





Brighton & Hove
City Council

Cabinet Meeting

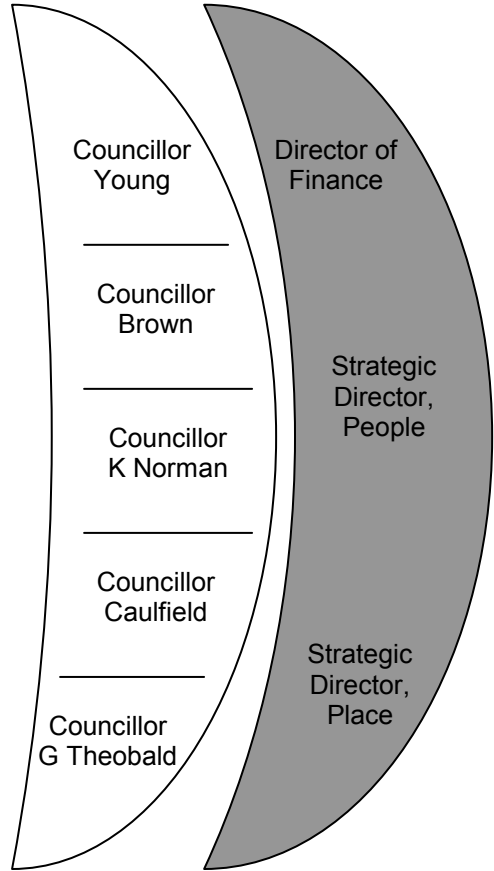
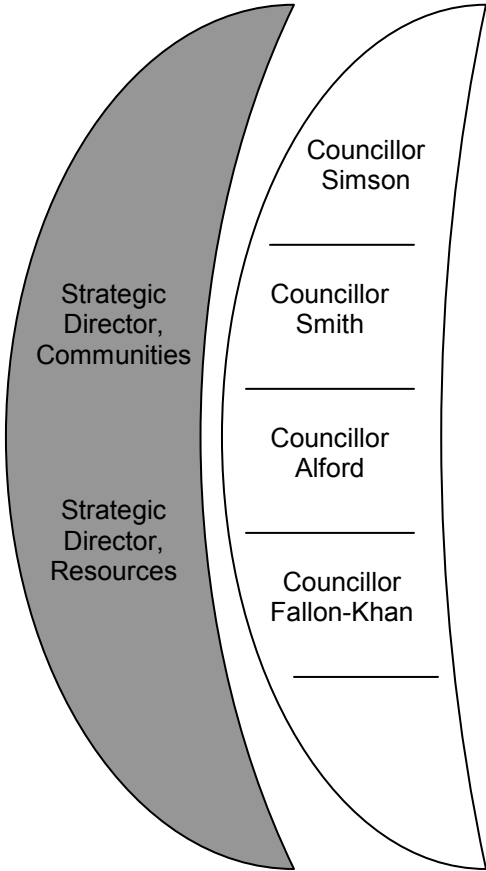
Title:	Cabinet
Date:	17 February 2011
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: Mears (Chairman) Alford, Brown, Caulfield, Fallon-Khan, K Norman, Simson, Smith, G Theobald and Young
Contact:	Tanya Davies Acting Democratic Services Manager 01273 291227 tanya.davies@brighton-hove.gov.uk

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Democratic Services: Meeting Layout

Monitoring Officer Councillor Mears Chief Executive Democratic Services Officer

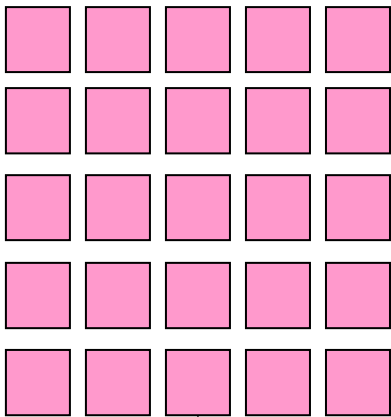
OFFICERS



OFFICERS

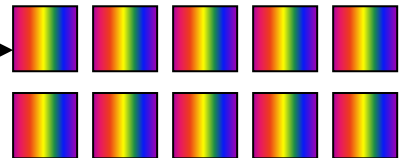
OFFICERS

Speaker Leader of the Labour Group Convenor of the Green Group



Public Seating

Members in Attendance



Press



CABINET

156. PETITIONS DEBATED AT COUNCIL 15 - 18

(a) Save School Partnerships in our city.

(i) Draft extract from the proceedings of Council on 27 January 2011 (copy attached).

(ii) Report of the Monitoring Officer (copy attached).

157. PUBLIC QUESTIONS 19 - 20

(The closing date for receipt of public questions is 12 noon on 10 February 2011)

(copy attached).

158. DEPUTATIONS

(The closing date for receipt of deputations is 12 noon on 10 February 2011)

No deputations received by date of publication.

159. LETTERS FROM COUNCILLORS

(The closing date for receipt of letters from Councillors is 10.00am on 7 February 2011)

No letters have been received.

160. WRITTEN QUESTIONS FROM COUNCILLORS 21 - 22

(The closing date for receipt of written questions from Councillors is 10.00am on 7 February 2011)

(copy attached).

161. NOTICES OF MOTION

(a) Maintain the Brighton & Hove Schools Sports Partnership "Sport for All" 23 - 24

Proposed by Councillor Mitchell (copy attached).

FINANCIAL MATTERS

162. Targeted Budget Management (TBM) 2010-11 Month 9 25 - 72

Report of the Director of Finance (copy attached).

Contact Officer: Jeff Coates

Tel: 29-2364

Ward Affected: All Wards

CABINET

163. Connexions Service

Report of the Strategic Director, People (copy to follow).

Contact Officer: James Dougan Tel: 29-5511
Ward Affected: All Wards

164. General Fund Revenue Budget & Council Tax 2011/12

Report of the Director of Finance (copy to follow).

Contact Officer: Mark Ireland Tel: 29-1240
James Hengeveld Tel: 29-1242
Ward Affected: All Wards

165. Capital Resources & Capital Investment Programme 2011/12

Report of the Director of Finance (copy to follow).

Contact Officer: Mark Ireland Tel: 29-1240
James Hengeveld Tel: 29-1242
Ward Affected: All Wards

166. Housing Revenue Account Budget 2011/12 73 - 88

Joint report of the Strategic Director, Place and the Director of Finance (copy attached).

Contact Officer: Sue Chapman Tel: 29-3105
Ward Affected: All Wards

167. Housing Revenue Account Capital Programme 2011-2014 89 - 100

Joint report of the Strategic Director, Place and the Director of Finance (copy attached).

Contact Officer: Nick Hibberd Tel: 29-3756
Ward Affected: All Wards

STRATEGIC & POLICY MATTERS

168. Developer Contributions - Interim Guidance 101 - 138

Report of the Strategic Director, Place (copy attached).

Contact Officer: Debra May Tel: 29-2295
Ward Affected: All Wards

PROPERTY & REGENERATION MATTERS

169. An Academy at Portslade Community College: Update and Outcome of the Formal Consultation Stage 139 - 156

Report of the Strategic Director, People (copy attached).

Contact Officer: Gil Sweetenham Tel: 29-3474
Ward Affected: All Wards

CABINET

170. Open Market Development Proposal

Report of the Strategic Director, Place (copy to follow).

Contact Officer: Richard Davies *Tel:* 296825
Ward Affected: All Wards

171. Patcham Court Farm Site – Long Leasehold Disposal for Commercial Development 157 - 164

Report of the Strategic Director, Resources (copy attached).

Contact Officer: Angela Dymott *Tel:* 29-1450
Ward Affected: Patcham

Part Two

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PROPERTY & REGENERATION MATTERS

172. Patcham Court Farm Site – Long Leasehold Disposal for Commercial Development 165 - 170

Report of the Strategic Director, Resources (copy circulated to Members only).

[Exempt Category 3]

Contact Officer: Angela Dymott *Tel:* 29-1450
Ward Affected: Patcham

173. Brighton & Hove Estates Conservations Trust 171 - 176

Report of the Strategic Director, Resources (copy circulated to Members only).

[Exempt Category 3]

Contact Officer: Angela Dymott *Tel:* 29-1450
 Jessica Hamilton *Tel:* 29-1461
Ward Affected: Hollingdean & Stanmer

174. PART TWO ITEMS

To consider whether or not any of the above items and the decisions thereon should remain exempt from disclosure to the press and public.

CABINET

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

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

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For further details and general enquiries about this meeting contact Tanya Davies, (01273 291227, email tanya.davies@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk.

Date of Publication - Wednesday, 9 February 2011

BRIGHTON & HOVE CITY COUNCIL**CABINET****4.00PM 20 JANUARY 2011****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillors Mears (Chairman), Alford, Brown, Fallon-Khan, K Norman, Simson, Smith and Young

Also in attendance: Councillors Mitchell (Opposition Spokesperson) and Randall (Opposition Spokesperson)

Other Members present: Councillors Allen, Morgan, A Norman and Watkins

PART ONE**134. PROCEDURAL BUSINESS****134a Declarations of Interest**

134a.1 Councillors Brown, Simson and Fallon-Khan declared personal, but non-prejudicial, interests in Item 143(c) a Notice of Motion concerning Private Rented Sector Rents as each were landlords in the private sector.

Note During consideration of Item 143(c) Councillor Randall also declared a personal, but non-prejudicial, interest due to having children renting in the private sector.

134b Exclusion of Press and Public

134b.1 In accordance with section 100A of the Local Government Act 1972 ('the Act'), it was considered whether the press and public should be excluded from the meeting during an item of business on the grounds that it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press or public were present during that item, there would be disclosure to them of confidential information (as defined in section 100A(3) of the Act) or exempt information (as defined in section 100I(1) of the Act).

134b.2 **RESOLVED** – That the press and public be excluded from the meeting during consideration of item 151 onwards.

135. MINUTES OF THE PREVIOUS MEETING

135.1 **RESOLVED** - That the minutes of the meeting held on 9 December 2010 be approved as a correct record.

136. CHAIRMAN'S COMMUNICATIONS

136.1 The Chairman welcomed everyone to the first meeting of the New Year and noted that the meeting would be webcast.

136.2 The Chairman provided an update on 'Civic Renewal', one of the Administration's top 10 priorities, and explained that plans to further renew and refresh the civic life of the city would be bolstered by a number of anniversaries, including the 150th Anniversary of the Brighton Museum and Art Gallery, events organised by the Pavilion to mark the 200th Anniversary of the Regency Bill, and the 90th Anniversary in October of the 'India Gate'. She announced that no charges would be made to residents for permissions required for street parties held to celebrate the royal wedding.

136.3 The Chairman gave an update on another of her top 10 priorities, 'Sustainable Economy', and advised that in order to meet to the financial settlement offered by Government the council would make some bold challenges to ensure that progress could continue and those affected by any impact received support.

She reported that the award of the sports facilities contract to social enterprise 'Freedom Leisure' at the last Cabinet meeting had included initial provision of £125,000 to invest in plant and building items to support reduced energy use and other projects with energy saving measures.

She confirmed the council's commitment to maintaining annual grants funding and the three year discretionary grants at their existing level and commended the work of the Grants Officer. She encouraged all Members to ensure that their residents were aware of the opportunities available.

She noted growing concern from residents, businesses and Members about the increase of multi-national chains on the city's high streets and the impact on smaller businesses. She proposed the idea of a city conference to discuss the issue, jointly identify solutions and re-balance the business mix of the city.

136.4 The Chairman reported that the council had successfully maintained a position in the Stonewall Top One Hundred employers for lesbian, gay and bisexual employees and was the second highest placed local authority. She congratulated the LGBT Workers Forum and officers responsible for making the submission.

136.5 The Chairman advised that reports from Ticketmaster indicated that the Pavilion ice rink generated the third highest sales in the country over Christmas and thanked the developers, officers and partners involved.

136.6 The Chairman reported confirmation of funding to support plans to create an Academy in Portslade. The Government had approved £12.7 million in recognition of the excellent partnership and project delivery work undertaken. The council was one of only four local authorities in the country to receive funding. The consultation phase was underway and Stuart McLaughlin had been selected as Principle.

137. ITEMS RESERVED FOR DISCUSSION

137.1 **RESOLVED** – That all the items be reserved for discussion.

138. PETITIONS

138.1 There were none.

139. PUBLIC QUESTIONS

139.1 The Chairman reported that two public questions had been received and published. She explained that due to an administrative error both questions were from the same member of the public and that she had agreed to accept both questions on this occasion.

139.2 Ms Sally Polanski asked the following question:

"In preparations for making £30 million savings in its 2011/12 budget, how is BHCC ensuring that investment in preventative services is protected as much as possible? Significant savings will have to be found in subsequent years so focusing on longer-term change is imperative."

139.3 The Chairman gave the following response:

"The protection of resources for preventative services is extremely important. These services enable us to deliver improved outcomes for the city and tackle issues that most affect people's lives.

We want to ensure our investment by using our Intelligent Commissioning approach to identify key areas requiring resource input. This will help us plan for the longer term.

In the mean time, both Members and officers are aware of the value of preventative services and will take it into account in their decision making. For example, we will ringfence 'Supporting People' funding so that people can lead independent lives. In addition, our 'Turning the Tide' pilot in housing undertakes a range of preventative work with families to ensure a better future."

139.4 Ms Sally Polanski asked the following question:

"We welcome the consultation and equalities impact assessment which has been undertaken in relation to the review of Discretionary Rate Relief. At what stage can we expect to see the Equalities Impact Assessments which are being undertaken in relation to other budget proposals and for the community and voluntary sector to be involved in discussing these?"

139.5 The Chairman gave the following response:

"In terms of budget proposals, all Service Leads are expected to complete Equality Impact Assessment screening to highlight potential issues. Our approach has been to undertake the assessments in a proportionate way and therefore there will be some which have greater potential for impact. These will require higher levels of consultation and engagement.

The Discretionary Rate Relief assessment is a good example of one which has particular impact on community and voluntary sector groups; and therefore

consultation was key. The Communities & Equality team publish a schedule of upcoming assessments online so that information is clear and accessible.”

139.4 The Chairman thanked Ms Polanski for attending the meeting and asking her questions.

140. DEPUTATIONS

140.1 There were none.

141. LETTERS FROM COUNCILLORS

141.1 There were none.

142. WRITTEN QUESTIONS FROM COUNCILLORS

142.1 There were none.

143. NOTICES OF MOTION

143.1 The Chairman reported that three Notices of Motion had been referred to the Cabinet from the Full Council meeting on 16 December 2010 under Procedural Rule 8.5.

143A VODAFONE AND BRIGHTON & HOVE CITY COUNCIL

143a.1 The Cabinet considered the following Notice of Motion proposed by Councillor Morgan:

“This Council notes that Vodafone have allegedly been allowed to avoid an estimated £6 billion in tax through basing their financial operations in Luxembourg, despite being a UK based company.

This Council also notes that Brighton and Hove City Council has a substantial contract for mobile phone telecommunications with Vodafone, worth over £125,000 a year.

This Council notes the statement on Vodafone’s own website that: *“The maximisation of shareholder value will generally involve the minimisation of taxation. It will also involve choices as to the jurisdiction in which to locate capital and/or business activity. Such choices will take account of all the business consequences, including the taxation consequences, of operating in that location.”*

This Council notes that the effective tax rate for the largest companies like Vodafone will fall over the next four years from 21% to 17% under measures introduced by the Conservative/Liberal Democrat Coalition Government.

