalition of partners for knowledge exchange around specific local challenges and opportunities. These will initially be the further education colleges, University of Sussex, the University of Brighton, the city council, NHS and our businesses.

We need to galvanise knowledge not just as a route to new business activity and greater competitiveness, but also to help the city overcome the economic challenges we face. Partners need to collaborate with and benefit from the knowledge and ideas that exist in the city. We will support a civic universities agenda and enable more open innovation in the city.

How we will work differently

Universities and the wider educational community will sit at the heart of new knowledge partnerships in the city, providing challenge and ideas as the city embarks on a period of transition. We will take a broad view of the economy and economic success, uniting disciplines to inspire new ways of working.

We will work in partnership with the other public institutions in the city and within the wider region, uniting educational and public sectors. In doing this, we recognise the budget constraints we are all facing and the importance of identifying opportunities and efficiencies in working together.

Areas of Activity

The accompanying Action Plan sets out our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Develop new protocols (including Civic Universities Agreements) for linking council, further education colleges, universities and businesses which enables knowledge exchange linked to specific sectors and growth/diversification
- Seek to establish a 'lab'-style approach for ideas, bringing together academic, private, public and civil society institutions to provide insight and scrutiny as the city begins new strategic journeys
- Work with universities to develop their civic function integrating, teaching, learning, skills, and engagement. This will link directly to the needs of Brighton & Hove's small businesses
- Bring together partners to pool space and facilities (where appropriate) to increase the available space, facilities and resources available for small businesses in the city
- Link Higher Education and Further Education more directly into the business support and inward investment interventions proposed within this plan.

Role of the City Council

Brighton & Hove City Council will act as the convenor, bringing together our universities, other public bodies and local businesses to facilitate knowledge exchange and to manage and support collaboration.

Funding and Investment in action

Initial activity would need to be funded through existing budgets, with the potential to draw in sponsorship from the city's major employers. This will also rely on the corporate social and philanthropic time of universities and business.

In due course, as collaborations emerge, these may attract public and private investment.

3 Year Indicators of Success

- More local people engaging with their local universities
- More knowledge exchange projects leading to scaling of businesses
- More visible university spin outs within the city, being seen to drive innovation, investments, new skills and jobs

Key Partners

This mission will be facilitated by a joint approach – Brighton & Hove City Council working initially with the Universities of Brighton and Sussex, FE Colleges (including Brighton MET, BIMM Brighton

and Institute of Technology) and major employers, with the potential to expand involvement over the lifespan of this plan.

Thrive within a city region with a clear economic identity

Create a shared economic vision with our neighbours and a shared long-term plan of action for the City Region economy

Rationale

In the last five years, the Greater Brighton City Region has shared many of the positive characteristics of the Brighton & Hove economy. Knowledge economy jobs have increased by 14% across the region, with Arun, Crawley and Mid Sussex growing at similar rates to the city. Creative Industries growth is outperforming the UK as a whole with strong growth in the coastal corridor.

This similarity in specialism is accompanied by consistency in challenge. Since 2018, commercial space has become more of a problem across the City Region. Crawley, Mid Sussex and Worthing have all seen a decline in office space more significant than that in Brighton & Hove. That said, the vacancy rate in larger industrial space has been increasing in the region, particularly in Mid Sussex and Crawley. Partners also observe similar challenges around recruitment in Greater Brighton, alongside the shared need to tackle the climate and ecological crisis.

There is now an increased desire to collaborate and work together on new approaches to economic and societal challenges. Examples of firms such as Universal Quantum emerging from University of Sussex being founded in the city and then scaling in the region, are seen as precursors to a more joined up approach to growth and diversification, which will be deepened through collaboration.

The City Region is now widely seen as a mutually beneficial approach by our neighbours. For the city, its region provides more assets, space and investment potential to support a deeper conversation about the economy of the future and the infrastructure needed to deliver upon our ambitions.

By pooling our knowledge and resources we will be able to more efficiently tackle some shared challenges in the region, such as commercial space supply, housing affordability and (east – west) transport and develop a clearer vision for growth in a city and region which makes a much more significant contribution to the UK economy.

Supporting a new economy

Successful, innovative, growing cities around the world do so within the context of a wider city region.

With issues more aligned, the success of our new economy can be better tethered to strength of our region. We cannot deliver upon our ambitions without the additional assets and expertise provided by the City Region.

Strategy

We will bring together Greater Brighton partners and identify how we can work differently to improve city region economic outcomes. We will start to develop a different case for devolution focused on the needs of the City Region and our contribution to national economic growth.

How we will work differently

Our approach to collaboration and planning cannot be achieved through the 'traditional' UK approach to City Region devolution. We need to reexamine and plan the Greater Brighton City Region, from the ground up creating the arrangements, partnerships and projects that all constituent authorities need to thrive.

Areas of Activity

The accompanying Action Plan sets out how we will commence our programme of activity over the next three years, identifying where actions are immediately deliverable or more aspirational. This includes:

- Lead the development of a shared economic vision and case for the city region. Acknowledge the contribution of all places and assets, demonstrating the value of a deeper collaborative approach
- Develop shared plans for transport infrastructure, decarbonisation and energy, housing and commercial space
- Accelerate collaboration where a will to work together already exists (Circular Economy; Creative Industries; Workspace; Business Support)
- Use a new approach to city marketing to develop arrangements related to brand and identity, we will also seek to develop areas of shared inward investment identity and process across the city region

Role of the City Council

Brighton & Hove City Council will continue to act as a convener, providing a leading role in the advancement of the regional discussion and dedicating officer resource to advancing our case for stronger regional collaboration.

Funding and Investment in action

The Greater Brighton Economic Board (GBEB) will continue to rely upon the contributions of its members to support its day-to-day costs.

3 Year Indicators of Success

- Additional investment into the Greater Brighton City Region
- Development of a vision for the city region
- Collaboration and partnership working on shared projects

Key Partners

This mission will be led by the Greater Brighton Economic Board, supported by Brighton & Hove City Council in partnership with:

Adur District Council, Arun District Council, Crawley Borough Council, Lewes District Council, Mid Sussex District Council and Worthing Borough Council, South Downs National Park Authority, University of Brighton, University of Sussex, Brighton & Hove and Adur & Worthing Business Partnership, Chichester College Group.

New structures for delivery

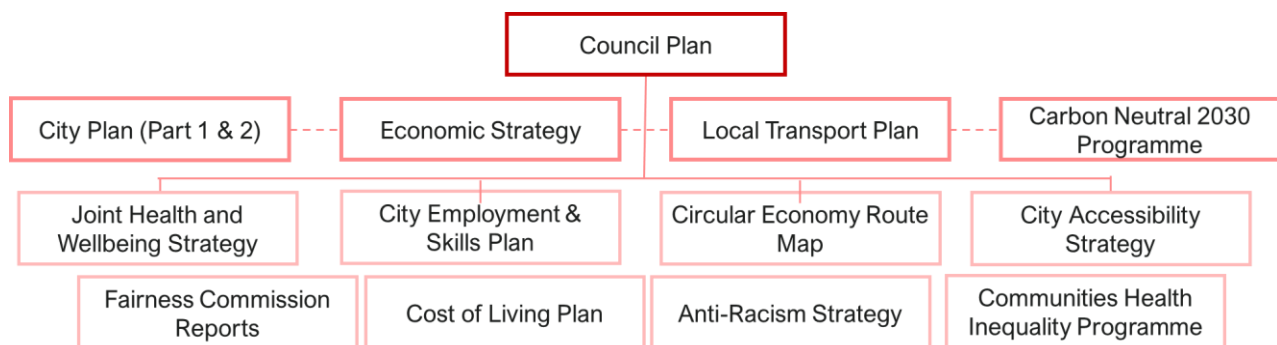
To support a mission-led approach and to think differently about our economy, we need to organise differently and create processes for collaborating, challenging and informing.

We need to develop partnership structures to support the delivery of this plan over the next three years. Below we set our proposed approach to delivering this and the function of each component.

Brighton & Hove City Council

The City Council's role will change over the next three years. Budgets will remain extremely tight and we will think differently about how the public sector engages with this plan.

This will require greater internal collaboration within Brighton & Hove City Council, linking existing strategies from different departments to ensure that these work harder for the economy of the city.



The City Council will also be more deliberate in its roles, recognising our limitations, but also the influence and agency we hold. We will need to make choices and focus on the areas where there is headroom for growth or positive change. In part this will be driven by improved coordination and collaboration within the council, bringing together departments to reflect the breadth of its plan and its influence beyond the core economic development function of the council.

We envisage that our roles over the next three years will be:

- **Convener** – Bringing people together to oversee and audit project development, provide inspiration and optimism.
- **Asset owner** – As an owner of significant land and buildings, the City Council has a vital lever in enabling activity and supporting new approaches.
- **Funder** – Although financial resources are limited, the City Council is still the organisation most likely to be able to access public funding and support partners to access investment. The council can also be a more active broker of investment into business
- **Advocate** – The City Council will promote Brighton & Hove, its residents and institutions, making the case that ours is a different kind of city with specific comparative advantages
- **Innovator** – The public sector can be a leader in innovation, working with partners to pursue new ways of working
- **Auditor** – To deliver new approaches, we need to be better at measuring success, whilst challenging some of the traditional notions of value in our economy

Brighton & Hove Business Growth Board

The Business Growth Board is the name for an evolved Brighton & Hove Economic Partnership. This Group will remain the custodian of the economic strategy in the city but will refresh and reconstitute itself to provide new voices and more diverse representation that reflects our economy.

The Board will provide insight and oversight into the process of transition set out within the plan, working on an agenda of practical projects which link to the missions of the plan. Meetings will be facilitated working groups which relate to specific tasks and decisions related to the transition of Brighton & Hove's economy.

Imagination and Insights Lab

As a skilled and knowledge-led economy, Brighton & Hove has a significant number of residents who have expertise in a particular field. Partners have suggested the establishment of an Imagination and Insights group, a space where individuals can come together to provide a 'lab' function on the local economy.

Funded through local philanthropy and relying on members volunteering their time, the group could provide evidence and reflection on how the city economy is working as well as bringing examples and ideas to challenge the Economy Board and City Council to think differently about the city's economy. Its function would be to provide real time insights and intellectual scrutiny to help the plan to remain agile.

Drawing from universities, local advisors, new businesses and where relevant external expertise, the function of the group would be to provide imagination and ideas which would not normally be heard in the course of a 'typical' public sector led economic strategy process. It should aim to reflect a diverse range of voices, beyond the 'norm', with some independence from the more formal elements of policy development, but with direction to 'hack' and challenge the status quo.

Greater Brighton Economic Board

Given the focus placed on the City Region within this plan, the Greater Brighton Economic Board takes on greater significance over the next three years.

There needs to be more formal links and lines of communication between GBEB and the Brighton & Hove Economic Plan to ensure the voices of neighbouring and partner authorities are better represented within the delivery of the plan.

GBEB will have specific responsibility and oversight in relation to the regional mission, and in planning for the space and infrastructure needed to accommodate new businesses and growth within the region. This process needs to be more closely tethered to the city's economic strategy.

Anchor Institutions Group

We will build the city's existing networks of strategic partnerships – Brighton & Hove Connected and the City Management Board - to provide focus to the challenges and opportunities across the city and support new collaborations to engage with the missions and long-term journeys of this plan.

Thematic Leads

Thematic Leads are existing groups who have some specific expertise and focus which is relevant to the delivery of this plan. They will provide action planning and monitoring support as well as insight linked to our missions, as well responsibility for the delivery of specific projects where these might emerge.

Neighbourhood Economy Groups

Working with existing civil society groups to devolve responsibility for the engagement and involvement of the communities and economies which exist in Brighton & Hove's neighbourhoods. They will develop responses to the issues and opportunities identified within the more deprived parts of our city and provide insight and reflection on the experience of living and working in these places.

THE NEXT 12 MONTHS (TO MARCH 2025):

The below is the focus for the first twelve months of this plan, as we seek to drive the city's economy forward, better articulate why Brighton & Hove is a place to invest and celebrate our city, whilst building greater wealth for our communities.

There is much positive activity already taking place that needs to be supported to continue delivering for our residents and businesses and to work towards the development of a fairer, greener and more productive economy.

As such, these actions are centred on activities that can have positive, tangible, and immediate impacts on the prosperity of our businesses and communities today, whilst not losing sight of the ambitions set out in the accompanying Plan for growth.

This is our immediate work programme and focus:

Action	Timescale	Owner	Delivery Partner(s)	Target Outcome(s)	Resourcing / Funding	Mission(s) Alignment
Evolve a new Business Growth Board from existing business partnerships	By December 2024	BHCC Economic Development	Brighton & Hove Economic Partnership; Brighton Chamber of Commerce; Federation of Small Businesses	A fully representative business voice embedded in local strategic economic planning in line with post-LEP guidance	Existing BHCC funding, supplemented by LEP legacy funding as required	Cross-cutting across all missions
Design and undertake a survey of city businesses which includes a focus on minoritised business owners	January 2025	BIPC Sussex	BHCC Economic Development; BHCC Equalities; Key business networks	A clearer understanding of the different challenges faced by businesses and business owners in the city	Existing BHCC funding	Cross-cutting across all missions
Develop the 'Digital City' concept and programme	March 2025	Brighton Tech Cluster	BHCC Economic Development; Brighton Chamber of Commerce; Silicon Brighton; Brighton AI; Barclays Eagle Labs; Sussex Innovation; BHCC Employment & Skills; Brighton MET; Creative Process; Digital Brighton & Hove	Creation of an overarching programme of digital skills, jobs and growth led by businesses	External funding to be sought for specific elements as programme is developed	Capitalise on our digital comparative advantage

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Embed the new Brighton & Hove Growth Hub within the existing BIPC (and in line with the BIPC's growth strategy)	September 2024	BHCC Economic Development	BIPC Sussex	New support programmes and Growth Accelerator developed to help businesses to scale and grow	LEP Growth Hub funding (subject to agreements)	Build new knowledge partnerships to benefit all of our communities and Capitalise on our digital comparative advantage
Ensuring the City Management Board evolves and continues to be fully representative of the city's growing and evolving economy	March 2025	BHCC Policy & Communications	BHCC Economic Development; BHCC Employment & Skills; BHCC Net Zero	Establishing clear linkages between the City Management Board and the new Business Growth Board to deliver on our priorities	Existing BHCC funding	Build community involvement as a response to poverty and economic inequality
Maintain and develop the Brighton & Hove Living Wage campaign to support local residents to be paid a living wage	Ongoing	Brighton Chamber of Commerce	BHCC Economic Development	At least 25 businesses signed up to Living Wage campaign each quarter	Existing BHCC funding	Build community involvement as a response to poverty and economic inequality
Build on existing food and circular economy activity to seek to decrease food poverty and provide opportunities for local people to engage with the city's climate response	March 2025	BHCC Circular Economy Oversight Board and BHCC Food Insecurity Group	BHCC Economic Development; BHCC Net Zero; Brighton & Hove Food Partnership; BHCC Anti-Poverty Steering Group; Third Sector Commission	Increased collaboration, business activity in neighbourhoods and wealth retained in local neighbourhoods	Existing funding secured through CVS and cost-of-living related work	Build community involvement as a response to poverty and economic inequality
Embed the Circular Economy Action Plan and community wealth-building principles across the city and within emerging high	December 2024	BHCC Economic Development	BHCC Regeneration; BHCC Net Zero	Establish Brighton & Hove as a leader in embedding principles of the circular economy and community	TBC – project dependent	Decarbonise and create a more regenerative economy

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impact decarbonisation projects				wealth within major regeneration initiatives		
Support and advocate for the Greater Brighton Net Zero Energy Mission	March 2025	Greater Brighton Economic Board	BHCC Net Zero; BHCC Economic Development	Greater Brighton to be self-reliant on renewable energy generated within the region by 2045	Initial scoping funding from GBEB	Decarbonise and create a more regenerative economy and Thrive within a city region with a clear economic identity
Develop and publish a new City Employment & Skills Plan (CESP)	January 2025	BHCC Employment & Skills	City Employment & Skills Steering Group	A plan that responds to local employment and skills priorities	Existing BHCC funding	Build a stronger and more inclusive labour market
Create a network of City Business Ambassadors linked to the Business Growth Board	March 2025	New Business Growth Board	BHCC Economic Development	A network of passionate advocates for our city and its economy	Funding requirements to be agreed as network develops	Celebrate our city and welcome investment
Develop a new inward investment programme	March 2025	BHCC Economic Development	New Business Growth Board	Outline a programme of targeted activity to attract investment, including marketing and comms	Funding to be allocated from LEP transition / legacy funding as available	Celebrate our city and welcome investment
Development of a business prospectus to promote the city to potential investors and business occupiers	March 2025	BHCC Economic Development	New Business Growth Board	New prospectus created as a marketing tool to support delivery of the inward investment programme	Existing BHCC funding	Celebrate our city and welcome investment
Explore the potential to expand our Business Improvement District (to include sectoral focus –	Feasibility completed by March 2025	Brilliant Brighton BID	BHCC Economic Development; BHCC Revenues &	A robust study that outlines the optimum option for an expanded BID /	Existing BHCC funding, combined with BID reserves	Celebrate our city and welcome investment; and

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such as Accommodation and Creative Industries)			Benefits; Visit Brighton	ABID offering in the city		A world-leading creative destination worthy of the UK's best small city
Establish a new Creative Destination National Stakeholder Board	March 2025	BHCC Culture, Tourism and Sport	UK Sport, Sport England, Arts Council England, BFI, Music Venues Trust, DCMS, LGA, VisitBritain, Creative Industries Council, Heritage Lottery Fund, Historic England	Development of a robust stakeholder advisory group to oversee development of a Creative Destination Plan and inform its distinctiveness, trends and ambitions	Existing BHCC funding	A world-leading creative destination worthy of the UK's best small city
Development of a 10-year Creative Destination Plan that celebrates and promotes the city as a creative destination	Plan developed by March 2025 – implementation commencing in 2025/26	BHCC Culture, Tourism and Sport	UK Sport, Sport England, Arts Council England, BFI, Music Venues Trust, DCMS, LGA, VisitBritain, Creative Industries Council, Heritage Lottery Fund, Historic England	A Plan that evolves perceptions, innovating and protecting core visitor, seafront, leisure, sport, green spaces, heritage and creative & cultural assets	Existing BHCC funding	A world-leading creative destination worthy of the UK's best small city
Contribute to the development of the Sussex Strategy for Growth as a lead partner in the Local Visitor Economy Partnership (LVEP)	October 2024	BHCC Culture, Tourism and Sport	VisitBrighton LVEP (comprising BHCC, ESCC, WSCC, regional Destination Management Organisations, private and public visitor economy stakeholders)	A strategy that sets ambitious targets for growth for first time and returning domestic and international visitors	Development of the strategy funded by the LVEP	A world-leading creative destination worthy of the UK's best small city

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Explore the development of new protocols (including Civic Universities Agreements)	March 2025	BHCC Economic Development	University of Sussex; University of Brighton; New Business Growth Board; Brighton Chamber of Commerce; Federation of Small Businesses	Develop areas of immediate agreement, alongside protocols that link council, universities and businesses, and that enables knowledge exchange linked to specific sectors and economic growth / diversification	Existing BHCC funding (officer time). Specific funding asks to be considered as appropriate as the protocols are developed	Build new knowledge partnerships to benefit all of our communities
Scope new model of devolution that demonstrates a shared agenda and a single economic narrative	March 2025	BHCC Economic Development; BHCC Policy & Communications	Greater Brighton Economic Board	The completion of exploratory work to inform Government discussions over future devolution	Existing GBEB funding	Thrive within a city region with a clear economic identity
Seek to develop areas of shared identity and process across the city region in line with the inward investment programme	March 2025	BHCC Economic Development	Greater Brighton Economic Board	A cohesive external offer to attract investment into the city region	Existing BHCC and GBEB funding	Celebrate our city and welcome investment <i>and</i> Thrive within a city region with a clear economic identity

FUTURE ACTIVITY (YEARS 2 AND 3)

The remaining 'Areas of Activity' set out in the Economic Plan are ambitions to support the continued growth of the city's economy, as well as aiding the transition to a new economy that helps to address existing structural issues within Brighton & Hove. These broad areas will be further refined through annual reviews of the action plan, agreed and assigned to key delivery partners, and undertaken as resources allow over the lifetime of this plan.

BRIGHTON & HOVE ECONOMIC EVIDENCE REPORT

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JANUARY 2024

Document structure & table of contents

This evidence report consists of four chapters, each providing data and insight on Brighton & Hove’s economy over the last five to 10 years.

The document begins by considering how Brighton & Hove can become **more competitive**, which covers more traditional economic data such as changes in jobs and business counts, sectors of note, productivity, investment, and skills—core features that make our economy what it is and set it apart from competitors.

In **becoming fairer**, the research looks at the inequality which prevents our residents, workers, and businesses from reaching their full economic potential. It includes data on incomes, cost of living and affordability, access to amenities, and wellbeing.

Recognising the urgent need to decarbonise the economy, **becoming greener** focuses on economy-related emissions and the needs of our commercial spaces, reducing the waste produced through economic activity, and green economy opportunities.

Finally, we consider the role of the wider membership-based **City Region** in Brighton & Hove’s economic future.

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Brighton & Hove's economy now and in the future

This document is a summary of the statistical evidence which has been used to inform Brighton & Hove's new Economic Strategy (2024–2027).

There have been fundamental changes within the national economy within the five years since the previous economic strategy. This necessitates Brighton & Hove to transition to a new approach centred around health and wellbeing, inequality and the environment whilst building on the city's strengths.

This evidence recognises the changing context over the last five years and focusses on how Brighton & Hove can be more competitive, fairer and greener. It is intended to provoke discussion on how the economy needs to change in the future, and how Brighton & Hove and the City Region should adapt to help us get there.

Brighton & Hove has a vibrant small business base as well as some established larger employers. Jobs and/or business numbers have increased in many sectors since 2015, including in specialist sectors to Brighton & Hove like digital and creative. There are a high proportion of start-ups in the city, and these have good survival rates.

Despite this, there are fewer businesses scaling up relative to other UK cities. Availability and quality of commercial space within the city is a

key barrier for businesses seeking to grow. Retail, office and industrial floorspace has declined in recent years, and much of the existing stock is poorer quality with low energy efficiency.

For residents, the city is becoming increasingly unaffordable. House prices are increasingly expensive and residents on average incomes cannot comfortably afford to own or rent a home within the city.

The rising cost of living is increasing the cost of essentials whilst in real terms pay is declining. The cost of living crisis will be experienced by residents across the whole city, but there are places and communities facing disproportionate impact due to existing inequalities. Within some areas such as Hangleton and Knoll, Kemptown, Whitehawk and Moulsecoomb, average earnings are very low. These areas are also often further away from essential services, and housing stock is of poorer quality, meaning residents are more likely to be exposed to fuel poverty and food insecurity.

Within the next three years Brighton & Hove's economy will need to pivot to support the transition to net zero. This provides a challenge as well as opportunity for Brighton & Hove. The city has strong existing activity, through the Living Coast Biosphere designation, Circular Economy

route map and investment from green energy companies, which should be celebrated and built upon. However, there needs to be increased support for businesses to reduce emissions and waste, and much of the existing commercial space will need upgrading to ensure it is fit for the future.

Collectively, this evidence needs to be taken in the context of the UK economy and the systemic challenges which will impact the future of the city's economy. This is an opportunity to think differently about the economy and chart a different course for Brighton & Hove.

WHERE ARE WE NOW – BRIGHTON & HOVE IN THE UK CONTEXT

The UK economy is in a much different position from when Brighton & Hove produced its last economic strategy. The success of the 2024-2027 strategy will be dependent upon the city being able to thrive despite the wider challenges and uncertainties we face

UK Economic Stagnation

Brighton & Hove's economic strategy cannot exist in a vacuum. The UK economy is in a period of stagnation and it is important to understand how this influences the city, ensuring that the new economic strategy is realistic and supports change.

The Resolution Foundation (2023) has produced a deep analysis of the UK economy and its prospects which identifies the following characteristics:

- Low growth: Real wages grew by 33 per cent a decade from 1970 to 2007, but have flatlined since
- High inequality: Income inequality in the UK is higher than any other large European country
- The toxic combination: Low growth and high inequality means typical households in Britain are 9 per cent poorer than their French counterparts, while our low-income families are 27 per cent poorer
- Stalled progress: 9 million young workers have never worked in an economy with sustained average wage rises

- Talent wasted: Almost a third of young people in the UK are not undertaking any education by age 18
- Gaping gaps: Income per person in the richest local authority – Kensington and Chelsea (£52,500) – was over four times that of the poorest – Nottingham (£11,700) – in 2019
- Bad work: Half of shift workers in Britain receive less than a week's notice of their working hours or schedules
- Flaky firms: UK companies have invested 20 per cent less than those in the US, France and Germany since 2005
- Taxes up: The tax take is now on course to rise over 4 percentage points by 2027-28

As this document shows, Brighton & Hove shares many of these characteristics, particularly income inequality, challenges in the youth workforce and an increasing reliance on low value work.

These challenges alongside climate crisis create significant challenges. It also provides an imperative for Brighton & Hove CC and partners, to be part of the solution, a place where the knowledge, ideas and technology come together to develop new solutions.

Emergence of a New Economy

Despite the negative outlook, there is evidence of a new emerging UK economy to which Brighton & Hove is particularly predisposed.

The Centre for Cities (with HSBC) has identified a definition of a new economy, based on 47 technologically advanced sectors which will be of critical importance to the UK.

The report shows that in relative terms, Brighton & Hove has more clustering of these activities than other UK cities and falls behind only London, Reading, Milton Keynes and Cambridge in terms of concentration of new economy firms. This provides the foundation for the city to increase its competitiveness and be a more significant player in the transition of the UK economy.

The route to a more prosperous Brighton & Hove will not purely be achieved by backing these emerging strengths. It is important that the city seeks balance, focusing upon both the economic opportunities, as well as tackling inequality and navigating the climate crisis. This is at the heart of the evidence base and ultimately the strategy itself.

Key Evidence Findings

A selection of statistics which provide the foundation for
a new economic strategy

What the Evidence Tells Us – Experience of the Economy

Understanding the Whole Picture

- By traditional economic measures, Brighton & Hove is performing well. Productivity (GVA per job filled) and number of jobs in the city have both grown significantly since the last economic strategy (2018). However, when inflation (largely caused by increase in property values) is removed, productivity growth is negligible.
- There has been a 19.5% increase in jobs in the last five years but many employment opportunities in the city remain in low paid work.
- Growth in low paid work and impact of inflation on the economy of the city has created a two-tier economy which is now much more pronounced than pre pandemic.

Spatial and Demographic Inequality in the City

- Average household earnings after housing costs in Brighton & Hove are £30,100 (only slightly above the national average of 29,500). In Hangleton and Knoll and East Brighton, there are neighbourhoods with average earnings below £25,000.
- On average men earn £4.45 more per hour than women.
- Communities on the edge of the city are within the most deprived nationally for access to healthy and affordable food. In some areas residents cannot access a GP within 15 minutes via public transport.
- Disadvantaged school leavers are less likely to progress to higher education and training after A-levels. There are neighbourhoods within East Brighton and Hangleton and Knoll where over 30% of residents have no formal qualifications.

Increasing costs and declining real incomes

- After accounting for inflation, residents are on average £2,000 worse off per year than in 2011
- Approximately 56,000 residents are in typically low pay occupations, with 9% of residents are earning below the national living wage.
- House price increases mean residents on average earnings cannot comfortably rent or buy a home. For the average worker looking to rent a one-bedroom flat, most options in the city would take up more than 30% of their pay.
- Compared to the rest of the UK residents are more likely to feel anxious and are less likely to be happy.

What the Evidence Tells Us - Foundations and Barriers to Achieving Potential

Positive Trends and perceptions

- There are now 15 more large employers in Brighton & Hove than a decade ago and the number of micro employers has increased by 30%.
- The city has more new businesses (14% of total businesses) and they are more likely to survive (44% 5-year survival rate) than comparators.
- The sectors which have experienced the largest proportional increases in jobs are digital (+40%), creative (+38%) and professional (+33%), although much business growth has been concentrated in low paying industries.

In 2023 external research concluded that Brighton & Hove...

- Had the best conditions to receive Foreign Direct Investment (FDI) of any location outside of London (Irwin Mitchell, 2023)

- Was the 5th best city in which to live and work (One Family, 2023)
- Was the 5th best city to start a business (Delivery App, 2023)
- Had the highest concentration of business which support the new UK economy (Centre for Cities, 2023)

... but this is not being translated into investment and prosperity.

Barriers - Limited Space for New Activity

- There have been declines in retail (-10%), office (-7%) and industrial floorspace (-16%) since 2018.
- Under Minimum Energy Efficiency Standard (MEES) half of all commercial property in Brighton & Hove will be unlettable by 2027.
- Since 2018 commercial space has also declined within the City Region, limiting potential to accommodate growth in neighbouring areas.

Barriers - Access to Talent

- The workforce is highly skilled, and 45% of residents have degree level qualifications. These skills however are not deployed often enough within Brighton & Hove's businesses.

Barriers - The whole city economy must decarbonise at pace

- Climate crisis and decarbonisation is now the biggest economic challenge for any city. Brighton & Hove was achieving target for reduction in greenhouse emissions, since 2020 these have started to increase.
- Brighton & Hove must deliver cuts in energy emissions averaging a minimum of -12.7% per year to deliver a Paris-aligned carbon budget.
- Brighton and Lewes Downs' UN Biosphere designation provides a unique link between economy and nature which can be critical in the city's economic journey.

Brighton & Hove: becoming more competitive

Core evidence on the make-up of our economy and
what sets it apart from competitors

Brighton & Hove attracts both small and large businesses

The number of businesses in Brighton & Hove increased by 30% over the past 10 years and jobs by 19.5%. While there were 15 large businesses of 250+ employees, most growth in business numbers was driven by micro-sized businesses of up to nine employees, which comprise around 90% of the business count.

It is difficult to estimate freelance/self-employed work. The IDBR lists 4,359 businesses (30% of business base), but this does not capture all freelancers as not all of them will be VAT or PAYE registered. Alternatively, the Census recorded 26,689 self-employed residents (11% of the 16+ population) with no employees, which should include those not VAT or PAYE registered, but may also capture very casual or side gig work.

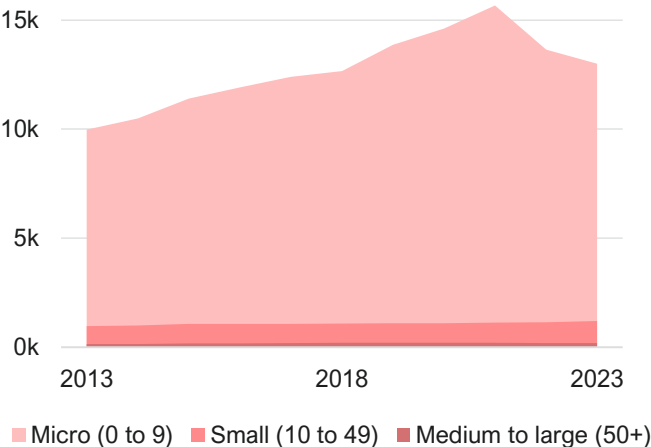
Recent moves by the likes of Octopus Energy indicate Brighton & Hove can attract established and large businesses. However, **the city can do more to help its smaller businesses scale up.**

Source: UK Business Counts, ONS, 2023; Business Register & Employment Survey, ONS, 2023

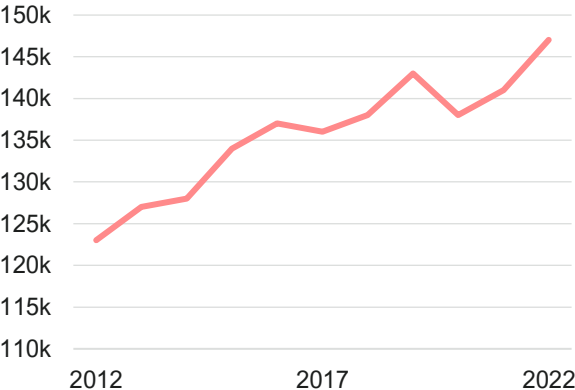
Notes: the large increase in businesses in 2021 is due to a sudden surge in 'retail sale via mail order houses or via internet'.

Brighton & Hove's business count growth has been driven by micro-sized organisations

Business count by organisation size

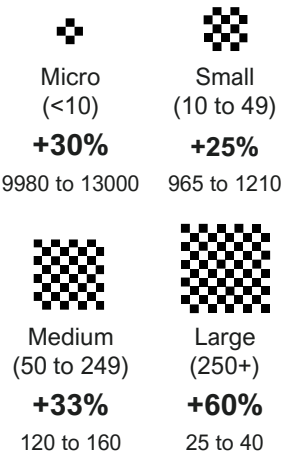


Total job count



Counts of larger businesses have grown more than counts of smaller businesses

Change in business count by size, 2013 to 2023



The education, health, and hospitality sectors are among Brighton & Hove's largest employers

Business sizes by sector, 2023

Sector	Proportion that is medium-sized businesses	Proportion that is large-sized businesses	Proportion of B&H jobs in sector
Admin & support services	15%	0%	8%
Health & social work	15%	14%	4%
Hospitality	12%	14%	8%
Info & comms	12%	14%	11%
Professional, scientific, technical	12%	14%	18%
Wholesale/retail trade	6%	0%	18%
Education	6%	29%	2%
Arts & entertainment	6%	0%	5%
Other service activities	6%	0%	4%

Brighton & Hove's largest employers include...

NHS services (~14,900 jobs), City Council (~9000 jobs), Universities (~5700 jobs), major banking/financial institutions (American Express, Legal & General, Lloyds) (~5600 jobs)

Brighton & Hove is not currently achieving its potential in scaling up its businesses

For the past few years, Brighton & Hove has had a higher rate of business starts than comparator cities and a higher rate of new businesses surviving one and three years.

Brighton & Hove appears to be an attractive place to start a business, but does not rank among the country's top places for scaling up; among those outside of London, it is beaten by Leeds, Buckinghamshire, Manchester, and Birmingham. Coast to Capital, the Local Enterprise Partnership, ranks ninth for scale-ups as of 2022, behind the neighbouring South East LEP.

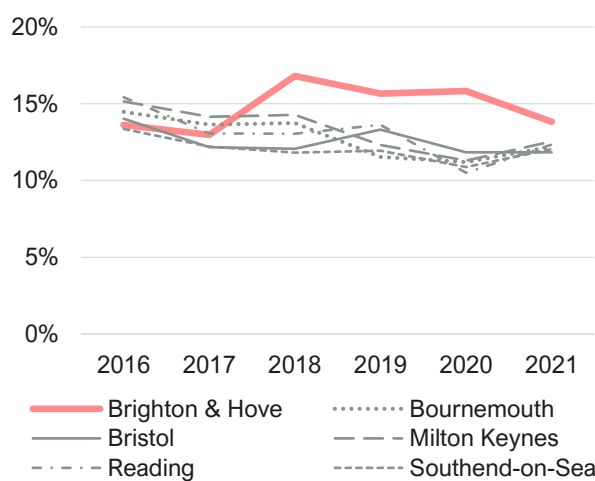
This is despite the fact that Brighton & Hove is home to many of the sectors with the highest number of scale-ups, such as professional services, technology, retail, and entertainment.

Brighton & Hove is good at sustaining businesses, but should do more to help businesses grow, especially in specialist areas and target sectors.

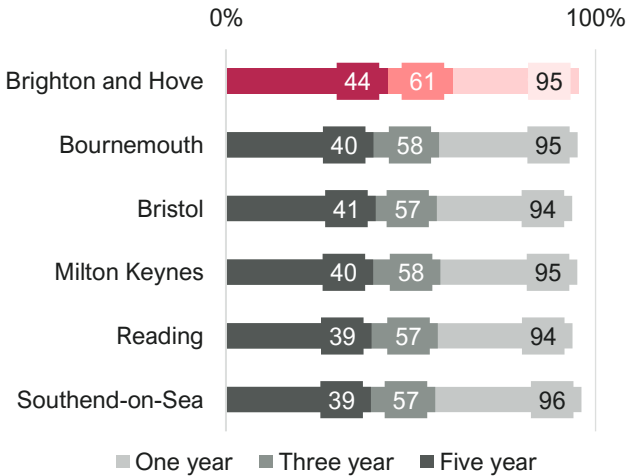
Source: Business Demography, ONS, 2022; Scale-Up Index, Scale-Up Institute, 2023

Brighton & Hove excels among comparators at starting and sustaining businesses...

New businesses as a proportion of total businesses



Business survival rates (businesses started 2016)



...but it does not rank highly for businesses scaling up

Scale-Up Index top 10 local enterprise partnerships by scale-ups, 2022

London	South East	Greater Manchester	Leeds City-Region	Enterprise M3	Hert'shire	D2N2	South East Midlands	Coast to Capital	North East
2345	437	332	286	271	206	202	196	192	159

Many of the sectors most ripe for scaling up already have a strong presence in Brighton & Hove

Scale-Up Index top 10 sectors and subsectors with the highest number of scale-ups nationally, 2022

Sectors	Scale-ups	Subsectors	Scale-ups
Business and professional services	3,823	Property/land development/construction	977
Industrials	2,070	Business banking and financial services	596
Built environment and infrastructure	1,296	Recruitment agencies/personnel supply	431
Technology/IP-based businesses	1,231	Food and drink processors	343
Retail	943	Software-as-a-service (SaaS)	327
Leisure and entertainment	843	Consumer banking and financial services	298
Personal services	836	Civil engineering services	271
Tradespeople	833	Security services (physical and virtual)	265
Supply chain	703	Internet platform	258
Media	248	Property/land management	252

SECTOR CHANGE

Job counts are increasing across sectors, but low wage employment is high and growing

Brighton & Hove has a large proportion of jobs in typically low paying sectors. Whilst jobs growth within these industries has been limited, increases in business counts (there is overlap; retail tends to be low-paying) could indicate a growth of single-employee businesses or those operating businesses using outsourced or ‘gig’ labour.

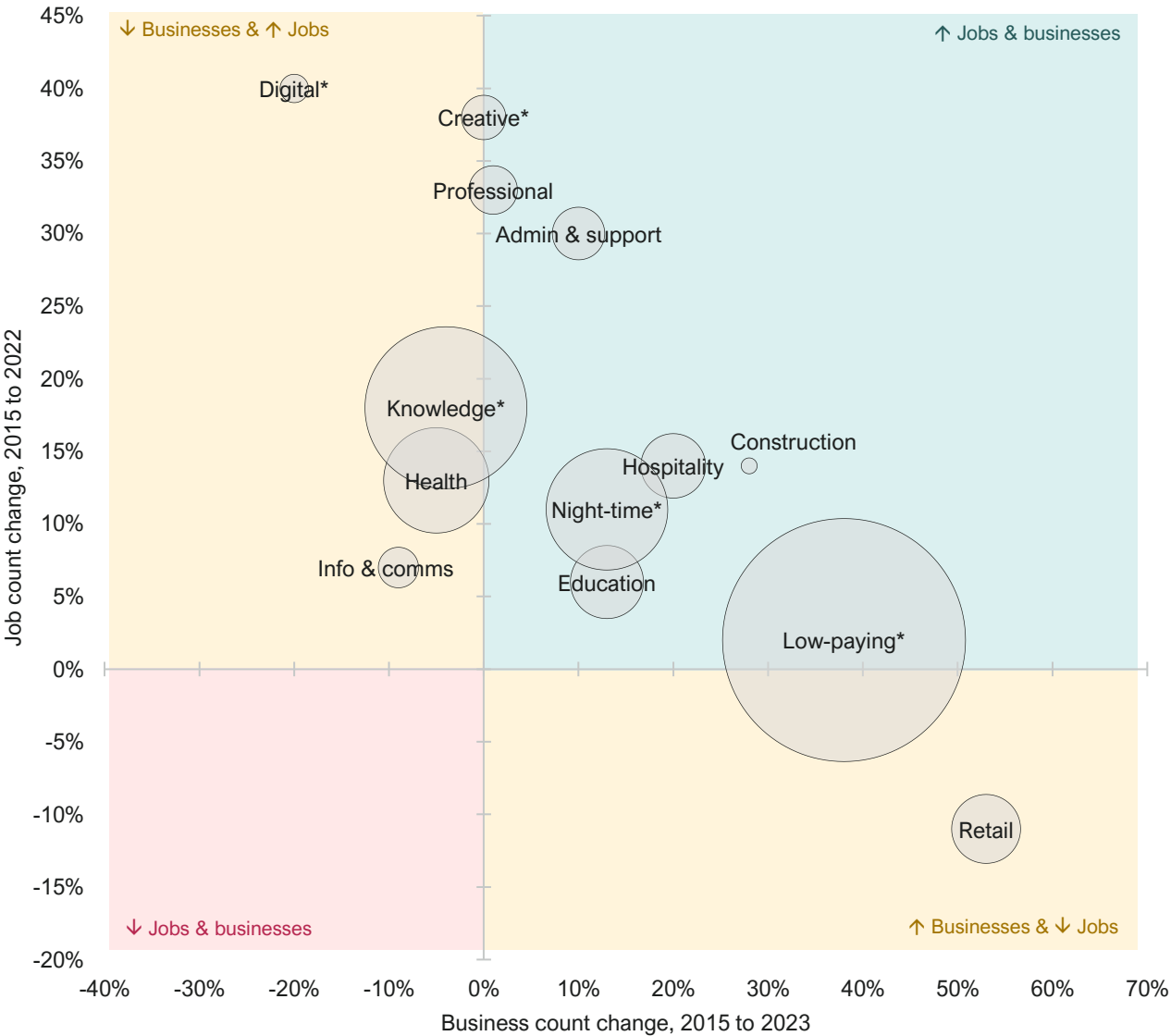
Business counts in digital, knowledge, and information and communications subsectors (note there is overlap among these) and health have decreased since 2015; however, the number of jobs has increased, suggesting growth among remaining or existing businesses in these sectors.

Sectors important for the vibrancy of a place—creative industries, night-time services, hospitality—have increased in both job and business counts.

Brighton & Hove can build on the ‘placemaking’ qualities of night-time and creative sectors and its growing clout in digital services to attract new businesses but must ensure good work standards for those in low paying industries

Source: UK Business Counts, ONS, 2023; Business Register & Employment Survey, ONS, 2023; sector definitions from DCMS

Brighton & Hove’s main sectors have increased by job count, business count, or both
Business & job count change, 2015 to 2022/23



Circle size represents the overall number of jobs in the sector as of 2022
* Denotes a hybrid/bespoke category which overlaps with other sectors

Creative, cultural, and digital industries are an important growth area for the city

Although the number of creative, cultural, and digital businesses appears to have decreased slightly between 2015 and 2023—by around 70 businesses, or -2%—the job count from 2015 to 2022 (latest available data) increased by 30%, a higher rate than jobs across the economy as a whole. These industries also saw some of the highest GVA growth over the past five years.

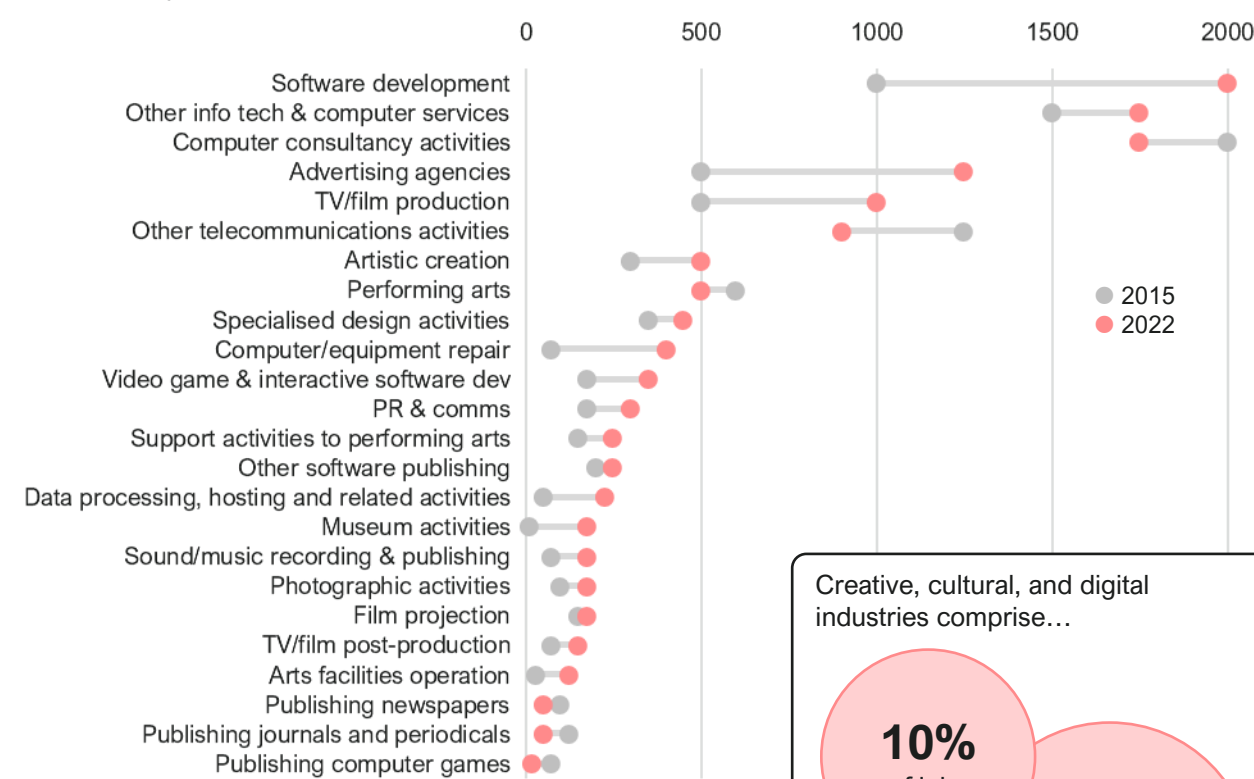
Businesses in creative, cultural, and digital industries are smaller than across Brighton & Hove’s economy as a whole, with 95% being micro-sized and 5% small. The ‘larger’ businesses tend to be in software development, computer consultancy services, and advertising. Additionally, there are likely to be many sole traders/freelancers working in these industries who are not counted in ONS data.

Supporting the creative, cultural, and digital sectors will affirm the city’s reputation for these activities, which can encourage intensification and supply chain growth.

Source: Business Register & Employment Survey, ONS, 2023; UK Business Counts, ONS, 2023; creative/cultural/digital sector definition from DCMS; Regional gross value added (balanced) by industry, ONS, 2023.

Note: see following page for GVA explanation

Most creative, cultural and digital subsectors have gained jobs since 2015, with the largest increases in software development, advertising, and TV/film production
Job estimates by subsector, 2015 to 2022



Creative, cultural, and digital sectors saw some of the highest GVA growth in the city

GVA (balanced & chain volume/inflation adjusted)

Subsector	GVA, 2021	Change, 2016 to 2021
Film/TV production	£77m	-50%
Telecoms & information technology	£354m	53%
Creative, arts, entertainment, cultural activities	£120m	63%
R&D, advertising, market research	£91m	82%

Creative, cultural, and digital industries comprise...

10%
of jobs

21%
of businesses

London as comparator:
13% of jobs
20% of businesses

GROSS VALUE ADDED

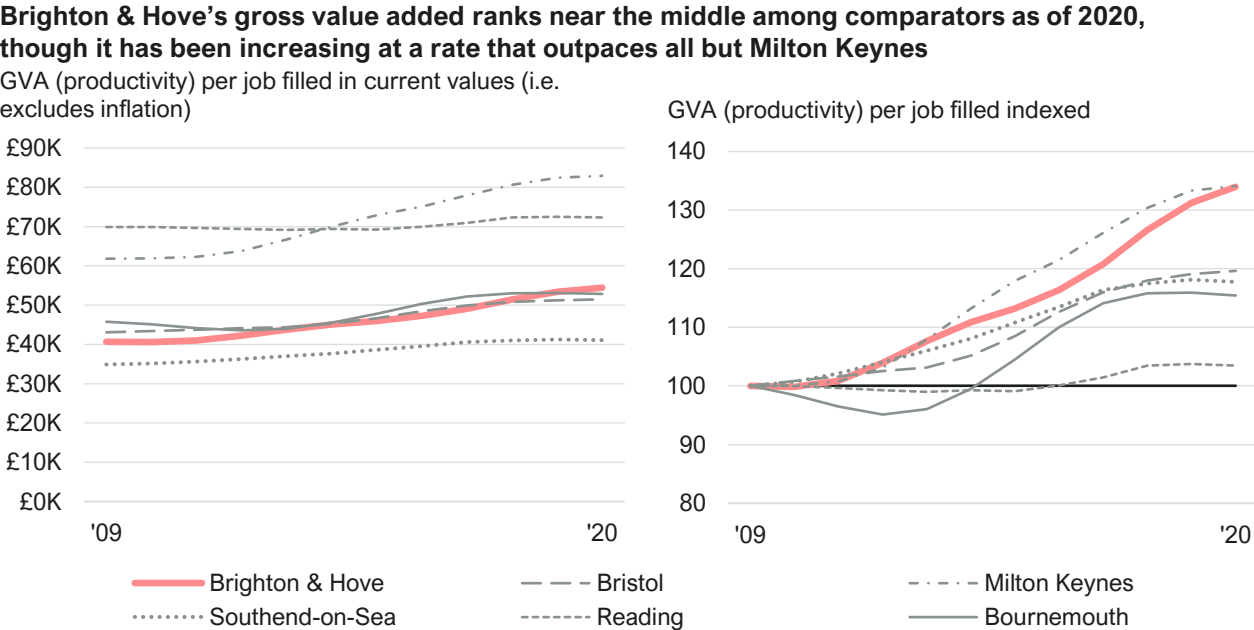
Brighton & Hove's economy is becoming more valuable but much of this is due to increasing house prices

Brighton & Hove's gross value added (GVA) increased 13% between 2016 and 2021; the most recent estimate, from 2021, suggests an economy worth £9.4bn. While nearly 1/5 comprises financial and insurance activities (the insurance and pensions subsector seeing especially high growth over the most recent five-year period), around 18% is attributed to the more public sector and 'caring economy' activities of health, social work, and education.

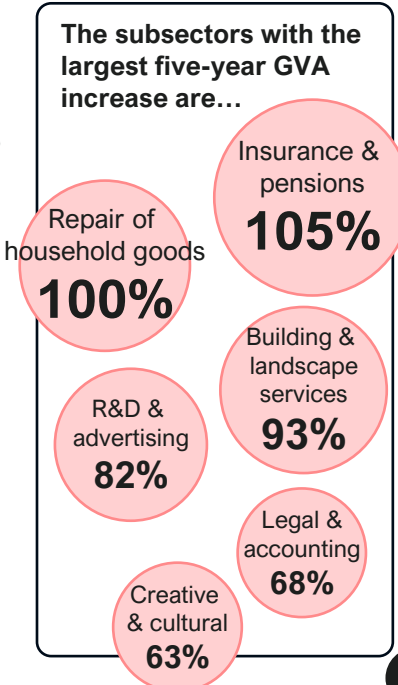
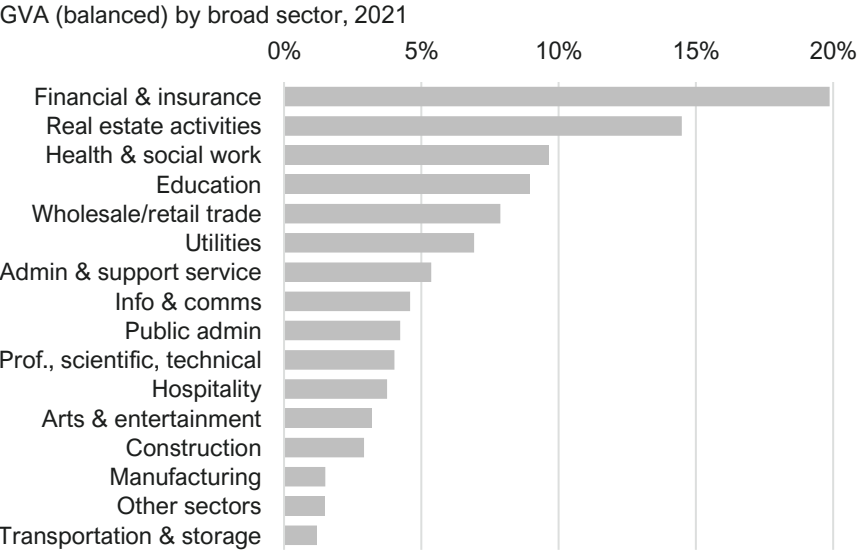
Whilst Brighton and Hove has had the highest rate of increases in GVA per job filled since 2009 than comparators, much of this can be due to rapidly increasing house prices in the City.

Source: Experimental gross value added (GVA) and productivity estimates for travel to work areas (TTWA), towns and cities and other geographies, ONS, 2023; Regional gross value added (balanced) by industry, ONS, 2023

Notes: GVA (balanced) is a calculation that combines GVA production and GVA income data to generate a single measure of economic activity in a region. Real estate activities is largely 'owner-occupier imputed rental', which can be thought of as the economic value of dwellings to their live-in owners, equivalent to if they were to rent out their properties.



The financial & insurance sector comprises nearly 1/5 of Brighton & Hove's gross value added



Brighton & Hove should be attracting more investment

The South East was the second-most attractive region for FDI projects in 2021/22, but Coast to Capital LEP—in which Brighton & Hove is the major city—is underperforming compared to the wider region and comparator LEPs in terms of number of projects attracted.

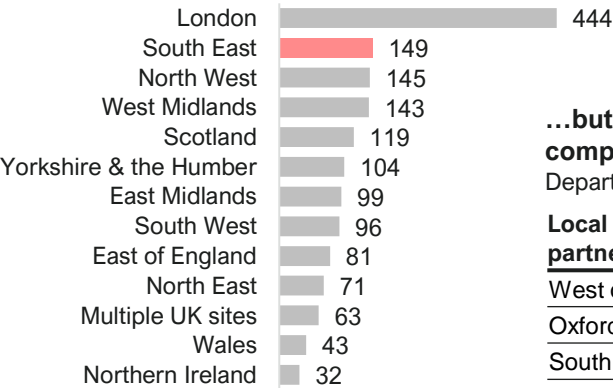
The Foreign Domestic Investment Attractiveness Index, developed by Irwin Mitchell Solicitors, ranks Brighton (note they do not specify the exact geography used; we assume Brighton & Hove as a city or ‘travel to work area’) as fourth nationally for FDI attractiveness and first for growth potential.

However, among the top 10 investment areas, Irwin Mitchell ranks Brighton in the low- to mid-range in terms of local skills and infrastructure.

Addressing shortcomings in skills and infrastructure, establishing differentiators in its brand, and better presenting specific FDI projects will be important for boosting Brighton & Hove’s investment proposition.

Source: Inward Investment Results Tables, Department of International Trade, 2023; Irwin Mitchell, 2023. In each pillar of the index, there are two or three indicators, sourced primarily from national datasets. The growth potential pillar draws on data from GVA forecast (2024) and new enterprises per 10,000 people (2021).

The South East is one of the top locations for foreign direct investment projects...
Department of International Trade, 2023



...but Coast to Capital LEP has had fewer projects than comparators

Department of International Trade, 2023

Local enterprise partnership	Single-site FDI projects	New jobs	Total FDI projects
West of England	29	1,081	43
Oxfordshire	29	458	38
South East	23	966	37
Greater Cambridge & Peterborough	30	782	34
Sheffield City Region	20	868	30
Coast to Capital	16	572	23

Multiple UK site projects span more than one region. Total Projects include single site and multiple site projects.

Brighton is highly ranked for inward investment nationally and may be able to do better with greater investment in local skills and infrastructure

Irwin Mitchell Foreign Direct Investment Attractiveness Index, top 10 locations by index score, 2023

Location	Growth potential	Local skills	Local infrastructure	Index score	Rank
Inner London	83.1	96.9	59.2	79.8	1
London	81.7	92.4	53.5	75.9	2
Outer London	67.2	89.1	50.1	68.8	3
Brighton	84.1	33.3	34.8	50.8	4
Oxford	45.4	36.8	65.1	49.1	5
Greater Manchester	42.1	63.0	31.8	45.6	6
Birmingham	64.0	35.5	36.5	45.4	7
Edinburgh	38.3	42.5	52.3	44.4	8
Reading	69.6	26.2	34.7	43.5	9
Cambridge	42.5	31.9	55.5	43.3	10

Brighton & Hove's labour market appears strong, but there are significant spatial inequalities

There are more residents with degree level qualifications or equivalent within Brighton and Hove than local comparators, and fewer residents with no qualifications. These highly qualified residents are located in a relatively tight area in the centre of the city, close to employment centres and key transport nodes.

