

## Place Overview & Scrutiny

Date: **22 September 2025**

Time: **3.00pm**

Venue **Hove Town Hall Council Chamber**

Members: **Councillors:** Evans (Chair), Cattell, Loughran, Goddard, Fowler, Mackey, Winder, Fishleigh, Sykes and Meadows

**Co-optees**

Mary Davies (Older People's Council) and Mark Strong (CVS)

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# AGENDA

## PART ONE

Page

### 27 PROCEDURAL BUSINESS

- (a) **Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.
- (b) **Declarations of Interest:**
  - (a) Disclosable pecuniary interests;
  - (b) Any other interests required to be registered under the local code;
  - (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare:

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

- (c) **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 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 7.1.*

### 28 MINUTES

7 - 20

- 28.1(a) To approve the minutes of the previous Place Overview & Scrutiny Committee meeting held on 16<sup>th</sup> July 2025
- 28.1(b) To approve the minutes of the Special Place Overview and Scrutiny Committee meeting held on 31<sup>st</sup> July 2025

## 29 CHAIR'S COMMUNICATIONS

## 30 PUBLIC INVOLVEMENT

To consider the following items raised by members of the public:

- (a) **Petitions:** To receive any petitions presented by members of the public to the full Council or to the meeting itself;
- (b) **Written Questions:** To receive any questions submitted by the due date of 10am on 11<sup>th</sup> September 2025
- (c) **Deputations:** To receive any deputations submitted by the due date of 10am on 11<sup>th</sup> September 2025
  - a. **Deputation received from Laura King (to follow)**

## 31 MEMBER INVOLVEMENT

To consider the following matters raised by Members:

- (a) **Petitions:** To receive any petitions submitted to the full Council or to the meeting itself.
- (b) **Written Questions:** A list of written questions submitted by Members has been included in the agenda papers (copy attached).
- (c) **Letters:** To consider any letters submitted by Members.
- (d) **Notices of Motion:** To consider any Notices of Motion.

## 32 LOCAL GOVERNMENT REORGANISATION UPDATE

*Contact Officer: Natalie Sacks-Hammond*  
*Ward Affected: All Wards*

## 33 THE KING ALFRED LEISURE CENTRE REGENERATION PROJECT 21 - 104

*Contact Officer: Natalie Sacks-Hammond*  
*Ward Affected: All Wards*

## 34 GENERAL FUND BUDGET PLANNING & RESOURCE UPDATE: 2026-27 TO 2029-30 105 - 138

*Contact Officer: Natalie Sacks-Hammond*  
*Ward Affected: All Wards*

## 35 SOLID FUEL BURNING

*Contact Officer: Natalie Sacks-Hammond*  
*Ward Affected: All Wards*

## 36 HOUSING SAFETY AND QUALITY COMPLIANCE UPDATE 139 - 160

*Contact Officer: Natalie Sacks-Hammond*  
*Ward Affected: All Wards*

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The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fourth working day before the meeting.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

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### **FURTHER INFORMATION**

For further details and general enquiries about this meeting contact Anthony Soyinka, (email [Natalie.Sacks-Hammond@brighton-hove.gov.uk](mailto:Natalie.Sacks-Hammond@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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**BRIGHTON & HOVE CITY COUNCIL**

**PLACE OVERVIEW & SCRUTINY**

**4.00pm 16 JULY 2025**

**HOVE TOWN HALL COUNCIL CHAMBER**

**MINUTES**

**Present:** Councillor Evans (Chair) Cattell, Loughran, Goddard, Winder, Fishleigh, Sykes, Lyons and Parrott

**Other Members present:** Mark Strong (CVS), Mary Davies (OPC)

**PART ONE**

**11 PROCEDURAL BUSINESS**

11. Procedural Business

11a Declarations of substitutions

11.1 Cllr Lyons substituting for Cllr Meadows

11.2 Cllr Parrott substituting for Cllr Fowler

11b Declarations of interest:

11.3 There were none.

11c Exclusion of the press and public

11.4 Amongst the papers circulated to elected members were confidential (Part 2) minutes from the call-in meeting held on 19<sup>th</sup> May. Any discussion of these minutes will need to be in confidential session and will need to exclude the press & public from these discussions. If amendments are required for these minutes, we will move into a Part 2 confidential session to discuss at the end of the meeting.

**12 MINUTES**

12. There were four sets of minutes for approval:

12.1 Place Overview & Scrutiny Meeting 21st January 2025: minutes were approved by members

12.2 Call-in on 19<sup>th</sup> May 2025 Part One and Part Two minutes: both sets of

minutes were approved by members

12.3 Special Place Overview & Scrutiny Meeting 5<sup>th</sup> June 2025: minutes were approved by members

12.4 Special Place Overview & Scrutiny Meeting 1<sup>st</sup> July 2025: minutes were approved by members

### **13 CHAIR'S COMMUNICATIONS**

13.1 The Chair gave the following communication:

Today we only have one formal agenda item which is an update on City Plan. At our October meeting, we discussed the City Plan refresh and agreed that scrutiny should play a role at key stages in the development of the new plan. Today we are being asked to note the work that has been done to date, following the initial consultation and looking at the next steps.

On the agenda, we also have a short presentation by Steve Tremlett on the Heritage Strategy, which we will be looking at later in the year. I have asked for an introduction to the topic so that members can get a good understanding of it in advance.

Lastly, I would like to have a discussion about the topic for our next Task & Finish Group.

Before we begin, I would like to give you an update on the work of our last Task & Finish Group on short-term lets:

We all know how long we've collectively been talking about STLs – I've been going on about them for more than 6 years, and certainly it wasn't a new subject then. In fact, the recent TFG we did on this isn't even the first scrutiny deep dive on the subject, since there was one 11 or 12 years ago. Added to that, LAs here and in other tourist areas have been doing Notices of Motion and lobbying successive governments for various 'asks' pretty much since the extraordinary rise of the internet booking platforms began a couple of decades ago.

And, following on from our working group and the report we finalised earlier this year, there remains no magic wand that we can wave to transform the thorny STLs vs housing picture overnight, and the conversation continues. However the report is, I think, a really worthwhile piece of work, the recommendations we made were recently passed by cabinet – obviously with all the usual caveats that change will be painstakingly arrived at rather than magicked into being, but passed nonetheless.

And, things do finally seem to be moving forward nationally at last, too – all three of the national operators we spoke to during our work – DCMS, MHCLG and York MP Rachael Maskell asked to see copies of our report when it was done, and we duly complied. All were very complementary about it, and if nothing else, the report seems to have ensured that B&H is now part of the national conversation.

I was invited up to Westminster to a committee about Rachael Maskell's private members bill on this subject, and I should add that there are now TWO such bills - Ben Maguire MP, the Lib Dem MP for North Cornwall, has tabled one too, and whether or not both are in the end timed



out by the brutal PMB process, MHCLG are talking to Rachael and others about possible changes in regulatory powers in the most affected areas that will help cities like B&H and York manage both their tourist economies and their housing crises more effectively.

Also in the works, DCMS are hoping to have a light-touch (but mandatory) national registration scheme up and running as early as 2026, and invited our own Helen Gregory and Julia Gallagher to a meeting to discuss what it might contain, as well as inviting the council to be part of the software testing for the next phase. The briefing note they provide on this was extremely interesting, and although we and other towns and cities would probably prefer more powers, along the lines of the ones in the private members bills, even the huge boost in data to local authorities that would come from this scheme would be enormously helpful to us as a city.

## **14 PUBLIC INVOLVEMENT**

14.1 There were none

## **15 MEMBER INVOLVEMENT**

15.1 There were no member questions.

## **16 CITY PLAN UPDATE**

- 16.1 Max Woodford, Director for Place, and Steve Tremlett, Planning Policy and Heritage Manager, presented the slides on the City Plan update. Key points included the timeline for the new City Plan 2041 leading up to submission in early 2028, a review of the recent consultation and key outcomes of the survey that included concerns over affordability of homes, a strong demand for industrial floorspace and concerns over the cleanliness of the city and condition of the seafront and city centre. The survey had performed well on Facebook, X and LinkedIn, receiving over 96,000 post impressions and the completion rate had doubled since the equivalent stage during the preparation of City Plan Part Two. There was also a separate survey for young people that gained 200 responses.
- 16.2 Councillor Parrott asked about engagement with disability groups. Steve Tremlett said that they had reached out to groups such as Amaze, Badge Brighton, Speak Out, and Possibility People, and asked them to circulate the survey and let their members know about the engagement events. They met with some of the groups in person including the Older Peoples' Council. Councillor Parrott quoted the recent Health Count Survey that 37% of respondents said their disability or ill health affected their ability to get around the city. She suggested meeting with these groups in person would be more effective than asking them to complete a survey and to find different ways to connect. The feedback from group discussions should be allowed to form part of the consultation response and not just individuals completing the survey.
- 16.3 Councillor Sykes raised concerns about potential abortive work given upcoming legislative changes introduced in February 2025 and the ongoing devolution process, both of which has a large impact on planning. Steve Tremlett said that some work is paused until there is more clarity from the government and the team will continue to work on things that they know won't be changing.

- 16.4 Councillor Goddard asked why the City Plan is important and what is scrutiny's role at this stage. Max Woodford explained that the City Plan is one of the most important things that the council does as it shapes development for the city for the next 15 years, it is a very long process and touches on many council priorities. This is when the framework is set and that often conflict comes up at the planning permission stage later in the process when the plan is already in place. They want scrutiny members to understand the City Plan fully and to make suggestions to take forward. The plan can be used to fix issues such as the lack of affordable homes by potentially giving up industrial space but this only moves problems around. This is why the plan is important and that people feed in at this early stage.
- 16.5 Mary Davies from the Older People's Council asked a question about the equality impact assessments including potential impacts on health and wellbeing and that this may dilute the focus on equalities. She also felt that she should have been able to make an organisational response to the survey rather than expecting individuals to complete it. Steve Tremlett said that the process of conducting equality impact assessments is set out in plan making guidance but that he would take her points on board for future consultations.
- 16.6 Councillors Loughran, Winder, Lyons, Cattell, Fishleigh, Evans and Mark Strong (CVS) asked questions about the consultation and increasing engagement. Suggestions and comments included: having an explanatory preamble to go along with the survey, using illustrative material and digital tools, not presuming prior knowledge, having a shorter survey with accessible language, giving people the option to comment on specific sections of interest to them, the importance of engaging with young people who are currently unable to afford to live in the city, holding group meetings for key stakeholders to provide feedback, explaining the relevance and importance of City Plan, being really provocative in the questions to get people talking about it, using different media to engage young people such as TikTok, sending out printed copies with council tax letters and using different venues other than libraries such as places of worship, museums, and reaching out to the universities. Councillor Winder said that the public have a different understanding of what they're contributing to and we need to know if they want innovation or just for the city to be better, cleaner and a more pleasant place to live; it is unclear whether the plan is looking to benefit residents or visitors and that the consultation could ask more questions about making the city more equal.
- 16.7 Councillor Fishleigh asked how likely it would be for the government to reduce the housing target and how local neighbourhood plans interact with the City Plan and whether it takes priority. Councillor Fishleigh also asked whether they could end up building on the South Downs National Park. Steve Tremlett explained that the government's standard method for calculating housing need is the starting point that the Plan must seek to meet. A lower housing target for the City Plan might be agreed by a planning inspector when the Plan is examined, but only if robust efforts have been made to explore all means of increasing housing supply to meet the government figure. The City Plan would be unlikely to allocate for housing any sites recently agreed for protection in a neighbourhood plan. The National Park is its own planning authority so the council can only look at sites outside of the park.

- 16.8 Councillor Evans said she was disappointed not to see the short-term lets recommendations from the Task & Finish Group mentioned in the City Plan presentation. Max Woodford explained that they will be looking into the short-term lets recommendations following the approval from Cabinet. Councillor Sykes asked whether permitted development rights, which gives the freedom to change how properties are used, might undermine the city's plans for designated use classes and development areas. Steve Tremlett explained that there is an extensive Article 4 Direction over large parts of the city that restricts permitted development from business and service uses to residential.
- 16.9 Place Overview & Scrutiny Committee RESOLVED to note the report.

## **17 INTRODUCTION TO THE HERITAGE STRATEGY - VERBAL PRESENTATION**

- 17.1 Councillor Evans requested an early introduction to the Heritage Strategy at Place O&S Committee as the current strategy ends in 2025. Steve Tremlett presented the slides which outlined that the updated strategy will guide the management of the city's historic environment, reflect new council priorities and Historic England regulations, and explore how heritage assets can support net zero goals, the capital asset strategy, tourism, and culture. Public consultation is planned for the autumn.
- 17.2 Councillor Parrott asked about conservation areas and the issue of preserving beautiful old houses and trying to meet regulations to improve the housing stock, such as EPC standards. Conservation rules make it very difficult for homeowners to tackle issues such as poor ventilation and mould.
- 17.3 Councillor Sykes said there is a lack of consistency in the enforcement of conservation regulations where residents must adhere to them but utility providers can dig up pavements to do works in a historic square and put them back however they like, for example using tarmac to replace historic paving stones. Max Woodford said this was a budget and resource issue and ideally, there would be one member of staff dedicated to this work.
- 17.4 Councillor Fishleigh asked if supporting the capital asset strategy meant they would be looking at heritage buildings that can be sold. Max Woodford said that the document wouldn't make decisions and would only be looking at the heritage assets owned by the council and what opportunities there are to breathe new life into them.
- 17.5 Mark Strong raised a point about climate change mitigation if heritage buildings end up under water or destroyed by storms or hot weather and that consideration needs to be given to this.
- 17.6 Councillor Loughran said that they could produce some guidance for developers to follow in terms of their approach to landscape and townscape visual assessments to combat discrepancies and create a more uniform approach.
- 17.7 Councillor Evans said we need to think about how to design the consultation to include lesser known heritage assets that people might not be aware of. Councillor Allen added

that he has been in contact with the Diocese to ensure that heritage buildings they are responsible for are also properly preserved.

## **18 TASK & FINISH GROUP - DISCUSSION**

- 18.1 Councillor Evans lead a discussion on the topic for the next Task & Finish Group (TFG) for Place O&S Committee. The constitution states that only one TFG can run at any time and currently People O&S Committee has a TFG on anti-social behaviour in social housing. However, it would make sense for Place committee to agree on its next Task & Finish topic so as to be able to begin work on it as soon as work on the anti-social behaviour in housing group has concluded. At the last Council, the Conservative group put forward a Notice of Motion for Place O&S Committee to consider looking at heritage assets for their next TFG.
- 18.2 Members discussed various options for the next topic, some suggestions were:
- Year-round tourism offer
  - Transport for visitors coming to the city
  - Service level agreements between Parks Service and “Friends of” groups for the benefit of open spaces
  - Night time economy
  - Heritage of the city
- 18.3 Members agreed that the next TFG should be on the heritage of Brighton & Hove. Councillor Parrott said this should include a definition of “heritage” so it is not just about preserving old things but looking at what makes the city what it is, it’s culture and identity. This could include looking into landscapes and trees, mods & rockers, the lack of small music venues, LGBTQ+ spaces etc.
- 18.4 There was a discussion about the relationship between the council and utility companies following reports of utility equipment being left on the street for months and mysterious roadworks appearing with no prior notices. It was agreed this would come back to Scrutiny as an agenda item.
- 18.5 A scoping report for a Task & Finish Group on the city’s heritage will be presented at the next committee in September.

## **19 PART TWO MINUTES**

## **20 PART TWO PROCEEDINGS**

The meeting concluded at 6.32pm

Signed

Chair

Dated this

day of



# **BRIGHTON & HOVE CITY COUNCIL**

## **PLACE OVERVIEW & SCRUTINY**

**4.00pm 31 JULY 2025**

### **COUNCIL CHAMBER, HOVE TOWN HALL**

#### **MINUTES**

**Present:** Councillor Evans (Chair) Cattell, Goddard, Fowler, Mackey, Winder, Fishleigh, Sykes and Meadows

**Other Members present:** Mark Strong (CVS), members of People Overview & Scrutiny Committee: Cllr O'Quinn, Lesley Hurst (online) and Adam Muirhead (CVS), and members of Health Overview & Scrutiny Committee: Cllrs Wilkinson, Simon and Geoffrey Bowden from HealthWatch.

#### **PART ONE**

#### **21 PROCEDURAL BUSINESS**

21. Procedural Business

21a Declarations of substitutions

21.1 Apologies from Cllr Loughran

21.2 Apologies from Mary Davies, OPC

21b Declarations of interest:

21.3 There were none.

21c Exclusion of the press and public

21.4 The press and public were not excluded

#### **22 CHAIR'S COMMUNICATIONS**

22.1 The Chair gave the following communication:

Today we are holding another special Place Overview & Scrutiny meeting to look at the ongoing programmes of Devolution and Local Government Reorganisation (LGR) for Sussex and Brighton. We will look at LGR first and then we will move on to Devolution. We are being asked to note the updates on both Devolution and LGR and to make any comment on the public engagement survey presenting the boundary options for LGR.

As this subject has an overlap in remit, we have invited members of both People and Health Overview & Scrutiny Committees to attend and provide input if they wish to.

We are joined today by Cllr Sankey, Leader of the Council, and Cllr Hewitt, Cabinet advisor on Devolution and Local Government Reorganisation who will be presenting today. We also have Liz Culbert, Director for Governance and Law, Rachel Kelly, Programme Director for LGR, who are on hand to help with any questions. We also have in the room, Lucie Spicer from the Policy Team and two consultants, Julian Osgathorpe and James Stainer. I'd like to welcome them all to the meeting.

## **23 PUBLIC INVOLVEMENT**

23.1 There were no public questions.

## **24 MEMBER INVOLVEMENT**

24.1 There were no member questions.

## **25 LOCAL GOVERNMENT REORGANISATION UPDATE**

- 25.1 Cllr Hewitt presented the slides on Local Government Reorganisation (LGR). Key points included the timeline which showed that the consultation ends on 25<sup>th</sup> August to be submitted to government on 26<sup>th</sup> September. Government will then hold another consultation before making the decision on the boundaries for Brighton and Sussex in early 2026. Cllr Hewitt described the approach to the consultation including the survey which had already received 433 responses in the first 6 days, public meetings and online promotion; he then went through the 4 different options that are being presented to the public for comment. There are no preferences at this point and ongoing analysis of data and feedback will continue to inform the final proposal.
- 25.2 Cllrs Sykes, O'Quinn and Meadows asked about the cost and deliverability of LGR considering the council's current financial pressures and no additional funding coming from the government, whether this risk is being monitored, whether it would mean an increase in council tax, whether the council would take on the budgets and debts of any areas it merges with and what the cost impact would be on services such as Home to School Transport and Adult Social Care if the area being served is expanded and may result in higher expense. Cllr Sankey said that they are currently sharing data with neighbouring authorities to understand the cost pressures involved in service delivery and this will be worked into the financial analysis to understand what would work for the city and its neighbours and whether it is deliverable and sustainable.
- 25.3 Cllrs Sykes, O'Quinn and Goddard asked questions about the economic impact of LGR, and the potential for Brighton and Hove's digital economy to power growth across all areas. Cllr Sankey said that this is being considered as part of the analysis, that scaling up businesses has been a longstanding challenge and this could be a positive opportunity to generate more jobs and be mutually beneficial to all. Some businesses are already moving to Newhaven and this is accelerating and amplifying the trailblazing work that is going on.



- 25.4 Cllr O'Quinn asked about political representation if option 4 were to be chosen. Cllr Hewitt said that the existing councillors in the new areas including towns and parishes, would remain. If option 4 was chosen, there would be a significant shift in terms of the number of parish and town councils that the city council would be required to work with which was important to take into consideration in this process. Cllr Fishleigh asked why they didn't have an option for expanding just Falmer village and East Saltdean, Cllr Hewitt explained that this wasn't possible as they had to use full wards as building blocks and were not allowed to split them.
- 25.5 Cllr Goddard asked about the speed of the proposals and the short consultation time and how best to raise awareness of it. He would have liked to have heard voices from the wider areas mentioned in the proposals. Cllr Sankey acknowledged the pace of the process and said they were doing as much as they can to engage in a meaningful way and that there will be other opportunities to provide feedback in the subsequent consultation in November. They encouraged ward councillors to help promote the consultation to their constituents. Mark Strong said that the community voluntary sector were agnostic on the options but would like more of a discussion on the risks and benefits of the proposals. Some organisations' defined area of benefit is the boundaries of the city so they will need to change the way they work. Mark Strong asked about the impact on community groups, charities, resident associations etc both in the city and in the areas for potential merging and raised concerns about the impact on officer time in terms of service delivery, funding bids and partnership working. Cllr Hewitt said he wanted to meet with all the CVS groups but due to limited time, attending 1 or 2 larger community-based meetings might be better suited. They are hoping to have more events during the next consultation period and will try to attend meetings already set in the calendar. Jess Gibbons said that it is an iterative process at a very early stage and engagement will continue throughout the period with residents, stakeholders, businesses, CVS etc. They would particularly like to hear from young people. Adam Muirhead from the CVS said he could help reach young people. He asked whether they would be combining the results of this consultation with those being held by the neighbouring authorities.
- 25.6 Cllr Wilkinson asked how LGR affects the arrangements for Health services and the need to have clear systems in place between local councils and NHS partners, ensuring that Brighton and Hove's needs are not overshadowed. Health Overview & Scrutiny Committee holds health services to account and this role should not be weakened. Cllr Sankey said that health inequalities would be built into the new remit of the mayor and LGR would ensure health services are localised and responsive to the different health needs that exist in the city and more rural areas. The government has a clear vision for partnership working between the new authorities and health services and the role of HOSC is key to holding this to account. Geoffrey Bowden from HealthWatch said that the decision had been made to bring HealthWatch in-house working with the ICB, he asked how this will be financed and remain independent. Cllr Sankey said she would be happy to find out and get back to him.
- 25.7 Cllr Fishleigh asked how it would be more efficient serving a larger area and what services need improvement. Cllr Sankey said looking into the cost of delivery is part of the ongoing analysis and that they always want to improve services in the city and take an outcome focussed approach. Currently, there is a lot of improvement happening within the waste and recycling service, housing repairs and street cleansing. Cllr

Fishleigh raised the issue of the coast road which is in poor condition and costs a lot to maintain, Cllr Hewitt said that work like this can be started with the Mayor and the shadow unitary before LGR is formally completed.

- 25.8 Cllr Winder said that some people might feel left behind in this process, this is a massive project with a lot of elements to bring together and some people will feel that there is already a lot going on in their lives. Cllr Winder asked how we will look after the diverse and vulnerable communities and how will they draw people together to retain a sense of community. Cllr Sankey said that devolution provides a unique opportunity to genuinely transform things for communities that are historically left behind and unlock opportunities by looking at things in a strategic way, such as more affordable travel across all areas, ensuring bus routes serve the more deprived areas etc. It is important that existing communities don't feel that their identity is being challenged by this process which is one reason why the city council is pushing for 5 smaller unitary authorities so people feel closer to decision making.
- 25.9 Geoffrey Bowden asked about benchmarking and said that the petition on change.org against the takeover of Lewes by Brighton has over 4000 signatures on it. Cllr Sankey said that Lewes and East Sussex councils have been running a consultation on the Brighton & Hove proposals and they have asked them to share the raw data so they can see the views of people in those areas. The change.org petition doesn't have the function to analyse who is responding and from where and can intentionally mislead people which is not reliable evidence. Cllr Fishleigh said that people had been whipped up on social media through the use of inflammatory language but that once the proposals had been explained to them properly, people were able to see opportunities. Jess Gibbons said that co-production with communities in this process is important.
- 25.10 RESOLVED – that Place Overview & Scrutiny Committee note the report.

## **26 UPDATE ON DEVOLUTION**

- 26.1 Cllr Hewitt presented the slides on Devolution, key points included the structures of devolution, the roles of the Mayor, voting systems and areas of competence. The voting system will change from First Past the Post to Supplementary Voting from 2027 but not for the mayoral election in 2026. The areas of competence will enable streamlined working and strategic oversight for things such as having a local transport authority for the whole region; flexible further education offer for adults; a more tailored, localised approach to planning; the creation of local growth plans; and better coordination of net zero initiatives on a large scale such as solar farms. Health inequalities will be challenged and the Chair of the NHS Sussex Integrated Care Board will be invited to be part of the informal board. The role of Police and Crime Commissioner will be abolished and become part of the remit of the Mayoral Authority, alongside the Fire Authority. Next steps include establishing the Informal Partnership Board, collaborating with East and West Sussex County Councils, appointing Programme Directors, drafting the constitution and presenting to Full Council in the autumn. Since the last meeting, it has been confirmed by the government that Sussex & Brighton have passed the tests and are ready to progress to the next stage in the devolution process.
- 26.2 Cllr Sykes and Mark Strong from the CVS asked questions about the political make up of the new authority and how that will be managed as there might be political tensions

and conflict in decision making. Cllr Hewitt said that this is an opportunity for collaborative working between political groups and shouldn't undermine the authority, that there might be a wider range of political parties involved and this has been managed well in other parts of the country such as Tees Valley.

- 26.3 Cllr Mackey asked about the diversion of grants to the Mayoral Authority and how this will impact Brighton and Hove. Cllr Sankey said that some funding the council currently receives will move to the new authority with its new responsibilities, that over time there will be an increase in the amount of investment coming in from both the government and private investors as can be seen in the examples of Greater Manchester and West Yorkshire Combined Authorities. The Mayoral Authority will also pass funding down to local councils who will retain the implementation and operational responsibilities but with a clearer strategy across the unitary boundaries.
- 26.4 Cllr Goddard asked about the voting system, that Supplementary Voting is more democratic and why can't the Mayoral election in 2026 follow this voting system. Cllr Sankey agreed and said she had lobbied the government on this point.
- 26.5 Mark Strong said there was no mention of community groups and asked how they will feed into the Mayoral Authority. He also said that there is very little mention of climate change. Cllr Sankey said that community groups will be part of the informal partnership board and she agreed that more could be said about climate change. The government has made it clear that Mayoral Authorities will get the power in time to request further powers from government which can be tailored to that region's particular needs.
- 26.6 Geoffrey Bowden from HealthWatch asked about how this process dovetails with the South Downs National Park governance and said that the Mayoral Authority could end up with 2 port authorities. Cllr Sankey said both the South Downs National Park and the current port authorities will have representatives on the Informal Partnership Board and will be involved in the new Mayoral Authority.
- 26.7 RESOLVED – that Place Overview & Scrutiny Committee note the report.

The meeting concluded at 6.50pm

Signed

Chair

Dated this

day of



# Brighton & Hove City Council

## Place Overview & Scrutiny Committee

## Agenda Item 33

**Subject:** The King Alfred Leisure Centre Regeneration Project

**Date of meeting:** 22<sup>nd</sup> September 2025

**Report of:** Chair of Place Overview & Scrutiny

**Contact Officer:** Name: Natalie Sacks-Hammond

Email: [Natalie.sacks-hammond@brighton-hove.gov.uk](mailto:Natalie.sacks-hammond@brighton-hove.gov.uk)

**Ward(s) affected:** (All Wards);

**Key Decision:** No

**For general release**

### 1. Purpose of the report and policy context

- 1.1 This report presents the Place Overview & Scrutiny Committee with the forthcoming (25<sup>th</sup> September) Cabinet report seeking agreement to progress the King Alfred Leisure Centre Regeneration project from its current concept design stage through to spatial coordination and technical design including submission of the planning application.
- 1.2 This paper sets out an overview of the emerging concept design and associated cost plan. The concept design phase has now concluded, and the current floor plans and images of the interior and exterior can be accessed in Appendix 1. Results of engagement with key stakeholders including sports clubs can be accessed in Appendix 2 and 3 and a sustainability brief in Appendix 4.

### 2. Recommendations

- 2.1 That Place Overview & Scrutiny Committee notes the plans for the King Alfred Leisure Centre Regeneration Project and makes comments on these proposals to Cabinet if it so chooses.

### 3. Context and background information

- 3.1 The delivery of a new facility 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 At its July 2024 meeting Cabinet considered a paper setting out options for replacing the existing King Alfred Leisure Centre with a new facility. The

paper explained why a refurbishment of the existing facility would not be viable and then went on to set out options for delivering a new facility.

- 3.3 Having considered the site options, the business case outcomes, and the results of the resident engagement, Cabinet agreed the recommendations set out in the paper:
- To develop design proposals for a new facility on part of the existing site,
  - To agree delegated authority to the Corporate Director to approve the procurement of the associated professional team and to progress the project to planning application stage.
- 3.4 The design team have been working closely with officers to develop the design proposals for the new facility, together with outline master- planning work for the whole site. The outcomes of this work are set out in the Cabinet report. The paper also presents the financial viability of the project, commercial arrangements with UK Leisure Framework and the marketing of the residential part of the site. Paragraph 4.41 shows the indicative timeline.

#### **4. Analysis and consideration of alternative options**

- 4.1 Place Overview & Scrutiny Committee can make specific comments to Cabinet if they wish and the draft minutes of the scrutiny meeting will be shared with Cabinet members to inform their decision making.