This Council also notes statements by the Chancellor that “we are all in this together”, and believes that this should apply to businesses as well as individuals.

This Council further believes that taxpayers’ money paid by this council to private companies should not then leave the UK via tax avoidance, and should instead remain

within the UK as part of the taxation system, aiding the financial recovery, protecting public services and paying down the deficit.

This Council asks the Cabinet, within the terms of the relevant contract and the council's own legal duties (including best value and Contract Standing Orders) to:

- review the Council's contract with Vodafone with immediate effect;
- investigate if other not-for-profit telecommunications suppliers such as the Phone Co-op could offer a similar service at a similar price that would ensure taxpayers money does not go into private shareholder profits and out of the UK in terms of unpaid tax."

143a.2 The Chairman invited Councillor Morgan to speak to the motion.

143a.3 Councillor Morgan noted that the Notice of Motion had not been debated at Full Council due to time constraints. He stated that the council should not give taxpayers money to companies that took money out of the economy by seeking to avoid paying tax in the UK, and should instead consider local providers who pay tax which goes towards protecting frontline services for residents.

143a.4 Councillor Alford stated that the Cabinet meeting was not the appropriate forum for targeting businesses; Vodafone operated within the parameters of the law and employed a significant number of people in the UK. He warned that private businesses would begin to feel unwelcome in the city if they continued to be attacked.

143a.5 Councillor Mitchell advised that the Notice of Motion contained sensible proposals that reflected the Administration's policy of supporting local businesses.

143a.6 Councillor Fallon-Khan noted that the Vodafone contract began under the previous Labour Administration and advised that all council contracts were currently being reviewed as part of the Value for Programme and budget setting process.

143a.7 **RESOLVED** – That the Notice of Motion be noted.

143B NATIONAL HEALTH SERVICE - BRIGHTON

143b.1 The Cabinet considered the following Notice of Motion proposed by Councillor Allen:

"This council places on record its appreciation of the role of NHS Brighton and Hove (the Primary Care Trust) as commissioner of health services in the city and as a strategic partner of the council.

In anticipation of the planned abolition of the PCT the council requests that the Cabinet seeks to encourage and support any initiatives aimed at preserving as much as possible of the experience and expertise of the PCT and its staff, thereby reducing the risk that the new GP consortium or consortia will hire in private companies to carry out their commissioning functions."

143b.2 The Chairman invited Councillor Allen to speak to the motion.

- 143b.3 Councillor Allen stated that he was concerned about Government proposals for the future of the NHS and that it was important for the council to formally express its support for the city's first class PCT. He raised further concerns about the potential loss of expertise and local knowledge resulting from increased privatisation and highlighted the need to engage with the transitional consortium and support the leading GPs once they have been identified.
- 143b.4 The Chairman reported that she had met with colleagues at the PCT earlier in the week and that it was clear that councillors from all political groups wanted the city to benefit from the best health service possible.
- 143b.5 Councillor Norman stated that was confident that the new GP consortium would not do anything to jeopardise the quality of health service provision in the city and that it was not necessary to limit ways in which they might choose to commission services. The best channels of communication would be identified to ensure that the council was able to support the consortium with the best interests of residents at the forefront.
- 143b.6 The Chairman noted that 80% of adult social care services were already commissioned and that every effort was made to ensure the best service was provided. She added that the council would encourage a clear and open dialogue about the future of health provision in the city.
- 143b.7 **RESOLVED** – That the Notice of Motion be noted.

143C PRIVATE RENTED SECTOR RENTS

- 143c.1 The Cabinet considered the following Notice of Motion proposed by Councillor Randall:

“This council notes many employees in the public and private sectors in Brighton and Hove are facing very low wage increases, pay freezes or, in some cases, wage cuts as an alternative to unemployment.

It also notes that, according to the council's latest *Housing Costs Update (November 2011)*, private sector rents in the city for homes in the greatest demand – two-bedroom flats and houses – have risen by 22 per cent and 10.9 per cent between September 2009 and June 2010; the rents of studio flats rose by 12.4 per cent during the same period.

It also notes that, with the exception of rooms and studio flats, the local housing allowance is now less than lower quartile rents which could reduce the chances of those on benefits finding an affordable home (*Housing Costs Update, November 2011*).

It also notes that these rent rises have a widespread impact in Brighton and Hove where 22 per cent of all households live in the private rented sector (twice the national average) and where home ownership is beyond the pocket of many of those renting in the city where the average 1 bedroom flat costs more than 5½ times the median household annual income, 3-bedroom houses cost more than 10 times median annual income and deposits of 25 per cent are required (*Housing Costs Update, November 2011*).

Therefore, in circumstances where the combination of Housing Benefit cuts and rent increases will lead to increased hardship and homelessness in the city, this council:

Calls on the Leader of the Council and the Chief Executive to write to the Chancellor of the Exchequer and the Minister for Housing, urging them to set up a commission to examine private rented sector rent capping, regulation, and other measures to reduce the cost of rented homes and to reconsider their Housing Benefit proposals and

As a matter of urgency requests that officers report back to the Cabinet on:

- (i) ways that relevant council departments can work together with other partners, including private sector landlords, to develop plans to understand who will be most affected by the LHA changes and to mitigate the impact of those changes on claimants; and
- (ii) possible protocols to prioritise the use of Discretionary Housing Payments to prevent homelessness.”

143c.2 The Chairman invited Councillor Randall to speak to the motion.

143c.3 Councillor Randall reported that the city’s residents were finding it increasingly difficult to pay private sector rents and that the recent scrutiny panel concerning letting agents had indicated that agents were not concerned with the difficulties faced by tenants. He stated that little progress had been made in building new council homes, and that it was time to look at successful schemes operating in other countries.

143c.4 In response to a query from Councillor Mitchell the Head of Law confirmed that the accepted Labour amendment had been incorporated into the approved Notice of Motion before the Cabinet.

143c.5 The Chairman advised that two reviews into the private rented sector in the last year had taken place in the last year, and that a return to national controls had not been recommended. She made the following comments:

- Local Housing Allowance (LHA) rates were calculated monthly by the independent Rent Service using evidence of actual tenancies that people had entered into to set the rates, which currently covered the full rent on 50% of properties in the area.
- Rental prices for two and three bedroom properties had fallen considerably during 2008 and 2009 due to the recession and since 2001, rent rises had been on average lower than inflation over the same period.
- For private tenants claiming the LHA, the independent rent assessor determined the level of benefit received.
- The Government’s proposed reforms to housing benefit were partly designed to bear down on private sector rent levels to tackle the problem of landlords pushing up rents for housing benefit tenants.
- Private sector rents were regulated through the private rent assessor.

She stated that direct Government regulation of rent levels would have a significant impact on families and individuals, particularly in Brighton and Hove, where the council relied heavily on the private sector to provide housing in the city and landlords could easily choose to pull away from the market.

- 143c.6 Councillor Randall stated that he was not convinced that rent controls would have a negative effect on the supply of housing and that he was not in favour of the Government's proposals in relation to housing benefit.
- 143c.7 The Chairman commented that Councillor Randall had not previously expressed views on the outcomes of the two Government reviews or made any alternative suggestions.
- 143c.8 Councillor Simson explained that agreements with the private rented sector meant that social housing could be made available to people who would otherwise be homeless and that there was a real risk of landlords pulling away if rent caps were introduced.
- 143c.7 **RESOLVED** – That the Notice of Motion be noted.

144. COUNCIL TAX BASE 2011/12

- 144.1 The Cabinet considered a report of the Director of Finance concerning the council tax base calculation for 2011-12.
- 144.2 Councillor Young reported that the council was in the top quartile of comparator local authorities for its collection rate. She advised that the council tax base would remain unchanged for 2011-12; the number of new properties would be offset by an increase in single person discounts and houses occupied solely by students.
- 144.3 Councillor Mitchell advised that an improved collection rate should be coupled with comprehensive debt prevention advice.
- 144.4 Councillor Randall echoed Councillor Mitchell's comments and added that there was a definite need for more purpose built student accommodation in the city in order to release more family housing.
- 144.5 In response to a question from Councillor Randall about the difference between 'empty dwellings' and 'long term empty properties' the Chairman confirmed that officers would provide a written response after the meeting.
- 144.6 The Chairman advised that the council had an excellent collection team and was always mindful of the need for debt prevention measures; for example, the housing team engaged with tenants early to prevent further rent arrears and avoid debt.
- 144.7 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:
- (1) That the report for the calculation of the council's tax base for the year 2011/12 be approved.
 - (2) That the Collection Rate be increased by 0.4% to 98.5% generating a net saving of £231,000 in 2011/12 after a budget allocation of £137,000 is made to create a new Debt Prevention Team and £120,000 to cover a reduction in court costs income following the success of an early payment and direct debit campaign with fewer people being taken to court to recover arrears.

- (3) That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2011/12 be as follows:-
- (a) For Brighton and Hove whole – 94,897.89 (as detailed in appendix 1)
 - (b) For the Royal Crescent Enclosure Committee – 30.40 (as detailed in appendix 2)
 - (c) For the Hanover Crescent Enclosure Committee – 39.59 (as detailed in appendix 3)
 - (d) For the Marine Square Enclosure Committee – 78.37 (as detailed in appendix 4)
 - (e) For the Parish of Rottingdean – 1,540.33 (as detailed in appendix 5)
- (4) That, for the purposes of Section 35(1) of the Local Government Finance Act 1992, the expenses of meeting the special levies issued to the council by the Enclosure Committees be its special expenses.

145. RESPONSE TO THE REPORT OF THE SCRUTINY REVIEW ON THE SOCIETAL IMPACT OF THE IN-YEAR GRANT REDUCTIONS

- 146.1 The Cabinet considered a report of the Director of Finance responding to the recommendations of the scrutiny panel on 'The Societal Impact of the In-Year Grant Reductions'.
- 146.2 The Chairman invited Councillor Watkins, Chairman of the scrutiny panel, to present the panel's report.
- 146.3 Councillor Watkins advised that the review had taken place quickly to ensure that recommendations could be put forward in good time and that a significant amount of good practice had been identified. The panel had highlighted the impact of announcements about cuts and closures and advised that more consideration could be given to such matters in future to avoid raising concerns across the city unnecessarily.
- Councillor Watkins stated that he hoped the panel's recommendations would be incorporated into the forthcoming budget and thanked the members of the panel and the officers who gave evidence for their positive approach.
- 146.4 Councillor Mitchell, who was a member of the scrutiny panel, thanked the Cabinet for accepting the panel's recommendations and requested that they be mindful that it had been harder to look in detail at areas where parts of the services had been contracted out to a private provider.
- 146.5 The Chairman thanked Councillor Watkins and the members of the panel for a valuable scrutiny review. She added that the review indicated that it could be helpful to review the role of partners in the scrutiny process.

146.6 Councillor Randall commented that uncertainty about the future continued to cause concern in the voluntary sector.

146.7 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:

- (1) That the evidence, findings and recommendations of the Scrutiny Panel on 'The Societal Impact of the In-Year Grant Reductions' (see Appendix 2) be noted.
- (2) That the actions and comments summarised in Appendix 1 to the report, in response to the Panel's recommendations, be agreed.

146. NATIONAL NON-DOMESTIC RATES DISCRETIONARY RATE RELIEF

146.1 The Cabinet considered a report of the Strategic Director, Resources concerning the new National Non-Domestic Rates (NNDR) charitable and not-for-profit rate relief policy.

146.2 In response to a query from Councillor Randall in relation to the effect of the withdrawal of Local Authority Business Growth Incentives (LAGBI) funding, the Director of Finance confirmed that, subject to Full Council approval, it was hoped that the loss of the LAGBI funding would be maintained through the budget.

146.3 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:

- (1) That the new NNDR charitable and not-for-profit rate relief policy be endorsed with immediate effect.

147. TRANSFER OF LEARNING DISABILITY PROPERTIES

147.1 The Cabinet considered a report of the Director of Adult Social Services and Leader Commissioner, People concerning the transfer of five properties currently used for the provision of Learning Disability Services from the Primary Care Trust (PCT) to the council.

147.2 In response to a number of queries from Councillor Mitchell the Chairman confirmed that she had required a number of assurances prior to allowing the report to come before the Cabinet, including confirmation of the council's ability to deal with the properties as necessary in order to provide the best service, assurance in relation to the funds available for carrying out maintenance and that the agreement with the PCT will be referred to the GP consortium once established.

147.3 Councillor Randall stated that he was supportive of the principles driving the proposals.

147.4 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:

- (1) That transfer of the 5 properties currently used for the provision of Learning Disability Services from the PCT to the council, to be funded by way of a grant

mechanism, be accepted and authority be given for the completion of the required legal agreements.

148. AFFILIATIONS 2011/12

- 148.1 The Cabinet considered a report of the Strategic Director, Resources seeking approval for the council to affiliate to certain organisations during 2011-12.
- 148.2 The Chairman confirmed that it was necessary to give 12 months notice of the council's intention to withdraw from the Local Government Association (LGA) and that, given the significant cost of affiliation, consideration would be given to the benefits of membership during the notice period.
- 148.3 Councillor Mitchell advised that she could not support affiliation to the LGA at the current cost of subscription, but that it remained necessary for local authorities to have a collective voice so the actions of councils across the country would be key to determining the approach in the future. She also welcomed withdrawal from the SESL and continued affiliation to the United Nations Association.
- 148.4 Councillor Randall welcomed the decision to review the value of LGA affiliation, but agreed that there was a need for local authorities to be able to lobby the Government.
- 148.5 The Chairman explained value for money was the key consideration; all types of spending had to be reviewed in order to ensure protection for frontline services.
- 148.6 **RESOLVED** - That, having considered the information and the reasons set out in the report, the Cabinet accepted the following recommendations:
- (1) That the council to affiliates to the following organisations during 2011/12:
 1. The Local Government Association (LGA)
 2. The South East Strategic Leaders (SESL)
 3. The United Nations Association
 - (2) That in regard to the affiliations to the LGA and SESL, officers be requested to write to each organisation giving the Council's notice of its intention to cease affiliation to them with effect from their respective renewal dates in 2012.

PART TWO SUMMARY

149. PART TWO MINUTES OF THE PREVIOUS MEETING

149.1 **RESOLVED** - That the Part Two minutes of the meeting held on 9 December 2010 be approved as a correct record.

150. PART TWO ITEMS

150.1 **RESOLVED** – That item 149, contained in Part Two of the agenda, remains exempt from disclosure to the press and public.

The meeting concluded at 5.15pm

Signed

Chairman

Dated this

day of

Subject: Petitions
Date of Meeting: 17 February 2011
Report of: Strategic Director, Resources
Contact Officer: Name: Tanya Davies Tel: 29-1227
E-mail: tanya.davies@brighton-hove.gov.uk
Key Decision: No
Wards Affected: Various

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 To receive any petitions presented at Council, any petitions submitted directly to Democratic Services or any e-Petitions submitted via the council's website.