However, there is high spatial inequality. Within East Brighton and Hangleton and Knoll, there are high proportions of residents who have no qualifications.

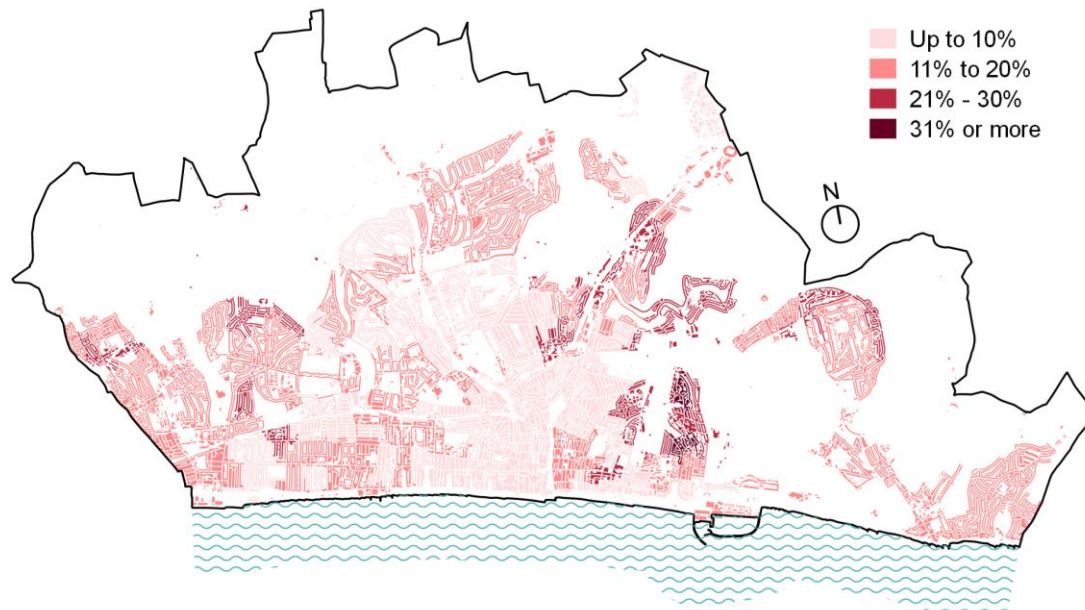
As noted on the previous page, Irwin Mitchell identifies 'local skills' as a relative weakness for investment in Brighton & Hove. This could be because there is very high demand for residents' skills (i.e. not enough to go around) or because the skills aren't quite matching what investors are looking for.

Brighton & Hove needs to ensure that residents further from the city centre are supported to gain the skills needed to work in the city's growing sectors.

Source: Census 2021; Annual Population Survey, ONS; Characteristics of home workers, Opinions and Lifestyle Survey, ONS

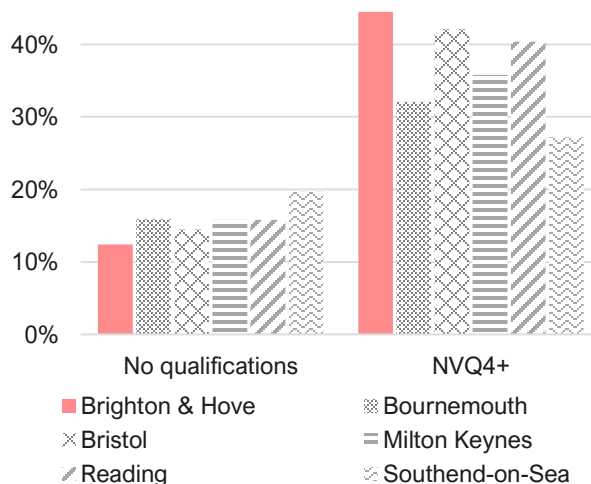
Outside of the centre of Brighton & Hove, there are a high proportion of residents with no qualifications

Estimated proportion of residents with no qualifications, 2021



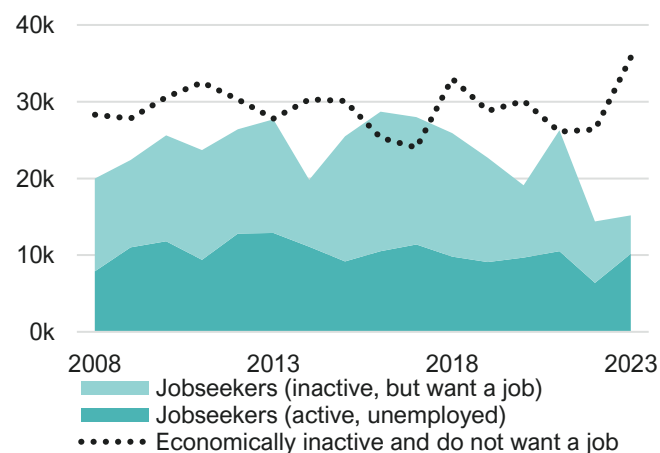
Brighton & Hove's residents are more highly qualified than comparators

Resident qualifications, age 16+, 2021



With relatively low numbers of jobseekers and a high number of residents not wanting a job, the labour market may be especially tight

Resident economic activity, ages 16 to 64, year to June



Brighton & Hove: becoming fairer

Evidence on the inequality which prevents our residents, workers, and businesses from reaching their full economic potential

Housing affordability is a major challenge throughout the city

Brighton & Hove has long been an attractive place to live, but it is difficult for middle-income earners to find somewhere to live comfortably within their means. For a median-income individual (£33,889/yr gross) looking to rent a one-bedroom flat, most options in the city would take up more than 30% of their pay.

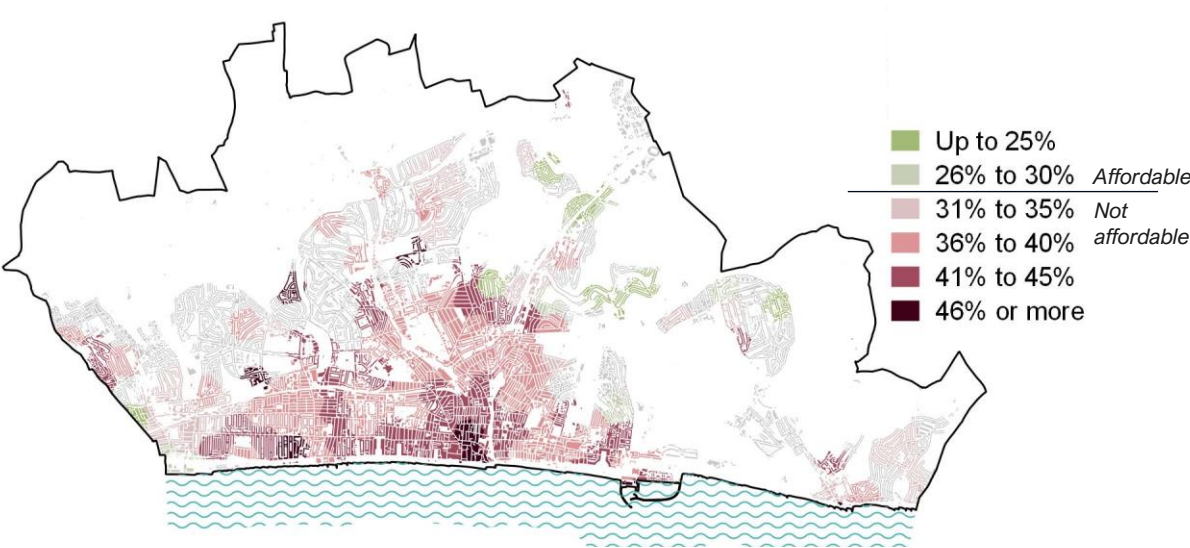
Unlocking career progression and higher-wage jobs may be part of the solution. Housebuilding is the other: it has increased steadily from 2018/19 to 2021/22 and needs to continue in this way, particularly where aimed at ‘average’ people rather than luxury-end development.

Brighton & Hove needs to ensure that there is sufficient affordable housing within the city, or unaffordability risks pushing people out, making it more difficult for them to access its employment and training opportunities.

Source: Realyse; Annual Survey of Hours & Earnings, ONS, 2022. Analysis is based on price paid data on two-bedroom properties and estimated achieved rents (based on an average achieved rent of 91% of asking) for one-bedroom properties from November 2021 to October 2022.

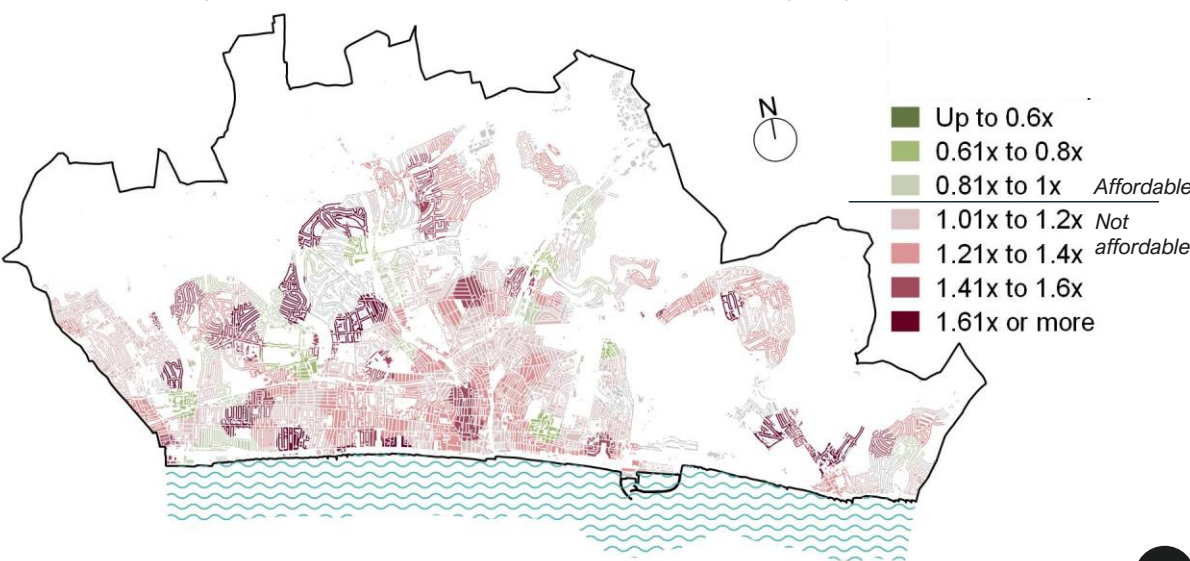
An individual earning the median income cannot comfortably afford to rent a one-bedroom flat on their own in most of Brighton & Hove

One-bed rent as a proportion of median gross annual income (2022)



Two median income earners with a 10% deposit cannot afford the mortgage on a two-bedroom property in most of Brighton & Hove

Median two-bedroom property price vs what two median income earners can afford (2022)



Residents face stagnant incomes in the face of the cost of living crisis

Part of the housing affordability challenge noted on the previous page stems from stagnant pay despite rising house prices and rents. The median gross annual income in Brighton & Hove (£33,889) has not kept up with inflation. This appears to affect men and women differently; men's pay has increased at double the rate of women's (32% to 15%) and above inflation, whereas women's pay has risen at below inflation levels (not pictured in graphs), widening the gap between the two.

Brighton & Hove also has an estimated 8.8% of residents earning below a living wage.

Census 2021 travel to work data was skewed by Covid-19, but will have captured travel flows of people working in the essential jobs and services that keep society going. 72% of people travelling to work in Brighton & Hove during the 'lockdown Census' came from within the city itself, so low pay occurring within the city will affect its residents.

Brighton & Hove needs to attract and provide pathways into secure, well-paying jobs.

Source: Annual Survey of Hours and Earnings, ONS, 2023;
Income estimates for small areas, ONS, 2023

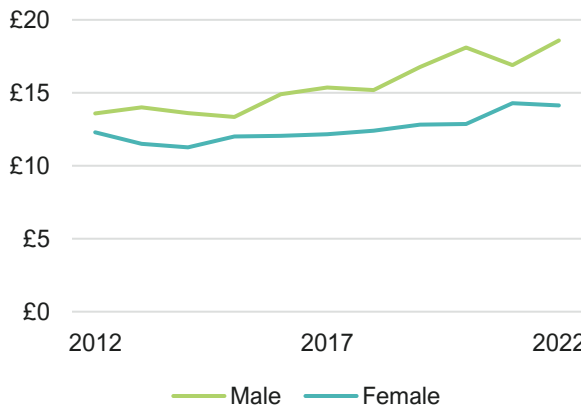
Residents' pay is not keeping up with inflation

Median gross annual income



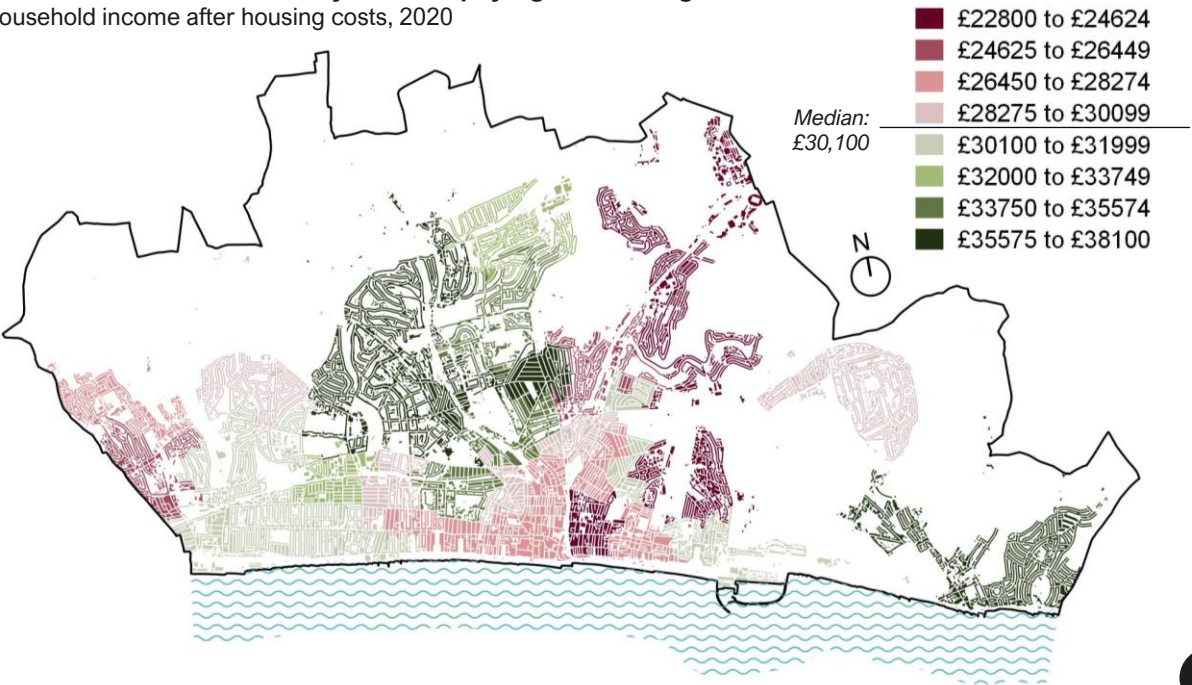
Women's wages remain below men's and the gap is widening

Gross hourly pay by gender



In Brighton & Hove's more deprived neighbourhoods, households have as little as £22,800 to live on each year after paying for housing

Net household income after housing costs, 2020



ACCESS TO AMENITIES & SERVICES

Outside of the city centre, residents lack access to essential services

For people to live well and be healthy—and therefore feel fit to participate in the economy and community and family life—they need access to basic amenities. In Brighton & Hove, there are neighbourhoods that rank among the worst nationally for access to healthy and affordable food and a GP.

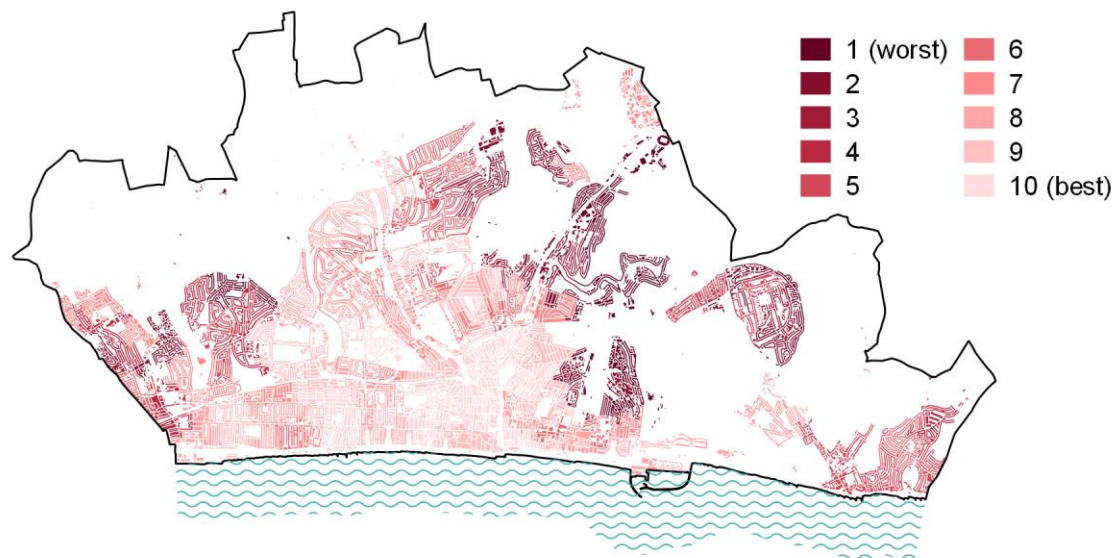
The council's 2022 research concludes that parts of Moulsecoomb, Rottingdean, Patcham and Whitehawk lack the facilities to make them legitimate 20-minute neighbourhoods.

Ensuring people in all parts of the city can access the basic services they need for day-to-day life and wellbeing will allow people to lead healthier lives and access economic opportunities.

Source: Consumer Data Research Centre (CDRC), an ESRC Data Investment. Funding references ES/L011840/1; ES/L011891/1. The Priority Places for Food Index was developed by the CDRC at the University of Leeds in collaboration with Which?; Urban Big Data Centre. Economic and Social Research Council. Public Transport Accessibility Indicators, 2022 [data collection]. University of Glasgow - Urban Big Data Centre.

Residents in Moulsecoomb, Bevendean, Woodingdean, Whitehawk, and Hangleton are among the most deprived nationally in being able to access healthy and affordable food

Priority Places for Food Index (deciles), 2022



Residents in Withdean, Ovingdean, Bevendean and others lack sufficient access to GPs

Number of GPs within a 15 minute public transport journey, 2022



Residents are less well and happy than five years ago

Across the spectrum of people in employment, unemployed, and out of the job market entirely, long-term health conditions among Brighton & Hove’s residents have been on an upward trend since around 2017. This may be in part due to the population aging: an older population brings a greater likelihood of health ailments. This could be more pronounced in the future, as over 55s are projected to increase by 19%, or around 13,600 people, by 2040.

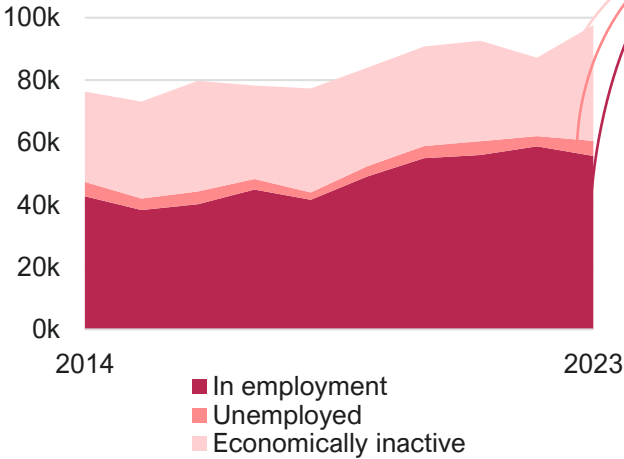
Other data indicates that as of 2022 residents in Brighton & Hove feel slightly less happy and more anxious than five years prior, with anxiety levels experienced during Covid-19 failing to subside. It is unlikely anxiety and unease will abate during our current period of high prices and living costs.

Wellbeing needs to become a more prominent measure of the success within the economic strategy, with stronger links between economy and public health in policy.

Source: Consumer Data Research Centre (CDRC), an ESRC Data Investment. Funding references ES/L011840/1; ES/L011891/1. The Priority Places for Food Index was developed by the CDRC at the University of Leeds in collaboration with Which?; Annual Population Survey, ONS, 2023; Personal well-being interactive map, ONS, 2022

The number of residents with long-term health conditions is increasing

Residents aged 16+ with health conditions lasting more than 12 months, year to June



41%
of 16+ population in mid-2023

Compared to the UK, residents are slightly less likely to feel happy and slightly more likely to feel anxious
Average ratings of personal wellbeing, year to March

Measure	Brighton & Hove		UK avg
	2017	2022	2022
Life satisfaction	7.57	7.57	7.57
Worthwhile	7.75	7.71	7.8
Happiness	7.37	7.26	7.48
Anxiety	3.35	3.71	3.08

Fuel poverty is an issue in areas already facing other types of deprivation

Neighbourhoods vulnerable to fuel poverty, 2022



Educational achievement rates are increasing, though gaps persist

Although the gap has closed somewhat—dropping from around 19 percentage points in 2015/16 to 13 percentage points in 2019/20—disadvantaged pupils who have achieved A levels, tech levels and applied general qualifications at Brighton & Hove state schools continue to fall behind their advantaged peers in staying in education after graduation.

The vast majority of pupils who do sustain further education or training attend university. A small and declining number choose apprenticeships, with the highest level of apprenticeships more popular. This reflects a national shift, with level 2 apprenticeship provision falling whilst companies switch to training existing staff on higher apprenticeships.

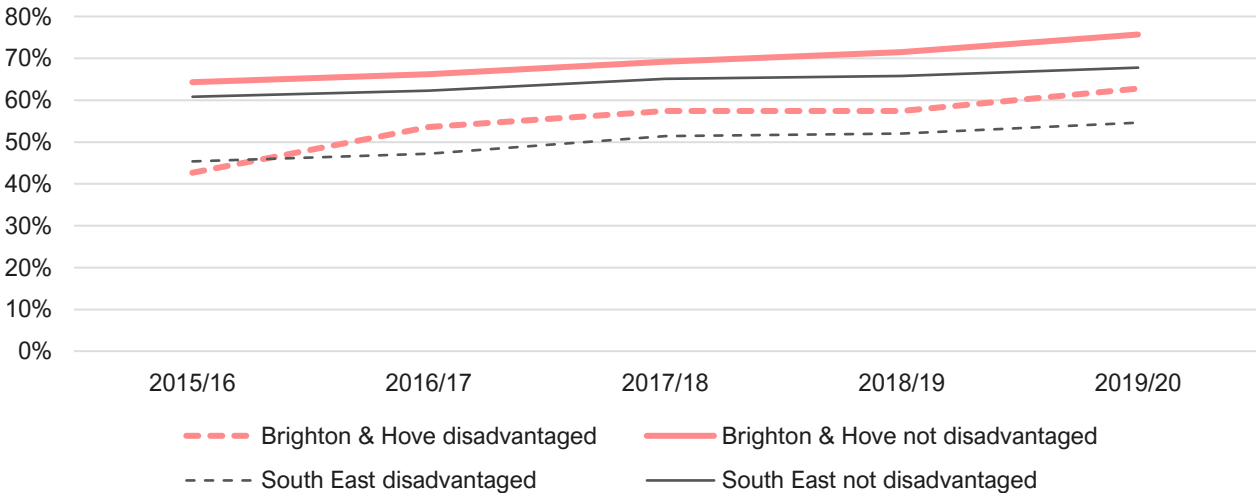
Ensuring that residents from disadvantaged backgrounds are supported into higher education and that there are more entry level apprenticeships is key for addressing the spatial inequality in educational attainment and aiding the shift to a higher value economy.

Source: Progression to higher education and training, Explore Education statistics, gov.uk; Explore Education Statistics, gov.uk, 2023

Note: ‘disadvantaged status’ is given to those eligible for free school meals in the past six years or having been looked after by their local authority

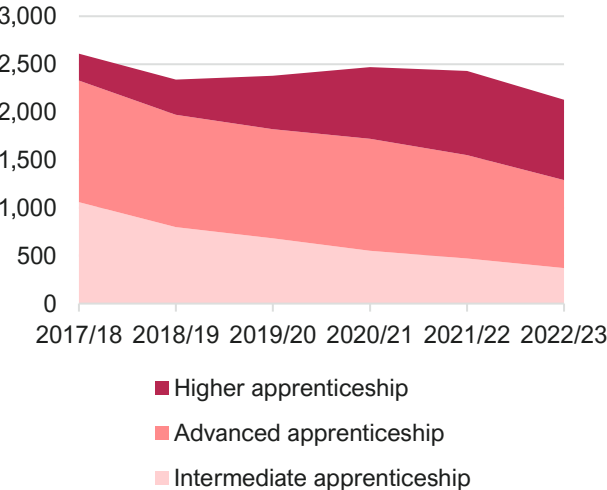
Graduates of Brighton & Hove state schools sustain their places in higher education, training, and employment at a higher rate than the South East region, but a gap persists between advantaged and disadvantaged students

Progression to higher education and training (n.b. data relates to pupils attending B&H schools from anywhere)



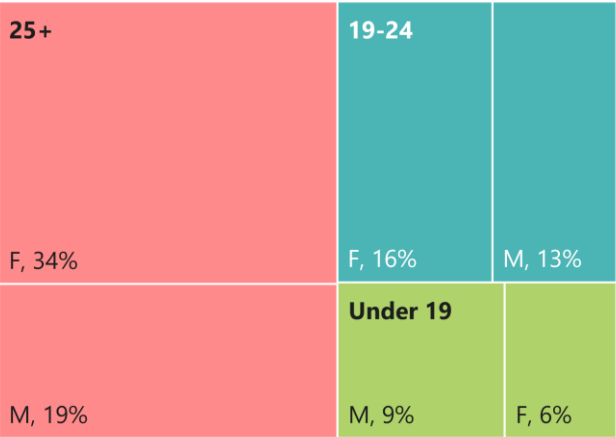
The number of residents in apprenticeships is falling, but the highest level of apprenticeships are increasing in popularity

Apprenticeship participation by qualification level



People age 25+ comprise the highest proportion of residents completing apprenticeships

Apprenticeship achievements by demography, 2022/23



Brighton & Hove: becoming greener

Evidence on emissions, waste and green economy opportunities

CARBON EMISSIONS & TARGET

Brighton & Hove needs to continue to take action to ensure the city is carbon neutral by 2030

Brighton & Hove has set a carbon neutral target by 2030. This requires greenhouse gas emissions for the whole city to decline by 12.7% annually.

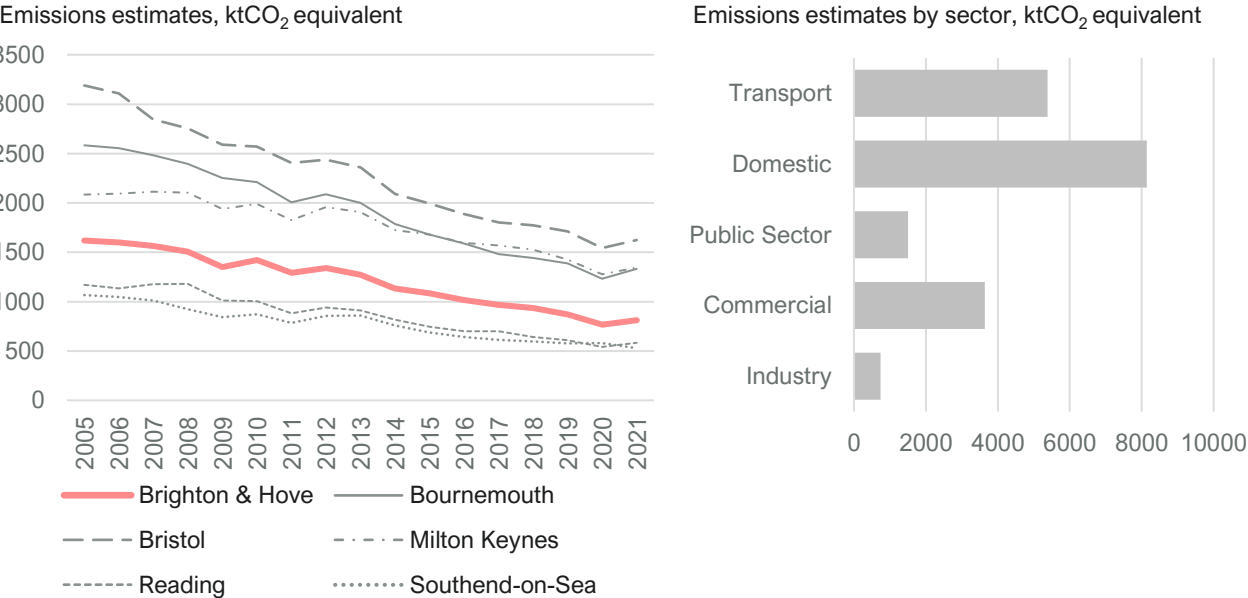
Overall, carbon emissions have been steadily decreasing, with the biggest declines in electricity due to more renewable sources. However, there's been an uptick of 5% since 2020.

Not addressing climate change will have a negative impact on the economy. Brighton & Hove will become a less attractive place for businesses and residents to locate, inward investment will be reduced and there will be a loss of innovation capacity, as well as the direct and indirect impact of changing environment on health, infrastructure and the environment.

Brighton & Hove needs to prioritise decarbonising its economy, especially in areas the council can influence such as from council owned housing or transport.

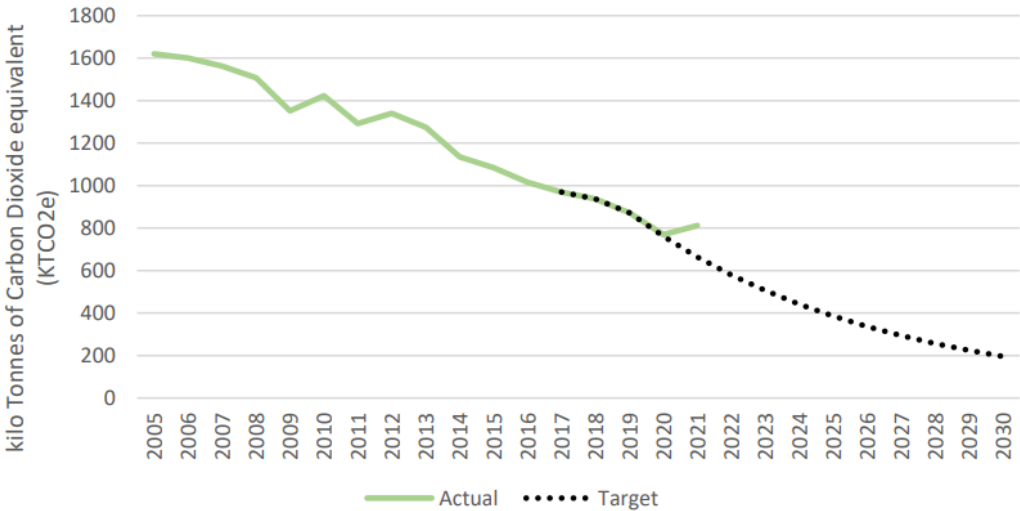
Source: Brighton and Hove City Council, Carbon Neutral 2030 Annual Report 2023; Department for Energy Security and Net Zero, 2023; Quantifying the implications of the United Nations Paris Agreement for Brighton and Hove, Tyndall Centre, Nov 2023

Greenhouse gas emissions within Brighton and Hove are on a downward trend, but without intervention in domestic and transport emissions there is a limit to how far they can decrease



Despite the long-term downward trend in emissions, Brighton & Hove urgently needs to do more to stay within its target

Historical greenhouse gas emissions 2005-21 and target to 2030



A substantial amount of commercial space is not fit for the future

Throughout the country, a large proportion of commercial space fails to provide a good standard of energy performance, and Brighton & Hove is no different. There are two main imperatives for improving energy efficiency of commercial stock:

- Increasingly, occupiers are looking for high-quality space with top energy performance ratings, whether due to lower operating costs, a drive to attract staff, CSR goals, or a combination of these and other things. Without intervention, Brighton & Hove may become less attractive to businesses.
- The government's Minimum Energy Efficiency Standard (MEES) means that low-EPC-rated properties will not be lettable by certain dates. Without intervention, spaces critical for Brighton & Hove's economy will be highly impacted by MEES, especially dining and drinking, offices, and industrial uses.

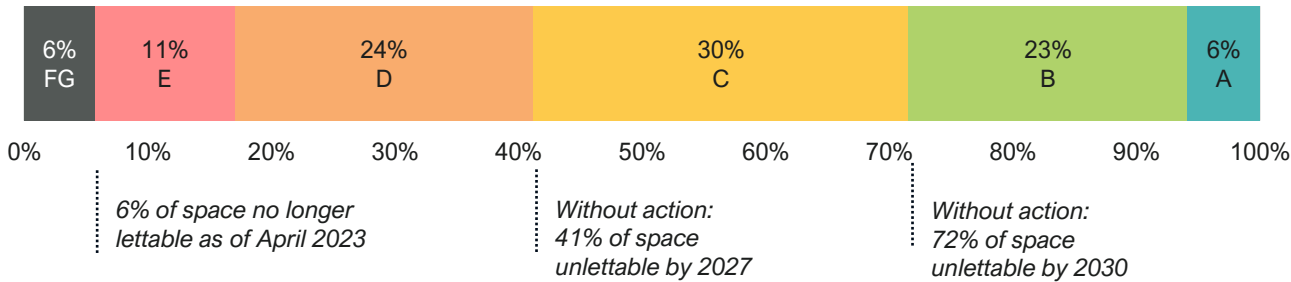
More detailed information about energy efficiency will be provided in the BHCC Decarbonisation Pathways study.

Brighton & Hove urgently needs to triage its commercial stock, work with landowners and lobby central government to refurbish properties, and publicise its retrofit wins to investors.

Source: Consumer Data Research Centre, Nov 2022

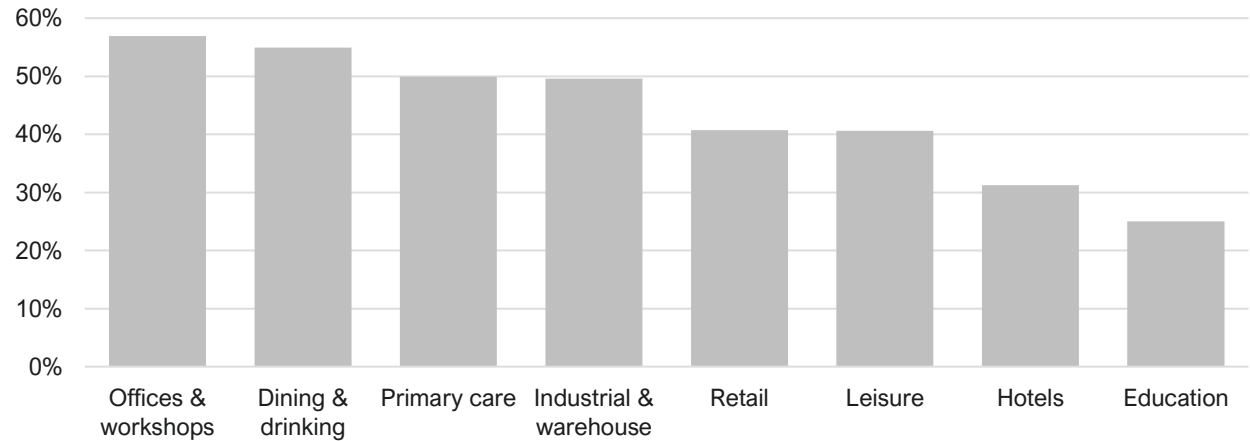
A significant proportion of commercial stock needs future-proofing

Proportion of floorspace by EPC rating (sampled data), Nov 2022



Just over half of office and dining & drinking floorspace may need refurbishing in the next few years

Proportion of DEFG-rated floorspace by selected use classes (sampled data), Nov 2022



CIRCULAR ECONOMY

Brighton & Hove has an the active and growing circular economy

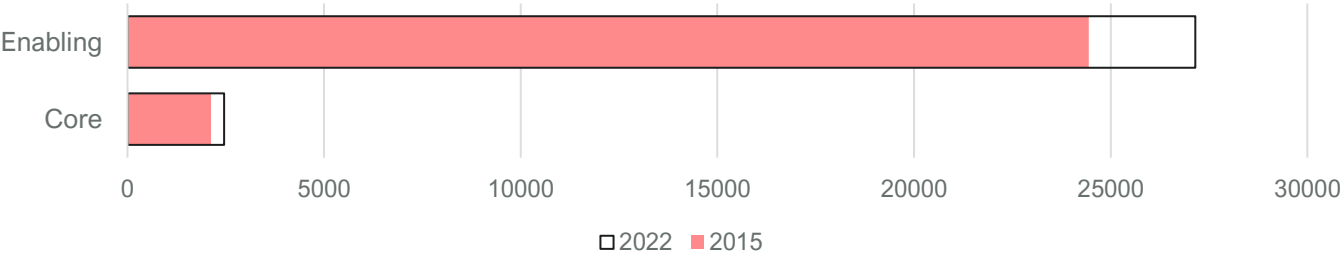
Brighton & Hove have created a Circular Economy Routemap to 2035, with key targets including:

- By 2030 halve food waste in the City
- By 2030 halve consumption of primary materials in the city
- By 2035, work with partners to attract investment of over £100 million in Circular Economy activity within the Greater Brighton area

ReLondon define circular economy jobs as core and enabling. Core jobs are those directly in circular practices, which ensure materials cycles are closed for as long as possible at the highest possible value such as reuse and repair, renting and leasing. Whilst making up a small proportion of the overall jobs base, these jobs have grown since 2015. Enabling circular jobs are those which can support circular businesses in the supply chain, such as logistics.

Brighton & Hove has strong preexisting circular activity, expanding and centralising circular economy can be a key differentiator and part of the city’s identity.

Brighton & Hove has a growing number of jobs within the circular economy
Number of core and enabling circular economy jobs



There are many existing circular economy businesses within Brighton & Hove
Local mapping of circular economy businesses



Sources: ONS Business Register and Employment Survey 2015,2022; Map taken from Climate Conversations Brighton

WASTE

Brighton & Hove should recover more resources back into the economy

Brighton & Hove’s ‘waste footprint’ appears to be quite local, with 97% of waste picked up from the city (out of a total 312,826 tonnes of waste received in 2022) being processed either internally or within the wider South East region. Of the waste that is processed within Brighton & Hove, the vast majority is recovered (this data not pictured in diagram).

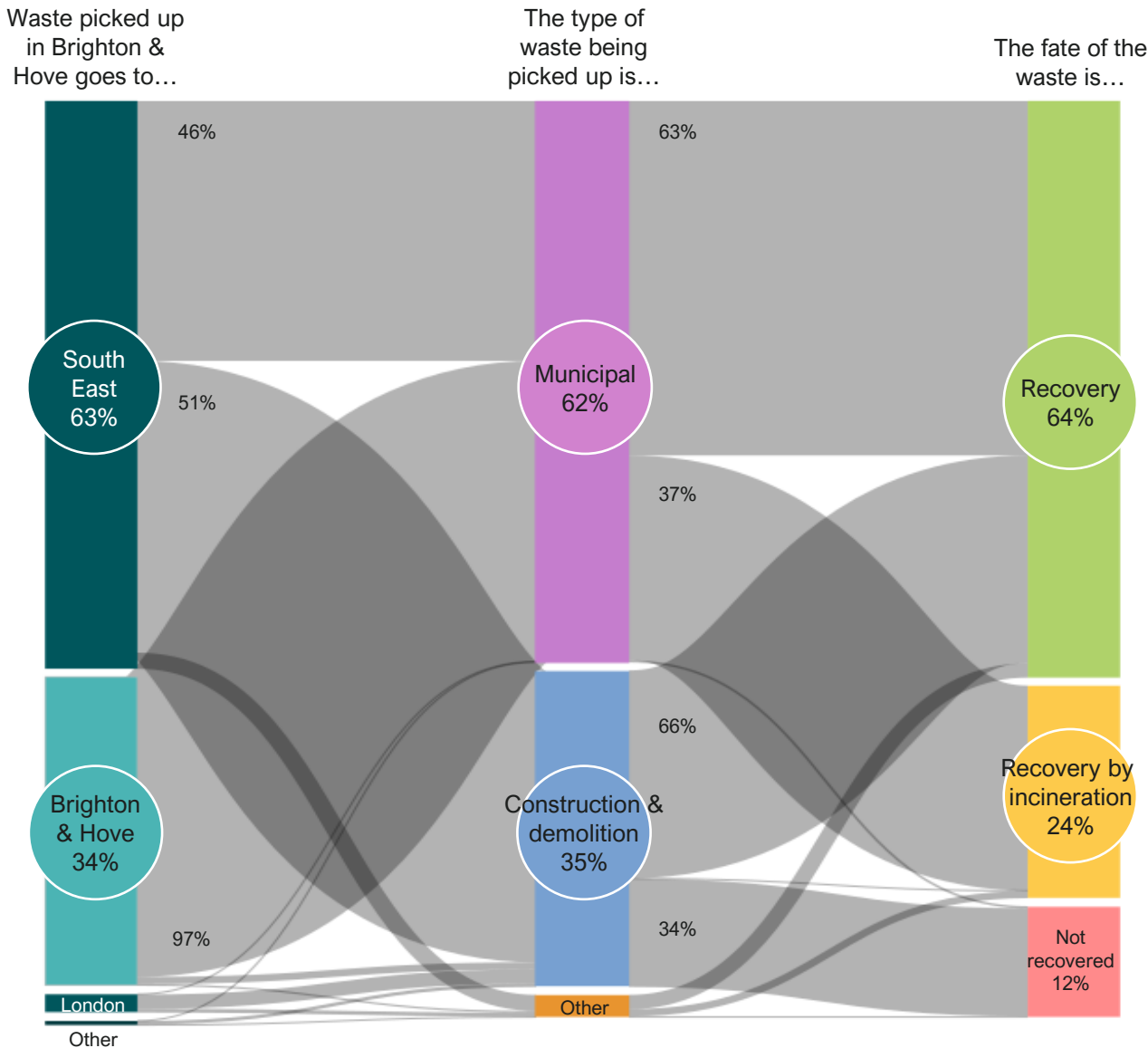
This does mean that the city exports its ‘dirtier’ or more challenging wastes elsewhere, including waste recovered by incineration (which, in capturing/creating energy, also generates emissions) or not recovered at all. The 36% of waste received from Brighton & Hove in these categories largely goes to the wider South East.

There is room to improve, particularly in reducing municipal waste to incineration—whether through lower consumption, reusing materials, removing non-recyclable materials in goods, or other means—and construction waste to disposal. This would enable cascading materials back into the system and more circular practices.

Brighton & Hove needs to support businesses and residents to reduce waste at source and improve recovery rates.

Source: Environment Agency Waste Interrogator 2022 (Waste Received)

Brighton & Hove’s waste is locally-processed and majority recovered
Waste flow: destinations, types, and fates of wastes received from Brighton & Hove, 2022



DECARBONISATION PRIORITIES

There are opportunities for new green economy activity within Brighton & Hove

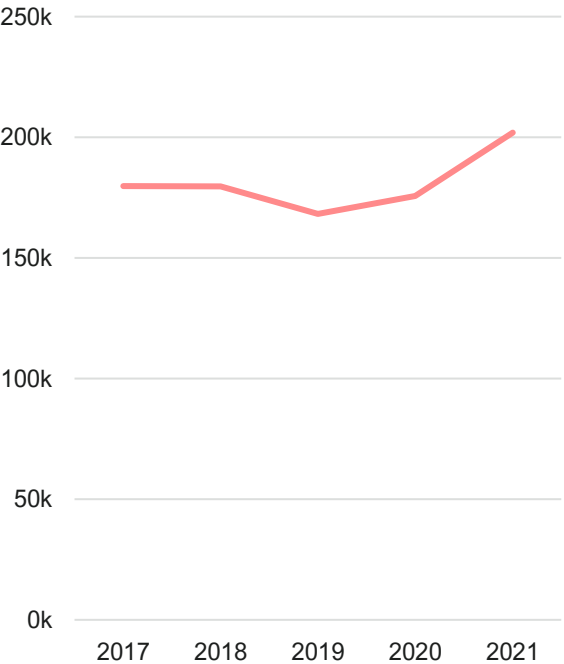
BHCC are carrying out a Decarbonisation Pathways Study which will provide scenarios for decarbonising the city and local estimates on jobs required to meet net zero. This will provide a good basis for discussions with local businesses and skills providers when the evidence is available.

Data for England shows employment in low-carbon sectors is increasing. Government legislation such as on the sale of diesel and petrol vehicles, phasing out gas boilers and heat networking zoning will open new opportunities within the City. Research by the Local Government Association has estimated a need for 2,264 jobs in low-carbon sectors within Brighton & Hove by 2030. Most people who will be employed within these jobs will already be working in Brighton and Hove's economy and may need skills support and training to adapt to new or changing roles.

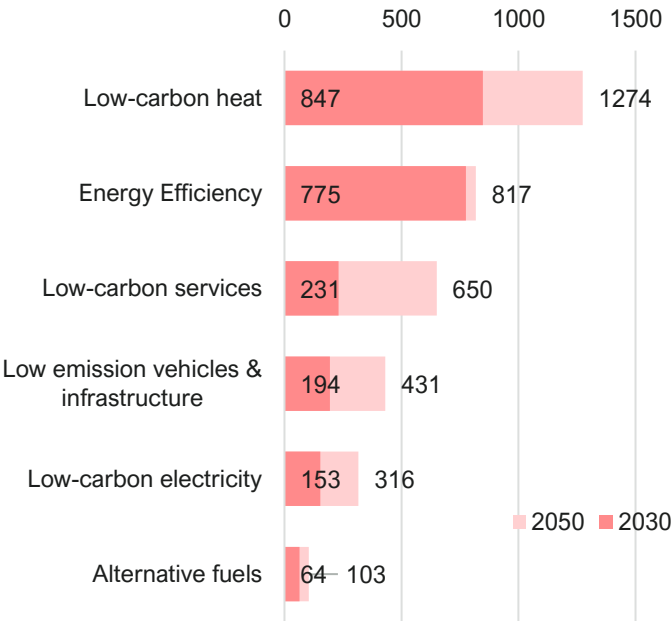
It is important to consider Brighton & Hove's role in anchoring and leading the city and City Region in decarbonising the economy.

Sources: Local green jobs - accelerating a sustainable economic recovery, Local Government Association, 2023; Low Carbon and Renewable Energy Economy (LCREE) Survey estimates, UK, 2014 to 2021; The Greater Brighton Hydrogen Strategy

Employment in low-carbon sectors is on the rise
Jobs in low-carbon sectors in England



Brighton & Hove will need thousands of new jobs in coming decades to meet its net zero requirements
Estimated jobs required to meet net zero



Innovation opportunities: local hydrogen economy

Brighton & Hove is well-placed to support the City Region in the clean energy transition. The Greater Brighton Hydrogen Strategy has identified the strengths of the region; a number of organisations are already developing hydrogen technology alongside ongoing initiatives such as hydrogen powered buses and hydrogen decarbonisation in the maritime sector. Shoreham Port has already made a five-year commitment to a Green Energy Hub to develop port-based hydrogen, ammonia and new onshore wind and solar generation capacity onsite. Brighton & Hove has two universities providing relevant courses, along with a highly skilled workforce that can aid in developing new technologies.

Greater Brighton: Evolving the City Region

Evidence on the relationship between Brighton & Hove and
the City Region

Brighton & Hove is a key employment hub which draws on the skilled labour force in the city region

Many workers within Brighton & Hove travel from within the City Region. As housing in Brighton & Hove becomes more expensive, the City Region is likely to be increasingly attractive to those working in Brighton & Hove.

Whilst Brighton & Hove has the highest proportion of residents with Level 3 and 4 qualifications, proportions are above the England average in many of the City Region's local authorities. Residents within the City Region are also more likely to be skilled to apprenticeship levels.

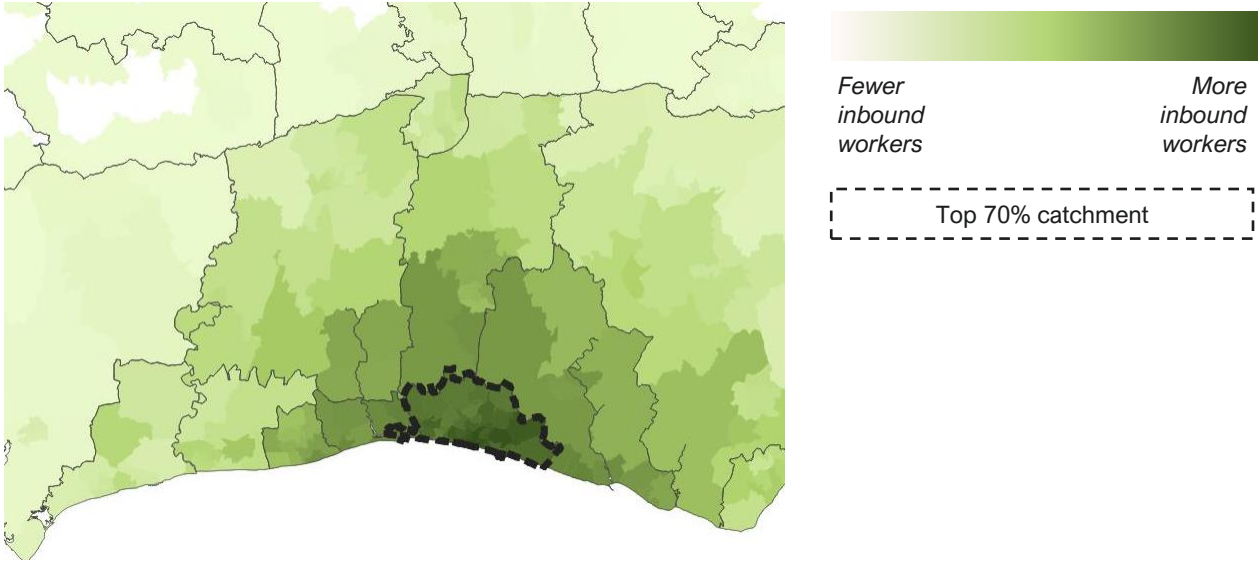
The transition to net zero within Brighton & Hove will require workers with new skills and specialisms. To fulfil these requirements Brighton & Hove will need to draw on the skills within the wider City Region.

A joined-up approach to identifying green economy skills gaps and opportunities across the region will ease the transition required.

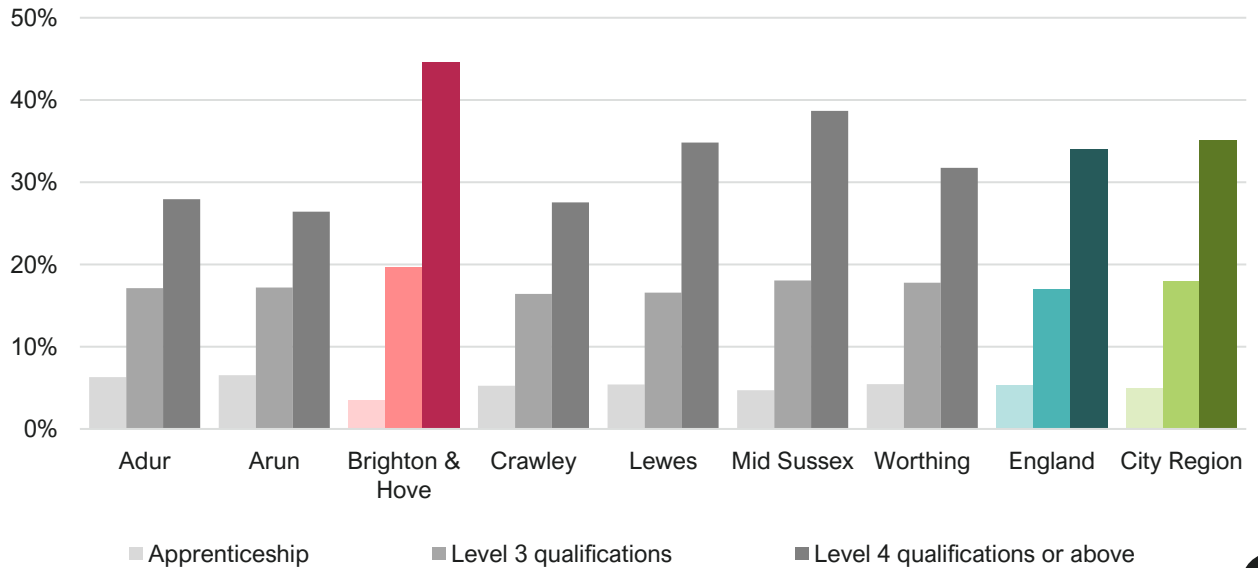
Source: Census 2021

Note: ONS urges caution with travel to work data as it was taken during 2021 lockdown. People going to a place of work at this time would have predominantly been essential services workers and there is a risk people may have answered the travel to work question incorrectly, skewing the data.

Many workers commute into Brighton & Hove from surrounding neighbourhoods
Inbound workers to Brighton & Hove, 2021



Residents throughout the City Region are highly qualified
Proportion of residents whose highest qualification is an apprenticeship, Level 3 or Level 4+



Much of the City Region's growth in jobs has been driven by increases in Brighton & Hove

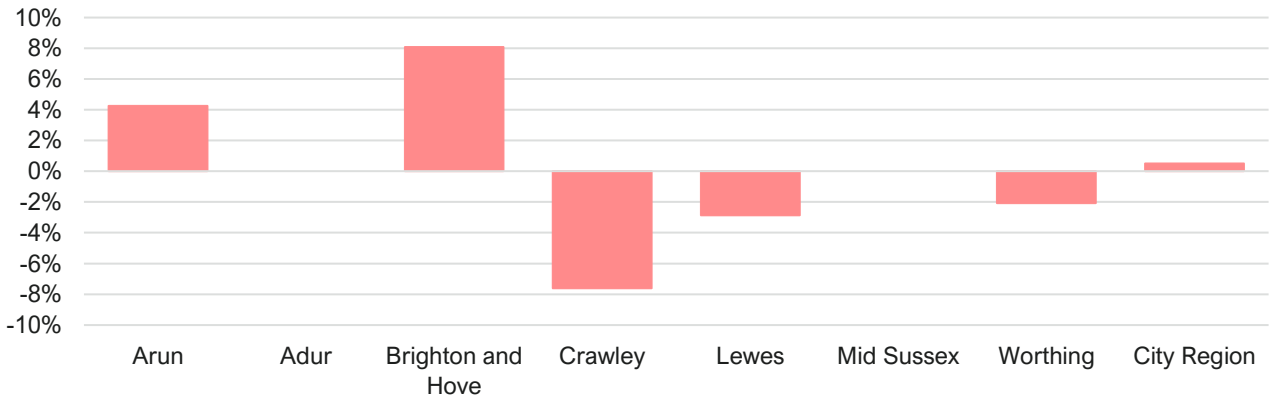
The number of jobs has grown across the region in the past five years, but within the constituent local authorities, only Arun and Brighton & Hove have seen overall increases.

At the more local level, employment increase and decline varies significantly between often neighbouring areas. Growth has been concentrated within specific locations within Brighton city centre, Worthing and Crawley, whilst there have been declines outside of the centres. Whilst rural areas have seen significant proportional increases, this is from a lower base.