#### **5. Community engagement and consultation**

- 5.1 Close and regular public engagement has been a key priority of the project since its inception in Autumn 2022. The programme of engagement including feedback gathered can be accessed in section 5 of the Cabinet report. Appendices 2 and 3 present a summary of the most recent engagement with stakeholders including sports clubs.

#### **6. Financial implications**

- 6.1 There are no direct financial implications arising from the recommendation of this report. Detailed financial implications are contained within the King Alfred Regeneration project report to Cabinet.

Name of finance officer consulted: James Hengeveld Date consulted: 02/09/2025

#### **7. Legal implications**

- 7.1 There are no direct legal implications arising from the recommendation in this report. Legal implications with respect to the King Alfred Regeneration project are contained within the Cabinet report.

Name of lawyer consulted: Siobhan Fry Date consulted: 05/09/25

## **8. Equalities implications**

- 8.1 None specifically for this report. See the Cabinet report for more details.

## **9. Sustainability implications**

- 9.1 None specifically for this report. See the Cabinet report for more details and Appendix 4 for the Sustainability brief.

## **10. Health and Wellbeing Implications:**

- 10.1 None specifically for this report. See the Cabinet report for more details.

## **Other Implications**

## **11. Procurement implications**

- 11.1 None specifically for this report. See the Cabinet report for more details

## **12. Crime & disorder implications:**

- 12.1 None specifically for this report. See the Cabinet report for more details

## **13. Conclusion**

- 13.1 Place Overview & Scrutiny Committee is asked to note the paper on the King Alfred Leisure Centre and provide any comments it chooses to Cabinet

## **Supporting Documentation**

## **Appendices**

1. General Arrangement drawings and images for the new King Alfred Leisure Centre
2. Public Stakeholder Engagement Report
3. Summary of key messages from July sports clubs engagement
4. Sustainability brief for the King Alfred Regeneration Project
5. Red line drawing of area of be demolished as part of the enabling works





# Brighton & Hove City Council

Cabinet

## Agenda Item 42

**Subject:** The King Alfred Leisure Centre Regeneration Project

**Date of meeting:** Thursday, 25 September 2025

**Report of:** Cabinet Member for Sports, Recreation & Libraries

**Lead Officer:** Name: Corporate Director- Operations

**Contact Officer:** Name: Mark Healy

**Email:** [Mark.Healy@brighton-hove.gov.uk](mailto:Mark.Healy@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 paper seeks Cabinet agreement to progress the King Alfred Regeneration project from its current concept design stage (Royal Institute of British Architects Plan of Work Stage 2 or RIBA 2) through to spatial coordination and technical design (RIBA stage 3 and 4) including submission of the planning application.
- 1.2 This paper sets out an overview of the emerging concept design (and associated cost plan) which the professional team have developed since their appointment at the beginning of the year. The concept design stage (RIBA 2) has now concluded.
- 1.3 The next stages (RIBA 3 & 4) will entail developing the detailed design with the main contractor up to the point where the planning application can be submitted, together with initial enabling works. This Cabinet report therefore represents a key gateway to secure agreement to take the project forward to those next stages.
- 1.4 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 the proposed facility mix and overall layout for the new King Alfred facility as set out in the floor plans presented at appendix 1.
- 2.2 Agrees that the design team progress further the design proposals presented at appendix 1 and delegates authority to Corporate Director, City Operations in consultation with the Cabinet Member for Sports, Recreation & Libraries to proceed with submission of a planning application based on those designs.
- 2.3 Approves the indicative capital budget for the project of up to £65 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.
- 2.4 Approves an allocation of a further £2.3 million of these resources, in addition to the £2.7million agreed at July 2024 cabinet, for professional fees, surveys, and investigations relating to the development of the design proposals through RIBA Stage 3 (including submission of a planning application), and RIBA Stage 4 with enabling works.
- 2.5 Approves the demolition of redundant parts of the site between the current facility and the car park so that the enabling works for the new facility and regenerated public realm can come forward.
- 2.6 Notes the inclusion of up to £0.89 million estimated ongoing commitment from the council's revenue budget within the Medium-Term Financial Strategy as the base assumption and the plans to offset this additional cost set out in paragraph 4.24.
- 2.7 Notes that as the project progresses to key decision points further reports will be presented to Cabinet in line with the timetable set out from paragraph 4.41.
- 2.8 Agrees delegated authority to the Corporate Director - City Operations, in consultation with the Cabinet Member for Sports, Recreation & Libraries and the Cabinet Member for Finance and City Regeneration, to negotiate a grant funding offer with Homes England (such as Brownfield Infrastructure Land fund, or similar) to secure the viability of the project.
- 2.9 Agrees that the officer team begins the work to market the residential part of the site which will generate the capital receipt which represents a key element of the funding strategy for the project.

## **3. Context and background information**

- 3.1 The delivery of a new facility 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 At its July 2024 meeting Cabinet considered a paper setting out options for replacing the existing King Alfred Leisure Centre with a new facility. The paper explained why a refurbishment of the existing facility would not be viable and then went on to set out options for delivering a new facility. The options presented offered several illustrative designs on two separate sites – the current site and the council-owned green space south of the Sainsbury's superstore at the junction of the A273 and Old Shoreham Road.
- 3.3 Having considered the site options, the business case outcomes, and the results of the resident engagement, Cabinet agreed the recommendations set out in the paper. The key recommendations were to:
- develop design proposals for a new facility on part of the existing site,
  - agree delegated authority to the Corporate Director to approve the procurement of the associated professional team and to progress the project to planning application stage.

#### **Appointment of the professional team**

- 3.4 Following Cabinet's decision to proceed with the project the officer team undertook a programme of procurement work to appoint the professional team that will take forward the design work to the planning application stage. More information on the process is given in section 12.
- 3.5 The outcome of that process was that officers identified an architect and professional team through the [UK Leisure Framework](#), accessed through development partner [Alliance Leisure](#).
- 3.6 The core professional team selected is made up of:
- [GT3 Architects](#), one of the UK's leading architects with a primary focus in the leisure sector and proven expertise in designing energy efficient sports facilities. GT3 previously worked with the council on the development of the [Sports Facilities Investment Plan](#) and have a good understanding the council's vision for sport and leisure in the city.
  - [Engenuiti](#), civil and structural engineers for the project. Engenuiti were part of the team which developed the project's business case earlier this year and prepared the structural report which was key in supporting the council's proposal to replace rather than refurbish the existing facility.
  - [Van Zyl & de Villiers \(VZDV\)](#), building services and engineering consultancy. They have a strong track record in the leisure sector having completed over 150 leisure facilities in the UK, Channel Islands, and 11 countries in mainland Europe.
  - [Hadron Consulting](#), technical project manager. During the market engagement work described in 3.5 – 3.7, Hadron prepared some very effective cost consulting work in which they demonstrated a high

degree of innovation and sector knowledge in showing how the most impactful facility could be delivered for the available budget. As the project progresses, Hadron will bring on other specialist consultants as required.

- [Willmott Dixon](#), main contractor. Appointed on a Pre-Construction Service Agreement, they are the UK's leading leisure centre contractor with experience of successfully building leisure centres across the country. They are able to advise the team on issues such as buildability and site preparation. They will not be appointed to deliver the full project unless the team are happy with the proposed cost once the building design is complete and this is also subject to Cabinet approval.

3.7 Following appointment via Alliance Leisure, the design team have been working closely with officers to develop the design proposals for the new facility, together with outline master- planning work for the whole site. The outcomes of this work are set out in the next section.

#### 4. Analysis and consideration of alternative options

##### Design proposals: facility mix and floor layout

4.1 The design of the new facility began with developing an agreed facility mix and determining how best to arrange those facilities to respond the challenges and opportunities presented by the seafront site. **The proposed general arrangement drawings (floor plans) for the new facility, together with internal and external images, are set out at appendix 1.**

4.2 The design proposals at this stage represent the work of the design team up to the end of RIBA Stage 2 (concept design). As the project progresses into RIBA Stages 3 and 4, some of the design elements may change to reflect discussions with the contractor on questions of buildability and other factors to maximise the efficiency with which the facility mix is delivered within the building's envelope.

4.3 The team have sought to arrange the facilities to meet the following objectives:

- to make best use of the site to accommodate the fullest range of facilities, making creative use of the on-site elevation changes
- to provide a mix of facilities that reflects the ambition of the [Sports Facilities Investment Plan](#) (SFIP) whilst remaining affordable
- to make use of the site's orientation to provide sea views from the cafeteria, pools, and fitness suite, and to make the most of the south-facing side of the building to help heat the pool halls by maximising solar gain
- to provide a main entrance which opens out into a regenerated public realm, protected from prevailing winds and away from traffic
- to minimise wasted space, with no unnecessary corridors or stairways such as those which characterise the current facility.

- to reflect advice and guidance from national governing bodies, such as Sport England and Swim England
  - to reflect feedback from engagement earlier this year on the emerging designs for the new facility with sports governing bodies, local sports clubs, regular users, and resident groups (see section 5, paras 5.1 – 5.4)
  - to reflect the advice of leisure operators captured through recent soft market engagement with them (see section 5, paras 5.9 – 5.12)
  - to provide an appropriate level of parking, without letting the car park dominate the site, along with easy and safe access for cyclists and pedestrians.
- 4.4 The floor layouts and internal design proposals reflect the design team's work in seeking to meet those objectives. Notable features of the design proposals are:
- incorporation of a much larger fitness suite (140-150 gym stations). We know from engagement with operators will generate the most income per m<sup>2</sup>, and which is also most effective in delivering improved health outcomes
  - a family entertainment zone, which in discussion with the operator can be fitted out as a soft play area, clip and climb, or similar attraction. These facilities are highly effective in attracting new users and in generating income
  - a leisure water facility, to help encourage water confidence for children, to attract families, and to help generate revenue.

### **Emerging exterior and interior design proposals**

- 4.5 Given the more intense weathering associated with the coastal location, it has been especially important to ensure that the facility's design features and material choices take account of those challenges. The detail of the surface finishes and material choices is currently being developed with Willmott Dixon.
- 4.6 The emerging proposals include the use of innovative, but well-tested technologies such as structural timber of the frame of the building. In addition to the sustainability benefits set out in section 10, composite timber materials are also better suited than steel to weathering the humid, saline conditions that characterise the site.

### **Wider public realm**

- 4.7 The King Alfred site is one of Hove's most iconic waterfront locations, and it is also a key gateway for those arriving in the city from the West. With that in mind, in addition to designing the new King Alfred facility, the design team were also commissioned to develop proposals for regenerating the surrounding public realm. The team were asked to develop proposals to:
- create a compelling outdoor and indoor destination for all residents visiting the area, not just users of the new King Alfred

- design a public space to connect logically and sensitively to the Kingsway, Esplanade, Hove Beach Park, and other surrounding areas
  - create an inspiring place where residents and visitors will want to spend their leisure time
  - ensure inclusivity, with a space that can be easily navigated by disabled residents, including wheelchair users, parents with young children / pushchairs, and others.
- 4.8 The public realm designs will be shared as part of our next stage of engagement as described in section 5.

### **Financial viability**

- 4.9 From its inception three years ago, the funding for the current project has been based on a combination of the capital receipt from the sale of part of the site together with prudential borrowing over the life of the new facility. The financial viability of the project is therefore dependent on three key elements:
- the total project costs for delivering the new facility, including build costs and professional fees
  - the capital receipt to be realised from the sale of the remainder of the King Alfred site
  - the increased revenue the new facility is expected to generate, which will help service the debt over the life of the new facility.
- 4.10 The financial viability of the project was examined in the business case presented to Cabinet last July. That work has been updated with new land valuations produced by commercial agents Avison Young and SHW, new project costs prepared by the main contractor Willmott Dixon, and updated revenue projections prepared by Continuum Sport and Leisure (the same consultant who produced last year's business case and The Sport Consultancy (TSC)).
- 4.11 A summary of the headline figures from the new financial modelling is set out in table 1 below:

<b>Table 1. Headline project costs</b>		
<b>Headline financials</b>		<b>Notes</b>
£65m	Total project costs	This figure reflects the RIBA 2 cost plan developed by Willmott Dixon. It includes £43.9m for build costs, £4.7m for main contractor preliminaries, £6.9m for contingencies, a 6 per cent inflation allowance (£2.9m), professional fees, and other relevant costs including insurance, and overhead and profit (OH&P). Officers are presently interrogating these costs with input from cost consultants Abacus with a view to securing savings and value engineering to reduce the overall project cost. However, for the purpose of this report the total figure

		(rounded up) provided by the contractor has been used.
£17.3m- £26.4m	Capital receipt from sale of 60% of the site	For the cabinet paper presented in July 2024, the land valuations used were based on a report completed in December 2022 by Avison Young. That report suggested a value for the whole site of £31.2m, equating in pro-rated terms to £18.7m for the 60% proposed for residential development. Two separate land valuations were commissioned for the site with commercial agents Avison Young and Stiles Harrold Williams (SHW). The valuations were conducted for the residential part of the site only. Those reports returned a range of values from a lowest possible estimate of £17.3m to a higher estimate used for this report of £26.4m. That higher estimate included an assumption of 40% affordable housing, and the demolition and remediation costs funded by Homes England Grant. The report did include land value estimates with lower levels of affordable housing which were significantly higher. However, this report focusses on using the highest policy-compliant estimate. Both valuations, together with the upper and lower revenue estimates (see below) are used in the following sections to set out four alternative cost scenarios shown in 4.14 and table 2.
£38.6m- £47.7m	Balance to finance over 50 years @ 4.5% interest	The balance to finance is the total project less the capital receipt. Two values are shown reflecting the upper and lower land valuation estimates from the row above. The finance is based on a 50-year borrowing period which reflects the expected operational life of the project and the maximum period permitted for Public Works Loan Board (PWLB) borrowing. The indicative interest rate used reflects predicted PWLB rates once the project is in construction. The impact of other rates has been modelled and is summarised in section 6 <i>Financial Implications</i> .
£1.95 - £2.4m	Gross annual cost of debt over 50 years	This is the annual cost of servicing the debt based on the payment period (50 years) and interest rate (4.5%) set out above. Two values are shown reflecting the cost of financing the upper and lower balances shown in the row above.



£1.06m - £1.45m	Projected turn-around from revenue	As with the land valuation, two separate reports were commissioned to provide updated revenue projections for the new facility. One of the reports was produced by Continuum Sport and Leisure who prepared the business case which formed the basis of the July 2024 cabinet paper. The other was prepared by The Sports Consultancy. Both are leading sports consultants using their own well-established methods to estimate potential future revenue from the new facility mix. They each produced a range of estimates based on different assumptions. The highest and lowest assumptions are shown here and used in the four scenarios shown in 4.14 and table 2, below.
£0.55m - £1.4m	Net annual cost to revenue budget service debt.	The net borrowing annual costs are derived from the gross costs (£1.95- £2.4m) less the projected revenue (1.0m – 1.4m). This gives a range of costs

- 4.12 The headline project cost of £65m includes £6.9m contingencies, and a further £2.9m of tender inflation. Taken together these represent **£9.8m** incorporated into the headline cost for contingencies and inflation. The contingency allowance incorporates the main contractor's contingencies (approximately 10 per cent of construction costs) plus additional client contingencies. The inflation allowance is based on industry forecasts and aligned with the target delivery dates for the programme.
- 4.13 The business case presented to Cabinet in July 2024 had proposed a total project cost of £47.4m. The differences between the two estimates reflect:
- an enhanced specification for the new facility developed with the design team. Compared to the proposal presented last year, the facility has a much larger fitness suite, family entertainment zone, larger cafeteria, leisure water offer, and features such as a movable floor for the training pool, as well as a more impactful overall presence for the facility
  - a more detailed understanding of the site conditions and the remediation work required, informed by the new site survey work commissioned with the design team and from engagement with the main contractor
  - a more realistic view of the costs of an undercroft car park
  - the inclusion of the development of the new area of regenerated public realm to form an entrance plaza to the facility, which is an addition to the original brief
  - cost inflation in the construction sector.
- 4.14 Table 2 below shows the annual revenue cost to the council based on the four scenarios mentioned in table 1. These scenarios reflect the upper and lower capital receipt estimates (£17.3m and £26.4m) cross-tabulated against the upper and lower revenue estimates (£1.06m and £1.4m).



**Table 2. Comparison of all revenue costs based on highest and lowest land valuations and revenue estimates.**

	Lower capital receipt estimate		Upper capital receipt estimate	
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Lower revenue estimate	Upper revenue estimate	Lower revenue estimate	Upper revenue estimate
Total project costs	£65m	£65m	£65m	£65m
Capital receipt from sale of 60% of the site	£17.3m	£17.3m	£26.4m	£26.4m
Balance to finance over 50 years @ 4.5% interest	£47.7m	£47.7m	£38.6m	£38.6m
Gross annual cost of debt over 50 years	£2.4m	£2.4m	£1.95m	£1.95m
Projected turn-around from revenue	£1.06m	£1.4m	£1.06m	£1.4m
<b>Net annual revenue cost to service debt</b>	<b>£1.34m</b>	<b>£1.0m</b>	<b>£0.89m</b>	<b>£0.55m</b>

- 4.15 Based on the assumptions described in table 1 and paragraphs 4.12 – 4.14, table 2 shows the range of possible annual revenue costs to the council. These range from a highest cost of £1.34m per year – reflecting the lowest estimated land value and the lowest estimated revenue, to £0.55m per year reflecting the highest estimated capital receipt and highest estimated revenue. The assumption of £0.89m per annum revenue cost estimate (scenario 3) has been used as the basis of the recommendation in para 2.4, before any revenue cost mitigations are taken into account.

### **Comparison with 2024 business case proposal**

- 4.16 Working with the design team, officers have examined the feasibility of delivering a new facility within the original £47.4m budget. Whilst a facility could be delivered on site for that budget, it would require a significantly compromised design that would fall some way short of the ambition of the [Sports Facilities Investment Plan](#). The lower cost option would feature:
- no family entertainment zone
  - no leisure water
  - a much smaller fitness suite
  - smaller studios
  - sports hall capacity for 4 courts only
  - no undercroft car parking, with only very limited surface parking.

- 4.18 This more constrained specification would not only fall short of the council's ambition for the new facility and diminish its potential for improving the city's health outcomes, it would also result in markedly reduced revenue generation. Table 3, below, sets out a summary of the modelled headline financials for both options.
- 4.19 The table shows that whilst the annual borrowing costs for the £47m option would be £0.45m lower, the projected revenue would also be much lower (£0.5m compared to £1.0m). There would be a £0.4m annual loss of revenue resulting from the loss of car parking capacity on the site. Taken together, these factors are projected to result in net annual costs for the £65m proposal that are £0.45m less than for the £47m proposal.

<b>Table 3. Comparison of costs for current design proposal with notional costs for a reduced specification facility</b>		
	<b>Current proposal</b>	<b>Reduced cost proposal</b>
Total project costs	£65.0m	£47.0m
Capital receipt from sale of 60% of the site	£26.4m	£26.4m
Balance to finance over 50 years @ 4.5% interest	£38.6m	£20.6m
Gross annual cost of debt over 50 years	£1.95m	£1.5m
Projected turn-around from revenue	£1.06m	£0.5m
Loss of revenue from car park	--	(£0.4m)
<b>Net annual revenue cost to service debt</b>	<b>£0.89m</b>	<b>£1.4m</b>

- 4.20 For both cases, the higher capital receipt estimates have been used. This is because the capital receipt featuring that valuation was a more recent piece of work, reflecting more up-to-date market intelligence. As noted in table 1, that report did also include significantly higher valuations for developments that were not policy compliant. However, for this report, the policy compliant (40% affordable housing) valuation has been used. For both cases, the lower revenue assumption has been used. This reflects a more cautious approach to business planning which recognises the potential for volatility in the leisure sector over the life of the project.
- 4.21 The capital receipts used to model the financing of the project assume remediation costs for the site will be met by grant funding. The project team is liaising with Homes England to explore options for grant funding to support the capital receipt for the residential part of the site and to reduce the abnormal and enabling costs for the leisure centre part of the site. The team has also been securing support for the project from Sport England and other governing bodies to help strengthen the case for grant funding.
- 4.22 For the previous project to deliver a new King Alfred facility (Crest Nicholson, 2019), a Housing Infrastructure Fund (HIF) grant of £15m was secured to support remediation and basement works. However, this was not sufficient to prevent the project stalling due in part to viability concerns by the developer. This historical precedent demonstrates the need for grant funding to enable the project to progress, which is one of Homes England's

requirements for securing grant funding. The project team is continuing advanced negotiations with Homes England to bring in a higher level of funding for both the leisure and residential parts of the site to ensure this iteration is not stalled by abnormalities.

#### **Further financial modelling**

- 4.23 The exact structure of the loans and the details of the borrowing arrangements will be developed further over the next stages of the project. For example, the capital receipt for the sale of the residential part of the site will not be received until after the new facility is completed. The business case last year modelled borrowing based on the capital receipt being received in four installments over an eight-year period.
- 4.24 The base assumption of ongoing costs to the council's revenue budget of the facility is £0.890 million. This is planned to be offset by a combination of the following actions which could generate between £0.800 million and £1.250 million
- reprioritising income streams within Leisure Services
  - making use of new agency regulations to recover previously unrecoverable VAT for leisure operating contract
  - as noted in 4.21 and 4.22, pursuing Homes England grant funding to support remediation and enabling works on the existing leisure centre side of the site
  - improving potential turnaround performance of the new King Alfred facility - to be examined by newly commissioned work with The Sport Consultancy (TSC)
  - reduce planned maintenance
  - reprioritise the capital investment programme to redirect additional funding to the new King Alfred facility
  - sale of other assets to reduce borrowing.

#### **Professional fees – spend to date and forecast pre-contract expenditure**

- 4.25 At Cabinet in July 2024 a sum of £2.7 million was approved for the development of design including submission of a planning application. Since then, the project team, appointed via Alliance Leisure, have completed RIBA stage 2, and have commenced RIBA stage 3. Professional fees expended to date amount to just under £0.8 million of the £2.7 million agreed last year.
- 4.26 As noted in paragraph 2.4, approval of an allocation of a further £2.3 million is sought to progress the project to RIBA 4. This increased allocation will not only enable the project to progress to planning application but will also enable key elements of the sub-contractor design work to be completed at an earlier stage. The allocation will also enable the team to proceed with preparatory work for the demolition and associated enabling works for the green roof area between the current King Alfred and the car park. That work will entail surveys, making safe, and removal of harmful materials (including

asbestos) where needed. This is explained further in the following paragraphs.

- 4.27 Willmott Dixon as main contractor were appointed earlier this year under a pre-construction services agreement (PSCA). Willmott Dixon are responsible for the design team and surveys and investigations from RIBA Stage 3 onwards. The key project stages to complete to allow a main contract to be entered into are RIBA Stages 3 & 4. At the end of RIBA Stage 3 a planning application will be submitted, with the planning fee paid by BHCC. A Planning Performance Agreement (PPA) is also being entered into which also attracts a fee.
- 4.28 In addition to the continuing design work and planning application, the additional budget allocation will also support:
- significant investigation and survey work required during RIBA Stages 3 & 4, to support the enabling works and making-safe the existing bowling alley
  - council direct costs to be attributed to the project, predominantly for capitalised salaries of the council project team
  - completion of a number of key design elements to be completed by sub-contractors, (the 'contractors' design portion' (CDP) elements). This work would typically be undertaken post-contract. However, bringing this work forward will significantly benefit the scheme and reduce risk
  - delivery of an overall bigger scheme and more highly specified facility than conceived in the July 2024 cabinet paper.
- 4.29 The resulting forecast for pre-contract expenditure for RIBA Stages 3 & 4 amounts to £4.2 million in addition to the £0.8 million spent so far. With that in mind, Cabinet approval is sought for an allocation of a further £2.3 million of these resources, which together with the £2.7 million agreed last year will provide a total allocation of £5 million to take the project to RIBA 4 including enabling works.

### **UK Leisure Framework – Commercial Arrangements**

- 4.30 The Council have appointed Alliance Leisure under an Access Agreement to develop the pre-construction elements of the project (RIBA Stages 1 – 4). The Access Agreement constitutes a pre-construction agreement for construction projects. In entering into the Access Agreement, the Council does not commit itself to enter into a call off contract for the construction phase, which the Council may do or not do at its discretion.
- 4.31 Alliance Leisure have entered into a Pre-Construction Services Agreement with Willmott Dixon for Main Contractor and Design Team services to develop the scheme during the pre-construction elements of the project

(RIBA Stages 3 – 4). There is no commitment to Willmott Dixon to enter into contract unless the Council wish to do so.

- 4.32 Alliance Leisure have also instructed Abacus cost consultants to independently review the Willmott Dixon Stage 2 Cost Plan to ensure value for money (VfM). Each RIBA stage cost plan will be reviewed and challenged to ensure costs remain within the budget envelope.
- 4.33 Contingency and inflation allowances have been considered in detail with the wider project team, and the client contingency figure considered against similar schemes and the specific risks and issues presented by the King Alfred project. A detailed risk register is being managed throughout the pre-construction stages with responsibilities for each risk clearly identified, which will be included within the main contract.
- 4.34 Should it not be possible to reach an agreement to enter into a main contract, or if the council wish to pause or walk away from the project, the contractor grants a non-exclusive, assignable, irrevocable and perpetual licence (including the right to sub-licence) to the council to copy, adapt, publish, distribute and otherwise use the project-specific information and designs that have been developed.

#### **Marketing of the residential part of the site**

- 4.35 From the project's inception, the capital receipt from the disposal of part of the site for residential development has been a key component in the funding strategy for the new facility. In addition to being central to the funding strategy, the residential development is also a planning policy requirement. Specifically, in addition to redeveloping the sport and leisure facility, City Plan part 1 allocates the current King Alfred site for *provision of a minimum 400 residential units with ancillary retail and café/restaurant uses* (planning policy SA1).
- 4.36 The financial modelling set out in the July 2024 cabinet paper featured the capital receipt based on a land valuation completed at that time. As noted above in paragraphs 4.10, the valuation has been updated with two new valuations. The new valuations are based on valuing only the part of the site that is not required for the sport and leisure centre and the enhanced public realm.
- 4.37 The most recent of the valuations is based on outline masterplanning work for the residential part of the site with a total of 428 residential units and activation of some parts of the ground floor with commercial uses. That valuation suggests that a capital receipt of around £26.4m could be realised for disposal of the site for a policy compliant (40% affordable) development based on that outline masterplan. That valuation also assumes grant funding to meet the demolition costs, as described in paragraphs 4.21 and 4.22.
- 4.38 It has been the council's intention since the inception of the project to keep the current facility open and operational whilst the new facility is constructed. Once the new facility is open, demolition of the existing facility will

commence. As shown in the indicative programme in paragraph 4.41 below, that is expected to be from May 2028 onwards.

- 4.39 To minimise borrowing costs to the council, it is essential that the disposal of the site, and thus delivery of the capital receipt, takes place as soon as possible after the delivery of the new facility. With that in mind, it is proposed that marketing of the site begins during autumn of this year with a view to securing a buyer ahead of the completion of the new facility. That will in turn enable the contractual arrangements for the demolition and disposal of the site to be resolved in a timely way to bring forward the delivery of the capital receipts to the soonest practical point. As noted in 2.9, it is therefore proposed that marketing of the site begins this Autumn alongside the development of the design work for the new facility.

### **Temporary car parking**

- 4.40 Although the design proposal will re-provide the same level of parking capacity in the undercroft, there will be a period during construction where parking on the existing site is lost. The project team is presently investigating opportunities to use the adjacent Hove Park event space area for displacement parking in order to maintain parking revenue during construction and to safeguard the existing facility against the risk of lost custom if there were to be no parking available during the construction period.

### **Overall project schedule**

- 4.41 Below is an indicative timeline for delivery of the project.

<b>Table 3. Indicative project schedule</b>	
<b>Project stage</b>	<b>Indicative date</b>
PCSA / RIBA Stage 3 commencement	August 2025
Seek Cabinet approval to proceed	September 2025
Planning Application submission	November 2025
RIBA Stage 4 commencement	November 2025
Planning Determination	March 2026
Enabling works commencement	March 2026
Discharge pre-commencement conditions	May 2026
Contractors Proposals	May 2026
Enabling works complete	June / July 2026
Approval to proceed to Contract	Jun 2026
Mobilisation	July 2026
Main Contract commencement	August 2026
King Alfred Leisure Centre completion	May 2028

## **5. Community engagement and consultation**

5.1 Close and regular public engagement has been a key priority of the project since its inception in Autumn 2022. The programme of engagement can be summarised as follows:

- phase 1, from September to December 2022. This first period focused on core users of the King Alfred such as leaseholders and occupiers (e.g. the boxing club), sports clubs, and community groups that regularly book the facility to understand their needs and requirements.
- phase 2, from January 2023 and throughout the rest of that year. This stage entailed connecting with wider community groups and residents. It involved discussing how best to deliver the specification as set out in the SFIP. Notable elements of this phase included a visioning workshop with over 50 participants, an all-day drop-in event in April 2023, and the commissioning of specialist work with the Trust for Developing Communities to engage with minoritised ethnic groups and younger people
- phase 3, beginning of January 2024. This phase aligned with the work to develop the July 2024 cabinet paper, which included examining the possible sites for the new facility. This phase included all-day drop-in sessions at the King Alfred centre and other venues in the west of the city, and an on on-line questionnaire on the sites and delivery options for the new facility which generated over 3,600 responses.
- phase 4. Beginning in January 2025, this phase aligns with the work of the design team (also appointed in January 2025) to develop the design proposals to deliver the new facility and improved public realm on the existing site. The design team engaged directly with key users through the Reference Group, and where invited attended meetings of local groups such as the West Hove Seafront Action Group and the Hangleton & Knoll Project. In addition:
  - a series of focus groups sessions were held in April and May at the King Alfred to engage with sports clubs, community groups, disabled users, and local residents (The report from the focus groups is attached at appendix 2).
  - during July detailed 'surgeries' were offered to sports clubs in which they were able to meet with the design team to work through their specific needs. In addition to local grass-roots sports clubs, governing bodies including Sussex FA and Sussex Cricket also participated, as well as groups who run active sessions for older people and disabled users of King Alfred. The design team has subsequently been working to incorporate, where practical, findings from these sessions into the developing design.