2. RECOMMENDATIONS:

2.2 That Cabinet responds to each petition and in each case gives consideration to a range of options, including the following:

- taking the action requested in the petition
- considering the petition at a council meeting
- holding an inquiry into the matter
- undertaking research into the matter
- holding a public meeting
- holding a consultation
- holding a meeting with petitioners
- referring the petition for consideration by the council's Overview and Scrutiny Committee
- calling a referendum
- writing to the petition organiser setting out the council's views about the request in the petition
- noting the petition

3. PETITIONS**155. (i) Safeguard Carers' Funding**

To receive a petition submitted directly to the Cabinet by Mr Nick Fry and signed by 283 people agreeing with following statement:

"I believe that funding for carers allocated to Brighton & Hove City Council from central government should be ringfenced and used for the purpose it was intended for."

**EXTRACT FROM THE DRAFT PROCEEDINGS OF THE COUNCIL
MEETING HELD ON THE 27 JANUARY 2011****BRIGHTON & HOVE CITY COUNCIL****4.30pm 27th January 2011
COUNCIL CHAMBER, HOVE TOWN HALL****DRAFT MINUTES**

Present: Councillors: Wells (Chairman), A. Norman (Deputy Chairman), Alford, Allen, Barnett, Bennett, Brown, Carden, Caulfield, Cobb, Davey, Davis, Deane, Duncan, Elgood, Fallon-Khan, Fryer, Hamilton, Harmer-Strange, Hawkes, Hyde, Janio, Kemble, Kennedy, Kitcat, Lepper, Marsh, McCaffery, Meadows, Mears, Mitchell, Morgan, K. Norman, Older, Oxley, Peltzer Dunn, Phillips, Randall, Rufus, Simpson, Simson, Smith, Steedman, C. Theobald, G. Theobald, Turton, Wakefield-Jarrett, Watkins, West, Wrighton and Young.

PART ONE**65. PETITIONS FOR COUNCIL DEBATE****65. Save School Sports Partnerships in Our City**

65.1 The Mayor noted that under the Council's petition scheme, if a petition contained more than 1,250 signatures it could be debated by the Full Council and such a request had been made in respect of the petition concerning School Sports Partnerships in the City.

65.2 The Mayor invited Councillor Davis to present her petition.

65.3 Councillor Davis stated that a total of 1,273 people had signed either the paper or e-petition version which read as follows:

"We the undersigned petition the council to lobby the Coalition Government for the retention of the Brighton & Hove Schools Sports Partnership. We deplore the action by the government that, without consultation, has removed the funding from this partnership along with the 499 other such partnerships in schools across the country. Since the clubs started in the year 2000, participation rates among all school students has increased from 25% to 95% with 72 individual schools in Brighton and Hove benefiting from the wide range of sporting activities on offer. We support the local teachers and students that have been involved with providing the network of different activities to help young people stay fit and healthy and call on the City Council to maintain this partnership that is doing so much to increase the sporting skills and participation of all of the city's young people."

- 65.4 Councillor Davis stated that she hoped that the petition would be fully supported.
- 65.5 Councillor Brown stated that officers were working with the schools and other bodies such as Brighton & Hove Albion to support activities and to review the levels of provision to have a more co-ordinated approach.
- 65.6 Councillor Fryer suggested that there would be a reduction of opportunities in schools as a result of the proposal to cut sports partnerships.
- 65.7 Councillor Kemble stated that the council would continue to support schools and young people as much as possible however there was a need to look at how this could be achieved.
- 65.8 Councillor Elgood and Watkins indicated their support for the petition and the vital service that was provided which was now threatened by the necessity of making cuts.
- 65.9 Councillor West queried whether the Administration recognised the importance of supporting non competitive sports as well as competitive ones.
- 65.10 Councillor Mears confirmed that all forms and levels of sports were supported and stated that she would provide Councillor west with a written briefing on all aspects of sporting activity in the city after the meeting.
- 65.11 Councillor Hamilton queried how much devolved capital was available to schools.
- 65.12 Councillor Brown stated that she would provide the Councillor with a written answer and reiterated the support for schools which she noted would be looked at as part of the budget deliberations.
- 65.13 The Mayor noted that the recommendation to refer the petition to the Cabinet had been moved and put it to the vote which was carried.
- 65.14 **RESOLVED:** That the petition be referred to the Cabinet for consideration.

Council	Agenda Item 65(a)
27 January 2011	Brighton & Hove City Council

Subject:	Save School Partnerships in our city Petition		
Date of Meeting:	27 January 2011		
Report of:	Monitoring Officer		
Contact Officer:	Name: Mark Wall	Tel: 29-1006	
	E-mail: mark.wall@brighton-hove.gov.uk		
Wards Affected:	All		

For general release

Note: The subject matter of the petition is an executive function and therefore not one that Full Council can make a decision on.

PETITION TRIGGERING A FULL COUNCIL DEBATE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 Under the Council's Petition Scheme if a petition contains more than 1,250 signatures and is not a petition requesting officer evidence, it will be debated by the Full Council.
- 1.2 A combined paper and e-petition has resulted in triggering a debate at the council meeting, having exceeded the threshold with a total of 1,273 signatures.

2. RECOMMENDATIONS:

- 2.1 That the petition is referred to the Cabinet for consideration.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

3.1 The Petition

"We the undersigned petition the council to lobby the Coalition Government for the retention of the Brighton & Hove Schools Sports Partnership. We deplore the action by the government that, without consultation, has removed the funding from this partnership along with the 499 other such partnerships in schools across the country. Since the clubs started in the year 2000, participation rates among all school students has increased from 25% to 95% with 72 individual schools in Brighton and Hove benefiting from the wide range of sporting activities on offer. We support the local teachers and students that have been involved with providing the network of different activities to help young people stay fit and healthy and call on the City Council to maintain this partnership that is doing so much to increase the sporting skills and participation of all of the city's young people."

Lead Petitioner – Councillor Melanie Davis

3.2 As the subject matter of the petition relates to a Government decision, the options open to the council are:

- To note the petition and take no action for reasons put forward in the debate;
or
- To refer the petition to the Cabinet; or
- To refer the petition to the Cabinet with recommendations.

4. PROCEDURE:

4.1 The petition will be debated at the Council meeting in accordance with the agreed protocol:

- (i) The Lead petitioner will be invited by the Mayor to present the petition and will have up to 3 minutes in which to outline the prayer of the petition and confirm the number of signatures;
- (ii) The Mayor will then call on the relevant Cabinet Member to respond to the petition and move a proposed response;
- (iii) The Mayor will then open the matter up for debate by councillors and call on those councillors who have indicated a desire to move an amendment or additional recommendation(s) to the recommendation listed in paragraph 2.1 of the report;
- (iv) Any councillor may move an amendment or recommendation, having regard to the recommendation in 2.1 above and any such proposal will need to be formally seconded;
- (v) After a period of 15 minutes, the Mayor will then call an end to the debate and ask the relevant Cabinet Member to reply to the points raised;
- (vi) The Mayor will then formally put:
 - (a) Any amendments in the order in which they are moved, and then
 - (b) The substantive recommendation(s) as amended (if amended).

WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC

A period of not more than fifteen minutes shall be allowed at each ordinary meeting for questions submitted by a member of the public who either lives or works in the area of the authority.

The question will be answered without discussion. The person who asked the question may ask one relevant supplementary question, which shall be put and answered without discussion. The person to whom a question, or supplementary question, has been put may decline to answer it.

The following written questions have been received from members of the public.

(a) Mr John McInnes

“Currently most B&H schools have a dedicated Ethnic Minority Achievement Service specialist teacher working directly with pupils new to English on a weekly basis. It is proposed that EMAS, a frontline teaching service, is to lose its entire council funding of £165,000. This cut has led to the proposal that two teachers would have responsibility for all schools, 54 primary, 9 secondary and 6 special. How does this ‘further develop the effectiveness of provision for EAL/BME pupils?’”

WRITTEN QUESTIONS FROM COUNCILLORS

The following questions have been received from Councillors and will be taken as read along with the written answer to be circulated the meeting. The Councillor asking the question may then ask one relevant supplementary question which shall be put and answered without discussion.

(a) Councillor Kitcat

“At the Council meeting 16th December 2010, Cllr Alford replied to my question in item 50(d) about media monitoring stating that:

"However, we now use an agency called Meltwater to monitor online news sources. The cost for 2011/12 will be £3,250, around half the annual cost we were incurring by monitoring print publications."

Yet an invoice dated 08/11/10, number 196845 and stamped received by BHCC on 14th January 2011 shows that the council is paying £1,762.50 for the "Guardian Digital Archive". The customer is marked as "15301/Brighton & Hove CC".

Why was this cost not included in Cllr Alford's response to my question in December 2010? And why, if as Cllr Alford stated that "Meltwater monitors 130,000 online news sources" is the Council spending £1,762.50 on access to the Guardian's news stories which surely must be covered by the Meltwater service and anyway is freely available via their website?"

Councillor Alford, Cabinet Member for Central Services, will respond.

(b) Councillor Kitcat

“Could the Leader explain why her administration, unlike Councils up and down the country including Kirklees and Lewisham, does not permit opposition councillors and the public access to the line-by-line budget?”

Councillor Mears, Leader of the Council, will respond.

(c) Councillor Kitcat

“Why were Cabinet Members - or the Leader - not present at all Scrutiny meetings examining their Budget proposals?”

Councillor Mears, Leader of the Council, will respond.

(d) Councillor Kitcat

“Does the Leader really believe that the provision made in her budget for commissioning community development work is adequate to support the needs of deprived communities across the city?”

Councillor Mears, Leader of the Council, will respond.

(e) Councillor Kitcat

“Has the administration considered the joint impact on vulnerable individuals of BHCC service cuts and national government cuts, such as changes in the Disability Living Allowance? What evidence is there of this and can it be made public to allow a full scrutiny of the budget?”

Councillor Mears, Leader of the Council, will respond.

NOTICE OF MOTION**MAINTAIN THE BRIGHTON & HOVE SCHOOLS SPORTS PARTNERSHIP
“SPORT FOR ALL”**

“This council notes with concern the attempts by the Secretary of State for Education, Michael Gove, to abolish the 450 School Sports Partnerships in the country that include the Brighton & Hove Schools Sports Partnership based at Dorothy Stringer School that now stands to lose its previous funding of £320,000 per annum to run the Partnership.

The council further notes that government funding for school sports has been reduced with short-term funding from the Department for Education ending between 2011 – 2013.

The council reaffirms its support for the work of the Partnership and its Sports Co-ordinators that, through its involvement with all LEA schools, has significantly increased participation in sport, dance and healthy activities with thousands of Brighton and Hove young people taking part in activities provided by the additional 64 sporting clubs organised by the Partnership.

It particularly acknowledges and values the commitment from the 1,000 Volunteer Sports Leaders within the programme, both adults and year 10 and year 11 students.

It notes the comments of local Headteachers who have praised the work of the Partnership for its sharing of expertise and advice and who have seen how regular sporting activity has helped to raise educational attainment in their schools.

The council recognises that regular participation in enjoyable, varied sporting activity can improve the health and well being of young people and provide a positive outlet for competitive physical exercise and behaviour.

It acknowledges the success of this year’s School Sports Festival that involved 19,000 of the city’s young people.

Within the reduced funding regime this council requests the Cabinet to commit to:

1. Taking the lead, along with organisations such as Brighton & Hove Albion FC, Sussex Cricket Club, South East Dance and local gymnastic clubs, to ensure that access to the variety of sporting and other activities currently on offer to the city’s young people does not diminish and that where possible budgets, premises, transport and expertise can be shared; and
2. Working quickly and pro-actively with all its schools, including Primary Schools, and local sports leaders, with the aim of maintaining a Brighton & Hove Schools Sports Partnership based on the ethos of ‘Sport for All’.

The Council further requests the Chief Executive to write to the Secretary of State for Education highlighting the success of the Brighton and Hove School Sports Partnership and asking that he reconsiders his decision to reduce its funding.”

Subject:	Targeted Budget Management (TBM) 2010/11 Month 9		
Date of Meeting:	17 February 2011		
Report of:	Director of Finance		
Contact Officer:	Name:	Jeff Coates	Tel: 29-2364
	E-mail:	jeff.coates@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB16791	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report sets out the revenue and capital forecast outturn position as at month 9.

2. RECOMMENDATIONS:

- 2.1 That Cabinet notes the provisional outturn position for the General Fund.
- 2.2 That Cabinet notes the provisional outturn for the Section 75 Partnerships and Housing Revenue Account (HRA) for 2010/11.
- 2.3 That Cabinet approves the changes to the capital programme, as set out in appendices 2 to 6.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The table below shows the provisional outturn position for council controlled budgets within the General Fund and the outturn on NHS managed S75 Partnership Services.

Forecast Outturn Month 6 £'000	Directorate	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
366	Adult Social Care	38,145	37,915	(230)	-0.6%
538	S75 Learning Disability Services	24,112	24,370	258	1.1%
1,590	Children & Young People's Trust	56,184	56,491	307	0.5%
(9)	Finance & Resources	18,400	18,418	18	0.1%
97	Strategy & Governance	15,012	15,281	269	1.8%
170	Environment	39,084	39,765	681	1.7%
(7)	Housing, Culture & Enterprise	27,975	27,825	(150)	-0.5%
2,745	Sub Total	218,912	220,065	1,153	0.5%
(2,426)	Centrally Managed Budgets	4,213	1,347	(2,866)	-68.0%
319	Total Council Controlled Budgets	223,125	221,412	(1,713)	-0.8%
409	NHS Trust managed S75 Servs	13,434	14,016	582	4.3%
728	Total Overall Position	236,559	235,428	(1,131)	-0.5%

3.2 The Total Council Controlled Budgets line in the above table represents the total current forecast risk to the council's General Fund. This includes all directorate budgets, centrally managed budgets and council-managed Section 75 services. The NHS Trust-managed Section 75 Services line represents those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Trust and South Downs Health Trust and include health and social care services for Adult Mental Health, Older People Mental Health, Substance Misuse, AIDS/HIV, Intermediate Care and Community Equipment. The financial risk for these services generally lies with the relevant provider Trust. As detailed in Appendix 1 there is a proposal to share the Sussex Partnership Foundation Trust overspend between the Council and the Trust, if agreed the Council's contribution would be £0.248m and this would reduce the underspend on Council Controlled Budgets shown in the table above to £1.465m. The forecast outturn on the HRA is as follows:

Forecast Outturn Month 6 £'000	Housing Revenue Account	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Variance Month 9 %
(430)	Expenditure	48,202	47,419	(783)	-1.6%
284	Income	(48,202)	(47,821)	381	0.8%
(146)	Total	-	(402)	(402)	

Corporate Critical Budgets

3.3 Targeted Budget Management (TBM) is based on the principles that effective financial monitoring of all budgets is important. However, there are a small number of budgets with the potential to have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict with certainty and where relatively small changes in demand can have significant financial implications for the council's budget strategy. These therefore undergo more frequent, timely and detailed analysis. Set out below is the forecast outturn position on the corporate critical budgets.

Forecast Outturn Month 6 £'000	Corporate Critical	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
1,347	Child Agency & In House	22,328	22,579	251	1.1%
99	Sustainable Transport	(931)	(599)	332	35.7%
(290)	Housing Benefits	175,500	175,210	(290)	-0.2%
(412)	Concessionary Fares	7,712	6,885	(827)	-10.7%
153	Community Care	22,771	22,386	(385)	-1.7%
538	Section 75 Learning Disabilities	24,112	24,370	258	1.1%
1,435	Total Council Controlled	251,492	250,831	(661)	-0.3%
409	S75 NHS & Community Care	13,434	14,016	582	4.3%
1,844	Total Corporate Criticals	264,926	264,847	(79)	0.0%

Collection Fund

- 3.4 The Collection Fund position has improved due to increased collection of council tax income and it is now forecast to break even by the end of the financial year.