Source: ONS Business Register and Employment Survey 2017-2022

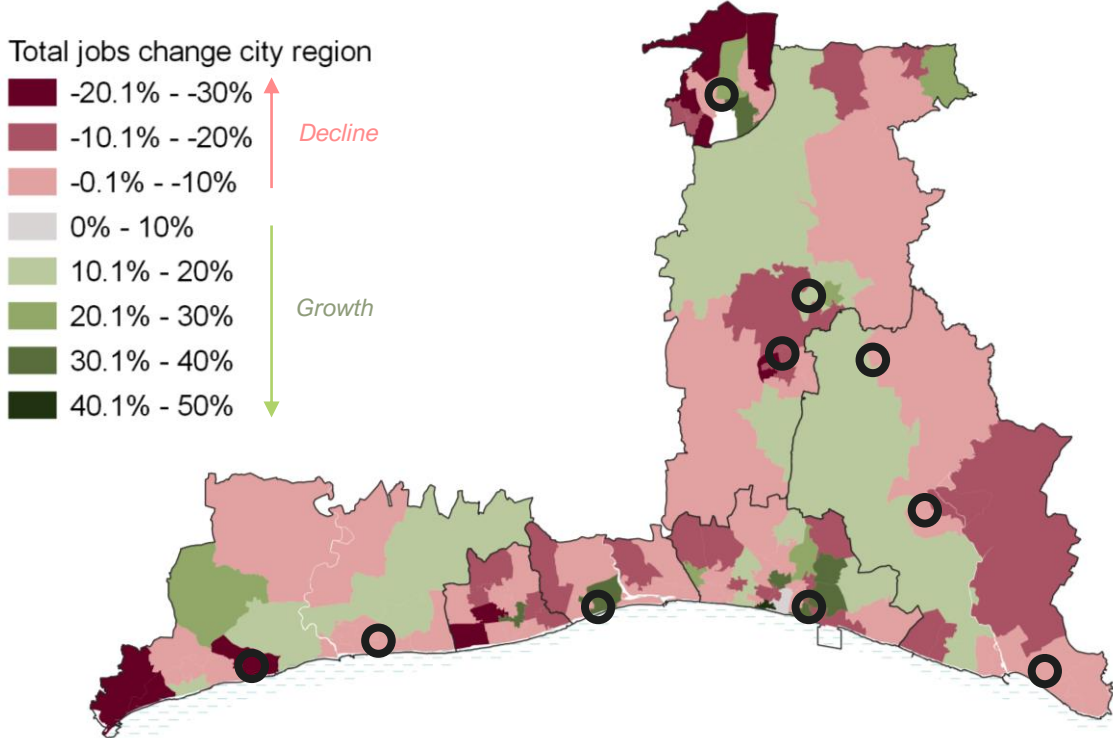
Brighton & Hove's employment growth is an outlier in the City Region, with declines in most other local authorities

Change in employment Brighton & Hove and the City Region 2017 to 2022



Job growth is not evenly distributed but concentrated within specific neighbourhoods

Change in job counts across the City Region, 2017 to 2022



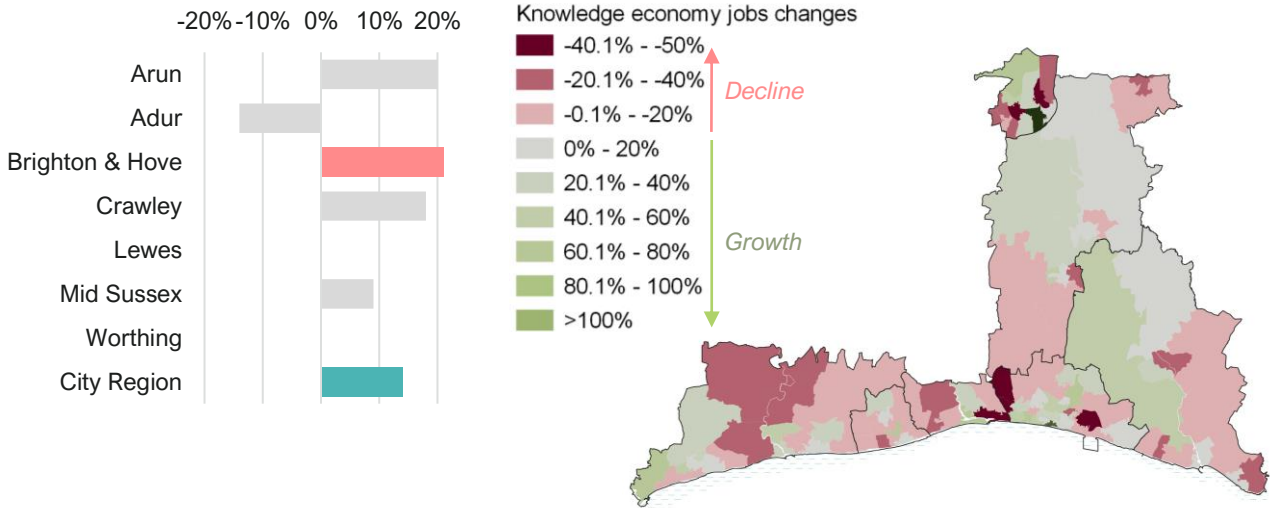
KEY SECTORS

Key growth sectors within Brighton & Hove have also been increasing in locations across the City Region

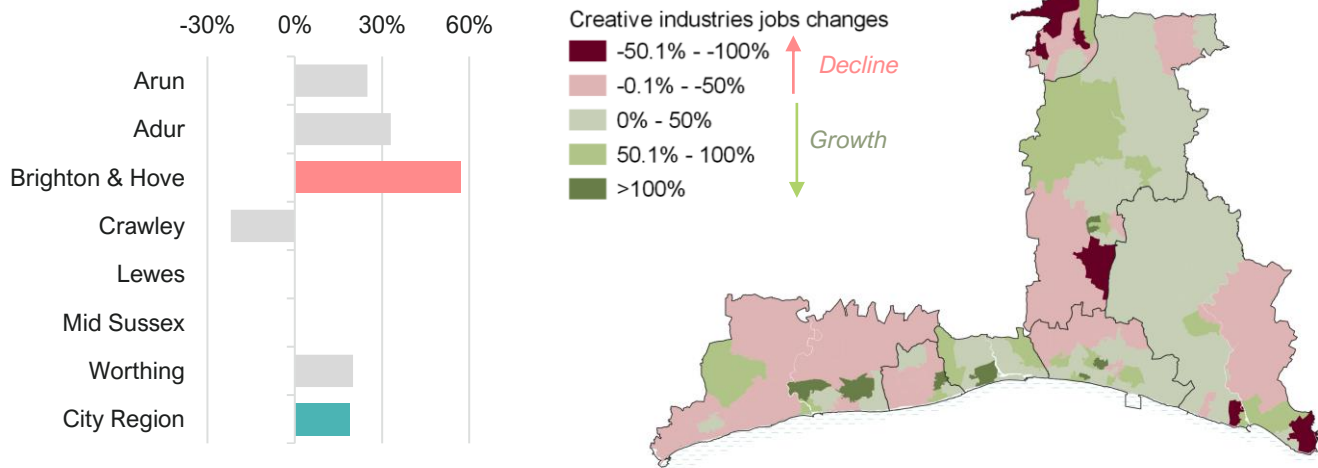
Whilst Brighton & Hove is a key driver of growth, most local authorities within the region have experienced increases in knowledge economy and creative jobs (note: these have been concentrated in the town centres within the City region, which cover a smaller geographic area to the more rural parts of the City Region).

A coherent vision which spans local authority boundaries, such as that in the Creative Coastal Corridor between Brighton and Chichester, is required to ensure that businesses are supported to stay, grow and invest in the region.

There has been an increase in jobs in the “knowledge economy” across the City Region
Change in employment in the “knowledge economy”, Brighton City Region 2017 to 2022



Similarly, the number of creative jobs have increased across the region
Change in employment in the “creative economy” Brighton City Region, 2017 to 2022



Source: Business Register & Employment Survey; sector definitions from DCMS

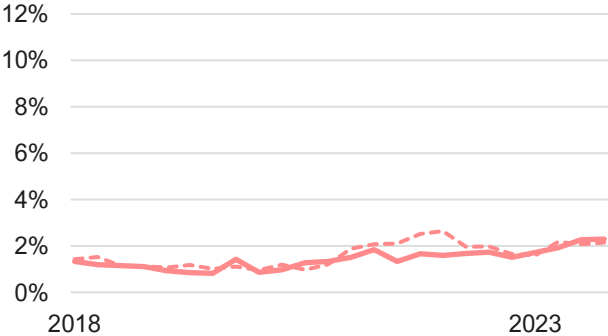
COMMERCIAL SPACE

Space for future growth is a shared challenge, but there may be opportunities outside of the city

Source: CoStar, Valuation Office Agency

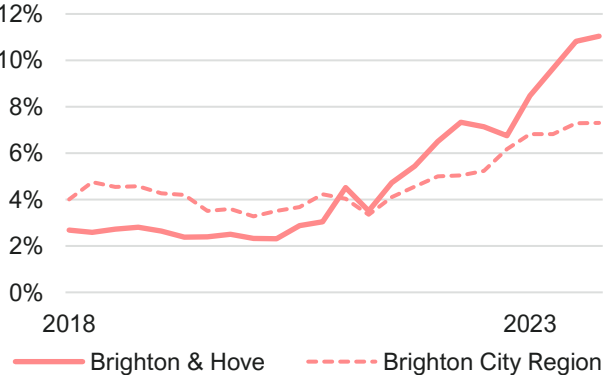
Demand for retail and industrial space is strong. Within the office market, the vacancy rate is higher within the City Region

Retail vacancy rate

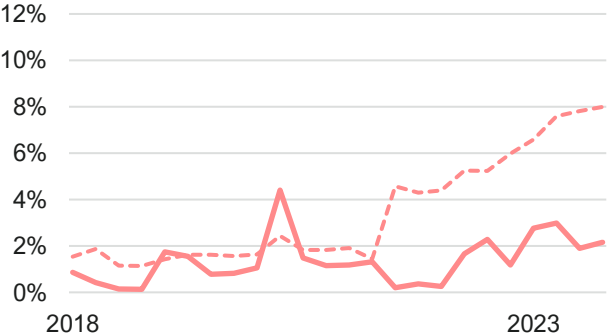


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Office vacancy rate

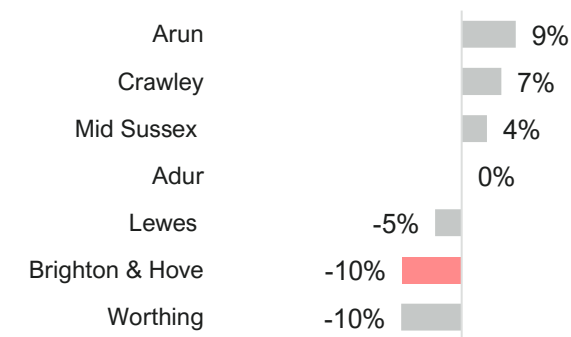


Industrial vacancy rate

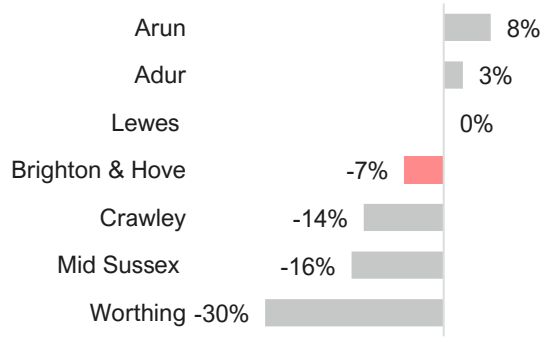


Losses in retail and industrial floorspace from 2018 to 2023 may be keeping vacancy rates low and/or create further demand pressure

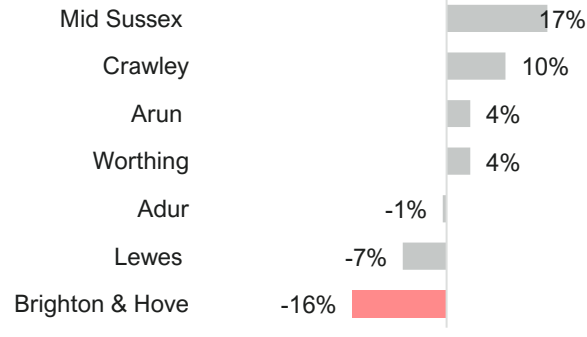
Retail floorspace change



Office floorspace change



Industrial floorspace change



Cost of living challenges extend throughout the City Region

For all local authorities except Crawley, owning a semi-detached home with an average mortgage is unaffordable for families with one child on an average salary.

Brighton & Hove is the least affordable, with higher average earnings offset by even higher house prices.

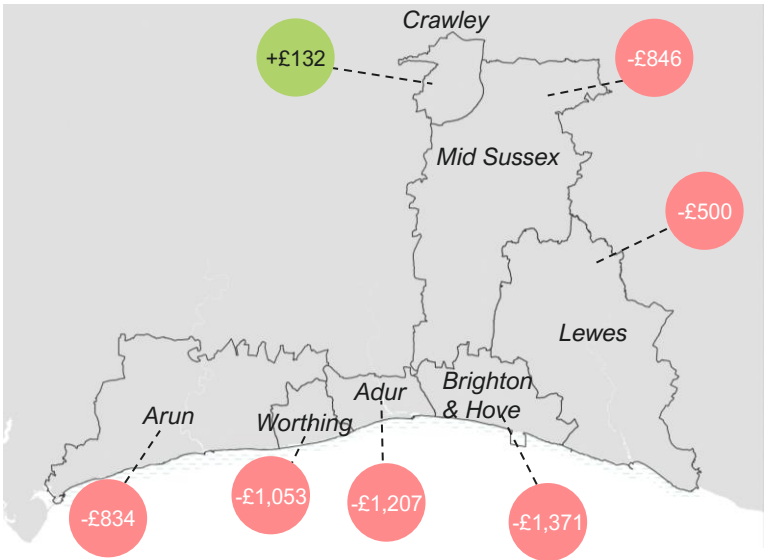
Across the region, the number of jobs in typically low paying industries has declined by 4% since 2017, driven by significant declines in Crawley (-18%), Adur (-13%) and Lewes (-9%). There has been a 2% increase in these jobs in Brighton & Hove, concentrated within the City Centre, where there is more work within the retail, hospitality and services industries.

Source: PRD Cost of Living Calculator; ONS Annual Survey of Hours and Earnings; ONS Monthly Mortgage Repayments Map; ONS Business Register and Employment Survey

For those on average incomes, the City Region is an unaffordable place to own a house

Incomes minus essential expenditure for a family in the City Region

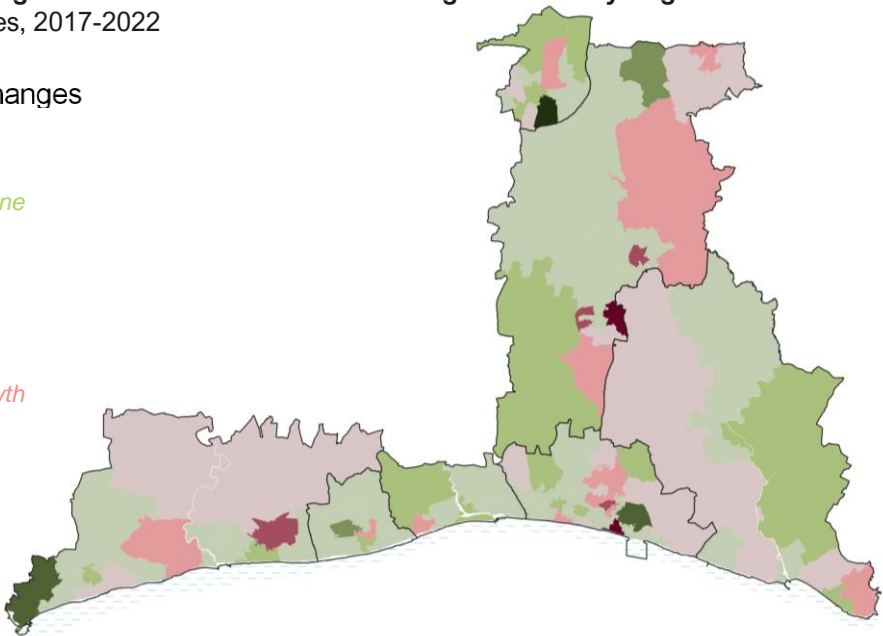
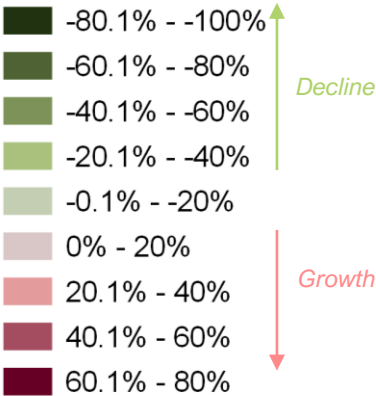
A family with two adults earning median income (for their local authority) with a child at primary school can't afford the monthly mortgage payments on a semi-detached house within most of the city region. Differences are driven by high variation in average incomes and house prices.



Jobs in typically low-paying industries have decreased throughout the City Region

Jobs in low-paying industries, 2017-2022

Low paying industry jobs changes





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Brighton & Hove City Council

Cabinet

Agenda Item 31

Subject: New Homes for Neighbourhoods – Programme Update

Date of meeting: 18th July 2024

Report of: Cabinet Member for Housing and New Homes

Contact Officer: Stephen Marsden: Programme manager, Housing Supply

Email: Stephen.marsden@brighton-hove.gov.uk

Ward(s) affected: Patcham and Hollingbury, Moulsecoomb and Bevendean, Hangleton and Knoll

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000

For general release

1. Purpose of the report and policy context

- 1.1 This report seeks a full construction budget for a package of council-led residential schemes capable of delivering 67 new affordable homes, and approval to enter into relevant contracts subject to project costs clearing the Council's financial hurdles.
- 1.2 The proposals in this report aligns with the Council Plan 2023-2027. In particular Priority 2 *A fair and inclusive city* and Outcome 3 *'Homes for everyone'*, which sets out a commitment to *'increase the number of new affordable homes delivered by the council and other registered providers'*.

2. Recommendations

That Cabinet

- 2.1 agrees an anticipated budget for the redevelopment of the former Hollingbury Library, Portslade Village Centre and Eastergate Road Former Garage site ("the schemes") in accordance with the detail set out at Part 2 of this report.
- 2.2 agrees to the progression of the development of the schemes and delegates authority to the Corporate Director of City Services to take all necessary steps to enter into the relevant contracts for the development of the schemes in accordance with the terms as set out in this report, in consultation with the Cabinet Member for Housing & New Homes and Acting Corporate Director for Housing, Care and Wellbeing (Housing Lead).

- 2.3 agrees the appropriation of land necessary for the redevelopment of Portslade Village Centre from the General Fund to the Housing Revenue Account for the value outlined in the Part Two report.

3. Context and background information

- 3.1 Building new homes on council land is a council priority. It is essential if City Plan housing targets are to be met and the city's housing crisis tackled. The New Homes for Neighbourhoods (NHfN) programme aims to proactively respond to the acute housing need in the city, and to build much-needed new rented homes on Council-owned land making best use of Council assets.
- 3.2 Established in 2013, NHfN has delivered 269 new homes across 14 sites. A further 264 homes have Planning approval, and are progressing through the development process.
- 3.3 A report approved by the then Housing & New Homes Committee in September 2023 gave approval for several sites to progress through to the submission of Planning Applications. Three of these schemes, equating to 67 new homes, are now in receipt of Planning Approval. A budget is therefore sought to build out these schemes, in advance of procurement exercise to appoint contractors.
- 3.4 The schemes for which budgets are sought are as follows:
- The former Hollingbury Library. Previously a Council owned library located on Carden Hill, Hollingbury, Brighton, BN1 8DA, which has been closed since 2017. The site is allocated in the City Plan Part 2 for housing development. Planning permission for 9 new homes, made up of 5x one-bedroom flats and 4x two-bedroom flats was granted in March 2024. A site plan is included as Appendix 1
 - Portslade Village Centre. The site was identified by the Council's Estates Team as part of a review of Council owned assets and was considered suitable for redevelopment to make best use of this underused landholding and improve the out-dated community facilities. Planning Permission was granted in June 2024 for 28 new homes made up of 6x one bedroom flats, 16x two bedroom flats, and 6x three bedroom flats together with 413m² community space. A site plan is included as Appendix 2
 - Eastergate Road Former Garage Site: Planning permission for 30 new studios to be used as Short-Term Supported Accommodation for young people was granted in October 2020. The site is allocated in the City Plan Part 2 for Housing and the development is considered to have started by virtue of the demolition of garages. A site plan is included as Appendix 3
- 3.5 The estimated timescales for these projects are as follows:

	Planning	Start on site	Completion
Eastergate Road	October 2020	February 2025	March 2026
Hollingbury Library	March 2024	October 2024	March 2026
Portslade Village Centre	June 2024	February 2025	August 2026

- 3.6 Each scheme will be tendered separately, however the procurement approach will be consistent across the projects. The proposed strategy will be compliant with Public Procurement regulations and will be assessed on a 60% cost, 40% quality basis. A fully costed lump-sum fee for each scheme will be provided alongside a qualitative element outlining the contractors' approach to delivering the project.
- 3.7 A recommendation will be made on a proposed contractor for each scheme, and a tender report will be provided. This report seeks to delegate authority to award the contracts to the Corporate Director of City Services in consultation with the Cabinet Member for Housing & New Homes and Acting Corporate Director for Housing, Care and Wellbeing (Housing Lead).
- 3.8 While the budget outlined in the Part Two report takes a programme-level approach, it should be noted that no scheme will be recommended to progress unless the tendered price and total project cost clears the Council's financial hurdles, ensuring that projects provide value for money and are affordable.
- 3.9 The council's financial hurdle being a Net Present Value (NPV) of breakeven over a 60 year cashflow analysis. This means that the project will not require additional financial subsidy from the council with costs being re-paid via the new rents and either grants or Right to Buy receipts. New projects included in the HRA capital programme have to demonstrate a break even position as a minimum to mitigate any financial risk to the HRA that could jeopardise investment in existing stock. Investments assessed on a breakeven basis are highly sensitive to cost fluctuations, therefore securing fixed costs and funding outlined in Part 2 is imperative to ensure the financial position remains protected as much as possible.

4. Analysis and consideration of alternative options

- 4.1 Previous iterations of the NHfN programme has seen individual reports for each project coming before Committee for approval. Full budgets have been requested on receipt of tender returns, an approach which may delay projects and has the capacity to increase costs given the high levels of construction inflation, and contractors' reluctance to hold prices.
- 4.2 Seeking a programme-wide budget, based on benchmarked figures with an appropriate contingency, allows flexibility to enter into contracts without pausing at the end of the tender stage, streamlining the development and

approval process. All projects will be assessed on the Council's viability toolkit, and must be demonstrated to be viable before the award of a contract. A maximum budget will be set in advance of the tender process beginning so there is a clear budget envelope for each project.

5. Community engagement and consultation

- 5.1 Extensive community consultation was undertaken for all sites during the design process. Statutory planning consultation was undertaken as part of the planning application process for each scheme.
- 5.2 Further community engagement, including 'Meet the Contractor' events will be held as the projects progress.

6. Financial implications

- 5.3 The report has implications for the council's General Fund and the HRA.
- 6.2 Detailed financial implications are contained within Part 2 of this report as they are commercially sensitive.

Name of finance officer consulted: Craig Garoghan Date consulted: 19/06/24

7. Legal implications

- 7.1 The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation. These duties can be, depending on the development in question, be coupled with the Local Authorities (Land) Act 1963 and/or the Council's general power of competence under Section 1 of the Localism Act 2011, which gives the power to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power.
- 7.2 The Council is required to comply with the Public Contract Regulations 2015 in relation to the procurement and award of contracts above the relevant thresholds for services, supplies and works. These are works projects where the current threshold is £5,372,609. A tender process commenced before the date of the commencement date of the new Procurement Act 2023 will be subject to the rules under the PCR 2015. The commencement date is 28th October 2024.
- 7.3 The Eastergate Road project has been procured under Lewes District Council's Modular Housing Framework. Using a framework is a compliant route to market.
- 7.4 The Council's Contract Standing Orders (CSOs) will also apply to these procurements.

Name of lawyer consulted: Eleanor Richards Date consulted: (20/06/24):

8. Equalities implications

- 8.1 An increase in housing supply will extend opportunities to provide new, well designed homes to accommodate local households on the Housing Register and are in housing need.

9. Sustainability implications

- 9.1 The New Homes for Neighbourhoods programme develops homes that are cost effective to live in and meet high standards of environmental sustainability to respond to the Climate Change and Bio-diversity Emergencies

10. Health and Wellbeing Implications:

- 10.1 There are strong links between improving housing, providing new affordable homes and reducing health inequalities. Energy efficient homes which are easier and cheaper to heat are likely to have a positive influence on the health of occupants of the new homes.

11. Procurement implications

- 11.1 The procurement exercises outlined above will be carried out in consultation with the Council's procurement team and are fully compliant with public procurement regulations.

12. Crime & disorder implications:

- 12.1 The project provides an opportunity to develop new, well-designed housing which has been shown to positively influence the rate of crime and disorder as well as the quality of life for future occupants.

13. Conclusion:

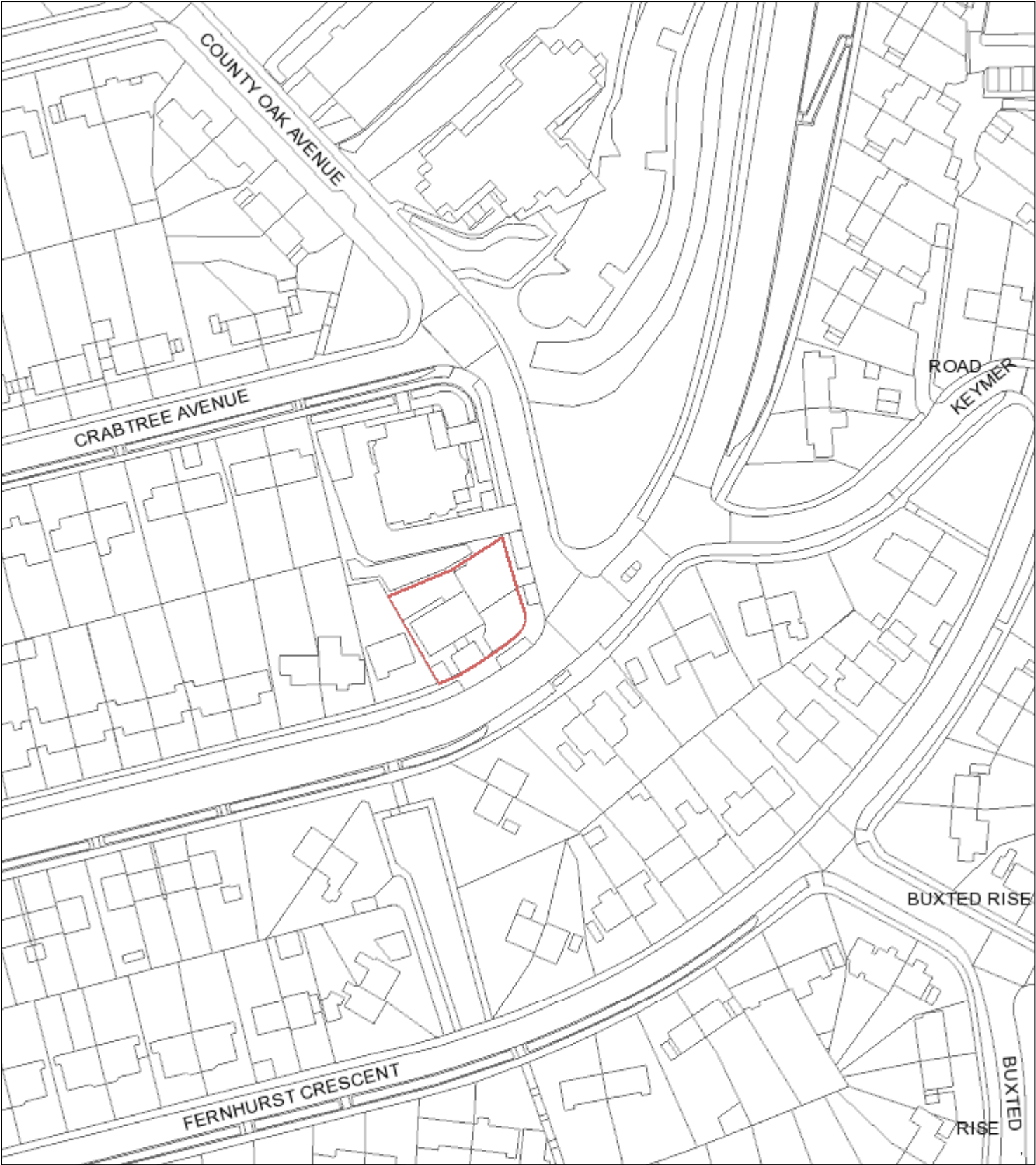
- 13.1 The New Homes for Neighbourhoods programme has a proven track record of delivering high quality, sustainable, and affordable homes. These sites present an excellent opportunity to deliver a further 67 homes, and to contribute towards alleviating the acute housing need of our city.

Supporting Documentation

1. Appendices

- 1. Site plan, Hollingbury Library
- 2. Site plan, Portslade Village Centre
- 3. Site plan, Eastergate Road

Hollingbury Library: For identification purposes only



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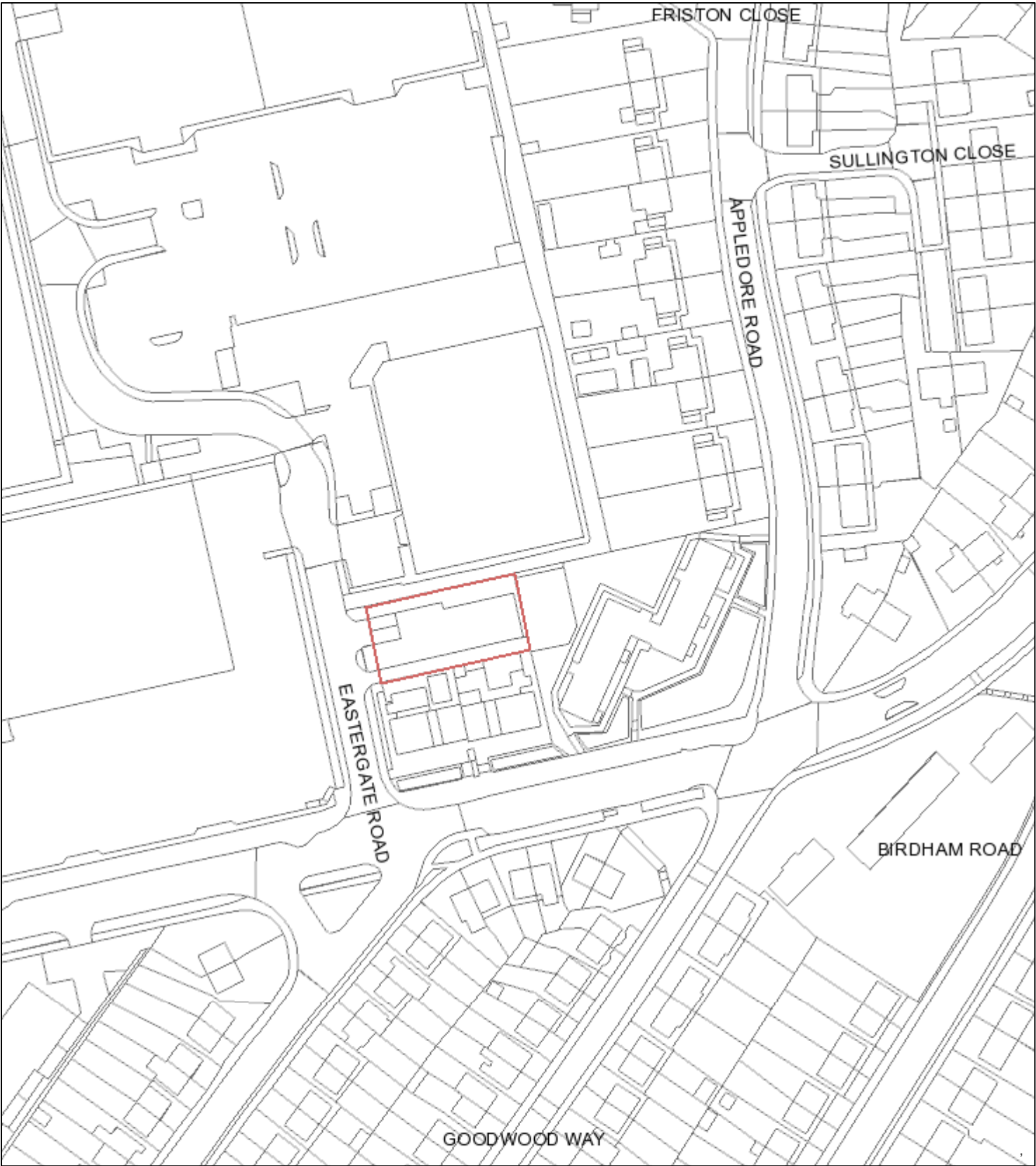
Portslade Village Centre: For identification purposes only



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Eastergate Road: For identification purposes only



Scale 1:1,250

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Brighton & Hove City Council

Cabinet

Agenda Item 32

Subject: Housing Supply Report – update on potential acquisition

Date of meeting: 18 July 2024

Report of: Cabinet Member for Housing & New Homes

Contact Officer: Name: Martin Reid, Acting Corporate Director – Housing, Care and Wellbeing (Housing Lead).

Email: martin.reid@brighton-hove.gov.uk

Telephone: 01273 292115

Ward(s) affected: Rottingdean & West Saltdean

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

1. Purpose of the report and policy context

- 1.1 The Council is committed to increasing affordable housing supply in the city, in particular the provision of additional council homes. As well as new build schemes the Council has an active acquisitions programme which includes buying back homes sold through the right to buy and seeking opportunities to increase social housing stock by buying off plan from developers.
- 1.2 The proposal in this report aligns with the Council Plan 2023-2027. In particular Priority 2 *A fair and inclusive city* and Outcome 3 *'Homes for everyone'*, which sets out a commitment to *'increase the number of new affordable homes delivered by the council and other registered providers.'*
- 1.3 This report presents to Cabinet an off plan purchase opportunity for the Council to acquire 21 homes in Nicolson Place and Vaughan Williams Way, Rottingdean. These form part of the former St Aubyns School, High Street, Rottingdean site and comprise the rented element of the affordable homes provided at this scheme. The opportunity enables the Council to meet a range of housing need by purchasing homes within a new build development that provide a mix of general needs accommodation including wheelchair accessible housing.

2. Recommendations

- 2.1 Cabinet agrees to the Council making a formal offer to purchase 21 homes at Vaughan Williams Way and Nicholson Place, Rottingdean for a sum to be negotiated up to the maximum set out in the Part 2 paper and agrees the budget required as outlined in the Part 2 paper to support this purchase.

- 2.2 Cabinet delegates authority to the Acting Corporate Director – Housing, Care and Wellbeing (Housing Lead) in consultation with the Cabinet Member for Housing & New Homes to take the steps necessary to agree and complete: (a) the purchase of 6 houses 15 flats on the terms set out in the Part 2 paper and (b) any other relevant ancillary legal and financial documents necessary to deliver the project and to give effect to recommendations 2.1 and 2.2.

3. Context and background information

- 3.1 The Council's Home Purchase Policy includes options to undertake off plan purchases where viable. Off plan means properties already built or in the process of being built by a developer rather than those built by the Council itself through its direct delivery programmes.
- 3.2 This development at the former St Aubyns School site, High Street, Rottingdean was granted planning permission in 2018 including an affordable housing element of 37 homes (40%). This included 21 homes for rent and 16 homes for low cost ownership. Arrangements were made with a Registered Provider to take on all of the homes but this did not progress. An alternative provider expressed an interest in purchasing the low cost ownership homes but not these rented homes. The developer therefore reviewed options for the scheme and entered into discussions with the Council to complete the purchase of the rented homes. These homes are located in Nicholson Place and Vaughan Williams Way.
- 3.3 The properties available for purchase are:

Type	Size	Number
1 bed flat/2 Persons	59 – 61sqm	9
2 bed flat/4 Persons wheelchair accessible	74-77sqm	4
2 bed flat/4 persons	74sqm	2
2 bed house/4 persons	85sqm	1
3 bed house/5 persons	102sqm	3
3 bed house/6 persons	104sqm	2
Total		21

- 3.4 The proposed properties include four wheelchair accessible homes. The scheme meets Part M of the building regulations and Lifetime Homes requirements and can be adapted to suit current and future demand. There are 21 parking spaces provided for the rented homes. In addition, 18 of the 21 homes have solar photovoltaic panels installed (either on the individual dwelling or on the block).

- 3.5 The Council commissioned an independent 'Redbook' 'valuation (a valuation report that adheres to the Royal Institution of Chartered Surveyor's Valuation Professional Standards). The details of the valuation are set out in the Part 2 paper. The Council's Estates Team also reviewed and validated the valuation on 7 June 2024.
- 3.6 An independent technical condition and specialist reports have been commissioned to support a decision. They focused on the critical areas of fire safety and compliance, mechanical and electrical systems, and drainage. The properties are being sold with a twelve-year structural warranty. Investigations will be ongoing however no significant concerns have been raised at this stage, in particular around any extensive works the Council may have to undertake post any completion of purchase to align homes to council standards and specifications. We are confident that the developer would work to resolve any unforeseen issues should they arise prior to purchase. Any purchase will be subject to contract and any outstanding works to be completed would be formalised during the conveyancing process.
- 3.7 The Council would also propose to undertake some additional works to the properties to bring them in line with other council dwellings. This includes installation of a door entry system on the block of flats, installation of automated door openers, solar photovoltaic monitoring system and an allowance for CCTV if required. We have included these works in our financial viability modelling.
- 3.8 It is proposed to use the homes for general needs housing providing new permanent social rented housing in the city. A lettings plan will be considered to ensure these homes can be used for instance as an option for tenants on our Housing Register under occupying their existing property and wishing to transfer and downsize.

4. Analysis and consideration of alternative options

- 4.1 There has been no interest from Registered Providers to purchase the rented homes. If the Council decided not to proceed with a purchase, we understand that the developer would need to seek a variation to on-site provision and move to payment of a commuted sum instead which would need to be agreed by Planning Committee. This is in line with the Council's Affordable Housing Brief. The commuted sum would then be used to support the Council's direct delivery and/or purchase programme.
- 4.2 Moving to a commuted sum enables the Council to support its own supply programmes and we have utilised other commuted sums to positive effect. However, this will mean that our priority for on site provision of affordable rented homes is not achieved. On site delivery remains the Council's preference wherever feasible.

5. Community engagement and consultation

- 5.1 Statutory consultation was undertaken as part of the planning process. The Parish Council and local Ward Councillors have been notified of this opportunity.

6. Financial implications

- 6.1 Detailed financial implications can be found in the part 2 report.

Name of finance officer consulted: Craig Garoghan Date consulted: 20/06/2024

7. Legal implications

- 7.1 Section 17 of the Housing Act 1985 allows local housing authorities to acquire houses for housing purposes. The council is a local housing authority for the purposes of the legislation.

Name of lawyer consulted: Liz Woodley Date consulted 27/06/24

8. Equalities implications

- 8.1 The purchase of these homes enables the Council to increase its supply of council housing. Through allocating these homes to applicants on the Housing Register it will ensure housing need is met which in turn will help redress inequalities and reduce poverty for those households.

9. Sustainability implications

- 9.1 The properties have an Energy Performance Certificate rating of B and C. 'C' is the minimum standard set for energy efficiency by the emerging Asset Management Strategy and Energy Strategy for the existing council owned stock. The properties have electrical heating with heat pumps and will benefit from other insulation measures. The potential cost of heating these homes is in line with other new build developments such as Denman Place, Coldean. These costs are variable depending on the size of the property, usage, tariffs and whether solar photovoltaic panels are installed. 18 of the 21 properties have solar photovoltaic panels with 12 of these homes having these directly on their own properties. This will help reduce energy bills for households.
- 9.2 Active travel will be promoted to new residents through the travel plan including access to car club membership, bike purchases and bus passes. The site has electrical charging points throughout the site and cycle stores.

10. Health and Wellbeing Implications:

- 10.1 There are strong links between improving housing, providing new affordable homes and reducing health inequalities.

Other Implications

11. Procurement Implications:

11.1 There are none arising from this report.

12. Crime and Disorder Implications:

12.1 There are none arising from this report.

13. Conclusion

13.1 The proposed purchase of these homes enables the Council to pursue its aims to increase affordable housing in the city in line with the Council Plan 2023-27 and purchase affordable homes secured through the planning process. It provides an opportunity to acquire 21 high quality homes in a mixed development in one transaction. They are ready to occupy with minimal additional investment and without the additional uncertainty and delay of construction. Financial viability assumptions have demonstrated that this purchase will provide value for money as outlined in Part 2 of this report.

Supporting Documentation

There are none.

Brighton & Hove City Council

Cabinet

Agenda Item 33

Subject: 2023/24 year-end performance and target setting for 2024/25

Date of meeting: 18 July 2024

Report of: Cabinet Member for Adult Social Care, Public Health and Service Transformation

Contact Officer: Name: Rima Desai
Phone: 01273 291268
Email: rima.desai@brighton-hove.gov.uk
Name: Luke Hamblin
Email: luke.hamblin@brighton-hove.gov.uk

Ward(s) affected: All

Key Decision: No

For general release

1. Purpose of the report and policy context

1.1 Our vision is to deliver a better Brighton & Hove for all where everyone can thrive as part of a healthy, fair and inclusive City and this report provides information on the council's progress towards this vision.

1.2 Our vision is set out in our Council Plan under 4 outcomes:

- A city to be proud of which is accessible, clean and sustainable and with a flourishing local economy
- A fair and inclusive city which is accessible, safe and welcoming
- A healthy city where people thrive where children are safe, no one is left behind and people are supported to live independent fulfilling lives
- A responsive council with well-run services

1.3 The information in the report outlines the progress made against the delivery of each of these outcomes and highlights both the areas where progress has been made and the areas where improvement is needed. It also includes a proposed set of key performance indicators (KPIs) and their targets for 2024/25, which will help focus our work in particular on areas where improvements are needed.

1.4 The report is a key part of council's Performance Management Framework (PMF) which underpins our statutory duty towards continuous improvement.

1.5 The PMF directly supports the Council Plan Outcome 4: A responsive council with well-run services – Good governance and financial resilience.

- 1.6 The Annual Complaints and Service Improvement report directly supports the Council Plan Outcome 2: A fair and inclusive city – Homes for everyone.

2. Recommendations

- 2.1 Cabinet notes the progress made in relation to delivering the Council Plan in 2023/24 as outlined in section 3 and with full details in appendix 1.
- 2.2 Cabinet approves the recommended Corporate KPI set and the proposed targets these KPIs for 2024/25 as detailed in section 4.
- 2.3 Cabinet notes the report in line with the requirement of Housing Ombudsman's Complaint Handling Code as detailed in section 5 and with full details in appendix 2.

3. Year-end performance report for 2023/24

- 3.1 The overarching document which sets out the outcomes which the council aims to deliver is [Brighton & Hove City Council's Council Plan 2023 - 2027](#).
- 3.2 Progress towards delivery of the Council Plan outcomes is evidenced by the Corporate KPI results, delivery of the Directorate Plan actions (which are linked to the Council Plan commitments) and updates in relation to other elements of our Performance Management Framework.

What we've achieved



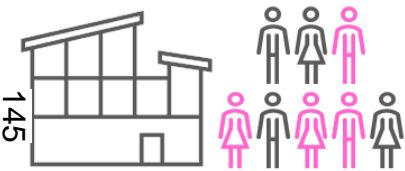
A 4.6% reduction in the number of reported missed refuse and recycling collections



Over 11,470,000 visitors to the city in 2022, a 14% increase from 2021



Reduction in complaints for Parking (34%) and CityClean (14%) services



1,569,970 attendances at council owned indoor sports facilities, 6.5% more than in 2022/23

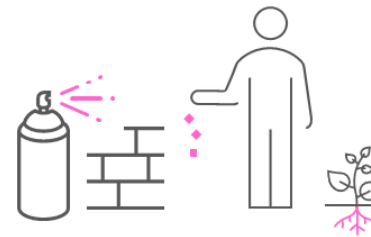


Over 93% of planning applications agreed within timeframe and under 1.8% of decisions overturned on appeal



Under 0.6% of municipal waste was sent to landfill

Challenges and areas of focus



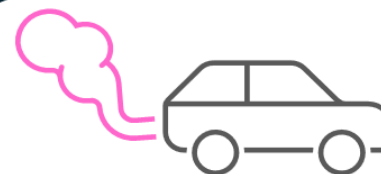
Increase the number of streets clean and free from litter, refuse and detritus from 94.1% to 95.2%



Improve our customers satisfaction with CityClean service from 32% to 65%



Increase our recycling Rate to from 27.4% to 33.2% and reduce residual household waste from 566kg to below 531kg



Improve air quality across the city (Nitrogen Dioxide levels) from 36.1µg/m³ to 30µg/m³ by 2026



Increase the number of bus services running on time from 72.5% to 95%

Council Plan outcome:
A city to be proud of

A city to be proud of

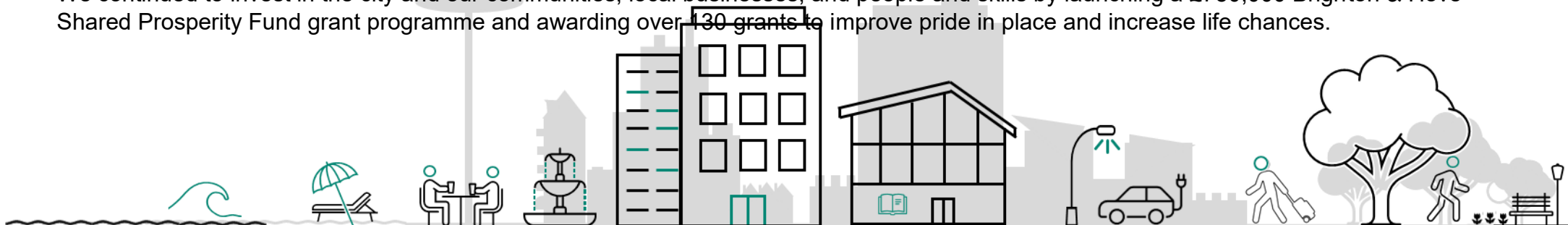
Our commitment to an accessible, clean and sustainable city means we sent less than 0.6% of waste to landfill last year and the number of missed kerbside refuse and recycling collections reported continues to fall annually. 94.1% of the city's streets inspected were clean and free from litter and this is improving. However, the overall volume of residual waste produced by city residents is increasing and the amount of recycling is declining. Clear, and regular communication with customers on what can be recycled in each bin to minimise waste is a top priority for 2024. When combined with reducing missed bin collections, our aim is to drive up recycling in the coming year. Providing a good customer experience is a key aim for City Services. Whilst we strive to deliver a good standard of service to residents, visitors, businesses and other service users, the levels of customer satisfaction with our services can vary. It is positive that we have seen an overall reduction in complaints across our high-volume services, including 34% (102) fewer complaints in Parking and 14% (55) fewer in CityClean, but our customer satisfaction scores remain below the council average. In 2024/25 we will focus on improving access to service information, improving online reporting and application processes, and modernising the way services are delivered through better use of technology, to drive up customer satisfaction.

Investing in the city to make it a place where people want to live, work and visit is a key priority for the council. Our planning service is high-performing with 93% of applications over a 24-month period being agreed within set timeframes and a low percentage of decisions overturned at appeal. We also repaired almost 3,000 defects on our road network, including potholes, larger patches and resetting raised covers but a road condition survey has found that more than 20km of A, B and C roads still require structural maintenance. Taking a data-led, whole lifecycle approach to managing the condition of our highway will reduce cost, carbon, and the need for ongoing maintenance, which is a priority for 2024/25. However, this will require a greater level of investment in the planned maintenance programme.

We have made strides in improving the city's sport and leisure facilities as part of our 10-year Sports Facilities Investment Plan, opening four 3G all-weather pitches and a new soft play at Withdean Sports Complex and securing £0.397m in government funding to help keep our swimming pools open. As a result, the number of attendances at indoor council-owned sports facilities exceeded 2022/23 levels by almost 100,000.

Our focus on regeneration and investing in community assets saw construction of the Hove Beach Park begin in 2023. A public vote named the new seafront area, demonstrating how the council listens and responds.

We continued to invest in the city and our communities, local businesses, and people and skills by launching a £750,000 Brighton & Hove Shared Prosperity Fund grant programme and awarding over 130 grants to improve pride in place and increase life chances.



Visitors to the city have continued to rise with numbers exceeding those in 2021 and almost reaching pre-Covid levels. They brought with them £1.27bn of tourism value, representing a 45% increase on the previous year, showing the importance of our role, through Visit Brighton, in marketing the city as a destination of choice for leisure and business.

We continued to expand the city's electric vehicle charging infrastructure by installing 100 lamp post chargers and 20 fast chargers, securing £2.865m in Local Electric Vehicle Infrastructure funding to further grow the network by 1,650 chargers over the next three years. This is an important contribution to the council's ambition to reach net zero by 2030 and is accompanied by a range of sustainable transport measures. One key measure is increasing bus use through the implementation of our Bus Service Improvement Plan. However, a critical factor influencing travel behaviour is bus services running on time. Last year only 72% of bus services were running on time, which is considerably lower than the 95% target set nationally by the Traffic Commissioner. This is caused by staff shortages, congestion and roadworks across the city and is a key area for improvement.

Reducing carbon emissions in the city remains central to improving air quality. We monitor three of the most polluted travel corridors in the city. Whilst levels of nitrogen dioxide (NO₂) at the three locations are falling annually, all of them remain higher than the target set out in our Air Quality Action Plan to reach by 2027. Lewes Road is above the national air quality standard. A continued focus on working with bus operators and introducing newly funded electric buses on Lewes Road, as well as schemes such as Red Routes, should contribute to further NO₂ reductions in the coming year.



What we've achieved



Launched a new consultation and engagement portal



Exceeded the number of new homes delivered against the number of homes required by 30%



Local authority owned homes hold an energy efficiency rating of 74.1 keeping us on track to achieve Band A rating in 2031



Over 65% of homelessness prevention cases closed with a successful prevention outcome, 10% higher than benchmark



91% of customers satisfied with Housing Repairs



Improve our customers satisfaction with Housing Needs from 20% to 65%



Increase the number of routine housing repairs completed on time from 46% to 70%



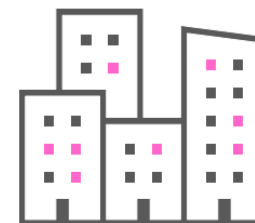
Compliance with the Building Safety Act and Fire Safety (England) Regulations



Increase the rent collected from tenants of council owned homes from 93.5% to 95.4%

Council Plan outcome:
A fair and inclusive city

Challenges and areas of focus



Maintain the number of households in temporary accommodation at 1,770

A fair and inclusive city

Hearing and understanding diverse residents' views, experiences and needs is central to organisational development and improvement, to robust decision making and high-quality service provision. With the aim of providing anti-racist, inclusive and accessible services for all as standard, 2023/2024 was the first year of the council's new Anti-Racism Strategy and new Accessible City Strategy, with services across the council identifying the actions needed to start progressing their five-year strategic priorities.

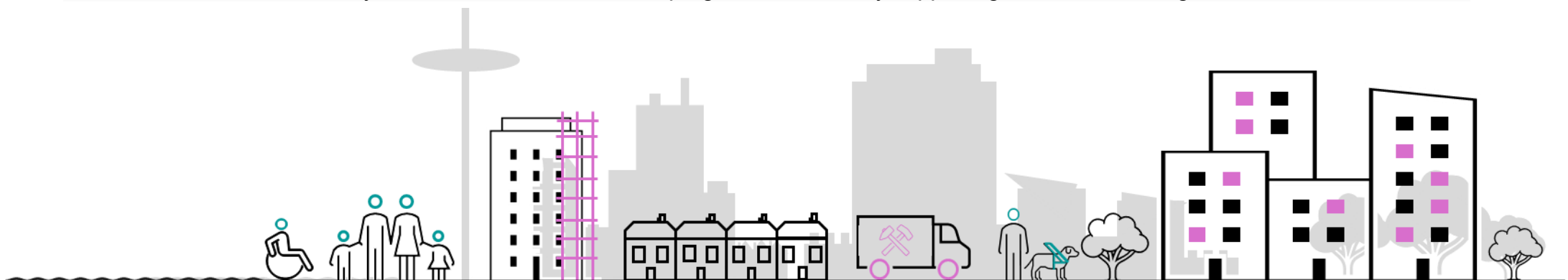
We have developed a new process for undertaking Equality Impact Assessments (EIA) that enables the council to embed equality, diversity and inclusion in its mindset, policies and practices. Bite-sized learning as standard in each of the council's four Directorate Equality Delivery Groups and daily learning and development opportunities are provided to respond to customer feedback.

Services across the council continue to engage with residents through a range of lived experience groups and forums, from the Disability Panel, the Anti-Racism Community Advisory Group, the Learning Disability Partnership, Autism Steering Group, Tenant Disability Network and the Disabled Car Users Group to name but a few. Alongside improving our collaboration with communities, the council committed to improving its capture and use of data. To this end the council has introduced an equality data standard so that all services recognise the baseline information they should be collecting.

A range of service improvements have been made such as continual improvements to the accessibility of the council's website, three new additional Changing Places toilets in the city, provision of information on all foodbanks now available in the main language used across the city and a new Dementia and Age Friendly toolkit for businesses.

In 2023/24 we delivered a successful final year of the Communities Fund with 102 different community groups representing the city's distinct communities. Additionally, we successfully completed the penultimate year of the Third Sector Commission 2020-2025 which saw an investment of £1.9m in a wide range of community and voluntary sector partnerships delivery on the city's challenges, from debt and welfare advice, through to support and services for our residents facing greatest disadvantages and barriers to services and opportunities.

We remain steadfast in our commitment to be a welcoming city where everyone can thrive, including those seeking sanctuary. We delivered another successful year of the Homes of Ukraine programme, currently supporting 281 Ukraine refugees and 190 hosts with a



range of services from supporting children into education, mental health support, employment, English learning and community and well-being activities delivered by the council, grant-funded projects, and our partners.

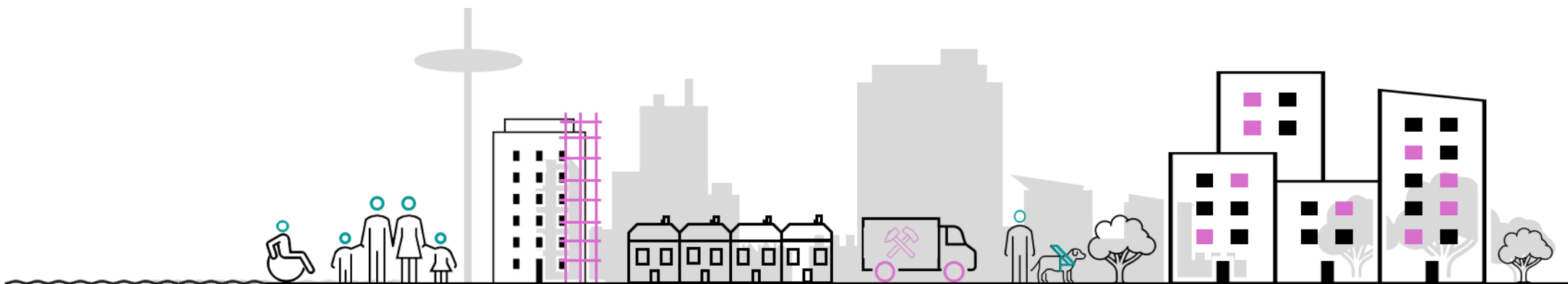
Through the council's participation in the government resettlement schemes 9 households of 45 people were welcomed and settled into the city between this and last summer. Voices in Exile, the council's contracted provider of casework support continues to provide an excellent service to existing and newly arriving resettled refugees, working alongside and with the tremendous efforts of the many other refugee and asylum seeker voluntary sector organisations in the city. And to assist refugees settling into the city with the interminable challenges of the local housing market and prevent homelessness the council launched a new private rented access scheme for refugees. Furthermore, our Libraries Services secured Libraries of Sanctuary Status.

Good quality housing and infrastructure has a key role to play in improving quality of life, boosting the economy, and making the city a place where people are proud to live. By March 2023 2,814 homes were under construction in the city, with 1,169 new homes having received planning consent in 2022/23. In 2023/24 the council delivered a further 286 affordable homes.

In March 2024 the average Standard Assessment Procedure (SAP) rating of the Councils housing stock was 74.1 keep the council on track to achieve an average Energy Performance Certificate (EPC) rating of B by 2030. The council is continuing to invest in building and fire safety to meet our new duties under the Building Safety Act 2022 and Fire Safety (England) Regulations 2022.