5.2. In addition to the engagement described above, the design team engaged closely with some of the groups representing disabled people to understand their needs. For example, the design team joined the Dolphin's Disabled Swimming Club to observe one of their sessions and conducted a 'simulation walk' around the existing facility with the Sussex Sight Loss Council to understand the challenges faced by those with visual impairment.

## **Key messages from the latest phase of community engagement**

5.3. Key messages to emerge from the latest phase of engagement were:

- the importance of ensuring accessibility for disabled users. The groups we spoke to mentioned the need for meaningful inclusion, sensory-sensitive design, accessible changing, specialist equipment, and staff training.
- many of those we spoke to felt that in addition to providing inclusive fitness opportunities, the new facility should also be a space to promote social cohesion and wellbeing.
- inclusivity was a strong theme. Many felt it important that the new facility was designed in a way to provide privacy and cultural sensitivities where appropriate. This was often mentioned by younger women who felt the current design could discourage some from using the current swimming pool as they felt surveilled by users of the gym and some of the public parts of the facility.
- many of the sports clubs we engaged with shared their concerns about what they felt were outdated spaces and lack of specialised equipment in the current King Alfred. Many also spoke about what they felt were poor quality changing facilities and lack of storage space for club equipment. They were keen for those issues to be addressed in the new facility.
- ensuring the future viability of the facility was also a common theme. Many stressed the importance of ensuring that flexibility and adaptability was built into the design so that the internal spaces could adapt suit the needs of new sports and activities as trends and preferences change over the coming years and decades.
- a number of the clubs that regularly use the facility highlighted issues that were very specific to their sports, activities, or user groups. This included discussions with the disabled swimming club to understand how best to support their members in accessing and exiting the pool in a convenient and independent way, and discussions with sports clubs about requirements for equipment storage, lighting, and floor surface treatments.

5.4. The report from the focus groups is attached at appendix 2 and the summary of key messages from July sports clubs engagement is attached at appendix 3.

### **Design review panel**

5.5. As part of the design development process, an all-day 'designPLACE' review session was convened on 20 June with Design South East's [Brighton & Hove review panel](#). The panel provided feedback and challenge on the design, and offered suggestions for the design team to consider that could potentially enhance the new facility.

5.6. Following the session, the design team identified 36 substantive comments from the panel's report, grouped under 9 broad themes:

- Project brief and community engagement



- Masterplan
- Wider context and analysis
- Connectivity and movement
- Entrance and arrival experience
- Landscape
- Massing, form and articulation
- Active frontage and indoor/outdoor relationships
- Sustainable design.

5.7. Following the panel session, officers have been working with the design team to develop proportionate responses to each of the comments. Those comments will continue inform the design of the new facility and adjacent public realm into the next project stage (RIBA 3) and up to the planning application.

#### **Engagement with councillors**

5.8. The project team has sought to keep cabinet members involved in the development of the emerging designs, and to ensure that their feedback has informed the developing proposals. The briefing process has included:

- briefing councillors with the design team on 28 April and 4 August
- presenting updates on the project to Informal Cabinet on 8 May, 5 June, and 14 August
- involving Cllrs Robinson and Cattel in the design panel review on 20 June.

#### **Engagement with leisure operators**

5.9. In parallel with phase 4 of the resident engagement, the council has recently undertaken some early market engagement (EME) relating to the re-procurement of the council's long-term leisure management contract. Led by the council's appointed leisure consultants Continuum Sport & Leisure, the purpose of this engagement was to seek views from the leisure operator market as potential bidders for the new contract, to help inform the development of the procurement strategy and to refine the service requirements/scope for the new contract.

5.10. This separate piece of work is very relevant to this project as the outcome of this procurement process will determine the leisure operator that will be responsible for the management of this new facility, as well as the council's other sports facilities. As part of the EME process, the emerging designs for this new leisure facility were shared with operators to also gather their feedback on the facility mix/specification and plans, and in particular any aspects of the design that could impact on the viability of the business plan and/or anticipated revenue.

5.11. Operators were generally positive about the initial designs however they did identify a number of areas for further consideration - a high-level summary of this feedback can be seen below:

- the option of moveable floors in the swimming pools will increase the flexibility of the programme
- there is potential to integrate drowning detection technology into the design of the swimming pools
- the location of the sauna and steam room on poolside will help with access and management
- some operators felt the studios may be too small, which will impact on the capacity of the group exercise programme at peak times and hence membership sales
- the proposed power assisted studio is a good addition but could be incorporated into the main gym space to enable management and flexibility to make adaptations in future if needed
- demand for the sports hall should determine the size of the hall
- combined dry-side changing facilities to serve the gym and sports hall seems sensible as the majority of users do arrive already changed for their activity
- the location of the cafe and reception is critical in terms of access and management
- the separate family entertainment/activity play spaces may be too small to be viable and should be merged into one larger space and located next to the cafe – operators would welcome the opportunity to shape proposals for these spaces with commercial viability in mind
- operators signaled concerns that parking may be charged for leisure centre users (which is the current arrangement for the car park adjacent to the King Alfred facility. This would be reflected in the management fee payment for the overall leisure contract. Operators would prefer a time-limited parking offer for customers to avoid abuse of the system and would also expect some control over parking so that customers could access the facilities at busy times (otherwise this would impact on revenue/usage).

5.12. This feedback gathered from the leisure operator market will be factored into the ongoing considerations for the next phase of design work, alongside the views that have been captured from residents and sports clubs.

#### **Next steps with the engagement work**

- 5.13. Looking ahead, a further phase of communications and engagement is planned to begin after the cabinet meeting and ahead of the planning application of being submitted. This will provide an opportunity to share the proposed designs with users and local residents ahead of the statutory consultation for the planning application (to be submitted just before the end of the year). This next phase of engagement will include:
- the launch of a new microsite, which has been developed with Alliance Leisure, which will provide floor plans and CGI images of the interior and exterior of the new facility

- the launch of a survey using the council's 'Your Voice' portal, where residents will have the opportunity to comment on the design proposals
  - an exhibition week, to be held at the existing King Alfred leisure centre, where visitors can view exhibition boards setting out the design proposals and explaining the journey that has led to the design team to arrive at proposals which reflect the city's heritage whilst delivering a contemporary facility to serve the city for many years to come. The exhibition week will include opportunities to meet the design team.
- 5.14. The feedback and key messages from this round of engagement will be considered by the design team. These findings will play a key role in shaping and informing the development of the design proposals ahead of the corporate director submitting a planning application later in the year.

## **6. Financial implications**

- 6.1 The report includes detailed financial information in paragraphs 4.9 to 4.29 based on the updated business case that shows £65 million capital investment. The table at paragraph 4.14 shows 4 scenarios giving a net revenue impact of between £0.550 million per annum to £1.340 million per annum.
- 6.2 The capital cost of the scheme includes £6.9 million contingencies and £2.9 million inflation allowance (6%); as the scheme progresses, contingencies will be updated to reflect the level of cost certainty. In addition to the capital cost of the scheme there are a number of key financial assumptions that underpin the 4 scenarios that also represent financial risks: -
- *The Capital receipt from the sale of the 60% of the site.* The most recent valuation (including 40% affordable housing) is £26.4 million. This is reliant on grant funding to cover demolition and remediation of the site and is subject to market conditions at the point of sale. This funding will also not be achieved until after the new leisure centre is complete and therefore a higher level of funding will be required during the build period.
  - *The expected improved financial performance of the new King Alfred.* This is estimated to be between £1.06 million and £1.450 million per annum. This estimate is reliant on the final design of the leisure centre, customer mix and the financial arrangements with the operator.
  - *Grant from Homes England.* Advanced discussions with Homes England and the evidence of support for the 2019 scheme support this assumption. Demolition and remediation is required for the whole site, not just the housing element to unlock the development and therefore could contribute to the estimated £65 million leisure centre cost.
  - *The cost of borrowing.* The current assumptions include potential borrowing of between £38.6 million and £47.7 million with ongoing financing costs based on 4.5% annuity of between £1.95 million and £2.4 million per annum. Public Works Loan Board (PWLb) interest rates are currently projected to reduce over the next 2 years and the council's treasury team will aim to minimise interest costs. However there is a risk that PWLB rates do not

reduce to this level. If rates are 1% higher, this will increase the financing costs by £0.300 million to £0.400 million per annum.

- 6.3 During the construction the council will no longer receive car park income from the site of approximately net £0.400 million per annum. Options for mitigating this loss and supporting users of the current leisure centre during the construction period are being explored. Any short term residual loss of income will need to be factored into the Medium-Term Financial Strategy (MTFS) subject to paragraph 6.5.
- 6.4 The financing costs during construction and the additional short-term funding until the capital receipt is realised will need to be included in the MTFS subject to paragraph 6.5. Every month of delay in realising the capital receipt after the leisure Centre completion will incur an additional £0.100 million interest cost.
- 6.5 The net costs to the revenue budget, once fully operational of between £0.550 million and £1.340 million with the base assumption being £0.89 million. This ongoing revenue cost along with the short-term costs identified in paragraphs 6.3 and 6.4 will be mitigated through the planned actions included at paragraph 4.24 that will deliver between £0.800 million and £1.250 million per annum both during the construction phase and once operational.
- 6.6 In July 2024, Cabinet approved £2.7 million to progress the project to planning application stage. The recommendation of this report is to release a further £2.3 million to take the project to planning including some enabling works. This allocations forms part of the overall £65 million project cost estimate. As the project progresses the financial implications will be updated in future reports to Cabinet before any final decision to proceed to contract.

Name of finance officer consulted: James Hengeveld  
Date consulted 08/08/25

## **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.
- 7.2 In respect of that part of the site to be sold for residential development, the Council has the power to dispose of that part of the site pursuant to section 123 of the Local Government Act 1972 which requires the Council to obtain the best consideration reasonably obtainable. The sale of the land will require a further decision by Cabinet.

Name of lawyer consulted: Siobhan Fry      Date consulted: (4/08/25)

## 8. Risk implications

8.1 A comprehensive approach to identifying, managing, and mitigating risks has been implemented as part of the project management process. This includes regular risk reporting to the project board from the project risk register. The current headline risks for the project are summarised below:

- **Budget:** As described in section 4, the design proposal which includes undercroft parking, an improved facility mix and more realistically priced demolition and enabling works costs requires a larger budget than initially agreed in July 2024. This paper seeks an increased budget, with the risk arising from the greater annual cost to the council mitigated through the new facility's capacity for greater revenue generation as set out in 4.13 – 4.18.
- **Homes England grant funding.** Realising the maximum value for the sale of part of the site for residential development will be dependent on securing grant funding for Homes England to support demolition and remediation works. Grant funding is also being sought to support enabling works for the new leisure centre part of the site. This risk is being mitigated through regular close liaison with Homes England, including site visits, with a view to securing grant funding as described in 4.21 – 4.22.
- **Programme delays / inflationary pressures.** A detailed delivery programme has been developed with the project team and main contractor, based on benchmarks of similar scale schemes and considering project specifics such as phasing, site constraints, coastal location etc. The construction phase of the programme includes suitable time allowances for high winds and downtime for cranes for example. The detailed cost plan contains allowances for inflation based on the overall delivery programme, and those allowances align with Building cost Information Service (BCIS) and other credible industry forecasts. The risk of programme delays (and inflationary pressures) can be considered in two parts; pre-contract and during the construction phase. Should there be any significant delays pre-contract, the risk of inflation increasing as the overall programme elongates remains with the council. Once in contract however, the risk of inflation is passed to the main contractor and only in the event of 'exceptionally inclement' weather would the contractor be granted an extension to the programme. An extension such as this would only allow time, and no additional costs, protecting the council as best as possible.
- **Delays at the planning application stage.** Whilst the planning application will relate only to the sport and leisure centre, not the separate residential development, the complexity of the site and the project could result in delays to the planning determination. This risk is being mitigated by the design team and planning consultants beginning early engagement with the planning authority, including a pre-app meeting on 12 June. The project team also met with the DesignPLACE review panel on 20 June, and feedback from that session has been informing the subsequent iterations of the design. Ahead of the planning

application, a further round of public engagement on the proposed designs will take place as set out in 5.13 and 5.14.

- **Practical delivery issues on site.** The complexity and uncertainties associated with the site mean that delays and cost increased could result from issues associated with demolition / enabling works, rerouting of services, maintaining access to the electricity substation and related matters. These risks are being mitigated through site survey work and other relevant investigations commissioned through the design team.
- **Site management.** The constrained site, and proximity of the adjacent the A259 cycleways and groyne replacement projects pose a logistics risk. This risk is being mitigated through liaison with both projects to agree practical solutions. In particular, the project team is working with groyne replacement project team to agree use of the adjacent event space to provide temporary parking capacity.

## 9. Equalities implications

- 9.1 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.
- 9.2 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.
- 9.3 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, as described 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, and sports clubs oriented to older members.
- 9.4 Since the appointment of the professional design team in January 2025 further engagement has taken place with groups representing the diversity of the city. Specific activities have included:
- Focus group with representatives of disabled organisations, disabled people's sports clubs, and community groups
  - Reference group meetings, with members invited to follow up by sending through details of their requirements to be considered by the design team
  - A 'simulation walk' for members of the design team, arranged with the Sussex Sight Loss Council, to help the team understand the needs of visually impaired people.
- 9.5 From an equalities perspective, the engagement work and EIA have shown that a new facility will provide 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 can be provided with the new facility.
- 9.6 The findings from the engagement work have informed the development of the current design being presented today. By capturing and incorporating their view, the professional team have sought to ensure that their lived experience has informed the emerging designs, and will continue to do so throughout the design and build stage of the project.
- 9.7 The design team have also been asked to appoint a dedicated access specialist to review the design of the facility and the regenerated public realm outside

## 10. Sustainability implications

- 10.1 Maximising sustainability and energy efficiency are two of the project's central objectives. Sustainability considerations were key in informing the choice of the design team and have continued to be priorities as the design has developed.
- 10.2 The core design team (GT3 Architects, Engenuiti structural engineers, and Van Zyl & deVilliers mechanical and electrical engineers) previously designed the [Eclipse Leisure Centre](#) for Spellthorne District Council – the first Pasivhaus accredited wet and dry sport and leisure facility in the

country. In developing the design for the new King Alfred facility, the team have adopted the same sustainability principles they used for the Eclipse centre and other facilities. They have also taken account of learning from those projects.

- 10.3 One key piece of learning has been the understanding that best value for money can be achieved by applying Passivhaus principles without necessarily satisfying all the conditions for accreditation, some of which can add considerable capital costs which will not be proportionately recovered with future revenue savings. With that in mind, the new facility has been designed to meet the BREEAM 'excellent' standard (a planning requirement) and to reflect the principles of the UK Net Zero Carbon Buildings Standard. The design team and officers feel that approach will offer the optimum balance to deliver a highly sustainable new facility whilst keeping the project affordable and budget-focussed.
- 10.4 Working with the design team, we have developed a sustainability brief for the construction of the facility. This brief stipulates the requirements against which the main contractor must deliver. The brief sets out the council's commitment to a design which reflects current best practice and forward-thinking approaches in sustainable architecture and engineering. The brief is also clear that the building should visibly express the council's commitment to a low-carbon, climate-resilient future, acting as a demonstration project for innovation and environmental responsibility within the community.
- 10.5 Specific requirements set out in the brief include:
- the building must achieve a structural upfront carbon (A1-A5) of no more than 230 kgCO<sub>2</sub>e/m<sup>2</sup> and a total upfront carbon (A1-A5) no more than the limit set out in the UK Net-Zero Carbon Buildings Standard.
  - the operational (B6-B7) and whole life (A1-C4) carbon for the entire building must be assessed and reported. All carbon values must be provided at RIBA Stages 3 and 4, and verified post-completion, using a recognised methodology.
  - proposed low-carbon strategies for the new facility must not result in carbon burden-shifting - for example, reducing structural emissions at the expense of significantly increasing emissions in other elements or life cycle stages.
  - all materials used in the project must be specified and selected to minimise embodied carbon and environmental impact throughout their life cycle. This includes reducing the building weight by swapping heavy floor/wall constructions for timber, hybrid timber/steel frame to create a lighter building. This not only reduces the carbon impact of the building above ground, but the lighter building weight also enables a lower-carbon foundation to be used. In particular, timber should be considered a primary structural and finishing material where appropriate. This includes the use of cross-laminated



timber (CLT), glue-laminated elements, and sustainably sourced softwood.

- the project must prioritise circular economy principles, including selecting materials and systems that allow for future reuse, disassembly, and adaptability where appropriate, utilising reused, reclaimed and repurposed materials, and deconstructing the existing building wherever possible, rather than undertaking wholesale demolition.
- the design and construction must incorporate reclaimed, recycled, and site-won materials wherever technically and economically viable.
- components and materials from the existing building (green roof area) should be deconstructed rather than demolished wherever possible. These materials must be salvaged, sorted, graded, and reused, either within the project or elsewhere.

10.6 In addition to using materials and construction techniques to minimise the embodied carbon in construction, the facility has also been designed to be sustainable in operation. Specific energy and carbon saving innovations and approaches include:

- maximising the benefits of building orientation and form. Building orientation impacts the heating & cooling loads and helps to balance where areas of glazing are useful for internal room use. Locating the pools at the south of the building maximises solar gain for the pool halls, whilst locating the studios and sports hall to the north makes cooler temperatures easier to maintain. The overall compact form of the design minimises thermal losses.
- making best use of thermal zoning. By properly distributing hot - cold zones through the building reduces the temperature differential between spaces. This helps mitigate unwanted internal heat gains and reduces overall system demand.
- investigate the use of micro-filtration system in place of a traditional media bed filtration system for the pool water. This reduced the energy demands by up to 40% in addition to requiring less space in the plant room and reducing the need for chlorine and other chemicals.
- designing-in higher U-Values (which reflects insulation performance). While increased U-values marginally increase the embodied carbon (additional insulation thickness), the payback period on reduced operational energy / carbon can offset this as quickly as 12 months.
- designing-in high levels of airtightness. Up to 40% of all energy usage in a building is through unwanted air infiltration; either through hot air leaking out of the building causing more energy use to reheat the inside space, or through hot air coming in the building causing more energy usage to cool the space. By increasing the air tightness of the building, those losses can be reduced significantly.
- maximising the use of photo voltaic (PV) roof-mounted panels for renewable electricity generation. The roof area will also be planted as

a green roof where possible, whilst leaving sufficient space for roof-mounted plant such as air source heat pumps (ASHPs).

- In addition to helping deliver the project's biodiversity net gain requirements, the green roof will complement the PV panels by helping reduce the ambient temperature on the roof and hence improving the panels' efficiency.
- using air source heat pumps (ASHP) to ensure the new facility is fossil-fuel free.

- 10.7 The decision to use an ASHP system in preference to a ground source heat pump (GSHP) or other alternatives is informed by a feasibility study commissioned with specialist consultants Genius Energy Labs (GEL). Their report concluded that an open loop ground source heat pump (GSHP) system is unlikely to be permitted by Environmental Agency due to the proximity to sea and lack of impermeable layer preventing saline intrusion. Further, it was estimated that the available land is insufficient to locate the required number of open loop boreholes. As such the option of open loop GSHP system using either borehole or seawater was considered unviable.
- 10.8 The report proposed that a closed loop GSHP system interacting with the ocean is possible in theory but poses many practical challenges. Construction of sea loop points at the proposed site location would be difficult due to sandy nature of the beach and temporarily disrupt the use of the beach for leisure. GEL advised that although possible to exchange heat with the ocean, they would strongly advise against it for the reasons explained.
- 10.9 GEL considered the ground capacity local to the site and estimated that to serve the whole development using closed loop boreholes will require a total of 168 boreholes at 12m spacing and a depth of approximately 300m. The constrained sight does not provide adequate space to accommodate this number of boreholes.
- 10.10 The report concluded with a recommendation use a hybrid of GSHPs with closed loop boreholes for the base load supplemented by ASHPs, or only use ASHPs. GSHPs offer higher efficiencies than ASHPs, but come with significant added complexity and cost. With that in mind, the design team's recommendation at Stage 2 was to proceed with an ASHP based design, with the flexibility to incorporate limited GSHP at a later stage in the design if required.

## **11. Health and Wellbeing Implications:**

- 11.1 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.
- 11.2 The Brighton and Hove 'Health Counts' survey for 2024, published earlier this year, provides compelling evidence for the need for a new sport and leisure facility in the city. The report shows that of those surveyed, just 36 per cent had undertaken 150 minutes or more of fitness activity (e.g. gym, fitness class, or dance) in the previous 7 days. Whilst this is definitionally not

quite the same as the NHS guidance for ‘150 minutes of moderate intensity activity a week’ it does signal that more can be done in the city to encourage active leisure.

- 11.3 The business case completed last year examined the health and wellbeing benefits that the new facility could help deliver. This included examining the direct benefits of having more residents participate in active leisure, as illustrated by table 4 below.

<b>Table 4. Physical and mental health outcomes associated with increased physical activity</b>	
<b>Outcome</b>	<b>Relationship with 150+ minutes of moderate intensity sport and physical activity</b>
CHD and stroke	35% reduced risk
Type 2 diabetes	40% reduced risk
Breast cancer	20% reduced risk
Colon cancer	20% reduced risk
Dementia	30% reduced risk
Clinical depression	30% reduced risk
Back pain	25% reduced risk
Hip fractures	52% reduced risk
All outcomes	Linear dose-response relationship between fairly active (30 – 149 mins) and a reduced risk of the above outcomes
Good health	14.1% more likely to self-report good health
Sports injury	Increased risk of sports-related injury

*Department of Health and Social Care. (2019). UK Chief Medical Officers' Physical Activity Guidelines*

- 11.4 The business case showed that the new facility had the potential to deliver significant social benefits such as reduced instances of cardiovascular illnesses, stroke, diabetes, and as well as economic benefits associated with reduced costs to the exchequer from dealing with the consequences of those outcomes. A summary of those results is set out in the July 2024 Cabinet paper.

## **Other Implications**

### **12. Procurement implications**

- 12.1 Following Cabinet’s decision in July 2024 to proceed with the project the officer team undertook programme of soft market engagement throughout July, August and September officers to investigate and evaluate the procurement approaches available for the professional team.
- 12.2 That process entailed examining the available procurement frameworks (e.g. Pagabo, Scape, Crown Commercial Service, and others), considering a restricted tender process, engaging with clients who had recently procured architects and professional teams for similar projects, and visiting a number

of sports and leisure centres either recently completed or currently in construction including: [Spelthorne Leisure Centre](#) (Passivhaus accredited), Cranleigh Leisure Centre, [Winchester Sport and Leisure Park](#), [Ravelin Sports Centre](#) and Kingston Leisure Centre and discussing the key learnings with the clients, architects, and contractors.

- 12.3 The outcome of the engagement was that officers recommended that the architect and professional team for the King Alfred Regeneration Project be procured through the [UK Leisure Framework](#) which is accessed through development partner [Alliance Leisure](#). A decision was taken under delegated authority by the Corporate Director City Services to use the framework on 29 October 2024 in accordance with the delegated authority agreed at the July Cabinet meeting.
- 12.4 Once the procurement route was chosen, officers worked with Alliance Leisure to identify the architect and lead consultants best suited to taking forward the next stages of the design of the new King Alfred facility. From that discussion, a lead professional team was identified which was then considered and agreed by the council's procurement team and the Director acting under delegated authority.

### **13. Crime & disorder implications:**

- 13.1 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.

### **14. Conclusion**

- 14.1 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.
- 14.2 Following their appointment at the start of the year, the design team have developed a design for the new King Alfred leisure centre up to concept design (RIBA stage 2). The proposed design reflects the original vision for the facility as set out on the SFIP but adapts that vision to make best use of the site take account of engagement with operators, sports' governing bodies, and the grassroots sports clubs that use the current King Alfred.
- 14.3 The estimated total project cost for the new facility represents an increase from the proposals set out in the paper presented to cabinet last year. As noted in 4.13, that increase reflects a significantly enhanced specification, a more detailed understanding of the site conditions, a more realistic view of the costs of an undercroft car park, and cost inflation in the construction sector. The main contractor
- 14.4 However, whilst representing a great capital cost, the new facility also offers the potential for much greater revenue generation. As explained in 4.10 –

4.11, the work done with our specialist sport and leisure consultants suggests that the new facility stands to generate an annual revenue surplus of £1m. This in turn is projected to make the net annual borrowing costs for the council substantively the same as they would be if a less expensive and commensurately lower specification facility were delivered.

- 14.5 Cabinet is asked to consider the information set out in this paper and supporting documents and agree that the project proceeds, along with the other recommendations as set out in section 2. With that agreement, the design team will work over the remainder of this year in developing the current design to stage 3 and 4a with a view to the planning application being submitted at the end of the calendar year.
- 14.6 Further updates will be provided to cabinet in line with the project schedule as set out at 4.41.

## **Supporting Documentation**

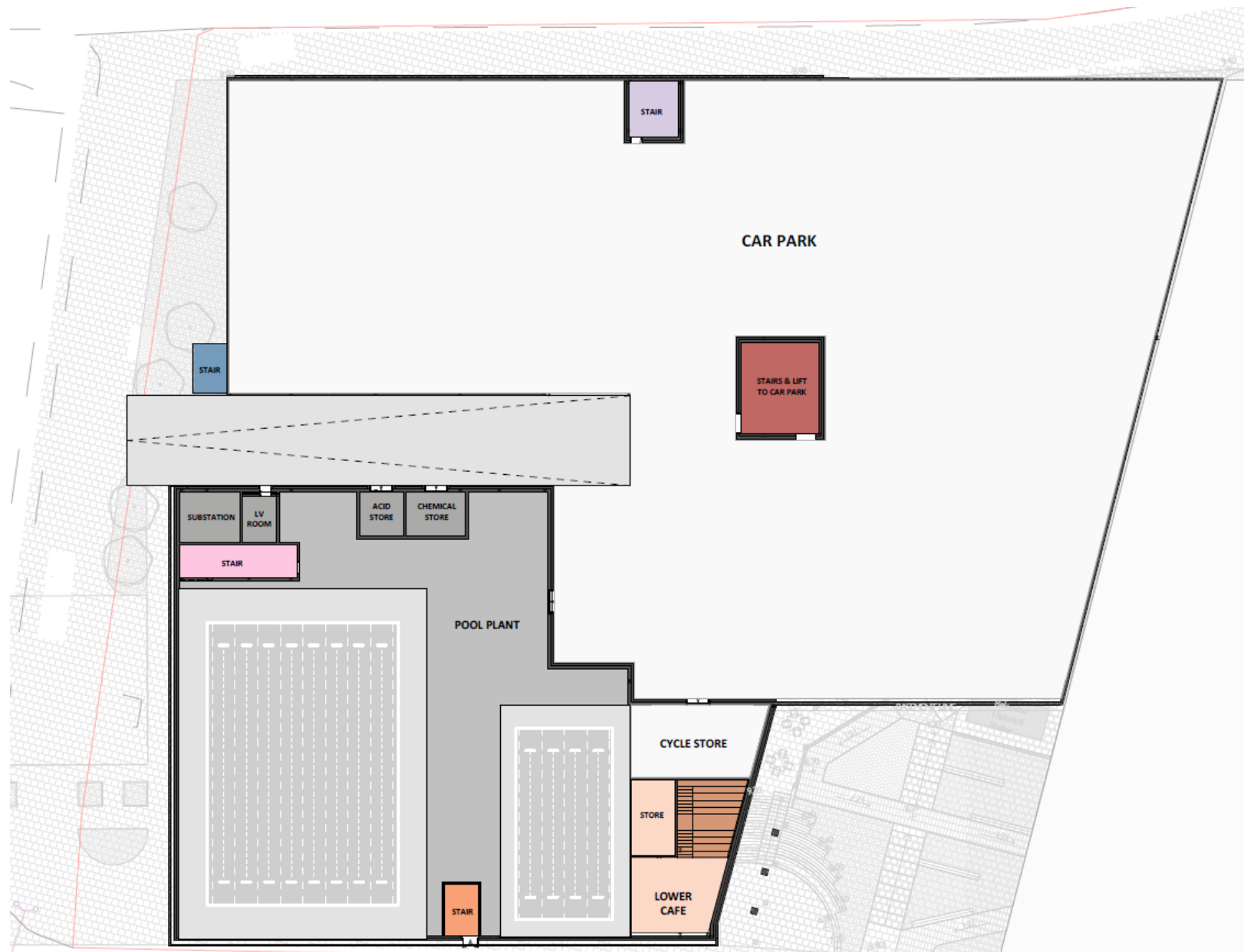
### **1. Appendices**

1. Appendix 1. General arrangement (GA) floor plans and images of the new facility
2. Appendix 2. Report from the April and May focus group sessions
3. Appendix 3. Summary of key messages from July sports clubs' engagement
4. Appendix 4. Sustainability brief
5. Appendix 5. Red line drawing of area of be demolished as part of the enabling works.