Value for Money Programme - Update

- 3.5 Efficiency savings (benefits realisation) from the council's six priority value for money projects for 2010/11 are fully incorporated in the above TBM forecast and Appendix 1. An update on the Value for Money Programme is included in the Budget Report being presented to this meeting.
- 3.6 Six priority areas were identified for Phase 2 of the council's Value for Money (VFM) programme with anticipated savings (gains) of circa £35 million anticipated over a 4 year period. Updates on the projects have been provided throughout the year to Cabinet. As at TBM Month 9, Phase 2 of the Value for Money Programme is expected to achieve savings of £3.575 million in 2010/11. This is a significant overachievement of £0.766 million compared with the target of £2.809 million. This will not only help the council to manage well within budget during 2010/11 but the ongoing impact of these higher savings will also contribute significantly to meeting the financial challenges inherent in the 2011/12 budget. Phase 2 of the VFM programme will contribute savings of £5.552 million to the 2011/12 budget, which is an additional £2.802 million compared to the original 4-year savings profile set out in the VFM Update report to Cabinet in July 2010.

Capital Budget 2010/11

- 3.7 This part of the report details the expected capital programme outturn for 2010/11, highlights any programme slippage, details new schemes and budget changes and seeks approval for slippage to the 2011/12 programme. Appendices 2 to 6 show in detail the proposed changes to the budget, resulting in a capital programme budget of £92.102m. These changes are summarised in Appendix 2.

Capital Overspends & Underspends

- 3.8 Where schemes are forecast to exceed their budget, budget holders must identify additional resources to finance the shortfall. Forecast overspends of greater than £0.050m or 10% of the original budget are required to be reported back to Members; either in detailed reports or through this capital monitoring report. Scheme delays or 'slippage' are also monitored in an effort to ensure schemes are delivered not only on budget, but also on time. Where a scheme is forecast to slip by £0.050m or more, the budget holder will report back to Members, on the amount and the impact of the delay on service delivery.
- 3.9 The Council's overall projection is a net overspend of £0.154m on all capital schemes..The Housing Revenue Account is forecasting a net underspend of £0.018m. These variances are set out in more detail in the appendices to this report.

Capital Slippage

- 3.10 Capital slippage into next year has been included this month on the schemes identified in Appendix 5. Project managers have forecast that £3.546m of the capital budget may slip into the next financial year. Of this, £0.596m relates to devolved school budgets – budgets over which schools control the timing of the expenditure. The net slippage on the directly controlled budgets therefore amounts to £2.950m, or 3.21% of the budget. Requests to reprofile capital budgets are also included in the appendices.

Capital Receipts

- 3.11 Capital receipts are used to support the capital programme. For 2010/11 the programme is fully funded, however, any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds such as the Strategic Investment Fund, Asset Management Fund and ICT Fund.
- 3.12 Capital receipts (excluding housing) were estimated to be £1.125m for 2010/11 and to date £1.189m has been received which includes the disposal of Cedars Lodge, the final balance on Pioneer House and the deposits for American Express and Charter Hotel. This currently exceeds the expected budget by £0.064m.
- 3.13 The level of sales of council homes through 'right to buy' has been severely affected by the current market conditions in house prices generally and the higher cost and availability of mortgages in the current economic climate. The Government receive 75% of the proceeds of 'right to buy sales'; the remaining 25% is retained by the Council and used to fund the capital programme. The estimated useable receipts for 'right to buy' sales is £0.492m for this financial year and to date £0.297m has been received.

Comments by the Director of Finance & Resources

- 3.14 The General Fund Revenue Budget elsewhere on this agenda requires the Chief Finance Officer to consider the robustness of estimates included in the budget. This review has been undertaken based on the financial projections included within this TBM 9 report, ensuring that service pressure funding has been

incorporated into the budget, savings or mitigating actions identified to reduce the pressures or risk provisions put in place.

- 3.15 It is pleasing to note that the council has been successful in delivering a planned underspend to assist with the budget setting process for 2011/12. The actions from the value for money programme and financial recovery plans have been a major contributory factor. Recently imposed spending constraints are also having an impact.

4. CONSULTATION

- 4.1 No specific consultation was undertaken in relation to this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial implications are covered in the main body of the report.

Legal Implications:

- 5.2 Decisions taken in relation to the budget must enable the council to observe its legal duty to achieve best value by securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The council must also comply with its general fiduciary duties to its Council Tax payers by acting with financial prudence, and bear in mind the reserve powers of the Secretary of State under the Local Government Act 1999 to limit Council Tax & precepts.

Lawyer consulted: Oliver Dixon

Date: 27/01/11

Equalities Implications:

- 5.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.4 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.5 There are no direct crime & disorder implications arising from this report

Risk & Opportunity Management Implications:

- 5.6 The council's revenue budget and Medium Term Financial Strategy contain risk provisions to accommodate emergency spending, even out cash flow movements and/or meet exceptional items. The council maintains a working balance of £9.000m to mitigate these risks as recommended by the Audit Commission and Chartered Institute of Public Finance & Accountancy (CIPFA). The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments.

Corporate / Citywide Implications:

- 5.7 The Council's financial position impacts on levels of Council Tax and service levels and therefore has citywide implications.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The forecast outturn position on council controlled budgets is an underspend of £1.713m. Any end of year underspend will need to be carried forward to general reserves and will be used to support the 2011/12 budget setting process.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Budget monitoring is a key element of good financial management, which is necessary in order for the council to maintain financial stability and operate effectively.

SUPPORTING DOCUMENTATION

Appendices:

1. Directorate Revenue Outturn Forecasts
2. Capital Outturn Position
3. Summary of New Capital Schemes
4. Summary of Variations to Capital Budget
5. Summary of Capital Slippage Identified
6. summary of Capital Overspends / Underspends Identified

Documents in Members' Rooms

None

Background Documents

None

Adult Social Care

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
366	Adult Social Care	38,145	37,915	(230)	-0.6%
366	Total	38,145	37,915	(230)	-0.6%

Explanation of Key Variances

The forecast underspend of £0.230m against Adult Social Care (excluding Learning Disabilities) is after the achievement of a significant service improvement programme which includes the Value for Money project. This is expected to deliver planned savings of £1.711m which is in the main due to a very successful re-ablement strategy.

The forecast has improved by approximately £0.600m (1.5% of net budget) from Month 6, mainly due to Older People Community Care, reflecting a reduction of 30 WTE client numbers. The main improvement is within homecare where actions from the Personalisation agenda have helped to significantly reduce the number of clients and unit costs. There continues to be a systematic review of clients' packages of care, scrutiny at panel (including maximising benefits and financial contributions) and further savings from re-ablement (leading to lower packages of care). Also the previous growth assumptions have been revised to reflect actual activity data.

The overall forecast on the Community Care budget is an underspend of £0.385m. Within this the Physical Disabilities Community Care is forecast to overspend by £0.293m, which is an improvement on previous years. This is as a result of the complex caseload and expected 504 Whole Time Equivalent (WTE) placements compared with budget assumption of 474 WTE placements. Regular monitoring and reviews are being carried out to address the in year pressures. This is offset by an underspend of £0.678m on the Older People Community Care budget, which is due to 82 WTE placements less than budgeted.

There is a £0.125m pressure on staffing and income budgets relating to Carelink Plus. A management action plan is in place, which includes an agreed increase in charges from 1st January 2011 and the development of a Business Plan to address the future funding of Telecare equipment.

Children & Young People's Trust

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(455)	Director	3,309	2,854	(455)	-13.8%
438	Area Integrated Working	31,908	32,103	195	0.6%
340	Learning , Schools & Skills	5,894	6,009	115	-2.0%
1,267	Commissioning & Governance	15,073	15,525	452	3.0%
1,590	Total	56,184	56,491	307	0.5%

Explanation of Key Variances

Director (£0.455m underspend). The underspend mainly relates to the decision made by Cabinet in July to reprioritise £0.434m from unallocated Dedicated Schools Grant (DSG) money to offset the overall directorate overspend. Of this, £0.034m is being used to fund Information Management within the commissioning & Governance branch. In addition there are savings of £0.055m in other areas.

Area Integrated Working (£0.195m overspend), this branch leads on the development of integrated area working, including early intervention and prevention. Area working includes the Youth Service, Children's Centres, Education Psychology Service (EPS), Education Welfare Service (EWS), frontline social work teams; Leaving Care team and the Fostering Service.

The overspend in this branch relates to two main areas: Legal fees and Area Social Work Teams. Legal fees are currently forecast to overspend by £0.257m. Legal expenses have increased due to changes in the law by the Public Law Outline (PLO). This is due to several factors, primarily the significant increase in the number of children being referred for care proceedings in line with national trends. In addition to this, the Court Fees have been increased by the Ministry of Justice and the cost of the Court issue Fee has increased from £175 to over £4,000 per fully contested case.

The children's social work teams continue to be under pressure because of their statutory duties around child protection and looked after children's duties. There also continues to be a churn in frontline social workers leaving from the most pressurised teams i.e. the children's social work front doors. As a result of both of these factors the majority of the projected overspend within this area of £0.511m is due to agency social work staff. The branch has a robust rolling programme of recruitment and retention including a bursary scheme to attract newly qualified social workers from the universities. This intake of newly qualified social workers will help towards reduction on dependency on agency social workers.

The overspends in this branch are partially off-set by underspends in In-House placements and services for care leavers totalling £0.506m. These underspends have primarily resulted from unit costs being significantly below the anticipated level.

Learning, Schools & Skills (£0.115m overspend), the main area of overspend in this area relates to disability agency placements £0.322m. This is partially off-set by underspends in Home to school transport (£0.096m) and Admin SEN team (£0.070m).

Commissioning and Governance (£0.452m overspend), this branch is responsible for producing and monitoring the Children and Young people's Plan and the effective operation of the council's Section 75 Agreements with our health partners for the joint commissioning and provision of integrated children's services. In addition the branch is responsible for the commissioning and procurement of fostering and residential agency placements for individual children and the oversight and monitoring of associated budgets. The number of placements, and level of expenditure, relates directly to the significant and sustained level of referrals to social care (at times up to 61%) following the Baby P. case and the Laming recommendations. This has resulted in a 46% increase in the number of children with a child protection plan and a 21% increase in the number of looked after children between April 2009 and September 2010. The main areas of overspend in this area relate to Independent Foster Agency Placements of £0.938m. The underspend in Secure accommodation of £0.504m reduces the overall overspend in this branch.

The projected spend on agency placements (excluding disability placements) fell by £0.796m between month 6 and month 9. The previously experienced levels of growth in placements was not repeated in the last quarter, leading to a projected reduction in FTE placements of 5.2. In addition, there was a reduction in the average unit cost of high cost secure placements by £43.56 per week to £1,161.09 per week.

Children's Services have put in place a Value for Money action plan to address the level of activity and spend in IFA'S. The plan focuses on strengthening preventive services and streamlining social care processes including:

- increasing the use of the Common Assessment Framework to provide universal and tier 2 services to children and families in need
- driving the implementation of the 'Think Family' approach for families with the most complex needs
- introducing a tiered approach to manage social care referrals from other agencies including the remodelling of social work duty systems and the reinstatement of area and specialist resource panels or similar mechanisms
- improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care.

Finance & Resources

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(60)	Finance	6,042	5,979	(63)	-1.0%
(272)	Customers & Information	9,461	9,066	(395)	-4.2%
323	Property & Design	2,897	3,373	476	16.4%
(9)	Total	18,400	18,418	18	0.1%

Explanation of Key Variances

Within Finance there is a total forecast underspend of £0.063m, which is an improvement of £0.004m from Month 6. There is a staffing underspend and additional income in Audit & Business Risk of £0.033m. Strategic Finance are showing an underspend of £0.030m from Procurement rebate income.

Customers & Information are forecasting an underspend of £0.395m. This is an improvement of £0.123m from Month 6, due primarily to savings on ICT desktop renewals budget. There is a surplus of £0.290m relating to additional Housing Benefits income based on current subsidy arrangements. There are pressures on court costs and other supplies and services which are partially offset by additional land charges income of £0.083m, vacancy management savings and expenditure constraints across the division.

Property and Design are forecasting a shortfall on rental income of £0.282m (a movement of £0.138m from Month 6) from the commercial portfolio due to the national uncertain economic conditions. Rental income pressures and potential voids seem to be growing and although there are proactive measures in place to minimise the impact there is no scope for uplift on new and renewed lease agreements under these current market conditions. Property and Design will continue to secure the most advantageous rent settlements both for short term and long term gain. A sum of £0.207m has been set aside to invest in Automatic Meter Readers (AMR's) for non Housing sites which will support the Government and Council's commitment to reduce carbon emissions through lowering energy consumption as part of the 10.10 campaign, as well as legal commitments such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, which specifically states the need for installing AMR's as part of its early action metrics.

Strategy & Governance

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(5)	Equalities & Communities	3,028	3,028	-	0.0%
-	Performance & Analysis	1,043	1,043	-	0.0%
(4)	Legal & Democratic Servs	3,256	3,229	(27)	-0.8%
(10)	Policy Unit	1,098	1,087	(11)	-1.0%
47	Human Resources	4,458	4,696	238	5.3%
-	Executive Office	1709	1709	-	0.0%
69	Communications	420	489	69	16.4%
97	Total	15,012	15,281	269	1.8%

Explanation of Key Variances

An overspend of £0.269 million is forecast for the group of services previously within the Strategy & Governance Directorate, an increase of £0.172 million since month 6.

The Human Resources service pressures are being offset by income giving a net position of £0.238 million overspend (an increase of £0.191m from Month 6). The reason for the increased pressure partly relates to additional staffing costs and shortfalls in income from rechargeable services.

Within Communications there are salary and other service pressures - it is anticipated that these will largely be offset by income surpluses, project contributions from other directorates. The Communications Value for Money review continues to generate savings across service communications budgets in 2010/11 and plans are in place to consolidate budgets for 2011/12 which is expected to generate significant procurement savings.

Environment

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
81	City Services	30,131	30,500	369	1.2%
(105)	Sport & Leisure	2,012	1,907	(105)	-5.2%
99	Sustainable Transport	(931)	(599)	332	35.7%
95	City Planning	7,872	7,957	85	1.1%
170	Total	39,084	39,765	681	1.7%

Explanation of Key Variances

The forecast overspend in City Services relates to two main areas, Traveller Liaison and City Clean. The cost of providing 24 hour security at Horsdean Traveller Site is now estimated to be £0.085m, and the higher than budgeted costs of rubbish clearance have risen to £0.086m. In addition, £0.063m was spent repairing the damage to toilet/shower doors. The Traveller Liaison Service has identified underspends of £0.011m, leaving a net overspend of £0.223m. The remaining overspend of £0.146m relates to utility costs at the Depot and an adjustment for a missed accrual from the 2009/10 year end. Other overspends within City Clean are offset by underspends at City Parks.

The forecast underspend in Sport & Leisure is due to additional income achieved from the sale of beach huts, £0.048m, and through underspends on expenditure budgets of £0.057m.