11,708 (97.2%) of the 12,046 dwellings tested meet the Decent Homes standard, 0.9% higher than the Housemark benchmark results for 2022/23 (latest available data).

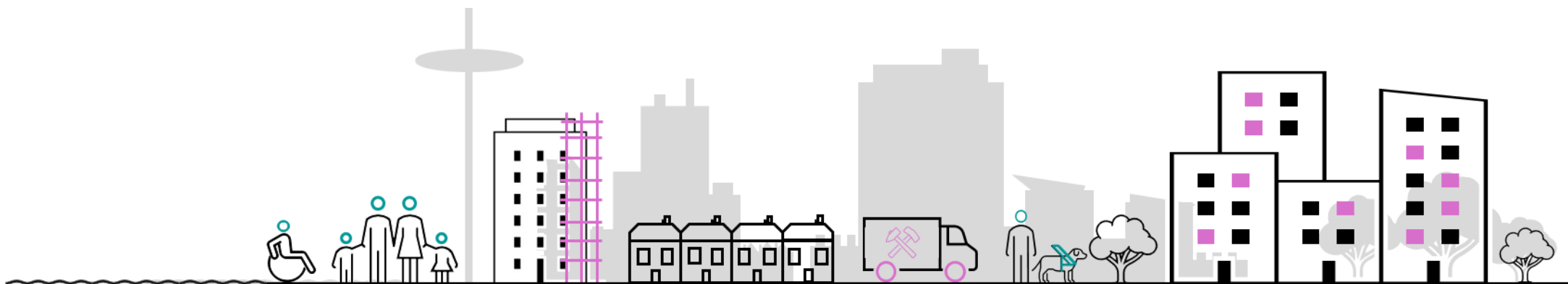
Challenges remain in our housing repairs service, with 46% of routine repairs completed within 28 calendar days in 2023/24, as work continues to reduce the backlog of non-urgent repairs. Completion of repairs reported between 1st April 2023 and 31st March 2024 is slightly higher at 58%. Customer satisfaction remains high with 91% of customers of Housing Repairs indicating the level of service they received was 'fairly good' or 'very good'.



There will be a focus of customer experience in Housing Needs services in 2024/25 to improve upon their result of 20% of customers indicating 'fairly good' or 'very good' level of service in 2023/24. 482 out of 737 (65.4%) homelessness prevention cases were closed with a successful outcome in 2023/24, 8% higher than the core cities average in 2021/22 (latest available data).

There are now more households in temporary accommodation nationally than ever before with a 10% increase across all local authorities in England in the year to 30th September 2023. This places significant pressure on our Housing Needs service and by March 2024 1,770 households were in temporary accommodation, an additional 55 households, increasing from 1,715 in March 2023.

We saw 0.56% decline in the percentage of rent collected from current council owned homes during 2023/24 and the impact of Universal Credit (UC) on tenants' income remains a challenge. At the end of March 2024, 30% of households are known to be in receipt of UC, and of that group, 57% have their rent paid directly to us because they are in arrears and of these 14% are in significant arrears.



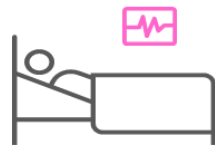
What we've achieved



'Outstanding' rating by Ofsted
Inspection of Local Authority Children
Services aligning with Special
Educational Needs and Youth
Offending Service inspection outcomes



Over 80% of adults are
physically active, the 2nd
highest proportion in the
country



Established Admissions
Prevention Team diverting
people away from A&E



An increased Reablement
Offer has seen more people
gain independence



Over 87% of eligible of two-year-olds
taking places in early education,
13% higher than benchmarking



99% of customers
satisfied with Registrars service

Challenges and areas of focus



Improve the Attainment 8 score
for disadvantaged children
from 32.5 to 35.1



Public Health challenges: mental
health needs, drug related
deaths and deaths by suicide



Maintain strong Education
Health Care Plan
performance to meet the
rising demand



Balancing school budgets



Increased complexity in
social care cases



Increased placement
market costs

Council Plan
outcome:

A city that helps
people to thrive

A city that helps people to thrive

Partnership and system working is critical to delivering health and care outcomes across the city. After launching the 'Let's Get Moving' Physical Activity Strategy, it is great to celebrate that Brighton and Hove is one of the top two most active areas in England with over 80% of adults classified as active and the lowest percentage of inactive adults (10.9%) of all local authority areas nationally. We've also launched our coproduced Adult Autism Strategy this year and we have been building our place-based partnerships and Integrated Community Teams. We've seen positive outcomes from our Admission Prevention Team, that operates out of the Royal Sussex County Hospital A&E department, in diverting people away from A&E who do not have clinical needs, and from our Changing Futures multi-disciplinary team supporting people with multiple compound needs. By increasing our reablement offer, we have seen more people gain increasing independence that they may not have had otherwise. This year we have also recommissioned our home care services and, by working with our providers, we have managed to see significant improvements in the service already.

There are significant health and wellbeing challenges in the city and many communities who are more vulnerable – exacerbated by the cost-of-living crisis. The city has high levels of homelessness, drug related deaths and deaths by suicide. It has a high prevalence of mental health need in both children and young people and adults. There is increasing demand for adult social care in younger adults and we've seen an increase in the complexity of care and increasing market costs, which has added additional pressures to a budget where we need to find more savings year on year. Our partners are facing similar challenges, so we are working closely with the NHS and the voluntary sector to improve the lives of local people, supporting them to live healthier for longer and make sure they have access to the best possible services when they need them.

Our priorities continue to be focusing on prevention, advancing health equity and reducing inequality, commissioning effective public health services and developing strategies to support residents' health and wellbeing. We are focused on support and development of the adult social care market and preparing for the new regulatory inspections by the Care Quality Commission on Adult Social Care, which will support us to keep improving the services for people with care and support needs, and the whole population of the city.



Families, Children and Learning Services are a heavily inspected and regulated part of council delivery and therefore it was wonderful when our children's social care and early help services were inspected in March 2024 and received an Outstanding judgement. This aligns with the Grade One judgement we got for our Special Educational Needs and Disability and Alternative Provision inspection in March 2023 and the Outstanding result awarded for our Youth Justice Service in 2021. We are proud of our continued strong take up of early years places for 2 year olds, being 13% above the national average. This means some of our most vulnerable children in the city can access the right support and development opportunities.

Supporting children at risk of disadvantage throughout their education and especially as they reach the end of their secondary education remains a high priority and an area of challenge. Effective implementation of the Strategy to tackle educational disadvantage is a key tool in this important area. We continue to see an increase in the complexity of need within our social care cases which results in even more pressure upon available suitable placements. We are also seeing a significant increase in requests and needs for Education, Health and Care Plan and whilst we are still performing above national average for response times, we need to continue to respond to those increasing requests.

The transformation of our Family Hubs and the work we are engaged with in response to the care review all supports the focus on prevention and stable support for our children, young people and families.



What we've achieved



A 6% increase customer satisfaction (65%) and 17% improvement in service accessibility (68%)



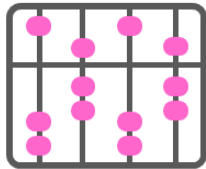
Improvement on all workforce profile data for equalities



Positive staff survey results



Strengthened Trade Union relationships

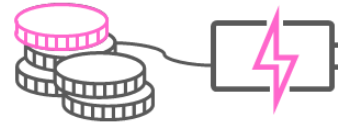


Balanced budgets in 2023/24



Improved Health & Safety governance

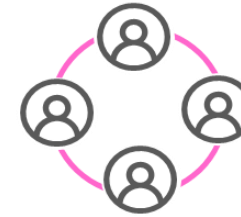
Challenges and areas of focus



Financial sustainability & organisational capacity



Strengthening governance controls to improve from 'partial assurance' to 'reasonable assurance'



Working together as One Council



Customer satisfaction with Council tax from 23% to 65%



Digital data & technology governance



Reduce complaint escalation from stage 1 to stage 2 from 9.1% to 7.6%

Council Plan outcome:
A responsive council with well-run services

A responsive council with well-run services

Our ambition to be a well-run and responsive council, supports the delivery of the rest of the council plan, ensuring that we are using our resources in the most efficient way, responding to feedback from residents and customers and working together as One Council to serve the city and hold ourselves to account for delivering a better Brighton and Hove for all. In working towards this we have much to celebrate and have seen an improvement across the board of 6% in customer satisfaction and a 17% improvement in how accessible our customers feel our services are. This has followed a focus on improving the clarity of our face-to-face offer and making changes to our Ways of Working match the needs of our customers, and an increase in the numbers of staff in council buildings.

We know that to serve our customers effectively, it is vital we have a healthy, engaged, and happy workforce. We have seen improvements in our staff survey results, improvements in our workforce profile making us more representative of the City we service and have strengthened our approach to partnership working with our Trade Unions. We have implemented the recommendations of the KC report which ensures we are addressing issues which have previously adversely impacted the council's ability to provide an effective, efficient waste and recycling service.

In 23/24 the Council ensured that prudent and responsible budget management, saw an underspend that has provided some flexibility of spend to support residents with the Cost-of-Living crisis, whilst keeping back funds to provide greater resilience against what continues to be a difficult financial situation.

We continue to have challenges with our financial sustainability, and this will be a feature of the work we will do over the coming months to set a budget for 25/26, and a longer-term financial plan to put the council on a firmer footing. We have particular challenges to address in some areas, such as improving our customer service in the council tax service and will continue to strive for improvements in our digital, data and technology governance to fully support service transformation. In addition, we continue to prioritise actions on our journey to strengthen governance controls to improve from 'partial assurance' to 'reasonable assurance' in our internal audit rating.



4. Corporate Key Performance Indicators Target Setting for 2024-25

- 4.1 The list of Corporate KPIs and their targets for 2023/24 were set in July 2023 by Strategy, Finance & City Regeneration Committee. A consistent approach to target setting has been adopted across the organisation taking account of comparative information where available.
- 4.2 The corporate KPI set for 2024/25, and the proposed targets, are detailed in the below tables linked to the relevant Council Plan outcome.

Outcome 1: A city to be proud of

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
1.1	% of major development applications decided within agreed timeframes	Donna Chisholm	95% GREEN	88.6%	Statistical neighbour average	80.0%	Amber value significantly above national target of 60% and provides a reasonable stretch target
1.2	% of non-major development applications decided within agreed timeframes	Donna Chisholm	93.46% GREEN	85.1%	Statistical neighbour average	80.0%	Amber value significantly above national target of 60% and provides a reasonable stretch target
1.3	% major planning application decisions that are overturned at appeal	Donna Chisholm	1.67% GREEN	0.8%	Statistical neighbour average	5.0%	Halfway between national target (10%) - plus small number of appeals can make this fluctuate heavily based on one or two negative results
1.4	% non-major planning application decisions that are overturned at appeal	Donna Chisholm	0.77% GREEN	0.9%	Statistical neighbour average	5.0%	Halfway between national target (10%) - plus this can also fluctuate heavily based on a few negative results
1.5	% change in the number of Jobs	Donna Chisholm	4.3% GREEN	2.2%	Latest national rate - reflect the wider macro-economic conditions	1.60%	Greater Brighton City Region average - local functional economic area
1.6	Number of visitors to Brighton and Hove	Donna Chisholm	1,470,000 GREEN	11,470,000	Tourism has increased to pre-pandemic levels and this is now hoped to stabilise in light of the cost of living crisis.	10,896,500	Amber set to 5% below green value. Tourism is increasing albeit not to pre-pandemic levels due to the lack of international visitors.

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
1.7	Number of attendances at council owned indoor sports facilities	Donna Chisholm	1,569,970 GREEN	1,569,970	Target set at 2023/24 outturn	1,412,973	Amber value set at 10% of 2023/24 result
1.8	% of household waste sent for reuse, recycling and composting [Corporate - council]	Donna Chisholm	27.4% RED (Q3 data)	33.2%	Comparator Average	29.5%	Amber value set to go no lower than 2022/23 outturn performance level
1.9	Residual household waste per household [Corporate - city]	Donna Chisholm	566.05 RED (Q3 data)	531	Comparator Average	541	Target set at 2022/23
1.10	Missed kerbside refuse or recycling collections per 100,000 collections reported [Corporate - council]	Donna Chisholm	586 AMBER	512	Achieve 2020/21 performance level. Data quality had improved regarding missed collections by this point and the 2020/21 result reflected true performance. Actions in place should support this improvement.	615	20% from target
1.11	% of streets inspected which are found to have widespread or heavy levels of litter [Corporate - council]	Donna Chisholm	5.9% AMBER	4.85%	Target to maintain 2022/23 outturn performance levels.	5.8%	20% from target
1.12	Greenhouse gas emissions [Corporate - city]	Donna Chisholm	811,600 AMBER (2021)	666,200	The Tyndall Centre calculated that BHCC needs to cut its carbon emissions by 12.7% per year starting in 2020 to contribute its fair share to the Paris accord to keep global temperatures within 1.5C of pre-industrial temperatures.	732,600	The Greater Brighton Energy Plan 2020 outlines a series of actions to reduce carbon dioxide emissions. These actions are expected to result in cuts in carbon emissions which are used to estimate an amber value.
1.13	The energy efficiency rating of local authority owned homes (based on Standard Assessment Procedure 2009) [Corporate - city]	Martin Reid	74.1% GREEN	77.2	Trajectory towards reaching Band A by 2030/31	72.8	Trajectory towards meeting Band B reaching by 2030/31

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
1.14	% of principal roads requiring structural maintenance [Corporate - council]	Donna Chisholm	18.32% (11.4km of roads) TREND	18.32% (11.4km)	Target is based on maintaining 2023/24 performance, although this will be challenging with current resources	20.50%	Expected performance based on current resources being deployed and road conditions on A roads is 19%. 1.5% additional tolerance built into this take account of assumptions built into the modelling software and unforeseen circumstances (such as severe weather).
1.15	% of non-principal roads requiring structural maintenance [Corporate - council]	Donna Chisholm	14.96 (10km of roads) TREND	14.96 (10km)	Target is based on maintaining 2023/24 performance, although this will be challenging with current resources	20.50%	There are more B & C roads at risk of structural failure. Expected performance based on current resources being deployed and road conditions on B and C roads is 19%. 1.5% additional tolerance built into this take account of assumptions built into the modelling software and unforeseen circumstances (such as severe weather).
1.16	% of unclassified roads requiring structural maintenance [Corporate - council]	Donna Chisholm	7.89% (38km of roads) TREND	7.89% (38km roads)	Target is based on maintaining 2023/24 performance, although this will be challenging with current resources	9.67%	Expected performance based on current resources being deployed and road conditions on unclassified roads is 8.17%. 1.5% additional tolerance built into this take account of assumptions built into the modelling software and unforeseen circumstances (such as severe weather).
1.17	% of bus services running on time [Corporate - city]	Donna Chisholm	72.48% RED	95%	95% target set nationally by the Traffic Commissioner	75%	Stat Neighbour average
1.18	Nitrogen Dioxide levels in Brighton and Hove (µg/m ³ – micrograms per cubic meter) Lewes Road [Corporate - city]	Donna Chisholm	40.1 RED	36.7	Trajectory to achieve the WHO 30 µ/m ³ interim target for 2026 would be: 24/25 - 36.7 25/26 - 33.3 26/27 - 30.0	40.0	40 µg/m ³ is the national legal limit for Nitrogen Dioxide levels

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
1.19	Nitrogen Dioxide levels in Brighton and Hove (µg/m ³ – micrograms per cubic meter) Wellington Road, Portslade [Corporate - city]	Donna Chisholm	33.2 AMBER	32.1	Trajectory to achieve the WHO 30 µ/m ³ interim target for 2026 would be: 24/25 - 32.1 25/26 - 31.1 26/27 - 30.0	33.7	5% from target as performance is below 40 µg/m ³ - the national legal limit for Nitrogen Dioxide levels.
1.20	Nitrogen Dioxide levels in Brighton and Hove (µg/m ³ – micrograms per cubic meter) North Street [Corporate - city]	Donna Chisholm	35.2 AMBER	33.5	Trajectory to achieve the WHO 30 µ/m ³ interim target for 2026 would be: 24/25 - 33.5 25/26 - 31.8 26/27 - 30.0	35.2	5% from target as performance is below 40 µg/m ³ - the national legal limit for Nitrogen Dioxide levels.

Outcome 2: A fair and inclusive city

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
2.1	% of routine council housing repairs completed on time [Corporate - council]	Martin Reid	46.38% RED	70.0%	Continue to work towards pre pandemic levels and tackle the back-log in repairs	58.0%	Halfway between current performance and target. Performance continues to be impacted by the backlog of jobs, resulting from the pandemic.
2.2	% of council owned homes that meet the government's Decent Homes standard [Corporate - council]	Martin Reid	97.2% RED	100.00%	All homes to meet the decent homes standard.	96.30%	Housemark median

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
2.3	% of Houses in Multiple Occupation (HMOs) where all special conditions have been met [Corporate - council]	Martin Reid	45% NEW	55%	Based on licencing 50 HMOs, targeted for the team to achieve	50.00%	5% point tolerance from target
2.4	% of new homes delivered against the number of homes required (rolling 3-year result) [Corporate - city]	Donna Chisholm	130% GREEN	95.0%	National target without penalties. Housing Delivery Action Plan. Measured by the Housing Delivery Test which is an annual measurement of housing delivery in the area of relevant plan-making authorities.	90.0%	Early warning for falling below the less than 85% which would require a Housing Delivery Action Plan and less than 75% which would require presumption in favour of development.
2.5	No. of additional affordable homes delivered by the council (new build, acquisitions & conversions) [Corporate - council]	Martin Reid	286 AMBER	78	Based on targets for home purchase and current known scheme completion dates.	59	Threshold to take account of scheme risks (25% of target)
2.6	% of homelessness prevention cases closed with a successful prevention outcome [Corporate - council]	Martin Reid	65.40% GREEN	55.00%	Core Cities Average - However, this is expected to be achieved over a 2-year period, 50% by end-of 2023/24 and 55% for end-of 2024/25. This approach also allows for how the percentage of prevention cases closed with a successful prevention outcome will be effected by an increase in the proportion of cases presenting during the prevent duty stage	45.00%	10%-point tolerance from target
2.7	% of homelessness cases presenting during the prevention duty stage [Corporate - council]	Martin Reid	39.73% AMBER	50.00%	A progression target working over a 2-year period, aiming for 45% by end-of 2023/24 and 50% for end-of 2024/25. This target is challenging.	40.00%	Core Cities Average

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
2.8	Total number of households in temporary accommodation [Corporate - council]	Martin Reid	1,770 RED	1,770	Maintain current performance in light of unprecedented increasing demand. During 2023/24 BHCC increase has not been in line with increases seen in other high demand LAs.	1,870	100 household tolerance, reflects risks and challenges
2.9	% of rent collected from current tenants of council owned homes [Corporate - council]	Martin Reid	93.46% RED	95.36%	2020/21 to 2022/3 BHCC 3 year average	94.90%	Peer group median
2.10	Number of verified rough sleepers [Corporate - city]	Martin Reid	35 TREND	TREND	Trend - the ultimate ambition is to eliminate rough sleeping, but this is a significant challenge. There are a complex range of issues that contribute to rough sleeping that are outside of the council's control. This measure reflects demand on rough sleeping services.	TREND	Trend

Outcome 3: A city that helps people to thrive

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
3.1	Number of children in care [Corporate - council]	Deb Austin	355 TREND	TREND	Trend as demand led which is impacted by court decision making	TREND	Trend
3.2	% of children and families engaged with Family Hub services where a positive change is recorded [Corporate - council]	Deb Austin	91% NEW	91%	2023/24 performance	81%	10% point tolerance. Below this would indicate a concerning drop performance

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
3.3	% of Strengthening Family Assessments completed in 45 days [Corporate - council]	Deb Austin	85.5 GREEN	84.5%	2023 National Average	78%	2023 Stat Neighbour Average
3.4	% of schools are judged good or outstanding by Ofsted (Corporate - Council)	Deb Austin	89.4% AMBER	90.9%	National average (latest available)	88.6%	Above the bottom quartile of all LAs (latest available)
3.5	The average Attainment 8 score for all pupils in state-funded schools at the end of Key Stage 4 [Corporate - Council]	Deb Austin	47.8 GREEN	44.7	National average (latest available)	44.0	Above the bottom quartile of all LAs (latest available)
3.6	The average Attainment 8 score for disadvantaged children in state-funded schools at the end of Key Stage 4 [Corporate - Council]	Deb Austin	32.5 AMBER	35.1	National average (latest available)	32.4	Above the bottom quartile of all LAs (latest available)
3.7	% of all pupils attending state funded schools achieving the 'expected standard' in reading, writing and maths at the end of Key Stage 2 [Corporate - council]	Deb Austin	60% GREEN	60.0%	National average (latest available)	57.0%	Above the bottom quartile of all LAs (latest available)
3.8	% of eligible two year olds taking up early education places [Corporate - council]	Deb Austin	87% GREEN	87%	Maintain current performance	73.9%	England average Jan 2022
3.9	16 and 17 year-olds who are not in education, employment or training (NEET) or whose NEET status is not known [Corporate - council]	Deb Austin	5% GREEN	5.4%	National result (Mar 23)	6.2%	15% below target

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
3.10	% of Education, Health & Care Plans (EHCPs) issued within 20 weeks including exceptions [Corporate - council]	Deb Austin	73.05% GREEN	57.1%	Statistical Neighbour Average	45.8%	South East average
3.11	% of people with a learning disability in paid employment [Corporate - council]	Steve Hook	8.85% GREEN	6.6%	SE and CIPFA result (currently 2022/23)	4.6%	2% point less than target
3.12	Number of adults in structured treatment for drugs and alcohol harms [Corporate - council]	Steve Hook	2,728 AMBER	2,832	Targeted increase agreed with Office for Health Improvement and Disparities (OHID) to support national targets to increase adults in treatment.	2,549	10% tolerance
3.13	The proportion of physically active adults [Corporate - city]	Steve Hook	80.4% GREEN	74.3%	Brighton & Hove 3 year average (Latest previous)	70.9%	Stat neighbour average
3.14	% of people aged 18+ who smoke [Corporate - city]	Steve Hook	12.8% GREEN	11.7%	There is a national ambition to get to below 5% smoking prevalence by 2030. The target value is the trajectory to get to this target	17.2%	Upper confidence limit of the latest BHCC result (currently 2022)
3.15	Adults in receipt of community support as a proportion of all adults in receipt of a long-term service [Corporate - council]	Steve Hook	69.71% AMBER	70.00%	Green value based on SE benchmark value as relates to more local and partnership working within local area	65%	Amber rationale: Set at 5% below target value
3.16	% of social care clients receiving direct payments [Corporate - council]	Steve Hook	24.09% AMBER	24.1%	Maintain 2023/24 Performance	21.40%	set at CIPFA Value

Outcome 4: A responsive council with well-run services

Ref	Measure	CLT lead	2023/24 Result	2024/25 Target	Target Rationale	2024/25 Amber Value	Amber Value Rationale
4.1	Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools) [Corporate - council]	Ken Simpson	11.56% AMBER	10.90	The target is set in line with a combination of the CIPFA and Unitary authority 2021/22 average results	11.56	2023/24 year end result
4.2	Staff who declare that they have a disability as a % of the total workforce who declare whether they have a disability (not including schools) [Corporate - council]	Ken Simpson	9.10% RED	11.7%	The target is based on the percentage of economically active residents within the local community as per the 2021 Census.	9.4%	20% below target
4.3	Staff who declare themselves as BME (excludes White Irish and White Other) as a % of the total workforce who declare their ethnicity (not including schools) [Corporate - council]	Ken Simpson	10.8% AMBER	12.1%	The target is based on the percentage of economically active residents within the local community, as per the 2021 Census.	9.7%	20% below target
4.4	Staff who declare themselves as White Other as a % of the total workforce who declare their ethnicity (not including schools) [Corporate - council]	Ken Simpson	9% RED	13.1%	The target is based on the percentage of economically active residents within the local community, as per the 2021 Census.	10.5%	20% below target
4.5	% of high priority audit actions recommended by Internal Audit that have reached their due date for completion and have been implemented by services. [Corporate - council]	Nigel Manvell	100% NEW	95.0%	Value greed with the Audit and Standards Committee and set across the Orbis partnership of Internal Audit Services. Can benchmark this with ESCC and SCC.	90.0%	Value greed with the Audit and Standards Committee and set across the Orbis partnership of Internal Audit Services

5. Annual complaints and service improvement report for the Housing Management service

- 5.1 A total of 775 stage 1 complaints were received in 2023/24, with 55% being either upheld or partially upheld. 83% of stage 1 complaints were responded to within the target of 10 working days.
- 5.2 13% of stage 1 complaints were escalated to stage 2, with 49% being responded to within the target of 20 working days.
- 5.3 The top three areas of complaint in 2023/24 were in relation to the condition of property (Repairs, maintenance & improvement) (82%), anti-social behaviour (3.4%) and staff conduct (2.8%)
- 5.4 The Housing Ombudsman findings for 2022/23 show that in 20% of cases investigated maladministration was found, 12% better than the national average, and 13% where a service failure was found, 11% better than the national average.
- 5.5 We have made a number of service improvements through learning from the complaints we received, including:
- Improving clarity for leaseholders through a review and revision of internal processes relating to formal leaseholder consultation requirements.
 - Improving understanding for our residents by providing clearer policies and procedures relating to pet ownership.
 - Formalising a more holistic approach to debt management for vulnerable tenants within our reviewed and updated rent arrears policy.
 - Ensuring we are prioritising people with known vulnerabilities through changes to our contractor's processes, including a daily review of cases marked as having no heating or hot water.
 - Clarifying the anti-social behaviour case review documents and procedures for our residents to ensure a more robust, responsive and accessible service.
 - Improving fire safety through a review of mobility scooter storage at all properties with particular focus on seniors housing schemes.
 - Improving living conditions for tenants by increasing service capacity to tackle damp and mould

6. Analysis and consideration of alternative options

- 6.1 Appendix 1 provides the supporting information to section 3 and further details on council performance.
- 6.2 The council has a statutory requirement to produce and publish an Annual Complaints and Service Improvement report for the Housing Management service and the response from the governing body, in line with the Social Housing Regulation Act 2023.

7. Community engagement and consultation

- 7.1 This is an internal performance reporting mechanism and as such no engagement or consultation has been undertaken in this regard.

- 7.2 The Annual Complaints and Service Improvements report for Housing Management will be published on the council website. It will also be shared with residents at Housing Area Panel and summarised in the Autumn edition of Homing In.

8. Conclusion

- 8.1 The council believes it has a robust Performance Management Framework as evidenced by this report to meet the challenges of delivering the Council Plan in the financial context that local authorities are now working in.

9. Financial implications

- 9.1 There are no financial implications arising directly from the recommendations of the report, however, addressing performance and risk issues can have financial consequences for services which will be considered by the relevant directorate in managing its overall budget position. This is reflected in regular Targeted Budget Management forecasts and reports. Where performance is sub-optimal, despite planned actions having been implemented, the financial implications for the improvement of services may need to be considered for inclusion in future years' budget setting processes and the Medium-Term Financial Strategy. More generally, poor performance and/or a lack of robust actions to treat identified risks can result in poor value for money or financial loss to the authority.

Name of finance officer consulted: Nigel Manvell
Date consulted: 26 June 2024

10. Legal implications

- 10.1 The framework described here and the actions reported on are a key part of the arrangements put in place by the council to ensure that it meets its general duty (pursuant to section 3 of the Local Government Act 1999) to ensure continuous improvement in the exercise of its functions.
- 10.2 No other direct legal implications have been identified.

Name of lawyer consulted: Victoria Simpson
Date consulted: 26 June 2024

11. Equalities implications

- 11.1 Being a fair and inclusive council is one of the four outcomes of the Council Plan as outlined above. There are also Corporate KPIs directly reflecting workforce profiles for groups with protected characteristics.

12. Sustainability implications

- 12.1 Sustainability related KPI measures are included within this report. These relate to:

- % of household waste sent for reuse, recycling and composting
- % of municipal waste landfilled
- % of bus services running on time
- Greenhouse gas emissions
- Nitrogen Dioxide levels in Brighton and Hove ($\mu\text{g}/\text{m}^3$ - micrograms per cubic meter): Lewes Road, North Street and Wellington Road
- The energy efficiency rating of local authority owned homes

12.2 We have strategic risks linked to Net Zero and adaptation and mitigation of climate change.

13. Other Implications

Social Value and procurement implications

13.1 We are committed to working with suppliers who share our values and align their own vision with our priorities, ensuring each commissioning and procurement exercise we undertake includes an element of social value to create a positive impact on our local economy, environment and communities. We do this by agreeing social value action plans with contractors and monitoring social value outcomes, alongside other key performance indicators, at contract performance meetings.

Through building social value outcomes into key contracts our suppliers are delivering workplace apprenticeships, trainee placement days, and work experience programmes in the city. Some are committed to employing significant numbers of their workforce locally and from particular groups such as ex forces or the homeless community, and are working towards becoming accredited as age and dementia-friendly employers. Others are training their staff, who are out on the city's streets, to be CPR-certified; donating funds and equipment to charities and schools in the city; sharing industry-specific training and knowledge free of charge; and giving staff time, skills and labour to make physical improvements across the city. No further significant implications arising from this report.

Crime & disorder implications:

13.2 No further significant implications arising from this report.

Public health implications:

13.3 A number of KPIs are monitored by the council's Public Health service that are included in this report. They are:

- Number of adults in structured treatment for drugs and alcohol harms
- The proportion of physically active adults
- % of people aged 18+ who smoke

Supporting Documentation

1. Appendices

1. Year-end performance report for 2023/24
2. Annual complaints and service improvements report for the Housing Management service

Appendix 1

Year-end performance report for 2023-24

Contents

- 4 Key Performance Indicators Results linked to Council Plan outcomes
- 12 Action progress update linked to Council Plan outcomes
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Performance Management Framework



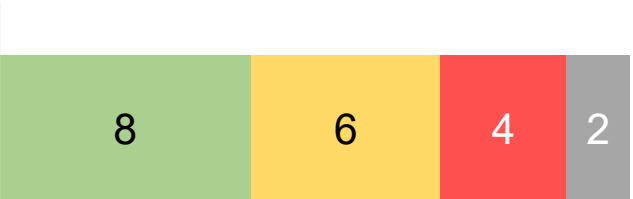
Best Value Authorities are under a general Duty of Best Value to “make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”

Key Performance Indicators Results linked to Council Plan outcomes

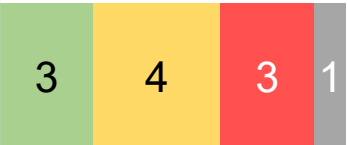
Key Performance Indicators Results: 2023/24

175

A city to be proud of



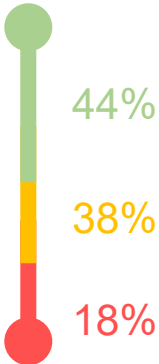
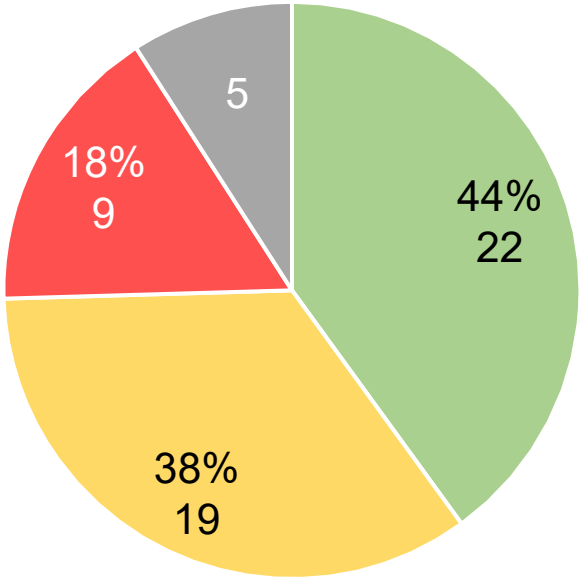
A fair and inclusive city



A city that helps people to thrive



A responsive council with well-run services



82% (41/50)

of KPIs are green or amber

meet or exceed target monitor action required trend

Outcome 1. A city to be proud of

176	KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
	% of major development applications decided within agreed timeframes	87.30%	80.00%	92.31%	95.00%	↑	Green
	% of non-major development applications decided within agreed timeframes	84.30%	80.00%	93.43%	93.46%	↑	Green
	% major planning application decisions that are overturned at appeal	1.80%	2.50%	0.00%	1.67%	↓	Green
	% non-major planning application decisions that are overturned at appeal	1.00%	2.80%	0.80%	0.77%	↑	Green
	Greenhouse gas emissions	763,000	885,080	768,000	811,600	↓	Amber
	% of bus services running on time	95%	85%	81.60%	72.48%	↓	Red
	Nitrogen Dioxide levels in Brighton and Hove (µg/m3) Lewes Road	30	36	41.5	40.1	↑	Red
	Nitrogen Dioxide levels in Brighton and Hove (µg/m3) North Street	30	36	35.5	35.2	↑	Amber
	Nitrogen Dioxide levels in Brighton and Hove (µg/m3) Wellington Road	30	36	33	33.2	↓	Amber
	Number of attendances at council owned indoor sports facilities	1,473,899	1,326,509	1,502,959	1,569,970	↑	Green

DoT = Direction of travel compares latest result to the previously recorded result

Improving ↑ declining ↓ no change ↔

Outcome 1. A city to be proud of

KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
Number of visitors to Brighton and Hove	10,000,000	9,500,000	10,000,000	11,470,000	↑	Green
% of people in the city who are employed	77.40%	73.60%	76.10%	75.70%	↓	Amber
% change in the number of jobs	3.60%	2.10%	2.10%	4.10%	↑	Green
% of principal roads requiring structural maintenance	Trend	-	New	18.32%	-	Trend
% of non-principal roads requiring structural maintenance	Trend	-	New	14.96%	-	Trend
% of household waste sent for reuse, recycling and composting	35.60%	29.50%	27.80%	27.40%	↓	Red
% of municipal waste landfilled	2.40%	4.00%	0.53%	0.56%	↓	Green
Residual household waste per household (Kg)	513	540	564.16	566.05	↓	Red
Missed kerbside refuse or recycling collections per 100,000 collections reported	512	615	553	586	↓	Amber
% of streets inspected which are found to have widespread or heavy levels of litter	4.85%	6.20%	6.58%	5.90%	↑	Amber

Improving ↑ declining ↓ no change ↔ DoT = Direction of travel

Outcome 2. A fair and inclusive city

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KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
% of routine council housing repairs completed on time	70%	61.50%	47.81%	46.38%	↓	Red
% of council owned homes that meet the government's Decent Homes standard	100%	96.20%*	96.60%	97.20%	↑	Amber
% of homelessness cases presenting during the prevention duty stage	45%	39%	40.12%	39.73%	↓	Amber
% of homelessness prevention cases closed with a successful prevention outcome	55%	50%	67.20%	65.40%	↓	Green
Total number of households in temporary accommodation	1,655.00	1,522.00	1,730.00	1,770.00	↓	Red
No. of additional affordable homes delivered by the council (new build, acquisitions & conversions)	315	160	297	286	↓	Amber
Number of verified rough sleepers	Trend	Trend	52	35	↓	Trend
% of new homes delivered against the number of homes required (rolling 3-year result)	95%	90%	109%	130%	↑	Green
The energy efficiency rating of local authority owned homes (based on Standard Assessment Procedure 2012)	73.8	71.5	74.1	74.1	↔	Green
% of rent collected from current tenants of council owned homes	95.36%	94.88%	93.63%	93.46%	↓	Red

* The amber threshold was changed during 2023/24 to align with the latest available Housemark benchmarking data

Outcome 3. A city that helps people to thrive

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KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
Adults in receipt of community support as a proportion of all adults in receipt of a long-term service	70%	65.00%	69.24%	69.71%	↑	Amber
% of social care clients receiving direct payments	24.60%	22.40%	24.39%	24.09%	↓	Amber
% of people with a learning disability in paid employment	4.80%	2.80%	8.80%	8.85%	↑	Green
The proportion of physically active adults	71.20%	65.80%	72.70%	80.40%	↑	Green
% of people aged 18+ who smoke	14.20%	17.30%	13.70%	12.80%	↑	Green
Number of adults in structured treatment for drugs and alcohol harms	2753	2478	24.3	2728	↑	Amber
% of eligible two year olds taking up early education places	85%	72%	90%	87%	↓	Green
The number of individuals supported by Family Hubs	Trend	Trend	1,717	2,107	↑	Trend
% of Strengthening Family Assessments completed in 45 days	84.50%	81.00%	84.70%	85.50%	↑	Green

Outcome 3. A city that helps people to thrive

180	KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
	Number of children in care	Trend	Trend	344	355	↑	Trend
	% of Education, Health & Care Plans (EHCPs) issued within 20 weeks including exceptions	57.10%	45.80%	72.08%	73.05%	↑	Green
	% of schools that are judged good or outstanding by Ofsted	90.60%	86.00%	91.00%	89.40%	↓	Amber
	% of all pupils attending state funded schools achieving the 'expected standard' in reading, writing and maths at the end of Key Stage 2	60%	56%	60%	60%	↔	Green
	The average Attainment 8 score for all pupils in state-funded schools at the end of Key Stage 4	46.4	46.4	47.6	47.8	-	Green
	The average Attainment 8 score for disadvantaged children in state-funded schools at the end of Key Stage 4	35.1	35	33.7	32.5	-	Amber
	The average Attainment 8 score for children in care at the end of Key Stage 4	19.4	17.9	17.2	18.6	-	Amber
	The number of 16 and 17 year-olds who are not in education, employment or training (NEET) or whose NEET status is not known	5.70%	6.60%	3.80%	5.00%	↓	Green

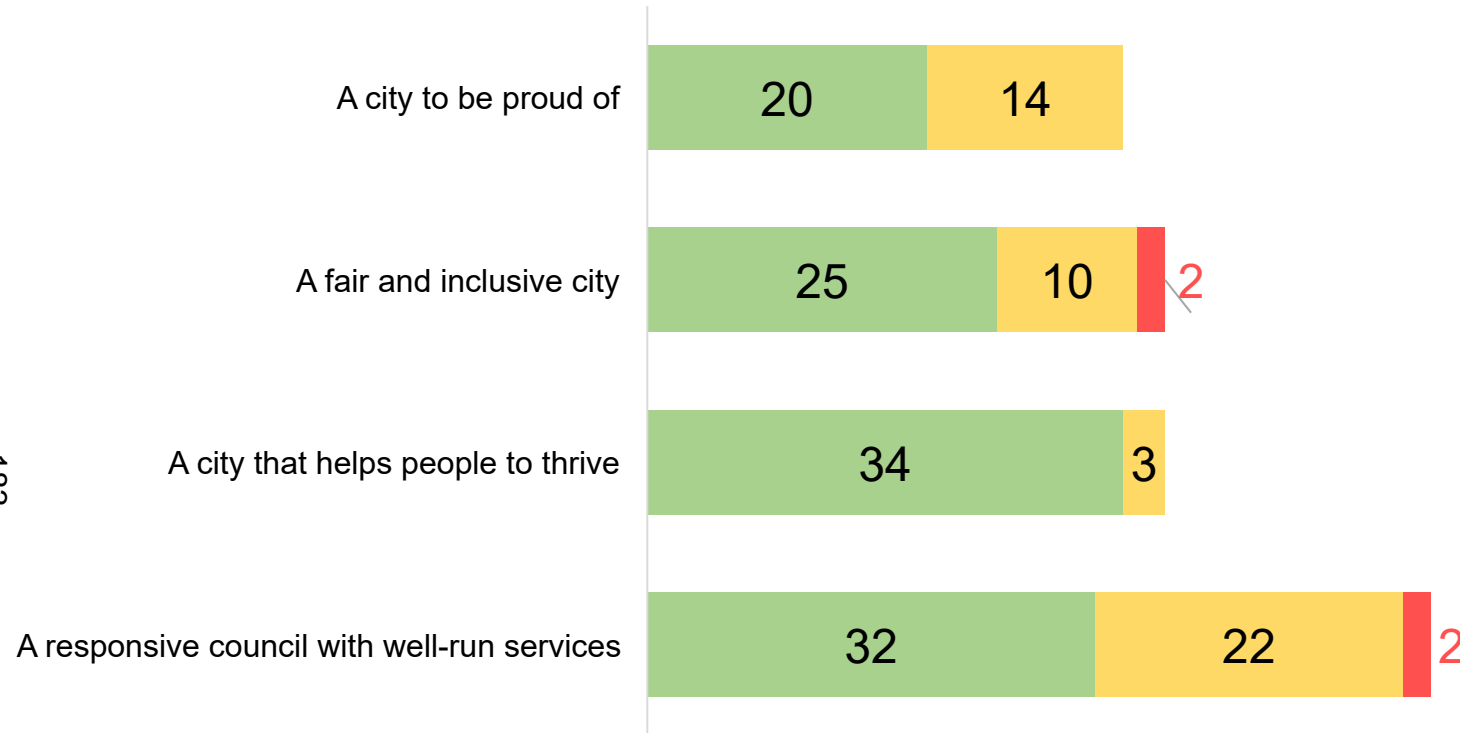
Outcome 4. A responsive council with well-run services

KPI Measure	Target	Amber Threshold	Previous Result	Result	DoT	RAG
% of audit opinions with the outcome 'Reasonable Assurance' or above	80%	70%	63%	72%	↑	Amber
Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools)	10.9	12.57	11.33	11.56	↓	Amber
Staff who declare themselves as BME (excludes White Irish and White Other) as a % of the total workforce who declare their ethnicity (not including schools)	12.10%	9.70%	9.70%	10.80%	↑	Amber
Staff who declare themselves as white other as a % of the total workforce who declare their ethnicity (not including schools)	13.10%	10.50%	8.70%	9.00%	↑	Red
Staff who declare themselves as White Irish as a % of the total workforce who declare their ethnicity (not including schools)	1.70%	1.40%	2.10%	2.30%	↑	Green
Staff who declare themselves to be LGBTQ+ as a % of the total workforce who declare their sexuality (not including schools)	12.20%	9.80%	15.00%	15.50%	↑	Green
Staff who declare that they have a disability as a % of the total workforce who declare whether they have a disability (not including schools)	11.70%	9.40%	8.40%	9.10%	↑	Red

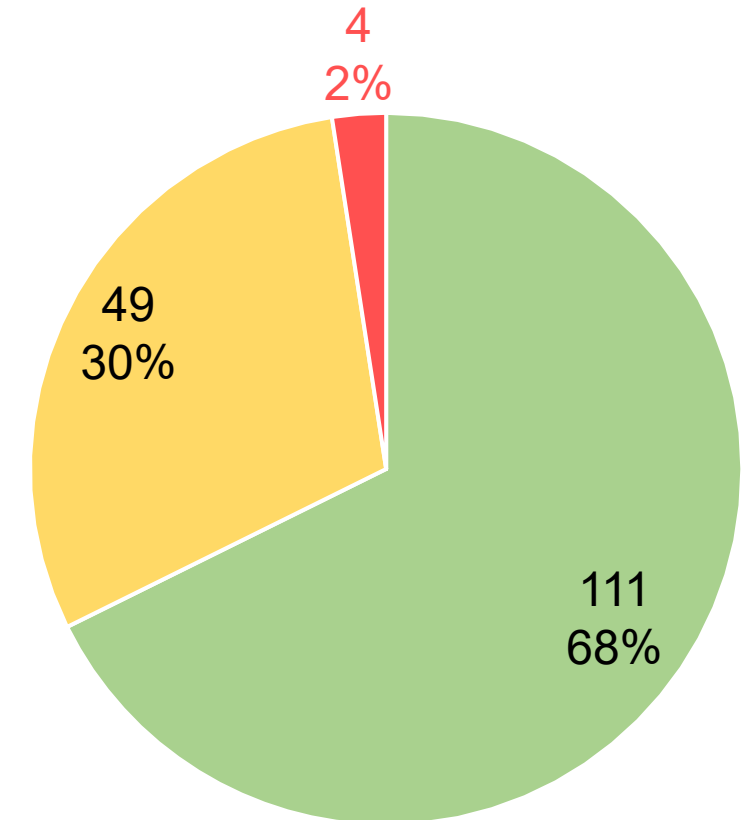
Action progress update linked to
Council Plan outcomes

Council Plan progress overview

Progress by Council Plan Outcome



Progress overview



Overall, 164 Directorate Plan actions, as mapped to the Council Plan, are monitored.

- 68% (111 actions) were on track or complete by year end
- 30% (49 actions) were rated amber by year end
- 2% (4 actions) were rated as off track by year end



A city to be proud of: Investing in our city

Action	Status
Implement the City Plan via an efficient, effective, and customer-focused Planning Service.	
Implement new placemaking guidance and projects.	
Deliver the Shared Prosperity Fund in line with the Investment Plan.	
Ensure the city remains a leading national and international visitor destination.	
Deliver a programme of varied and inclusive outdoor events in the city.	
Support The Royal Pavilion and Museums Trust, Brighton Dome and Brighton Festival, and The Keep to ensure provision has diverse reach and contributes to visitor economy ambitions.	
Design and deliver sustainable new development through an effective architectural service.	
Deliver the Open Spaces Strategy.	
Develop the seafront as a key leisure resource.	
Protect the city's unique culture and heritage assets through statutory powers.	

A city to be proud of: Investing in our city

Action	Status
Protect the city's unique culture and heritage assets through statutory powers.	
Deliver infrastructure to meet future needs of the city.	
Support local businesses to thrive.	
Deliver the city's regeneration and investment programme of major projects.	
Deliver the Kingsway to the Sea (KTTS) programme.	
Modernise council-owned sports facilities, aligned with the Sports Facilities Investment Plan.	
Facilitate conditions and a framework that strengthens the cultural and creative sectors.	
Increase the number of people who are accessing library services.	
Drive growth of the Business and Intellectual Property Centre (BIPC) service and increase take up/revenue generation.	
Improve library facilities, environment, and experience of library users.	
Facilitate the Digital Inclusion Strategy across Brighton & Hove	

A city to be proud of: An accessible, clean, and sustainable city

Action	Status
Deliver the City Environmental Improvement Programme.	
Keep the city's streets clean and tidy.	
Deliver the Carbon Neutral Programme (CN).	
Deliver the Fleet Strategy and fleet replacement plan.	
Reduce harmful emissions from transport in the city through the Air Quality Action Plan and Carbon Neutral Programme.	
Implement the Highway Asset Management Plan to manage asset condition, planned maintenance programmes and public safety.	
Deliver key capital funded transport projects in the Local Transport Plan (LTP) Capital Programme.	
Deliver the Bus Service Improvement Plan.	
Agree and implement works to protect and restore the city's coastal and seafront highway infrastructure.	
Review Parking Services strategy.	
Improve the energy efficiency of council buildings and assets.	
Protect and improve biodiversity in the city.	
Implement objectives of the City Downland Estate Plan (CDEP).	
Protect properties from surface water flooding.	

A fair and inclusive city: An inclusive and more equitable city

Action	Status
Lead initiatives to diversify the workforce at all levels, recruiting and retaining staff from all communities to achieve the council's commitment to being a fair and inclusive place to work.	
Support the Leader/Deputy Leaders and Executive Leadership Team (ELT) in shaping strategic policy, commissioning, and research, ensuring the council is effective in place leadership taking into account national policy developments and new legislative requirements and to effectively lobby for local policy priorities and funding.	
Further develop and support city's partnership arrangements to improve city outcomes, to include refresh of Brighton & Hove Connected.	
Publish an Anti-racism strategy and an Accessible City Strategy and complete directorate Fair and Inclusive Action Plans that support both strategies and other fair and inclusive priorities.	
Develop and agree a Gender Equality Strategy.	
Support LGBTQ+ spaces in the city.	
Develop and deliver a new four-year investment prospectus for the community and voluntary sector.	
Secure our re-accreditation as a city of sanctuary and support refugees.	

A fair and inclusive city: An inclusive and more equitable city

Action		Status
100	Publish a community engagement framework.	
	Effectively communicate the delivery, progress and achievement of the council's priorities and services and support the production and communication of the new Council Plan and the principles underpinning it.	
	Develop and embed a Corporate Consultation and Engagement Framework to support the leadership in demonstrating that we are a listening and responding council.	
	Develop the council's local Welfare Framework and welfare support through collaboration with key services.	
	Directorate to work proactively to understand, engage with and respond effectively through inclusive, accessible, and anti-racist service delivery to the city's diverse communities and changing demographics.	
	Directorate to actively support the corporate aim of diversifying the workforce at all levels, recruiting, and retaining staff from all communities, ensuring inclusive, accessible, and anti-racist practice.	
	Recruit and retain staff from all the city's communities to ensure a fair and inclusive workplace	
	Work proactively to understand, engage with and respond effectively to the city's diverse communities and its changing demographic	

A fair and inclusive city: A city where people feel safe and welcome

Action		Status
Deliver the Community Safety Strategy and work with partners on the Community Safety Partnership.		
Contribute to the Combatting Drugs Strategy with specific reference to reducing supply.		
Create safe public spaces that are accessible for all.		
Ensure that a Violence against Women & Girls (VAWG) Strategy is in place.		
Protecting public health and maintain a fair and safe trading environment for residents, businesses, and visitors in the city.		

A fair and inclusive city: Homes for everyone

Action	Status
Build new council homes.	
Improve the condition of private rented sector accommodation.	
Invest in building and fire safety to meet new duties under the Building Safety Act and ensure we are compliant with Health & Safety.	
Ensure the council complies with Social Housing Regulation Act and meets the four draft consumer standards that underpin the legislation.	
Provide a repairs and maintenance service for local authority owned homes and complete post pandemic recovery including reducing the backlog of housing repairs and the number of empty properties.	
Improve the energy performance of council homes.	
Optimise the local benefits and social value of our inhouse repairs and maintenance service.	
Deliver Planned and Major Works Capital Programmes	

A fair and inclusive city: Homes for everyone

191	Action	Status
	Housing Income Team to maximise rent collected and reduce arrears	
	Develop a new Housing Strategy.	
	Review Council's Housing Allocations Policy.	
	Increase housing supply of new and affordable homes.	
	Commissioning single homelessness and rough sleeper supported accommodation.	
	Increase our effectiveness in preventing homelessness.	
	Reducing the number of households in temporary accommodation.	
	Deliver and implement the Homelessness Transformation Strategy.	

192

Action	Status
Ensure a maintained secondary school place is provided for every child that requires one.	
Develop family hubs to provide high quality family help.	
Deliver a robust and improving social work and social care service that keeps children safe.	
Support the city employment & skills plan through post- skills and employment progression, with a focus on supporting women, disabled people and Black, Asian & Minority Ethnic (B.A.M.E.) groups to achieve their full potential.	
Continue to develop and implement Fairer Brighton & Hove - a citywide strategy network to support children, young people and families at risk of disadvantage.	
Work with partners to meet the needs of children & young people with emotional well-being and mental health needs.	
Deliver against the objectives within the Special Educational Needs & Disability (SEND) Strategy - to protect and improve outcomes for those children and young people with special educational needs, to enable children with SEND to be independent and resilient.	
As DfE Change Programme Partners we will test the new reforms identified in the SEND and Alternative Provision Green Paper as part of the change programme	
Deliver the strategy to tackle educational disadvantage.	
Continue an environmental education programme and promote outdoor education, particularly for those who are disadvantaged.	
Develop a directorate wide anti racist strategy and action plan which supports the Council's anti racist strategy.	

193

Action	Status
Collaborate with partners to increase the take up of apprenticeships and pre-employment opportunities.	
Develop and implement a school organisation strategy to manage and reduce surplus places in primary and secondary schools.	
Support early years and childcare providers, including our Family Hubs, nurseries and nursery classes to provide high quality early years services.	
Support the delivery of high quality and inclusive education in our city schools.	
Provide a range of good quality value for money care placements for our children in care.	
Work with partners to ensure that young people receive high quality youth service support.	
To explore and agree the future development of the Home to School Transport Service in line with new government guidance, best practice and value for money.	
Deliver on a directorate wide performance and quality assurance framework to ensure that safe and effective services are provided.	
Ensure service users and stakeholders voice informs service delivery including young people and especially those who are care experienced and / or from a Black and global majority background.	
Deliver the health and wellbeing strategy: Starting Well	

A city that helps people to thrive: Living and ageing well

Action	Status
Deliver the health and wellbeing strategy: Living Well, including Mental Health	
Deliver the health and wellbeing strategy: Ageing Well and Dying Well	
Support the Council to deliver the Health and Wellbeing Strategy to address the broader determinants of health.	
Provide a health intelligence function to support B&H commissioning population health.	
Provide assurance and support for health protection ensuring robust prevention and response systems are in place.	
Develop and deliver Brighton and Hove's 'Improving Lives Together' Place Based Plan.	
Improve information, advice & guidance offer to service users and complete Standard Operating Procedures.	
Ensure that the voice of people with lived experience is heard and that it informs service improvement and commissioning activity.	

A city that helps people to thrive: Living and ageing well

Action	Status
Improve performance and quality assurance in relation to statutory duties, including the Care Act	
Ensure that transition services are in place to support young people moving into adult services and that they are integrated	
Support the delivery of the Safeguarding Adults Board Strategic Plan	
Support families to enable Adults with Learning Disabilities (LD) to be independent and resilient, including driving the Move On project to increase the number of service users living independently with appropriate support.	
Develop the Health & Adult Social Care Commissioning Strategy and Market Position Statements.	
Commission services to ensure that people and their carers have the support they need.	
Develop the technology enabled care offer.	
Implement improvements to operational financial processes for Adult Social Care clients.	

Action	Status
Engage with the city’s diverse communities to deliver services that respond to their needs in an inclusive, accessible, and anti-racist way	
Work proactively to understand and engage with the city’s diverse communities to deliver services in an inclusive, accessible, and anti-racist way	
Deliver the Customer Experience modernisation programme to ensure we deliver on our Customer Promise of keeping customers informed, taking a One Council approach, being clear with our customers on what we can and cannot do for them and ensuring our staff are skilled and confident.	
Work proactively to understand and engage with the city’s diverse communities to deliver services in an inclusive, accessible, and anti-racist way.	

A responsive council with well-run services: Our ways of working

Action	Status
Deliver the Corporate Modernisation Programme - Workstyles .	
Lead initiatives to diversify the workforce at all levels, recruiting and retaining staff from all communities to achieve the council's commitment to being a fair and inclusive place to work.	
Ensure FCL services are well run for the safety and wellbeing of staff and customers.	
Nurture a well-informed, engaged and proud workforce – one that trusts the leadership, feels valued and delivers services to the highest standard; support the retention and recruitment of the very best staff.	
Deliver the Supporting Members programme, to support and develop Members within their roles.	
Provide effective legal advice and support to enable the delivery of core services and corporate priorities.	
Identify new income generation opportunities and grow existing external clients to support savings targets	

A responsive council with well-run services: Our ways of working

Action	Status
Deliver robust and skilled Electoral Services to maximise Electoral Registration and deliver safe and accurate election results.	
Ensure the council can attract and retain staff with the skills required by services by identifying areas of risk in relation to pay, recruitment and retention, and designing responses for consideration within the bounds of affordability.	
Proactive identification of opportunities that support modernisation of the council and ensure timely and effective set up, support and management of programmes and projects. This is to ensure pace, efficiency, and delivery of cashable savings to minimises any adverse impact on customers.	
Ensure delivery of the actions set out in the Health and Safety Strategy -.	
Ensure all property search information is provided accurately and promptly whilst working with Land Registry to provide local activity information; prepare for the transfer of local Land Register to Land Registry by .	
Deliver Polling District Boundary Review following Parliamentary Constituency changes.	