### **2. Background documents [delete if not applicable]**

1. Brighton and Hove City Council [Sports Facilities Investment Plan 2021 to 2031.](#)





# The King Alfred Leisure Centre Regeneration Project

Cabinet Paper 25 September 2025

## Appendix 1. General arrangement (GA) drawings and images for the new King Alfred Leisure Centre



Brighton & Hove  
City Council





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Brighton & Hove  
City Council



# King Alfred Leisure Centre

## Public and Stakeholder Engagement Report

**May 2025**



**alliance**leisure



**Active  
Insight**

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# Project Background

This report summarises the key findings of the public and stakeholder engagement groups undertaken for Brighton Council, on behalf of Alliance Leisure.

Active Insight, the industry leader in customer insight and market intelligence within the active leisure industry, is pleased to present this report.

The objective of these engagement groups was to explore attitudes and perceptions towards the proposed redevelopment of a new King Alfred Leisure Centre.

There were four sessions in total; one with current users of the centre and the others with stakeholders, including disability groups, community groups and clubs or organisations that hire or use the centre.

The sessions were conducted by Active Insight facilitators – Julie Allen and Marie Doherty – during the last week of April and the first week of May 2025. The groups were held in person, except for the disability session, which took place online.



# Executive Summary

The focus groups took place between the 26<sup>th</sup> of April and 6<sup>th</sup> May 2025. The sessions were arranged by council officers and Alliance Leisure.

For the public engagement sessions, attendees were recruited from current users, while stakeholders were identified and invited by the council.

Detailed notes from the sessions, along with a list of attendees, are available.





# Executive Summary

## Public Users

- ❖ Health, social connection, and inclusive fitness options were key priorities.
- ❖ Barriers included cost, poor transport links, and accessibility challenges.
- ❖ Strong desire for inclusive facilities, such as improved changing areas and a hydrotherapy pool.
- ❖ Mixed views on current operator; transparency and reinvestment were discussed.

## Sports Groups and Clubs

- ❖ Value reliable, well-maintained facilities to support team activity and club growth.
- ❖ Concerns about outdated spaces and lack of specialised equipment.
- ❖ Emphasised the need for bookable, multi-use spaces and co-location with health services.
- ❖ Desire for partnership in shaping programming and facility planning.

## Community Groups

- ❖ Physical activity was viewed as vital for social cohesion and wellbeing.
- ❖ Identified barriers include transport, session timing, and unclear communication.
- ❖ Need for flexible spaces and culturally appropriate sessions.
- ❖ Requested increased engagement in future planning and design.

## Disability Group

- ❖ Called for meaningful inclusion, sensory-sensitive design, and community identity.
- ❖ Key needs: hydrotherapy, accessible changing, specialist equipment, and staff training.
- ❖ Emphasised the importance of regular programming during standard hours.
- ❖ Strong focus on emotional wellbeing, safety, and feeling part of the community.

# Public Engagement – Residents and Community Groups – Key Findings

There were 14 attendees at this group including representatives from West Hove Forum and Friends of West Hove Lagoon. Below are the key findings from each of the themes discussed. Each topic was explored across four cross-cutting themes.

## Topic 1: What do you consider to be important for your wellbeing?

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"> <li>• Importance of swimming, sports hall, gym, salsa, yoga.</li> <li>• Need for flexible, multi-use/modular spaces dance, classes to adapt to new trends like Padel, Spin, Reformer/Pilates.</li> <li>• Desire for friendly gym environments with human-scaled spaces for older users avoiding design of vast spaces with rows of equipment.</li> <li>• Multi-functional spaces enable wider range of activities supporting an inclusive and diverse community across all age groups.</li> <li>• Retain ballroom (only sprung floor in Hove) space/large activity hall for special events, e.g., tea dance for older people to help alleviate loneliness and increase sociability.</li> <li>• Currently need to use several sites to maintain activity due to many facilities hired out to groups.</li> <li>• Accessibility by bike needs improvement - secure bike parking.</li> <li>• Pleased rebuilding on current site.</li> <li>• Concerned that there is a need to build bigger but believe that is not going to happen.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

Category	Ideas and Feedback
Sustainability and Environmental Considerations	<ul style="list-style-type: none"> <li>Concerns about the environmental cost of demolishing and rebuilding versus retrofitting the existing centre.</li> <li>Emphasis on building longevity (current building has lasted 85 years).</li> <li>Like to see that explore retrofit, e.g. Saltdean Lido - 1 year older than KALC, has been sympathetically restored and refurbished.</li> <li>Concern that new build won't last longer than 20 years.</li> <li>Sparrows will be displaced and would like to see a survey before the construction project starts as affecting 200/250 who 'reside' outside the gym and car park.</li> <li>A 'one type fits all' design won't work for this project, especially in relation to the marine environment.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

Category	Ideas and Feedback
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Desire for adaptable spaces to allow for future sport and fitness trends and innovation.</li> <li>• Ability to reconfigure spaces easily (modularity).</li> <li>• Playlist music choices in gyms to personalize user experience.</li> <li>• Streamline booking app across all sites in city.</li> <li>• Improve membership card system as current swipe system ineffective.</li> <li>• Incorporate an appealing design - not soulless.</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Concern that new spaces must be maintained well over time to avoid deterioration.</li> <li>• Need for clear, visible maintenance standards.</li> <li>• Building must withstand marine weather conditions (wind tunnels).</li> <li>• Current bike parking unsecure.</li> <li>• Need a building that allows people to have a better experience whatever the activity/service/facility.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

## Topic 2: What, if anything, prevents you from accessing the current centre?

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"> <li>Limited parking, especially for disabled users.</li> <li>Safety concerns for bike parking.</li> <li>Swimming pool booked up with too many groups.</li> <li>Gym isn't appealing as too small and smelly.</li> <li>Reduced class offering especially yoga at weekend, dominated by Les Mills classes.</li> <li>Inability to book as many classes as like.</li> <li>Public transport access issues from west of the city - only 700 bus route along seafront as most are along Church Road.</li> <li>Like to see better integration of public transport to access KALC.</li> <li>General building tiredness and unfriendly spaces.</li> <li>Weather (wind tunnels) affecting access.</li> </ul>
Sustainability and Environmental Considerations	<ul style="list-style-type: none"> <li>Worry that if new builds aren't designed for the marine environment, they will degrade quickly.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

Category	Ideas and Feedback
Innovation and Technology	<ul style="list-style-type: none"> <li>• Poor app/website systems for booking classes and sessions across multiple sites;</li> <li>• Lack of intuitive digital booking experience, especially for older users.</li> </ul>
Operations and Maintenance	<ul style="list-style-type: none"> <li>• Building perceived as "run down" with limited maintenance - cold showers, leaks, broken infrastructure - not fit for purpose and can't be adapted any more.</li> <li>• Current building has been allowed to deteriorate over last 8 years.</li> <li>• Aging infrastructure like boilers poorly maintained until recent boiler installation.</li> <li>• Cleanliness standards have been poor, smelly gym, cockroach infestation.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

## Topic 3: What facilities or services are important to you for accessing the centre?

Category	Ideas and Feedback
<b>User Experience, Accessibility, and Inclusivity</b>	<ul style="list-style-type: none"> <li>• Retain swimming pools, gym, dance/yoga spaces, badminton, community meeting areas.</li> <li>• Restore the bowling alley for local use (without "disco" vibe).</li> <li>• Maintain ballroom facilities for social events like tea dances.</li> <li>• Maintain intimacy of spaces to avoid overwhelming users.</li> <li>• Provide variety of classes, not just one branded offering like Les Mills in place of classic yoga classes, especially at weekends.</li> <li>• Incorporate all existing facilities and new family facilities like soft play, climbing, ice rink, saunas and reinstate a restaurant-rooftop.</li> <li>• Ideally retain existing businesses on site - bowling club, independent gym, kid's amusements and golf.</li> <li>• Café affordability for all users .</li> </ul>
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Retrofit ideas inspired by Saltdean Lido instead of complete rebuild.</li> <li>• Consider not just the result but the carbon release of demolishing the building.</li> <li>• The current building is very well constructed with deep basements that have lasted 85 years.</li> <li>• Concerns the new building will be destroyed in 2-3 years.</li> <li>• Focus on reuse of structure where possible.</li> </ul>



# Public Engagement – Residents and Community Groups – Key Findings

## Topic 3: What facilities or services are important to you for accessing the centre?

Category	Ideas and Feedback
Innovation and Technology	<ul style="list-style-type: none"><li>• Better integration of booking systems across sites.</li><li>• Personal playlists in gym.</li><li>• Use of solar panels and green energy features.</li></ul>
Operations and Maintenance	<ul style="list-style-type: none"><li>• Prioritize regular maintenance to avoid spaces falling into disrepair.</li><li>• Belief that building been deliberately run down over last 20 years.</li><li>• Concerns about the lack of plans in place to maintain new building after initial few years.</li><li>• Building must be resilient and adapt to the harsh sea environment.</li><li>• Reuse boiler/parts from existing facilities where possible.</li></ul>



# Public Engagement – Residents and Community Groups – Key Findings

## Topic 3: What health-related facilities or services are important to you, and could be provided at the centre?

Category	Ideas and Feedback
User Experience, Accessibility, and Inclusivity	<ul style="list-style-type: none"> <li>• Interest in GP referrals for gym use - already in place, one of existing trainers at KALC very actively involved (successful centre in Eastbourne).</li> <li>• Multi-use spaces that could include fitness for physical rehabilitation (obesity, diabetes, recovery support).</li> <li>• Health-related cafes or shops e.g. chemist onsite, treat medical complaints onsite, physiotherapy, podiatry.</li> <li>• More inclusive services to complement leisure without replacing enjoyable experience.</li> <li>• Concern that square footage will be reduced with new building to 30% of total size of current space, however, overall useable space could be more due to current redundant spaces.</li> <li>• Question if good idea to mix enjoyable activities with medical services.</li> </ul>
Sustainability and Environmental Considerations	<ul style="list-style-type: none"> <li>• Consider using redundant spaces in current building in place of rebuild.</li> </ul>
Innovation and Technology	<ul style="list-style-type: none"> <li>• Technology for managing GP referrals and tracking fitness/health improvements through leisure activities.</li> </ul>
Operations and Maintenance	<ul style="list-style-type: none"> <li>• Any health service spaces must be clean, hygienic, properly maintained, and designed for medical-grade usage where needed.</li> </ul>

# Public Engagement – Residents and Community Groups – Key Findings

## Additional Notes

- ❖ Concerns were raised that developers had already been appointed, although artist's impressions were not yet available.
- ❖ Some participants expressed concern about Freedom Leisure managing the contract and charging high fees without visible reinvestment. However, others noted that profits are reinvested after the management fee is deducted.

# Stakeholders – Sports Groups and Clubs

## – Key Findings

The following clubs were invited to attend - Brighton and Hove Boxing, , Brighton Stormers Roller Hockey, Swimming Club, Water Polo, Dolphins Disabled Swimming Club , Badminton, Roller Derby, City of Brighton &Hove Swimming Club

### Topic 1: What do you consider to be important for your overall wellbeing?

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"> <li>• Access to inclusive facilities for all ages, genders and disabilities (e.g., hearing/visual impairments, Parkinson's, additional learning needs).</li> <li>• Space is vital: enough room for sport safety (e.g., badminton and pickleball need adequate runoff areas and safe court separation).</li> <li>• Independence is key for older or less able users - safe pool access, working lifts, spacious changing/shower facilities.</li> <li>• Protection and inclusion for trans and LGBTQ+ users via gender-neutral facilities.</li> <li>• Need for social interaction, combating loneliness and building community ("we all need a home").</li> <li>• Safe, welcoming environments, especially during darker hours (concern over walking to cars at night).</li> <li>• Continuity and identity: preserving long-established community clubs like boxing.</li> </ul>

# Stakeholders – Sports Groups and Clubs

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>Concerns about facility inefficiencies and underutilised dead spaces.</li> <li>Requests for better use of space for multi-generational use and intergenerational sustainability.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>Highlighted importance of sports tourism and showcasing innovative programmes (e.g., adaptive boxing).</li> <li>Use of the centre as a platform for wider impact via nationally/internationally recognised programmes and events - swimming, boxing, pickleball.</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>High value placed on keeping all ages and demographics engaged through programming and inclusive planning.</li> <li>Importance of multipurpose space that doesn't feel overcrowded or unsafe.</li> <li>Consideration/better scheduling of activity zoning to avoid noise/light clashes (e.g., curtain safety and loud music from adjacent classes).</li> </ul>

# Stakeholders – Sports Groups and Clubs

## – Key Findings

**Topic 2: What, if anything, prevents you from accessing the existing leisure centre?**

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"><li>• Lack of sufficient parking, unaffordable fees (both for activity and parking) and limited public transport.</li><li>• Long waiting lists and oversubscription for some facilities.</li><li>• Lack of appropriate access (e.g., pool entry for those unable to use steps, cycling facilities, gender-neutral spaces).</li><li>• Women felt some public facilities and spaces (like the seafront and lawns) were male-dominated and unwelcoming.</li><li>• Ineffective and non-user-friendly booking systems.</li></ul>

# Stakeholders – Sports Groups and Clubs

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Issues with temporary plastic taping for court markings—unsustainable and wasteful.</li> <li>• Broken toilets and ongoing maintenance issues (sewage, leaks) leading to environmental degradation and health hazards - already seen in new Lawn's facilities.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Booking system needs overhaul as not user friendly.</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Facilities (e.g., lifts, toilets, showers) not reliably functional; repairs take too long.</li> <li>• Concerns about safety (e.g., slope used as toilet, poor external lighting).</li> <li>• Shared spaces (e.g., NHS stroke rehab vs. badminton) cause acoustic conflicts and reduce user enjoyment.</li> </ul>

# Stakeholders – Sports Groups and Clubs

## – Key Findings

**Topic 2b: What facilities and services are important to you for accessing the leisure centre?**

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"><li>• Provision of discrete, dedicated spaces for clubs and programmes (e.g., boxing gym, pickleball courts, community health groups).</li><li>• Better layout for inclusive access (e.g., changing rooms, showers, pool access).</li><li>• Seating for spectators and families to engage in the space.</li><li>• Affordable and accessible healthy café/restaurant.</li><li>• Clearly marked, permanent court lines for activities like pickleball.</li><li>• Provision for a "home" environment for long-standing clubs with deep community roots.</li></ul>



# Stakeholders – Sports Groups and Clubs

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Permanent, eco-friendly court markings instead of single use plastic overlays.</li> <li>• Efficient layout and design to minimize environmental impact and wasting space as seen currently at KALC.</li> <li>• Open discussion about improving energy and resource use.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Requests for a modern, multi-use space that can accommodate changing trends.</li> <li>• Enable sports tourism and reputation-building through modern, flexible venues.</li> <li>• New design to consider the impact of windows and glare for both activities and communal areas for visually impaired.</li> <li>• Vending to be better considered not just an add on.</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Adequate soundproofing for both shared spaces and studio classes with loud music.</li> <li>• Facilities designed to be easier and cheaper to maintain.</li> <li>• Appropriate storage for activity equipment.</li> <li>• Efficient design to ensure facilities can be used by various groups simultaneously without interference.</li> </ul>



# Stakeholders – Sports Groups and Clubs

## – Key Findings

**Topic 3: What community health-related services are important to you and could be delivered at the leisure centre?**

Category	Ideas and Feedback
User Experience, Accessibility and Inclusivity	<ul style="list-style-type: none"> <li>• Support services for mental health, neurodiversity and loneliness.</li> <li>• Social prescribing opportunities via sport (e.g., pickleball, boxing).</li> <li>• Inclusive programmes for dementia, rehabilitation and disabilities.</li> <li>• Need for a structured, permanent home base to deliver long-term community health improvements.</li> <li>• Safe spaces that promote independence and participation.</li> </ul>

# Stakeholders – Sports Groups and Clubs

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Space needs to be cleaned and maintained to reduce disease spread (e.g., foot infections in showers).</li> <li>• Environmental maintenance (e.g., cleaning external access and site, reducing public urination) to improve wellness experience.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Mention of physiotherapy and potential integration with healthcare services—links to NHS and digital health collaboration - within site redevelopment.</li> <li>• New pool to have an adjustable height floor to open up opportunities for diving.</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Health facilities such as physiotherapy rooms, social prescribing hubs, drop-in NHS services (e.g., stroke rehab).</li> <li>• Toilets and plumbing systems that can cope with large events.</li> <li>• Flexibility to support both grassroots and health-focused programming (e.g., from early childhood to elderly care).</li> </ul>

# Stakeholders – Community Groups

## – Key Findings

The following groups were invited to attend - Beryl BTN Bike hire , Black Tri-Tribe, Sussex Sight Loss , Sussex Cricket, Community works, The Hangleton & Knoll Project , BD Manager at Brighton & Hove Buses and Metrobus., DINK Brighton Pickleball, CEO Soul Corporations, Brighton and Hove u3a.

### Topic 1: What do you consider to be important for your overall wellbeing?

Category	Ideas and Feedback
User Experience, Accessibility, and Inclusivity	<ul style="list-style-type: none"> <li>• Strong emphasis on access via safe cycling routes, with secure parking and close to the centre.</li> <li>• Priority for active travel (walking, wheeling, cycling) over private car use.</li> <li>• Support for high public transport accessibility, including possible bus diversions to the site.</li> <li>• Taxi rank.</li> <li>• Welcoming interior spaces: open, light-filled, with greenery.</li> <li>• Staircases should be as visible and usable as lifts - design should promote movement.</li> <li>• Access to sea swimming and safe connections between building and seafront.</li> <li>• Future design - no windows/designs with strong reflection or bright lights in communal areas and simple walkway designs for easy navigation around centre - for visually impaired.</li> </ul>

# Stakeholders – Community Groups

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>Concerns about sea-level rise and storm damage impacting the site. Sea wall planned in the near future will help protect the centre from high tides and shingle.</li> <li>Building must be resilient to shingle, flooding and marine climate.</li> <li>Passive design elements like solar panels and heat recovery encouraged.</li> <li>Potential for '0' emission buses - financial constraints for the bus companies to develop without support.</li> <li>No more than 25% ratio parking/facility.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>Desire for seamless digital booking systems across leisure centres.</li> <li>Smart design for wayfinding and user personalization.</li> <li>High-quality Wi-Fi and potential for digital features like smart lockers and self-checkout.</li> <li>Like to see VR rooms/Immersive environments.</li> </ul>

# Stakeholders – Community Groups – Key Findings

Category	Ideas and Feedback
Operations and Maintenance	<ul style="list-style-type: none"><li>• Need for well-maintained spaces with high hygiene standards.</li><li>• Building should support easy maintenance access to reduce long-term costs.</li><li>• Dedicated service entrance to avoid interfering with public space.</li><li>• Multiple entrance to access building.</li></ul>

# Stakeholders – Community Groups

## – Key Findings

### Topic 2: What, if anything, prevents you from accessing the existing leisure centre?

Category	Ideas and Feedback
User Experience, Accessibility, and Inclusivity	<ul style="list-style-type: none"><li>• Limited and inconvenient public transport routes, especially from the west and north.</li><li>• No direct bus service (except the 700); walking from Church Road is difficult - street clutter must be kept to a minimum for visually impaired and disabled.</li><li>• Bus access to/from Brighton and surrounding areas to leisure centre is poor.</li><li>• Barriers for users with mobility scooters; lifts not always accessible.</li><li>• Car parking and drop-off zones are poorly designed.</li><li>• Unwelcoming building: spaces feel tired and unsafe.</li><li>• Shared spaces need to plan better with acoustics as impacts different activities.</li><li>• No ice rink: re-establish Brighton Tigers Ice Hockey team again.</li><li>• No cricket nets.</li><li>• Location of ceiling lighting for badminton is key to play effectively.</li></ul>

# Stakeholders – Community Groups

## – Key Findings

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Poor integration with active travel options discourages low-carbon journeys.</li> <li>• Lack of coordinated planning with wider transport network.</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Outdated and unreliable booking systems deter use.</li> <li>• Poor user interface and lack of real-time information and bookings (especially difficult for older users).</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Longstanding issues with cold showers, leaks, poor acoustics, and smelly gyms.</li> <li>• Maintenance has been delayed due to redevelopment plans.</li> <li>• Current infrastructure is perceived as neglected.</li> </ul>

# Stakeholders – Community Groups

## – Key Findings

### Topic 2b: What facilities and services are important to you for accessing the leisure centre?

Category	Ideas and Feedback
User Experience, Accessibility, and Inclusivity	<ul style="list-style-type: none"><li>• Desire for 50m pool, diving boards, sea-swim changing access, saunas, rooftop café, badminton, gym, boxing, pickleball, padel.</li><li>• Multi-use halls to cover all activities and to have all courts marked out permanently - currently pickleball spending time and money on tape to mark the courts.</li><li>• Dedicated inclusive and neurodiverse-friendly design features.</li><li>• Space for lesser-known sports (e.g., cricket, showdown-relies on senses so needs quiet space).</li><li>• Integration with existing groups like Boxing Club and local gym.</li><li>• Like swimming to offer something that sets apart from all other pool facilities in Brighton and Hove.</li><li>• Ensure accessible to all different groups not just first come first served.</li></ul>



# Stakeholders – Community Groups

## – Key Findings

**Topic 2b: What facilities and services are important to you for accessing the leisure centre?**

Category	Ideas and Feedback
<b>Sustainability and Environmental Considerations</b>	<ul style="list-style-type: none"> <li>• Passive energy strategies like solar panels and water recycling.</li> <li>• Durable materials suitable for marine environment.</li> <li>• Retrofit options should be considered before full rebuild.</li> <li>• Ice rink could potentially heat the pool?</li> </ul>
<b>Innovation and Technology</b>	<ul style="list-style-type: none"> <li>• Spaces should be modular to adapt to changing trends.</li> <li>• Personalisation through playlists or apps.</li> <li>• Live capacity displays and digital signage.</li> <li>• Integration with transport (e.g., real-time bus/train data)</li> </ul>
<b>Operations and Maintenance</b>	<ul style="list-style-type: none"> <li>• Spaces should be designed for durability and low maintenance costs.</li> <li>• Future-proofing against marine wear and tear is essential.</li> <li>• Priority on cleanliness, comfort, and clear upkeep responsibility.</li> </ul>

# Stakeholders – Community Groups

## – Key Findings

### Topic 3: What community health-related services are important to you and could be delivered at the leisure centre?

Category	Ideas and Feedback
User Experience, Accessibility, and Inclusivity	<ul style="list-style-type: none"> <li>• Interest in GP referrals for physical activity and gym use.</li> <li>• Quiet spaces for mental health recovery and inclusive wellness.</li> <li>• Spaces to reduce stigma for those new to sport or managing chronic conditions.</li> </ul>
Sustainability and Environmental Considerations	<ul style="list-style-type: none"> <li>• Potential to share medical space with adjacent housing development.</li> <li>• Design for long-term community use and adaptability in response to changing health trends.</li> </ul>
Innovation and Technology	<ul style="list-style-type: none"> <li>• Tech integration for GP referrals and user tracking of health progress.</li> <li>• Online health and wellbeing resources tied to leisure services.</li> </ul>
Operations and Maintenance	<ul style="list-style-type: none"> <li>• High standards of hygiene and cleanliness essential.</li> <li>• Operational clarity on managing shared spaces with health partners.</li> </ul>

# Stakeholders – Disability Groups – Key Findings

The 4 attendees included people with visually impairments, mental health conditions, the mother of son with cerebral palsy, and a representative of the Parent Carer Council and mother to a child with Downs Syndrome.

## 1. What do you consider to be important for your overall wellbeing?

Participant 1 – Enjoys staying physically active through walking, parkrun and table tennis, which supports his mental wellbeing as a visually impaired person.

Participant 2 – Values social connection as a key part of maintaining his mental health.

Participant 3 – Stressed the importance of inclusive, accessible opportunities for children and young people to be active. Environmental factors like lighting and acoustics must be considered. Consistency, support and frequent sessions are essential for this community.

Participant 4 – Her son, who uses a wheelchair, needs social inclusion and access to local, familiar facilities. He currently feels excluded due to poor accessibility.

Group sentiment – Inclusivity is crucial for mental health. When children leave mainstream education, they risk isolation. Everyone should feel part of the community — they matter.

# Stakeholders – Disability Groups – Key Findings

## 2. What, if anything, prevents you from using the existing leisure centre?

Participant 1 – No major barriers but would welcome more opportunities and clearer communications about safe, inclusive activities for visually impaired people.

Participant 2 – Faces financial barriers and would benefit from a hub where activities are clearly signposted.

Participant 3 – The entrance, bus stop location and limited Blue Badge parking are significant access issues, especially in poor weather.

Facilities – There is a shortage of accessible changing rooms which need to be located near key areas like the pool and gym.

Environment – Lighting and acoustics must be carefully designed to support those sensitive to light and sound, including spaces like the café.

Operations – Queuing can be stressful for some users, particularly young people and should be addressed from a front-of-house perspective.

Scheduling – Quieter sessions are lacking and should be offered during standard hours rather than at inconvenient times.

Hydrotherapy – A hydrotherapy pool is a high priority; one parent highlighted the difficulty of accessing existing provision, a concern echoed by others.

# Stakeholders – Disability Groups – Key Findings

## 2b. What facilities and services are important for you to access the LC?

Specialist equipment for people using wheelchairs (example of upper body cycle and specialist gym kit that is accessible for those with disabilities).

Specialist knowledge of team members (operational consideration).

Clear and tactile markings on all equipment for those who are visually impaired, to enable tactile identification of essential information.

Good lighting (acknowledged this can be challenging for others who are sensitive to light but essential for those who are visually impaired).

Mental health groups – someone to check in on you if you haven't attended – a social group.

Hydrotherapy needs to be considered – this was a “plea from the heart” from a mother who continues to fight for her son to be able to access facilities and feel part of his community.

## 3. Additional community-health related services

Space for meetings and groups to come together (nutrition/mental health groups), physiotherapy.

A café is important for people to meet and socialise.

# Acknowledgements

With special thanks to the public, local stakeholder groups and their representatives, for their engagement and contribution to this piece of research.