Sustainable Transport is forecasting an overspend against budget. The position has worsened since the last forecast. The recent days of snow have had an adverse effect on the revenue forecasts within Parking, reducing income by approximately £0.200m. While an overspend has been created in this budget area from the adverse weather there is a reduction in expenditure on concessionary travel because of the snow which has created a compensating saving on centrally managed budgets. The main forecast variance against budget relates to a drop in the number of Penalty Charge Notices being issued, which follows a nationally recognised trend for improved compliance. There is now likely to be a budget pressure this year of £0.826m. On-street Parking income is forecast to be £0.215m below budget and income from the ex-leased car parks is expected to be £0.043m short of budget, but this is partially offset by additional permit income of £0.150m. In addition, the refurbished Lanes and London Road Car Parks are contributing an extra £0.347m due to increased income generation. Underspends in parking related expenditure accounts for £0.339m, while underspends in other Sustainable Transport budgets contribute £0.066m. A range of measures have been implemented across the division with the aim of trying to bring the forecast back to a break even position.

There is a forecast overspend in City Planning of £0.085m due to a shortfall in income generated by the Building Control Service, and loss of the Planning Delivery Grant. Public Protection budgets are expected to underspend against budget by £0.040m due to vacancy management savings. Further investments have been made this year as part of the review of Advertising and Sponsorship. However, due to enforced delays, no income will be realised this financial year, causing an overspend of £0.026m. The remaining overspend of £0.014m is due to employee costs.

Housing, Culture & Enterprise

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
50	Tourism & Venues	1,642	1,682	40	2.4%
-	Libraries & Information Servs	4,173	4,173	-	0.0%
-	Royal Pavilion & Museums	2,555	2,555	-	0.0%
(57)	Culture & Economy	3,478	3,421	(57)	-1.6%
-	Major Projects & Regeneration	355	355	-	0.0%
-	Housing Strategy	15,772	15,639	(133)	-0.8%
(7)	Total	27,975	27,825	(150)	-0.5%

Explanation of Key Variances

The overspend of £0.040m for Tourism and Venues is mainly due to projected income shortfalls for the Brighton Centre of £0.170m and the Hove Centre of £0.150m. There is also a pressure on contract costs on the Brighton Centre partially offset by vacancy management. The underachievement of income is as a result of a reduced number of conferences during the year, reduced bookings at the Hove Centre and below target income from Holiday on Ice. Income potential will continue to be reviewed to address this pressure. The overspend is largely offset by a rates refund for the Brighton Centre of £0.310m.

The Royal Pavilion and Museums are projected to be on target. A rates refund has been received of £0.173m following the award of 80% charitable relief for Preston Manor and the Booth Museum, which is backdated to when NNDR was introduced in 1990, the majority of this refund will be applied to fund the capital lighting project at the Royal Pavilion.

The underspend of £0.057m in Culture & Economy is largely due to vacancy management savings.

Housing Strategy is forecasting an under-spend of £0.133m mainly due to improved collection of housing benefit on temporary accommodation within the leased accommodation budget. In particular this relates to the collection of any shortfalls where the housing benefit rate received is lower than the property charge.

There is however a pressure on the Housing Management Temporary Accommodation budget within the Housing Revenue Account of £0.160m.

The loss of Supporting People Admin grant of £0.164m in 2010/11 is being covered within existing Housing Strategy budgets by vacancy management and one-off under-spends from the internal contracts within the Supporting People Welfare Grant.

Centrally Managed Budgets

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(150)	Bulk Insurance Premia	3,019	2,844	(175)	-5.8%
(412)	Concessionary Fares	7,712	6,885	(827)	-10.7%
-	Capital Financing Costs	10,495	10,495	-	0.0%
-	Levies & Precepts	201	201	-	0.0%
(1,864)	Other Corporate Items	(17,214)	(19,078)	(1,864)	10.8%
(2,426)	Total	4,213	1,347	(2,866)	-68.0%

Explanation of Key Variances

The forecast saving of £0.175m on Insurance Premia is as a result of the review of annual insurance arrangements for 2010/11.

On Concessionary Fares there is an increase of £0.415m in the forecast underspend bringing the total for the year to £0.827m. The majority of this increase, £0.345m, relates to lower than projected journey numbers during the winter period. The final re-determination of the 2007/08 payment to Brighton & Hove Buses has been made by the Department for Transport and the council's share of the reduced payment from this re-determination is £0.070m.

On Corporate Items there is an ongoing risk provision within Contingency of £0.750m to cover risks identified in the Learning Disabilities budget and a further £0.750m to cover uncertainties in the budget. There is a one-off risk provision of £0.500m to support one-off risks and £0.500m is being released from contingency following a decision to reduce the 1% set aside to cover pay increases in 2010/11 to 0.5%.

Therefore the total provisions available in the budget is £2.500m of which £0.700m is being used to manage the implementation of the in year grant reductions and the remaining £1.800m is being used to off set in-year pressures identified elsewhere in the budget.

In addition there is a further £0.064m saving from contingency as a result of £0.030m recovered from City College relating to Comart that was originally funded from contingency and £0.034m from contingency for items no longer required.

Section 75 Partnerships

Forecast Outturn Month 6 £'000	Division	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
538	Council managed S75 Servs	24,112	24,370	258	1.1%
409	NHS Trust managed S75 Servs	13,434	14,016	582	4.3%
947	Total S75	37,546	38,386	840	2.2%

Explanation of Key Variances

Council managed S75 services (Learning Disabilities) are forecast to overspend by £0.258m. The forecast overspend is attributed to:

- Learning Disabilities mainstream- staffing cost pressures £0.044m
- Learning Disabilities Community Care-forecast overspend of £0.214m equivalent to 4 Whole Time Equivalents (WTE's) in residential care

The forecast has improved by approximately £0.280m from Month 6, mainly due to the Community Care budget, reflecting a reduction of 5 WTE client numbers. This is due to managing growth more effectively, review of cases to cover level of need and care and ensure that appropriate funding is in place and robust management across in-house services costs.

The overspend of £0.258m assumes the achievement of £1.350m against a financial recovery plan of £1.420m to deliver savings identified within the budget strategy. The current forecast of the financial recovery plan assumes a further £0.083m to be delivered in addition to the £1.266m achieved to date.

NHS Trust managed S75 services are forecasting an overspend of £0.582m, which is an increase of £0.173m from Month 6. This is largely due to demand pressures against the Mental Health Community Care budget, reflecting further growth of 10 WTE client numbers.

The forecast is based on the following assumptions:

- Sussex Partnership Foundation Trust (SPFT) – forecast overspend of £0.496m after delivery of a financial recovery plan (see below). Significant overspends on community care budget (Adult Mental Health £0.475m, Older People Mental Health £0.436m and Substance Misuse £0.069m) due to the full year effect of 2009/10 placements offset by other savings of £0.034m and allocation of the joint commissioning pot of £0.450m for the development of mental health services.
- Sussex Community Trust (SCT) – forecast overspend of £0.085m, due to a staffing pressures on intermediate care services. Options are being explored to deliver savings across a range of service provision.

Sussex Partnership Foundation Trust (SPFT) have developed a Financial Recovery Plan to work towards a reduced overspend position. Savings achieved to date are £0.465m against a target of £0.829m. There is ongoing dialogue with SPFT on management of placements.

Generally, the S75 Partnership Agreements require the Integrated Service Providers (Sussex Partnership Foundation Trust and Sussex Community Trust) to manage in-year cost pressures and carry this risk, subject to any agreement by the partners to vary risk-sharing provisions within the agreements. Sussex Partnership Foundation Trust has agreed the Financial Recovery Plan actions and to incentivise both partners to work together to achieve break even an agreement has been reached to share the 2010/11 financial risk 50:50. As part of this the council has recognised that pressures caused by demographic growth are the responsibility of the commissioning organisation to fund rather than the provider.

Housing Revenue Account (HRA)

Forecast Outturn Month 6 £'000	Housing Revenue Account	2010/11 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(273)	Employees	9,187	8,754	(433)	-4.7%
(287)	Premises – Repair	11,468	11,093	(375)	-3.3%
63	Premises – Other	3,110	2,992	(118)	-3.8%
189	Transport & Supplies	2,031	2,098	67	3.3%
(26)	Support Services	2,153	2,128	(25)	-1.2%
-	Third Party Payments	54	54	-	0.0%
-	Revenue contribution to capital	3,543	3,724	181	5.1%
(135)	Capital Financing Costs	3,729	3,585	(144)	-3.9%
39	Subsidy Payable	12,927	12,991	64	0.5%
(430)	Net Expenditure	48,202	47,419	(783)	-1.6%
(4)	Dwelling Rents (net)	(41,613)	(41,619)	(6)	0.0%
60	Other rent	(1,318)	(1,238)	80	6.1%
181	Service Charges	(4,034)	(3,781)	253	6.3%
11	Supporting People	(497)	(478)	19	3.8%
36	Other recharges & interest	(740)	(705)	35	4.7%
284	Net Income	(48,202)	(47,821)	381	0.8%
(146)	Total	-	(402)	(402)	

Explanation of Key Variances

The forecast for month 9 is an underspend of £0.402m compared to a forecast underspend of £0.146m at month 6.

- The employees forecast underspend has increased from £0.273m in month 6 to £0.433m. This increase is mainly due to the latest forecasts relating to TUPE costs for Property & Investment staff being reduced by £0.120m. The balance of the underspend is due to vacancy management both in Housing Management and Property and Investment. This is partly due to some Property and Investment posts in the new structure, which came into effect from 1 April, being recruited to later in the financial year than anticipated. The budget had assumed a full year establishment for all posts, therefore resulting in an underspend.
- The Premises Repairs forecast is an underspend of £0.375m compared to the month 6 forecast underspend of £0.287m. This includes:
 - The responsive repairs and empty properties budget which is forecast to underspend by £0.175m of which £0.092m is in relation to unit cost efficiencies on the works carried out on empty properties due to Mears achieving a reduction in the budgeted unit costs of £387 per unit.
 - Service contracts which are being procured over the next 18 months, included within cyclical maintenance are anticipated to underspend by £0.273m.

- The Premises Other budget is now forecast to underspend by £0.118m which mainly relates to the reduction in costs for Gas and Electricity. This forecast underspend has been offset by a reduction of heating charges to tenants of approximately £0.080m included in the Service Charges income forecast.
- Transport & Supplies includes £0.100m towards the phased introduction of Automatic Meter Readers in Housing sites that fall under the gas and electric contracts. These are being purchased in order to provide more accurate meter readings, support active management of usage and to support the Council's commitment to reduce carbon emissions and meet the requirements of the Carbon Reduction Commitment Energy Efficiency Scheme.
- Revenue Contributions to the Capital Programme have been increased by £0.181m towards the costs of the Housing Centre, the detail of this is included in the capital appendices also included in this Cabinet report.
- Capital Financing costs are forecast to underspend by £0.144m due to forecast interest rates for the year being lower than the assumptions used for budget setting. The reduced interest rates also reduce the amount of subsidy allowance for capital finance costs therefore resulting in an increased Subsidy payable to the Government of £0.064m.
- Leaseholder service charges income is projected to underachieve by £0.160m. This projection has been forecast following analysis of last year's outturn which has shown that the charges are likely to be less than budgeted for.

CAPITAL OUTTURN POSITION

	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	2010-11
	Budget	New	Variations	Slippage	Budget	Outturn				Overspends /
Directorate	£'000	Schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	(Underspends)
Strategy & Governance	983		(265)		718	718				-
Housing, Culture & Enterprise	10,477	240	(400)		10,317	10,317				-
Housing Revenue Account (HRA)	25,845		(6,240)		19,605	19,587				(18)
Finance & Resources	3,792		43		3,835	3,835				-
Adult Social Care	3,334		(233)		3,101	3,101				-
Children & Young People's Trust	50,428		(9,658)	(596)	40,174	40,174				-
Environment	16,670	2,211	(1,579)	(2,950)	14,352	14,524				172
Total Council Budgets	111,529	2,351	(18,332)	(3,546)	92,102	92,256				154

Summary of new schemes

	2010/11 Budget £'000	2011/12 Budget £'000	Total Budget £'000
New Schemes Summary			
Environment			
New Schemes over £50,000 (detailed in appendix)	2,093		2,093
Section 106 works (see table in appendix)	118	704	822
Housing, Culture & Enterprise			
New Schemes over £50,000 (detailed in appendix)	240		240
Total Changes to Budgets	2,451	704	3,155

Environment

Directorate: Environment

New Budget: 1,993,000

Project Title: Shoreham Harbour Regeneration Project

Brighton & Hove City Council, with West Sussex County Council (WSSCC) and other partners, has successfully secured a £5.000m grant from the Government's Homes and Communities Agency (HCA) to support the Shoreham Harbour Regeneration Project.

The grant will enable delivery of vital transport infrastructure improvements that will unlock Shoreham Harbour's potential. A report was presented to the Enterprise, Employment and Major Projects Cabinet Member meeting which showed the funding available for this scheme. For the financial year 2010/2011, £0.129m was received in revenue funds and £1.043m in capital funds from the Department of Communities and Local Government Growth Point Programme. In addition £0.314m revenue and £0.645m capital was carried forward from the 2009/2010 Growth Point allocation. This funding is being used to undertake essential technical studies including flood risk modelling, transport studies and a capacity and viability assessment. It will also be used for background evidence studies to underpin the Shoreham Harbour Planning Document if required.

Eco-Town funding of £0.260m revenue and £0.490m capital has been received which has been earmarked for investigative studies and an ecodemonstration project (PortZED). The local authorities together contributed £0.095m (£0.065m capital and £0.030m revenue) to cover staffing resources in addition to direct staff input. Of the total capital funding received, £0.250m has been reclassified as revenue expenditure meaning that in total £0.983m revenue and £1.993m capital is available for the project in 2010/2011. At this stage it is unclear whether

further funding under either the Growth Point programme or Eco-Town funding will be made available for 2011/2012 and thereafter. A bid has been submitted on 24 September 2010 for up to £0.500m 'PortTown' funding from the European Union. The money would be used to improve links between the successful ports and their surrounding communities and with the other successful bidders.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
1,993			1,993

Directorate: Environment

New Budget: £822,000

Project Title: Section 106 Works

There is £0.118m of new Section 106 capital works planned for completion in 2010/11. The largest element of this is £0.084m relating to parks works. The remaining £0.034m relates to a number of smaller schemes, none of which are over £0.013m. These relate to highway works. The allocation for 2011/12 relates to parks works.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
118	704	0	822

Directorate: Environment

New Budget: £100,000

Project Title: Coach Park

The need for a purpose-built coach (& lorry) park has been recognised for some time. This was confirmed in the council's Coach Strategy, approved in 2004, which was developed in response to the growing coach travel market and the significant beneficial impact it could have on the city's economy.

Work to date was carried out as part of the council's Park and Ride study in 2004, in which consideration was given to possible locations for a permanent, purpose built coach/lorry park for the city. In January 2005, it was agreed that further investigations should be made into the feasibility of the former gas works site on Marina Way for coach parking, as this site was recommended as being the best potential location for this use.

Those investigations concluded that the gasworks site was not feasible for permanent coach parking as:-

- it is already allocated for other land uses (housing and employment) in the approved Local Plan and Planning Advice Note for the Marina area, and would therefore be contrary to those allocations;

- it is not in the city council's ownership and may therefore have to be compulsorily purchased if it was to be developed by the council;
- the costs associated with preparing the land (especially decontamination) are considered to be considerable and unaffordable, for such a use.