A responsive council with well-run services: Our ways of working

Action	Status
Welfare, Revenue & Business Support Service – Deliver improvements in customer service, internal service, financial performance and welfare support measures that contribute to corporate objectives.	
Procure and implement a modern solution for HR, finance and procurement that will address urgent technical challenges and drivers for change, whilst also enabling the Council to achieve its ambitions for modernisation and transformation to provide the most effective and efficient way of delivering our services, streamlining the way we work, and providing an excellent customer experience.	
Represent the council as an active and founding member of the Orbis partnership.	
Continue to seek improvement to the payroll and pension service.	
Deliver the Foundation IT pillar of the DDAT (Digital Data and Technology) strategy.	
Deliver the Digital Customer pillar of the DDAT strategy.	
Deliver the Data pillar of the DDaT strategy.	
Deliver the Digital organisation pillar of the Digital Data and Technology (DDaT) strategy.	
Enable the successful delivery of the future ways of working modernisation programme	

A responsive council with well-run services: Our ways of working

Action	Status
Deliver the programme to redevelop the Wave	
Deliver year priorities for Our People Strategy	
Through delivery of Fair & Inclusive Workplace & Services provide organisational development and other corporate support to services across the council to improve the experience of staff as measured by the staff survey's Fair & Inclusive Index. Be a fair and inclusive employer that values diversity and individuality with a workforce enabled to deliver the council's equalities and inclusion strategies.	
To continue to develop and implement a pro-active strategy to improve industrial relations in conjunction with recognised trade unions and continue to streamline approach to employee relations case work across the council.	
Develop new Targeted Operating Model for HR & OD services, including links to related services in WRBS (Welfare, Revenues & Business Support)	
Continue to provide, review, and modernise comprehensive HR, advisory, pay, policy, reward, resourcing and strategic services and activities to the organisation.	
Provide a clear and high-quality programme of training	
Develop and deliver priorities within the Workforce Strategy.	

A responsive council with well-run services: Our ways of working

201	Action	Status
	Lead initiatives to diversify the workforce at all levels, recruiting and retaining staff from all communities to achieve the council's commitment to being a fair and inclusive place to work.	
	Review service systems and processes to identify opportunities for modernisation, mitigate risks found in audits and ensure compliance with General Data Protection Regulation (GDPR)	
	Maximise income generation through modernised service delivery across all areas of Life Events.	
	Ensure services are well run for the safety and wellbeing of staff and customers.	
	Deliver and implement the core housing Information and Communication Technology (ICT) systems planned for /.	
	Review of Emergency Planning provision to ensure that the service meets its statutory requirements and that appropriate emergency responses are delivered	
	Provide good customer service across the Housing, Neighbourhoods and Communities directorate	

202

Action	Status
Optimise the use of council assets by generating capital receipts, increasing income, and delivering efficiencies.	
Keep council buildings safe, secure, and well maintained.	
Support the transition from one term to the next and support councillors in their role, ensuring they have access to and can effectively communicate up-to-date information on issues which affect them and/or their ward constituents.	
Deliver Committee, Council and Panel meetings and ensure lawful decision making	
Maximising the financial integrity and sustainability of the organisation to minimise any unplanned adverse impacts of financial pressures on organisational capacity, services and citizens through Medium Term Financial Planning and a linked -year Capital Strategy.	
Undertake an assessment of compliance with the Financial Management Code and identify and implement improvement actions.	
Ensure robust set up and monitoring of business planning processes to enable the organisation to define how it delivers the best possible services for the city and to enable senior officers, Members, and the public to understand how well services are being delivered as promised in the Council Plan and provide support and challenge as appropriate.	
Lead the risk management process and reporting to identify and manage risks that affect achievement of the Council Plan, enabling directorates to identify the right actions preventing failures, costs, and reputational damage.	

203

Action	Status
Undertake standards investigations in relation to complaints against members, promote whistleblowing, declarations of member interests and work with Independent Members to ensure a consistent and robust application of the Council’s Standards Procedure.	
Deliver the Internal Audit Plan & Strategy whilst maintaining sufficient flexibility to focus on new and emerging risks, including investigation of reported incidents of suspected fraud/irregularity and ensure appropriate sanctions are applied.	
Deliver a programme of proactive counter fraud work including data matching, the delivery of counter fraud training and the production of guidance for council managers and staff	
Ensure a robust, compliant, and cost- effective Information Rights case handling framework in place to enable it to meet its legal obligations, including timescales under the General Data Protection Regulation, Data Protection Act , Freedom of Information Act and associated legislation.	
Procurement & Contract Management: Maintaining the Contract Management Framework and implementing improved oversight over contract management across the council.	
Review governance and member decision making arrangements to ensure efficient and effective.	
To ensure effective Information governance & security.	
Ensure timely and effective budget management across Health & Adult Social Care.	

Customer Insight Overview

Customer Satisfaction and Ease of access – survey results overview

Customer satisfaction for 2023/24

59% → 65%

22/23 23/24

8,935 responses

Good performance

Adult Social Care 80% satisfaction

Housing Repairs 91% satisfaction & 91% ease of access

Register Office 99% satisfaction & 99% ease of access

Service accessibility for 2023/24

51% → 68%

22/23 23/24

7,976 responses

Areas of improvement

City Environment 32% satisfaction

Council Tax 23% satisfaction & 24% ease of access

Housing Needs 20% satisfaction & 19% ease of access

The Customer Insight Report includes details of improvements planned by services.

It also includes three key corporate improvement areas for 24/25: Accessibility, Digital offer and Complaints handling

Customer Satisfaction and Ease of access – Equalities results overview

Where equalities data has been provided, the % of respondents for each characteristic are broadly representative of the city demographic.

BME

-3% satisfaction
-6% ease of access

Disability

+2% satisfaction
+8% ease of access

Age 16-64

-5% satisfaction
-3% ease of access

Age 65+

+7% satisfaction
+6% ease of access

Complaints handling overview

Overall, we've seen a reduction in Stage 1 complaints received however there has been an increase in escalation to Stage 2.

Stage 1

2,055 stage 1 complaints were received in 2023/24, 147 complaints fewer than were received in 2022/23.

7%
reduction

Parking received 34% (102) fewer Stage 1 complaints when compared to 2022/23 and 50% fewer since 2021/22

CityClean received 14% (55) fewer Stage 1 complaints when compared to 2022/23

50.9%
upheld

1,048 stage 1 complaints were upheld, 0.3% fewer than in 2022/23

79%
responded to within target

1,627 stage 1 complaints were responded to within target, 1% more than in 2022/23

Stage 2

290 complaints were escalated to Stage 2 in 2023/24, 76 more than in 2022/23.

36%
increase

1.5%
increase

9.1% of stage 1 complaints were escalated to Stage 2, an increase from 7.6% in 2022/23

173 stage 2 complaints were responded to within target (20 working days). 10% fewer than in 2022/23

60%
responded to within target

29%
upheld

84 stage 2 complaints were upheld. 14% fewer than in 2022/23

Sincerely saying sorry...

Our **Behaviour Framework** encourages us to “...apologise to customers if mistakes are made, and ... try my best to put them right as soon as possible.” Where you have found that a mistake has been made, or that process/procedure/policy or legislation have not been correctly followed, you may need to apologise to anyone affected by this error.

A guiding principle for organisations to think about when preparing to give a verbal apology, or write to say sorry to someone, is to use each of the four Rs (with thanks to the Scottish Public Service Ombudsman).

Regret: say, sincerely “I/we am/are sorry...”. Consider making the start of the apology personal as using ‘we’ even to correctly imply an organisation-wide apology can come across as impersonal and describing ‘someone else’s problem’. If drawn towards ‘we’ because the individual does not control the outcome, they should consider whether someone else, perhaps more senior, could make the apology more effective.

Responsibility: should make sure the organisation owns up to what it got wrong - “... we didn’t provide you with the support we should have given you to make your application.” Avoid passive language like “... you didn’t get the support you needed” – which leaves responsibility hanging unresolved.

Reason: should explain why things went wrong, avoiding straying into an apparent ‘excuse’. Try to use strong language that makes clear what fell short of reasonable expectations. Use of the word ‘should’ rather than ‘could’ is usually better. For example, “Sorry that we failed to properly consider making reasonable adjustments as we should have when we dealt with your request” is stronger than “We could have done more to consider reasonable adjustments when ...”.

Remedy: should explain what is being done to put things right, including learning for the future – “I have now fast tracked your application. Staff have been trained to spot and respond quickly in future when someone needs extra help to apply for this service.” This can be the most powerful part of the apology.

Local Government & Social Care Ombudsman

83

complaints
about BHCC

The Local Government & Social Care Ombudsman (LGSCO) received 83 complaints in 2022/23, 39% of the number of stage 2 complaints for the same period. 72% of complaints were not investigated

15 of the 23 complaints investigated were upheld. This equates to 0.7% of the number of stage 1 complaints received

65%

upheld

7% better than the average for similar
authorities

Housing Ombudsman

For 22/23, BHCC's maladministration rate was 36% compared to 55% on average in other local authorities and landlords with a similar number of properties. Of the 8 cases investigated Ombudsman, there were 14 potential findings, of which only 5 were found to be maladministration (36%).

Detailed analysis undertaken of the 15 upheld LGSCO decisions from 2022/23 has identified key areas for improvement:

- The appropriateness of remedies offered by Brighton & Hove City Council at Stage 1 and Stage 2 of the complaints process.
- When a fault is identified that may have affected a decision or outcome, responding managers should consider a remedy for uncertainty, as it isn't possible to be certain whether the outcome would have been different had the fault not occurred.
- When a remedy may affect multiple residents (for example all residents of a particular address, or all complaints of a particular type, not just the specific person who brought the complaint) a system should be established to recognise these cases and/or customers to prevent the same fault happening in future.
- Holding responses must be sent consistently and regularly where it isn't possible to meet the correct timescales for any correspondence, including complaint responses.
- The council must be able to evidence each of the factors that have been considered when making a decision, these must all be recorded on relevant systems, not just the main points.

4,179

Requests for a service response

78%

Responded to within 5 working days

A total of 4,179 requests for response were made to council services between 16th May 2023 and 31st March 2024. Overall, 78% (3,259) of requests were responded to within 5 working days

Top 10 services receiving the highest number of requests

	Reason for contact	Requests received	Requests responded to within 5 working days	On time %
1	Rubbish or recycling collection	311	243	78%
2	Repairs - day to day, including emergencies	174	172	99%
3	Weeds/leaves on the pavement	130	76	58%
4	Potholes	106	86	81%
5	Parking Permits	103	96	93%
6	Parking Enforcement	101	86	85%
7	Pavements (broken, uneven or unsafe)	96	76	79%
8	Requests for traffic calming	94	69	73%
9	Overhanging or overgrown trees or bushes on the street and verges	88	71	81%
10	Trees or grass verges	88	74	84%

>963,500

Contacts in 2023/24

The council received just over 963,500 contacts, a decrease of 3.5% when compared with 2022/23. *(This refers to contact received into our highest-volume services across the council and only includes contact received into generic service inboxes and telephone lines, rather than contact made with individual officers or smaller teams within those services).*

212 45% of contact with the council was through email. Online forms account for 26% of all contact with the council. With the exception of Housing Benefits, Council Tax & Housing Needs all key services responded to emails or contact forms on average within the 10 working day promise

25% of contact was made by phone. Taking into account all high-volume services, the average call waiting time for the council was 7 minutes 32 seconds. Council Tax and Housing Needs had average waiting times longer than 10 minutes.

In March 2024 2,859 customers visited Hove Town Hall CSC (1,252) or Bartholomew House CSC (1,607). Housing Needs 18% (506), Parking 16% (462) and Council Tax 16% (444) were the most frequent reasons for customers to visit, collectively accounting for 50% (1,412) of all visits.

Across both Customer Service Centres, booked appointments 22% (633), requesting or needing help with paper application form 17% (472) and needing an update on a service request after making contact via online/phone 14% (397) were the most frequent reasons for customers to visit, collectively accounting for 53% (1,502) of all visits.

Digital inclusion support in partnership with Digital Brighton & Hove supported 7,305 new learners, 269 total digital champions and gifted 412 devices

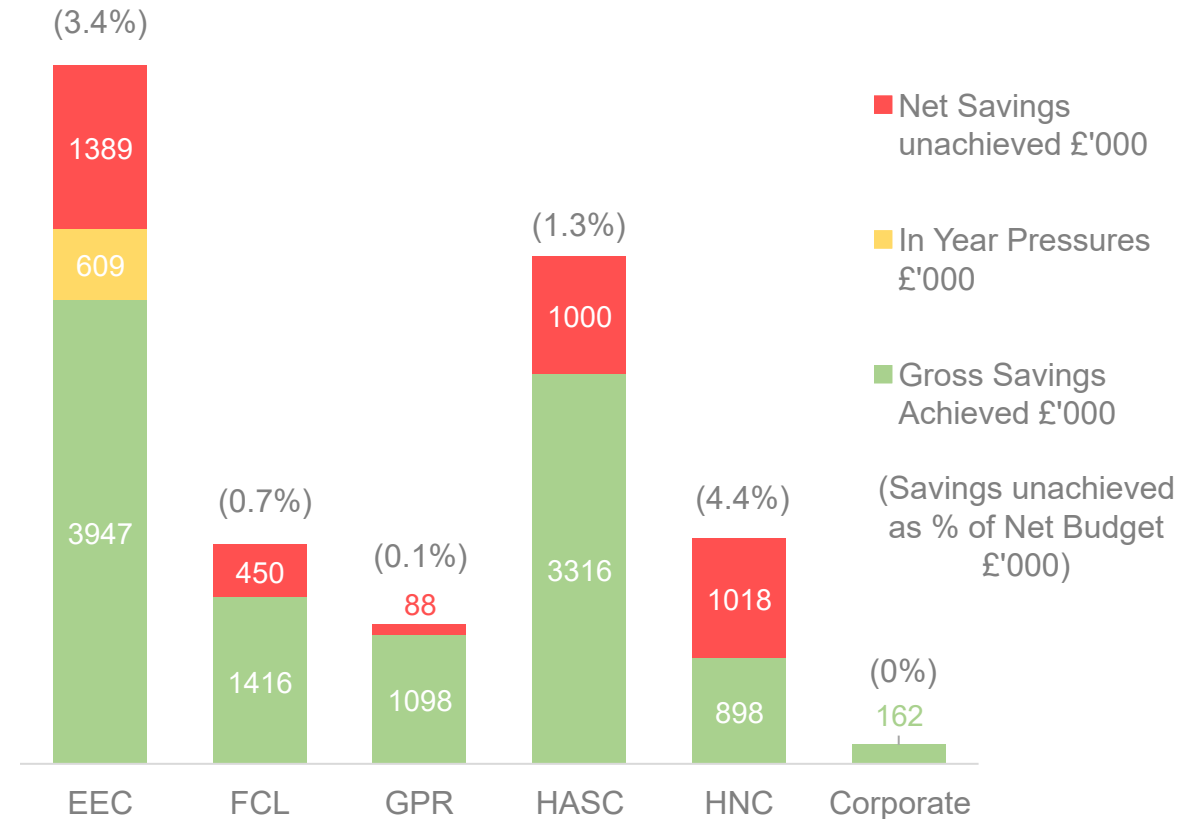
Performance Management Framework other background information

Financial Management

TBM 12 2023/24

Directorate	2023/24 Budget Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
Economy, Environment & Culture (EEC)	34,093	41	0.10%
Families, Children & Learning (FCL)	61,792	-1,636	-2.60%
Governance, People & Resources (GPR)	33,108	-655	-2.00%
Health & Adult Social Care (HASC)	103,704	-12	0.00%
Housing, Neighbourhoods & Communities (HNC)	18,677	648	3.50%
Sub total	251,374	-1,614	-0.60%
Corporate	-11,028	-654	-5.90%
Total General Fund	240,346	-2,268	-0.90%

Savings achieved (£,000)



The report also indicates that £3.945m (28%) of the substantial savings package in 2023/24 of £14.173m was not achievable largely due to exceptional inflationary pressures experienced during the year.

Strategic Risk List

Risk ref	Strategic Risk	Target risk score
SR25	Insufficient organisational capacity or resources to deliver all services and respond to changing needs and changing circumstances	20 5 x 4 ↑
SR2	The Council is not financially sustainable in the medium term	16 4 x 4 ↔
SR36	Not taking effective action to help our city transition to carbon neutrality by 2030	16 4 x 4 ↔
SR38	Not taking effective action to improve our city's resilience to the impacts of climate change and biodiversity loss	16 4 x 4 ↔
SR10	Corporate information assets are inadequately controlled and vulnerable to cyber-attack	12 4 x 3 ↔
SR13	Not keeping adults safe from harm and abuse	12 3 x 4 ↔

Risk ref	Strategic Risk	Target risk score
SR15	Not keeping children safe from harm and abuse	12 3 x 4 ↔
SR18	The organisation is unable to deliver its functions in a modern, efficient way due to the lack of appropriate technology	12 3 x 4 ↔
SR21	Unable to manage housing pressures and deliver new housing supply	12 3 x 4 ↔
SR32	Challenges to ensure health & safety measures lead to personal injury, prosecution, financial losses and reputational damage	12 3 x 4 ↔
SR24	The council is unable to provide an effective welfare support response to households facing financial hardship.	9 3 x 3 ↔
SR30	Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment	8 2 x 4 ↔

The target risk score shows what we think the likelihood x impact, will be after we have completed all mitigating actions.

Scores are based on the below:

- Likelihood
- Almost impossible = 1
 - Unlikely = 2
 - Possible = 3
 - Likely = 4
 - Almost certain = 5

- Impact
- Insignificant = 1
 - Minor = 2
 - Moderate = 3
 - Major = 4
 - Catastrophic = 5

The highest risks are in relation to organisational capacity, financial sustainability and climate & ecological change.

Modernisation Programmes and Projects

16 of the 18 corporate programmes are either Green or Amber, with 2 new programmes starting in April 2024.

217

Programme or Project Name	Overall RAG Rating	Direction of travel	Programme or Project Name	Overall RAG Rating	Direction of travel
HASC Modernisation	A	↔	Workstyles 4	A	↔
FCL Modernisation	G	↑	Customer Experience	A	↔
Homelessness and TA Transformation Phase 2	A	↔	Wave Replacement	G	↑
City Environment Management	A	↔	Fair and Inclusive Workplace and Services*	A	↔
Foundation IT Programme Yr2	G	↔	Our People Promise Modernisation Programme	A	↔
Digital Organisation	A	↔	Future Ways of Working	G	↑
Digital Customer	A	↔	Emergency Planning Review	A	
2030 Carbon Neutral	A	↔	Organisational Redesign & Culture Change		New
Sport & Physical Activity	A	↔	Housing Building Safety		New

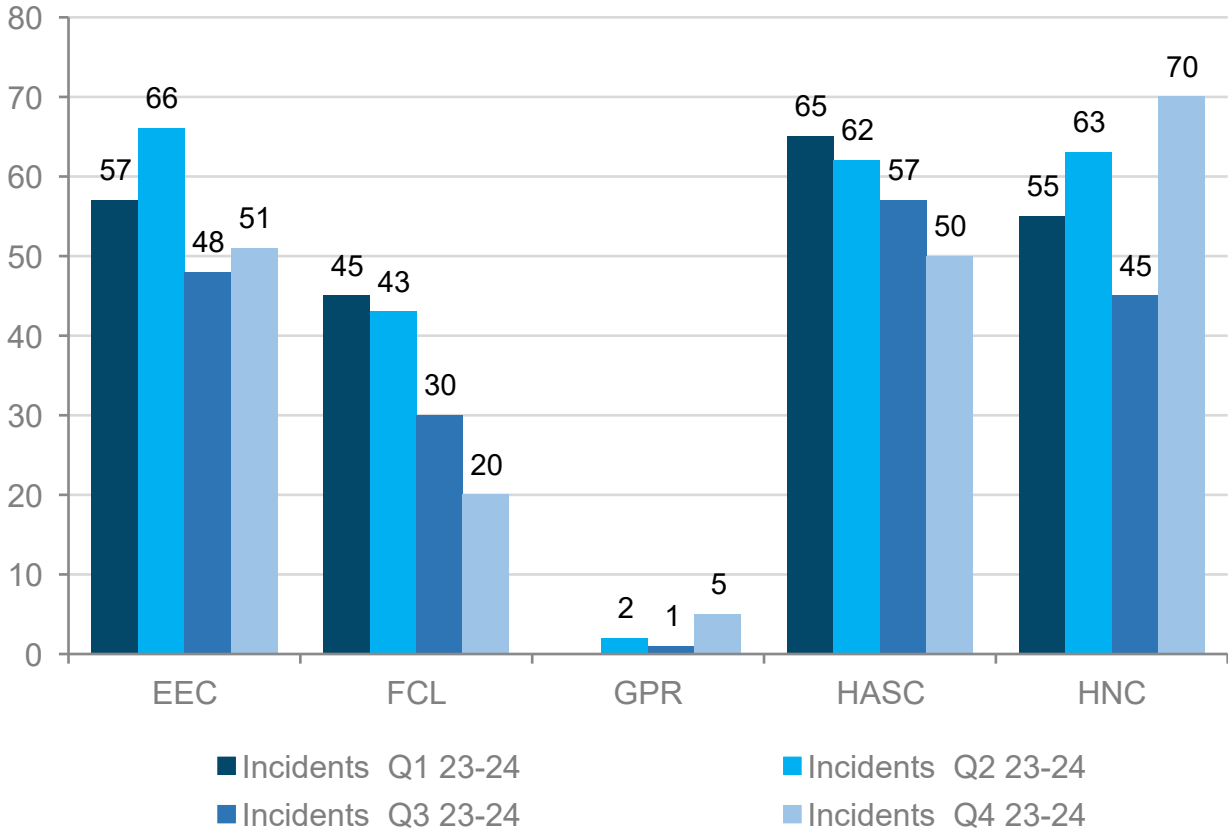
Overall RAG rating for each programme and project is based upon an assessment of scope, time, cost, cashable benefits, non-cashable benefits, and risk.

Workforce profile

Directorate	Head count	BME			Disability			LGBT			Staff Survey 2023 Results	
		target 12.1%			target 11.7%			target 12.2%			PDP review is held in a meaningful way Score results (% positive score)	Fair and Inclusive index Score results (% positive score)
		all staff	grade SO1/2 to M9	grade M8 and above	all staff	grade SO1/2 to M9	grade M8 and above	all staff	grade SO1/2 to M9	grade M8 and above		
EEC	1,075	8.5% ↔	11.6% ↓	2.0% ↑	7.9% ↑	6.1% ↑	6.4% ↑	12.4% ↑	12.4% ↑	10.9% ↔	66% ↓	79% ↓
FCL	1,101	10.7% ↑	10.8% ↑	10.6% ↑	7.8% ↑	7.6% ↑	7.9% ↔	14.4% ↑	14.4% ↓	19.5% ↔	70% ↓	84% ↔
GPR	693	11.5% ↓	9.6% ↑	8.0% ↓	10.8% ↑	10.7% ↓	6.8% ↑	14.6% ↑	16.3% ↑	8.6% ↓	69% ↑	83% ↑
HASC	875	13.3% ↑	8.0% ↑	8.6% ↓	7.0% ↑	8.2% ↑	2.9% ↓	19.4%	23.1% ↓	23.5% ↑	61% ↑	78% ↔
HNC	831	10.5% ↑	11.2% ↑	11.8% ↑	13.2% ↑	13.9% ↑	14.7% ↔	17.5% ↓	16.2% ↓	6.5% ↔	60% ↓	76% ↓
Council	4,573	10.8% ↑	9.9% ↔	7.6% ↔	9.1% ↑	9.0% ↔	7.2% ↔	15.5% ↑	16.3% ↔	13.7% ↔	66% ↑	80% ↓

Health & Safety Management

Health & Safety: total injury type incidents



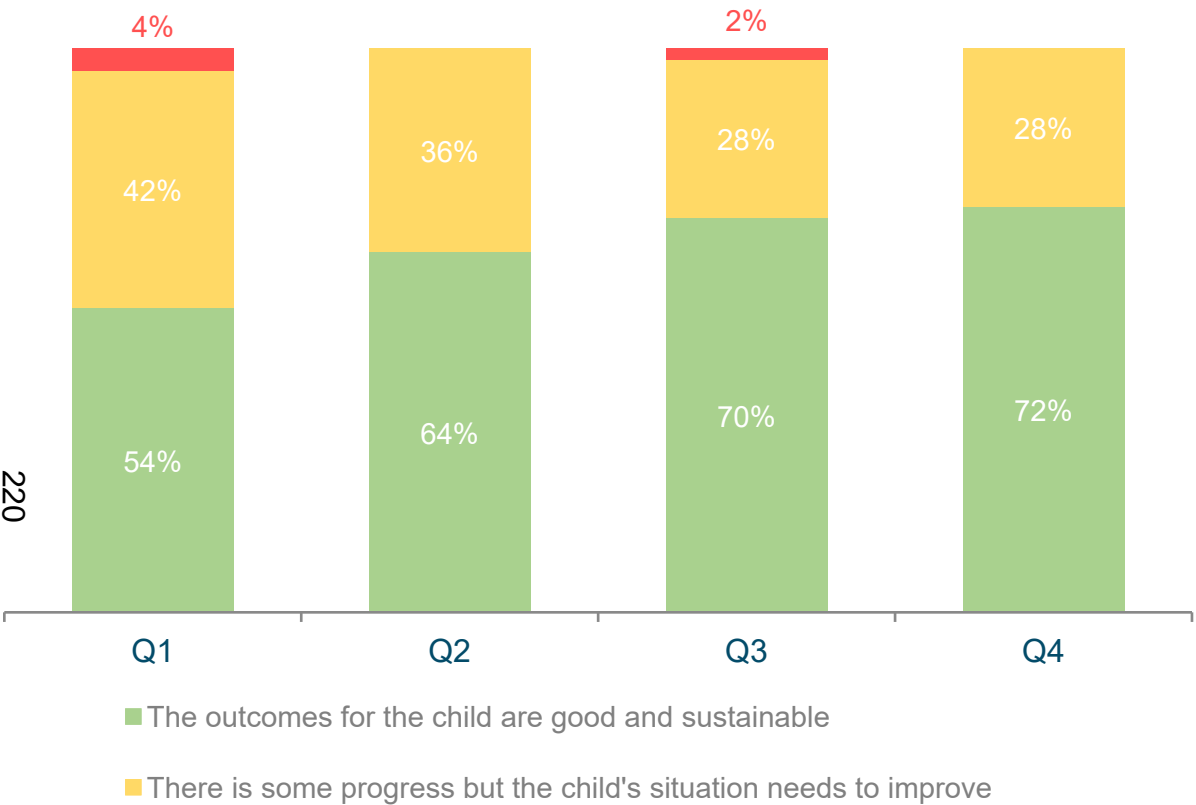
Sickness: projected days lost 2023/24

Directorate	April 23 – March 24 (target 10.9)	Direction of travel
EEC	13.96	↓
FCL	9.45	↓
GPR	8.68	↓
HASC	15.43	↓
HNC	15.27	↓
Council	12.43	↓

Direction of travel compared to October 21 - September 22
↑ improving ↓ declining ↔ no change

Childrens Social Care: Safeguarding Quality Assurance

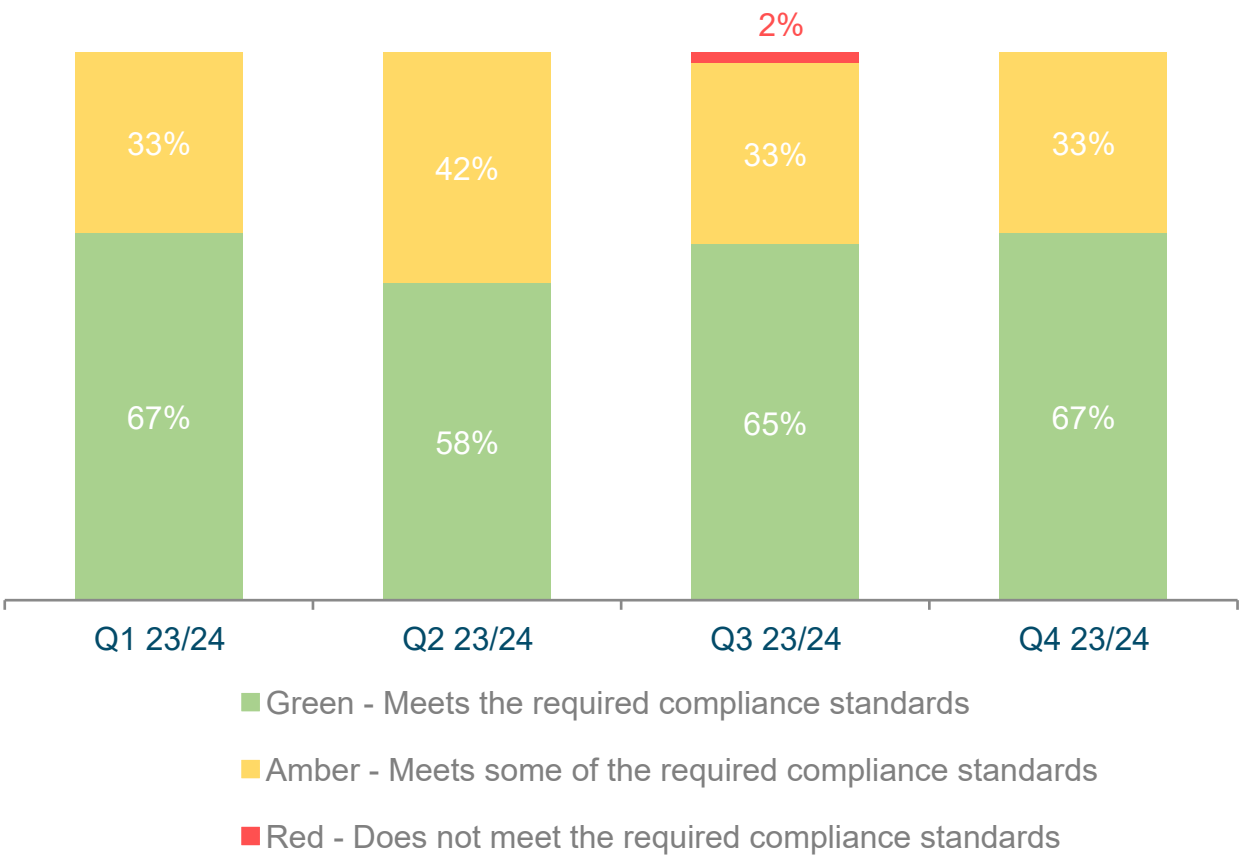
Children's Safeguarding outcomes



Audits rated as **green**, **amber** or **red**.
Part A of the audit tool relates to compliance with quality standards for key practice areas e.g. recording; statutory processes; supervision etc.

It is a requirement that if there is no up to date chronology, a case cannot be graded Green

Children's Safeguarding audits



Managers (following a review of the audit with the social worker) are asked to provide an overall scale for the child's outcomes

Adult Social Care: Safeguarding Quality Assurance



Audits

A quality assurance framework is in place for Safeguarding enquiries undertaken by social workers in Adult Assessment Service



Each Quarter

Audits are completed by operational managers, general managers, the Principal Social Worker, Professional Standards & Safeguarding Team and the Head of Safeguarding for a selection of cases within that quarter



Compliance

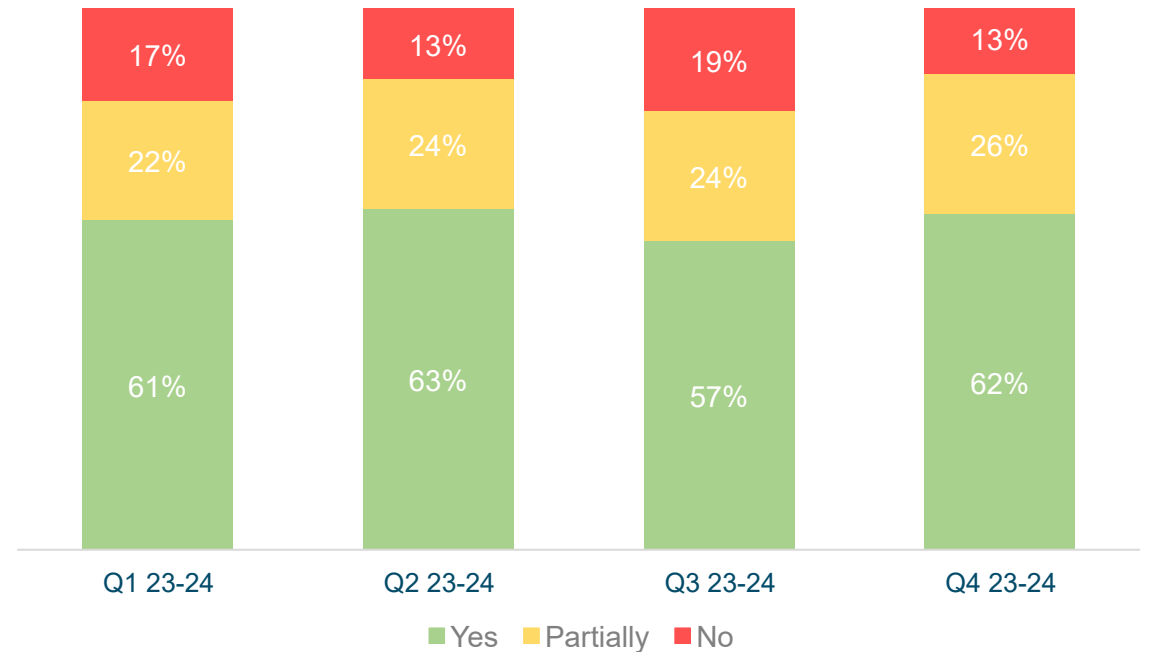
The audit framework is overseen by the Moderation Panel which meets every quarter to validate the overall audit outcome



Improvement

Action plans are agreed in the Moderation Panel which also monitors the progress of remedial actions. Feedback by auditors to practitioners is a key part of the process

Adults: % of people achieving identified safeguarding outcomes



Outcomes expressed by people when the council's safeguarding duty is closed, as measured quarterly. This information does not include enquires closed where no outcomes were expressed

Appendix 2

Annual Complaints and Service Improvement report for the Housing Management service

Reporting requirement

The Social Housing Regulation Act (SHRA) 2023 received Royal Assent in July 2023. On 1 April 2024, the Regulator for Social Housing launched the new consumer regulation regime. This brings with it a focus on an improved and proactive approach towards regulating social housing.

The SHRA 2023 empowered the Housing Ombudsman to issue a Code of Practice about the procedures social housing landlords should have in place for considering complaints. It also placed a duty on the Housing Ombudsman to monitor compliance with a code of practice that it has issued. The council's self-assessment against the Code of Practice is published on the council website so that residents are able to easily access it.

In 2023/24, the Housing Management service received 775 Stage 1 complaints. This is equal to 59 complaints per 1000 homes. This compares with a total of 592 in 2022/23.

Reporting requirement

It is a requirement of the Social Housing Regulation Act 2023 that the annual complaints performance, and service improvement report must be reported to the governing body.

The council must also ensure that information relating to complaints is published on it's website alongside the [Housing Ombudsman Complaint Handling Code: Self-assessment \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk/housing-ombudsman-complaint-handling-code-self-assessment). The governing body's response to this report must be published alongside this.

The annual complaints performance and service improvement report must include:

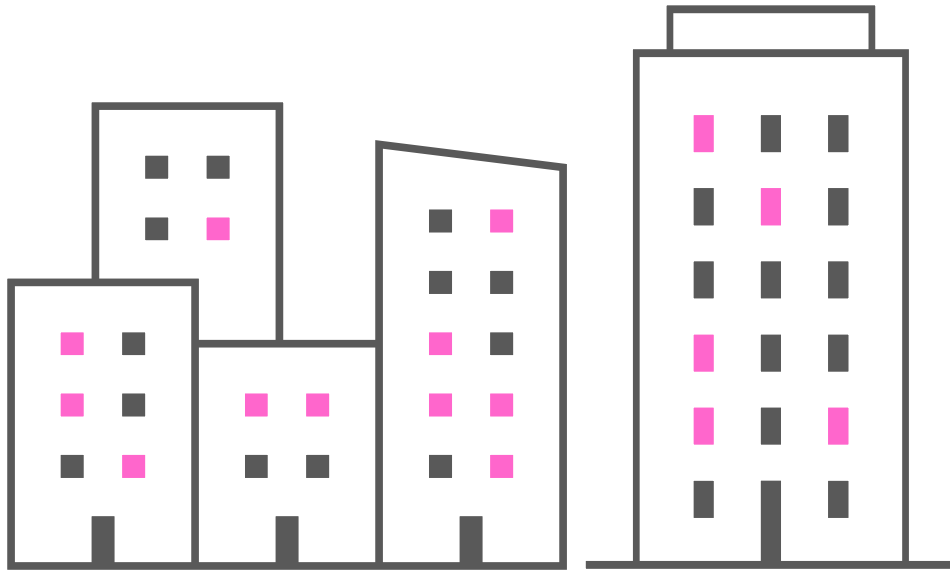
- a) the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.
- b) a qualitative and quantitative analysis of the landlord's complaint handling performance - this must also include a summary of the types of complaints the landlord has refused to accept.
- c) any findings of non-compliance with this Code by the Ombudsman
- d) the service improvements made as a result of the learning from complaints.
- e) any annual report about the landlord's performance from the Ombudsman
- f) any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlords.

The legislation recognises that a positive complaint handling culture is key to effectiveness with which landlords resolve disputes. Landlords are required to use complaints as a way of identifying issues and introduce positive changes in service delivery.

Housing Service dimensions 2023/24

12,039 Council owned
(HRA) dwelling stock

1,208 other low cost rented
accommodation stock



88,178 calls answered

65,985 by Repairs Helpdesk

22,193 by Housing Customer Services



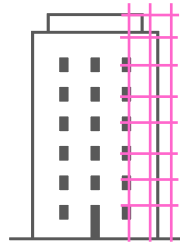
43,587 emails received

19,987 by Repairs Helpdesk

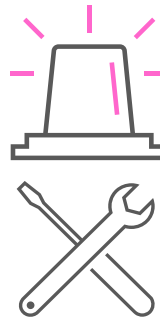
23,600 by Housing Customer Services



2,433 online forms received by Repairs Helpdesk

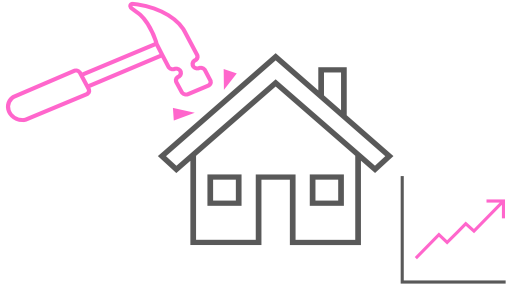


21,664 routine repairs
completed

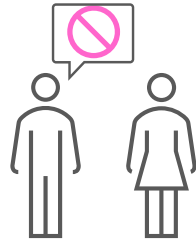


13,751 emergency
repairs completed

Areas of complaint in 2023/24



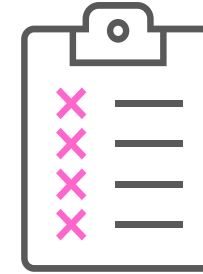
620 complaints on the condition of property (Repairs, maintenance & improvement)



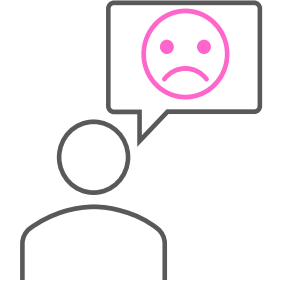
26 complaints about anti-social behaviour



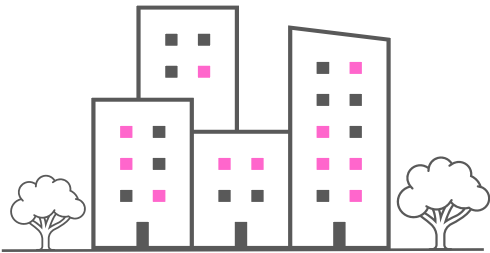
21 complaints about staff conduct



13 complaints due to a failure to take action



12 complaints where customers were unhappy with service delivery



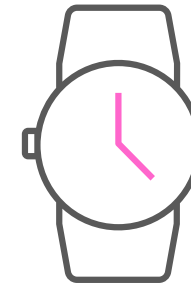
12 complaints relating to estate management services



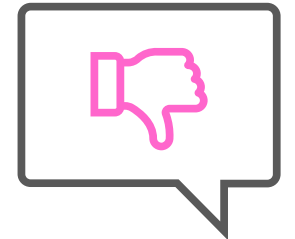
6 complaints relating to rehousing



5 complaints where customers disagree with policy or procedure



5 complaints due to a delay in providing outcome

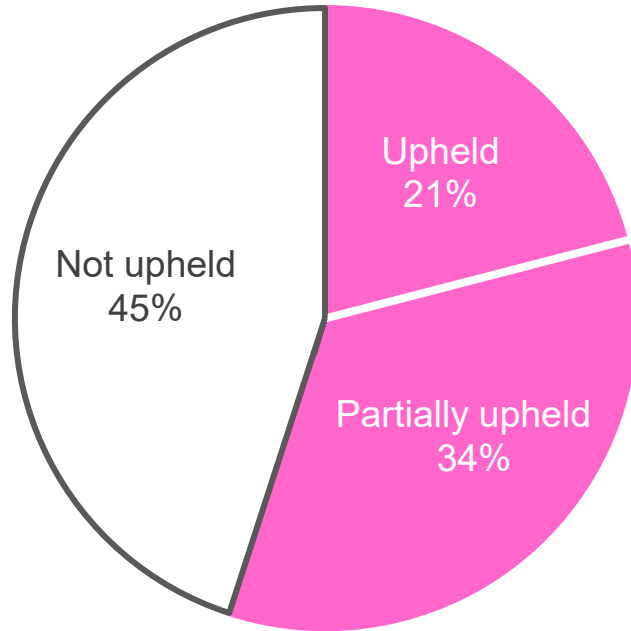


55 complaints on other tenancy matters

Complaint outcomes in 2023/24

Stage 1

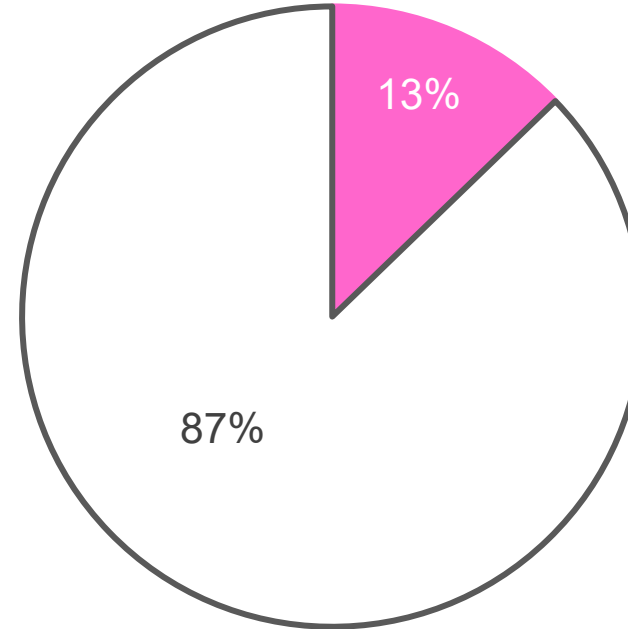
55% of stage 1 complaints were upheld or partially upheld



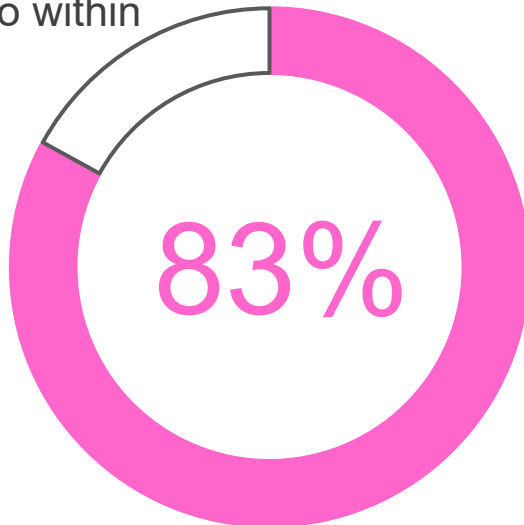
Stage 2

99 complaints were escalated from stage 1 to stage 2

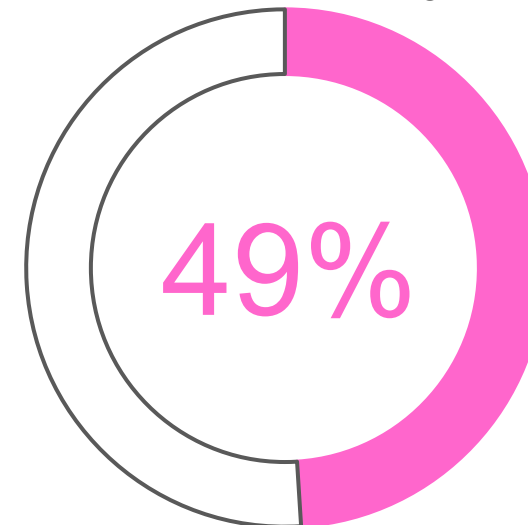
An escalation rate of 13%



83% of stage 1 complaints were responded to within 10 working days



49% of stage 2 complaints were responded to within 20 working days



Learning from complaints

We have made a number of service improvements through learning from the complaints we received, including:

- Improving clarity for leaseholders through a review and revision of internal processes relating to formal leaseholder consultation requirements.
- Improving understanding for our residents by providing clearer policies and procedures relating to pet ownership.
- Formalising a more holistic approach to debt management for vulnerable tenants within our reviewed and updated rent arrears policy.
- Ensuring we are prioritising people with known vulnerabilities through changes to our contractor's processes, including a daily review of cases marked as having no heating or hot water.
- Clarifying the anti-social behaviour case review documents and procedures for our residents to ensure a more robust, responsive and accessible service.
- Improving fire safety through a review of mobility scooter storage at all properties with particular focus on seniors housing schemes.
- Improving living conditions for tenants by increasing service capacity to tackle damp and mould

Housing complaints

There have been instances this year where we have not been able to meet compliance with the Housing Ombudsman's Complaint Handling Code. These results relate to cases during 2023/24.

- A service failure in our response to a resident's report of structural movement within the property due to a leak and associated repairs. There was also maladministration in regard to our response to the resident's reports about staff conduct.
- Maladministration in respect of our handling of a water leak in a resident's bathroom, as well. There was also a service failure in our handling of a resident's associated complaint about Tenancy Services.
- Service failure in our handling of repairs to a resident's bathroom and their subsequent request for compensation following a leak to the property. There was also a service failure in our handling of the complaint.
- Maladministration in our handling of anti-social behaviour allegations made against a resident and maladministration in our handling of the resident's reports of anti-social behaviour by their neighbours. There was also a service failure in our handling of the complaint.
- Service failure in relation to our response to a resident's reports about repairs and a service failure in our handling of a complaint.
- Maladministration in our handling of a resident's reports of anti-social behaviour. There was also a service failure in our handling of the complaint.

We apologise for all occasions when we've got it wrong and undertake a review of each case to identify what we need to improve.

Housing complaints

There are some types of complaints that we can't accept. This year we have refused to accept complaints for the following reasons:

- Where the same matter had already been considered at all stages of the internal complaint procedure, where the issue was not part of an ongoing situation, no new matters were raised and where no new evidence was provided which may have affected the previous outcome.
- Where the outcome sought by the customer was solely compensation for damages, whether personal injury or unquantifiable financial loss, and no additional matters were raised.
- Where a more appropriate route of appeal or challenge was available (Leaseholder service charge dispute, complaint solely about the conduct of elected members) and where no additional matters were raised.

Housing Ombudsman: Council performance for 2022/23.

Where tenants/leaseholders are dissatisfied with the outcome of the council's internal complaint processes, they can escalate the complaint to the Housing Ombudsman.

The Housing Ombudsman can consider matters where the local authority is the landlord or freeholder, all other types of complaint (including those relating to homelessness or emergency accommodation) can be escalated to the Local Government & Social Care Ombudsman.

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The information provided enables us to benchmark our performance against two different comparators:

1. Comparison to other landlords with a similar number of properties
2. Comparison to other local authorities

The Housing Ombudsman Service produces a combined comparator figure. This is known as the maladministration rate. BHCC's performance showed improvement since this was last reported in 2021/22.

Housing Ombudsman: Council performance for 2022/23.

Breakdown of upheld Housing Ombudsman findings by category. This relates to eight cases in 2022/23.

Outcome category	National (Local Authorities)	National (landlords with +10,000 units)	Brighton & Hove City Council
Severe Maladministration This is the most serious failing	6%	3%	0%
Maladministration This is when there was a failure which has adversely affected the resident	32%	25%	20%
Service failure When there was a minor failing, but action is still needed to put things right.	24%	21%	13%
Mediation Where the resident and landlord agree to enter into mediation and, with the Ombudsman's intervention, reached an agreed outcome.	3%	2%	0%
Redress This finding is made when there is evidence of maladministration but the landlord has identified and acknowledged this prior to the Ombudsman's formal investigation and has, on its own initiative, taken steps and/or made an offer of compensation, that puts things right.	3%	16%	7%
No maladministration We find no maladministration where the landlord acted in accordance with its obligations and policies/procedures. Minor failings may have been found but these caused no detriment to the resident	21%	22%	53%
Outside Jurisdiction The complaint will not or cannot be considered by the Ombudsman	12%	10%	7%
Withdrawn The resident withdrew their complaint, and the Ombudsman was satisfied as to the circumstances.	0%	1%	0%

Brighton & Hove City Council

Cabinet

Agenda Item 34

Subject: Targeted Budget Management (TBM) 2024/25 Month 2 (May) and Council Productivity Plan Response

Date of meeting: Thursday, 18 July 2024

Report of: Cabinet Member for Finance & Regeneration

Contact Officer: Name: Chief Finance Officer

Tel: 01273 291233

Email: nigel.manvell@brighton-hove.gov.uk

Ward(s) affected: (All Wards)

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1 Purpose of the report and policy context

- 1.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out an early indication of forecast risks as at Month 2 on the council's revenue and capital budgets for the financial year 2024/25. Effective financial management is a core component of providing a well-run council, a key priority within the Council Plan that demonstrates that the council manages within its finite resources and optimizes the use of those resources.
- 1.2 The forecast outturn 'risk' for 2024/25 at this early stage is a £10.137m overspend on the General Fund revenue budget. This includes a forecast overspend risk of £1.600m on the NHS managed Section 75 services. Forecasts at this stage of the year are based on early trends and are more difficult to predict with high accuracy, particularly in relation to those areas subject to seasonal variation.
- 1.3 A significant level of savings is also shown to be at risk with the report indicating that £6.423m (27%) of the substantial savings package in 2024/25 of £23.627m is potentially at risk.
- 1.4 It is important to note that early projections in each financial year are likely to indicate higher forecast risks as there are significant underlying demand pressures to be managed down, pay awards currently tending to be above budget assumptions, and there are large annual savings targets required to balance the budget. Implementing and addressing these risks is often

complex and can have varying lead-in times. There is also limited trend data available at this stage and very limited time to react to emerging information in order to develop recovery measures. While a high forecast risk may give cause for concern, it conveys important information to decision-makers, enhances accountability for managing risk, and ensures that the council is transparent and open about the level of potential risk it will need to manage down to enable:

- Councillors and residents to be aware of the financial challenge and that managing this can have impacts on some services as they develop recovery plans and actions;
- Councillors and officers to be given advance warning that consideration to more serious council-wide measures such as vacancy freezes or spending restrictions may need to be given if succeeding months do not show improvement;
- Councillors and officers to consider whether or not in-year budgetary reductions, i.e. further permanent savings measures, may be necessary if succeeding months do not show steady improvement, potentially requiring full Council approval subject to the scale and impact on the budget and policy framework.

1.5 The 'forecast risk' at Month 2 is significant and will require exploration of a wide range of options to manage this forecast risk. It is accepted that Budget Managers across the authority will tend toward prudence in forecasting until the data and trends provide more certainty which is a natural (and safer) tendency. However, making broad assumptions about any 'over-prudence' is not sensible or practicable. It is also the case that the council's annual budget is set in an increasingly volatile and uncertain environment, particularly concerning inflation, demands, economic conditions and funding certainty. However, without being transparent about the potential risk, based on current spending and activity levels, the council could give the impression that all budgets and savings plans are on track. This is not currently the case for a wide range of reasons and factors set out in the detail of the report and there is a lot of work to be done to address the forecast risk. Potential measures that will be explored to mitigate forecast risks will therefore include:

- Implementation and potential further tightening of normal financial management actions across all areas under pressure including vacancy controls and spending prioritisation;
- Continued development and firming up of alternative recovery plans and actions in areas where forecast risks have emerged or are emerging. This can be managed at individual service levels right up to directorate level, or even at a council-wide level;
- Consideration of (and potential consultation on) alternative options where an agreed saving is found to be undeliverable (in whole or in part) or is delayed for unavoidable reasons;
- Exploration of alternative funding sources or bids, or alternative use of ring-fenced funds where this is possible;
- Use of any available 'risk provisions' or unexpected one-off resources to mitigate the position in the short term. The latter cannot normally be estimated and is only known when and if it arises;

- Halting or slowing revenue and/or capital spend to alleviate in-year pressures in the short term (but will normally result in building up future pressures unless projects/services are ultimately stopped or reduced);
- As noted earlier, implementation of considerably more severe recruitment and spending controls including freezes.

All of the above can have impacts on service delivery, availability and responsiveness which is also an important risk to understand and consider when addressing in-year financial pressures.

- 1.6 Elsewhere, this report also includes the council's response to the government's request for local authorities to submit a Productivity Plan by 19 July 2024 issued by Simon Hoare MP and Minister for Local Government. The letter asks for evidence of how the council aims to improve productivity and includes four key areas of questioning as follows:
- i) How have you transformed the way you design and deliver services to make better use of resources?
 - ii) How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources?
 - iii) Your plans to reduce 'wasteful spend' within your organisation and systems.
 - iv) The barriers preventing progress that the Government can help reduce or remove.
- 1.7 The council's Productivity Plan response is at Appendix 8. The plan sets out the council's approach to improving value for money including its plans for further organisational redesign, its digital and data development strategy, and modernisation and improvement programmes across key areas of service delivery. The plan is in summarised form to meet the government's requirement to keep responses to 3 to 4 pages.

2 Recommendations

- 2.1 Cabinet notes the forecast risk position for the General Fund, which indicates a potential forecast overspend risk of £10.137m.
- 2.2 Cabinet notes the forecast outturn includes a forecast overspend risk of £1.600m on the NHS managed Section 75 services.
- 2.3 Cabinet notes the forecast overspend risk for the separate Housing Revenue Account (HRA), which is an underspend of £0.020m.
- 2.4 Cabinet notes the forecast overspend risk for the ring-fenced Dedicated Schools Grant, which is an overspend of £0.456m.
- 2.5 Cabinet notes the forecast position on the Capital Programme which is an underspend variance of £0.339m.
- 2.6 Cabinet approves the capital budget variations and re-profiling requests set out in Appendix 5.
- 2.7 Cabinet approves the new capital schemes requested in Appendix 6.
- 2.8 Cabinet notes the Treasury Management Update as set out in Appendix 7.
- 2.9 Cabinet notes the council's Productivity Plan response at Appendix 8.

3 Context and background information

Targeted Budget Management (TBM) Reporting Framework

- 3.1 That The TBM framework focuses on identifying and managing financial risks on a regular basis throughout the year. This is applied at all levels of the organisation from Budget Managers through to Cabinet. Services monitor their TBM position on a monthly or quarterly basis depending on the size, complexity or risks apparent within a budget area. TBM therefore operates on a risk-based approach, paying particular attention to mitigation of growing cost pressures, demands or overspending through effective financial recovery planning together with more regular monitoring of high risk demand-led areas as detailed below.
- 3.2 The TBM report is normally split into the following sections:
- i) General Fund Revenue Budget Performance
 - ii) Housing Revenue Account (HRA) Performance
 - iii) Dedicated Schools Grant (DSG) Performance
 - iv) NHS Controlled S75 Partnership Performance
 - v) Capital Investment Programme Performance
 - vi) Capital Programme Changes
 - vii) Implications for the Medium Term Financial Strategy (MTFS)
 - viii) Comments of the Chief Finance Officer (statutory S151 officer)
- 3.3 The report may also include a Treasury Management update from time to time. This is required to comply with the updated Treasury Management Code which requires a minimum of quarterly reporting. The committee already receives mid-year and end-of-year reviews and therefore two additional interim reports will be provided via an appropriate TBM report to ensure compliance with the new reporting requirements. In this respect, a Treasury Management update is provided in this report at Appendix 7.

4 General Fund Revenue Budget Performance (Appendix 3)

- 4.1 The table below shows the forecast outturn for council-controlled revenue budgets within the General Fund. These are budgets under the direct control and management of the Corporate Leadership Team. More detailed explanation of the variances can be found in Appendix 3.