## Contact Us



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07940 937 866



## Summary of key messages from July sports clubs engagement

Club	Feedback	Next Steps	RAG
<b>Table Tennis</b>	<ul style="list-style-type: none"> <li>Supportive of scheme</li> <li>6no. tables in single space, ideally in studio rather than sports hall</li> </ul>	<ul style="list-style-type: none"> <li>Studio design to be developed</li> </ul>	<b>G</b>
<b>Badminton</b>	<ul style="list-style-type: none"> <li>Supportive of scheme but prefer black box sports hall with no natural light</li> <li>Currently use 5 badminton courts but would book 6 at a time if available</li> </ul>	<ul style="list-style-type: none"> <li>Review requirement for natural light in sports hall</li> </ul>	<b>G</b>
<b>Grace Eyre (Accessibility)</b>	<ul style="list-style-type: none"> <li>Quiet areas within gym space would appeal to users</li> <li>Option to have parents or carers at poolside or in the sports hall would be preferable.</li> </ul>	<ul style="list-style-type: none"> <li>Zoning of gym to create different activity zones to be reviewed</li> <li>Review potential options for poolside spectators</li> </ul>	<b>G</b>
<b>Swimming Clubs</b>	<ul style="list-style-type: none"> <li>Significantly more spectator and poolside seating required to host galas</li> <li>Two 25m pools would be the swim club preference with no leisure water</li> </ul>	<ul style="list-style-type: none"> <li>Options to increase spectator seating to be reviewed</li> <li>Review if the teaching pool can be increased from 17m</li> </ul>	<b>A</b>



	<ul style="list-style-type: none"> <li>Parking issues need to be addressed if the venue is to be used for galas</li> </ul>		
<b>Sussex FA</b>	<ul style="list-style-type: none"> <li>Supportive of the proposals and would use the space for futsal training and tournaments at a local level if spectator seating was available</li> <li>Storage required for goals in sports hall</li> </ul>	<ul style="list-style-type: none"> <li>Review storage requirements for all sports within the Sports Hall</li> <li>Overlay futsal markings on sport hall layout</li> <li>Understand alternative options to bleacher seating for spectator seating within the sports hall</li> </ul>	<b>G</b>
<b>Gym Club</b>	<ul style="list-style-type: none"> <li>Lack of storage at the current King Alfred Leisure Centre stops the club competing at a higher level</li> </ul>	<ul style="list-style-type: none"> <li>Gym club to issue storage requirements for review</li> <li>Design to be review to understand if this could be accommodated in studio space</li> </ul>	<b>G</b>
<b>Brighton Rockers Roller Derby</b>	<ul style="list-style-type: none"> <li>Larger sports hall would be a significant improvement on the current offering at the existing King Alfred</li> <li>Line markings on the new sports hall floor would save a large amount of set up time at the start of each training session and may allow home games to be played at the King Alfred</li> </ul>	<ul style="list-style-type: none"> <li>LED floor not feasible for sports hall. Review flooring options with available markings</li> <li>Understand alternative options to bleacher seating for spectator seating within the Sports Hall</li> </ul>	<b>G</b>
<b>Dolphins Disabled Swim Club</b>	<ul style="list-style-type: none"> <li>Supportive of the new scheme once the use of easy access steps and pool pods was explained</li> </ul>	<ul style="list-style-type: none"> <li>Arrange visit to local schemes with pool pods if requested by swim club</li> </ul>	<b>G</b>



**The King Alfred Leisure Centre Regeneration Project**  
**Cabinet Paper 25 September 2025**  
**Appendix 3.**



	<ul style="list-style-type: none"> <li>Supportive of the moveable floors as it would allow sessions to be held in both the main pool and teaching pool</li> </ul>		
<b>Sussex Cricket</b>	<ul style="list-style-type: none"> <li>No provision at current King Alfred, so very supportive of new proposals for nets in sports hall</li> <li>2 or 3 lanes required</li> <li>Storage required for roll out mats</li> </ul>	<ul style="list-style-type: none"> <li>Review how many lanes can fit into each side of the sports hall to understand the preference for programming</li> </ul>	<b>G</b>
<b>DINK Pickleball</b>	<ul style="list-style-type: none"> <li>Supportive of the scheme and would book all 6 courts in the sport hall</li> <li>Noted that a barrier may be required between the back-to-back courts to stop balls rolling onto the neighbouring court</li> </ul>	<ul style="list-style-type: none"> <li>Review options for storage of 1.2m dividers as used at other pickleball venues and tournaments</li> </ul>	<b>G</b>
<b>Wish Wudang Tai Chi</b>	<ul style="list-style-type: none"> <li>No storage at current King Alfred but would be used if available at the new centre</li> <li>Space required for more experienced class with 6 attendees (14ft clear height)</li> </ul>	<ul style="list-style-type: none"> <li>Develop studio plans to provide enough space for Tai Chi classes</li> <li>Review storage options and size requirements within studio spaces</li> </ul>	<b>G</b>



## Sustainability Brief for the King Alfred Regeneration Project

### 1. Upfront Carbon Target

The building must achieve a structural upfront carbon (A1-A5) of no more than 230 kgCO<sub>2</sub>e/m<sup>2</sup> and a total upfront carbon (A1-A5) no more than the limit set out in the UK Net-Zero Building Standard. These figures represent an absolute upper limit, not a target. The contractor is expected to strive for a lower value through optimisation of structure, material efficiency, and use of low-carbon materials.

In addition to these limits, the operational (B6-B7) and whole life (A1-C4) for the entire building must also be assessed and reported. All carbon values must be provided at RIBA Stages 3 and 4, and verified post-completion, using a recognised methodology.

Proposed low-carbon strategies must not result in carbon burden-shifting - for example, reducing structural emissions at the expense of significantly increasing emissions in other elements or life cycle stages. A whole-building perspective must be maintained to ensure genuinely low-carbon outcomes.

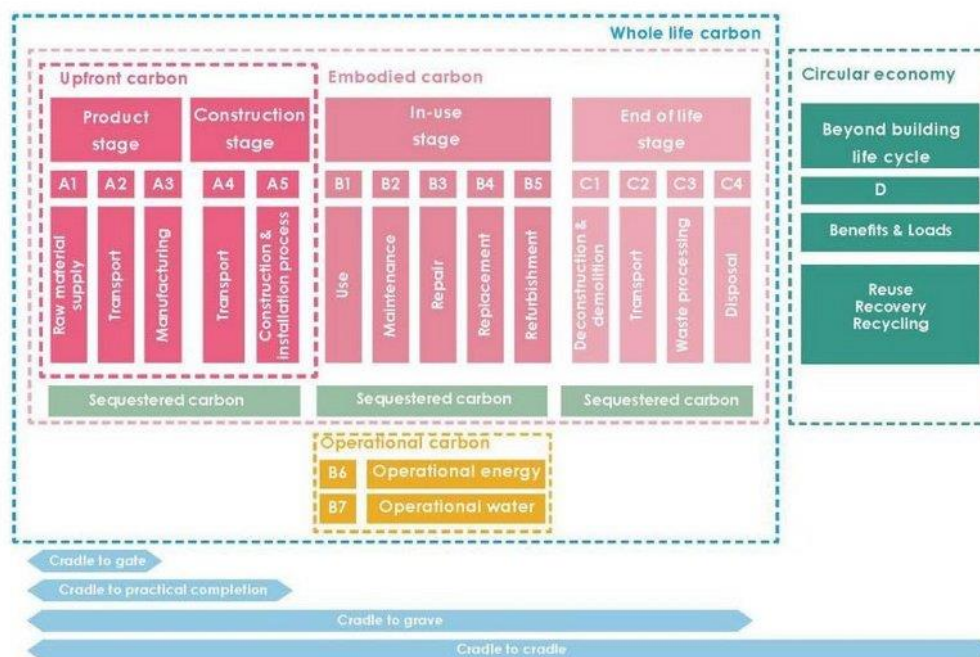


Figure 1 Life cycle stages

### 2. Sustainable Design Excellence and Civic Leadership

The design must reflect both current best practice and forward-thinking approaches in sustainable architecture and engineering. The building should visibly express the council's commitment to a low-carbon, climate-resilient future, acting as a

**Appendix 4.**

demonstration project for innovation and environmental responsibility within the community.

### **3. Circular Economy Principles**

The project must prioritise circular economy principles, including:

- Selecting materials and systems that allow for future reuse, disassembly, and adaptability
- Utilising reused, reclaimed and repurposed materials (see item 4)
- Limiting composite or highly bonded materials that hinder future separation or recovery
- Deconstructing the existing building wherever possible, rather than undertaking wholesale demolition.

### **4. Use of Reclaimed and Recycled Materials**

The design and construction must incorporate reclaimed, recycled, and site-won materials wherever technically and economically viable. This includes, but is not limited to, reclaimed structural steel, reused demolition arisings, recycled aggregates, and materials from council or contractor-held stockpiles. Consideration should also be given to reclaimed and recycled materials for non-structural elements of the building. The contractor must actively seek and incorporate reclaimed or surplus materials from:

- Other council-owned buildings and land
- Contractor stockpiles
- Third-party reuse schemes or suppliers.

### **5. Deconstruction and Demolition Waste Management**

Components and materials from the existing building should be deconstructed rather than demolished wherever possible. These materials must be salvaged, sorted, graded, and reused, either within the project or elsewhere.

All demolition arisings must be carefully separated, graded and prioritised for reuse on-site. Where reuse on this site is not feasible, materials and components should still be considered for use on other council projects or within regional reuse networks before disposal is considered.

The client expects that only minimal material will be taken offsite for disposal, and that a proactive approach to reuse and circular resource management is demonstrated throughout.

### **6. Investigation of Existing Structure**

The existing foundations and structural elements must be assessed at the earliest stage to determine reuse potential. These findings must be incorporated into structural design decisions.

### **7. Low Carbon Materials Specification**

**Appendix 4.**

All materials used in the project must be specified and selected to minimise embodied carbon and environmental impact throughout their life cycle. This includes prioritising materials with proven low-carbon credentials and sourcing options that

support circular economy principles. There is a preference for materials that store and sequester carbon.

Examples of approaches include, but are not limited to:

- Use of low embodied carbon concrete, incorporating alternative cement binders such as Limestone Calcined Clay Cement (LC3), and alkali-activated cements.
- Avoidance of materials with high carbon footprints or limited global availability (eg GGBS or PFA) that could cause unintended environmental impacts.
- Use of steel produced via electric arc furnace (EAF) processes or lower carbon blast furnaces
- Preference for materials with environmental product declarations (EPDs) and certification schemes demonstrating sustainability credentials.
- Selection of locally sourced, recycled, reclaimed, or sustainably harvested materials to reduce transport emissions and resource depletion.

The contractor shall collaborate with suppliers and the design team to optimise material choices to deliver the best environmental outcomes without compromising durability or performance.

**8. Use of Timber and Engineered Timber (e.g. CLT)**

Timber should be considered a primary structural and finishing material where appropriate. This includes the use of cross-laminated timber (CLT), glue-laminated elements, and sustainably sourced softwoods.

**9. Sustainable Drainage Systems (SuDS)**

The project must incorporate Sustainable Drainage Systems (SuDS) as a core part of the site-wide water management strategy. SuDS should be designed to:

- Manage surface water sustainably, reducing runoff rates and volumes to greenfield-equivalent levels or better
- Prioritise above-ground, nature-based solutions (e.g. rain gardens) over buried infrastructure wherever possible
- Use natural or low-carbon materials and maximise the multifunctional potential of landscape features
- Enhance site biodiversity and amenity value, contributing positively to the site's ecological and community environment




SuDS must comply with local authority and national planning guidance and be designed for long-term maintainability. The contractor is expected to work collaboratively with the design team and landscape specialists to deliver solutions that align with the council's climate resilience and sustainability objectives.





**Red line drawing of area to be demolished as part of the enabling works**



-  Existing surface car park highlighted in blue
-  Area for demolition highlighted in orange
-  Existing King Alfred facility highlighted in green





# Brighton & Hove City Council

## Place Overview & Scrutiny Committee

## Agenda Item 34

**Subject:** General Fund Budget Planning & Resource Update: 2026-27 to 2029-30

**Date of meeting:** 22<sup>nd</sup> September 2025

**Report of:** Chair of Place Overview & Scrutiny

**Contact Officer:** Name: Natalie Sacks-Hammond  
Email: Natalie.sacks-hammond@brighton-hove.gov.uk

**Ward(s) affected:** (All Wards);

**Key Decision:** No

**For general release**

### **1. Purpose of the report and policy context**

- 1.1 This report to Place Overview & Scrutiny Committee is to update members on the current budget position and includes the General Fund Budget Planning & Resource Update 2026-27 to 2029-30 report taken to Cabinet in July 2025.
- 1.2 This report is to keep members informed and to provide greater understanding of the council's current budget position ahead of further scrutiny on more detailed budget proposals closer to Budget Council in February 2026.

### **2. Recommendations**

- 2.1 That Place Overview & Scrutiny Committee notes the report.

### **3. Context and background information**

- 3.1 As part of the Council's budget setting process members are being updated on the latest financial position of the council to enable them to be up to date and have a greater understanding of the current situation ahead of any proposed budget changes in February 2026.
- 3.2 The attached appendices that were taken to the July 2025 Cabinet meeting discuss all areas of council spending, including those that are outside of the remit of the Place Overview & Scrutiny Committee.
- 3.3 The Place Overview & Scrutiny Committee Terms of Reference agreed by Full Council on 16 May 2024 set out the remit of the committee as:

- Corporate services (including legal and democratic services, policy and corporate communications, performance improvement and programmes)
- Finance and procurement
- Human resources
- IT&D
- Housing delivery (including regeneration) and Housing supply
- Culture and leisure services, including arts and creative industries, tourism, leisure, parks & open spaces, seafront
- Transport, including highways, traffic management and parking management and enforcement
- Planning policy, conservation and design
- Waste management and control
- Economic development and regeneration
- Environmental awareness & enforcement, and sustainability
- Safer communities, emergency planning, licensing policy, environmental health and trading standards
- And any other services within the scope of the Corporate Services and City Services directorates that are not included in the Terms of Reference of another Overview and Scrutiny Committee.

3.4 Members are therefore asked to consider these areas specifically, as well as more general areas such as council tax, when reading the attached appendices and asking questions at committee.

3.5 A similar report will be taken to People Overview & Scrutiny Committee on 15 September 2025 to consider areas within their remit.

3.6 The Council's budget setting process will include an opportunity for members of Place Overview & Scrutiny Committee to scrutinise the proposed council budget for 2026-27 in advance of Budget Council in February 2026.

#### **4. Analysis and consideration of alternative options**

4.1 None specifically for this scrutiny report however as mentioned in the Cabinet report at appendix 1 the setting of the General Fund budget in February allows all parties to engage in the examination of budget proposals and put forward viable alternative budget and council tax proposals, including amendments, to Budget Council on 26 February 2026. Budget Council has the opportunity to debate the proposals put forward by the Cabinet at the same time as any viable alternative proposals.

#### **5. Community engagement and consultation**

5.1 None for this scrutiny report

#### **6. Financial implications**

6.1 The financial implications of the council's General Fund forecast budget position over the Medium Term Financial Strategy is set out within the main

body of the report to Cabinet in July 2025, included within the appendices to this report.

Name of finance officer consulted: Haley Woollard

Date consulted: 03/09/25

## **7. Legal implications**

7.1 There are no legal implications arising from this scrutiny report.

Name of lawyer consulted: Elizabeth Culbert     Date consulted: 03/09/25

## **8. Equalities implications**

8.1 None specifically for this scrutiny report. Any significant budget changes proposed in 2026/27 will require Equality Impact Assessments to be made.

## **9. Sustainability implications**

9.1 None specifically for this scrutiny report. The council's revenue and capital budgets will be developed with sustainability as an important consideration to ensure that, wherever possible, proposals can contribute to reducing environmental impacts and support progress toward a carbon-neutral city.

## **10. Health and Wellbeing Implications:**

10.1 None specifically for this scrutiny report.

## **Other Implications**

## **11. Procurement implications**

11.1 None specifically for this scrutiny report.

## **12. Crime & disorder implications:**

12.1 None specifically for this scrutiny report.

## **13. Conclusion**

13.1 The appendices set out the General Fund Budget Planning & Resource Update given to Cabinet in July 2025.

13.2 Members are asked to note the report and question the Cabinet Member for Finance and City Regeneration on its contents.

## **Supporting Documentation**

### **1. Appendices**

1. General Fund Budget Planning & Resource Update 2026-27 to 2029-30  
report to Cabinet July 2025
2. Updated Medium Term Financial Assumptions and Projections

# Brighton & Hove City Council

## Cabinet

## Agenda Item 27

**Subject:** General Fund Budget Planning & Resource Update - 2026-27 to 2029-30

**Date of meeting:** Thursday, 17 July 2025

**Report of:** Cabinet Member for Finance and City Regeneration

**Lead Officer:** Name: Chief Finance Officer

**Contact Officer:** Name: John Hooton, Chief Finance Officer  
Haley Woollard, Deputy Chief Finance Officer

**Email:** [john.hooton@brighton-hove.gov.uk](mailto:john.hooton@brighton-hove.gov.uk)  
[haley.woollard@brighton-hove.gov.uk](mailto:haley.woollard@brighton-hove.gov.uk)

**Ward(s) affected:** All Wards

**Key Decision:** No

**For general release**

### 1. Purpose of the report and policy context

- 1.1 This report provides a budget planning and resource update as a key part of the preparation for the 2026/27 annual budget and Council Tax setting process together with Medium Term Financial Plan projections over the next 4-year period.
- 1.2 The council aims to align all spending, ringfenced and un-ringfenced, to support the achievement of Council Plan outcomes and priorities. The General Fund budget in particular is an expression of the Council Plan in financial terms and aims to ensure that revenue and capital budgets and investment plans are aligned to achieving the outcomes of the Council Plan for a 'better Brighton and Hove for all'.

### 2. Recommendations

That Cabinet:

- 2.1 Note the planning assumption of a Council Tax increase of 2.99% over the 4-year Medium-Term Financial Plan period and an Adult Social Care Precept of 2.00% or the equivalent in grant funding in 2026/27.
- 2.2 Note the funding assumptions and net expenditure projections for 2026/27 including a projected budget shortfall of £39.765 million.
- 2.3 Note the Medium Term financial projections for 2026/27 to 2029/30 and the predicted budget gaps totalling over £95 million over the period.
- 2.4 Agree the proposed budget development approach and that members will use this to develop 4-year medium-term service and financial plans and proposals for Budget Council consideration, including savings targets, to

enable a legally balanced budget in 2026/27 and enable the Council Tax for the year to be set.

- 2.5 Note that projections for next year and the Medium Term Financial Plan (MTFP) will be updated following government funding announcements expected in Autumn 2025.

### **3. Context and Background Information**

#### **BUDGET SETTING AND MEDIUM TERM FINANCIAL PLANNING**

##### **Overview**

- 3.1 The council's budget includes areas where funding is 'ring-fenced' and must be spent according to relevant government grant funding conditions and/or other statutory regulations. These include the funding of schools and special educational needs services through the Dedicated Schools Grant (DSG), Housing Benefits, Public Health services, and council housing (Housing Revenue Account) funded primarily by tenants' rents. All other un-ringfenced funding is used to provide the majority of council services for the city and is provided for in the 'General Fund' Revenue Budget.
- 3.2 The context for budget setting is very challenging. There are significant budget pressures arising from increases in demand from statutory services, particularly temporary accommodation, adults and children's placements, and home to school transport. Compounding this, a reduction in resources is anticipated as a result of the government's fair funding review, particularly as a result of the re-baselining of business rates, and changes to the indices used for local government funding that may not be beneficial to the council. These pressures and possible reductions in funding lead to a budget gap of nearly £40 million in 2026/27 and more than £95m over the 4 year MTFS period.
- 3.3 As well as ensuring the delivery of the Council Plan, the budget process has the overarching objective of ensuring financial sustainability over the short, medium and long term for Brighton and Hove City Council, within an exceptionally financially challenging environment. Through this budget process the budget gap for 2026/27 will need to be addressed in addition to the development of a longer term savings and transformation plan that spans the period from 2026 to 2030. To underpin the delivery of savings, and to enable the council to continue to deliver capital investment plans for the city, an asset disposals and capital receipts plan will also need to be developed. Financial sustainability is covered in more detail below.

##### **Local Financial Planning Context**

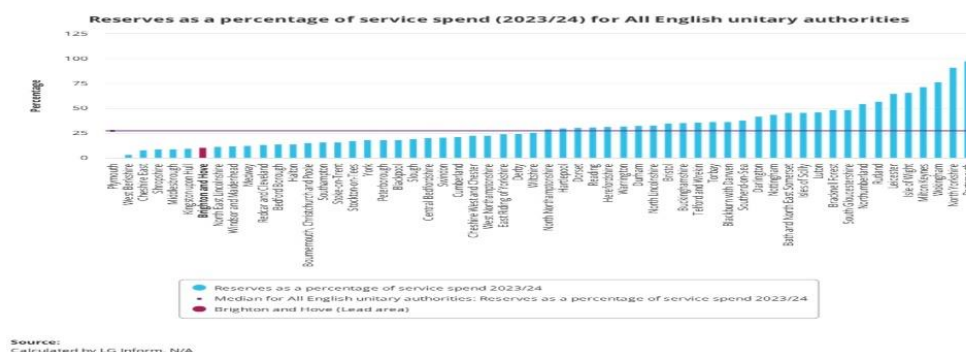
- 3.4 As legally required, the budget setting process will include the development of proposals to achieve a balanced budget in 2026/27 and will set out high-level plans to achieve financial sustainability over the 4-year Medium Term Financial Plan period. This will be important for a number of reasons including:
- Addressing the External Auditor's concerns, having assessed the council's financial sustainability as a 'significant weakness', by demonstrating that the council is setting its annual budget and

Council Tax in the context of understanding its longer term financial sustainability;

- Demonstrating that any use of reserves or balances in the short-term to support the budget is financially sustainable (i.e. repayable) in the medium term;
- Ensuring that the delivery of Council Plan priorities and associated service planning is aligned with and reflected in medium-term financial planning, and;
- Ensuring that any budget shortfalls (gaps) in future years are identified early to enable longer term programmes of change and transformation to be instigated as soon as possible to generate the necessary savings, efficiencies or income.

## Financial Sustainability

- 3.5 The council has a significant financial sustainability challenge. As shown by the below graph, the council's reserves are at one of the lowest levels in the country, at a time when the financial risks for councils are perhaps greater than they have ever been. The council's lack of resilience in terms of reserves, its inability to withstand significant financial shocks, is a position that is unsustainable.



- 3.6 Many risks exist for councils across the country at the moment which are applicable to Brighton and Hove. These include the delivery of challenging savings targets, pressures on statutory services (particularly adults and children's social care and temporary accommodation) and inflationary pressures on the costs of services. What sets Brighton and Hove apart is not that these pressures exist here more than other places, but that the authority's low level of reserves means any of these risks individually or collectively could wipe out reserves. This is compounded by the expected reduction in government resources as a result of the fair funding review described in section 4,
- 3.7 Financial management across the organisation is generally fairly strong. The Council has achieved financial balance over the last two years (2023/24 and 2024/25), and there are robust processes in place to monitor and report the financial position throughout the year. However, there are some parts of the organisation where finances are less transparent and the management of the capital programme is not as robust as the processes in place for the general fund, HRA and schools budgets.
- 3.8 Looking at the overall picture, while there are strengths in terms of financial management, the low level of reserves is perhaps the greatest risk that

exists for Brighton and Hove Council. This position has been highlighted by the Local Government Association in their Corporate Peer Challenge (“The council has very little, to no, tolerance in its financial resilience... it needs to prioritise a plan to increase the overall level of reserves at pace”), by the External Auditors in their annual opinion (“a significant weakness in arrangements for financial sustainability remains”), and by MHCLG, who continue to indicate their concern around the council’s financial position. It is therefore imperative that a framework for financial sustainability is developed, agreed, and implemented, as a priority.

### ***Framework for financial sustainability***

- 3.9 There are many aspects to financial management that will lead to improved financial sustainability, for simplicity it is helpful to focus on some key elements:
- Strong in year financial management to ensure that no draw down on reserves or contingency is necessary (including management of service pressures through recovery actions or mitigating savings);
  - A robust transformation plan for the delivery of savings across the MTFS period;
  - Delivery of a stretch target for capital receipts of £40-50 million over the period, alongside use of flexible capital receipts to fund savings and transformation plans (as well as some existing capital programme commitments);
  - Rationalisation of the capital programme to de-risk the delivery of the capital receipts programme;
  - Setting a principle that no additional revenue spend or initiatives are agreed without compensatory savings being found (unless externally funded); and
  - Setting a principle that no additional capital projects are agreed without a compensatory decrease in other capital projects (unless externally funded).
- 3.10 If all of these elements are met, the resulting impact will be a build-up of the council’s reserves and balances, improving resilience and the ability to deal with future financial challenges or unexpected events/shocks.
- 3.11 The level of reserves that a council holds is ultimately a matter of judgement, however there are some comparisons and ratios that can be used as a guide. Often councils look at a ratio of 5% of the revenue budget for the general fund balance. This would equate to £12 million for Brighton and Hove City Council. Given the level of financial uncertainty and service pressures that exist in Brighton and across the country, it is recommended that this is increased to £15 million. Given other potential risks that exist for the council, the risk reserve target is set at £10 million to provide an additional buffer for unexpected financial shocks.
- 3.12 In summary, the target for general fund reserves is £15 million, and the target for the risk reserve is £10 million. The aspiration is to achieve this over a 3 year timeframe (by March 2029). However, the challenging budget gap over the MTFS will need to be addressed as a priority, and therefore



plans will be developed to meet the recommended increases along with addressing the budget shortfalls over the medium term.

### ***Addressing Projected Budget Shortfalls***

- 3.13 The TBM Month 2 (May) position for 2025/26, also being presented at this meeting, is a forecast overspend of £15.468m. This follows a challenging year for 2024/25 which required strong management action including strict spending and recruitment controls to achieve an underspend of £1.091m by the end of the year. The significant drivers of the 2025/26 forecast overspend is pressures on demand led services, but the forecast also includes savings agreed that are at risk of not being delivered. It's vital that sustainable methods of addressing the budget shortfalls to reduce the reliance on strict controls. This will help sustainably manage the financial position in future years to achieve financial sustainability.
- 3.14 The approach to tackling the budget shortfalls will be as follows:
- Urgently working to address in year budget pressures, particularly through focusing on areas of the most significant demand – temporary accommodation, adults and children's social care placements and home to school transport.
  - Developing transformation plans over the whole MTFS period that address budget shortfalls, also with a particular focus on tackling areas of the most significant demand. For example, the most significant budget pressure for the council is temporary accommodation. If homelessness prevention activity can be increased as well as increase the supply of more affordable accommodation, the council's budget gap could be significantly reduced. Work is also being undertaken to identify digital transformation projects that will improve services and contribute to meeting the budget gap.
  - Generating capital receipts of £40-50 million over the MTFS period to relieve pressures on general fund services, fund savings plans and transformation activity, and provide funding for new capital investment in priorities such as leisure centres, parks and improving the look and feel of the city.
- 3.15 This work will be overseen by an officer-led Savings Delivery Board with representation from services across the council.

## **4. RESOURCES UPDATES AND ASSUMPTIONS**

### ***Spending review***

- 4.1 The Chancellor's Spending Review (SR) announced on 11 June 2025 provided the following significant announcements for local government:
- A confirmation of multi-year settlements of 3 years from 2026/27. This provides some much welcomed certainty for the sector over the medium term after a series of one year settlements;
  - Confirmation on continuation of the ability for authorities with Adult Social Care responsibilities to increase council tax by 4.99% (2.99% core council tax and 2% ASC precept);

- Significant investment in social housing across the country, with £39 billion being allocated over the spending review period;
- Creation of the Crisis & Resilience Fund to replace the current Household Support Fund and Discretionary Housing Payments. A confirmation of this fund over the SR period comes after 3 years of short term allocations, allowing councils to better plan their use of the fund;
- Additional £4 billion of funding for Adult Social Care over the SR – this is partly to be funded by an increase in the NHS contribution to the Better Care Fund;
- An allocation of £550 million from the government’s Transformation Fund to reform children’s social care, and an additional allocation of £560 million to refurbish and transform children’s homes and foster care placements; and
- Provision of a further £950 million to the Local Authority Housing Fund to increase the supply of Temporary Accommodation.

## **Local Government Financial Settlement (LGFS)**

### ***Fair Funding Review***

- 4.2 On 20 June 2025, the government launched a consultation on its proposed approach to local authority funding for England through the Local Government Finance Settlement from 2026/27. The consultation (called Fair Funding Review 2.0) builds on the previous government’s proposals to reform local government funding, which was never implemented.
- 4.3 The proposals seek to simplify the funding model for local authorities, whilst reviewing the allocation methodology of resources. This is an effort to direct funding towards authorities with communities with the highest need and deprivation whilst recognising that some authorities have larger tax bases and therefore a greater ability to raise council tax.
- 4.4 The key considerations within the consultation include:
  - **Updated Relative Needs Formulas (RNFs);** These formulas estimate the demand for services and are the primary driver of grant proportion allocations across local authorities. The government have published indicative RNFs for all local authorities as part of the consultation. Under the proposals, BHCC would see its RNFs reduce on average by approximately 11%. Work is currently being undertaken to analyse the main drivers of the changes.
  - **Consolidation of grants;** in order to simplify local government funding, the government are proposing to roll a number of grants into the revenue support grant to reduce the number of grants and therefore the burden of administration. This is welcomed, but it will be evaluated as part of the consultation response, as to whether this simplification results in loss of sufficient complexity to assess need.
  - **Council Tax Equalisation;** the proposals includes a resource adjustment, using each local authority’s council tax base as a measure of its council tax raising ability to overlay the needs assessment. This will redistribute resources towards those authorities that have a reduced ability to raise council tax.