Therefore it is proposed to establish a temporary facility in the short term.

This will be funded from the CLG (Communities and local Government) Seaside Towns Grant.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
100	0	0	100

Housing, Culture & Enterprise

Directorate: Housing, Culture & Enterprise

New Budget: £240,000

Project Title: Royal Pavilion Lighting

The Royal Pavilion is Brighton & Hove's most important and most photographed building. Its contribution to the visitor economy has been estimated to be in excess of £50.000m. (Royal Pavilion: impact, values, perceptions and strategy Brighton University 2006). The existing Royal Pavilion external lighting was installed in the early 1990s and, at that time, was an award winning scheme.

The scheme has now become irreparable, with less than 50% of the lighting still in working order. This has left some areas of the building in almost complete darkness at night and impossible for those areas to be seen by staff at night on CCTV cameras and hence there was a security risk to the building. A decision was made to switch off the lighting scheme and simply rely on the security lighting for the building. With a lighting scheme in operation, there is more light generally in the Royal Pavilion Garden and hence a higher feeling of security for the building, for anyone leaving the building after an evening function and for anyone walking through the grounds.

The brief for the new scheme was based around: reduction in energy consumption; reduction in wasted light (light pollution); lower maintenance costs; improved versatility of lighting; the ability to light individual architectural components of the building; mindful of security and security cameras; design and installation in harmony with the architecture of the building. These elements will all be achieved with the new scheme achieving between 94-96% energy savings and a considerably lower running cost – this is estimated at £1,500 per annum in comparison with £9,000 for the existing scheme. The cost for this scheme is £0.240m.

It is not possible to predict what the maintenance costs of the new scheme will be but, as with other repairs currently, these will be covered from existing budgets.

Capital Funding Sources and Expenditure Profile

£0.100m funding for 2010/11 was approved by Council in February 2010 towards the cost. Since then a further £0.140m has been identified for the scheme drawing on a NNDR rebate within the Royal Pavilion & Museums budgets.

It is anticipated that the majority of the costs will be paid within the current financial year but a small percentage may carry over to 2011/12.

Summary of Variations to Capital Budget

	2010/11	2011/12	Total
	Budget	Budget	Changes
Schemes	£'000	£'000	£'000
Finance & Resources			
Detailed Variations (over £50,000)	222	(222)	0
ICT - Information Management	(43)	43	0
Asbestos	(12)	12	0
Corporate Accommodation	(30)	30	0
Corporate Fire	(13)	13	0
Legionella	(3)	3	0
New England House	(31)	31	0
Madeira Lift	(47)	47	0
Total Finance & Resources	43	(43)	0
Environment			
Detailed Variations (over £50,000)	(1,623)	1,623	0
Walpole Road Bus Stop	(1)	1	0
Hollingdean Depot	45	(45)	0
Total Environment	(1,579)	1,579	0
Housing, Culture & Enterprise			
Detailed Variations (over £50,000)	(269)	269	0
Falmer Community stadium	(10)	10	0
West Pier / i360	(47)	47	0
Preston Barracks	(45)	45	0
The Keep	(10)	10	0
Falmer Released Land	(19)	19	0
Total Housing, Culture & Enterprise Variations	(400)	400	0
Housing, Culture & Enterprise (HRA)			
Detailed Variations (over £50,000)	(6,240)	6,240	0
Adult Social Care			
Detailed Variations (over £50,000)	(233)	233	0
Strategy & Governance			
Detailed Variations (over £50,000)	(265)	265	0
CYPT			
Detailed Variations (over £50,000)	(9,658)	9,658	0
Total Changes to Budgets	(18,332)	18,332	0

Detailed explanations of the variations

Environment

Directorate: Environment	Approved Budget: £920,000
Project Title: Gritter Vehicles	Revised Budget: £0
	Variation: £(920,000)

The delay in spend is due to market testing to ensure a more advantageous unit rate through a framework agreement as well as extensive research to ensure the vehicles are best value for the city's needs. Maintenance specifications are currently being finalised and the bid will be submitted very shortly. Delivery of the gritters is expected to be Autumn 2011 at the latest.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(920)	920	0	0

Directorate: Environment	Approved Budget: £597,540
Project Title: Playbuilder	Revised Budget: £140,000
	Variation: £(457,540)

Government suspended funding by over 3 months and provided less funding after the suspension, the Council provided the difference but this has delayed the project by over 3 months, resulting in the slippage to next year. This slippage will enable the project to be better managed, and scheduled when ground conditions are suitable. Project was due to be completed by 31st March 2011, project will complete 10 playsites by July 2011, one additional site will complete in autumn 2011 due to timing of enabling works.

Play sites have not been affected up to now, however they will be unavailable during early summer while works are undertaken. We will make every effort to keep sites unavailable for as short a period as possible. The capital cost of the scheme remains the same, revenue costs have been absorbed into existing budgets.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(458)	458	0	0

Directorate: Environment	Approved Budget: £244,870
Project Title: Volks Railway Shed	Revised Budget: £0
	Variation: £(244,870)

The original funding agreed for the scheme is not sufficient to undertake a full replacement of the siding sheds. Following consultation with HMRI (Her Majesty's Railway Inspectorate) a revised scheme is being developed to identify the minimal cost to meet health and safety requirements.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(245)	245	0	0

Housing, Culture & Enterprise

Directorate: Housing, Culture & Enterprise	Approved Budget: £66,000
Project Title: Circus Street	Revised Budget: £5,000
	Variation: £(61,000)

The continuing problems in the development market, affecting both values and access to development finance, have meant that the developers have been unable to progress the scheme. There have been ongoing discussions about both the mix of uses and the financial offer to the City Council, and although there has been progress these issues have not been fully resolved. As such, many of the ongoing project costs have been put on hold to ensure there is only spending once we are confident we have a viable scheme. This is likely to happen in 2011/2012.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(61)	61		0

Directorate: Housing, Culture & Enterprise	Approved Budget: £179,000
Project Title: Open Market	Revised Budget: £45,000
	Variation: £(134,000)

Funding from the 2010/11 Approved Budget has been committed to support costs associated with achieving vacant possession of the site to enable the Cabinet approved scheme to progress. Although agreement between the various parties has been reached in principle, full vacant possession is not now expected until 2011/12, at which time funding will be required to complete the enabling transactions. The project timetable now sees construction work commence in March 2011, subject to planning, and completion of the temporary facility in June 2011. The existing market will be maintained for service users until the temporary facility is ready for occupation.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(134)	134		0

Directorate: Housing, Culture & Enterprise
Project Title: New England House

Approved Budget: £90,000
Revised Budget: £16,400
Variation: £(73,600)

The budget for the New England House project was based on an assumption that early in 2011 the City Council would commission a professional team(s) to undertake a condition survey, designs for the new facility and cost consultancy. However, the Council is now considering alternative options for progressing the project that will expose the City Council to less up-front expenditure and risk and the outcome of this will be reported in due course to Cabinet. There is no effect on service delivery and there should be no long term effect on the project delivery and its desired outputs and outcomes. This is a capital project aimed at securing the future of the building helping to build the digital/creative sectors in the city. Funding originally allocated for the project in 2010/11 needs to be re-profiled to take into account the revised programme of work which may involve a full procurement process in accordance with Official Journal of the European Union (OJEU) regulations.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(74)	74	0	0

Housing, Culture & Enterprise (HRA)

Directorate: Housing, Culture & Enterprise (HRA)
Project Title: Windows

Approved Budget: £875,160
Revised Budget: £587,080
Variation: £(288,080)

The window replacement programme has been delayed for the Bristol Estate and Kingfisher Court due to the integration of these window replacement programmes with the Cladding programme timetable for these properties, where works are due to start in April 2011.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(288)	288	0	0

There has been no effect on the day to day service delivered to tenants. The integration of the windows and cladding programme on these properties will give additional energy efficiency and costs benefits to tenants. These are now planned for Spring 2011.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £1,206,400
Project Title: Cladding	Revised Budget: £13,000
	Variation: £(1,193,400)

The Cladding Programme has been delayed due to the original tender process failing as a result of prices being higher than anticipated. To ensure that our Partner, Mears, could demonstrate value for money for the city, a new tender process was then undertaken.

Due to the cost to leaseholders being over £250, a statutory 30 days consultation with leaseholders needs to be conducted and concluded before the work can commence. The nature of the work is also heavily affected by weather conditions therefore work will now start in Spring 2011.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(1,193)	1,193	0	0

There has been no effect on the day to day service delivered to tenants. The re-profile of this programme is not expected to have an impact on next year's programme.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £2,340,000
Project Title: External decorations & Repairs	Revised Budget: £2,080,000
	Variation: £(260,000)

The mobilisation of the Repairs and Improvement Partnership contract and the adverse weather in 2010, has delayed the planned works for Year 1 of the 2 year programme in South Whitehawk & Hangleton area. These works will be completed in 2011/12 along with other planned works in this area.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(260)	260	0	0

There has been no effect on the day to day service delivered to tenants. Carrying out all planned works in this area in one year will limit the impact on residents and create cost efficiencies.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £560,000
Project Title: Aerial Upgrade	Revised Budget: £0
	Variation: £(560,000)

Housing Management's Property & Investment team have procured a long term agreement for the installation and maintenance of new digital communal aerial systems across the city. In order to ensure that residents and leaseholders are provided with value for money, significant research

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and analysis has been undertaken on areas such as equipment specification, ownership of the equipment, and length of the contract prior to the contract being offered out to tender.

A preferred contractor has now been agreed and work is due to commence in March 2011. There is a lead in period of customer liaison and mobilisation prior to installation therefore it is anticipated no costs to the council will be incurred in this financial year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(560)	560	0	0

There are no likely effects on the service as the South East is not due for Digital Switchover of the TV aerials until 2012. The preferred contractor as part of the procurement process has provided a timetable of works to evidence that the installations will be complete by 2012.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £214,000
Project Title: Door Entry Systems	Revised Budget: £50,000
	Variation: £(164,000)

Housing Management's Property & Investment team are in the process of procuring a long term agreement for the installation and maintenance of new door entry systems across the city. There is already a contractor in place who carries out the day to day repairs and maintenance on the door entry systems and advises Property & Investment on the condition of them.

Under the new long term agreement residents and leaseholders should be provided with increased value for money, alongside this recruitment is currently taking place for two positions that will be involved in managing this contract to ensure that it will be run efficiently and effectively. This will enable the council to use its accumulated knowledge of the systems around the city to prioritise the work to be carried out

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(164)	164	0	0

There will be no effect on the service delivery as all required repairs are carried out once identified by existing Contractors.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £605,000
Project Title: St James House	Revised Budget: £0
	Variation: £(605,000)

The St James House project consists of two elements: firstly the need to replace the existing communal gas boiler; and secondly the remedial work to the car-park. It has previously been reported that surveys and costs were to be updated prior to works being carried out (including finding an appropriate solution for the flue-dilution and location of the new boiler). The quotes for the specified works received were too high and did not deliver the required solutions.

The Council's Property & Investment team have been working with their Partner, Mears, to review the works to be carried out on St James House to ensure that the work meets the current requirements for the block, uses the most up-to-date and efficient technologies as well as providing value for money to leaseholders, residents and the city. It is anticipated that proposals for both the boiler replacement and the car park works will be prepared by mid-summer 2010.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(605)	605	0	0

There has been no effect on the day to day service delivered to tenants. The review of works is expected to be completed by March 2010. Once completed and a list of works agreed, a programme of works and financial forecast will be put together integrating both leaseholder and tenant consultation. In the meantime it is intended to re-open the car park temporarily until work commences.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £339,700
Project Title: Leach Court	Revised Budget: £0
	Variation: £(339,700)

The design and procurement process was completed in 2009/10 with works expecting to be carried out during 2010/11. However delays have occurred due to the prices quoted for the scope of the works specified being higher than expected and due to consultation with tenants to ensure their requirements are met.

To ensure that value for money is achieved and that an upgraded energy efficient heating system is provided, that meets tenant's requirements, further quotes have been requested. It is anticipated that works will now be carried out during the 2011/12 financial year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(340)	340	0	0

The impact of the delayed upgrade of the heating system should have minimal impact to the residents at Leach Court, who are being consulted with during the process.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £1,772,080
Project Title: Lift Replacement	Revised Budget: £455,280
	Variation: £(1,316,800)

This year's capital programme included the replacement of 6 lifts in the city. The procurement process for these lifts has been lengthy as there was significant work to be undertaken prior to the invitations to tender (ITT's) being issued. This included prioritising which lifts were to be replaced and providing prospective contractors with guidance as to our requirements to ensure all residents' needs are met whilst the lifts are being replaced. Procurement has now taken place and a preferred Contractor found. The work is due to start in March 2011 subject to Leaseholder consultation.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(1,317)	1,317	0	0

There will be no likely effects on the service delivery as the procurement for the lift replacements in 2011/12 has already started as part of a long-term maintenance and replacement contract.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £481,500
Project Title: Water Tank Replacement	Revised Budget: £170,000
	Variation: £(311,500)

Housing Management's Property & Investment team are in the process of procuring a long term agreement for the maintenance and replacement of communal water tanks across the city. There is already a contractor in place who carries out the day to day servicing, repairs and maintenance and advises Property & Investment on the condition of the tanks and any capital replacements that are required.

Under the new long term agreement, which is timetabled to be let in 2011/12 residents and leaseholders should be provided with increased value for money, alongside this recruitment is currently taking place for two positions that will be involved in managing this contract to ensure that it will be run efficiently and effectively.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(312)	312	0	0

There are no likely effects on the service delivery as all high-risk work has been identified and carried out. A Health & Safety Manager is in place and is continually monitoring the situation.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £856,400
Project Title: Fire Safety & Asbestos management	Revised Budget: £580,000
	Variation: £(276,400)

The following factors have led to some of the Fire safety and Asbestos Management budget to be re-profiled into next financial year:-

- the additional time requirement for the reassessment of fire safety reports, meant that additional works could not be instructed and completed in this financial year.
- Consultation with tenants on their requirements has taken longer than anticipated, which meant that some of these works will not be completed in this financial year. These works will be added to next year's plan as a priority.

However, it should be noted that all of this year's planned works for this budget area will be completed in this financial year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(276)	276	0	0

There has been no effect on the day to day service delivered to tenants. The new fire risk assessments will provide an updated list of works and priorities which will be planned into next years, and future year's programmes.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £2,107,140
Project Title: Rewires	Revised Budget: £1,182,060
	Variation: £(925,080)

The main reasons for the delays are:

- The original tender process took longer than anticipated to complete as additional time was required to find 3 companies able to carry out the works.
- Due to the cost to leaseholders of these works being over £250, a statutory leaseholder consultation (Section 20) must take place, which requires 30 days, plus any time period for dealing with objections.
- The lead in time for the approved contractor to acquire the specialist materials required to carry out the works. These cannot be ordered by the subcontractor until the award of the contract.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(925)	925	0	0

There has been no effect on the day to day service delivered to tenants.

Adult Social Care

Directorate: Adult Social Care	Approved Budget: £239,000
Project Title: ICT Infrastructure Grant	Revised Budget: £73,000
	Variation: £(166,000)

The ICT Infrastructure Grant is funding a range of projects. The smaller scale projects funded by the grant will be completed within 2010/11. However the Electric Care Monitoring Project is the most significant project and has most of the funding linked to it. It is this project which is subject to delay.