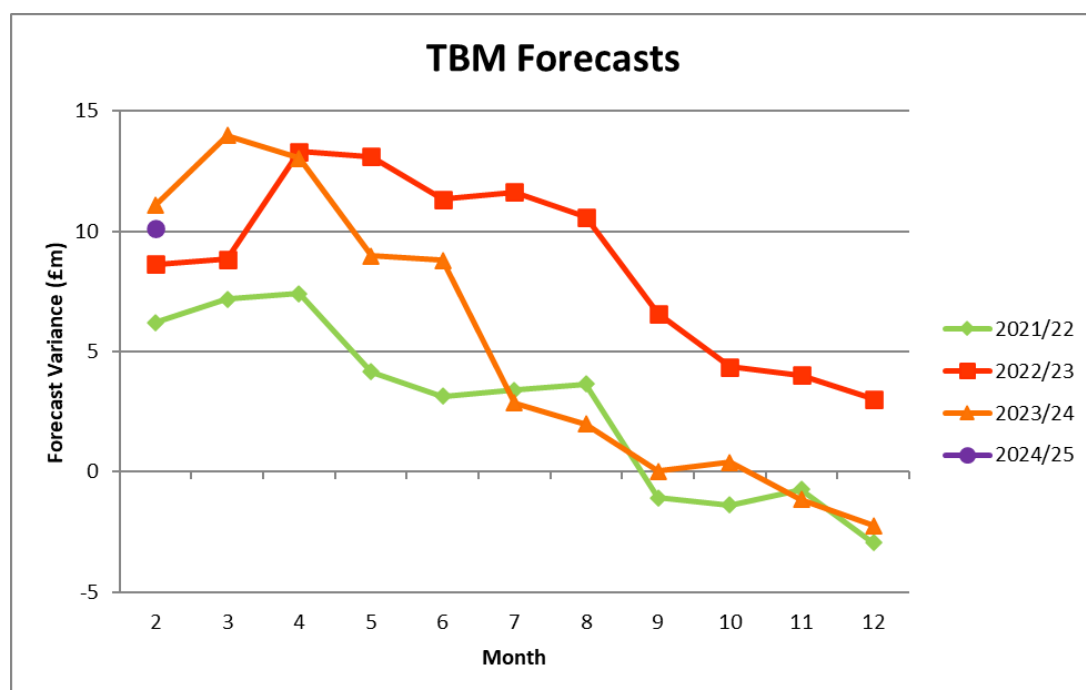
Provisional Outturn 2023/24 £'000	Directorate	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(1,564)	Families, Children & Learning	69,727	70,167	440	0.6%
937	Housing, Care & Wellbeing	125,847	130,061	4,214	3.3%
(258)	City Services	47,227	50,865	3,638	7.7%
(729)	Corporate Services	34,175	34,260	85	0.2%
(1,614)	Sub Total	276,976	285,353	8,377	3.0%
(654)	Corporately-held Budgets	(18,861)	(17,101)	1,760	9.3%
(2,268)	Total General Fund	258,115	268,252	10,137	3.9%

4.2 The General Fund includes general council services, corporate budgets and central support services. Corporate Budgets include centrally held provisions and budgets (e.g. insurance) as well as some cross-cutting value for money savings targets. Note that General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Note also that although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools).

4.3 The chart below shows the monthly forecast variances for 2024/25 and the previous three years for comparative purposes. This indicates that forecast risk early in the year has been higher in recent years. This is partly due to:

- Pay awards coming in higher than the budget assumptions due to persistent inflation;
- The requirement to deliver successive, large savings programmes which becomes increasingly challenging over time;
- Continuing economic conditions which are impacting external provider costs, many income sources (demand), and recruitment costs and which is difficult to predict with accuracy.

Last year, 2023/24, was also exceptional in terms of the availability of one-off resources of over £10m across the year, which significantly aided in addressing forecast risks.



Demand-led Budgets

4.4 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are budgets of corporate significance where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These can

include income related budgets. These therefore undergo more frequent and detailed analysis.

Provisional Outturn 2023/24 £'000		2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
	Demand-led Budget				
(1,201)	Child Agency & In House Placements	27,864	27,303	(561)	-2.0%
430	Community Care	79,719	82,140	2,421	3.0%
1,001	Temporary Accommodation	10,655	12,777	2,122	19.9%
230	Total Demand-led Budget	118,238	122,220	3,982	3.4%

The chart below shows the monthly forecast variances on the demand-led budgets for 2024/25.

TBM Focus Areas

- 4.5 There are clearly ongoing pressures across most areas of the council, particularly front-line, demand-led areas which is a clear indicator of the inflationary and demand pressures driven by current economic conditions. Key areas of pressures are outlined below:
- 4.6 **Children's Services:** as follows: The current projected position identifies potentially significant cost pressures: £0.322m on Home to School transport and £0.301m on In House Childrens Disability Provision. These together with underspends on Children's Placements of (£0.561m) and other overspends of £0.378m result in a forecast overspend of £0.440m as at Month 2. Key drivers of the projected position are as follows:
- **Home to School Transport:** There are several factors contributing to overspends in Home to School Transport. These include increased demand on the service (both at 5-16 ages, and 16 up until 19th birthday), increased numbers of children requiring single occupancy journeys, lack of local SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables. Market forces within SEND transport are also contributing to overspend in Home to School Transport. The service is being increasingly impacted by local driver, vehicle passenger assistant, vehicle shortages and increased running costs. There is also a lack of competition in the transport market, particularly minibus providers, which is pushing up contract prices still further. There is increasingly less capacity in the local system to meet demand, not just in the numbers of children requiring transport but the nature of the transport requirements. The escalation of Home to School Transport costs is a national and regional issue and options are being explored to change the delivery model to ensure the long term sustainability of the service in the context of the council's limited finances.
 - **In-house Children's Disability Provision:** Part of the directorate's savings plan for 2024/25 was to re-commission Tudor House to facilitate

savings from existing external residential disability placements. Due to the details with this scheme and complications regarding building adaptations this saving of £0.504m is now being identified as unachievable in 2024/25. However, Drove Road is providing full time residential provision for one young person which is being fully funded by Health. This arrangement is continuing into 2024 and it is anticipated that this will result in an underspend on the Drove Road budget of approximately (£0.200m). Recovery measures are being explored to mitigate the savings risk within the division including submission of a bid for funding to access alternative premises to relieve pressures.

Schools Budgets

For 2024/25 draft budget plans showed 46 schools requiring Licensed Deficits which totalled £10.800m. The latest position now shows 35 schools requiring Licensed Deficits totalling £7.600m; with net School Surplus Balances of only £0.281m there are insufficient balances to license these deficits within the scheme for financing schools. The CFO has advised that a reserve will need to be identified against which this potential deficit can be set. Work is ongoing with schools to help and advise them with regard to improving their financial position including the use of the School Resource Management Adviser (SRMA) service which provides peer reviews by sector-based experts.

The early forecast for the 2024/25 central Dedicated Schools Grant is an overspend of £0.456m. It is also important to note that the central DSG budget for 2024/25 includes the one-off funding from the underspend of £1.275m carried forward from 2023/24.

- 4.7 **Adults Services:** The service faces significant challenges in 2024/25 in mitigating the risks arising from increasing demands from client needs, supporting more people to be discharged from hospital when they are ready and maintaining a resilient local provider market. It is to be noted that this is after applying service pressure funding of £10.302m in 2024/25 which has been used to fund budget pressures resulting from the increased complexity and costs of care.

The 2024/25 savings plan for HASC totals £4.712m. There are continued actions focussing on attempting to manage demand on and costs of community care placements across Assessment Services and making the most efficient use of available funds.

The HASC directorate has a Modernisation Programme which aims to implement a consistent strengths-based approach across key work streams, ensuring robust pathways are in place, developing a community reablement offer and re-designing the front door service. Currently the Health & Social Care system is under considerable pressure, and this is generating additional costs for the council due to:

- Pressures on the system due to short-term grant monies and an unresolved national, long-term funding solution;
- Significant pressures on the acute hospital resulting in increased costs to support timely discharge into residential, nursing and home care;
- Pressures on NHS outreach and other preventative services including community nursing (known as Integrated Primary Care Teams);

- Workforce capacity challenges across adult social care services.

The funding of all care packages is scrutinised for Value for Money, ensuring that eligible needs are met in the most cost-effective manner which will not always meet people's aspirations. Established safeguards are in place to provide assurance within this process.

In respect of financial recovery and the ongoing management of Community Care Budget pressures, a monthly savings and efficiencies meeting provides rigorous monitoring and oversight of the Adult Social Care & Health savings progress. Additionally, each month the top ten spends on placements and packages of care are reviewed to ensure immediate remedial action is undertaken to look at options and, wherever possible, reduce the cost of care whilst meeting assessed need. Negotiations are also underway with Sussex partnership NHS Foundation Trust regarding addressing the current high spending commitment within the Mental Health s75 arrangements.

4.8 Housing Services and Temporary Accommodation (TA): In England and Wales, there are now more households in Temporary Accommodation (112,660) than ever before; a record that has been exceeded in each of the last three reporting quarters. Brighton & Hove had succeeded in keeping numbers relatively stable, but since December 2023 there has been a steady increase. During 2023/24, this increase in Brighton & Hove was 3%, compared to 10% nationally.

As well as demand pressures there are also price pressures, with the average price of nightly accommodation increasing by 12% since 2023/24. As a result of these pressures, the service is forecast to overspend by £2.488m and £1.146m of savings are at risk of not being met. The overspend is off-set by financial recovery measures of £0.320m with further actions being explored.

A TA Reduction Plan has been developed, setting out a range of activities being undertaken to either reduce the number of households entering into TA; assist households to move on from TA, or reduce the cost of the TA in use. As a broad overview, these actions can be categorised as:

- Increasing the rate of 'reconnections';
- Increasing the rate of 'move-on's';
- Increasing new supply (including council owned supply);
- Conversion of licences to tenancies;
- Development of alternative housing options;
- Launching a campaign to attract more private landlords (including targeted incentives);
- Piloting a scheme separating leasing from management;
- Improvements to void turnaround;
- Improvement of rent collection.

Weekly meetings involving senior managers within both Housing and Finance have been established to track the effectiveness of these measures. The overspend relates to the following elements:

Emergency nightly booked (Spot Purchased) accommodation is forecast to overspend by £1.629m. As at 16/6/24, 263 households were housed in nightly booked accommodation which is 79 higher than budgets allow and

the forecast assumes this will increase to 320 units of nightly booked accommodation by 31/3/25. Additionally, the price of nightly booked accommodation has seen a steep increase of around 12% compared to prices in 2023/24. The market prices do change with demand and seasons and this will be monitored closely to see if this average price improves throughout the year.

The underlying trend is that the number of households using nightly booked accommodation is increasing due to:

- Increased demand: There was a 20% increase in homelessness presentations during 2023/24, and so far in 2024/25 we have experienced a 30% increase for the same in the previous year. Although not all these households will end up in accommodation, around 55% do end up meeting the statutory threshold.
- Changes to the private rented sector: There has been a significant change in the private rented sector over the past year, with many landlords exiting the market. This market disruption has been caused by cumulative external events, which are outside the control of the local authority, such as: increases in landlord taxes, increase in mortgage rates; threat of impending legislation. This has a double impact on homelessness. End of a Private Rented tenancy is the main reason for homeless, but in the last two reporting quarters, this has markedly increased from 34% of all new cases to 58%. The Private Rented Sector is also the greatest means of preventing homelessness.

Booked Accommodation: This budget is forecast to overspend by £0.741m. The budget assumed that there would be an average of 261 units of block booked accommodation for the year 2024/25. The service currently uses 340 properties and this forecast assumes this will continue for the remainder of the year due to the current level of demand on the service and the limited opportunities for move-on to social housing and the private rented sector. The council is considering a pilot (subject to Cabinet approval) that would separate the leasing of the property from its management and result in potential annual savings of between £0.250m-£0.500m, as well as improving the service to residents.

Private Sector Leased (PSL) TA budget is forecast to underspend by (£0.289m). PSL's are the best form of TA, both in terms of cost and quality. In 2023/24 the number of landlords exiting this market, contributed to a 7% reduction in PSL properties. So far in 2024/25, there has been a further 8% reduction. This forecast assumes PSL TA properties will reduce by 62 properties this year from a total of 617 to 555 homes. This is based on prior year trends but also the number of leases (over 50% of stock) coming to an end this financial year. The new leases are also commanding a higher rate and shorter terms. This is part of the reason for the increased numbers in nightly booked spot purchased accommodation identified above. Future forecasts will depend on the costs associated with any new contracts agreed with landlords as and when new contracts are agreed.

The service is continuing to look for measures to reduce the number of households accommodated, looking for innovative and different methods of provision and move-on options as part of the TA Reduction Action Plan, the

broad themes of which have been set out above. A weekly Financial Recovery meeting is in place to keep all options under review.

The Housing Needs Service also completed a Service Redesign in May 2024. As well as achieving an annual saving of £0.285m, this now provides a far greater focus on homelessness prevention. The service is currently in a transitional period, where roles created through the Redesign are recruited to. It is anticipated this would complete by the end of July.

- 4.9 **City services:** The Directorate has substantial income budgets for parking, planning and venues and for the council's commercial property portfolio. All of which are dependent on visitor numbers, commercial activity, the property market and the general economy. There are challenging savings targets in-year of which most relate to efficiency savings by providing services in a different way as well as generating additional income. Of the £7.039m savings planned for the 2024/25 financial year, £5.972m is achieved or anticipated to be achieved, with the remaining £1.067m at risk. The most significant areas of shortfall are £0.417m for parking tariff and permit fees increases, £0.300m for increased planning fees and £0.320m for new and increased commercial income activities.

Directorate activities and services were heavily impacted by COVID-19 in previous years and the services are starting to see a steady return, in line with city recovery. The savings targets can only be achieved if demand exceeds pre-COVID levels for key income areas such as paid parking, commercial activities and Planning & Building Control fee incomes. In-year pressures are being mitigated by reductions in supplies & services and holding vacant posts to reduce staffing costs, but this does affect service delivery and has a visible impact on the city. The overall position for City Services is a net £3.638m forecast overspend risk at Month 2.

- 4.10 Data on income trends must continue to be carefully analysed with many income forecasts needing to be seasonally adjusted to reflect historic patterns and traditionally higher incomes over summer months (e.g. parking). Data for the early months of each financial year needs to be treated with particular caution and a key issue is that complete monthly data is often only available two to three weeks after each month-end. However, current trends are concerning and therefore financial recovery actions will be explored over coming weeks to potentially mitigate income pressures as far as possible. This can be through a combination of measures to try and boost income alongside measures to reduce the cost of services. However, the latter requires a balance to be struck in relation to income generating areas to ensure that a net financial benefit remains if income is likely to be further impacted by cost reduction measures, for example, holding vacancies.
- 4.11 **Corporately-held Budgets:** There is a forecast overspend of £1.760m on corporately-held budgets. Of this £1.300 m relates to the estimated additional cost of the 2024/25 pay award in excess of the amount provided in the budget.

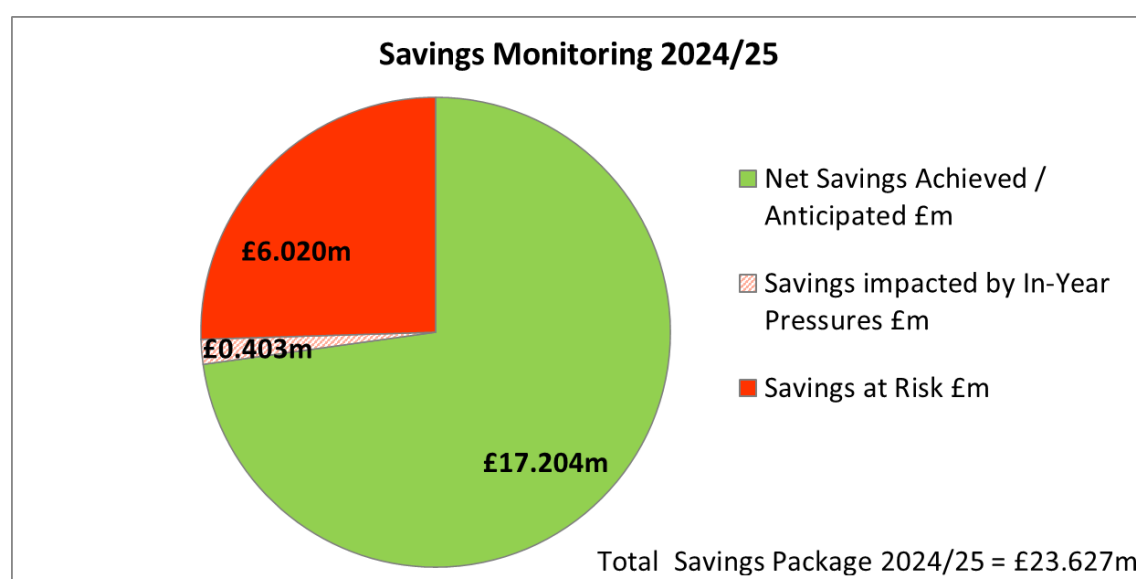
There is also a pressure of £0.350m on Insurance budgets caused by an increase in the value of claims paid.

The corporate 'Organisational Redesign' saving of £2.475m is also held in this area. At present the saving is at risk although the lead-in time for

delivery was always expected to take some months. In lieu of the lead-in time for delivery council-wide vacancy management and some spending controls will remain in place to mitigate the savings risk.

Monitoring Savings

- 4.12 The savings package approved by full Council to support the revenue budget position in 2024/25 was £23.627m following directly on from a £14.173m savings package in 2023/24 and 14 years of substantial savings packages totalling over £232m since government grant reductions commenced in 2010, and which have been necessary to enable cost and demand increases to be funded alongside managing the reductions in central government grant funding.
- 4.13 Appendix 3 provides a summary of savings in each directorate and indicates in total what has been achieved, what has been offset by in year pressures and the net position of unachieved savings. Appendix 4 summarises the position across all directorates and presents the entire savings programme. The graph below provides a summary of the position as at Month 2 and shows that gross savings of £17.607m have been achieved but that inflationary pressures (exceptional price increases) have reduced this by £0.403m. Including other unachievable savings of £6.020m, this means that a total of £6.423m (27%) is forecast to be unachieved in 2024/25.



5 Housing Revenue Account Performance (Appendix 3)

- 5.1 The Housing Revenue Account (HRA) is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. The majority of expenditure is funded by Council Tenants' rents and housing benefit (rent rebates). The forecast outturn is a minor underspend of £0.020m, this position includes variances within specific service areas, details of which are provided below. An underspend in the HRA will result in a contribution to general reserves at year end.

HRA Risks

5.2 The HRA is entering into a period of significant uncertainty regarding the financial position, there are major risks that need to be addressed and monitored to ensure that the position remains stable. These risks include but are not limited to:

- Health & Safety compliance
- Building Safety compliance
- Disrepair claims
- Rent arrears and collection rate
- Final pay award settlement

5.3 The HRA will continue to review spend to try to maintain the current financial position. Any variations will be reported to future Cabinet meetings.

6 Dedicated Schools Grant Performance (Appendix 3)

6.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant within the General Fund which can only be used to fund expenditure on the Schools' Budget. The Schools Budget includes elements for a range of services provided on an authority-wide basis including Early Years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The forecast outturn is currently an overspend of £0.456m and more details are provided in Appendix 3. Under the Schools Finance Regulations any underspend or overspend must be carried forward within the Schools' Budget in future years.

7 NHS Managed S75 Partnership Performance (Appendix 3)

7.1 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and include health and social care services for Adult Mental Health and Memory and Cognitive Support Services. The provisional outturn is an overspend of £1.600m and more details are provided in Appendix 3.

8 Capital Programme Performance and Changes

8.1 The table below provides a summary of capital programme performance by Directorate and shows that there is an overall underspend of £0.339m which is detailed in Appendix 5.

Forecast Variance Month 0 £'000		Reported Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
	Directorate				
0	Families, Children & Learning	17,005	17,005	0	0.0%
0	Housing, Care & Wellbeing	9,306	9,306	0	0.0%
0	City Services	81,972	81,972	0	0.0%

0	Housing Revenue Account	79,172	78,833	(339)	-0.4%
0	Corporate Services	9,100	9,100	0	0.0%
0	Total Capital	196,555	196,215	(339)	-0.2%

(Note: Summary may include minor rounding differences to Appendix 7)

- 8.2 Appendix 5 shows the changes to the 2024/25 capital budget. Cabinet's approval for these changes is required under the council's Financial Regulations. The following table shows the movement in the capital budget since approval at Budget Council.

Summary of Capital Budget Movement	Reported Budget Month 2 £'000
Original Approved Budget 2024/25	209,932
Changes reported at other committees and already approved	1,360
New schemes (for approval – Appendix 6)	1,285
Variations to budget (for approval – Appendix 5)	4,859
Reprofiling of budget to later year/s (for approval – Appendix 5)	(20,881)
Slippage (for noting only)	0
Total Capital	196,555

- 8.3 Appendix 5 also details any slippage into next year. However, as normal, project managers have forecast that none of the capital budget will slip into the next financial year at this early stage.

9 Implications for the Medium-Term Financial Strategy (MTFS)

- 9.1 The council's MTFS sets out resource assumptions and projections over a longer term. It is periodically updated including a major annual update which is included in the annual revenue budget report to full Council. This section highlights any potential implications for the current MTFS arising from the 2024/25 financial year and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.

Capital Receipts Performance

- 9.2 Capital receipts are used to support the capital programme. Any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds and projects such as the Strategic Investment Fund, Modernisation Fund, Asset Management Fund and the Information, Technology and Digital Investment Fund. The planned profile of capital receipts for 2024/25, as at Month 2, is £15.503m which includes receipts expected for Montague Place, Land at Mile Oak, a major industrial lease extension and the land site

disposals at Moulsecoomb relating to the housing project. There are also a number of residential and commercial properties identified for disposal as reported within the Residential Property Strategy report and Commercial Investment Property Strategy report to committee in December 2023. To date there have been receipts of £0.036m in relation to some minor lease extensions and loan repayments. The capital receipts performance will be monitored over the remainder of the year against capital commitments.

- 9.3 The forecast for the 'right to buy sales' in 2024/25 (after allowable costs and repayment of housing debt) is that an estimated 20 homes will be sold. It is anticipated that a net retained receipt of up to £2.300m available to re-invest in replacement homes, the flexibility that was allowed by an amendment to the RTB policy allowing the council to retain the treasury share for two years from 2022/23 for two years has now come to an end, reducing the net capital receipt available during 2024/25. In addition to this net retained receipt the HRA will also retain circa £0.540m to fund investment in the HRA capital programme. To date 2 homes have been sold in 2024/25.

Collection Fund Performance

- 9.4 The Collection Fund is a separate account for transactions in relation to council tax and business rates. Any deficit or surplus forecast on the collection fund relating to council tax is distributed between the council, Sussex Police & Crime Commissioner and East Sussex Fire Authority, whereas any forecast deficit or surplus relating to business rates is shared between the council, East Sussex Fire Authority and the government.
- 9.5 The council tax collection fund is forecasting an overall deficit position of £2.606m, of which the council's share is £2.204m. The main drivers for this deficit are an assumed reduction in the ultimate collection rate of 0.25% £0.545m, increased council tax reduction (CTR) claimant numbers £0.766m, increased Severely Mentally Impaired (SMI) backdated exemption cost £0.513m and backdated student exemption cost £0.192m.
- 9.6 The business rates collection fund is forecasting an overall deficit position of £2.306m which relates entirely to the brought forward position arising from higher appeals costs. There are a range of risks that could change this forecast significantly with the main uncertain factors being business failures and any step increase in empty properties. The council share of this deficit position after allowing for section 31 compensation grants is £0.935m.

Reserves, Budget Transfers and Commitments

- 9.7 The creation or redesignation of reserves, the approval of budget transfers (virements) of over £1 million, and agreement to new financial commitments of corporate financial significance require Cabinet approval in accordance with the council's Financial Regulations and Standard Financial Procedures. There are no items requiring approval at this stage.

10 Analysis and consideration of alternative options

- 10.1 The forecast outturn position on council-controlled budgets is an overspend of £10.137m including an overspend on NHS managed Section 75 services

of £1.600m. Any overspend at year-end would either need to be carried forward or potentially met from available one-off resources.

11 Community engagement and consultation

- 11.1 No specific consultation has been undertaken in relation to this report.

12 Financial implications

- 12.1 The financial implications are covered in the main body of the report. Financial performance is kept under review on a monthly basis by the Corporate Leadership Team and members and the management and treatment of strategic financial risks is considered by the Audit & Standards Committee.

Finance Officer consulted: *Jeff Coates* Date: 20/06/2024

13 Legal implications

- 13.1 Decisions taken in relation to the budget must enable the council to observe its legal duty to achieve best value by securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The council must also comply with its general fiduciary duties to its Council Tax payers by acting with financial prudence, and bear in mind the reserve powers of the Secretary of State under the Local Government Act 1999 to limit Council Tax & precepts.
- 13.2 Appendix 8 sets out the detailed requirements of the Productivity Plan, which requires member oversight and endorsement.

Lawyer consulted: Elizabeth Culbert Date: 21/06/2024

14 Equalities implications

- 14.1 There are no direct equalities implications arising from this report.

15 Sustainability implications

- 15.1 Although there are no direct sustainability implications arising from this report, the council's financial position is an important aspect of its ability to meet Corporate Plan and Medium Term Financial Strategy priorities. The achievement of a break-even position or better is therefore important in the context of ensuring that there are no adverse impacts on future financial years from performance in 2023/24.

16 Health and Wellbeing Implications:

- 16.1 The council's budget includes many statutory and preventative services aimed at supporting vulnerable children and adults. The budget prioritises support to these core and critical services including management of any emerging in-year pressures to minimise impacts on statutory provision.

17 Conclusion and comments of the Chief Finance Officer (Section 151 Officer)

- 17.1 The forecast overspend risk of £10.137 million at Month 2 represents 3.9% of the net General Fund budget. This early forecast indicates a number of demand and cost pressures across homelessness, a pressure on the Section 75 Mental Health partnership and a number of significant income pressures across City Services. There is evidence of the continuing impacts of higher inflation and interest rates on social care and temporary accommodation costs (prices) which are coming in above budget assumptions. There are also continuing impacts on incomes such as commercial rents and planning fees due to a suppressed economy. These are also impacting the achievement of some savings programmes.
- 17.2 As set out earlier in the report, understanding the level of forecast risk is important to inform decision-making and recovery actions. A number of Financial Recovery Measures have already been identified to mitigate overspend or savings risks but at this early stage further work is being undertaken by Corporate Directors to corroborate cost, income and demand trends and to develop further actions to mitigate risks.
- 17.3 In the meantime, vacancy management and spending control processes remain in place across the council to contribute to in-year financial management and the option remains to tighten these further if interim monthly TBM reports do not indicate a downward trajectory of the forecast risk.

Supporting Documentation

Appendices

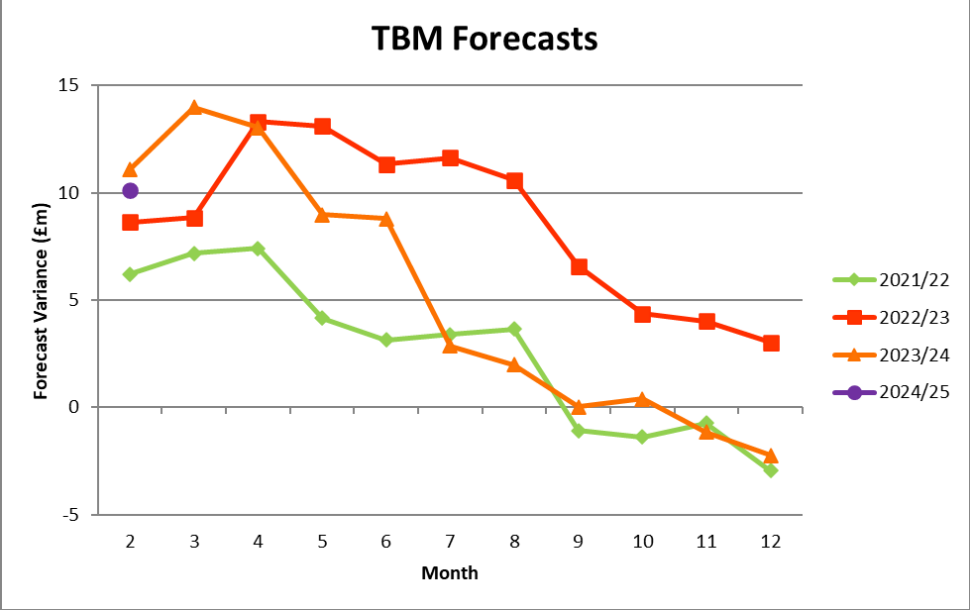
1. Financial Dashboard Summary
2. Revenue Budget Performance RAG Rating
3. Revenue Budget Performance
4. Summary of 2024/25 Savings Progress
5. Capital Programme Performance
6. New Capital Schemes
7. Treasury Management Update
8. BHCC Productivity Plan

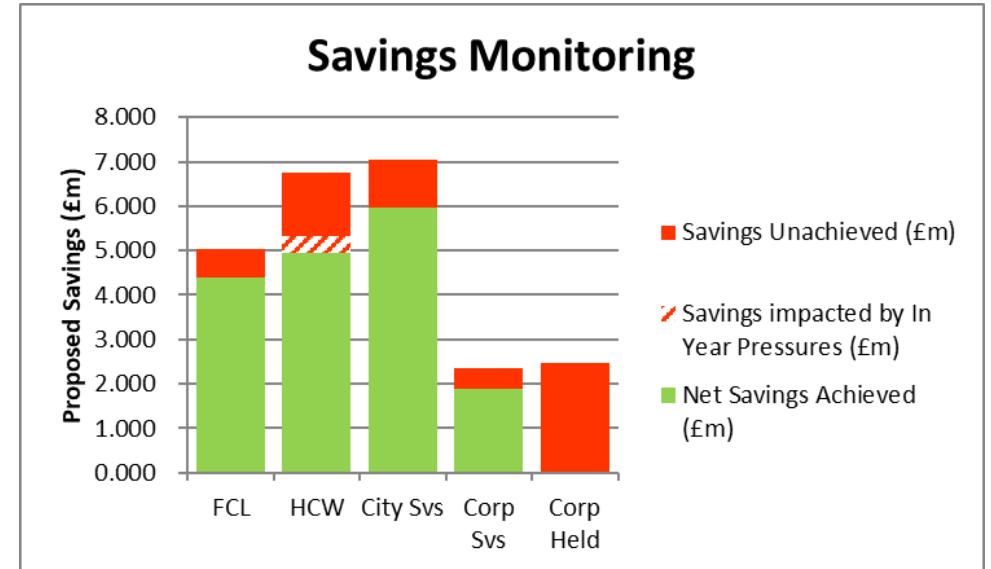
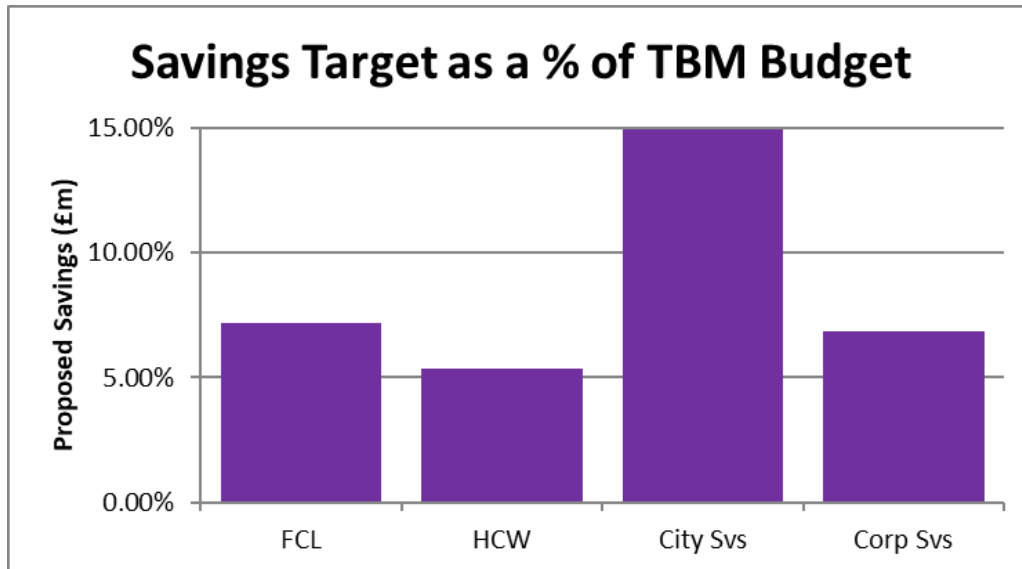
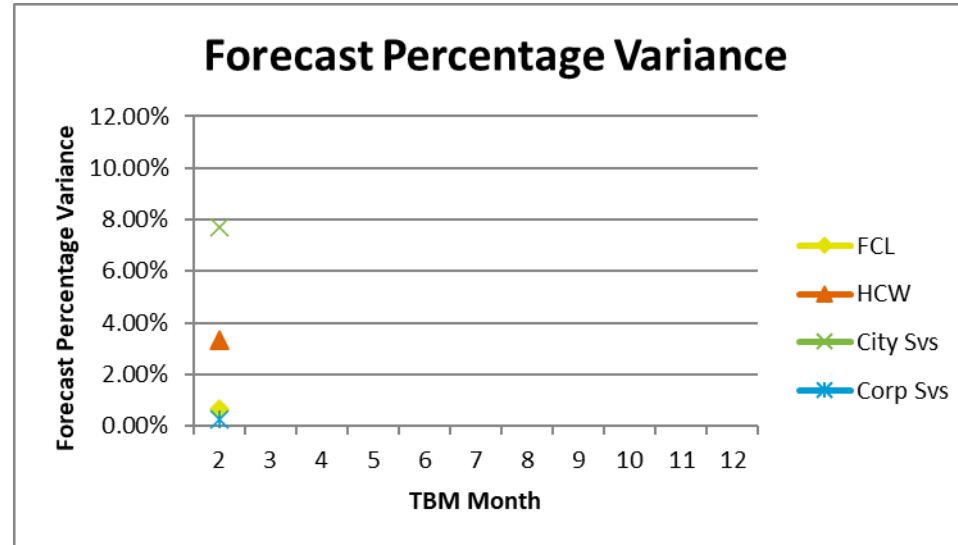


Red = overspent.
Green = Underspent.
Size of bubble indicates scale of under or overspend.
If a directorate is not shown then a break even position is forecast.

Direction of Travel				
Directorate/Fund	Forecast Variance Month 2	Forecast Variance Month 2	Change From 2023/24	RAG Rating Month 2
	£'000	%		
General Fund Services:				
Families, Children & Learning	440	0.6%	↓	Red
Housing, Care & Wellbeing	4,214	3.3%	↓	Red
City Services	3,638	7.7%	↓	Red
Corporate Services	85	0.2%	↓	Amber
Corporately-held Budgets	1,760	9.3%	↓	Red
Total General Fund	10,137	3.9%	↓	Red
Dedicated Schools Grant (DSG)				
	456	35.8%	↓	Red
Housing Revenue Account				
	(20)	0.0%	↓	Green

↑ = Improving position, ↓ = Worsening position





Appendix 2 – Revenue Budget RAG Ratings

RAG Rating Key:	RAG for Service Areas	RAG for Directorates ⁽¹⁾	RAG for General Fund
Red	Forecast overspend of 5% or more or £0.100m whichever is lower	Forecast overspend of 5% or more or £0.250m whichever is lower	Forecast overspend of 0.5% or more or £1.000m whichever is lower
Amber	Forecast overspend of less than 5% of budget or £0.100m, whichever is lower.	Forecast overspend of less than 5% of budget or £0.250m, whichever is lower.	Forecast overspend of less than 0.5% of budget or £1.000m, whichever is lower.
Green	Breakeven or forecast underspend	Breakeven or forecast underspend	Breakeven or forecast underspend

Service	2024/25 Budget Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	RAG Rating Month 2
Director of Families, Children & Learning	191	0	0.0%	Green
Health, SEN & Disability Services	9,832	1,080	11.0%	Red
Education & Skills	12,827	441	3.4%	Red
Children's Safeguarding & Care	41,564	(1,145)	-2.8%	Green
Quality Assurance & Performance	1,720	0	0.0%	Green
Libraries & Information Services	3,593	64	1.8%	Amber
Total Families, Children & Learning	69,727	440	0.6%	Red
Adult Social Care Operations	83,370	1,190	1.4%	Red
S75 Sussex Partnership Foundation Trust (SPFT)	20,648	674	3.3%	Red
Commissioning & Partnerships	5,496	89	1.6%	Amber
Life Events	249	93	37.3%	Red
Public Health	3,134	0	0.0%	Green
Housing General Fund	12,950	2,168	16.7%	Red
Total Housing, Care & Wellbeing	125,847	4,214	3.3%	Red
City Transport	(6,978)	1,903	27.3%	Red
City Environment	33,891	(220)	-0.6%	Green
City Development & Regeneration	3,326	538	16.2%	Red
Culture, Tourism & Sport	10,289	(16)	-0.2%	Green
Property & Design	2,938	1,521	51.8%	Red
Safer Communities	3,761	(88)	-2.3%	Green
Total City Services	47,227	3,638	7.7%	Red
Policy, Communications & Leadership Office	1,766	38	2.2%	Amber
Legal & Democratic Services	3,548	(30)	-0.8%	Green
Elections & Land Charges	418	0	0.0%	Green
Customer, Modernisation & Performance Insight	1,447	(10)	-0.7%	Green
Finance	2,230	0	0.0%	Green
Procurement (Mobo)	(39)	0	0.0%	Green
HR & Organisational Development	3,770	87	2.3%	Amber
Information Technology & Digital	8,132	0	0.0%	Green
Welfare Revenue & Business Support	7,336	0	0.0%	Green
Communities, Equality & Third Sector	2,642	0	0.0%	Green
Contribution to Orbis	2,925	0	0.0%	Green
Total Corporate Services	34,175	85	0.2%	Amber
Sub Total	276,976	8,377	3.0%	
Bulk Insurance Premia	3,822	350	9.2%	Red

Appendix 2 – Revenue Budget RAG Ratings

Service	2024/25 Budget Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	RAG Rating Month 2
Capital Financing Costs	7,837	0	0.0%	Green
Levies & Precepts	242	0	0.0%	Green
Unallocated Contingency & Risk Provisions	1,165	0	0.0%	Green
Unringfenced Grants	(32,113)	0	0.0%	Green
Housing Benefit Subsidy	399	200	50.1%	Red
Other Corporate Items	(213)	1,210	568.1%	Red
Total Corporately-held Budgets	(18,861)	1,760	9.3%	Red
Total General Fund	258,115	10,137	3.9%	Red

Repairs & Maintenance	18,657	421	2.3%	Red
Tenancy Services	14,824	(200)	-1.4%	Green
Housing Management & Support	6,292	(35)	-0.6%	Green
Housing Investment & Asset Management	3,014	(243)	-8.1%	Green
Housing Strategy & Supply	1,496	41	2.8%	Amber
Council-owned Temporary Accommodation	958	(4)	-0.4%	Green
Rent & Service Charges	(73,472)	0	0.0%	Green
Capital Financing Costs	8,509	0	0.0%	Green
Direct Revenue Funding	19,722	0	0.0%	Green
Total Housing Revenue Account	0	(20)	0.0%	Green

Individual Schools Budget (ISB)	137,223	0	0.0%	Green
Early Years Block (inc delegated to Schools)	27,438	(30)	-0.1%	Green
High Needs Block (exc delegated to Schools)	39,679	389	1.0%	Red
Exceptions and Growth Fund	2,805	97	3.5%	Amber
Grant Income	(205,870)	0	0.0%	Green
Total Dedicated Schools Grant (DSG)	1,275	456	35.8%	Red

(¹) In the above tables the Dedicated Schools Grant and Housing Revenue Account are treated as Directorates for the purposes of RAG rating.

Families, Children & Learning (FCL)

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
(9)	Director of Families, Children & Learning	191	191	0	0.0%	0	0	0
1,110	Health, SEN & Disability Services	9,832	10,912	1,080	11.0%	982	423	559
(573)	Education & Skills	12,827	13,268	441	3.4%	1,665	1,665	0
(2,145)	Children's Safeguarding & Care	41,564	40,419	(1,145)	-2.8%	2,241	2,241	0
(19)	Quality Assurance & Performance	1,720	1,720	0	0.0%	0	0	0
72	Libraries & Information Services	3,593	3,657	64	1.8%	132	68	64
(1,564)	Total Families, Children & Learning	69,727	70,167	440	0.6%	5,020	4,397	623

Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Health, SEN & Disability Services		
534	Children's Disability Agency Placements	Increase in both volume and cost of residential and foster agency placements compared to budgeted levels.
301	In-house Children's Disability Provision	Unachieved saving due to delay of re-provisioning in-house service to accommodate existing external placements.
150	Children's Disability Section 17	Anticipated ongoing care requirements for four young people.
95	Other	Other variances.
Education & Skills		
322	Home to School Transport	Based on the current data held on Mobisoft the updated forecast overspend for Home to School Transport is £0.322m. This forecast takes account of the current contracted routes and assumes average numbers of 500 5-16 pupils, 97 post 16 pupils and 45 post 19-25 for the remainder of the financial year and a 2.5% increase for inflation from September. Costs have continued to increase considerably. The increased costs as reported previously are related to a combination of the following factors: There are several factors contributing to overspends in Home to School Transport. These include increased demand on the service (both at 5-16 ages, and 16 up until 19th birthday),

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			<p>increased numbers of children requiring single occupancy journeys, lack of local SEND school sufficiency, and increased numbers of routes required to accommodate individual post 16 learners' timetables.</p> <p>Market forces within SEND transport are also contributing to overspend in Home to School Transport. The service is being increasingly impacted by local driver, vehicle passenger assistant, vehicle shortages and increased running costs. There is also a lack of competition in the transport market, particularly minibuss providers, which is pushing up contract prices still further.</p> <p>There is increasingly less capacity in the local system to meet demand, not just in the numbers of children requiring transport but the nature of the transport requirements.</p>
100	PFI		Due to higher PFI contractor costs.
19	Other		Minor variances.
Children's Safeguarding & Care			
(1,095)	Demand-Led - Children's placements		<p>There are ongoing significant issues with sufficiency of foster carers and other placement types making placing children difficult and driving up unit costs. In addition, the post pandemic period has seen children with increasingly complex needs coming into care. However, the significant success of ongoing initiatives and alternative service offers, attempting to reverse the trend of reducing foster carer numbers and address the complex needs of the children being referred, has meant that it is anticipated that placements for children in care and care leavers will remain within budget in 2024/25.</p>
(50)	Other		Minor variances.
Libraries & Information Services			
64	Other		Minor variances.

Housing, Care & Wellbeing (HCW)

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
142	Adult Social Care Operations	83,370	85,675	2,305	2.8%	3,794	3,150	644
(281)	S75 Sussex Partnership Foundation Trust (SPFT)	20,648	22,248	1,600	7.7%	488	458	30
80	Commissioning & Partnerships	5,496	5,585	89	1.6%	259	259	0
218	Life Events	249	342	93	37.3%	0	0	0
(171)	Public Health	3,134	3,134	0	0.0%	171	171	0
949	Housing General Fund	12,950	15,438	2,488	19.2%	2,042	896	1,146
937	Total Housing, Care & Wellbeing	125,847	132,422	6,575	5.2%	6,754	4,934	1,820
0	Further Financial Recovery Measures (see below)	-	(2,361)	(2,361)	-	-	-	-
937	Residual Risk After Financial Recovery Measures	125,847	130,061	4,214	3.3%	6,754	4,934	1,820

Explanation of Key Variances

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(2,041)	Adult Social care	The directorate has developed an over-arching Financial Recovery Plan to address the above pressures including the following measures:
		Targeted reviews.
		Reducing voids within block contracts.
		Negotiations with Sussex Partnership Foundation Trust to address high mental health spending commitments.
		Avoiding unnecessary long term residential admissions.
(320)	Housing General Fund	To pilot the procurement of the management element of block booked emergency accommodation with estimated cost reduction of £0.250m in 2024/25. The service is also

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			taking action to improve the turnaround times for empty properties to reduce forecast costs by £0.070m this year.
Adult Social Care Operations			
642	Demand-Led Community Care - Physical & Sensory Support and Substance Misuse		Overspend is predominantly the result of high unit costs for placements for working age adults, particularly for residential placements.
(258)	Assessment teams		This is due to a number of temporary vacancies across the Assessment teams.
1,742	In-house provision		Overspends on in-house provision for adults with Learning Disabilities, Resource centres and Hostels is mainly due to use of agency and sessional staff.
179	Demand-Led Community Care - Adult LD		The overspend is a result of increasing unit costs.
S75 Sussex Partnership Foundation Trust (SPFT)			
(3,367)	Demand-Led - Memory Cognition Support		The underspend is the result of both fewer than budgeted numbers of clients and lower average unit costs across all service types.
4,794	Demand-Led - Mental Health Support		The overspend is due to high unit costs, particularly for Shared Lives, Home care and Direct payments.
173	Staffing teams		Pressure due to number of operational managers. Negotiations over funding responsibilities are still ongoing with SPFT.
Commissioning & Partnerships			
89	Legal fees		Internal recharges for legal costs have increased in recent years.
Life Events			
114	Bereavement services		Overspend relates to underachievement against income budgets.
(21)	Other		Minor variances.
Housing General Fund			
2,122	Temporary Accommodation		The budget for Temporary Accommodation (TA) is forecast to overspend by £2.122m for 2024/25. Emergency nightly accommodation (spot purchased) is forecast to overspend by £1.629m due to greater demand, increased costs and the continued decrease of TA Leased properties. The budget was set at an average of 182 households per night for the year. However, since April, the council has supported an average of 258 households every night. Although the service is working hard to prevent homelessness, numbers remain high. In 2023/24 the number of households placed in spot purchase more than doubled, from 124 at the start of April 2023, to 256 at the financial year end, March 2024. This forecast

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			assumes an increase of 64 from now to March 2025. TA Leased properties have steadily decreased year on year as landlords withdraw their properties from the rental market. This forecast assumes TA leased properties will reduce by 62 properties this year from a total of 617 to 555 homes. This is based on prior year trends but also the number of leases (over 50% of stock) coming to an end this financial year. The new leases are also commanding a higher rate and shorter terms. With these factors being considered, the forecast assumes an underspend of (£0.289m) this year. Additionally, the council is facing large increases to contract costs of block booked emergency accommodation which was factored into the budget. However, due to the demands on the service, there are 79 more block booked properties than allowed for at budget setting time. Therefore, the forecast estimates that this budget will overspend by £0.741m.
314	Seaside Homes		The repairs and maintenance budgets for these properties are forecast to overspend by £0.021m as costs have increased by more than corporate inflation rates. There is also a forecast overspend on the loss of rent on void properties of £0.109m as a result of more churn within these properties and a further overspend on management costs of £0.184m, a large proportion of which relates to increased insurance costs for 2024/25.
52	Private Sector Housing		Unachieved savings for fine income of £0.052m

City Services

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
768	City Transport	(6,978)	(5,075)	1,903	27.3%	978	561	417
(2,051)	City Environment	33,891	33,671	(220)	-0.6%	2,137	2,137	0
867	City Development & Regeneration	3,326	3,864	538	16.2%	950	650	300
(836)	Culture, Tourism & Sport	10,289	10,273	(16)	-0.2%	817	787	30
1,293	Property & Design	2,938	4,459	1,521	51.8%	1,919	1,599	320
(299)	Safer Communities	3,761	3,673	(88)	-2.3%	238	238	0
(258)	Total City Services	47,227	50,865	3,638	7.7%	7,039	5,972	1,067

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
City Transport		
1,156	Parking Services	<p>Overall Parking Services are forecasting an overspend of £1.156m (Underachievement of 2.54% of expected income targets) against a £28.267m net income budget. Parking permits is predicting to be £0.996m (7.85%) underachieved compared to its budget of £12.696m. This forecast contains continued reduction in demand in residents and visitor permits across zones and the loss of parking capacity due to active travel proposals along with many other factors.</p> <p>On-street paid parking is predicted to be £1.838m (12.38%) underachieved compared to its budget of £14.8m. £0.300m of which is driven by the removal of previously agreed zone changes last year, with a further £0.070m is a result of the free parking bay to paid parking bay proposals removed this year.</p> <p>The remainder of the shortfall is due to reduced demand in paid parking due to the significant prices rises in recent years, the impact of Hybrid and home working which has changed parking patterns, the £2 single bus fare encouraging bus travel over short car journeys, concern that motorists are risking receiving a Penalty Charge Notice in some areas (particularly high tariff areas) as the charge is almost the same rate as a PCN (£25 at</p>

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			discounted rate for low level offence). Off-Street Parking is also predicted to underachieve by (£0.100m) (1%). These under-achievements are offset by predicted surplus income for Parking Suspensions of £0.094m (7.2%). In addition, there is also a predicted reduction in Parking costs of £0.332m which is primarily driven by surplus in Unsupported borrowing budgets. PCN income is set to overachieve by £1.418m due to increased levels of tickets particularly in relation to CCTV bus lane enforcement.
651	Concessionary Bus Fares		Concessionary travel is forecasting £0.651m overspend this year following increases to the Government Reimbursement Tool, which is estimated to place the cost between £9.300m and £9.500m, resulting in a pressure between £0.600m and £0.800m. There is a push for 2024/25 to be at the same rate as the 2023/24, however if it is not possible to negotiate down to a level within 2023/24 rates and the use of the Government Reimbursement Tool applied to this will generate the pressure listed.
96	Network management		Road Works Permit income forecast £0.158m less that budget. This is comparable to previous year's actual income which was supported by reserve, now fully utilised. This is partly offset by Traffic Regulation Order net income of £0.035m and Events net income forecast to achieve more than budget by £0.035m
City Environment			
(220)	City Clean		£0.150m overspend in street cleansing due to increased costs required for litter picking the A27 and A23. These are mitigated by forecast surpluses in commercial and green waste collections due to increased customers.
City Development & Regeneration			
549	Development Planning		Underachievement of Planning and Building Control income of £1.025m as there is still some uncertainty over levels of service post-covid. This is offset by staffing underspends of £0.470m.
(11)	Planning Policy Major Projects		Forecast underspends on staffing.
Culture, Tourism & Sport			
(16)	Sport and Leisure		Underspends of £0.038m on Golf Course contracts, offset by additional sports facilities responsive repairs costs.
Property & Design			
933	Estates Management		Vacant Properties within both the In-house & Commercial portfolios have caused pressures from the loss of rental income and the additional premises related costs until new tenants can be attracted resulting in forecast pressures of £0.583m. There are initial pressures of £0.350m regarding the letting of Barts House 3rd and 4th floors where current rents and

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
			anticipated occupational savings from vacating are not achieving the full savings target for this year, though this is under review to ensure savings can be delivered going forward.
588	Facilities & Building Services		£0.500 forecast overspend relating to essential only responsive repairs functions due to rising costs and conditions of facilities. Post room services contains forecast overspends of £0.135m due to additional surcharges from Royal Mail whilst the service is not barcode compliant, though work is underway to ensure the council is compliant to mitigate costs. These overspends are partly offset by forecast underspends in other supplies & services within Facilities & Building Services.
Safer Communities			
(88)	Safer Communities		There is a net underspend forecast across the service, largely as result of vacancy management.

Corporate Services

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
52	Policy, Communications & Leadership Office	1,766	1,804	38	2.2%	24	24	0
(169)	Legal & Democratic Services	3,548	3,518	(30)	-0.8%	335	335	0
183	Elections & Land Charges	418	418	0	0.0%	20	20	0
(8)	Customer, Modernisation & Performance Insight	1,447	1,437	(10)	-0.7%	35	35	0
246	Finance	2,230	2,230	0	0.0%	144	144	0
(15)	Procurement (Mobo)	(39)	(39)	0	0.0%	2	2	0
(215)	HR & Organisational Development	3,770	3,857	87	2.3%	222	199	23
(585)	Information Technology & Digital (Mobo)	8,132	8,547	415	5.1%	649	234	415
(213)	Welfare Revenue & Business Support	7,336	7,336	0	0.0%	327	327	0
(74)	Communities, Equality & Third Sector	2,642	2,642	0	0.0%	581	581	0
69	Contribution to Orbis	2,925	2,925	0	0.0%	0	0	0
(729)	Total Corporate Services	34,175	34,675	500	1.5%	2,339	1,901	438
0	Further Financial Recovery Measures (see below)	-	(415)	(415)	-	-	-	-
(729)	Residual Risk After Financial Recovery Measures	34,175	34,260	85	0.2%	2,475	0	2,475

Mobo = Specific budget items held by Orbis but **Managed on behalf of** the relevant partner i.e. they are sovereign, non-partnership budgets. Under or overspends on Mobo budgets fall directly to the relevant partner whereas any budget variance on 'Orbis Services' is shared in accordance with the Inter-Authority Agreement (IAA).

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		

Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(415)	IT&D (Mobo)	Consultation and options for reducing the cost of the Schools Traded ICT Service have been extended and are continuing but a full-year saving is now unlikely for any option. Options for reducing spend across the wider IT&D (Mobo) budget are therefore being explored to mitigate the savings risk (or part-year risk).
Policy, Communications & Leadership Office		
38	Monitoring Officer	Centrally held employee savings not yet allocated to services.
Legal & Democratic Services		
(30)	Legal team	Combination of vacancy contribution and external income generation.
Customer, Modernisation & Performance Insight		
(10)	Performance team	Vacancy contribution.
HR & Organisational Development		
54	Policy and Initiatives	£0.019m for 0.5 FTE savings adjustments for Union facilities time in Unison. £0.035m pressure relating to GMB facilities time consisting of 0.5FTE savings adjustment plus staffing cover for Branch Convenor role. A reduction in income from external training delegates may further impact future forecasts and is being monitored closely. Traded services income, particularly, to schools remains uncertain and work continues with FCL to monitor continued viability of current service offer. The volatility in recruitment spend could lead to further change in future forecasts.
33	Occupational Health and Safety	Staff pressure for 7 months of M10 Asbestos resource in H&S.
IT&D (Mobo)		
415	IT&D (Mobo)	A complex consultation process was underway regarding a change in the delivery model for the Schools Traded ICT Service but has been paused to allow other options to be evaluated. Lead-in time means that a full-year saving will not be possible. Alternative recovery measures now being explored across the IT&D Mobo budget as described under Financial Recovery Measures above.

Corporately-held Budgets

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %	2024/25 Savings Proposed £'000	Net Savings Achieved £'000	Net Savings At Risk £'000
500	Bulk Insurance Premia	3,822	4,172	350	9.2%	0	0	0
(2,233)	Capital Financing Costs	7,837	7,837	0	0.0%	0	0	0
0	Levies & Precepts	242	242	0	0.0%	0	0	0
(222)	Unallocated Contingency & Risk Provisions	1,165	1,165	0	0.0%	0	0	0
(509)	Unringfenced Grants	(32,113)	(32,113)	0	0.0%	0	0	0
1,275	Housing Benefit Subsidy	399	599	200	50.1%	0	0	0
535	Other Corporate Items	(213)	3,632	3,845	1,805.2%	2,475	0	2,475
(654)	Total Corporately-held Budgets	(18,861)	(14,466)	4,395	23.3%	2,475	0	2,475
0	Further Financial Recovery Measures (see below)	-	(2,635)	(2,635)	-	-	-	-
(654)	Residual Risk After Financial Recovery Measures	(18,861)	(17,101)	1,760	9.3%	2,475	0	2,475

Explanation of Key Variances

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(2,635)	Organisational Redesign	As noted below, savings will be part-year in 2024/25 in most cases but the council will maintain council-wide spending and vacancy controls to ensure the saving is met this year in lieu of full-year savings being identified and realised in 2025/26.
Bulk Insurance Premia		
350	Insurance claims.	Settlement of insurance claims is forecast to be above budgeted amount.
Housing Benefit Subsidy		
200	Housing Benefit Subsidy	There is insufficient data to make a detailed forecast but based on the previous year's outturn and the pressure funding provided in the 2024/25 budget a pressure of £0.200m is estimated.

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Service Area			Variance or Financial Recovery Measure Description
Other Corporate Items			
(90)	Corporate Pension Costs	An underspend of £0.090m relating to an overpayment on the 2023/24 unfunded pension costs budget.	
1,300	2024/25 Pay Award	Estimated additional cost of 2024/25 pay award above amount provided for in budget. This is based on the Employers' latest offer which has not been agreed yet.	
2,635	Organisational Redesign savings	A programme of work to undertake Phase 2 of the Organisational Redesign is underway alongside reviews of a number of functional areas to explore savings through potential functional alignment and other changes. Savings will be part-year in 2024/25 in most cases and therefore the recovery measures above may be required to mitigate part-year effects.	