- **Transitional Arrangements;** the expectation is that changes in funding will be gradually introduced over the period of the spending review – i.e. a three year period.
- 4.5 The changes outlined above will create a new Settlement Funding Assessment for all Local Authorities in England. This is an assessment of each authority's overall need for resources. This will result in redistribution of funding between authorities from 2026/27 onwards.
  - 4.6 Alongside the Fair Funding Review, a full Business Rates Reset is planned for 2026/27. A reset represents a full redistribution of the business rate growth that local authorities have built up since the implementation of the Business Rates Retention Scheme in 2013/14. There is a close relationship between the Business Rates Reset and the Fair Funding Review, as the latter assesses the total level of resources needed for each authority which informs the level of business rates an authority should retain locally.
  - 4.7 The government have indicated that no local authority will lose funding on a cash basis comparing Core Spending Power (CSP) in 2026/27 to 2025/26. However, a key part of the change in CSP is council tax increases. An assumption of a council tax increase of 4.99% is already assumed as additional resources in the council's 2026/27 and future years budget setting assumptions, which creates additional resources of £9.866m in 2026/27.
  - 4.8 As a result of the breadth of changes in the Fair Funding Review and the Business Rates Reset, it is currently estimated that the council could lose revenue resources of between £7 million to £24 million over the medium term. The consultation is complex and technical, and therefore it's difficult to accurately model the impact at this stage. The MTFS therefore includes existing assumptions for grants, business rates and council tax. In addition, a pressure has been included which reflects a £14.500m loss of total revenue resources over a three-year transition period, the first £6.000m of which falls in 2026/27.
  - 4.9 There is still uncertainty surrounding the final impact of both the Fair Funding Review and Business Rates Reset, including the method of calculation and timing of any transitional arrangements. Work is being undertaken at pace to analyse the proposed changes and update the medium term financial strategy as the implications become clearer. This will be reflected in an updated report in December 2025.
  - 4.10 MHCLG have indicated that a Policy Statement will be released in Autumn (expected late September or early October), confirming their policy position and response to the consultation. This should provide enough detail for Local Authorities to be able to estimate the impact on their resources. This is expected to be followed by the publication of the Provisional LGFS before the end of the year (as early as late November).

## **Government Grants and Precepts**

### ***Revenue Support Grant (RSG)***

- 4.11 It's difficult to accurately assess the overall RSG at this stage. The council received £8.789m RSG in 2025/26. The base assumption is that RSG will be uplifted for 2026/27 by 1.63% (£0.143m). However, due to uncertainty of the

impact from the Fair Funding Review, any reduction of RSG is included in the £6.000m pressure in 2026/27 for total loss of resources in relation to the Fair Funding Review and Business Rates Reset.

- 4.12 The government is proposing to roll in a number of grants to the RSG, including a change in the needs assessment formula which will impact the distribution between authorities. The current expectation is that the following grants will be rolled into RSG:
- Social Care Grant (including new allocation of ASC grant announced)
  - ASC Market Sustainability & Improvement Fund
  - Domestic Abuse Safe Accommodation Grant
  - Employer National Insurance Contribution (NIC) Grant
  - New Homes Bonus
  - An element of the Homelessness Prevention Grant for temporary accommodation

#### ***Adult Social Care precepts and Better Care Funding (BCF)***

- 4.13 In recent years the government has provided additional resources to support Adult Social Care (ASC) through a combination of increased grant and ASC precepts. The Spending Review confirmed the continuation of the ASC precept of 2.0%. This is equivalent to £3.987m, and had already been included in the MTFS assumptions.
- 4.14 The Better Care Fund is a legal requirement for Local Authorities to pool funds with the NHS and it is proposed within the Fair Funding Review that the LA element of the BCF will remain as a stand alone Section 31 grant. The current budget assumptions include the BCF grant to be maintained at the same level as 2025/26 (£11.669m).

#### ***Children's Families & Youth Grant***

- 4.15 The consultation proposes to consolidate the Children's Social Care Prevention Grant and the Children & Families Grant. The council currently receives a total of £2.858m across these two grants. The current budget assumption is that the grants will be maintained at the same level.

#### ***Homelessness and Rough Sleeping***

- 4.16 The government intends to bring together all revenue funding for homelessness and rough sleeping, including the prevention and relief element of the Homelessness Prevention Grant (HPG). The remainder of the HPG (relating to temporary accommodation) will be rolled into RSG.
- 4.17 The government have consulted separately on funding arrangements for the HPG from 2026/27 onwards. This consultation indicated that the council would see a reduction of approximately 45% (£4.883m) of this grant. This reduction has been included as a service pressure.
- 4.18 There are still uncertainties remaining over the overall quantum of funding available, the transitional protections, and how the HPG will be split between the temporary accommodation element and the prevention and relief

element. There should be further clarity provided within the Local Government Finance Policy Statement in autumn.

### ***Public Health Grant***

- 4.19 The Public Health (PH) grant is expected to be consolidated with other service specific grants to deliver a wider PH grant. Details will be announced as part of the provisional LGFS. The PH grant is currently ringfenced, and the consultation is not clear on whether this will change. It is assumed that the grant will continue to be ringfenced and maintained at the current level (£24.298m).

### ***Crisis & Resilience Fund***

- 4.20 It has been announced that a new Crisis and Resilience Fund will be formed to include the current Household Support Fund (HSF) and Discretionary Housing Payments (DHP). It is assumed that the funding for 2026/27 will be maintained at the current level for the council (£4.418m across both HSF & DHP).

### ***Business Rates***

- 4.21 The government is introducing significant changes to the business rates system in 2026/27. This includes:
- The introduction of three new multipliers which will provide a more complex system for assessing the business rates liability of different types of businesses;
  - A full Business Rate Reset, designed to redistribute growth accumulated by authorities since 2013/14;
  - A new rating valuation list. This will update the rateable values for all properties, adding further uncertainty in the level of business rates income.
- 4.22 The business rates forecast is difficult to assess at this stage. The forecast for 2026/27 has been based on the existing assumptions. This includes a growth assumption of 0.50% (equivalent to £0.303m), and an inflationary increase of 1.63% (equivalent to £1.020m).
- 4.23 The Business Rate Reset is expected to result in a loss of locally retained business rates; the business rate income from 2026/27 will be based on the revised settlement funding assessment which will be derived from the changes implemented by the Fair Funding Review. The reduction of business rates income is included in the £6.000m pressure in 2026/27 for loss of resources in relation to the Fair Funding Review and Business Rates Reset.
- 4.24 Business Rates forecasts continue to be an area of financial risk that is heightened by the unknown impacts of global financial events and the impact of current economic conditions on businesses. In addition, appeals continue to have a significant impact on forecasting business rates and the new valuation list will have its own level of appeal activity to forecast. Therefore, business rates estimates could change significantly ahead of setting the budget.

### ***Council Tax***

### ***Council Tax Reduction Scheme***

- 4.25 The current Council Tax Reduction Scheme (CTR) was approved by full Council in February 2022. No changes have been made to the scheme, but the Council has approved the uplifting of earnings band thresholds in line with the changes to the National Living Wage announced by government.
- 4.26 The number of working age claimants increased by 2.3% in the year to 31 May 2025. The assumption in the projections is that the number of claimants and average awards will remain constant throughout 2025/26 and 2026/27 at the current overall levels. This assumption will be closely monitored throughout the year and will be updated with any changes to the scheme agreed by Council.

### ***Council Tax Estimate 2026/27***

- 4.27 The council tax increase for 2026/27 and future years of the MTFS is currently assumed at 4.99%, which includes the continuation a 2.0% increase for an Adult Social Care Precept. This follows the confirmation of the Chancellor of the continuation of the ASC precept over the period of the Spending Review.
- 4.28 The impact of the current financial climate on council tax income continues to be difficult to predict. New housing developments have been assumed for 2026/27, with a council tax base increase assumed of 0.87%. Over the last few years, the cost-of-living crisis has impacted on the council tax collection rate. It is therefore assumed to remain at the 2025/26 level of 98.75% rather than reverting to the pre-pandemic level of 99%.

### ***Corporate Inflation Provisions & Assumptions***

#### ***Pay***

- 4.29 At present there is no agreed pay offer for 2025/26 for the majority of staff. The employers' offer for 2025/26 for all NJC salaries is an increase of 3.2%. The 2025/26 budget included a 2.75% increase and, if this offer is agreed it therefore creates a pressure of £0.827m when rolled forward into 2026/27.
- 4.30 The current pay award assumption for 2026/27 is 2.75% on the basis that aside from a short term increase in early 2025, it is expected to reduce back to target levels in the later part of 2025 and early 2026. Pay has been a significant financial risk over the past 3 years during a period of very high inflation. Each 1% increase equates to an approximate pressure of £1.800m for the General Fund budget. This is also a significant risk area for the separate Schools and Housing Revenue Account budgets.

#### ***Pensions***

- 4.31 The most recent triennial review of the East Sussex Pension Scheme covered the period 2023/24 to 2025/26 and confirmed the employer contribution rate of 19.80% across the 3 years. The East Sussex Pension Fund, in common with many funds across the country, is currently performing very well in terms of investment performance. If this is sustained, this should be reflected in reduced employer contribution rates in the next triennial review, subject to other factors such as pay awards. The indicative outcome of the next triennial review should be available in November 2025.

#### ***Prices***

- 4.32 The provision for general price inflation ranges between 1.00% and 3.00% as a base position depending on the type of expenditure. The largest type of expenditure is Third Party Payments which covers the majority of non-staffing expenditure within adults and children's social care which has an assumed base position increase of 2.50%. The impact of inflation above these assumed base rates is separately identified as a 'Service Pressure' rather than applying generic increases to all service areas.

### ***Fees and Charges***

- 4.33 Fees and charges budgets for 2026/27 are assumed to increase by a standard inflation rate of 3.00%. Penalty Charge Notices (parking fines) are excluded from this increase as the levels of fines are set by government and cannot be changed independently. Temporary accommodation income is assumed to increase by 2.00% but this will ultimately be determined by government changes to the Local Housing Allowance rates.

### ***Commitments***

- 4.34 The budget projections for 2026/27 include commitments of £1.579m relating to the costs of previously approved capital investments funded by borrowing. During 2024/25 a review and rationalisation of the capital programme was undertaken to ensure approved projects are deliverable and affordable and this process will continue to inform the MTFS. The financing costs budget is net of investment income from cashflow surpluses which can fluctuate significantly through changes to the Bank of England base rate. A further Capital Programme review in 2025/26 will be undertaken. The results of this review, as well as revised investment income projections will be reflected in an updated financing costs budget for 2026/27.
- 4.35 Other substantial commitments include the reversal of one-off commitments and resources within the 2025/26 budget of £1.184m (including reversing the one off risk provision included in 2025/26 of £1.747m) and £0.550m recurrent IT&D resources to support the digital infrastructure. The pay award for 2024/25 is estimated to be £0.827m above the allowance in the budget and therefore this also becomes a commitment in 2026/27.
- 4.36 There is no recurrent funding for risk provisions included within the financial projections. For planning purposes, any risk provision would need to be managed by redirecting reserves in the short term.

## **5. ANNUAL BUDGET AND MEDIUM TERM FINANCIAL PLAN ESTIMATES**

- 5.1 The table below sets out the projected inflationary cost increases, demographic (demand) pressures and commitments for 2026/27. It's necessary for information for 2026/27 to be more detailed than future years as the council is required to set a legally balanced budget and set the Council Tax level for the following financial year.

<b>Projected Cost and Demographic Pressures 2026/27:</b>	<b>Estimate</b>
	£m
General Inflation assumptions including 2026/27 Pay Award	9.514
Budget Commitments (including capital financing)	3.839

Mainstream Digital funding	0.550
Change in contribution to reserves	3.015
2025/26 Pay Award above modelled allowance	0.827
Temporary Accommodation - demand & cost pressures	12.058
Adult Social Care - demand & cost pressures	9.003
Childrens Social Care - demand & cost pressures	4.680
Home to School Transport - demand & cost pressures	1.285
Estimated loss of funding from Fair Funding reform	6.000
Income pressure - New England House	1.200
Housing Benefit Subsidy Shortfall	0.400
All other pressures across Council Services	4.314
<b>Total Projected Cost and Demographic Pressures</b>	<b>56.685</b>
<b>Projected Funding and Taxation Resources:</b>	
Remove one-off Collection Fund deficits	-3.779
Confirmation of 2.00% ASC Precept	-3.987
Council Tax increase of 2.99%	-5.964
Council Tax estimated tax base growth (+0.87%)	-1.725
Business rates growth and appeals change (+0.50%)	-0.303
Business rates inflation	-1.020
Revenue Support Grant increase	-0.143
<b>Total Assumed/Projected Increase in Funding</b>	<b>-16.920</b>
<b>Projected Budget Gap (Savings Requirement) 2026/27</b>	<b>39.765</b>

- 5.2 The estimates and assumptions above, based on the best information available, indicate that a substantial budget gap of £39.765m would need to be addressed in order to balance the budget. However, it must be remembered that all estimates at this stage of the process are subject to change and will be reviewed and updated throughout the budget process.
- 5.3 For planning purposes, and recognising that it will take some months to develop robust saving and transformation proposals, the Corporate Leadership Team (CLT) and Directorate Leadership Teams (DLTs) will work on the basis of addressing the £39.765m shortfall identified above. This will also include focusing on managing costs and demands in the current year which can contribute to improving trends together with working up savings, cost reduction and demand management proposals for next year and the following 3 years.

#### **Medium Term Financial Projections 2026/27 to 2029/30**

- 5.4 The table below summarises the medium term estimates and predicted budget gaps for the next 4 years based on the following key assumptions:
- Demographic pressures are based on current trends for 2026/27 and then moderated estimates for 2027/28 onward;
  - A total £14.500m loss of funding from the Fair Funding Reform and Business Rates Reset over a 3 year period (£6.000m in 2026/27, £2.500m in 2027/28 and a further £6.000m in 2028/29);



- 2.99% Council Tax increases over the 4-year period;
- 2.00% Adult Social Care precept over the 4-year period;
- Average Pay award of 2.75% in 2026/27 and then 2.50% thereafter;
- 3.00% annual income target/generation uplifts in 2026/27 and 2027/28, and 2.50% thereafter;
- Average 2.50% social care third party provider payment increases over the 3 year ;
- Variable 1.00% to 3.00% cash limits on non-pay budgets over the 4-year period;
- Council Tax taxbase growth of 0.87% in 2026/27, 0.86% in 2027/28, and 0.61% in 2028/29 and 2029/30.
- Business Rates growth of 0.50% each year, and existing CPI assumptions of 1.63% in 2026/27, 1.64% in 2027/28 and 1.98% thereafter. This will be updated following the implementation of changes to the Business Rates Reset. Expected changes are currently built into the loss of funding at the second bullet point.

<b>Summary Projections and Budget Gaps</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£m	£m	£m	£m
Commitments (incl. previous decisions)	8.231	1.478	(0.448)	0.383
Net Inflation (on Pay, Prices, Income, Pensions)	9.514	9.132	9.842	10.219
<b>Subtotal</b>	<b>17.745</b>	<b>10.610</b>	<b>9.394</b>	<b>10.602</b>
Net Investment in priority/demand-led services	32.940	21.388	18.332	19.690
Net estimated loss of funding	6.000	2.500	6.000	0.000
Projected Net Tax Base changes	(16.920)	(13.846)	(14.258)	(15.019)
<b>Predicted Budget Gaps</b>	<b>39.765</b>	<b>20.652</b>	<b>19.468</b>	<b>15.273</b>

5.5 The medium term projections could be affected by a wide range of factors as follows:

- Higher or lower changes in resources from the Fair Funding Review than assumed;
- Higher or lower demands and cost pressures than projected;
- Higher or lower tax base movements;
- Further movements in locally or nationally negotiated pay;
- Higher or lower inflation than assumed;
- Changes in other grants received;
- Changes in interest rates (impacting on capital financing budgets); and
- Actuarial changes to employers' LG pension scheme contributions.

Many of these can have significant impacts on medium term projections in either direction. However, it is important to attempt to estimate future costs and resources as this gives early indications of potential future financial challenges and can inform decision-making now, particularly with regard to setting in train longer term innovation programmes to address financial sustainability.

- 5.6 Based on the analysis above, options to address budget gaps totalling £95.158m over the medium term period 2026/27 to 2029/30 will need to be developed. The indicative savings targets for each council directorate over the MTFS is outlined in the below table:

<b>Savings Targets</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£m	£m	£m	£m
Families, Children & Wellbeing	9.355	4.859	4.580	3.593
Homes & Adult Social Care	17.381	9.027	8.509	6.676
City Operations	8.972	4.659	4.393	3.446
Central Hub	4.057	2.107	1.986	1.558
<b>Total</b>	<b>39.765</b>	<b>20.652</b>	<b>19.468</b>	<b>15.273</b>

### **One-off Resource Requirements 2026/27**

- 5.7 One-off resources may be needed in 2026/27 for a wide range of reasons which could present additional financial challenges as these would require identification of resources to meet any commitments. One-off resources may be required to cover the following:
- Any Collection Fund deficits (TBM Month 2 monitoring indicates a £1.959m net deficit) \*;
  - Any General Fund outturn overspend (i.e. TBM overspend) \*;
  - Any increase to provisions or reserves required \*;
  - Any unavoidable/unexpected one-off expenditure or commitments;
  - Any one-off allocations for priorities (subject to availability of resources).

\* *The reverse is also true whereby surpluses or underspends could increase the availability of one-off resources or, at least, reduce the call on one-off resources.*

## **6. CAPITAL STRATEGY AND CAPITAL INVESTMENT PROGRAMME**

### **5 Year Capital Investment Programme**

- 6.1 The current Capital Strategy was approved by Budget Council in February 2025 along with scheme-by-scheme capital programme estimates that were incorporated into the council's Budget Book. The aim of the Capital Strategy is to ensure that all members can understand and determine the overall long-term policy objectives for the use and deployment of capital resources including borrowing. The capital expenditure estimates incorporate planned rolling investment programmes alongside major infrastructure, housing and sustainability schemes.

- 6.2 The majority of the council's capital investment is within longer-term programmes that support Council Plan priorities alongside significant capital projects. The key programmes and projects, aligned to the council's priorities, are as follows:

**Homes for Everyone:**

- New Homes for Neighbourhoods and Home Purchase Scheme;
- Investment in new build housing through the Housing Revenue Account and Housing Joint Venture (with Hyde Housing);
- Investment in maintaining and improving the Council Housing Stock and building safety through the Housing Revenue Account;
- The Strategic Investment Fund (SIF) to provide project support for major regeneration programmes that draw in substantial private sector investment.

**A Healthy City where People Thrive:**

- Investment in a new leisure centre at the King Alfred site;
- Investment in other leisure facilities such as the Withdean Sports Complex swimming pool and 3G pitches at Moulsecoomb and Hove Park;
- The Education Capital programme, which provides investment from central government including New Pupil Places, Education Capital Maintenance and Devolved Formula Capital for schools;
- Disabled Facilities Grant funded adaptations to support independence at home.

**A City to be Proud of:**

- Renovation and restoration of the Madeira Terraces;
- Development of the Black Rock site and Valley Gardens Phase III;
- Investment in the Royal Pavilion Estate supported by the Heritage Lottery;
- The Local Transport Plan (LTP) covering a wide range of transport-related schemes;
- Significant investment in coast protection programmes such as the Brighton marina to River Adur scheme;
- The Carbon Neutral investment programme.

**A Learning Council with Well-run Services:**

- The Information Technology & Digital Investment Fund to maintain and upgrade the council's infrastructure and IT architecture;
- The Corporate Systems Improvement (CSI) Programme to improve the council's core HR, Payroll, Finance & Purchasing systems and associated applications;

- The Asset Management Fund (AMF) to maintain operational buildings, improve sustainability and reduce long-term maintenance costs;
- Corporate Planned Maintenance (PMB) to undertake planned building works and upgrades;
- Vehicle and plant annual replacement programmes.

### Capital Receipts

- 6.3 Capital receipts from the sale of surplus land and buildings support the capital programme and the innovation fund to support council-wide transformation as outlined in section 7. A revised Capital Asset Strategy was approved by Cabinet in April 2025, which outlined five key principles to guide the strategic management of the council's extensive portfolio. In addition, the report identified a pipeline of property disposals which met the principles for disposal which supports the delivery of the Innovation Fund and Capital Programme.
- 6.4 Capital receipts are under severe pressure due to competing demands for the resources and the certainty and speed with which capital receipts can be realised. Additional staff resources have been deployed in Property and Legal services to support the delivery of these capital receipts. In addition to the Innovation fund, capital receipts are committed to annual investment funds including the Asset Management fund, Strategic Investment Fund and the Commercial Asset Investment fund as well as commitments within already approved capital schemes.
- 6.5 The table below reflects agreed capital disposals and commitments against the receipts. Capital Receipt commitments include existing and approved capital schemes together with an assumed minimum investment in the Innovation Fund of £24 million (see Section 7). The table shows a shortfall in capital receipts over the MTFS of £21.4 million. Further options to meet this resource requirement through either additional capital receipts or reduced commitments will be presented to Cabinet in due course.

Capital Strategy & Capital Receipts	Year 1	Year 2	Year 3	Year 4	Year 5
	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Brought forward balance	189	(1,890)	(6,827)	(12,328)	(18,897)
<b>Expected Capital Receipts</b>	<b>17,808</b>	<b>3,863</b>	<b>1,049</b>	<b>0</b>	<b>0</b>
Capital Receipt commitments	(19,887)	(8,800)	(6,550)	(6,569)	(2,500)
<b>Carry forward balance (deficit)</b>	<b>(1,890)</b>	<b>(6,827)</b>	<b>(12,328)</b>	<b>(18,897)</b>	<b>(21,397)</b>

### Review of the Existing Capital Programme and Future Requirements

- 6.6 The Capital programme, agreed at Budget Council in February 2025 included £246.946m investment plans for 2025/26. This included a large number of schemes reprofiled from 2024/25 and in some cases previous years. Further reprofiling is expected throughout 2025/26 as part of the

council's budget monitoring process and as the capital programme review is undertaken during the year.

- 6.7 As noted in paragraph 3.9, a key part of the budget process and in-year budget management will be a review of the capital programme and its affordability and deliverability. This will include further recommendations for rationalising and prioritising schemes, including de-commitment, to ensure approved projects are deliverable and affordable and to continue to strengthen alignment of capital investment to Council Plan priorities. The review will be performed alongside identifying and developing any new investment proposals to support Council Plan priorities or contribute to the council's medium and longer-term financial sustainability.

## **7. THE INNOVATION FUND (INVEST-TO-SAVE)**

- 7.1 Achieving transformation and change often involves significant one-off costs that cannot be afforded from revenue and cannot normally be funded by capital receipts or borrowing, for example, redundancy costs or project and programme management staffing. The government has extended the ability of all Local Authorities to use capital receipts to support the transformation of services to deliver savings and efficiencies (known as the Flexible Use of Capital Receipts) to March 2030.
- 7.2 The 2025/26 Budget approved in February 2025 included a four year Innovation Fund to 2028/29 with a total investment need of £20 million to support the transformation and change of services and invest-to-save proposals over the period of the MTFS. This report assumes that the council will further need to take advantage of the ability to fund transformation through the Flexible Use of Capital Receipts to support the MTFS over the four year period to 2029/30. Therefore the Innovation Fund is expected to be extended into 2029/30 on the same basis as 2028/29, increasing the overall investment need of the fund to £24 million.
- 7.3 The investment need over the period may need to be reviewed and updated in light of the significant budget gap over the MTFS and therefore the significant level of transformation that may be required to bridge the gap. However, any expansion of the Innovation Fund will create further pressure to increase the pipeline of capital receipts.

<b>Indicative Innovation Fund</b>					
<b>Category of Investment</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Invest-to-Save business cases	2.600	2.600	1.500	1.500	1.500
Digital and AI Development	1.000	1.000	1.000	1.000	1.000
Managing Staffing Changes (exit packages)	1.250	1.250	0.500	0.500	0.500
Enabling Resources (e.g Project Officers, Workstyles Team, HR etc)	1.000	1.000	1.000	1.000	1.000
Resources to generate Capital Receipts	0.150	0.150	0.000	0.000	0.000
<b>Total</b>	<b>6.000</b>	<b>6.000</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>

#### 7.4 The investments are described in outline below:

- **Invest-to-Save Business Cases:** The medium term planning process encourages innovation and invest-to-save business cases aimed at supporting the achievement of Council Plan priorities and, importantly, contributing to the future financial sustainability of the council. Business cases will need to demonstrate a return on investment within a reasonable time period (max 5 years) but ideally within the 4-year medium term financial plan period. A minimum investment of £9.7 million is anticipated but the profile of this is likely to be uneven and is most likely to need to be front-loaded.
- **Digital and AI Development & Skills:** Digital and AI is a specific form of invest-to-save. The council has already invested heavily in staff, systems and technologies to provide improved digital and on-line services. However, this process does not stop and as technologies, including AI and robotics, improve and develop, the council will need to move with the technology and ensure appropriate skills are developed to make the most of any investment. Provision of at least £1 million each year is included but some of this cost could potentially be transferred to revenue in later years if this is affordable within the overall budget envelope.
- **Managing Staffing Changes:** Transformation and change inevitably results in significant changes to services which will entail changes to the mix or level of staffing in services. This can lead to potential redundancies which the council attempts to manage through holding vacancies or redeployment as far as possible, but otherwise through voluntary severance where this meets the council's business case criteria. This can involve significant redundancy and/or pension strain costs. At least £4.0 million is expected to be required over the period.
- **Resources to generate Capital Receipts:** Generating sufficient capital receipts in good time to support both the Transformation Fund and Capital Investment Programme will require additional conveyancing and surveyor resources. Disposals are often complex and time-consuming, involving many parties, tenancies or other complications such as lease re-gearing or land and property transfer negotiations. Without additional resources, disposals will not succeed at pace and are unlikely to provide the necessary financial resources. An estimated investment of £0.150 million for the first two years is included above.
- **Transformation Enabling Resources:** Ensuring that transformation and change can be delivered requires resources that can be flexibly deployed across different programmes or to ongoing long-term change programmes. Informed by previous experience, the Innovation Fund provides resources of £1 million per annum to support a wide variety of transformation, change and savings programmes and projects. This will need to be reviewed as future budgets are developed and the level of support for each change proposal is fully understood. The costs are broadly expected to cover the following:

<b>Transformation Enabling – Recurrent Annual Costs</b>	
<b>Category of Investment</b>	<b>Annual Cost</b>
	£m
Project & Programme Management Resources	0.640
Workstyles Resources (to rationalise operational buildings)	0.180
HR Management of Change Support	0.128
Leadership Development	0.052
<b>Total</b>	<b>1.000</b>

## **8. HOUSING REVENUE ACCOUNT (HRA) BUDGET & CAPITAL PROGRAMME**

- 8.1 This report is primarily concerned with the development of the General Fund revenue and capital budget. However, there are links to the Housing Revenue Account (Council Housing) revenue budget and capital programme which follow a separate budget setting process. Summary information is provided below.
- 8.2 The Housing Revenue Account (HRA) is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.
- 8.3 The current economic and operating environment continues impact on the resources available to the HRA during 2025/26 and like many other HRA's, the authority is under increasing financial pressure with the latest Medium Term Financial Strategy showing a deficit over the next 5 years. This includes the rising cost and volume of disrepair claims, significant investment needs in relation to compliance with the Building Safety Act, Fire Safety Regulations and Social Housing Regulation Bill, as well as the impact of inflation on services and financing costs.
- 8.4 A continuing issue for the council is investment requirement in 8 Large Panel System (LPS) blocks across the city. Whilst investment was anticipated over a longer period of time for these blocks, there is a need to ensure the blocks remain safe in the short to medium term with measures being introduced which require a significant revenue investment for the HRA over the short term. An emerging issue for 2025/26 has been the introduction of temporary measures in relation to fire safety procedures at a few of the high-rise blocks, referred to as 'waking watch'. Longer term plans are under consideration for the LPS blocks (as outlined in the options paper being presented on this agenda), the with required capital investment forming part of future budget papers where reasonable estimates can be made.
- 8.5 The recent Government spending review announced a long-term rent policy whereby social rented landlords will be able to increase by CPI+1% for the next ten years and consultation to commence on rent convergence. The 2025/26 Medium Term Financial Strategy assumed an increase of CPI+1% for the next 5 years only, therefore the move to a CPI+1% model will have a positive impact on HRA finances over the longer term.

- 8.6 The capital plan for the HRA is split into two main areas in investment, this being improving the quality, safety, and energy efficiency of council homes and in new housing supply. Investment in existing stock is funded from direct revenue funding from tenants' rents (including associated rent rebates) and HRA borrowing that is supported by tenants' rents over a longer period. Whilst investment in new supply is mainly funded from retained capital receipts (including Right to Buy sales and commuted sums), grant funding and HRA borrowing.
- 8.7 The HRA capital investment programme for 2025/26 to 2029/30 will be informed by the most recent stock condition review and survey as well as the existing and emerging priorities of the HRA Asset Management Strategy. Key considerations will include improving the safety and quality of homes and ensuring regulatory compliance is met. This includes working in consultation with external bodies such as the Regulator of Social Housing and East Sussex Fire and Rescue Authority, as well as tenants and leaseholders to inform the planned and major works strategy. Investment will also continue in carbon reduction initiatives to support the city's commitment of becoming carbon neutral by 2030.
- 8.8 The HRA continues to look at the range of initiatives it has to deliver additional housing and meet the commitment to deliver new affordable council homes. These initiatives include the New Homes for Neighbourhoods Programme, Home Purchase Scheme, Converting Spaces programmes and the Homes for the City of Brighton & Hove Joint Venture.
- 8.9 Work will continue through 2025/26 to deliver housing supply pipeline schemes. The Home Purchase Scheme will continue to explore opportunities to buy back ex-right-to-buy properties, whilst the extended Home Purchase Scheme will look at off the shelf purchase opportunities to increase the supply of affordable housing within the HRA.