Originally it was thought that the requirements in the specification for the Electronic Care Monitoring System would only fit one provider and that the procurement process would therefore be completed within a short timescale. However the market has developed and to ensure that we achieved value for money it was decided to undertake a broader procurement process and to incorporate the tendering for the in-house rostering system within the same process to achieve further value for money. The tender was awarded subject to contract on 17 December 2010 since then BHCC have been trying to arrange the kick-off date with the preferred provider to move the project into the implementation stage. There has been a delay in achieving agreement on this date. Currently this is still unresolved and the contract has yet to be received from the supplier. This is presenting a significant risk to the timescale of the project. This was not something that was anticipated as the procurement process was conducted within the procurement framework.

The time table for the project had been adjusted to accommodate the joint procurement process however with the current delay in agreeing a contract and starting implementation means that the timetable is currently running approximately three months behind the original schedule. It is very likely that the implementation phase will now run into the next financial year and the spend pattern will need to be adjusted accordingly.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(166)	166	0	0

In addition the procurement process will also deliver financial efficiencies which will be confirmed when the contract is actually let. This funding, plus some funding provisionally allocated to a small project but no longer required, will be available to fund additional projects from the priorities identified. These priorities will be discussed at the next Adult Social Care Information Board in February. Until the new electronic care monitoring system is in place the present arrangements for care provision will continue so the delay in the project will have no adverse effects on service delivery. The delay will however mean that anticipated efficiencies to service delivery will also be delayed.

Directorate: Adult Social Care	Approved Budget: £147,000
Project Title: Social Care Reform Grant	Revised Budget: £80,000
	Variation: £(67,000)

The project was given approval during October 2010, and the procurement evaluation process was completed just before Christmas 2010. The procurement was a joint one with the closely linked Electronic Monitoring Project, and the same provider won both the tenders. It had been anticipated that that the contract with the supplier, which covers both projects, would be signed within the first few weeks of the New Year. But there has been a delay in the supplier submitting the final draft of the contract for approval and signature, and the Council has not yet had the supplier's project plan or their payment milestones and payment profile. It is hoped that this will be completed within the next couple of weeks.

The proposed timescale for the project was very tight with main implementation planned for just before the financial year end. However, it has not been possible to make the strong progress needed during early January to keep to this timetable, as the supplier is unwilling to commence any project work without the contract in place. It is likely, therefore, that the implementation period will now span the financial year end, with the result that some of the project costs currently under Year 1 will not fall due for payment until the new financial year. It is hard to anticipate the impact on the spend pattern without either the supplier's project payment profile or a formal commencement date. At this stage, it is only possible to make the broadest of estimates.

The present delay represents only 2-4 weeks in the final delivery of the project. The normal work of the service will be able to continue as at present with no diminishment to the quality of services. But the delay will mean that the service enhancements and efficiencies that the new system will deliver will be slightly later in coming in.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(67,000)	67,000	0	0

Strategy & Governance

Directorate: Strategy & Governance	Approved Budget: £958,000
Project Title: Human Resources System	Revised Budget: £693,000
	Variation: £(265,000)

The project start date was delayed from April 2009 to June 2009. Therefore the 2 year project timeframe moves to the end of June 2011. Phased payroll implementation over the year 2010 has prevented a speeding up of the timescale to complete within 21 months. There will be no impact on service delivery of this delay.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(265,000)	265,000	0	0

Children & Young People's Trust

Directorate: CYPT	Approved Budget: £10,903,830
Project Title: Primary capital Programme	Revised Budget: £5,000,000
	Variation: £(5,903,830)

The project at Davigdor Infants has been successfully completed. The major extension and refurbishment at Somerhill Juniors is due for completion in March 2011. This project along with several others was delayed due to the poor weather and freezing temperatures in December. The major works at Goldstone, Westdene and Queens Park Primary Schools have all started on site at the beginning of January. Enabling works were undertaken in 2010 to assist the preparation and delivery of the schemes and take advantage of school holiday periods.

Large elements of funding allocated to Local Authorities can be formula based or in response to bids. Once funding is secured projects are designed, developed and construction started on site. However, cashflows for schemes rarely follow in year allocations. This is the case with Goldstone, Westdene and Queens Park Primaries. While all projects were designed and started on site in 2010/2011, completion dates are in September and December 2011. Forecast spend in 2011/2012 on these three projects is approximately £7.500m.

We are forecasting a spend of £5.000m in 2010/2011 for Primary Capital. As a result, we are seeking to re-profile £5.904m to 2011/2012 to assist in meeting our commitments next year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(5,904)	5,904		0

Directorate: CYPT	Approved Budget: £3,914,000
Project Title: Targeted Capital fund	Revised Budget: £3,200,000
	Variation: £(714,000)

The major extension and refurbishment scheme at Longhill School was completed successfully in September 2010. In a report to the CYPT Cabinet Member meeting in April 2010 £0.500m was allocated from Targeted Capital to undertake alterations and improvements to the Cedar Centre. This work was delayed owing to uncertainties about in year savings requested by the Department for Education. In addition to this the works are dependent upon other moves/rationalisation within the Special School estate. These are still ongoing. It is now anticipated that these works will be undertaken during the 2011/2012 financial year.

An extension to Hillside School started on site in January and is due to complete in August 2011. Expenditure of £3.200m is forecast for 2010/2011 and therefore £0.714m needs to be re-profiled to 2011/2012 to meet commitments next year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(714)	714	0	0

Directorate: CYPT	Approved Budget: £1,804,390
Project Title: NDS Modernisation	Revised Budget: £1,700,000
	Variation: £(104,390)

The development of a number of schemes has taken longer than originally anticipated, in one case complicated by the presence of asbestos. As a result, work on some projects has been programmed for the Easter holiday. Expenditure of £1.700m is forecast in 2010/2011, and therefore £0.104m needs to be re-profiled to 2011/12 to meet commitments next year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(104)	104	0	0

Directorate: CYPT	Approved Budget: £7,199,480
Project Title: Whitehawk Co-location	Revised Budget: £4,510,000
	Variation: £(2,689,480)

While there has been some delay due to the weather conditions experienced during December, overall completion of the final element of the project is still forecast for June 2011. As mentioned previously cashflows for projects rarely follow initial in year allocations. We are forecasting a spend of £4.510m in 2010/2011 and as a result it is necessary to re-profile £2.689m to meet the remaining commitments in 2011/2012.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(2,689)	2,689	0	0

Directorate: CYPT	Approved Budget: £367,000
Project Title: School Access Initiative 2010/11	Revised Budget: £120,000
	Variation: £(247,000)

Funds from this project have been allocated to provide lifts and assist with the provision of other accessibility work at Somerhill Junior, Goldstone, Westdene and Queens Park Primary Schools. As stated previously the majority of these schemes will be completing in the Autumn of 2011.

Expenditure this year is forecast to be £0.120m, therefore it is necessary to re-profile £0.247m to 2011/2012.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(247)	247	0	0

Finance & Resources

Directorate: Finance & Resources	Approved Budget: £846,000
Project Title: Accommodation Strategy	Revised Budget: £1,263,110
	Variation: £417,110

The corporate Accommodation Strategy and Workstyles Phase One project has now reached the stage where the exit of Priory House and re-location of services to Barthlomew House and other subsidiary buildings is underway. The report to Cabinet on 9 December 2010 detailed the revised timetable and costs for 2010/11 and 2011/12 as well as reporting on the progress to date. The subsidiary works including Brighton Town Hall and Lavender Street have been completed and a large part of the works at Bartholomew House is programmed for 2010/11. The scheme is to be funded as part of a 'spend to save' scheme through a combination of borrowing and contributions from the Asset Management Fund and ICT Fund. The financing costs for the borrowing will be met from the savings generated from the operational costs of Priory House as detailed in the report to Cabinet on 9 December 2010.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
417	(417)	0	0

Directorate: Finance & Resources	Approved Budget: £195,000
Project Title: FIS Implementation	Revised Budget: £0
	Variation: £(195,000)

It was intended to spend this money in this financial year on three key areas:-

- The implementation of Intelligent Scanning
- The implementation of Authority Web
- The implementation of e-budgeting

The implementation of Intelligent Scanning has been delayed whilst the software providers (Civica and IDOX) design a suitable technical solution. There has been some progress, but the implementation is unlikely to be achieved before summer 2011.

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The implementation Authority Web and e-budgeting has been delayed as other development work has been prioritised in order to support the restructure of both Financial Services (Summer 2010) and of the wider Council. It is anticipated that work will commence in these areas during the first quarter of 2011-12.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(195)	195	0	0

Summary of Capital Slippage Identified

Slippage Summary	2010/11 Budget £'000	2011/12 Budget £'000	Total Changes £'000
Environment			
Detailed Slippage (over £50,000)	(2,906)	2,906	0
DEFRA Waste Performance	(28)	28	0
Cedar Gardens Roadworks	(16)	16	0
Total Environment	(2,950)	2,950	0
CYPT			
Detailed Slippage (over £50,000)	(596)	596	0
Total Changes to Budgets	(3,546)	3,546	0

Environment

Directorate: Environment
Project Title: Downland Initiative

Approved Budget: £353,670
Revised Budget: £75,000
Variation: £(278,670)

The main reason for slippage is the current establishment of the South Downs National Park which is likely to bring additional partnership funding opportunities for land owned by the Council starting from 1 April 2011. This will be of greater benefit to the Downland Initiative programme than if the capital was to be fully spent in 2010/11.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(279)	279	0	0

Directorate: Environment	Approved Budget: £1,093,000
Project Title: King Alfred Health & Safety Works	Revised Budget: £593,000
	Variation: £(500,000)

The extensive works are being carefully phased in order to minimise the impact on existing customers and subsequently income to the council. In addition the constraints imposed by an old building that has been reconfigured over many years adds to the complexity of undertaking the works. The priority over the current financial year has been the improvements to the new Gym which have been very successfully completed. As the aim of the works is to keep the centre open for as long as possible prior to redevelopment, it is important that flexibility is retained to enable works to be phased to increase of the life-span of the building rather than specify an end date.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(500)	500	0	0

Directorate: Environment	Approved Budget: £1,550,810
Project Title: Integrated Transport Schemes (LTP)	Revised Budget: £1,330,810
	Variation: £(220,000)

The underspend on the integrated transport schemes is related to the Woodingdean Junction Improvements. In order to ensure the Christmas trade was not affected it was necessary to suspend the work planned in December. This will now be completed in the new year.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(220)	220		0

Directorate: Environment	Approved Budget: £588,000
Project Title: Lanes / London Road Car Parks	Revised Budget: £42,380
	Variation: £(545,620)

London Road Car Park works is complete as is the main works at the Lanes. The main reason for the slippage of the pedestrian access works at the Lanes is due to the lead-time on purchasing the lift. We expect the project to complete by the middle of May this year.

Users will have to wait for a fully functional lift, better security and a more pleasant environment in the access areas. However, the car park remains fully open and so there is no loss of capacity. We are not aware of any significant increases to the cost of the project as a result of the slippage. Ensuring good preparation and proper risk management of both the procurement and implementation will help to ensure that the best value for money option is achieved. Usage and income have already increased significantly at both car park and we expect this to be reinforced by the improved pedestrian works.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(546)	546		0

Directorate: Environment
Project Title: Ex Leased Car Parks

Approved Budget: £1,447,350
Revised Budget: £86,150
Variation: £(1,361,200)

The ex-leased car parks are at Regency Square, Trafalgar Street, Carlton Hill and Oxford Court. The main reason for the slippage is due to the results of feasibility studies for Regency Square and Trafalgar Street Car Parks. These have presented new issues to be considered in respect of the scope. Until these issues have been considered and agreed it would not be prudent to start works at these sites. Works to Oxford Court and Carlton Hill are agreed and will be completed this year.

We expect the Regency Square and Trafalgar Street elements to be completed by the end of March 2012. Users will have to wait for the standard of the car parks to be improved. Better security, improved traffic flows and a more pleasant environment are the key areas. However, the car parks remain fully open and so there is no loss of capacity.

We are not aware of any significant increases to the cost of the project as a result of the slippage. Ensuring good preparation and proper risk management of both the procurement and implementation will help to ensure that the best value for money option is achieved. We expect that there will be a higher usage and income after the works are complete.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(1,361)	1,361	0	0

Children & Young People's Trust

Directorate: CYPT
Project Title: Devolved Capital to Schools

Approved Budget: £2,409,110
Revised Budget: £1,812,990
Variation: £(596,120)

Devolved Formula Capital is a financial resource that is devolved to schools by the LA. Schools have the option to accrue the money for a maximum of 3 years. However, accrued funds are normally retained by the LA. The current projected outturn figures represent the amount schools are currently anticipated to request by the end of the financial year. Changes to budgets on these headings should not be made before the end of the financial year as schools can drawdown these funds at any time.

2010/11 £'000	2011/12 £'000	2012/13 £'000	Total £'000
(596)	596	0	0

Summary of overspends / underspends identified

Schemes	2010/11 Budget £'000	Total Changes £'000
Environment		
Detailed Overspend (over £50,000)	103	103
Horsdean Travellers Site	20	20
St Lukes Pool	49	49
Total	172	172
Housing, Culture & Enterprise (HRA)		
Detailed Overspend (over £50,000)	72	72
Energy Efficiency (Storage Heater Saving)	(41)	(41)
Fire safety and asbestos management	(49)	(49)
Total	(18)	(18)
Total Changes to Budgets	154	154

Environment

Directorate: Environment	Approved Budget: £340,000
Project Title: Controlled Parking	Revised Budget: £442,760
	Variation: £102,760

Spend is dependent on whether an area takes up the offer of a parking scheme - this is not known until the relevant consultation has taken place. It is also dependent on how large an area opts for a scheme, as the bigger the scheme, the greater initial expenditure on consultation and implementation, including signing, lining and provision of Pay & Display machines. The expenditure for 2010-11 is greater than forecast because, at the request of members, the consultations for all schemes in 2010-11 were extended to include additional areas/groups of roads. Both an extension of Area H (Royal Sussex County Hospital) and an extension of Area J (London Road Station area) have been implemented this year which has meant pay & display machine costs, signing, lining and extensive scheme design work with the help of Consultants.

The project timetable has not been affected; although larger areas have been consulted and some minor re-consultation of particular roads has taken place, this has all been done within the agreed timetable. Parking scheme consultations take up to 2 years from start to finish. The budget realignment will be calculated into the payback period from income generated by new parking schemes, over a period of 7 years.

Housing, Culture & Enterprise (HRA)

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £1,100,000
Project Title: Housing Centre	Revised Budget: £1,707,700
	Variation: £607,700

In December 2009, in order to deliver the new Repairs and Improvement Partnership Cabinet approved funding for the refurbishment of an industrial unit on the Fairway Trading Estate, Eastergate Road in Brighton as a Housing Centre. A budget of £1.100m for the Housing Centre, profiled over 3 years, was included in the Housing Revenue Account Capital Programme Budget report approved by Cabinet in February 2010.

The updated forecasts for the cost of refurbishment show that costs are expected to increase by £0.607m. As the project has progressed the potential for the building to provide a base for wider housing services in addition to the Council's Property & Investment team and Mears, has led to significant changes to the original plans. These include a 60% increase in the office space and incorporation of the housing Estates Service, and an improved heating and cooling solution. The changes in design are due to council's need to accommodate more staff within the office space and increase potential occupancy by over 100 members of council staff. These changes have increased the budget, but mean that the Housing Centre now provides great future potential for improving the service and providing accommodation savings. The centre will also take pressure off accommodation needs across the council; supporting the corporate SmartSpace initiative and associated financial savings.