Appendix 3 – Revenue Budget Performance

Housing Revenue Account (HRA)

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
1,255	Repairs & Maintenance	18,657	19,079	421	2.3%
92	Tenancy Services	14,824	14,624	(200)	-1.4%
407	Housing Management & Support	6,292	6,257	(35)	-0.6%
(527)	Housing Investment & Asset Management	3,014	2,771	(243)	-8.1%
(228)	Housing Strategy & Supply	1,496	1,537	41	2.8%
404	Council-owned Temporary Accommodation	958	954	(4)	-0.4%
(845)	Rent & Service Charges	(73,472)	(73,472)	0	0.0%
558	Service Area Total	(28,231)	(28,251)	(20)	-0.1%
538	Capital Financing Costs	8,509	8,509	0	0.0%
(1,096)	Direct Revenue Funding	19,722	19,722	0	0.0%
0	Total Housing Revenue Account	0	(20)	(20)	0.0%

Explanation of Key Variances

Key Variances £'000	Subjective Area	Variance Description
Repairs & Maintenance		
(770)	Employees	Capitalisation of salaries in respect of the Electrical Testing Compliance Programme (£0.400m), plus forecast underspend against the net staffing budget from vacancy management. The underspend equates to approximately 9% of the net salary budget.
883	Premises	There is a forecast overspend against the sub-contractor business as usual budget, based on spend to date. A proportion of this spend relates to the disrepair claims, these costs are difficult to forecast based on the volume and timing of claims being made. This will be closely monitored over the coming months.
293	Supplies and Services	The service continues to experience significant costs arising from disrepair claims. These by their very nature are difficult to forecast and will be closely monitored each month, this

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Subjective Area Variance Description		
		assumes that the new legal resource is in place to manage the claims early in the process, enabling better management of spend.
15	Transport	Minor variances.
Tenancy Services		
(45)	Employees	Net underspend across staffing budgets from vacancies currently held.
(104)	Premises	Information provided by the corporate energy team result in an estimated underspend against utility cost budgets.
(15)	Supplies and Services	Minor variances.
(36)	Income	Net income after considering the management and maintenance costs from the Chapel Street Car Park service level agreement.
Housing Management & Support		
(35)	Premises	Information provided by the corporate energy team result in an estimated underspend against utility cost budgets.
Housing Investment & Asset Management		
(92)	Employees	There is a forecast underspend against staffing costs, mainly due to a number of vacancies across the service.
11	Premises	Minor variances.
(166)	Supplies & Services	In consultation with the leaseholder service manager there is no contribution to Leaseholder Bad Debt provision resulting in a saving of £0.152m.
4	Other	Minor variances.
Housing Strategy & Supply		
41	Employees	An increase in capitalised salaries for housing new supply is offset by a reduced level of capitalised salaries against ICT budgets. The delivery of new software is entering into a new phase which will require costs associated with business as usual are met from revenue budgets.
Council-owned Temporary Accommodation		
(4)	Premises	There is a forecast underspend against the Transfer Incentive Scheme budget of £0.070m. This is offset by fuel costs for the temporary boiler at Manoj House. Council-owned Temporary Accommodation can by its nature be volatile, in respect of empty properties and repairs costs, at this stage of the year it is assumed that these costs will breakeven against the approved budgets.

Appendix 3 – Revenue Budget Performance

Key Variances £'000 Subjective Area			Variance Description
Rent & Service Charges			
(54)	Rents & Service Charges		Minor over achievement of income anticipated from rents and service charges, offset by an overspend against voids budget (as below).
54	Voids		Forecast overspend, based on projected void numbers to 31st March 2025. The number of voids projected are based on historic data which considers the seasonal trends of empty properties, in addition to the impact of new supply on reducing the number of empty properties.
Capital Financing Costs			
0	Capital Financing costs		There is an anticipated increase in financing costs due projected increase in interest costs and assumed timing of borrowing being taken on by the HRA. This is offset by a reduced borrowing need during 2024/25, creating a breakeven position.
Direct Revenue Funding			
0	Direct Revenue Funding		As per the 2024/25 budget paper, £3.206m is expected to be contributed to reserves to fund future years pressures. The remaining DRF balance will be used to fund the capital programme, therefore there will be a breakeven position at year end.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Provisional Outturn 2023/24 £'000	Service	2024/25 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Individual Schools Budget (ISB)	137,223	137,223	0	0.0%
(19)	Early Years Block (excluding delegated to Schools) <i>(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the free entitlement to early years education)</i>	27,438	27,408	(30)	-0.1%
(996)	High Needs Block (excluding delegated to Schools)	39,679	40,068	389	1.0%
(260)	Exceptions and Central Services	2,805	2,902	97	3.5%
0	Grant Income	(205,870)	(205,870)	0	0.0%
(1,275)	Total Dedicated Schools Grant (DSG)	1,275	1,731	456	35.8%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(30)	Central Early Years Block	Underspend due to recruitment delays.
High Needs Block (excluding delegated to Schools)		
159	Post-16 High Needs	There has been a significant increase in the number of high needs learners accessing FE colleges in the last year and there has also been a movement of high needs learners moving into the city with responsibility for education falling to Brighton and Hove.
155	Children with Medical Needs	The Children with medical needs budget has been increased by a further £0.250m in 2024/25 but is still showing an expected overspend of £0.155m. There is a continued significant increase in the number of pupils receiving education through bespoke tuition due to their medical needs.
75	Other	Other variances.
Exceptions and Growth Fund		
97	Other	Other variances.

Savings Monitoring 2024/25

Directorate	2024/25 Savings Proposed £'000	Gross Savings Achieved / Anticipated £'000	In Year Pressures £'000	Net Savings At Risk £'000	Savings At Risk As % Of Net Budget £'000
Families, Children & Learning	5,020	4,397	0	623	0.9%
Housing, Care & Wellbeing	6,754	5,337	(403)	1,820	1.4%
City Services	7,039	5,972	0	1,067	2.3%
Corporate Services	2,339	1,901	0	438	1.4%
Corporately-held Budgets	2,475	0	0	2,475	-13.1%
Total Directorate Savings	23,627	17,607	(403)	6,423	2.5%

Explanation and Mitigation of At Risk Savings

Directorate £'000	Savings at Risk £'000	Explanation and Mitigation Strategy
Families, Children & Learning	623	The savings at risk primarily relate to external placements for Children with Disabilities. This is due to growing numbers of children with disabilities requiring a residential home placement and the increasing unit costs partly driven by lack of placement choice locally. The plan to redesignate current services has not been possible and a bid for funding to access alternative premises has been made to mitigate the loss of savings.
Housing, Care & Wellbeing	1,820	Savings at risk due to delays in implementation of savings strategy, demand led nature of budget and increasing unit costs.
City Services	1,067	The savings at risk primarily relate to income generation. Price increases have been applied, however the anticipated income has yet to be achieved as these are dependent on demand including visitor numbers for Parking Services as well as residential demand for Planning Incomes.
Corporate Services	438	£0.023m – HROD. Negotiation with unions has restored 0.5 FTE per union resulting in 0.5 FTE reduction in saving opportunity in Corporate Services and City Services. £0.415m – IT&D Traded Income. Complex consultation process was underway but paused to allow other options to be evaluated. Lead-in time means that a full-year saving will not be possible. Alternative recovery measures now being explored across the IT&D Mobo budget.
Corporately-held Budgets	2,475	A programme of work to undertake Phase 2 of the Organisational Redesign is underway alongside reviews of a number of functions to explore savings through functional alignment and other changes. Savings will be part-year in 2024/25 in most cases but the council will utilise unilateral spending and vacancy controls to ensure the saving is met this year in lieu of full-year savings being identified and realised in 2025/26.
Total General Fund	6,423	

Families, Children & Learning – Capital Budget Summary

Forecast Variance Month 0 £'000	Unit	Reported Budget Month 0 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Director of Families, Children & Learning	0	0	0	0	0	0	0	0.0%
0	Health, SEN & Disability Services	0	0	0	0	0	0	0	0.0%
0	Education & Skills	15,555	0	0	30	15,585	15,585	0	0.0%
0	Schools	1,370	0	0	0	1,370	1,370	0	0.0%
0	Children's Safeguarding & Care	35	0	0	0	35	35	0	0.0%
0	Quality Assurance & Performance	0	0	0	0	0	0	0	0.0%
0	Library & Information Services	15	0	0	0	15	15	0	0.0%
0	Total Families, Children & Learning	16,975	0	0	0	17,005	17,005	0	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	Amount £'000	Project	Description
Education & Skills			
Variation	30	Longhill School - New Computers	Variation to budget of less than £0.100m.

Housing, Care & Wellbeing (excluding Housing Revenue Account) – Capital Budget Summary

Forecast Variance Month 0 £'000	Unit	Reported Budget Month 0 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Adult Services	5,194	0	211	200	5,605	5,605	0	0.0%
0	Integrated Commissioning	0	0	0	0	0	0	0	0.0%
0	S75 Sussex Partnership Foundation Trust (SPFT)	0	0	0	0	0	0	0	0.0%
0	Public Health	0	0	0	0	0	0	0	0.0%
0	Housing General Fund	1,450	0	0	2,251	3,701	3,701	0	0.0%
0	Total Housing, Care & Wellbeing	6,644	0	211	2,451	9,306	9,306	0	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	Amount £'000	Project	Description
Adult Services			
Variation	150	Better Care Fund - Telecare	This is the annual programme of Disabled Facilities Grants for Better Care Funding for 2024/25. The funding was confirmed in May 2024 from the Department for Levelling Up, Housing & Communities and forms part of the Governments Disabled Facilities Grant funding to local authorities.
Variation	50	Better Care Fund – Adaptations for the Disabled	Variation to budget of less than £0.100m. Part of Disabled Facilities Grants programme.
Housing General Fund			
Variation	2,323	Better Care Fund – Disabled Facilities Grants	This is the annual programme of Disabled Facilities Grants for home improvements for 2024/25. The funding was confirmed in May 2024 from the Department for Levelling Up, Housing & Communities and forms part of the Governments Disabled Facilities Grant funding to local authorities.
Variation	(72)	Housing IT Strategy	Variation to budget of less than £0.100m.

City Services – Capital Budget Summary

Forecast Variance Month 0 £'000	Unit	Reported Budget Month 0 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	City Transport	33,593	1,000	504	(8,023)	27,073	27,073	0	0.0%
0	City Environmental	15,652	0	0	0	15,652	15,652	0	0.0%
0	City Development & Regeneration	7,293	0	0	(37)	7,256	7,256	0	0.0%
0	Culture, Tourism & Sport	18,725	100	570	0	19,395	19,395	0	0.0%
0	Property & Design	12,475	0	0	120	12,595	12,595	0	0.0%
0	Safer Communities	0	0	0	0	0	0	0	0.0%
0	Total City Services	87,738	1,100	1,074	(7,940)	81,972	81,972	0	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	Amount £'000	Project	Description
City Transport			
Reported at Other Committee	(800)	Integrated Transport Schemes (LTP)	Reported in the Local Transport Plan report to committee in March 2024. This budget requires its own cost centres for the Intelligent Transport System and for Real Time Bus Information.
Reported at Other Committee	600	Real Time Bus Information	Reported in the Local Transport Plan report to committee in March 2024. This budget requires its own cost centre for Real Time Bus Information
Reported at Other Committee	200	Intelligent Transport Systems 2 (LTP)	Reported in the Local Transport Plan report to committee in March 2024. This budget requires its own cost centre for the Intelligent Transport System
Reported at Other Committee	1,000	CCTV Expansion & Upgrade Scheme	Reported at Policy & Resources Committee in January 2023.

Appendix 5 – Capital Programme Performance

Detail Type	Amount £'000	Project	Description
Reprofile	(4,101)	Valley Gardens Phase 3	The Valley Gardens Phase 3 project is due to commence in 2024/25 but delays to the procurement and consultation require the majority of the budget to be reprofiled into 2025/26 with circa £2.5m reprofiled into 2026/27.
Reprofile	(3,000)	Active Travel Fund Tranche 4	The project is awaiting approval to proceed and will require consultation and design works to be completed. Tranche 3 is currently underway and has priority for completion.
Reprofile	(1,562)	Bridge Strengthening and Assessment	A reprofile of part of the budget is required due to ongoing capital maintenance activities delaying completion.
Reprofile	(1,000)	Active Travel Fund Tranche 3	The project is awaiting final approval for some schemes and will therefore require a reprofile into 2025/26.
Reprofile	(300)	Integrated Transport Schemes	The majority of the works will be completed in the current year although there is likely to be a delay for some into 2024/25 due to longer consultation times.
Reprofile	(300)	Safer Road Fund Round 3 – A2010 Brighton	A delay to the project has resulted due to Project Manager resources being redirected to priority schemes resulting in half the budget being reprofiled into 2025/26.
Reprofile	(55)	Covered Cycle Racks	Reprofile of budget of less than £0.100m
Variation	2,232	Maintenance of Principal Roads	Department for Transport capital grant funding in relation to Pothole Funding £1.455m, Highways Incentive Funding £0.364m and Highways Maintenance Network North grant allocated to the Maintenance of Principal Roads budget for 2024/25.
Variation	263	On Street Residential Chargepoint Scheme	Expenditure for a series of fully funded bids to the On Street Residential Charge Point Scheme (ORCS). The project relates to the purchase and installation of 150 lamp post charge points and 20 fast charge points. For 2024/24 the installation of 100 lamps and 20 fast chargers are underway and is to be completed in the late summer 2024. Grant funding is received from the Office for Zero Emission Vehicles. (OZEV).
Variation	(200)	Scape Carden Avenue & Norton Road	Variation to move some budget to support the new Middle Street SuDs in Schools project (see appendix 7)
Variation	38	Seafront Heritage Lighting Renewal Programme	Variation to budget of less than £0.100m.
Variation	(38)	Street Lighting Maintenance	Variation to budget of less than £0.100m.
City Development & Regeneration			
Variation	58	Black Rock Enabling Works	Variation to budget of less than £0.100m.

Appendix 5 – Capital Programme Performance

Detail Type	Amount £'000	Project	Description
Variation	(95)	The Brighton Research & Innovation Fibre Ring	Scheme finished additional match funding not required.
Culture, Tourism & Sport			
Reported to Other Committee	100	Volks Railway Disabled Access Carriage	Reported at Other Committee – included within TBM Outturn report
Property & Design			
Variation	120	Commercial Property Portfolio Repairs	Funding from dilapidations Reserve to support spend incurred in 2023/24 to council commercial properties requiring urgent repair works.
Variation	5	Portslade Sixth Form Conversion	Variation to budget of less than £0.100m
Variation	(5)	Workstyles 4 Moulsecoomb Hub & Housing	Variation to budget of less than £0.100m

Housing Revenue Account (HRA) – Capital Budget Summary

Forecast Variance Month 0 £'000	Unit	Reported Budget Month 0 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	City Development & Regeneration	12,196	0	0	(163)	12,033	11,509	(524)	-4.4%
0	Housing Revenue Account	77,539	0	0	(10,400)	67,139	67,324	185	0.3%

Appendix 5 – Capital Programme Performance

0	Total Housing Revenue Account	89,735	0	0	(10,563)	79,172	78,833	(339)	-0.4%
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Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	Amount £'000	Project	Description
City Development & Regeneration			
Reprofile	2,123	Housing Joint Venture purchases	Initial budget profile forecast spend to continue into 2025/26, progress was made a lot sooner than anticipated and therefore resulted in budgets not aligning to actual spend. A reprofile of £2.123m from 2025/26 to bring this back in line with the programme of works.
Reprofile	(2,385)	Windlesham Close	The project is seeking to gain planning permission during 2024/25. Start on site is expected during 2025/26 and as such the budget will be reprofiled to reflect the project timeline.
Variation	99	Various schemes	Variations to budget of less than £0.100m: £0.080m Kubic Apartments £0.019m Rapid Re-Housing Rough Sleepers
Variance	(846)	Housing Joint Venture purchases	There have been savings made on the initial £41m project budget of £0.846m, this relates mainly to an exemption that the council was eligible for around SDLT. Due to the project being funded by Homes England Grant no SDSLT was payable.
Variance	228	Frederick Street	This development is due to complete during 2024/25, there is a reported variance £0.228m against the whole project budget which will be funded by RTB receipts and HRA borrowing.
Variance	94	Various schemes	Variances of less than £0.100m: £0.039m Victoria Road £0.029m Selsfield Drive £0.026m Feasibility & Design – Housing Investment
Housing Revenue Account			
Reprofile	(10,000)	Structural Repairs	The major capital works projects are subject to review and authorisation of the Building Safety Regulations (BSR) as of April 2024, there was some difficulty with appointing suitable consultants for this, which has now been resolved with sufficient consultants for

Appendix 5 – Capital Programme Performance

Detail Type	Amount £'000	Project	Description
			future. There is also the unknown expectations of the Building Safety Act requirements which has resulted in revised delivery timescales to projects as consideration needs to be given to other works, wider than just the capital works, and this is impacting on getting on-site. The service are working on 2025/26 programme to bring forward applications to BSR and ensure that there is agreed procedures in place to manage these. As a result of the BSR requirements there will be additional works at Wiltshire House which are currently being evaluated at this time.
Reprofile	(1,219)	Palace Place redevelopment	Following the completion of all due diligence checks the project is expected to start during 2024/25 and complete in 2025/26, therefore it is proposed to reprofile £1.218m into 2025/26 to reflect the programme of delivery.
Reprofile	(382)	Converting Spaces in Existing Buildings	£0.382m is required to be reprofiled to 2025/26. This will ensure the budgets are aligned to the estimated spend profile for those projects due to completed over the next two financial years.
Reprofile	1,300	Solar PV City-Wide	The programme for solar PV installs with the current contractor is moving at pace and exceeding targets for the year. The contractor is highly experienced and established for the contract and our intention is to continue the momentum with this contractor this year and bring forward budget from 2025/26 to undertake this and enhance our solar PV programme.
Variation	(3,579)	Converting Spaces in Existing Buildings	The programme of works has been reviewed against the budget over the next two years (£3.579m) can be made available from this budget line to support other investment areas in the HRA without compromising the delivery of new homes currently in the pipeline.
Variation	(500)	Service Risers	This is a new work stream, where both a programme and procurement of contractors is being worked on, meaning that is unlikely that there will be a full spend this financial year. It is therefore proposed to realign these predicted underspends to the planned kitchen and bathroom programme to meet the planned spend for this financial year.
Variation	(300)	Asbestos	This is a new work stream, where both a programme and procurement of contractors is being worked on, meaning that is unlikely that there will be a full spend this financial year. It is therefore proposed to realign these predicted underspends to the planned kitchen and bathroom programme to meet the planned spend for this financial year.
Variation	2,179	Extended Home Purchase Scheme	The budget for converting spaces has been reviewed and allocated against specific projects across Housing Needs and Supply. This is the balance remaining from the budget which can be utilised for any future projects. It is currently funded by HRA borrowing.

Appendix 5 – Capital Programme Performance

Detail Type	Amount £'000	Project	Description
Variation	801	Palace Place redevelopment	A review has been undertaken of the project which requires an additional £0.801m funded by government grant and HRA borrowing. To minimise the risk the HRA is exposed to this budget is proposed to be varied from the Converting Spaces budget.
Variation	800	Kitchens	Budget variation to meet the planned programme spend for this financial year.
Variation	500	New Housing Works Management System	The budget for converting spaces has been reviewed and allocated against specific projects across Housing Needs and Supply. There is a need to fund the delivery of the Works Management System and Asset Management system during 2024/25 which has utilised some of the budget no longer required for converting spaces.
Variance	(962)	Lifts	Revised timescales in agreeing capital works lift replacements has impacted on the manufacture of components due to European annual shut down, resulting in less spend than originally planned. There have been difficulties with the contractor that have now been resolved and had caused some delay to pricing and follow on section 20 consultation.
Variance	(250)	Gutter Clearance	A forecast underspend against the planned programme for this financial year.
Variance	(100)	Asbestos	This is a new work stream, where both a programme and procurement of contractors is being worked on, meaning that is unlikely that there will be a full spend this financial year. It is therefore proposed to realign these predicted underspends to the planned kitchen and bathroom programme to meet the planned spend for this financial year.
Variance	500	Condensation & Damp Works	There continues to be an increase in damp and condensation cases being reported. Spend is being incurred to both combat the initial impacts of damp and mould and provide additional resource to deal with material and structural defects which contribute to damp and condensation. Based on current trends spend at this level is likely to continue until some of the inherent defects in our stock are remedied. The service intends to procure a framework for contractors over the summer period to ensure that value for money is being achieved and spend will be closely monitored through the TBM process.
Variance	480	External Decorations & Repairs	Essential fire safety works were carried forward from last financial year, which required completion. There has also been other essential external works, which relate to fire safety, that has been added to this year programme. Cavity wall insulation is to be assessed in the programme and is being surveyed to ascertain the necessary requirements.

Appendix 5 – Capital Programme Performance

Detail Type	Amount £'000	Project	Description
Variance	310	Domestic Rewire	An overspend is expected against this year's programme, due to increased number of rewires in empty properties and the impact of works resulting from the Electrical Testing Compliance Programme.
Variance	197	Home Purchase Scheme	Current estimations indicate up to 60 homes will be purchased this financial year. If this target is met an overspend of £0.196m is expected. This will be funded from HRA borrowing.
Variance	10	Various schemes	Variances of less than £0.100m: £0.039m Senior Housing Improvements (£0.022m) HRA Owned Playgrounds Refurbishment (£0.007m) Oxford Street

Corporate Services - Capital Budget Summary

Forecast Variance Month 0 £'000	Unit	Reported Budget Month 0 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Chief Executive Monitoring Office	0	0	0	0	0	0	0	0.0%
0	Policy & Communications	0	0	0	0	0	0	0	0.0%
0	Legal & Democratic Services	0	0	0	0	0	0	0	0.0%
0	Life Events	0	0	0	0	0	0	0	0.0%
0	Customer Modernisation & Data	0	0	0	0	0	0	0	0.0%
0	Finance	0	0	0	0	0	0	0	0.0%
0	Procurement	0	0	0	0	0	0	0	0.0%
0	HR & Organisational Development	177	0	0	0	177	177	0	0.0%
0	IT & Digital	8,136	260	0	0	8,396	8,396	0	0.0%
0	Welfare Revenue & Business Support	526	0	0	0	526	526	0	0.0%
0	Housing Benefit Subsidy	0	0	0	0	0	0	0	0.0%
0	Communities, Equalities & Third Sector	0	0	0	0	0	0	0	0.0%
0	Contribution to Orbis	0	0	0	0	0	0	0	0.0%
0	Total Corporate Services	8,840	260	0	0	9,100	9,100	0	0.0%

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	Amount £'000	Project	Description
IT & Digital			
Reported at Other Committee	260	IT&D Data Program	Reported at Other Committee as part of the DDaT Program

New schemes to be added to the Capital Programme for 2024/25 to be Approved

New Capital Project Approval Request	
Directorate:	City Services
Unit:	City Transport
Project Title:	Middle Street SuDS in Schools
Total Project Cost (All Years) £:	£385,000

Purpose, Benefits & Risks:

Brighton & Hove City Council is developing an exemplar project as part of the DfE's Sustainable Drainage Systems (SuDS) in Schools Project launched in October 2022. The Middle Street Primary School - Climate Resilient Playground Project is designed to showcase SuDS features to promote greater understanding and take up of sustainable drainage principles and techniques in projects across the city. This project follows BHCC's partnership involvement in the successful completion of three SuDS in Schools projects between 2019-2023.

Internal school flooding from both surface and foul water has impacted on teaching time, pupil welfare and school costs, and continues to present a financial, environmental and health, safety & well-being risk to the school, its staff and pupils. It is estimated that the costs of clear-up has been £35,000, with further incidents to date as yet uncoded.

As well as addressing flood risk and reducing the pressure on the combined sewer system, there are additional benefits to the school we will demonstrate in this project:

- Increasing biodiversity in the school grounds
- Increasing shade and reducing impact of urban heat
- Improving air quality in the playground
- Involving pupils in designing and implementing changes within their school
- Improving playground spaces with new and interesting features
- Increasing opportunities for cross-curricular outdoor education
- Educating pupils and the wider community about water, climate and biodiversity.

This tender is for the construction of the playground and its features, which includes demolition and removal of existing playground material, levelling and resurfacing of playground areas using specified materials, diverting rainwater from the roof and surface water from playground areas, and the installation of a range of SuDS features including rain garden planters with erosion and flow control. Play features include a new stage area, sandpit, seating and an archway are included in the specification.

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
Variation from existing SuDs capital budget	200					200
Water Surface Reserve	100					100
Department for Education grant	30					
Middle Street Primary School Contribution	25					25
Southern Water Services Contribution	30					30
Total Estimated Costs & Fees	385					385

Financial Implications:

Funding has been secured from the existing SuDS scheme budget and the Surface Water Management reserve. ,Additional contributions will come from Southern Water, Department for Education contributions and contributions from schools budgets. Further funding is being sought from the Environment Agency and the Southern Regional Flood and Coast Committee which if successful will reduce the reserves contribution The estimate costings include Optimism Bias and Risk as detailed in HM Treasury Green Book guidance.

The revenue maintenance costs will be met from the Middle Street School maintenance costs.

New Capital Project Approval Request	
Directorate:	City Services
Unit:	Culture, Tourism & Sport
Project Title:	Sand Sports Hove Beach Park
Total Project Cost (All Years) £:	£400,000

Purpose, Benefits & Risks:

The sand sports area was omitted from the Hove Beach Park project during value engineering as detailed in the Kingsway to the Sea SFCR Committee report in June 2023. The report highlights sand sports as one of the areas to reinstate, if funds became available. There was significant public support for sand sports received during public engagements held in 2021 and 2022.

Aside from public support, several other benefits have been identified for reinstating the sand sports area within the current programme.

1. The contractor will be delivering the public realm aspects of the build and laying the foundations in preparation for the sand sports tenant to complete all above ground works to the facility.
2. The contractor's price is for groundworks, public realm lighting, footpaths and hard and soft landscaping and will ensure the work can be undertaken within the agreed corporate borrowing sum of £400,000. Having the existing contractor carry out these works will ensure continuity with other areas of the park in terms of the finish and quality.
3. The incoming sand sports tenant/operator will undertake the specialist fit-out of their facility including installation of sports lighting columns and luminaires, fencing and sand.

A number of risks have been identified if the decision is not instructed within the current programme.

1. Look and feel. If the sand sports build is contracted separately there is a risk that the footpaths, hard and soft landscaping would not tie in with the rest of the park. This risk would be increased if these items were sub-contracted out. This seems likely as sand sports operators do not typically handle landscaping and external public realm work.
2. Transition between new and existing areas. The footpath level south of the sand sports area is being raised as part of the contractor's existing work package. If sand sports is not instructed within the current programme there will be a level change from the raised footpath down to the grass lawn which will look unsightly and may require fencing to mitigate fall hazard.

Capital Expenditure Profile (£'000):

Appendix 6 – New Capital Schemes

Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
Borrowing	400					400
Total Estimated Costs & Fees	400					400

Financial Implications:

The borrowing total of £400,000 will be repaid at 4% interest over the 15-year life of the asset at a cost of £36,000 pa. Repayments will commence in 2025/26 the financial year following completion of the works. The incoming sand sports tenant/operator will undertake the specialist fit-out of the facility including installation of sports lighting columns and luminaires, fencing and sand. The Hove Beach Park business plan demonstrates the affordability of the borrowing and maintenance of the park. This includes income collected from existing businesses within the park that would be transferred from the current Seafront Property portfolio budget to the new Hove Beach Park budget, this helps to subsidise the running costs for the park. Costs have also been calculated and included for servicing and maintenance provisions from CityParks and CityClean.

New Capital Project Approval Request	
Directorate:	City Services
Unit:	Culture, Tourism & Sport, Sport & Leisure
Project Title:	Withdean Sports Complex MUGA
Total Project Cost (All Years) £:	£70,000

Purpose, Benefits & Risks:

The Multi Use Games Area (MUGA) at Withdean Sports Complex has been occupied by a Padel Tennis court for the last couple of years. Now Padel Tennis is moving to a new location on the site the intention is to revert back to its previous use as an outdoor sports facility designed to accommodate a variety of sports/activities.

In order to bring the MUGA back into use a refurbishment is required as both the surface and fencing is in poor condition. The proposed new surface will be similar to the adjacent Tennis/Netball courts and used for a variety of sports as before. This will allow flexibility to provide a wide range of activities to maximise participation. It is hoped that these will include Basketball (3v3), Netball, Pickleball, Tennis and Mini Tennis – depending on the planning requirements. Currently there is no level access for people with impaired mobility via the pedestrian gate as there is a curb and gravel French drain. Therefore, access for users with impaired mobility needs to also be improved to increase accessibility and enable inclusive use.

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
Reserves	50					50
Section 106 Contribution	20					20
Total Estimated Costs & Fees	70					70

Financial Implications:

Funding will be met from Section 106 contributions and the departmental sports facilities reserve. Once completed the new facility will be operated by Freedom Leisure (FL) as part of the sports facilities contract. There will be no ongoing expenditure or maintenance implications for BHCC as all ongoing costs would sit with Freedom Leisure. The delivery of this project as part of the ongoing sports facilities investment plan and development of Withdean as the North Sports Hub will (with the other recent capital projects) help make the site a more financially sustainable proposition for the procurement of the future Leisure Management contract.

New Capital Project Approval Request	
Directorate:	City Services
Unit:	Culture, Tourism & Sport, Sport & Leisure
Project Title:	Stanley Deason Leisure Centre – All Weather Pitch
Total Project Cost (All Years) £:	£500,000

Purpose, Benefits & Risks:

The astroturf all weather pitch at Stanley Deason Leisure Centre has far exceeded the end of its predicted lifespan and is in need of replacement. It is used by numerous recreational football and hockey groups as well as GBMET and Brighton College and is extremely popular. It is a BHCC contractual responsibility to ensure the facility is replaced and if not replaced then Freedom Leisure as our Operator could claim under the terms of the contract a loss of income if the pitch had to close. A report was undertaken by a specialist synthetic pitch surfacing company in August 2023 to assess the condition of the existing pitch and indicative cost of a new pitch. A replacement pitch along with associated fencing was recommended within 12 -24 months at an indicative cost of £0.358m. To allow for inflation, increasing construction costs and professional fees a budget of £0.500m is currently considered more realistic. The funding will need to come from existing sports facilities reserves, borrowing and direct revenue funding in future years.

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
Revenue Budget	50	50				100
Borrowing		300				300
Reserves		100				100
Total Estimated Costs & Fees	50	450				500

Financial Implications:

The project will be met from a combination of revenue budget contributions, sports facilities reserve funding and borrowing which will be repaid over 10 years at a cost of circa £36,000 pa from income generation. Once completed the facility will be operated by Freedom Leisure (FL) as part of the sports facilities contract as per the current situation. There will be no ongoing expenditure or maintenance implications for BHCC as all ongoing costs would sit with Freedom Leisure. The delivery of this project to replace the life expired existing facility will improve our asset within the sport facilities portfolio and will make the site a more financially sustainable proposition for the procurement of the future Leisure Management contract. There will however be a requirement for an ongoing sinking fund to enable capital replacement by BHCC again in 10+ years.

New Capital Project Approval Request	
Directorate:	City Services
Unit:	Culture, Tourism & Sport, Sport & Leisure
Project Title:	Moulsecoomb Community Leisure Centre 3G Pitch
Total Project Cost (All Years) £:	£800,000

Purpose, Benefits & Risks:
As part of the wider Moulsecoomb Housing and Hub (MHHP) regeneration project there is requirement to re-provide sports facilities due to the MHHP building on the existing MUGAs which are part of Sports Facilities portfolio. Planning permission has already been achieved and the delivery of the pitch is also a key improvement proposed by the Sports Facilities Investment Plan 2021-2031 (SFIP). The Sports Facilities Team are in conversations with the Football Foundation (FF) and Sussex County Football Association in respect of applying for grant funding and will look to match fund from available S106 monies and existing revenue budget. The decision in respect of the Football Foundation grant is anticipated to be January 2025 and a proposed start on site shortly afterwards by March 2025. It is considered that proceeding with delivery of the 3G pitch as a separate project in advance of the main MHHP is a positive step - as it requires separate specialist contractors and there is also the potential for FF funding to assist with it's viability and delivery.

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
Revenue Budget		50				50
Football Foundation Grant		600				600
Section 106 Contribution	50	100				150
Total Estimated Costs & Fees	50	750				800

Financial Implications:
The funding for the works will be met from Section 106 contributions and Football Foundation Grant (amount to be confirmed). There will also be match funding contribution from the sports revenue budget. Once completed the new facility will be operated by Freedom Leisure (FL) as part of the sports facilities contract (if the associated S77 Secretary of State Approval is confirmed). There will be no ongoing expenditure or maintenance implications for BHCC as all ongoing costs would sit with Freedom Leisure. A sinking fund will also be required with £0.025m per annum being allocated into reserves for the capital replacement of the 3G surface in 8-10 years' time. This will be paid to BHCC by Freedom Leisure as the Operator. The delivery of this project as part of the SFIP will add another new capital project and asset to the sports facilities portfolio and will make the site a more financially sustainable proposition for the procurement of the future Leisure Management contract.

New Capital Project Approval Request	
Directorate:	City Services.
Unit:	City Transport - Traffic Control
Project Title:	DfT Traffic Signal Obsolescence Grant (TSOG).
Total Project Cost (All Years) £:	£118,547

Purpose, Benefits & Risks:
To upgrade traffic signal systems, replacing unreliable and obsolete equipment to improve reliability and performance.

Capital Expenditure Profile (£'000):						
Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
<i>Government Grant (Department for Transport)</i>	119					119
Total Estimated Costs & Fees	119					119

Financial Implications:
The project will be funded from Department for Transport capital grant. Grant award to be spent between 1 st April 2024 and 31 st March 2026. Ongoing revenue costs will be met from existing transport budgets.

New Capital Project Approval Request	
Directorate:	Housing, Care and Wellbeing
Unit:	Adult Social Care Provider Services
Project Title:	Relocation of Independence at Home Service
Total Project Cost (All Years) £:	£211,000

Purpose, Benefits & Risks:

The BHCC run home care service, Independence at Home, is based at Beech Cottage, Warren Rd, Brighton and Hove, Brighton BN2 6DA. This provides a base for the service such as office space for rota planning, duty service, collection, point for PPE uniform storage, meeting rooms for supervision.

It has been identified that this service base could be relocated to Craven Vale Resource Centre, thus allowing Beech Cottage to be utilised in a different way or sold.

The relocation to Craven Vale Resource Centre requires changing some currently under-utilised space into an area suitable for office use. Both services are focussed on reablement support to our customers, with Craven Vale being a bedded reablement service such as for people being discharged from hospital, and Independence at Home providing reablement in people's own homes. This bringing together of both of the services into one building not only improves utilisation of buildings and allows for the repurposing or sale of a building (Beech Cottage) but also brings together 2 reablement services under one roof, which can enhance joint working, such as the ability to better share the skills of our therapy resource, and supporting a smooth transition for people from the bedded unit into their own homes.

This project would meet the following Council priorities:

Council Plan Outcome 3: A Healthy City Where People Thrive

- Living and aging well: Our goal is to promote and improve health and wellbeing, to reduce health inequalities, and to support people to live independent and fulfilling lives.

We will: provide joined up services and ensure everyone has access to the information, advice and services they need.

We Will: develop joined-up community teams so that health, care, and community services work together.

Council Plan Outcome 4: A Responsive Council with Well-run Services

- Good governance and financial resilience
We will: concentrate on the best management possible of available council resources by seeking value for money and best use of our assets
- We will: ensure that our council buildings, schools, facilities and vehicles are well-maintained and used effectively and efficiently

It also meets with Council Workstyles Policy which aims to help the Council maximise use of its operational property portfolio and ensure customer service delivery is a focus of all accommodation plans.

Risks identified are:

- Disruption to current residents at Craven Vale during building work. This will need to be mitigated by good engagement with residents and families and considerate construction practices
- Lack of expansion space for Craven Vale reablement beds due to any additional areas being used by Independence at Home. This is mitigated by good planning arrangements and the ability to use other spaces/rooms at Craven Vale if additional bedded reablement is required
- Disruption to staff at Independence at Home due to a location move including issues with transport and parking. This is mitigated by engagement with staff and unions as to the plans, which include a consideration of travel and parking. Human Resources Team have been consulted as part of this proposal.
- Unplanned increase in building costs. This is mitigated by the experience of the Property and Design Team in planning costs which include 10% contingency budget.

Capital Expenditure Profile (£'000):

Funding Source (see guidance below)	2024/25	2025/26	2026/27	2027/28	2028/29	Total All Years
<i>Borrowing</i>	211					211
Total Estimated Costs & Fees	211					211

Financial Implications:

The scheme is to refurbish a building already in use and owned by the Council. As with all capital projects there is the risk of cost overruns but a 10% contingency has been built into the estimate. The project will require additional borrowing which will have a revenue impact. It is estimated that borrowing £0.211m over 25 years would cost £12,000 per annum. If this project goes ahead it will result in Beech Cottage being vacated and available for disposal generating a capital receipt. A formal market valuation of Beech Cottage is not yet available but will be reported in due course.

Treasury Management Update

The Chartered Institute of Public Finance & Accountancy Treasury and Prudential Codes require quarterly reporting of performance against forward looking prudential indicators. The performance of the council's treasury management activity to the end of May (TBM month 2), measured against benchmarks and the key indicators in the council's Treasury Management Strategy are set out below. The key indicators were approved by Budget Council at its meeting of 22 February 2024.

Investments

The average investment return to 31 May 2024 was 5.33%, outperforming the benchmark rate by 13 basis points (or 0.13 percentage points).

Average Investment Balance (Apr – May) £m	Average Investment return	Average Benchmark Rate*	Difference
93.253	5.33%	5.20%	0.13%

* The Benchmark rate used is the Standard Overnight Index Average (SONIA); a rate administered by the Bank of England based on actual transactions of overnight borrowing by financial institutions.

** Pooled funds have been excluded from this assessment due to volatility of return.

As part of the investment strategy for 2024/25 the council agreed a maximum risk benchmark of 0.05% i.e. there is a 99.95% probability that the council will get its investments back. The benchmark is a simple target that measures risk based on the financial standing of counterparties and length of each investment based on historic default rates. The actual risk indicator has varied between 0.004% and 0.006% between April 2024 and May 2024, reflecting the high proportion of investments held in high security and/or very liquid investments. It should be remembered however that the benchmark is an 'average risk of default' measure and does not constitute an expectation of loss for any particular investment.

Investment Risk benchmark	0.050%
Maximum investment risk experienced to August	0.006%

Borrowing

The table below shows the Council's total external borrowing and average rates as at 31 May 2024, split between the General Fund and the HRA:

	General Fund Borrowing £m	HRA Borrowing £m	Total Borrowing	Average Rate
PWLB	151.692	182.925	334.617	2.78%
Market Loans	16.251	18.749	35.000	4.33%
Total borrowing	167.493	201.674	369.617	2.92%
Average Rate	3.08%	2.79%	2.92%	

The table below shows the forecast of the Capital Financing Requirement (CFR) for both the General Fund and the HRA at TBM month 2 compared to the estimate within the 2024/25 strategy approved in February 2024.

Appendix 7 – Treasury Update

The General Fund Capital Programme forecast as at TBM2 includes projects funded by borrowing of £57.505m compared to an original estimate of £49.251m. The increase is a result of reprofiling of projects in the capital programme from 2023/24 into 2024/25.

The under-borrowing position, if no action is taken, is currently projected at £113.628m. The General Fund strategy currently forecasts that the level of reserves and balances in the medium term allows internal borrowing of up to £75.000m, and therefore it is currently expected that external borrowing of £38.628m may be required to support the capital programme.

General Fund Capital Financing Requirement (CFR) – Underlying Borrowing requirement	Original Estimate 2024/25 £m	Revised forecast as at 31 May 2024 £m
Opening General Fund CFR	236.649	234.087
Borrowing Need	49.251	57.505
Minimum Revenue Provision	(11.234)	(10.471)
Closing General Fund CFR	274,666	281.121
GF External Borrowing as at 31 May 2024		167.493
Forecast Under-borrowing		113,628

The TBM HRA Capital Programme forecast includes projects funded by borrowing of £52.888m compared to an original estimate of £62.002m. The reduction is a result of reprofiling of projects in the capital programme from 2024/25 to 2025/26.

The under-borrowing position, if no action is taken, is currently projected at £93.263m. The HRA strategy is to fully borrow to meet its CFR and therefore it is currently expected that external borrowing or borrowing from the General Fund of £93.263m may be required to support the capital programme.

HRA Capital Financing Requirement (CFR) – Underlying Borrowing requirement	Original Estimate 2024/25 £m	Revised forecast as at 31 May 2024 £m
Opening HRA CFR	238.790	242.049
Borrowing Need	62.002	52.888
Minimum Revenue Provision	0	0
Closing HRA CFR	300.792	294.937
HRA External Borrowing as at 31 May 2024		201.674
Forecast Under-borrowing (if no action taken)		93.263

The table below shows that the Council is operating within the Operational Boundary and Authorised Borrowing Limits set within the Treasury Management strategy and has sufficient headroom to cover the borrowing need arising from the year's capital programme.

Borrowing Limits	Operational Boundary £m	Authorised Borrowing Limit £m
Limit set for 2024/25	630.000	680.000

Appendix 7 – Treasury Update

Less: PFI & Leases	34.000	34.000
Limit for Underlying Borrowing	596.000	646.000
Actual External Borrowing at 31 May 2024	369.617	369.617
Headroom*	226.383	276.383

**Authorised Borrowing headroom cannot be less than zero*

The maturity profile of the Authority's borrowing is within the limits set within the strategy.

Maturity Structure of borrowing	Lower Limit set	Upper Limit set	Actual as at 31 May 2024
Under 12 Months	0%	40%	4%
12 months to 2 years	0%	40%	3%
2 years to 5 years	0%	50%	3%
5 years to 10 years	0%	75%	7%
Over 10 years	40%	100%	83%

Productivity Plan: Brighton & Hove City Council

1. How have you transformed the way you design and deliver services to make better use of resources

Council Plan and Priorities

The council has developed a clear and targeted delivery plan for the city of Brighton & Hove ([Brighton & Hove City Council plan 2023 - 2027](#)). Whether people live, work, study or just visit the city, our vision is to create a 'Better Brighton & Hove for all'. A key priority is to provide **responsive and well-run council services** which is particularly pertinent to the Productivity Plan and underpins the direction of travel and future investment in change that the council expects to provide.

However, step increases in the growth in demands alongside reducing government grant funding and limitations on council tax increases have meant the council has had to deliver large annual savings and efficiencies of over £230m since 2010/11 to balance the budget.

Key to improving productivity and delivering substantial savings programmes in latter years has been the use of the council's 'Modernisation Fund' and approach, utilising capital receipt flexibilities since 2016/17. These one-off investment resources have enabled significant restructuring, redesign and modernisation of services, nearly 50% reduction in Admin Officer Buildings and substantial reductions in staffing and cost. The council's Modernisation Fund has been invested in the following key areas to support change:

- Invest-to-Save Business Cases;
- Our Digital Customer programme to generate processing efficiencies and improve the ease of access to services;
- 'Enabling' investments such as project and programme management, specialist support, and training and development of staff and leadership;
- Managing staffing changes i.e. provision for redundancy and pension strain costs to enable severance of staff to reduce overall staffing costs.

Using capital receipt flexibilities, around £49 million has been invested in change and modernisation since 2016/17 which has levered annual savings that have grown to £79 million per annum with a cumulative cash saving of £432 million over the period; a return on investment (ROI) of over 7.5.

Improved Operating Models

Through its Modernisation Programmes and other best practice-led changes and savings initiatives, the council has invested in a wide range of improvements and transformation of its delivery approaches to improve customer service, productivity and economy. Examples include:

- Piloting and then embedding Family Hubs providing a 'front door for families' and access to a wide range of support, guidance and intervention for parents and families in difficult situations. This has been underpinned by a change to the Social Work model now arranged in multi-disciplinary 'Pods' which has improved triage and prevention, maintained the numbers of children in care despite increasing caseload, and reduced reliance on traditional and expensive care models that have poorer long-term outcomes.
- Our Homeless transformation programme focuses on a dual approach of increasing supply through house-building (HRA), home purchase and a Joint Venture affordable housing development programme with Hyde Housing alongside a focused 'move-on' approach developed with DLUHC to ensure people do not become trapped in the homelessness and worklessness cycle.
- The council has also reflected on its 'ways of working' following the pandemic and now has technologies in place that enable staff to work out on location in any of the council's open access

buildings or remotely. This has not only helped to reduce the administrative office footprint substantially (around 50%) but has improved productivity through reduced travelling times, better quality and faster IT equipment, and investment in applications that enhance productivity e.g. Office 365 and MS Teams/Messaging.

Co-Design and Co-Delivery of Services through Partnership

Alongside its critical work with the NHS within the Integrated Care System, the council has also reviewed and re-ignited its Strategic Partnership working with key city partners aimed at engendering a co-design and co-delivery approach to addressing the city's many challenges. This has led to refreshing the membership structure, agreeing a new purpose and terms of reference, and refreshing culture, values and behaviour, for example to enable officers to step back and let partners co-lead. The approach to partnerships aims to increase productivity where services and projects can be delivered collaboratively to improve value for money across stakeholders, not only in the council.

Community and resident involvement is also key and the council has invested in improving its ability to engage and consult with residents, businesses and visitors through a newly developed 'Your Voice' platform and portal.

Measuring Productivity

The council has a set of Key Performance Indicators (KPIs) that reflect different service areas for which it has developed efficient data capture and insight. Through quarterly performance reporting, the monitoring of KPIs helps us to keep track of customer satisfaction, service quality and outcomes, and productivity. Alongside this, each service area has a set of performance indicators and establishes clear service plans aligned to the Council Plan.

The Council Plan not only sets out priorities but indicates clearly how progress against these will be monitored and measured. For example, the priority to achieve a 'Responsive and Well-run Council' includes the following measures:

- Customer satisfaction with council services (supported by a customer insight dashboard);
- Quality and timeliness of responses to customer feedback;
- Staff health, safety and wellbeing data;
- Budget monitoring and achievement of savings/efficiency plans;
- Compliance with information rights and access requests;
- Internal audit results and reviews
- External Audit review of arrangements for Value for Money.

Importantly, the council measures productivity against other local authorities and is an active member of the LGA, Housemark, APSE and other informal performance and benchmarking networks including Cipfa.

The External Auditor's latest review (2022/23) highlighted the council's overall positive progress against its basket of 62 KPI's, its 'strong' use of benchmarking and its arrangements for collaborating and learning from other organisations and local authorities, and its actions to improve contract management and partnership arrangements. The auditor concluded that there were 'no significant weaknesses in the council's arrangements for securing economy, efficiency and effectiveness from its use of resources'.

Future Modernisation, Investment and Productivity Opportunities

The council has identified a range of opportunities linked to its Council Plan priorities which will determine where investment to improve or enhance service delivery is required but will also help to identify where investment to improve value for money and productivity in other services is required to free up resources and capacity for priority areas. The council's majority Administration is working

to develop a more aligned Modernisation Programme and Capital Investment Programme.

2. [How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources](#)

[Digital, Data & Technology \(DDaT\) Strategy](#)

The council is initiating a data programme as part of its **Digital, Data and Technology Strategy** and portfolio (see [DDaT Strategy](#) which is currently being revised). Detailed scoping of programme workstreams will be part of the initiation process, but there are expected to be several initiatives which will aim to improve data quality. These include benchmarking data quality, building an enterprise data catalogue and establishing data governance and data standards.

Our ambitions for a revised DDaT Strategy are as follows:

- Development of our Citizen ID form, linked to our MyAccount service (over 172,000 accounts) and our complex 'Customer Index' that matches data and people to capture information and ensure people only have to 'tell us once';
- Using technology to link data and develop a single view of a person or family and using the data to prioritise service provision;
- Further development of Digital Forms (over 300 transactional forms already exist) to standardise contact and transaction, incorporating more on-line payments;
- Using technologies to develop automated workflows to improve productivity and customer service, for example, by converting emails into contact management casework;
- Optimising the use of available app's and tools such as PowerBI to improve data mining and analysis.

3. [Your plans to reduce 'wasteful spend' within your organisation and systems](#)

[Optimising the Use of Resources](#)

The examples given above show how the council is aligning its spend and investment with Council Plan priorities, including aiming to be a responsive and well-run council. The severe resource and funding constraints placed on the authority over the last decade or so in the face of growing costs and demands has led to very significant annual savings requirements to balance the budget which means all areas of service are striving hard for greater economy and efficiency to make the money go further. Our approach to ensuring that our use of resources, including staffing, is optimised places strong reliance on:

- Our business case approach to investment ensuring effective review and appraisal of modernisation and capital investment proposals aligned with priorities;
- Keeping under review our organisational structure and considering our management and administration costs and efficacy. A recent Organisational Redesign has streamlined the number of directorates and is currently working through opportunities for further efficiencies across similar functional areas such as business and admin support;
- Achieving channel shift through digital and technological investment to speed up processing and reduce costs.

Examples of the council's effectiveness in challenging and driving down costs and improving productivity include:

- Eliminating the use of expensive Children's Social Worker agency cover and reducing other staffing agency costs in 2023/24 by 17% year-on-year;
- Restricting the use of 'consultancy' to the support of service or programme delivery only where it is used for a time-limited period and where it would not be financially beneficial or practicable for the council to employ and retain expertise internally;

- Sharing services with other councils including IT & Digital, Internal Audit and Procurement services with Surrey and East Sussex County Councils through our Orbis Partnership of which Brighton & Hove is a founding partner;
- Procuring and commissioning many services with partners or neighbouring councils including our major Waste PFI Contract managed jointly with East Sussex County Council.

EDI Spending

The government has asked about EDI spending. In 2023/24, spending on instructor-led courses for staff EDI training was approx. £11,000. BHCC has 4 employee networks and each network has a annual budget of £1,000 to spend on activities and events. There is an average of 5 members on each network steering group and they are allowed up to 11 hours per month to engage in network-related activity during their normal working hours. There are 4 EDI Champions: each employee network has 1 EDI Champion who is also a member of the Corporate Leadership Team.

4. The barriers preventing progress that the Government can help reduce or remove.

Local Government Association - Local Government White Paper

This council fully endorses the LGA's White Paper which was recently published ([Local Government White Paper | Local Government Association](#)). In particular, we support the resetting of an equal and respectful partnership between local and national government including clear longer-term plans and agreements, multi-year financial settlements, and avoidance of bureaucratic and arbitrary funding and bidding processes. There are also many areas where councils could be more productive or achieve greater value for money with changes in national policy or practice, including:

- Greater powers to tackle empty properties and second home ownership;
- Greater influence over transport policy and funding to meet local need;
- Fully devolving the Adult Education Budget and the Apprenticeship system to ensure local workforce and skills development needs are met.

Funding Reforms and Flexibilities

The system of local government finance is clearly no longer fit for purpose. Reforms of local taxation and much greater local choice and control over funding sources are minimum requirements for the future survival and sustainability of the sector. In particular, we would advocate for:

- 100% business rates retention and devolution of stamp duty and/or retention of a share of income tax and VAT generated locally;
- Reform of Council Tax and bands to ensure this tax is progressive as intended;
- Removal of 'excessive Council Tax' rules to enable local decisions on Council Tax increases;
- Tax increment financing;
- Resolution of the long-term funding reform of Adult Social Care;
- Complete overhaul of Business Rates to ensure a level playing field between businesses located on high streets and those operating mail order businesses including e-commerce taxation;
- Local discretion over all fees, charges and fines;
- The ability to set new levies, such as a tourism levy to support areas under significant pressure from visitors;
- Continuation and extension of local flexibility to apply capital receipts to lever change and modernisation;
- Funding for new affordable homes, reducing national homelessness and housing benefits costs;
- Aligning NHS and Local Government long-term funding settlements.

Brighton & Hove City Council

Cabinet

Agenda Item 35

Subject: Ageing Well Services

Date of meeting: 18 July 2024

Report of: Cabinet Member for Adult Social Care, Public Health and Service Transformation

Contact Officer: Name: Director Public Health

Email: Corporate Director: steve.hook@brighton-hove.gov.uk

Report author: David.brindley@brighton-hove.gov.uk

Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

- 1.1 This report seeks cabinet approval to commission Ageing Well Services for the city for a further six-year period (4 +2).
- 1.2 The Ageing Well service began in 2019 and the existing contract runs until 30th March 2025.
- 1.3 This service supports delivery of the four overarching outcomes of the council plan (see *also* section 3.23). Ageing Well is an investment in our Voluntary Community and Enterprise Sector (VCSE) and will deliver value for money; a systematic review on the return on investment of public health interventions, demonstrated that for every £1 invested in public health, £14 will subsequently be returned to the wider health and social care economy¹. It will enable people to continue to live healthy, happy, and fulfilling lives by promoting better health and wellbeing and support people as they age. The service will provide easily accessible and welcoming information and advice, and the support people need, which, will in turn reduce and delay the need for Adult Social Care services. Ageing Well is a key element in the public health programme to make Brighton & Hove an age and dementia friendly city.

¹ Masters R, Anwar E, Collins B, et al. J Epidemiology & Community Health 2017;71:827–83

- 1.4 Ageing Well is a key service in the delivery of the Brighton & Hove Joint Health & Wellbeing Strategy (HWBS) ambitions for Brighton & Hove to be a place where people can age well and be supported to reduce loneliness and social isolation.
- 1.5 It will reduce the risk of falls for older people where more people will be helped to live independently in the community by services that connect them with their communities.
- 1.6 Ageing Well has strong links and working relationships with other local services delivering on the HWBS outcomes, including the Carers Hub, BHCC Healthy Lifestyles Team and Adult Social Care, Social prescribing, and the NHS Falls Prevention and Memory Assessment services.
- 1.7 Continued investment in Ageing Well supports the Local Authorities public health duty responsibility for improving the health of our local population and supports improvement on several key public health outcomes from the Joint Strategic Needs Assessment ².
- 1.8 Ageing Well is a Public Health and NHS universal prevention service open to anyone in the city aged 50 and over and not just those in receipt of Care Act support. It is delivered by a partnership of 11 CVS organisations. Its aims are to reduce social isolation and loneliness, promote good health and wellbeing, prevent ill health, and enable people to remain independent. The service does this by providing a broad programme of services, support, and activities, including befriending, physical activity, social and cultural groups, information and advice, and activities for people from LGBTQ and BRM communities. All activities are accessible via a Single Point of Contact (SPOC) which is accessed by freephone or email. The phone line is staffed by people and there are no automated options.
- 1.9 Ageing Well has delivered well on the objectives, and there has been a significant year-on-year increase in the numbers of people accessing the service; the total number of people accessing Ageing Well support has grown from 4,818 in the first year of delivery to 14,466 during year five, a 200% increase.

2. Recommendations

- 2.1 Cabinet approves the procurement of Ageing Well services for a further six-years (four + two)
- 2.2 Cabinet agrees to delegate authority to the Corporate Director of Housing, Care and Wellbeing to carry out the procurement and award of a contract for a Brighton & Hove Ageing Well Service with a term of six years (four + two)

3. Context and background information

- 3.1 The population profile of our city is changing; according to the 2021 census, the overall population of our city has only increased by 1.4% (3,800), since 2011, but:
 - The 65+ population has increased by 9.5%.
 - There are 20% more adults aged 65 to 77 (4,341), and

² <https://www.brighton-hove.gov.uk/joint-strategic-needs-assessment-jsna>

- 32% more adults aged 48 to 62 (13,826)
- 3.2 13,875 residents aged 66+ (38%) live alone, which is significantly higher than in the South-East (30%) and England (31%)
 - 3.3 There are approximately 9,271 older people living in income deprivation in our city (2019), 18.7% of all people aged 60 or over. This is the second highest proportion in the South-East region.
 - 3.4 The population of our city is getting older and for many of our residents that will come with increasing health and care needs. Without action to support our population to age well and improve the lives of local people by supporting them to live healthier for longer and making sure they have access to the best possible services when they need them³, we will see significant increases in demand for health and social care services.