## **9. SCHOOLS BUDGETS AND FUNDING**

- 9.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant that provides funding for Schools, Academies, Early Years, Special Educational Needs and a small number of allowable Central items. The DSG is allocated to schools and academies on the basis of a National Funding Formula (NFF) primarily driven by pupil numbers.
- 9.2 Similarly to the HRA, the development and setting of schools' budgets follows a separate process involving statutory consultation and oversight of the Schools Forum. However, there are links with the General Fund budget setting process as General Fund budget proposals and savings can potentially impact schools and vice versa.
- 9.3 Announcements regarding the 2026/27 Dedicated School Grant (DSG) allocation are expected in July 2025. No detailed information is available regarding this, other than the high level government announcements in the June 2025 Spending Review that the core schools budget would go up by 0.4% in real terms on average over the next three years and that a transformation fund will deliver £760m nationally to reform the SEND system (a new white paper is due to be published in autumn 2025). Therefore, an overview and update of the 2025/26 budget position is provided below.



- 9.4 The Dedicated Schools Grant (DSG) is divided into four blocks – the Schools Block, the High Needs Block (HNB), the Central School Services Block (which allocates funding to local authorities for their ongoing responsibilities towards both maintained schools and academies), and the Early Years Block. Each of the four blocks of the DSG are determined by separate national funding formulae (NFF).
- 9.5 In March 2025, the Department for Education (DfE) announced the updated DSG funding settlement for the 2025/26 financial year. This is set out in the table below, together with a comparison to 2024/25.

Financial Year	Schools Block £'000	Central School Services Block £'000	High Needs Block £'000	Early Years Block £'000	Total DSG £'000
2025/26	176,362	2,316	41,979	41,079	261,736
2024/25	165,039	2,091	39,332	27,351	233,813
<b>Increase</b>	<b>11,323</b>	<b>225</b>	<b>2,647</b>	<b>13,728</b>	<b>27,923</b>

- 9.6 Whilst funding allocations across all blocks have increased in 2025/26 it is difficult to draw direct comparisons with the prior year due to changes in accounting arrangements, particularly within the Schools Block. For 2025/26, a number of former specific grants are being rolled into core Schools block funding (these equated to approximately £9.4m in 2024/25) meaning the true increase in Schools block funding is significantly lower than the £11.323m shown in the table above.

#### ***Schools Block – Base 2025/26 Allocations***

- 9.7 As set out above, there are significant presentational changes to the way mainstream schools are being allocated funding in 2025/26. Once these changes are allowed for, the level of increase in funding to schools is estimated to only be between 0.5% and 1% for 2025/26. As funding to schools is pupil-led, schools with falling rolls are in a very challenging financial position in for 2025/26, in the context of unavoidable cost pressures such as pay award increases that are not fully funded. The government has recently announced additional in-year grant funding to schools to support with the pay award costs however schools will be expected to find approximately 1% through improved productivity and smarter spending.
- 9.8 Furthermore, the core 2025/26 DSG settlement included no funding for the increase in Employers' National Insurance contributions from April 2025. For schools and other areas within the DSG, additional in-year grant funding has been announced by government to compensate for the increase in costs, but it is estimated that this grant will only cover 80% of the cost increase.
- 9.9 It should be noted that the Schools Block pupil numbers have decreased from 28,972 in October 2023 to 28,545 in October 2024. This is a reduction of 427 pupils and equates to an overall loss of DSG Schools Block funding to the local authority of c. £2.03m.

#### ***Updated School Balances Position***

- 9.10 School balances at the end of 2024/25 are a net deficit of £2.623m, a reduction of £2.904m from the £0.281m net surplus balance at the end of 2023/24. This is a key indicator of the financial challenges being experienced.

<b>Schools Balances</b>	<b>Nursery £'000</b>	<b>Primary £'000</b>	<b>Secondary £'000</b>	<b>Special £'000</b>	<b>Total £'000</b>
Final 2023/24 balances	24	-1,143	2,048	-648	281
Final 2024/25 balances	163	-2,665	-395	274	-2,623
<b>Movement</b>	<b>139</b>	<b>-1,522</b>	<b>-2,443</b>	<b>922</b>	<b>-2,904</b>

#### ***Final School Budget Plans and Licensed Deficits 2025/26***

- 9.11 Final school budget plans for 2025/26 are submitted during summer term 2025 and these will incorporate final balances from 2024/25. It is likely that due to the worsening financial position in schools the level of required licensed deficits will increase for 2025/26.
- 9.12 At the time of compiling this report, based on final budget plans and allowing for the impact of the higher than anticipated pay awards and additional government grant funding (referred to in paragraph 9.7) the school balances position at the end of 2025/26 is estimated to be a net deficit of £6 million. Detailed work is ongoing with schools to ensure appropriate measures and steps are being implemented to bring school budgets back to a balanced position in future years.

#### ***Dedicated Schools Grant (DSG)***

- 9.13 The Central DSG is comprised of the High Needs Block, the Central School Services Block and the Early Years Block. The outturn position of the 2024/25 central Dedicated Schools Grant was an overspend of £0.680m.
- 9.14 Currently, the government is providing legislation known as the Statutory Override facility that means any deficit associated with the Central DSG is excluded from the council's general fund financial position at the end of a financial year. The regulations require the negative balance (central DSG deficit of £0.680m) is held in an unusable reserve which remains there for the lifetime of the regulations. The override facility that was due to expire in March 2026 has now been extended until the end of the 2027/28 financial year.
- 9.15 The DSG conditions of grant set out that any local authority with an overall deficit on its central DSG account at the end of the financial year must be able to present a plan to the DfE and cooperate in handling that situation by:
- providing information, as and when requested by the DfE about its plans for managing its DSG account in the 2025/26 financial year and subsequently
  - providing information, as and when requested by the DfE about pressures and potential mitigations on its high needs budget
  - meeting with DfE officials, as and when they request to discuss the local authority's plans and financial situation
  - account and plans for handling it, including high needs pressures and potential mitigations

- 9.16 An initial plan showing the projected position for 2025/26 and 2026/27 has been compiled. This shows a potential cumulative overspend on the Central DSG of approximately £4.9m by the end of 2026/27.

### **High Needs Block**

- 9.17 The headline allocation of High Needs Block funding for 2025/26 is shown in the table in paragraph 9.5 above. The government increase in funding of c. £2.6m (6%) is below the demand and cost pressures the council is experiencing. Despite the increase in funding in 2025/26 it is projected that there will be an in year deficit in the high needs block of approximately £1.4m.
- 9.17 The council continues to seek to provide additional local specialist provision linked to the SEN Sufficiency Strategy. Furthermore, there has been additional investment in the council's schools through increases in the direct SEN support funding including to secondary schools for tier 1 and tier 2 alternative provision and more funding to primary schools for Inclusion Intervention spaces however, costs associated with the establishment of these provisions are high.

### **Early Years Block**

- 9.18 There are further extensions to free entitlement in 2025/26 resulting in a large increase to Early Years Block funding. For 2025/26 the main early years entitlements are:
- the 15 hours entitlement for eligible working parents of children from nine months;
  - the 15 hours entitlement for disadvantaged two-year-olds;
  - the universal 15 hours entitlement for all three and four-year-olds;
  - the additional 15 hours entitlement for eligible working parents of three and four-year-olds.
  - the additional (expanded) 15 hours entitlement for eligible working parents of children from the age of nine months from September 2025
- 9.19 Government funding rates increased for 2025/26 and there is a requirement for the local authority to pass on a minimum of 95% Early Years Block funding to providers. It is anticipated that the Early Years Block will be in breakeven position in the 2025/26 financial year.

## **10. BUDGET DEVELOPMENT TIMETABLE**

- 10.1 The indicative timetable for developing and approving the 2026/27 budget and MTFs is given below. The timetable is in outline only and does not include all aspects of member involvement or wider consultation that will normally need to be undertaken with staff, unions, partners, service users and residents.

<b>General Fund Budget Planning Timetable</b>		
<b>Date</b>	<b>Who</b>	<b>What</b>
17 July 2025	Cabinet	General Fund Budget Planning & Resources Update 2026/27 to 2029/30
July – Oct	CLT	Develops Medium Term service and financial plans including the workstreams set out in this report

General Fund Budget Planning Timetable		
Date	Who	What
		(paras <b>Error! Reference source not found.</b> and 3.10) and budget proposals to address budget gaps for 2026/27 to 2029/30 alongside developing Equalities Impact Assessments
Late Sept/early Oct	Government	Local Government Finance Policy Statement expected
16 Oct 2025	Cabinet	TBM month 5 (August)
Late Oct	Government	Autumn Budget announcement
Nov/Dec	CLT	Consultation process begins on draft 2026/27 proposals including staff, Trade Unions, partners & residents
Late Nov/early Dec	Government	Provisional Local Government Finance Settlement 2026/27
11 Dec 2025	Cabinet	(1) General Fund Budget Planning & Resources Update 2026/27 to 2029/30 (2 <sup>nd</sup> update to include 1 <sup>st</sup> draft of savings proposals) (2) TBM Month 7 (October)
22 Jan 2026	Cabinet	Council Tax and Business Rates Tax Base report [Legal requirement]
February 2026	Government	Final Local Government Financial Settlement 2026/27
12 Feb 2026	Cabinet	(1) 2026/27 General Fund and HRA Revenue & Capital Budget reports including the Capital and Treasury Management strategies. (2) TBM month 9 (December).
26 Feb 2026	Budget Council	Approval of the 2026/27 General Fund and HRA Revenue & Capital Budget including the Capital and Treasury Management strategies.

## 11. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 11.1. The setting of the General Fund budget in February allows all parties to engage in the examination of budget proposals and put forward viable alternative budget and council tax proposals, including amendments, to Budget Council on 26 February 2026. Budget Council has the opportunity to debate the proposals put forward by the Cabinet at the same time as any viable alternative proposals.

## 12. COMMUNITY ENGAGEMENT AND CONSULTATION

- 12.1. This report will be shared widely with key stakeholders and partners as it signals to all parties the anticipated financial challenge facing the council for next year and beyond, notwithstanding the imperfect funding information available at this stage.
- 12.2. Whilst no specific consultation has been undertaken in relation to this report, the development of the council's budget and future plans is a major

undertaking and proposals can affect a wide range of services and therefore have impacts on residents, businesses, visitors and staff. Appropriate and necessary statutory consultation and engagement will need to be undertaken with residents, service users, staff, unions, partners, business representatives and the community and voluntary sector.

- 12.3. Detailed consultation and engagement plans will be put in place over coming weeks and months. In advance of any proposals coming forward for Cabinet in December 2025 as well as February 2025 for full Council approval. However, consultation and engagement is expected to include the following:

#### **General Information**

- 12.4. General information and advice about the council's budget will continue to be provided through the council's website which provides information and infographics on how money is spent on services, where the money comes from, the council's capital and transformation investment plans, and a summary of the financial challenges ahead. These materials will continue to be promoted through various media and communications throughout the budget setting period.

#### **12.5. Community and Resident Engagement**

- 12.6. Engagement with residents and the community is an important part of understanding residents' priorities for spending the council's budget within the challenging resource limitations experienced by local government for many years. In previous years, including during the lead up to the 2025/26 budget process, the council has undertaken a range of methods of consultation. This has included utilising a budget simulator model and undertaking public budget engagement events. This has helped to capture residents views on priorities of spending to help inform members' decision-making.
- 12.7. A plan for consulting with the community and residents will be developed and included in the budget setting timeline. Any events or consultation platforms will be advertised on the council's website.

#### **City Partners**

- 12.8. Information will also be shared with City Partners through the City Management Board and other channels. In particular, the council continues to engage fully with the NHS Sussex Integrated Care System to ensure that the budget processes of the two organisations are aligned and communicated as far as practicably possible although this presents challenges as NHS funding announcements are normally announced much later than Local Government, often close to or even after the start of the next financial year.

#### **Business Engagement**

- 12.9. There is ongoing liaison and discussion with the Economic Partnership that covers potential funding sources and bids, city regeneration, economic growth, employment and apprenticeship strategies. Officers of the council and members of the Administration meet periodically with representatives of the Chamber of Commerce and B&H Economic Partnership to discuss the council's high-level plans and over-arching budget situation.

### **Schools Community**

- 12.10. The Schools Forum, a consultative body attended by representatives of all school phases, will primarily focus on the allocation of the ring-fenced Dedicated Schools Grant (DSG) funding across the relevant budget 'blocks' but will also be periodically informed about the General Fund budget position and proposed changes to council services where these may have implications for schools.

### **Third Sector Engagement**

- 12.11. A key stakeholder is the Community & Voluntary Sector, and communications and meetings with representatives of the sector will therefore be planned to provide them with an opportunity to feedback their views to the council and members as budget proposals develop.

### **Staff and Union Engagement**

- 12.12. Consultation and engagement with staff and unions is also very important. The scale of financial challenge indicates further significant impacts on the configuration and/or provision of services which will inevitably entail staffing changes. Meetings with the council's recognised unions, including appropriate officers and members of the Administration, will be scheduled regularly to keep unions abreast of developing proposals and to ensure they have sight of where support to their memberships may be required. The council's Joint Staff Consultation Forum will continue to provide a formal setting for sharing and raising matters relating to the overall budget process and development.
- 12.13. Later in the process, detailed proposals will be shared with affected staff ahead of formal publication of budget proposals through Departmental Consultative Groups (DCGs) and through line management. Formal consultation and engagement with directly affected staff will be undertaken as normal, including relevant union representation, under the council's Organisation Change Management Framework.
- 12.14. Wider staff engagement will be provided through 'In conversation' sessions with the Chief Executive and through directorate consultation and engagement event. Further updates and communications for staff will be provided via the council's intranet, corporate email broadcasts and the Chief Executive's communications.

### **Specific Consultation**

- 12.15. As budget proposals are explored and developed over the coming weeks and months, it is recognised that specific consultation may be required for individual proposals as they emerge. CLT and DLTs will consider the impact and timing of any specific consultation requirements as proposals are developed.

## **13. Financial Implications:**

- 13.1. The financial implications are contained in the body and appendices of this report.

Finance Officer consulted: Haley Woollard

Date: 30/06/25

**14. Legal Implications:**

- 14.1. The process of formulating a plan or strategy for the council's revenue and capital budgets falls within the Allocation of Responsibilities for Functions for the Cabinet under Part 2E of the constitution.
- 14.2. This report complies with the Council's process for developing the budget framework, in accordance with the Council's Budget and Policy Framework Procedure Rules as set out in Part 3D of the Constitution.

Lawyer consulted: Elizabeth Culbert

Date: 02/07/25

**15. Equalities Implications:**

- 15.1. For any significant budget changes proposed in 2026/27, it is proposed to use the council's well-established screening process to develop Equality Impact Assessments (EIAs). Key stakeholders and groups will be engaged in developing EIAs but it will also be important to consider how members, partners, staff and unions can be kept informed of EIA development and the screening process. In addition, where possible and proportionate to the decision being taken, there may be a need to assess the cumulative impact of the council's decision-making on individuals and groups affected in the light of funding pressures across the public and/or third sectors. The process will ensure that consideration is given to the economic impact of proposals.

**16. Sustainability Implications**

- 16.1. The council's revenue and capital budgets will be developed with sustainability as an important consideration to ensure that, wherever possible, proposals can contribute to reducing environmental impacts and support progress toward a carbon-neutral city.

**17. Health and Well-being Implications**

- 17.1. The council's budget includes very substantial provision for expenditure on Adult and Children's Social Care, Public Health, Housing and Homelessness, Welfare Assistance (for example the Council Tax Reduction Scheme), Education and Skills, and many other essential services that support vulnerable people and children, and households on low incomes or experiencing homelessness. These services contribute significantly to the health and well-being of thousands of residents and the wider population, upholding the council's priority to support 'A healthy city where people thrive' and engender 'A fair and inclusive city'.

**18. Other Implications**

**Risk and Opportunity Management Implications:**

- 18.1. There are a range of risks relating to the council's short and medium term budget strategy including the ongoing economic impact of the higher inflationary environment, the impact of the cost-of-living crisis, further potential reductions in grant funding, the impact of legislative changes, and/or other changes in demands. The budget process will normally include recognition of these risks and identify potential options for their mitigation. In the current financial climate, the level of risk that the council may be prepared to carry is likely to be higher than in normal

circumstances. An indication of potential risks and sensitivities will be presented in the December 2025 report.

## **19. Conclusion**

- 19.1. The council is under a statutory duty to set its budget and council tax before 11 March each year. This report sets out information on projected costs, investments and resources for 2026/27 to 2029/30. It also provides an outline timetable for considering options to develop the 2026/27 annual budget and address future budget shortfalls identified in the current MTFS.

## **Supporting Documentation**

### **Appendices**

1. Updated Medium Term Financial Assumptions and Projections



## MEDIUM TERM FINANCIAL STRATEGY TABLES

## Core Planning Assumptions

The table below sets out the core planning assumptions included in the MTFs projections:

	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Pay inflation and pay related matters:</b>					
- Provision for pay award	2.75%	2.75%	2.50%	2.50%	2.50%
- Employers pension contribution rate change	0.00%	0.00%	0.00%	0.00%	0.00%
<b>General inflation:</b>					
- Inflation on social care third party payments	3.00%	2.50%	2.50%	2.50%	2.50%
- Inflation on non-pay expenditure	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%
- Inflation on waste PFI	3.50%	3.50%	3.50%	3.50%	3.50%
- Inflation on income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on parking income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on penalty charge notices	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Resources:</b>					
Change to Revenue Support Grant (RSG)	1.65%	1.63%	1.64%	1.98%	1.98%
Business rates poundage inflation uplift	1.65%	1.63%	1.64%	1.98%	1.98%
Assumed council tax threshold increase	2.99%	2.99%	2.99%	2.99%	2.99%
Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Base	1.50%*	0.87%	0.86%	0.61%	0.61%

\*Included the introduction of Second Homes Premium which is equivalent to a 0.9% increase in the tax base

## Summary of MTFS projections

The table below sets out the savings /budget gap, taking into account the anticipated expenditure over the MTFS period and the funding resources available:

Medium Term Financial Strategy 2026 to 2030	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>
Remove net one off short term funding and expenditure	0.000	0.000	0.000	0.000
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>
Standard Pay and Inflation – Expenditure	12.724	12.682	12.965	13.421
Standard Inflation - Income	(3.210)	(3.550)	(3.123)	(3.202)
Demographic and inflationary pressures in Adult Social Care including Adult Learning Disabilities	9.003	12.644	13.480	14.320
Demographic and inflationary pressures for Children’s disability, Children in Care, and Care Leavers	4.680	1.477	1.543	1.385
Temporary Accommodation and Rough Sleepers - cost and demand pressures	12.058	1.100	1.762	1.650
Home to School Transport - cost and demand pressures	1.285	0.689	0.769	0.849
Estimated loss of funding from Fair Funding Reform	6.000	2.500	6.000	0.000
Income Pressure: New England House	1.200	0.000	0.000	0.000
Housing Benefit Subsidy Shortfall	0.400	0.000	0.000	0.000
All other pressures across council services	4.314	5.478	0.778	1.486
Commitment - Change in contributions to/from reserves	3.015	(1.125)	0.000	0.000
Commitment - Change in financing Costs	1.579	0.115	(0.054)	0.133
Commitment - Pay award 2025/26 above 2.75% inflation assumption	0.827	0.000	0.000	0.000
Commitment - impact of previous decisions, grant changes and assumptions	2.810	2.488	(0.394)	0.250
Budget Gap (Savings Requirement)	(39.765)	(20.652)	(19.468)	(15.273)
<b>Budget Requirement C/Fwd</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>

<b>Funded by:</b>				
Revenue Support Grant	8.932	9.078	9.258	9.441
Locally retained Business Rates	63.507	64.862	66.468	68.114
Collection Fund position	0.000	0.000	0.000	0.000
Council Tax including Adult Social Care Precept	209.300	221.645	234.117	247.307
<b>Total Funding</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>

# Brighton & Hove City Council

## Place Overview & Scrutiny Committee

## Agenda Item 36

**Subject:** Housing Safety and Quality Compliance Update

**Date of meeting:** 22 September 2025

**Report of:** Chair of Place Overview & Scrutiny

**Contact Officer:** Name: Martin Reid Director of Homes & Investment  
Tel: 01273 292115  
Email: martin.reid@brighton-hove.gov.uk

**Wards affected:** All Wards

**Key Decision:** No

**For general release**

### 1. Purpose of the report and policy context

- 1.1 This report provides an overview of Brighton & Hove City Council's progress in addressing housing safety and quality compliance, following the Regulator of Social Housing's (RSH) judgement on 9 August 2024. The judgement followed a period of Council engagement with RSH including sharing information on our backlog of routine repairs and Housing, Health & Safety Compliance Review. The RSH highlighted failings in safety and quality compliance and routine repairs backlog. It reflects the enhanced consumer regulation processes introduced in April 2024 as part of post-Grenfell Tower tragedy reforms.
- 1.2 A report responding to the RSH judgement was reviewed by the Place Overview & Scrutiny Committee on 23 September 2024. A further report updating our progress in response to the issues raised in the RSH judgement was reviewed by the Place Overview & Scrutiny Committee on 21 January 2025. Regular updates are provided to Scrutiny to ensure cross-party oversight of actions addressing the Regulator's findings.
- 1.3 Regular updates reports are also presented to Cabinet. In May 2025, Cabinet considered a Housing Safety and Quality Compliance Update. A feature of the May 2025 Cabinet report was a new comprehensive root cause analysis, which explores the underlying reasons for previous compliance failures and systemic challenges, to inform a sustainable improvement plan. The root cause analysis is intended as a platform for organisational learning, culture change, and shared ownership. It is a reflective account for residents, staff, and elected members of how the council got here,

our learning and how we will move forward. This work supports our improvement planning and is intended to ensure that the drivers of and learning from non-compliance are fully understood and addressed.

- 1.4 This report is an update on our positive progress in areas identified by RSH as not compliant and continued compliance in areas where the council met the RSH Safety & Quality Standard, incorporating the latest data from July 2025. It outlines actions taken, challenges encountered, and next steps to achieve compliance. The report highlights our commitment to sustained improvements and full compliance with our regulatory and legislative requirements, including the Building Safety Act and Social Housing (Regulation) Act 2023, with a focus on our priority of ensuring the safety and wellbeing of residents, visitors, and those who work on our homes.
- 1.5 Improving housing quality and ensuring compliance with social housing regulations are key to delivering the Council Plan's "Homes for Everyone" priority.

## **2. Recommendations**

- 2.1 That the Place Overview & Scrutiny Committee note and comment on the progress made in addressing the issues identified by the Regulator of Social Housing.

## **Updates on Safety and Compliance Areas Highlighted by RSH**

### **3. Fire Safety**

- 3.1. The council has made significant investments in staffing, increased contractor capacity, foundational systems and processes for Fire Safety. A new Fire Safety Lead has been appointed, with appointments also made to additional roles, including Fire Safety Surveyor and Contract Manager.
- 3.2. The council is compliant in respect of undertaking fire risk assessments where required. It is best practice to undertake Fire Risk Assessments (FRAs) for High Rise blocks every year. In 2024, the council completed a large number of Fire Risk Assessments (FRAs) in a compressed timeframe. In 2025, a more phased approach has been adopted, with assessments scheduled from January to September. This change supports better planning and coordination of both assessments and resulting remediation actions.
- 3.3. Although the total number of Fire Safety remediation actions remains high, progress continues to be made. As of July 2025, the number of FRA remediation actions has reduced to 4855 from 6,420 as of March 2025 reported to May Cabinet. In the January 2025 Scrutiny report, 8,114 actions were reported from the new set of Fire Risk Assessments (FRAs) which had been undertaken to provide an up to date set of risk assessments and remediation actions for our council blocks.
- 3.4 The most common high-risk actions identified through our Fire Risk Assessments relate to fire doors remediation or replacement, signage, communal electrical systems, compartmentation, and ventilation. These themes are consistent across

our housing stock and reflect known areas of historic underinvestment. We have established, or are in the process of mobilising, planned programmes of work to address each of these risk areas.

- 3.5. The 2025 round of FRAs for high-rise buildings is providing clearer insights in to recurring safety themes across our stock. In parallel, work is underway to update our Programme Plan and build a more robust estate-by-estate strategy that better reflects building risk, resident impact, and regulatory expectations.
- 3.6. Performance data on Fire Safety Compliance measures is included in the Appendices (Appendix A) and reflects progress on Fire Risk Assessments and reducing the number of remediation actions.

#### **4. Water Safety**

- 4.1. Due to challenges the council has faced in reporting against indicators related to water safety we are changing our approach, including shifting from systems-based reporting to building- level reporting, which better reflects how the service is managed in practice – one risk assessment per building - and is simpler to track and validate. The council will continue to monitor water systems annually, in line with the requirements of the Tenancy Standard Measures (TSM) set by the Regulator for Social Housing.
- 4.2. Recruitment of a specialist Water Safety Manager is underway, with an appointment expected by the end of September. Our Procurement Forward Plan for 25/26 includes a Housing contract to deliver water compliance testing (legionella) and planned preventative maintenance.
- 4.3. We are currently reviewing water data but can report that we have completed 81% of Legionella Risk Assessments as of June 2025, compared with 62.1% in March 2025. All Risk Assessments for Higher Risk properties are complete and the focus is now on medium-risk properties, where access and data validation remain challenges.
- 4.4. Performance data on Water Safety Compliance measures is included in the Appendices (Appendix A) and reflects progress with increasing risk assessments.

#### **5. Electrical Safety**

- 5.1. The Council has established a dedicated Electrical Testing & Compliance Team to retest all domestic and communal properties on a risk-based priority by December 2026, maintaining a 5-year testing cycle thereafter. This work, supported by a Strategic Management Plan and updated Electrical Testing Procedure, has driven steady progress in electrical safety compliance.
- 5.2. The domestic electrical testing programme prioritises properties based on risk: Priority 1 - those with an unsatisfactory certificate; Priority 2 - those with no certification; and Priority 3 - those with older certifications, starting with the oldest first. All identified risk actions are remediated and resolved before issuing an electrical safety certificate, ensuring robust compliance. To achieve full compliance, the Electrical Testing & Compliance Team is re-testing all communal areas on a risk-based priority, targeting completion by December 2026.

- 5.3. In the January 2025 Scrutiny report, 66.4% of domestic dwellings achieved satisfactory certification within a 5-year testing cycle. Our most recent report to May Cabinet showed that as of March 2025, 75.5% of domestic dwellings achieved satisfactory certification within a 5-year testing cycle. This has increased to 87.1% as of July 2025. Clear work programmes, policies for addressing no-access properties and ongoing communication with residents have been critical to maintaining momentum.
- 5.4. Performance data on Electrical Safety Compliance measures is included in the Appendices (Appendix A)

## **6. Smoke Detector Compliance**

- 6.1 Ensuring that our homes have robust smoke detector systems remains a priority. In the January 2025 Scrutiny report 94% of homes were reported as having smoke alarms/detectors. As of March 2025, figures reported to May Cabinet, 97.7% of homes had smoke alarms/ detectors. July 2025 data shows 98.9% smoke detector coverage across council homes. A dedicated resource for smoke detection is in place, and the IT system highlights properties lacking compliance. This enables Council staff to proactively visit these homes, ensuring smoke detection installation. All remaining properties with no record of smoke detection have either a planned appointment, are empty and undergoing refurbishment or we are being proactively engaged to arrange installation.
- 6.2. As part of the electrical testing programme in council homes, hard-wired smoke alarms and carbon monoxide detectors (for properties with gas) are being installed. These devices include smart home capabilities, providing enhanced fire safety provision with real time monitoring, and improved efficiency by providing remote diagnostics.
- 6.3. Performance data on Smoke Detector Compliance measures is included in the Appendices (Appendix A)

## **7. Routine Repairs**

- 7.1. Addressing the routine repairs backlog has been a key priority following the Regulatory Judgement of August 2024. At its peak, the backlog had a significant impact on resident experience. While lower risk, many of the delayed jobs were longstanding and complex, reflecting wider capacity, resourcing, and systems issues within the service.
- 7.2. The council has made substantial progress in reducing the overall volume of open repairs. This has been achieved through targeted planning, contractor mobilisation, and a clear focus on both risk prioritisation and clearing the oldest cases. This recovery work continues to be closely managed and monitored. In the January 2025 Scrutiny report the backlog in routine repairs was reported as 6578. As of March 2025, figures reported to May Cabinet, the backlog stood at 4,134 repair jobs open for more than 28 days. The number of outstanding repairs over 28 days has dropped to 2,622 as of July 2025, a reduction of over a half since the report to January Scrutiny Committee. The Service remains fully committed to continuing to reduce the remaining backlog in routine repairs.

7.3. Performance data on Routine Repairs Backlog is included in the Appendices (Appendix A)

## **8. Updates on Remaining Safety and Quality Compliance Areas**

8.1. The Council's approach to gas, asbestos, carbon monoxide detection, and lifts compliance remains robust, with these areas not identified as requiring immediate action in the Regulator of Social Housing's (RSH) judgement. They are broadly considered compliant, reflecting the Council's commitment to maintaining high safety standards across its housing stock. An update on compliance in these areas is included in Appendix A.