I. Background

- 3.5 The Ageing Well service has been jointly commissioned by BHCC and NHS Sussex Integrated Care Board (ICB) since 2019.
- 3.6 Under their public health duties, Local Authorities are responsible for improving the health of their local population. Ageing Well supports improvements in the following public health outcomes:
 - Inequality in life expectancy at age 65.
 - Healthy life expectancy at age 65.
 - Loneliness: % of adults who feel lonely often or always or some of the time.
 - Social isolation: % of adult social care users who have as much social contact as they would like.
 - Social isolation: % of adult carers who have as much social contact as they would like.
 - % of physically active adults.
 - Emergency hospital admissions due to falls in people aged 65 and over.
- 3.7 Previous model of support to age well in the city consisted of 19 separate grant contracts, for varying amounts and activities, spread over 12 different Voluntary, Community, Sector Enterprise (VCSE) organisations.
- 3.8 In 2018 health and social care partners ended the above grants and tendered for a new citywide 'Ageing Well' service with a single point of contact.
- 3.9 The contract was awarded to a 'lead provider' - Impact Initiatives - who are responsible for sub- contracting partners (initially 7 now 10).
- 3.10 Contract duration 4 years + 2 - contract expires March 31st, 2025.
- 3.11 The 11 Ageing Well partners (appendix 1) offer a wide programme of services and activities which are all accessible via the SPOC. Activities available include centre- based groups & activities, befriending, Information and advice, Multi-cultural activities, LGBTQ specific activities, nutrition support, and psychosocial Activities for people living with dementia. The

³ Improving Lives Together <https://www.sussex.ics.nhs.uk/wp-content/uploads/sites/9/2023/07/Improving-Lives-Together-Shared-Delivery-Plan.pdf>

service also delivers an annual two-week Ageing Well festival to celebrate ageing. The SPOC links people up with the right support for their circumstances. It can be accessed by the individuals themselves, or by their carer's, or by health and care professionals.

- 3.12 Overall, the service has performed consistently well over the life of the contract and the benefits of having an integrated service to support people as they age, with access via a single 'front door', was clearly demonstrated through the pandemic. The service was able to flex delivery through a combination of telephone, postal, online and doorstep support and became the central point for food and meal support for anyone aged 50+.
- 3.13 The total number of people accessing Ageing Well services has grown from 4,818 in the first year of delivery to 14,466 during year five, a 200% increase.
- 3.14 The annual value of the contract is £757,957, which breaks down as £452,957 from the public health ringfenced grant and £305,000 from the NHS Better Care Fund.

II. Recommission

- 3.15 We are proposing to commission Ageing Well for a further six years (4 + 2) through an open tender process.
- 3.16 BHCC will run the procurement and award the contract.
- 3.17 Commissioners believe this proposal can offer a high level of social value and this is reflected in 25% of the quality scoring being for social value.
- 3.18 The maximum value of the new contract will be £3,317,742 (£552,957 pa) over a six-year period.
- 3.19 The funding will come from BHCC public health grant (£452,957) and NHS Better Care Fund (£100k).
- 3.20 As there is reduced NHS funding and no inflationary uplift during the current contract period, we will not be looking to make savings from this procurement, and so the recommended quality/cost scoring ratio is 80/20.
- 3.21 Commissioning Ageing Well will support the council's four strategic priorities set out in its Council Plan 2023-2027, focusing on the following outcomes:
 - Outcome 1: A city to be proud of - grow a diverse and sustainable city economy by ensuring that CVS delivery partners in Ageing Well attract funds from outside the city to invest in the service, and work in partnership with both the local private and public sector to deliver a low carbon and circular economy.
 - Outcome 2: A fair and inclusive city - engagement and collaboration, fight discrimination and embrace diversity, and work to reduce inequality, Ageing Well will work in collaboration with system partners, residents and public and private sector partners to ensure access to support is delivered equitably and fairly across the city, and identify and engage with groups most at risk of a decline in their health & wellbeing, and who face intersectional barriers, to ensure they are able access support.

- Outcome 3: a healthy city where people thrive - enable people to live healthy, happy and fulfilling lives, and provide joined up services and ensure everyone has access to the information, advice and services they need, Ageing Well will ensure people across the city have opportunities to age well and maintain and improve their physical and mental health and wellbeing, and that access to information, advice and support are easily accessible, and that inequalities of opportunity to participate are reduced. Ageing Well will be a beacon for our age and dementia friendly programme and all partners will be signed up to the BHCC age and dementia friendly business accreditation scheme.
- Outcome 4: A responsive council with well-run services - meeting the needs of our residents and other customers, Ageing Well will be a welcoming and inclusive service, maintaining the fully staffed single point of contact freephone number for those who are not online.

III. New Service aims and objectives.

- 3.22 Reduce loneliness and social isolation, promote good health and wellbeing, and support people to remain independent.
- 3.23 Connect people aged 50 and over to primary prevention activities which improve and maintain their health & wellbeing.
- 3.24 Provide a citywide service proportionate to need and tackle inequalities.
- 3.25 Work to ensure there is an equitable delivery/offer of service activities across the city and address any gaps.
- 3.26 Outreach and engage with those identified as being most at risk of a decline in their independence and wellbeing.

IV. New Service Delivery

- 3.27 The new service will build on the best elements of the existing service and maintain the current identity. The name of the service will remain 'Ageing Well' to continue to build brand awareness in the city. Ageing Well will continue to be a citywide service open to anyone aged 50+, with a focus on older adults most at risk of a decline in their health and wellbeing.
- 3.28 Ageing Well will:
- 3.29 Reduce pressure on Health and Care services by offering upstream prevention support to keep people well and independent.
- 3.30 'Make Every Contact Count' by proactively identifying people in contact with the service who need specialist health and care support and take positive action to link them with appropriate local services.
- 3.31 Be an Age and Dementia Friendly service. All partners will be required to sign up to the BHCC age and dementia friendly business recognition scheme.
- 3.32 Deliver the annual two week Ageing Well festival.
- 3.33 Offer meaningful volunteering opportunities for adults aged 50+.
- 3.34 Involve older adults in the design and delivery of the service, utilising the rich experience of people aged 50+ in our city.

3.35 The new service will deliver ‘a connection hub’, and ‘evidence-based activity provision to support health & wellbeing’.

3.36 The Ageing Well Connection hub will:

3.37 Have a single point of contact which is accessible to both professionals and members of the public, providing information, signposting, and support.

3.38 Offer a clearly accessible advice service.

3.39 Engage and work with people in local communities and communities of interest to promote Ageing Well and ensure support is accessible and meets the needs of those most at risk of a decline in their health and wellbeing.

3.40 Pilot innovative methods to capture equalities monitoring information.

3.41 Work with the developing Integrated Community Teams (ICTs) to build clear pathways into Aging Well support for patients and clients who would most benefit e.g. those at risk of frailty.

3.42 Work with providers across the city to ensure there is equitable provision of primary prevention support for people aged 50+ in Brighton & Hove.

3.43 Represent and advocate for the needs of people aged 50+ at strategic partnership steering groups and boards in Brighton & Hove.

3.44 Provide and coordinate a volunteer ‘buddy’ programme. The role of the volunteer buddies will be to support and connect people aged 50+ lacking confidence to access primary prevention activities. Note this programme will not accompany people to health and care appointments.

3.45 **Activities delivered directly by Ageing Well** will be provided equitably across the city, proportionate to need. Where gaps or over provision are identified the service will flex delivery in response.

3.46 Activities must be easily accessible by public transport and participants supported to access this transport with clear information.

3.47 Ageing Well will offer a range of evidence-based leisure, physical, cultural, and social activities which will improve and maintain independence and support health & wellbeing. These activities will operate under the following categories and headings:

- Arts and crafts and other creative activities – including dance, drama, and singing.
- Community-based physical activity programmes including strength and balance to reduce the risk of falls.
- Digital delivery and support
- Intergenerational activities - particularly those that challenge ageism and stereotypes about ageing.
- Hobbies and interests - education, and other learning opportunities.
- Befriending
- Good nutrition

4. Analysis and consideration of alternative options

4.1 We have analysed the following three options and have come to the conclusion that option 2 is the preferred route.

4.2 **Option 1 – End current contract and take no further action.**

- 4.3 As outlined in the context section of the report, Brighton & Hove has an increasing older population, and, with the migration of older people to coastal and rural areas, as outlined in the Chief Medical Officers report of 2023 ⁴, this trend is likely to continue, bringing with it, for some, increasing frailty, multiple debilitating or degenerative conditions, discomfort, and loneliness.
- 4.4 Without an Ageing Well service, supporting people to age well and retain optimum independence, the demand for health and social care services, in the home and in residential and hospital settings, will increase, and the Local Authority will be at risk failing in its public health duty to improve the health of its local population.
- 4.5 **Option 2 – Open Tender for single contract (preferred)**
- 4.6 Commissioning Ageing Well will support the City Council to meet the needs of their ageing population and offer value for money and delivers integration of health and social care in a way that supports person-centered care, sustainability and better outcomes for people and carers.
- 4.7 Universal prevention services such as Ageing Well are effective at supporting people to age well and can reduce demand and spend on local authority services, for example The Adult Social Care Access Point can reduce the need for Care Act Assessments by diverting appropriate customers to Ageing Well support at an early stage. As referenced earlier for every pound spent on public health services there is a return on investment of £14.
- 4.8 There are significant internal benefits in managing a single point of contact and one contract. This model also facilitates the potential bidding option of a lead provider working with smaller sub-contractors, opening up access to specialist expertise.
- 4.9 A price cap will be used, in response to the reduced funding for the new contract. Therefore, an 80/20 Quality/Price split is proposed, as there will be little variation in the prices of submitted bids.
- 4.10 **Option 3 – Split service into smaller pots**
- 4.11 Prior to the current contract, the services were fragmented under a number of smaller grants. This resulted in duplication of costs and contract management was spread very widely across a large number of providers. Returning to this model is not deemed practical and would result in a larger portion of the contract value being used for overheads of the individual organisations.

5. Community engagement and consultation

- 5.1 The following engagement and consultation activities have helped support and shape the Ageing Well proposal:
- In early 2024 the 11 Ageing Well delivery partners combined to conduct a 'Lived Experience Engagement' survey seeking the views of both customers of Ageing Well and older people who are not

⁴ Chief Medical Officer's annual report 2023: health in an ageing society

engaging in support. This survey was conducted both online and through paper versions and a total of 351 responses were received.

- Age UK Brighton & Hove, LGBTQ Switchboard, and Time to Talk Befriending have all carried out service user engagement in the past year and shared results and reports with the BHCC commissioner.
- All 11 current Ageing Well partner organisations were consulted on future Ageing Well commissioning plans at 1:1 meetings with the public health commissioner during February and March 2024.
- An Ageing Well market engagement event to consult on our plans was held on June 6th, 2024, and attended by representatives from 17 local voluntary sector organisations.
- The cabinet lead member Councillor Burden and Ageing Well policy lead Councillor Galvin were consulted on the 31/05/24, and the procurement lead member Councillor Robinson was consulted on the 10/06/24.

6. Financial implications

- 6.1 The proposal to commission Ageing Well for a further six years through an open tender process is anticipated to cost £3,317,742 (£552,957 pa) over a six-year period. This is within budget with funding coming from:

- BHCC public health grant £453k
- Better Care Fund £100k (NHS contribution).

Name of finance officer consulted: Louise Hoten Date consulted: 20/06/24.

7. Legal implications

- 7.1 Council is required to comply with all relevant procurement legislation in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Council's Contract Standing Orders will also apply.

Name of lawyer consulted: Daniel Mattess Date consulted: 20/06/24.

8. Equalities implications

Note that the Council has determined that care experience should be treated as a protected characteristic, and this is reflected in the Equalities Impact Assessment template and guidance notes.

- 8.1 An Equalities Impact Assessment was completed when this service was first tendered in 2018. This is currently being refreshed and will be complete to go out with the tender documents. The EIA will inform targeting of priority groups for the new service.

9. Sustainability implications

- 9.1 Three areas in the checklist were identified as having potential positive impacts; these are:

- **Sustainable economy:** Ageing Well will provide volunteering and employment opportunities for residents in Brighton & Hove.
- **Sustainable transport:** Activities provided by Ageing Well must be easily accessible by public transport and information on bus numbers, times and stops etc. provided to attendees.
- **Sustainable procurement:** The commissioner has completed the Specification-writing Tool for Environmental Procurement (STEP) for the Ageing Well commission and will work with the procurement lead to produce matching questions to include in the tender.

10. Health and Wellbeing Implications:

10.1. Ageing Well is a health & wellbeing service and will enhance positive Impacts by ensuring there is equitable access across the city to health & wellbeing support, and, by targeting and engaging with those groups of people most at risk of a decline in their health & wellbeing.

10.2. No negative impacts were identified.

11. Procurement implications

11.1. The procurement lead member was consulted on 10/06/24 and was supportive of the proposals.

11.2. The proposed route to market is an open tender, awarding a contract to a single organisation. This route provides access to the opportunity for all suitable providers, allowing for competition and evaluating the bids to find the most economically advantageous tender.

11.3. The tender will comprise of an 80/20 split, with 80% being weighted to quality and 20% to price. As a price cap will be in place it is expected that there will be minimal variation to the submitted bids, therefore a focus on quality is preferred.

11.4. Social Value will form 25% of the quality evaluation, providing further opportunity for securing positive impact on local priorities, with clear commitments to outcomes for: -

- A diverse, fair and inclusive city meeting the needs of those at risk of decline in health and wellbeing.
- Resilient communities, involving older adults in the design and delivery of services including volunteering opportunities and buddying.
- A prosperous city, delivering partnerships and collaboration opportunities in Brighton & Hove.

11.5. These services fall within the ambit of the Light Touch Regime of the Public Contracts Regulations 2015 for purchasing social care services and other specific services which exceed the relevant lifetime contract value threshold of £630,540.

- 11.6. The LTR provides more flexibility and freedom in the procurement approach with emphasis on the principles of fairness, transparency, and equal treatment.

Other Implications

12. Crime & disorder implications:

- 12.1 There are no crime and disorder implications.

13. Conclusion

- 13.1 Commissioning the city's Ageing Well service will support the four overarching outcomes of the council plan, and delivery of the Joint Health & Wellbeing Strategy Ageing Well ambitions and outcomes.
- 13.2 Commissioning public health prevention support can enable our population to age well, is cost effective, and can reduce demand on health and social care e.g. by diverting customers to Ageing Well support and reducing the need for Care Act Assessments.
- 13.3 Ageing Well has delivered on its objectives and its reach and impact have grown over the course of the contract period as evidenced by the significant year on year increases in the numbers of people accessing. A partnership approach to delivery also creates economies of scale & delivers added value.
- 13.4 We are now seeking cabinet approval to commission Ageing Well Services for a further six years.

Supporting Documentation

Appendices

1. Ageing Well current providers

Appendix 1 – Ageing Well current providers.

1. Impact Initiatives
2. Trust for Developing Communities
3. Switchboard
4. Hangleton & Knoll project
5. Together Co
6. Time to Talk Befriending
7. The Clare Project
8. Brighton & Hove Food Partnership
9. Music for Connections
10. Age is a Stage
11. Citizens Advice

Brighton & Hove City Council

Cabinet

Agenda Item 36

Subject: Estate Management

Date of meeting: 18 July 2024

Report of: Cabinet Member for Finance and City Regeneration

Contact Officer: Name: Jessica Hamilton

Tel: 01273 291461

Email: Jessica.hamilton@brighton-hove.gov.uk

Ward(s) affected: All wards

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

1. Purpose of the report and policy context

- 1.1 The current contracts for the estate management of the commercial and agricultural property portfolios expire at the end of March 2025. The council can either bring the service provision for one of both contracts in-house or retender the contracts to be provided by external service providers. This report sets out in further detail the implications of both options.
- 1.2 The recommendations support Outcome 4 of the Council Plan, A responsive council with well-run services, by supporting good governance and financial resilience by:
 - Ensuring the financial sustainability of our services by maximising income where appropriate;
 - Using our assets to support local businesses and city regeneration;
 - Concentrating on the best management possible of available council resources by seeking value for money and best use of our assets.

2. Recommendations

- 2.1 Cabinet agrees to the retendering of the Estate Management Service for the Commercial and Agricultural portfolios for a five year period with an option for up to a two year extension.
- 2.2 Cabinet delegates authority to the Corporate Director City Services, in consultation with the Cabinet Member to:
 - (a) Award the contract following the recommendations of the working group evaluation panel and the results of the tendering process; and

- (b) Approve an extension of up to two years to the contract if required dependent upon performance.

3. Context and background information

- 3.1 The council owns a large commercial property investment portfolio and also a large agricultural estate. The agricultural estate forms a large majority of the council's City Downland Estate (CDE).
- 3.2 The Commercial Portfolio was historically acquired for road widening schemes, slum clearance and to create industrial estates to support local housing. It is mixed but weighted towards retail, with industrial estates. In more recent years, before changes to the Public Works Loan Board (PWLb), the council acquired two multi-let office buildings to re-balance the portfolio – Phoenix House and Lyndean House. In addition, the council has vacated and let the third and fourth floors of Bartholomew House and so this building now also forms part of the Commercial Portfolio.
- 3.3 For the Commercial portfolio income generation is a key strategy to support the council's service provision but the portfolio is also managed to support local businesses and economy. In 2023-24 the Commercial Portfolio generated a gross income of **£8,328,064**. The Commercial Portfolio is made up of a wide range of property types and letting arrangements, which includes approximately 700 tenancies, which can be broadly categorised as follows:

Table 1 – Commercial Property Portfolio Tenancy Summary

Retail	Single let units let on full repairing & insuring leases (FRI) in prime, secondary & tertiary locations, including pubs and restaurants. The management contract includes commercial premises in our parks as well as management of the Housing Revenue Account (HRA) retail properties.
Multi let offices & workshop units	Some also have retail uses at ground floor. The management includes managing the service charge for the properties, which are: Hove Technology Centre, Industrial House, Phoenix House, Lyndean House, New England House, Bartholomew House, Arcade Buildings and St James Mansions.
Single let offices	Let on FRI leases
Industrial & Retail warehousing	Often sold on long leases
Lock up garages & parking spaces	Let on individual licences
Telecoms masts	Let on licences, governed by the Electronic Communications Code
Miscellaneous	Petrol station, garden licences, caravan site, sports facilities, residential leased to Housing Associations
Residential	Usually above retail and sold on long leases

- 3.4 The Agricultural Portfolio was acquired to protect the city's aquifer and extends to 10,500 acres let on approximately 70 tenancies, consisting of 16 principle farms which represent 95% of the tenancies by acreage. 75% of the portfolio by acreage is leased out under Agricultural Holding Act tenancies providing the council with very limited control over the land and its use.

- 3.5 As with the Commercial Portfolio the income from the Agricultural Portfolio supports the council's service provision and in 2023-24 the Agricultural portfolio generated a gross income of **£886,392**. The City Downland Estate Plan (CDEP), adopted in 2023, sets out the key objectives for the management of the estate, which are ambitious and complex to deliver. The council has employed a Programme Manager to support delivery of the CDEP and has also set up an external stakeholder group, The Downland Advisory Panel (DAP), to advise the council. The key objectives of the CDEP are:
1. An amenity for all – to ensure residents benefit from the estate, by improving access and recreation opportunities, communicating and celebrating heritage, and facilitating school trips.
 2. Enabling biodiversity to flourish – pursuing activities to achieve greater biodiversity and support carbon reduction by developing a Local Nature recovery Strategy (LNRS), preparing land management plans for key habitats, benchmarking the carbon footprint of our farms and reducing waste.
 3. Sustainable food and farming – encouraging local food production, and the adoption of farming practices to improve sustainability and reduce carbon by preparing Farm Plans setting out targets for each business, supporting the transition to organic, regenerative and carbon zero farming systems, supporting grant application to aid delivery and promoting local food production.
 4. A connected landscape – ensuring management decisions take into account the estate's landscape and strategic views by developing key links between the estate and the city, mitigating the effects of climate change, managing tree planting and woodlands, improving water quality, restoring grassland and protecting dark skies.
- 3.6 The council also retains a large Seafront Portfolio comprising a mixture of retail and leisure uses, which is managed in-house and is therefore excluded from the proposals in this report.
- 3.7 The contract for the estate management of the Commercial Portfolio has been outsourced since 1995 and the Agricultural Estate, as far as officers are aware, has been outsourced since acquisition (early to mid 20th century). The current contracts, which are with Avison Young (Commercial) and Savills (Agricultural) were for five years and extended by two, expiring at the end of March 2025. The estate management services provided are set out in Table 2 below (those in *italics* are specific to the Agricultural Estate):

Table 2 – Estate Management Services

Core Services	Additional/Specialist Services
Rent Collection & debt management	Building services
Rent reviews	Project management
Lease renewals	Planning
Asset valuations	Valuation
Insurance valuations	Specialist Landlord & Tenant (L&T)
Service charge management & auditing	Telecoms

Facilities management & H&S compliance Repairs and maintenance Planned building maintenance Agency – lettings Agency - disposals Landlord consents Surrenders Strategic advice – strategy, development & disposal Tenancy management Void management Insurance claims FOI's, Cllr enquiries, media enquiries etc Report writing & briefing notes <i>Succession</i> <i>Attending DAP meetings</i> <i>Supporting preparation of Farm Plans</i>	Dilapidations Party wall Leasehold enfranchisement
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- 3.8 By outsourcing the estate management functions, the council is supported by a dedicated team of professional staff to manage the council's portfolios on a day to day basis with the additional support of specialist expertise within the organisations, providing the council with a breadth and depth of knowledge, expertise and experience, which would be difficult and expensive to replicate in-house.
- 3.9 The division of property management roles between the council as client and the consultant as service provider allows council officers to focus on policy and strategy whilst ensuring a high level of performance from our service providers.
- 3.10 For outsourcing, the proposed procurement route would be a restricted tender process. This involves an initial open to the market phase wherein any suitable bidder can return a bid against our minimum requirements and a high level quality assessment. Of those that submit the highest scoring five bidders (although this can be lower if less than five suitable bids are received) will progress to the second stage. At the second stage a thorough and in depth quality response will be required alongside a financial submission. These will be evaluated by a panel of officers and the most economically advantageous tenderer will be selected.
- 3.11 The approach will be aimed at a 60% Price 40% Quality assessment. The quality of these services is essential to ensuring that our commercial assets return the highest value but as the restricted procedure allows for an initial quality test the shortlisted providers can be focused more towards costs at the second stage. The quality criteria will be inclusive of Social Value and sustainability questions with specific commitments.
- 3.12 The current service providers have been largely successful in delivery throughout the current contract at the five year term with a two year optional extension and this will be renewed for this contract. An initial five year term allows for the offset of investment in staff and the staff transfer implications and a two year extension allows BHCC to consider both insourcing where appropriate and a variety of procurement routes.

- 3.13 To manage the re-tender process a working group would be established to review and update the contract specifications, evaluation criteria and manage the procurement. If as a result of the re-tender exercise the contract is awarded to new service providers there will be TUPE implications in relation to staff employed by the incumbents.

4. Analysis and consideration of alternative options

- 4.1 An alternative to outsourcing the estate management functions is to insource them. By insourcing the estate management functions, the cost of recruiting, retaining and managing a large team of professional and technical staff including commercial property surveyors, agricultural surveyors, building surveyors, facilities managers, accountants, auditors as well as additional support staff including administrative and finance officers will be borne by the council. The cost of insourcing the estate management functions has been estimated to be £100,000 more than the total 2023/24 contract costs.
- 4.2 In addition to insourcing the estate management functions, specialist services including valuation, planning consultancy and specialist commercial expertise (Healthcare, Landlord & Tenant, Hospitality, Telecoms and Sustainability) would need to be procured as an additional consultancy service. The cost of these additional services has not been estimated.
- 4.3 The main benefit of bringing the service in-house would be to have direct control and accountability and a lack of any potential cultural differences between the council and service provider. There will be TUPE implications in relation to staff employed by the incumbents in bringing the service in house.
- 4.4 The strengths, weaknesses, opportunities and threats of both options, insourcing and outsourcing, are set out in Table 3 below:

Table 3 – SWOT Analysis: Outsourcing and Insourcing

Outsourcing	
Strengths:	Weaknesses:
<ul style="list-style-type: none"> • Split between operational & strategic roles. • Cost effective. • Performance & delivery of service is recorded & monitored. • Dedicated financial services providing service charge auditing. • Recruitment, retention, training & management of professional, technical and specialist staff rests with the service provider. 	<ul style="list-style-type: none"> • Procurement of contracts is time consuming.
Opportunities:	Threats:
<ul style="list-style-type: none"> • Cost and quality will be evaluated as part of the procurement process to identify the most suitable service provider which may achieve improvement on the current service provision. 	<ul style="list-style-type: none"> • Potential conflict between the objectives & culture of the council and those of the service provider. • Potential increase in contract costs.

<ul style="list-style-type: none"> The specification and fee schedule will be amended to update and better reflect the council's requirements. This will include the inclusion of services relating to CDEP and DAP in the general management fee and the exclusion of asset valuation services from the general management fee to allow this element to be procured separately if considered better value. 	
Insourcing	
Strengths:	Weaknesses:
<ul style="list-style-type: none"> Direct control & accountability 	<ul style="list-style-type: none"> Additional salary costs greater than contract costs. Additional management costs; managing additional staff day-to-day, recruitment, training, covering absence etc. Additional Specialist services commissioned on an ad hoc basis at greater cost. Additional software required for service charge auditing and management. Additional costs of bringing the service inhouse.
Opportunities:	Threats:
	<ul style="list-style-type: none"> Success of recruiting professional and specialist staff is not guaranteed. Agricultural surveying in particular would be difficult to recruit to as it is a specialist area. With the exception of the Head of Estates, all current in-house commercial property surveyors within the Estates Team benefit from Market Supplements as the council's salary grading is below market salaries.

- 4.5 The main benefits of outsourcing the contracts are that it provides a cost-effective means of securing a professional and technical team with a wide range of professional and specialist services available as part of the contract without the cost or risk of recruiting, retaining and managing all of the staff required. The potential weakness is possible cultural differences between the council and service provider. There is a need for the service provider to align their principles and management and communication style with that of the council. This is managed by officers via regular review and close communication.

5. Community engagement and consultation

- 5.1 This is not applicable and the incumbent suppliers have been consulted on their role in potential transfer of existing staff and timeline to mobilise a new contract.

6. Financial implications

- 6.1 There are currently no direct financial implications for the council. Budgets within the Estate Team includes the Estate Management Service functions currently provided by Avison Young and Savills. It is anticipated the existing budgets would cover the annual fees following the outcomes of the retendering exercise. These contracts would start at the beginning of 2025/26 and should price be higher than budget, additional service pressure funding would be requested as part of the 2025/26 budget setting process.
- 6.2 It should be noted that bringing the service in house would cost approximately £100,000 more than the 2023/24 expenditure for the Estate Management Service and this excludes the cost of additional external professional services that would still be required.

Name of finance officer consulted: John Lack Date consulted: 12/06/24

7. Legal implications

- 7.1 The Council is required to comply with all relevant procurement legislation in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Council's Contract Standing Orders will also apply.

Name of lawyer consulted: Daniel Mattess Date consulted: 13/06/2024

8. Equalities implications

- 8.1 Not applicable

9. Sustainability implications

- 9.1 The suppliers will be vetted for their commitments to sustainable delivery of this service in the tender evaluation. This will make up a minimum of 10% of the quality evaluation.

10. Health and Wellbeing Implications:

- 10.1 Not applicable

11. Procurement implications

- 11.1 The proposed route to market is a Restricted tender which consists of an initial open to the market stage followed by a shortlisting exercise. A full tender is then let among the shortlisted suppliers.

- 11.2 The shortlisting evaluation will be based on experience and our minimum standards.
- 11.3 The full tender will involve a commercial and quality evaluation split with 60% weighted to costs and 40% to quality.
- 11.4 Social Value will form 10% of the quality evaluation and will encapsulate the Social Value toolkit which will give clear commitments to outcomes against;
- A city to be proud of by creating more opportunities through apprenticeships and local jobs.
 - A well run council with responsive services through sharing knowledge and offering their skills to train council staff and improve our service efficiency.

12. Conclusion

- 12.1 It is considered that outsourcing of the estate management services provides a well resourced and expert service which represents value for money when compared to insourcing the service and quality through performance monitoring and management. It is therefore recommended that the council continues to outsource the estates management services by way of two contracts, for five years, with a performance review and option to extend for a further two years, for both the Commercial and Agricultural Portfolios, and that the procurement process commences.

Supporting Documentation

None

Brighton & Hove City Council

Cabinet

Agenda Item 37

Subject: Corporate Water Supply

Date of meeting: 18 July 2024

Report of: Cabinet Member for Finance & City Regeneration

Contact Officer: Martin Hilson – Head of Building Surveying & Utilities
Kelvin Newman – Energy & Water Manager
Martin.Hilson@Brighton-Hove.gov.uk
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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

1. Purpose of the report and policy context

- 1.1 This report outlines recommendations for the corporate contract provision of water and wastewater services to Brighton & Hove City Council's operational portfolio from 26th October 2024. The Council's current supply contract covers around 380 water supply points with an annual total spend of approximately £1.08m.
- 1.2 The recommendations in this report directly support Outcome 4 of the Council Plan, 'A responsible council with well-run services', specifically supporting good governance, financial resilience, and the best management of council resources.

2. Recommendations

- 2.1 Cabinet grants delegated authority to the Corporate Director of City Services to enter into a call off contract using the YPO (Yorkshire Purchasing Organisation) Central Purchasing Body framework (Water, Wastewater and Ancillary Services – 1181) for the Council's water supply and wastewater services, for a maximum term of 48 months.

3. Context and background information

Background on Water & Wastewater markets

- 3.1 The non-domestic water market in England was deregulated in April 2017, meaning that commercial customers could now choose their own supplier for

water and wastewater retail services or, alternatively, apply for a 'self-supply' licence to administrate the retail element themselves.

- 3.2 There are currently around 20 retailers licenced to supply eligible commercial companies in England. Water and wastewater retail services are defined as billing, meter reading and account management. Retail services are currently the only negotiable cost element of water supply contracts and are estimated to be between 1% and 6% of the total contract value. The remainder of the contract value, and vast proportion of the costs, remain payable to our deemed Wholesaler at fixed rates.
- 3.3 Water Wholesalers are fixed based on geographic location and cannot be changed. The Water Wholesaler for Brighton & Hove City Council is Southern Water. The wholesaler is responsible for the physical supply and removal of wastewater, as well as maintenance and management of the water infrastructure & meters. Wholesaler responsibilities represent approximately 95% of the total contract value.

The Council's Water & Wastewater Supply Provision

- 3.4 Brighton & Hove City Council currently has a retail contract in place with Wave Utilities. This contract was procured under the Yorkshire Purchasing Organisation (YPO) framework for Water, Wastewater and Ancillary Services – 1008. This was approved at the Policy & Resources Committee on the 7th October 2021 and a contract was signed in March 2022. It is due to expire on 26th October 2024.
- 3.5 The council are currently responsible for 400 water supply points across the city, which includes services to corporate buildings, schools, and housing properties. The current annual spend is approximately £1.180m per annum, which is made up of:
- £1.087m paid to Wave Utilities under the YPO contract (4.9% of this payable for retail services, the remainder is passed on to Southern Water as the water and wastewater wholesaler)
 - £0.089m for Council residential supplies – These fall out of the scope of deregulation so cannot move away from their default Southern Water arrangement.

Current Contract Performance

- 3.6 Due to previous issues with contract performance, when the procurement exercise for the existing contract was undertaken, greater weighting was placed on quality and customer service. This meant issues that the Council had encountered with previous retailers such as poor and incorrect invoicing data and low meter reading frequency have been limited.
- 3.7 Query resolution has been much better through the current contract and as consumption data is more accurate, leaks and wastage have been picked up

much quicker. In addition, being billed on actual consumption enables better budget management and revenue forecasting for budget holders.

- 3.8 Since the contract began in March 2022, quarterly meetings have been taking place which run through performance against key performance indicators and query management. Additionally, Active Water Management (AWM) alerts are automatically sent from Wave Utilities to the Energy & Water Team if a site is found to be using more water than usual. This is sensed checked by the team then sent to the relevant site contact for investigation.
- 3.9 Through the contract, ancillary services have been accessed to enable better understanding of consumption data through the installation of Automatic Meter Reading (AMR) devices and various leak detection works. To date, 56 AMR devices have been installed on some of the highest water consuming sites within the portfolio and numerous repairs have been undertaken to eliminate water wastage.

Recommended Route to Market

- 3.10 The preferred route to market offers public sector customers compliant access to a singly appointed supplier via direct award, and defined quality standards supported by robust and verifiable performance indicators. The new YPO framework (Water, Wastewater & Ancillary Services 1181) places even greater emphasis on quality and customer services in their tender evaluation criteria. Consideration has been given to Council Standing order 7.2 (Where multiple appropriate Framework Agreements are available, an assessment is to be carried out to identify which represents the best value for money and meets any other relevant criteria) officers conclude that this is the preferred option.
- 3.11 The main advantages of this route to market are as follows:
- Compliance with public contract regulations.
 - Can call off contract for a maximum term of 48 months.
 - Economies of scale in purchasing.
 - Active water management service delivered for free, helping to increase accuracy of data, and identify wastage and opportunities for efficiency.
 - Access to additional ancillary water efficiency measures such as efficiency audits and Automatic meter reading devices.
 - Terms and conditions identifiable from start of process.
- 3.12 YPO awarded the Water, Wastewater & Ancillary Services 1181 framework to Anglian Water Business (National) Limited trading as 'Wave Utilities' from 1st September 2023. The company was formed by two established regional wholesale companies (Anglian Water & Northumbrian Water Group), who currently work with over 300,000 commercial customers in the deregulated market.

4. Analysis and consideration of alternative options

4.1 Delivering Retail Services In-House 'Self-Supply'

Instead of appointing one of the existing retailers, water deregulation also allows for 'Eligible Customers' to apply for a 'Self-Supply' license from the industry regulator to purchase water & waste services directly from the 'Wholesaler' and to provide their own 'Retail' services.

4.1.1 Potential Advantages

- Self-supply licence holders acquire certain rights within the water market, including membership and voting rights in meetings with MOSL.

4.1.2 Potential Disadvantages

- It has been estimated that an additional resource of 3 FTE would need to be appointed to meet the regulatory requirements of a self-supply license. An additional requirement for consultancy, finance and legal input would also be needed to ensure regulatory compliance. The estimated cost of these posts including on-costs is £100,740 per annum, which would far outweigh any saving from avoiding the retail element.
- Exposure to regulatory risks due to having to meet market performance standards, failure to comply would leave the council liable for penalty charges.
- The council would be subject to the additional cost of the self-supply application and on-going annual fees to MOSL (Market Operator Services Ltd) and CMOS (Central Market Operating System) which is the market software system.

4.1.3 Main Rationale for Not Being Preferred Option

Potential exposure to regulatory penalties and additional revenue pressures due to additional staffing and consultancy requirements.

4.2 Crown Commercial Services (CCS) Framework

RM6178 Water, Wastewater and Ancillary Services is a CCS framework with 3 Lots. Organisations can purchase from this agreement either by running a mini competition or by joining an aggregated E-Auction (for Lot 1: Water & Wastewater Services only). Currently this framework expiry is 30/11/2024 and there is one opportunity to join the aggregated E-Auction for Lot 1 before the end of our existing contract by notifying CCS by 30/08/2024.

- #### **4.2.1**
- CCS are in the process of replacing RM6178 with a new 4-year framework (RM6306) which has greater emphasis on water efficiency. The details of this new framework are to be released in Summer 2024. Appraisal of this new framework would have been beneficial to consider as a potential route however at the time of analysing routes to market the necessary details were not available.

4.2.2 Potential Advantages:

- Compliance with public contract regulations.
- Economies of scale
- Additional Ancillary Services available
- Terms and conditions for framework RM6178 identifiable from start of process.

4.2.3 Potential Disadvantages:

- Details of the new framework RM6306 are not available in time for analysis.
- Terms and conditions for new framework RM6306 not identifiable from start of process.

4.2.4 Main Rationale for Not Being Preferred Option

Details of the new framework RM6306 are not available in time for analysis.

4.3 Laser Energy Water Procurement Framework

LASER established a compliant Framework agreement for the supply of water, sewage and additional services in 2022. The framework expires on 28/02/2026. The award of contracts for the supply of water and additional services is through mini competition or direct award.

4.3.1 Potential Advantages

- Contract Standing Order compliance
- Economies of Scale
- Additional ancillary services available

4.3.2 Potential Disadvantages

- Requires 15-week process to put together mini competition.
- Direct award may be based on the highest scoring supplier at framework tender stage overall or in individual areas, of price, quality of service, added value, social value or continuity of supply of existing services.

4.3.3 Main Rationale for Not Being Preferred Option

Likely to be a longer procurement process than the preferred option and small risk of re-appointing historic suppliers.

4.4 North East Purchasing Organisation (NEPO)

NEPO311 Water Retail Services is a sole-supplier framework agreement for the provision of water, wastewater and ancillary services. This follows a Direct award process to Wave Utilities, the framework end date is 31/03/2025, however authorities can call off to up to 4 years on the existing framework. NEPO are currently in the process of re-procuring the water framework which will place greater weighting on water efficiency. The details of this new framework are to be released in Autumn 2024. Appraisal of this new framework would have been beneficial to consider as a potential route however at the time of analysing routes to market the necessary details were not available.

4.4.1 Potential Advantages:

- Compliance with public contract regulations.
- Onboarding process should be relatively simply as all the Council's supply points are already registered with Wave Utilities in the Central Market database (CMOS).
- Access to additional ancillary water efficiency measures

4.4.2 Potential Disadvantages:

- Details of the new framework are not available in time for analysis.
- Terms and conditions for new framework not identifiable from start of process.

4.4.3 Main Rationale for Not Being Preferred Option

Details of the new framework are not available in time for analysis.

4.5 Energy Broker/Conduct own tender exercise by contacting retailers

The Council is approached regularly by consultancies and brokers that secure prices direct from suppliers.

4.5.1 Potential Advantages:

- May offer flexibility in terms and conditions and tailoring of contract requirements.

4.5.2 Potential Disadvantages:

- Slight risk of exposure to market fluctuations
- Resource intensive procurement process, broker may not have experience working with Local Authorities.
- Potential loss of benefits of aggregated purchasing volume of large frameworks.

4.5.3 Main Rationale for Not Being Preferred Option

Most resource intensive procurement option and potential exposure to increased costs due to lower aggregated purchasing volumes.

5. **Community engagement and consultation**

- 5.1 As residential supplies will not be included in this exercise and will remain with the deemed wholesaler, the Housing Management Team will not need to carry out statutory consultation notifications with council tenants.

6. **Financial implications**

- 6.1 The council currently spends approximately £1.08m through the existing water supply and wastewater services contract and this is budgeted for across services. The majority of this cost is set by Southern Water where charges are expected to rise quite steeply over the next 4 years. A well-managed retail service with timely accurate meter readings will support good financial management and minimise loss through leaks.

Name of finance officer consulted: James Hengeveld

Date consulted :19/06/2024.

7. Legal implications

- 7.1 The Council is required to comply with the Public Contracts Regulations 2015 (PCR 2015) in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. This contract has a value over the PCR 2015 threshold. Using a the YPO Water, Wastewater & Ancillary Services 1181 Framework is a compliant route to market. This new YPO Framework is valid from 1st September 2023 until 31st August 2027 and the Council can call off from this framework to replace the existing contract which expires on 26th October 2024.
- 7.2 The Council's Contract Standing Orders (CSOs) will also apply to this procurement exercise and the Council must comply with CSO 7 to ensure that the chosen Framework is appropriate and meets the criteria set out in CSO 7.2.

Name of lawyer consulted: Eleanor Richards Date consulted: 19/06/2024.

8. Sustainability implications

- 8.1 The Southeast of England is one of the most arid parts of the UK therefore water efficiency and conservation is vital in this area. Through monitoring the data from the newly installed AMR devices as summarised in section 3.9, at least 22 alerts have been sent to the relevant site contact with details of their high usage. Associated repairs were carried out or water saving equipment was installed to combat the high usage.
- 8.2 Issues have varied from external leaks, faulty urinal sensors, taps and toilets. The aim is to continue to implement these interventions through the length of the newly awarded contract.

9. Procurement implications

- 9.1 Procurement officers have been involved in the market analysis process and having considered the various options for route to market, it is agreed that the preferred route is using the YPO Water, Wastewater and Ancillary Services Framework 1181.
- 9.2 This option offers access to a singly appointed supplier, through a compliant framework, via a direct award. The new YPO framework meets the Council's expectations in terms of performance indicators, value for money and social value and sustainability commitments.
- 9.3 This option offers access to a singly appointed supplier, through a compliant framework, via a direct award. The new YPO framework meets the Council's expectations in terms of performance indicators, value for money and social value and sustainability commitments.
- 9.4 As expected, YPO's approach to social value demonstrates an alignment with Brighton & Hove City Council's requirements to consider economic,

social and environmental well-being. Social value as part of the new framework (water, Wastewater & Ancillary Services 1181) focuses on the above priority themes, and includes but is not limited to the following:

- Economic - Local jobs created and sustained, apprentices, work placement schemes and training opportunities.
- Social - Supporting local charities, helping local community groups, ethical supply & initiatives and community engagement involving local residents.
- Environmental - Reducing carbon footprint / pollution, minimising waste, using environmentally sourced goods & procedures and saving energy.

9.5 On the new YPO framework, the supplier (Wave) will remain the same as on the current framework. Wave's previous social value achievements include holding corporate volunteering events and employee volunteering days, delivering an information session at a local school, and offering mentorship to a local young men's group. These sorts of commitments align with the Council's expectations of suppliers to provide real value within the local community. Furthermore, YPO have pledged to work collaboratively with Brighton & Hove City Council to achieve the Council's own social value outcomes.

10. Conclusion

10.1 Securing a direct award contract through the YPO Water, Wastewater & Ancillary framework for the council's water services is the preferred route to market from those assessed.

10.2 The main potential benefits of the preferred option are improved customer service standards resulting in more efficient use of officer time and the option to continue to work alongside the supplier to implement efficiency services to highlight and reduce water wastage and associated carbon emissions.

10.3 Finally, improved data quality reduces the risk of missing leaks and wastage, and increased confidence in revenue forecasting & budget management.

Supporting Documentation

1. N/A

Brighton & Hove City Council

Cabinet

Agenda Item 38

Subject: Corporate Energy Supply

Date of meeting: 18 July 2024

Report of: Cabinet Member for Finance & City Regeneration

Contact Officer: Martin Hilson – Head of Building Surveying & Utilities
Kelvin Newman – Energy & Water Manager
Martin.Hilson@Brighton-Hove.gov.uk
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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000.

For general release

1. Purpose of the report and policy context

- 1.1 This report seeks delegated authority for the continuation of Brighton & Hove City Council's ('the Council') electricity and gas purchasing strategy.
- 1.2 The electricity and gas supply contracts comprise of around 1,560 supplies across the Council's portfolio including operational buildings, schools, housing communal areas and street-lighting. The current total spend on these requirements is approximately £9.5m per annum.
- 1.3 The recommendations in this report directly support Outcome 4 of the Council Plan, 'A responsible council with well-run services', specifically supporting good governance, financial resilience and the best management of council resources.

2. Recommendations

- 2.1 Cabinet agrees to the continued use by the Council of the Crown Commercial Services Energy Procurement framework until 31st March 2029 and grants delegated authority to the Corporate Director of City Services to continue to purchase electricity, gas, and associated metering services through the Crown Commercial Services Energy Procurement framework [RM6251] until 31st March 2029 at the latest.

3. Context and background information

- 3.1 The Council currently procures electricity and gas supply requirements through Crown Commercial Services (CCS) energy purchasing frameworks, which are specifically setup for central government and wider public sector bodies. Procuring through these frameworks can provide an element of protection against market volatility by utilising a forward purchasing strategy and offer economies of scale through the aggregation of purchase volumes.
- 3.2 The Council has been working with our Orbis partners in East Sussex and Surrey on a joint strategy for utility procurement which includes the alignment of utility contract dates to benefit from a single procurement process and reduce administrative duplication for council officers.

The Council's Current Contract Arrangements

- 3.3 The Council currently has two energy supply agreements procured through CCS frameworks which are included within the scope of this report:
- 3.3.1 Electricity Supply Contract which is split into 'Metered' & 'Unmetered'
- Metered: Comprised of 1,330 electricity supplies across the operational portfolio including corporate landlord operational buildings, schools, and housing communal areas.
 - Unmetered: Comprised the unmetered electricity supply for the Council's street-lighting and illuminated street furniture including approximately 20,000 lighting columns, 6,000 illuminated traffic signs and bollards and 358 feeder pillars and associated private cable networks.
- Earliest Exit: 31st March 2027
 - Value: Currently £7.3m per annum
 - Tariff: Purchased flexibly up to 30 months in advance of supply period. (V30 Basket – Further explored in section 3.8)
 - Framework Supplier: EDF Energy
- 3.3.2 Gas Supply Contract:
- This contract comprises 230 sites including schools, corporate landlord buildings and communal housing supplies.
- Earliest Exit: 31st March 2027
 - Value: Currently £2.2m per annum
 - Tariff: Purchased flexibly up to 30 months in advance of supply period. (V30 Basket – Further explored in section 3.8)
 - Framework Supplier: Total Energies

Rationale for continuing to procure through CCS energy frameworks

- 3.4 Central Government departments are obligated to procure through CCS frameworks which contributes to the highest energy purchase volumes among public buying organisations, and an annual expenditure of approximately £2.2bn. The framework traders leverage their expertise to monitor the market and strategically purchase energy at opportune times to

avoid peaks in wholesale costs. This purchasing strategy insulated the Council against some of the peaks in wholesale prices observed due to the ongoing 'energy crisis'.

- 3.5 The Energy Bill Relief Scheme (EBRS) was launched by the UK Government in September 2022. This support package was designed to protect customers from exceptionally high wholesale commodity prices between 01/10/2022 and 31/03/2023. During this period none of the supplies operated by the Council received this subsidy payment as rates delivered were kept under the qualification threshold. In this 6-month period CCS calculated that their customers paid an estimated £627 million less than they would have done had they been billed at the EBRS capped prices.
- 3.6 The CCS annual 'Commercial Benefits' report for 2022/23 indicated that using their framework saved the Council £1.04m when compared to standard commercial contract rates.
- 3.7 Currently CCS do not charge a penalty for variations in purchase volumes, useful where the portfolio of sites could be more fluid, or where authorities may look to diversify supply by supplementing supply contracts with its own renewable generation or purchased directly from generators through Power Purchase Agreements (PPA). Additionally, this could be beneficial if gas purchase volumes reduce due to sites joining heat networks.

Rationale for continuing to procure through CCS Variable (V30) basket.

- 3.8 CCS offer various purchasing models within their framework (called 'baskets') which can include fixed or variable price tariffs over various terms.
- 3.9 The framework's 'V30' purchasing basket that the three Orbis authorities currently utilise allows the CCS trading team to flexibly secure its requirement up to 30 months in advance of the supply period. CCS have commenced purchasing a portion of power and gas requirement for the 2026/27 year, which allows them to provide budgeting reports based on secured supply. This can assist with providing a level of certainty for budget holders.
- 3.10 The findings of the 'Pan Government Energy Project' (now part of the cabinet office) recommends that public sector organisations look to adopt an aggregated, flexible and risk-managed energy procurement strategy, this is in-line with the Council's current approach.
- 3.11 To withdraw from this basket, we are required to give 30 months-notice by September each year. If the Council were to give its notice in September 2024, then we would be able to leave the V30 basket in April 2027.
- 3.12 If authority is agreed, an internal performance analysis of the employed purchasing strategy will be carried out on an annual basis to ensure the framework and current basket options are delivering value for money.

Electricity Supply from Renewable Sources

- 3.13 The council currently secure renewable electricity via the CCS frameworks through optional 'Green' tariffs. The provenance of the energy is certified through the REGO (Renewable Energy Guarantees of Origin) scheme.
- 3.14 The REGO scheme is administered by OFGEM (Office of Gas & Electricity Markets) and has been designed to increase transparency for consumers who wish to buy renewable energy.
- 3.15 Although the purchase of a green electricity tariff does not guarantee any direct additionality of renewable generation into the grid, it is considered that high demand by consumers for 100% renewable supplies could increase pressure on electricity suppliers to invest in further renewable energy generation in the future.
- 3.16 A commitment to continue purchasing REGO certificates is required from the council each year, and therefore the option to purchase standard electricity from the grid can be actioned throughout the contract term. The price for securing these certificates can be extremely variable and there have been huge fluctuations in their trading costs in recent years. To ensure value for money, an annual evaluation of the additional budgetary impacts of purchasing REGO certificates will be provided to relevant heads of services, finance officers and cabinet members in order to assess affordability.

4. Analysis and consideration of alternative options

Market Engagement

- 4.1 In the lead up to this procurement activity, market engagement with key framework providers was carried out by relevant Energy & Procurement officers from all three Orbis partners. This included engagement with Crown Commercial Services ('CCS'), Laser Energy Buying Group, Yorkshire Purchasing Organisation ('YPO') and the Northeast Procurement Organisation ('NEPO').
- 4.2 The services offered by these organisations were assessed against the Council's requirements and some analysis of market performance and value for money was carried out. However, it is not possible to accurately benchmark all providers against each other solely based on cost. This is due to the variety of products and contract lengths.

Alternative Options

- 4.3. Option: Do Nothing
Description: No contract put in place following contract expiration.
- 4.3.2 Potential Advantages
- None
- 4.3.2 Potential Disadvantages

- No contract in place would be non-compliant with Public Contract Regulations.

4.3 Option: Conduct own tender exercise by contracting directly with suppliers

Description: BHCC would be able to run a fully compliant tender process to establish a supply agreement to purchase energy. Various strategies including on the day spot purchasing or flexible purchasing mechanisms could be used.

4.4.1 Potential Advantages

- Council avoids paying any management fees to third parties for administering any frameworks/contracts.
- Increased potential to maximise economic, social, and environmental benefits through a Council-led procurement process (by ensuring social value is captured in tender specifications and contract).

4.4.2 Potential Disadvantages

- Risk of exposure to market fluctuations.
- Requires significant expertise and knowledge to manage energy purchases in a complex market. It requires ongoing monitoring of energy markets.
- Resource and time intensive procurement process, if contracts not put in place in time could result in penalty / out of contract rates.
- Potential loss of benefits of aggregated purchasing volume of large frameworks, potentially less attractive to suppliers resulting in higher prices.
- BHCC would need to ensure that the arrangements have been subject to a full procurement process to ensure compliance with Public Contracts Regulations.

4.4 Option: Procure energy through an energy broker

Description: The Council is approached by consultancies and brokers that secure prices direct from suppliers. Independent energy brokers are similar to CPB's but without the benefit of aggregating large Local Authority portfolios.

4.5.1 Potential Advantages

- May offer flexibility in terms and conditions and tailoring of contract requirements.

4.5.2 Potential Disadvantages

- Risk of exposure to market fluctuations.
- Resource intensive procurement process, broker may not have experience working with Local Authorities.
- Potential loss of benefits of aggregated purchasing volume of large frameworks.
- Smaller brokers may not have access to all supplier offerings.
- BHCC would need to ensure that the arrangements have been subject to a full procurement process to ensure compliance with Public Contracts Regulations

4.5 Option: Procure Directly from Generators via Power Purchase Agreement (PPA)

Description: Purchase electricity directly from the operators of renewable generation assets such as solar PV/ Wind/ Battery Storage installations.

4.6.1 Potential Advantages

- Long-term price certainty and supply of green energy.
- Can contribute to Net Zero Goals
- Can Maximise local spend.

4.6.2 Potential Disadvantages

- Deals require a long-term commitment (often 20 Years+)
- Additional Fees from developing contracts (legal & financial)
- Requirement for Supplier involvement/settlement
- means negotiation will likely be required with more than just a single party.

4.6.3 Separate PPA frameworks are available to call-off from, which could potentially supplement the existing supply agreements if determined a suitable solution at a later date.

4.6 Option: Calling off a framework agreement offered by a Central Purchasing Body (CPB) (Recommended Option)

Description: CPB's set up and manage energy purchasing frameworks which public sector bodies can access. Procuring through a CPB provides an element of protection against market volatility as well as benefitting from economies of scale through the aggregation of our supply requirements with other public sector organisations.

4.7.1 Potential Advantages

- Compliance with public contract regulations.
- Aggregation of purchasing volumes by combining energy volumes across organisations to form one large portfolio.
- Purchasing strategies in place that should mitigate the risk of market volatility.
- Different purchasing strategies available to suit requirements of Council, optimising pricing and ensuring risk is managed and controlled by market experts.
- Increased certainty of utility commodity costs due to forward purchasing arrangements

4.7.2 Potential Disadvantages

- Small management fee is charged by CPB for accessing frameworks.

5. **Community engagement and consultation**

5.1 As the delivered electricity and gas rates will have a direct impact on leasehold tenant service charges, the Energy & Water Team will liaise with

the relevant contacts in Housing management, who will lead on the required statutory consultation notifications.

6. Financial implications

- 6.1 The council spends approximately £9.5m annually on electricity and gas across all services which is fully funded within service budgets. The existing procurement arrangement through CCS has protected the council against the extreme volatility experienced over the last 2 years and provides a level of certainty for future years through the forward purchasing strategy. The recommended option to extend this purchasing arrangement to March 2029 will support continued cost efficiency, financial management and provide a reliable projection for medium term financial planning.

Name of finance officer consulted: James Hengeveld Date consulted: 19/06/2024.

7. Legal implications

- 7.1 The Council is required to comply with the Public Contracts Regulations 2015 (PCR 2015) in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. This contract has a value over the PCR 2015 threshold.
- 7.2 The existing gas and electricity supply contracts are call off contracts from the CCS Framework Agreement for The Supply of Energy and Ancillary Services [RM6011] which came to an end on 1st October 2023. The existing supply of electricity is with EDF energy (with the term expiring at the end of the final requested delivery period); and the gas supply contract dated 23rd September 2020 is held with Total Gas and Power Limited (on a 1 year rolling basis, expiring on 30th September 2024).
- 7.3 Using the new CCS Energy Procurement Framework [RM6251] is a compliant route to market. This framework expires on 20th February 2027 and the new call off contracts will need to be put in place at the expiry of the annual term in the existing contracts, being 30th September 2024.
- 7.4 The Council's Contract Standing Orders (CSOs) will also apply to this procurement exercise and the Council must comply with CSO 7 to ensure that the chosen Framework is appropriate and meets the criteria set out in CSO 7.2. The criteria for choosing the new framework [RM6251] have been met.

Name of lawyer consulted: Eleanor Richards Date consulted (19/06/24):

8. Sustainability implications

- 8.1 CCS currently offer 'Green' tariffs where electricity supplies are sourced from 100% renewable sources. The provenance of the energy is certified through the REGO (Renewable Energy Guarantees of Origin) scheme.

9. Procurement implications

- 9.1 The current electricity and gas contract via the CCS is a compliant contract that requires 30 months' notice with opportunities to give notice in September of each contract year. At this time the current contract has demonstrated costs significantly below the market rate and therefore we recommend that the council continues with its current contract with a further review in early 2026 to assess the performance of the contract to consider options for 2029 onwards.
- 9.2 The CCS framework has two performance targets for SV, wellbeing, and fighting climate change. Every quarter, suppliers will provide an overview of the SV actions and activities for FCC, this includes any community works, volunteering, educational programs, etc. that they have delivered or been involved in. There is an annual reporting requirement for the same about wellbeing. Information is provided on the supplier's portals concerning their company SV targets, and environmental, social, and economic commitments. The supplier on the CCS framework was appointed after a quality and commercial evaluation that incorporated 10% of the quality evaluation as Social Value

10. Conclusion

- 10.1 Continuing to purchase the council's gas & electricity requirement through CCS Energy purchasing framework is the preferred route to market from those assessed.
- 10.2 The main potential benefits of this preferred option are that the CCS annual 'Commercial Benefits' reports for the Council's portfolio have indicated savings when compared to standard commercial contract rates. Particularly evident during the market peaks observed during the energy crisis.
- 10.3 In addition, the forward purchasing strategy can provide insulation against market peaks and provide customers with budget forecasts based on energy secured in the years and months prior to the delivery period.
- 10.4 Currently CCS do not charge a penalty for variations in purchase volumes.

Supporting Documentation

1. N/A

Document is Restricted

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