### **Gas Safety and Carbon Monoxide detection**

8.2. The Council, in partnership with its heating and hot water contractor, has ensured the safety of gas systems across its housing portfolio, including proactive welfare checks for tenants requesting gas supply capping due to personal circumstances. Tenant engagement remains central to addressing underlying issues such as fuel poverty and resident vulnerability. As of July 2025, the council was 100% complaint with communal and domestic dwelling gas safety certification.

8.3. Gas servicing and inspections are carried out within statutory timelines, supported by robust record-keeping and contractor oversight. Properties that fall out of compliance are closely monitored, with access issues addressed promptly and sensitively, particularly where residents are vulnerable. A process of early engagement is in place for homes with historic access challenges.

8.4 As of July 2025, the Council was 99.7% complaint with carbon monoxide safety regulations to provide detection in all domestic dwellings. Carbon monoxide alarms are installed, and there is a robust programme of regular maintenance to guarantee their functionality, alongside the gas appliance annual safety checks.

### **Asbestos Management**

8.5. Asbestos safety is managed through surveys, risk assessments, and adherence to the Control of Asbestos Regulations 2012. All identified asbestos risks are monitored regularly, with a programme of periodic re-inspection surveys of communal areas as required. Clear communication with tenants about the presence and management of asbestos is maintained to ensure awareness and reassurance.

8.6. There is a rolling programme of annual asbestos safety checks to our building common ways. As of July 2025, this was at 98.4% compliance with the rate of total rolling compliance.

### **Lift Safety**

8.7. The Council's lift maintenance and inspection regime meets the requirements of the Lifting Operations and Lifting Equipment Regulations (LOLER). Regular servicing is conducted to minimise downtime and ensure tenant safety. As of July

2025, the council is 98.3% complaint in relation to communal passenger lift servicing.

8.8. These compliance areas are underpinned by ongoing quality assurance processes and periodic audits to sustain standards and identify any opportunities for improvement. The council will continue to monitor and adapt these programmes to ensure sustained compliance and tenant confidence.

8.9. Performance data on Gas Safety, Asbestos Management, Carbon Monoxide detection, and Lift Safety is included in the Appendices (Appendix A).

## **9. The historical context of the council's housing stock**

9.1. The council's social landlord duties cover 12,145 rented properties and 2,210 leasehold properties (January 2025). This includes 46 high-rise blocks, of which eight are Large Panel System (LPS) buildings.

9.2. Flats and maisonettes represent 65 percent of the council's rented homes (including Seaside Homes). These building types typically require more intensive compliance activity, particularly in relation to fire, water, electrical, lift, asbestos and structural safety in shared or communal areas. The remaining 35 percent of the stock consists of houses and bungalows, which present fewer compliance challenges. The council also retains freehold responsibility for more than 2,000 leasehold properties located within blocks of flats, further increasing the proportion of homes where additional compliance duties apply.

9.3. Much of the current housing stock was developed during periods of high demand and less stringent regulation. 62% of council rented homes were built before 1966, with 23% built before 1946 (figures include Seaside Homes). Over time, budget constraints have contributed to a historic underinvestment in planned maintenance, improvements and long-term asset resilience. This has left the council owning and managing a significant number of ageing properties that were not designed or maintained to meet current health and safety regulations or quality and sustainability standards.

## **10. Sustained Service Improvements: Becoming a Great Landlord and Root Cause Analysis**

10.1. The Council Plan has two priorities relevant to these actions: A fair and inclusive city with Homes for Everyone and A responsive council with well-run services by meeting the needs of our residents and other customers. To that end, we continue to develop service improvement plans to support Brighton & Hove City Council becoming a Great Landlord.

10.2. Workshops were held in April 2025 with staff and tenants to explore recurring themes identified in complaints, ombudsman decisions, member enquiries and other engagement. A continuous improvement action plan 'Creating Great Homes Together' has been drafted as a result, on which we will undertake public consultation.

10.3. This developing plan sits alongside other SMART action plans addressing compliance gaps and improvements across the regulatory framework.



- 10.4. In response to the C3 Regulatory Judgement, the council has undertaken a root cause analysis to understand the reasons for non-compliance with the RSH Safety and Quality Standard and to prevent recurrence. The analysis reveals that the issues stem not only from operational failures but also from deeper systemic and cultural challenges. While some corrective actions have begun, the findings clarify the structural, cultural, and delivery changes needed to achieve lasting compliance and improve outcomes for residents.
- 10.5. This work supports the Council Plan priorities of 'Homes for Everyone' and 'A Responsive Council with Well-Run Services', and the Housing Strategy priority of 'Improving Housing Quality', including compliance with the Building Safety Act and reducing the housing repairs backlog.
- 10.6. Insights were drawn from data reviews, interviews with key staff, and structured workshops. The analysis identifies six interdependent themes: Resident Voice, the service was not always responsive to resident concerns; Leadership and culture, reflecting on providing the platform for effective governance and decision making; Data quality & use, reflecting upon inconsistency of data use and quality and lack of system integration; Workforce Capacity & Capability, limited workforce capacity and inconsistent empowerment; Prioritisation & Focus, ensuring that resources were aligned with long-term asset and compliance resilience; Responsibility for Compliance and Adaptation, requiring proactive monitoring and response to emerging risks.
- 10.7. The six themes from our root cause analysis have been reframed as priorities for organisational change. We are adopting a strengths-based approach that focuses on learning from and addressing areas for development, as well as systems that support us to be a Great Landlord.
- 10.8. Strengthening each of these areas and improving their alignment is essential for sustainable improvement. The council remains committed to continuous learning and collaborative action, using this analysis as a foundation for building a robust improvement plan with internal teams, residents, and elected members.
- 10.9. Transparency, accountability, and measurable progress are central to this approach. Monthly highlight reports and the development of the core Housing, NECH system as a single source of housing compliance data ensure clear oversight. Updates to the Housing Safety & Quality Assurance Board, Corporate Leadership Team (CLT), Cabinet members and Overview & Scrutiny Committee reflect our commitment to ensure that the safety and quality of our council homes remain our priority.
- 10.10. More detail on the Root Cause Analysis is included in the Appendices (Appendix B) in addition to the accompanying Root Cause Analysis Improvement Plan (Appendix C).

## **11. Analysis and consideration of alternative options**

11.1. The Place Overview & Scrutiny Committee is invited to support the actions outlined in this report or provide feedback. The Committee's input will support our approach to aligning compliance with best practice and Council priorities.

## **12. Community engagement and consultation**

12.1. Engagement with tenants and leaseholders remains a priority, with regular updates provided on housing safety & quality compliance. Engagement activities include discussions at Housing Area Panels, bespoke workshops, and our upcoming annual tenant engagement event in September 2025, ensuring residents are informed and their feedback is included.

12.2. New engagement approaches using a test-and-learn model to co-produce improvements are in progress and being explored through the Creating Great Homes – Continuous Improvement Plan.

12.3. Feedback has informed efforts to involve underrepresented groups, including young people and marginalised communities, through digital surveys and neighbourhood outreach.

## **13. Financial implications**

13.1. This aligns with the HRA budget for 2025/26, which provides £1.1m in revenue funding for health and safety, including investment in staff resources and the appointment of a Head of Regulatory Compliance to oversee requirements and delivery. The budget also allocates £14m for capital works to support ongoing compliance.

13.2 Future budget reports will continue to reflect these costs and will be subject to annual approval. Officers will monitor expenditure closely and report any variances through the council's TBM process. Should additional revenue costs arise, such as the need for a waking watch in affected blocks, the use of general reserves will be considered if these costs cannot be managed through TBM.

Name of finance officer consulted: Ferrise Hall Date consulted 08/09/2025

## **14. Legal implications**

14.1. This is a report for note and comment. While not a legal requirement it is good practice and in accordance with the Social Housing Regulator requirements. It is to be noted that the Regulator will continue to seek data and assurances as to compliance. The current C3 evaluation can be changed if the Regulator deems it to be appropriate. We also note that East Sussex Fire and Rescue operate both independently and in association with regulators around fire safety and in particular with regards to tall buildings (the consequence of Grenfell). They will also be reviewing fire safety compliance and can take enforcement action.

Name of lawyer consulted: Simon Court Date consulted 12/09/25:

## **15. Equalities implications**

15.1. The Council is committed to addressing the needs of vulnerable and marginalised groups based on our approach as a learning organisation in terms of diversity and inclusion. Social housing often serves higher proportions of individuals from vulnerable or marginalised communities, including older adults,

people with disabilities, and minority groups. By improving housing quality to the required standards, we are not only ensuring safety and compliance but also making a meaningful impact on socio-economic and health inequalities for these groups.

## **16. Sustainability implications**

16.1. Safety and compliance measures provide an opportunity to align with the Council's sustainability goals. This includes improving home energy efficiency through enhanced insulation and adopting sustainable materials in remediation projects, contributing to both resident comfort and reduced carbon emissions.

## **17. Health and Wellbeing Implications**

17.1. The quality and safety of housing significantly impact the health and wellbeing of residents. Compliance measures, including improvements in fire safety, electrical systems, and water safety, are integral to creating safer and good quality living environments. These efforts will also support the reduction of health inequalities, particularly for residents affected by fuel poverty or chronic conditions.

## **17. Conclusion**

18.1 The Place Overview & Scrutiny Committee is asked to review this report and feedback on the planning and progress toward achieving full compliance. The Committee's oversight is sought to ensure transparency, accountability, and alignment with regulatory requirements.

## **Supporting Documentation**

1. Appendix A Housing Compliance Data
2. Appendix B Root Cause Analysis – Identifying the Causes
3. Appendix C Root Cause Analysis Improvement Plan



## Appendix A – Update on progress - Safety & Quality Compliance

### Progress in areas identified by RSH as not compliant

	Feb 24	April 24	June 24	July 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	April 25	May 25	June 25	July	Expected date of Compliance
Smoke alarms/detectors (% of homes)	50.8%	77.0%	81.5%	83.6%	86.5%	89.4%	92.9%	94%	95.7%	96.3%	97.5%	97.7%	98.3%	98.5%	98.8%	98.8%*	Oct 2025
5 Year EICR domestic testing (% of homes)**	42.9%	49.1%	53.0%	55.8%	57.4%	60.1%	63.2%	66.4%	67.9%	70.7%	72.6%	75.5%	78.1%	80.9%	84.1%	87.1%	December 2026
10 Year EICR domestic testing (% of homes)**	66.6%	70.1%	72.0%	73.7%	74.9%	76.4%	78.1% (9,383)	80%	80.9%	82.9%	84.6%	86.7%	88.3%	90.2%	91.9%	93.2%	
Communal EICRs (% of communal areas)	5.3%	14.0%	20.8%	22.0%	29.4%	33%	37.6%	39.3%	43.9%	45.1%	45.4%	48.5%	51.6%	54.3%	61%	66.9% (478 of 715)***	December 2026
Repairs jobs open for more than 28 days (HRA)	-	-	9,653 (incl. TA & EA)	7,250 (incl. TA & EA)	7,923 (incl. TA & EA)	6599	6222	6578	6,950	5,357	4,399	4,134	3,588	3,310	2,898	2,622 (57%)	July 2025

### Progress in areas identified by RSH as not compliant

## Appendix A – Update on progress - Safety & Quality Compliance

	Feb 24	April 24	June 24	July 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	April 25	May 25	June 25	July	Expected date of Compliance
FRA in High Rise buildings (% of buildings)*	100%	100%	100%	100%	100%	100%	100%	100%	100%	71.7%	60.9%	30.4%	50%	47.8%	58.7%	65.2%	Sept 2025
FRA in Medium Rise buildings: (% of buildings)	99.8%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Compliant
FRA Low Rise buildings: (% of buildings)			20.9%	57.0%	78.22%	92.9%	93.5%	99.1%	99.4%	99.8%	99.8%	99.8%	99.8%	99.8%	98.8%	98.8%	December 24
FRA remediation actions (snapshot number of live actions)	1,748		4,253	6,472	-	8,228	8,142	8,114	8,268	7,554	7,287	6,420 (now excl. Best practice)	6,211	6,119	6071	4855**	December 26
Legionella Risk Assessments (% of buildings covered (of 12,672))								52.1%	57.1%	60.7%	61.1%	62.1%	65.4%	71.3%	81%***	Month time lag	December 2025

\*100% within legal compliance. This figure reflects own policy of annual FRAs for High Rise.

\*\* Includes newly identified actions from 2025 HRB FRAs. Of these, 4,380 are Backlog Actions and 1,052 are set to “in progress or raised”; 1,224 Actions recorded as completed in July. This improvement from previous months is due to work by the Fire Safety Team to regularise the position, close actions and re-establish baseline data in July and August. These figures will be regularised from the next report.

\*\*\* We are currently reviewing water data

### Wider Safety & Quality Compliance Data

## Appendix A – Update on progress - Safety & Quality Compliance

Carbon Monoxide Detection / Alarms	April 24	May	June	July	Aug	Sept	Oct	Nov	Dec 24	Jan 25	Feb	March	April	May	June	July
Total detection in domestic dwellings		97.79%			91.4%	96.6%	97.4%	97.3%	97.9%	98.3%	98.6%	98.8%	99%	99.2%	99.6%	99.7%*

Gas/Fuel Safety	April 24	May	June	July	August	Sept	Oct	Nov	Dec	Jan 25	Feb	March	April	May	June	July
Communal Boilers certification in date - annual	100%	100%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Domestic dwellings certification in date – annual	100%	99.97%	100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Properties with a capped gas supply - reduction in numbers	77	23	40		32	32	23	24	24	16	28	19	21	20	20	21**

Asbestos Safety	April 24	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan 25	Feb	March	April	May	June	July
Common ways – Total rolling compliance	98.53%	98.90%	99.4%	99.8%	90.1%	99.6%	97.0%	98.4%	99.8%	100%	100%	100%	100%	100%	100%	98.43%***
Asbestos Re-inspection programme – Common ways Rate of progress						17.06%	56.70%	83.7%	94.9%	97.9%	100%	100%	Reinspections start in May	17.7%	24.7%	36.4%

Lift Safety (lifts & lifting equipment)	April 24	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan 25	Feb	March	April	May	June	July
Communal (Passenger) lifts (LOLER) servicing	100.00%	100.00%	100.0%	100.0%	100.0%	100.0%	100.0%	100%	100%	99.2%	100%	97.5%	100%	98.35%	98.35%	98.35%
Domestic lift and stair lift, equipment servicing	100.00%	100.00%	100.0%	100.0%	100.0%	100.0%	100.0%	100%	100%	100%	100%	100%	100%	100%	100%	100%





## **Root cause analysis of non-compliance**

### **1. Purpose and approach**

1.1 The Regulator of Social Housing (RSH) requires the council to undertake a root cause analysis as part of our response to the C3 Regulatory Judgement. This analysis seeks to understand why the council did not fully comply with the RSH Safety and Quality Standard and how to ensure failings are not repeated.

1.2 The findings go beyond operational errors to highlight systemic and cultural challenges that have built up over time. While some actions have already been taken, the analysis has created a clearer picture of what needs to change – structurally, culturally and in day-to-day delivery – to achieve lasting compliance and better serve residents.

1.3 Our objective is to address the systemic challenges that have contributed to non-compliance and to ensure that all residents live in safe, high-quality homes. This is in line with: our Council Plan (2023 to 2027) priorities Homes for Everyone, and A responsive Council with Well-Run Services; Housing Strategy (2024-29) priority of Improving Housing Quality including by: investing in building and fire safety to meet duties under the Building Safety Act; ensuring the Council complies with social housing regulations; and reducing the backlog of housing repairs.

1.4 The root cause analysis in this report has used three main sources of insight:

- Information and data review: including compliance performance, resident feedback, historic audit trails, and complaints.
- Interviews: structured conversations with Housing leadership, corporate colleagues and compliance leads, service managers, and technical experts.
- Structured Workshops: Facilitated using the 'Five Whys' reflect deeper than the symptoms for non-compliance.

1.5 The Council continues to engage in deep reflection about our learning in terms of our response to the Regulatory Judgement, emerging events and our actions to address the identified issues and ensure ongoing compliance. Continuous improvement means that the analysis is an ongoing process as a tool for shared learning and a starting point for building the improvement plan together with our Housing and relevant corporate teams, residents, and elected members.

### **2. Summary of what the Root Cause Analysis Tells Us**

2.1 Our root cause analysis identifies six interdependent themes, presented in the diagram below as a layered system:

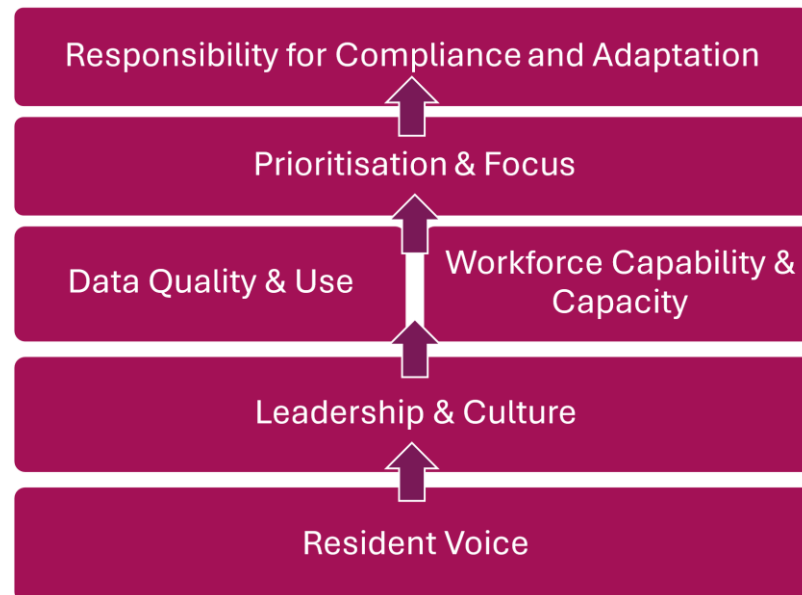
- At its foundation lies Resident Voice, where a hierarchical culture focused on national policy initiatives and organisational priorities was not always responsive to resident concerns.
- Leadership & Culture provides the platform for effective governance and decision-making; however, organisational culture sometimes disempowered staff, created psychological unsafety, delayed escalation of

issues, and diluted responsibility for managing risk through ambiguity and fragmentation.

- Data Quality & Use is critical to sustainable compliance but was undermined by inconsistent maintenance of records, poor data quality, and systems that did not communicate or integrate effectively – weakening assurance about stock condition, maintenance and investment activity, and long-term decision-making.
- Workforce Capacity & Capability is essential for action; however, key roles were at times unfilled or underpowered, and frontline staff did not consistently feel empowered to escalate concerns or act confidently.
- Prioritisation & Focus ensures that resources are aligned with long-term asset and compliance resilience; however, short-term decisions, limited forecasting, and underinvestment undermined the council's ability to strengthen these areas.
- Responsibility for Compliance and Adaptation requires proactive monitoring and response to emerging risks; however, a reactive compliance model missed early warning signs and did not adapt quickly enough to new duties and standards.

2.2 In practice, while elements of this system were in place, inconsistency across these layers contributed to vulnerabilities. Strengthening each layer and reinforcing the links between them is critical to embedding lasting improvement.

**Diagram 2: Mapping of causes leading to non-compliance and backlogs**



2.3 These are not isolated themes. They interact and reinforce one another: incomplete and poor quality data undermines decision-making; unclear roles delay action and escalation; short-term fixes crowd out strategic planning. The entire system depends on coordination, learning, and shared responsibility. Using the themes as a framework helps us move beyond individual failures – to address the deeper conditions that have enabled non-compliance to arise – and to design change that lasts.

### 3. Next steps: from analysis to action

3.1 The root cause analysis builds on actions taken so far and the shared commitment to understand what must change to support a consistent focus on compliance in terms of safety, sustained maintenance and proactive investment in the quality of the housing stock, and a steadfast commitment to resident-centred planning and delivery.

3.2 To inform the alignment of improvement plans for our Creating Great Homes Together Improvement Programme, the six themes from our root cause analysis have been reframed as priorities for organisational change. We are adopting a strengths-based approach that focuses on learning from and addressing areas for development, as well as systems that support us to be a great landlord.

3.3 The themes are reimagined below in terms of what we aim to become over the coming months:

- Leadership and culture: We will ensure consistent, robust leadership and clarity around when and how concerns are escalated, so that issues are surfaced early and addressed decisively.
- Data quality and use of data: Reliable, well maintained electronic records will underpin planning, assurance and sound decision making. Strong management systems and procedures will safeguard the accuracy, completeness and quality of our data and its effective use to inform and support compliance and our Improvement Programme.
- Workforce capacity and capability: Skilled, confident staff are our most valuable resource. We will: invest in staff development including apprenticeships, technical skills, particularly in areas like fire safety, surveying and data analysis; design structures that create capacity for leadership development in all tiers of management; support a culture of trust and empowerment that enables action to be taken and areas of concern to be raised without fear of blame: and, use digital solutions for transactional/administrative activities so that staff have time to plan and focus on relational activities.
- Prioritisation and focus: With finite resources, we will take a risk-based approach to ensure that effort and investment are aligned to fulfil all of our compliance duties, Improvement Plan and resident impact.
- Responsibilities for compliance: We will define clear roles and accountabilities for stock quality, safety and compliance. Risk management must move beyond silos. Joined-up teams, and meaningful resident involvement will strengthen trust and meaningful engagement between staff and residents.
- Managing contracts: We will take a stronger client role, ensuring contractors are clear on expectations. Given the scale of works required to maintain and improve the council's housing stock, there will be times that third parties will be required in terms of capacity and/or expertise to support the council in fulfilling its compliance duties. A strong client function should first clearly scope out the requirements for the contractor about what we need in terms of their services, and then the specification and terms and conditions in the contract/s must be actively managed. Robust contract management ensures that the direct (specified works) and indirect (social

value) benefits from the contracting arrangement are realised for the residents and wider community.

3.4 Our goal is not only to meet regulatory expectations but to create a culture and system change that supports staff to listen to and work proactively with a diverse range of tenants and leaseholders so that our residents live in safe, good quality homes and neighbourhoods.

3.5 Our approach to finalising the improvement programme includes:

- Workshops for residents and staff, co-producing together the responses to the issues raised in this report
- A one council approach to learning within cross-cutting themes (e.g. data, contract management, asset planning) to test and learn identified solutions
- The programme will be overseen by the Housing Compliance Board for operational delivery, and strategic oversight will be by the directorate's Delivery and Improvement Board which is being created to include frontline staff as part of the membership.

3.6 The Improvement Programme will be co-produced by July 2025 under the leadership of the Corporate Director for Homes and Adult Social Care.

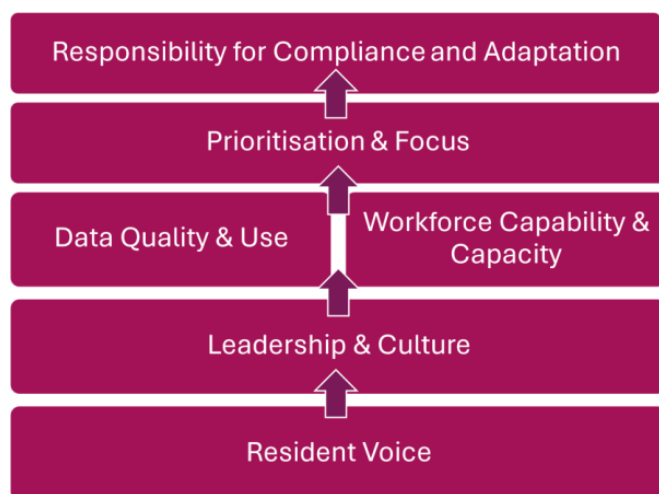
## BRIGHTON AND HOVE CITY COUNCIL

### ROOT CAUSE ANALYSIS HOUSING IMPROVEMENT PLAN

#### 1. Introduction

- We undertook a Root Cause Analysis in May 2025 to ensure we understand and systemically address the underlying causes of our historic challenges with compliance. We continue to reflect and learn, reinforced by the Council-wide principles of being a Learning Organisation.
- We know our workforce and operating model retain gaps. Until we stabilise these, any good work on transformation remains temporary. We want to go further than the RCA, and drive improvements driven by our ambition for and with our residents.
- We are undertaking the action plan in two phases: Phase 1 focuses on immediate actions we can do now. Starting in September we will develop a Target Operating Model with the RCA at its heart. This will be the basis of Phase 2.

*Our Root Cause Analysis identified six systemic challenges:*



#### 2. Early progress

- Good progress on areas highlighted by RSH as a concern: electrical safety, smoke alarms, repairs backlog, fire safety. These successes prove we can deliver when we focus and bring in the right expertise:
- Governance Reset: strengthened oversight, better data and escalation, monthly reporting.
- Additional Expertise: interim fire leads, programme managers, and external technical support closed knowledge gaps.

- Progress where we prioritise: LPS Programme implemented clear communications, contractor mobilisation, and leadership oversight. Bristol Estate addressed urgent safety risks, SF21 actions in motion, and strengthened resident engagement.

### **3. Continuous Learning & Integration**

- This plan creates one connected change system where actions and learning, reinforce each other. Each stage strengthens the next, so improvements do not fade: they become embedded.
- As a Learning Organisation, we continue to hold reflection sessions, and bring in challenge and insights from the following:
  - Resident insights via forums, complaints, and Great Landlord work.
  - Frontline feedback through reflection reviews.
  - Contractor performance monitored via KPIs and audits.
  - External challenge from peer reviews, regulator feedback, and audits

### **4. Roadmap & Governance**

<b>Stage</b>	<b>Timing</b>	<b>Deliverables</b>	<b>Governance</b>
<b>Phase 1: Stabilisation</b>	Now – December 2025	Water/fire data quality, contractor KPIs, workforce mapping, resident engagement	Monthly Delivery Board; CLT; Informal Cabinet  Cabinet update (twice yearly), regular updates to Scrutiny and Area Housing Panels
<b>Phase 2 preparation: Target Operating Model (TOM) Design &amp; Gap Analysis</b>	Sept – Dec 2025 (overlap with Phase one)	Draft TOM and gap analysis, with Root Cause Analysis embedded	Corporate Director; Cabinet member; CLT; Cabinet
<b>Phase 2: Service Redesign &amp; Implementation</b>	Jan 2026 onwards	Redesign and embed TOM	Great Landlord Board; learning loops

### **Phase 1 Action Plan: Stabilisation (Aug–Dec 2025)**

<b>Theme</b>	<b>Resident Outcome</b>	<b>Key Actions identified for this Sprint</b>	<b>Being a Learning Organisation</b>
<b>Resident Voice</b>	Residents feel heard and see follow-up	Use customer intelligence – complaints, Area Panel feedback, Member Enquiries, and Ombudsman decisions to inform continuous improvement Review model for resident involvement in asset management priorities	1. Being connected 4. Be diverse and inclusive
<b>Leadership &amp; Culture</b>	Responsive leadership; empowered staff	Reflect emphasis of being resident-led by renaming Housing Compliance Board to Great Landlord Board Regular visits to estates by the senior leadership Directorate-wide learning sessions Implement Recommendations from Peer Review	2. Being confident 5. Be healthy and psychologically safe
<b>Data Quality &amp; Use</b>	Evidence-based safety	Water data cleanse Fire safety dashboards Contractor onboarding for direct inputting of data Create a virtuous circle of data entry in the Building Safety Cases regarding reactive as well as planned maintenance.	3. Be innovative and creative
<b>Workforce Capability &amp; Capacity</b>	Faster responses; reduced bottlenecks	Workforce mapping Competency checks Interim staffing Support for qualifications, including for senior staff	1. Being connected 2. Being confident
<b>Prioritisation &amp; Focus</b>	Prioritisation of buildings based on risk and benefit analysis	Fire Safety Programme review Medium-risk block progress	3. Be innovative and creative
<b>Responsibility &amp; Compliance</b>	Clear roles; no home or resident falls through cracks	Accountable Person review HIAM and Compliance service review	1. Being connected 2. Being confident

## **Phase 2: Target Operating Model (Sept–Dec 2025)**

This phase is grounded in RCA, Phase 1 evidence and ongoing learning to build the blueprint for sustainable delivery. Once the TOM and gap analysis is complete, a comprehensive action plan will be developed.

<b>Objectives</b>	<b>Approach</b>	<b>Expected Outcomes</b>
<b>Define how people, processes, and systems deliver compliance.</b>  <b>Clarify roles and accountability.</b>  <b>Embed expertise and connect with corporate enablers.</b>  <b>Support a learning culture.</b>	Co-designed with residents and frontline staff.  One council approach that assumes that being a Great Landlord is commensurate with being a Corporate Parent, i.e. it is everyone's business.  Delivered by the Housing Safety Delivery Board.  Overseen by Cabinet and the Corporate Leadership Team, subject to regular reporting to Overview & Scrutiny.	1. Clear structure and expertise placement.  2. Simplified, risk-based processes.  3. Strong culture of learning and accountability.  4. Sustained compliance and tenant safety.