The increased costs of £0.608m for the Housing Centre refurbishment are to be met from underspends of £0.427m identified in the capital programme ICT and Procurement budgets as detailed below with the balance of £0.181m being met by underspends identified in the HRA Revenue Budget 2010/11 Targeted Budget Management Report .

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £620,000
Project Title: ICT Fund	Revised Budget: £292,800
	Variation: £(327,200)

The ICT fund Budget included estimates for the review and replacement of the current Housing Management system. The review has shown that it will not be necessary to purchase a new system. Therefore current forecast costs in IT have been revised to reflect this and now include costs only for the development /upgrade of the existing system as well as upgrades in the asset management system. This leaves a variance of £0.327m available towards funding the increased costs of refurbishment of the Housing Centre.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £135,000
Project Title: Procurement	Revised Budget: £35,000
	Variation: £(100,000)

The current HRA capital programme budget includes an amount of £0.135m which had been carried forward from the previous financial year relating to the procurement costs of long term contracts. Current forecasts are that only £0.035m of this budget is required and that there is a variance of £0.100m available towards funding the increased costs of refurbishment of the Housing Centre.

Directorate: Housing, Culture & Enterprise (HRA)	Approved Budget: £456,800
Project Title: Conversion of Shared Facilities / Minor Empty Properties	Revised Budget: £348,300 Variation: £(108,500)

There is an underspend on empty properties due to savings in unit costs of empty property works. This is partially offset by additional conversion of shared facility work.

Subject: Housing Revenue Account Budget 2011/12
Date of Meeting: 17 February 2011
Report of: Strategic Director, Place
Director of Finance
Contact Officer: Name: Sue Chapman Tel: 29-3105
E-mail: sue.chapman@brighton-hove.gov.uk
Key Decision: Yes Forward Plan No: CAB16952
Wards Affected: All

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report presents the Housing Revenue Account Forecast Outturn for 2010/11 as at month 9 and the proposed Budget for 2011/12 as required by the Local Government and Housing Act 1989. Members are required to consider the budget proposals including changes to rents, fees and charges as well as savings and service pressures.
- 1.2 The council's Housing Revenue Account (HRA) contains the income and expenditure relating to the council's landlord duties in respect of approximately 12,300 properties and 2,230 leasehold properties. These properties are accounted for separately from the council's other services/activities which form part of the council's General Fund.

2. RECOMMENDATIONS:

- 2.1 That Cabinet recommends Council to:
- (a) Approve the budget for 2011/12 as shown in Appendix 1.
 - (b) Approve individual rent increases and decreases in line with rent restructuring principles as determined by the Government.
 - (c) Approve the changes to fees and charges as detailed in paragraph 3.17 to 3.26.

3. HRA BUDGET PROPOSALS 2011/12**Summary**

- 3.1 The HRA budget has been set within the context of the City's Housing strategy and the overall aim of 'achieving excellence in housing management'. It sets out to do this by focusing on five core strategic priorities as detailed in the Housing Management Service Improvement Plan 2009 - 2012. These are:

1. Improve services to an excellent standard, with residents at the heart of everything we do
 2. Improve the quality and sustainability of our homes and neighbourhoods
 3. Deliver value for money services and maintain a sustainable 30 year business plan
 4. Make best use of our housing stock to address housing need
 5. Ensure that social housing provides a platform for reducing inequality and creating opportunity
- 3.2 The budget strategy also reflects the priorities of tenants and leaseholders as a result of their close involvement in deciding how housing services are planned and delivered (as detailed in the Housing Management Annual Report 2010).
- 3.3 The HRA budget has also been developed to provide a balanced budget, taking into account the HRA subsidy determination, other income and expenditure assumptions and the reserves position. The council's Medium Term Financial Strategy outlines an efficiency savings target for all services across the city of 4%. Officers have taken into account this required level of efficiency savings and have also sought to maximise the level of resources available to invest in meeting the Decent Homes Standard and commissioning priorities. They have therefore identified savings of 9.1%.
- 3.4 The HRA revenue budget is also set in the context of an annual Housing Subsidy settlement which will result in a net transfer of resources to the government. This presents a key challenge coupled with the following priorities:
- (a) *Aligning resources with the Housing Improvement Plan priorities:*
The budget includes continued investment in the Turning the Tide strategy to tackle anti-social behaviour and reduce social exclusion; identifying measures to tackle overcrowding through an enhanced housing options approach; engaging with residents in developing a local priorities framework; reducing our management costs through phase 2 of the Customer Access Review, in recognition of the need to achieve greater value for money and to have a sustainable future.
 - (b) *Leasing of Properties to the Local Delivery Vehicle (LDV)*
Leasing properties to Brighton & Hove Seaside Community Homes, the housing company set up by the council to raise investment for improvements to council tenants' homes.
 - (c) *Development of a comprehensive estates masterplan:*
Working in partnership with tenant representatives to develop an estates masterplan to inform best use of our assets and identify opportunities to build new Council homes. The initial findings have identified development sites where there is the potential to build over 800 new homes over the next few years.
 - (d) *Maintaining and improving our Homes:*
Maximising the level of revenue resources available to support the Decent Homes Programme and working with residents to ensure that we are able to respond to opportunities to generate renewable energy.

3.5 The HRA budget for 2011/12 is shown in Appendix 1 with the main budget variations detailed below in table 1. In preparing the base budget, inflation of 2% on other non employee costs has been applied with no increases to pay except for increases in national insurance contributions and pay awards to those employees earning less than £22,000 per annum. Savings proposals, service pressures, and changes to rents, fees and charges and housing subsidy are detailed in paragraphs 3.6 to 3.26.

Table 1: Main Budget Variations	£'000
Adjusted Base Budget 2010/11	0
<i>Increases in Resources:</i>	
Savings Proposals as detailed in paragraph 3.6 to 3.8	(963)
Increase in Rent for Dwellings (net of Empty Properties)	(2,600)
Transfer from Major Repairs reserve	(600)
<i>Reductions in Resources:</i>	
Employees pay award and other inflation	550
Other Service Pressures as detailed in paragraph 3.9	214
Increase in Revenue Contribution to Capital Programme	235
Increase in Capital Financing Costs	1,226
Increase in Subsidy Payable to the Government	1,607
Reduction in major works income from leaseholders	330
Other minor variances	1
Base Budget 2011/12	0

Savings & Service Pressures

3.6 Housing Management has identified savings of £0.963 million (equivalent to 9.1% savings target) in the following areas:

Housing Management

3.7 A reduction in the Housing Management unit costs will be achieved through a mixture of:

- A savings target of £0.263 million from the implementation of the Customer Access Review in order to meet the management cost savings target included in the HRA 30 year Business Plan.
- A reduction in the miscellaneous fees and stationary budgets of £0.050 million and a reduction in the support required from legal services and human resources resulting in a saving of £0.044 million.
- The shared use of Lavender Street Housing Office by CYPT will enable the HRA to share the running costs and provide savings of £0.090 million.

- The efficient procurement of a new gas contract achieving savings of £0.050 million.

Property & Investment

3.8 Savings within Property & Investment will ensure that long term contracts continue to deliver value for money and some savings will also support the reduction in Housing Management unit costs. These savings include:

- A saving in employee costs of £0.130 million from reduced pension liability costs associated with the transferring of staff to Mears under the Repairs, Refurbishment and Improvement Partnership.
- Deletion of a Water Engineer vacant post whose duties will be incorporated into an existing Health & Safety Manager role at a saving of £0.036 million.
- The budget strategy includes target savings of £0.300 million for the new Mears responsive repairs and planned maintenance contract. The Mears IT systems provide savings through efficient booking of repairs jobs and delivery of 'Right First Time' repairs. In addition, the IT systems enable Mears to assess whether some repairs should form part of future planned works and through packaging works together, further savings can be achieved. This sum also includes savings in the leasing of an office through co location at the Housing Centre.

3.9 Service pressures included in the budget are:

- Pay and inflationary increases of £0.550 million.
- A reduction in the income budget for leaseholder service charges of £0.159 million due to the budget originally being set at a greater level than the actual charges.
- In line with recent announcements of grant reductions, the Supporting People grant will reduce by 3% for 2011/12. This will result in a loss of Supporting People grant income of £0.042 million.
- A loss of car parking income of £0.013 million from St James House whilst essential repairs continue.

Housing Subsidy Determination

3.10 The HRA is part of the national housing subsidy system through which Council Housing Rents are standardised across the country. The subsidy system uses a national formula to set guideline rents for each property together with allowances for management, maintenance and capital charges based on notional costs. The current subsidy system was introduced in 1990 and relies on the Secretary of State publishing annual 'Determinations' which set out the basis of subsidy.

3.11 The department for Communities and Local Government (CLG) has now announced it's intention to use the Devolution and Localism Bill to abolish the current housing subsidy system, subject to Parliamentary approval. A new system of self financing is intended to come into effect from 1 April 2012. Under this system the council will no longer be required to transfer it's resources to central government, but in return will be required to take on additional housing debt at a level which is sustainable in the long term. This system will enable the council to plan for the longer term and to use some of the extra resources to maintain homes and possibly to build new ones.

- 3.12 The CLG have issued this year's determination using the same parameters as those issued in earlier years. This budget has been set using the final subsidy determination.
- 3.13 The 2011/12 Subsidy Determination proposes changes resulting in revenue subsidy payable of £14.532 million compared to £12.991 million payable last year. The overall subsidy position (taking also into account the capital item called the Major Repairs Allowance) is an increase in 'Negative Subsidy' (the transfer of resources to the government) of £1.269 million to £4.754 million. Further details of the draft subsidy position are attached in Appendix 2.

Rents 2011/12

- 3.14 Rents are calculated in accordance with the government's rent restructuring guidelines. Target rents for each property are calculated based on the relative property values, bedroom size and local earnings. The act of moving tenants' current rents to the target rent is called rent convergence. In order to limit increases in current rents to reach target rents, the guidance specifies a maximum rent increase equivalent to inflation + ½% + £2 per week.
- 3.15 The Housing Subsidy Determination 2011/12 requires Local Authorities to use the September 2010 Retail Price Index of 4.6% plus 0.5% for setting rent inflationary increases, resulting in a net inflationary increase of 5.1%. Due to the limits mentioned in 3.14, the Government sets a "provisional" rent convergence date annually, depending on the level of inflation set for that year.
- 3.16 Therefore, the rent convergence date has now been set at 2015/16 (compared to 2012/13 last year). As the majority of the rents are increasing towards target rents, this results in an average rent increase of 6.32% for Brighton & Hove. This is the equivalent to £4.21 per week, increasing the average rent to £70.76. However, in line with rent restructuring, all rents are moving towards their individual targets and some rents will be increasing by more or less than the average rent. The maximum increase will be approximately £7.79, with the lowest increase being £1.29 per week.

Fees and Service Charges 2011/12

- 3.17 The proposed changes to fees and charges for 2011/12 are as follows:

Heating

- 3.18 From October 2010, a new contract for the supply of gas has led to a significant reduction in the unit price of gas for Housing sites. Heating charges are also being revised to reflect the latest estimates of gas consumption for 2011/12. Taking both these changes into account, it is estimated that gas heating charges will reduce by between 41% and 11% which is an average reduction of 26%, the equivalent of £2.82 per week (with the exception of Mayflower Square where the charge remains unchanged). The new prices are for one year only and current indications are that prices will increase again in October 2011.
- 3.19 The electricity contract continues at its current contract prices for the financial year 2011/12, until 1st April 2013. Service charges for those with electric heating may be amended during this time to reflect the latest estimates of consumption.

However, for 2011/12, the blocks with electric heating (Broadfields and Elywn Jones Court) will see no change to their heating charge.

Water Charges

- 3.20 The HRA administers water charges for three sheltered blocks. These charges will be amended to reflect the latest estimates of consumption, and also contract price increases by Southern Water which are estimated at 4%.

Grounds maintenance

- 3.21 Grounds maintenance charges will increase by 2% in line with contract charges. This service is currently under review. Tenants will be consulted and notified of any changes to the current service charges, resulting from future changes to service provision, at the appropriate time.

Communal Cleaning Services

- 3.22 The communal cleaning charges will increase by 1%, the equivalent of an average of £0.02 per week, to ensure the costs of the service are fully recovered through service charges. This increase includes the costs of the pay award to those employees earning less than £22,000 and increases in employers national insurance contributions.

Garages & Car Parking

- 3.23 All garages and car parking charges will increase by the September Retail Price Index of 4.6%. The proposed increase in charges is attached in Appendix 3.

Supporting People

- 3.24 Supporting people charges will remain at £12.85 per week.

Sheltered Services

- 3.25 The sheltered service charge for common ways will remain at the current level of charge. It is anticipated that efficiency savings in the cleaning contract will be achieved to cover inflationary increases.

- 3.26 The launderette sheltered service charge will remain at £1.26 per week.

Projected HRA Revenue Reserves

- 3.27 The forecast outturn for 2010/11 as at month 9 is an underspend of £0.402 million providing a contribution to reserves. The main variances are detailed in Appendix 1.

- 3.28 The contribution to reserves increases projected reserves as at 31 March 2011 to £3.725 million. The 2011/12 budget has been set with a breakeven position, so the reserves are therefore projected to remain at £3.725 million by 31 March 2012. The recommended minimum level of reserves is £2.500 million.

Table 2 : Projected General Revenue Reserves at 31 March 2012	£'000
Reserves at 1 April 2010	3,623
Less: Contribution to fund 2010/11 Capital Programme (Commissioning of Temporary Accommodation project)	(300)
Plus: Forecast contribution from 2010/11 Revenue Outturn	402
Projected reserves at 31 March 2011	3,725
Projected reserves at 31 March 2012	3,725

3.29 Estate Development Budget reserves, which are held separately from the HRA general reserves, are £0.234 million as at 1 April 2010. These reserves relate to committed revenue and capital expenditure for schemes agreed in previous financial years that are not yet completed. Therefore these reserves will reduce as schemes are finished.

4. CONSULTATION

4.1 Tenants are consulted during the year on the HRA Budget and the Estate Development Budget. After Cabinet approval, tenants will receive notification of their individual rents and charges for 2011/12.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 Financial Implications are included in the main body of the report

Finance Officer Consulted: Sue Chapman

Date: 05/12/10

Legal Implications

5.2 The Council is required to keep a separate Housing Revenue Account (HRA) by virtue of the Local Government and Housing Act 1989. Preceding any financial year, the council must formulate for that year proposals relating to i) the income from rent and charges of all property within the HRA, ii) the expenditure on repair, maintenance, supervision and management of that property and iii) any other prescribed matters. In formulating the proposals, the council must use its best assumptions and estimates to secure that on their implementation the account will not show a debit balance. Within one month of formulating the proposals it must prepare and place on deposit a statement setting out the proposals and estimates.

Lawyer Consulted:

Liz Woodley

Date: 5/12/10

Equalities Implications:

- 5.3 The HRA budget will fund services to people with special needs due to age, vulnerability or health needs.

Sustainability Implications:

- 5.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment.

Crime & Disorder Implications:

- 5.5 The Budget includes financial provision for Crime and disorder implications.

Risk & Opportunity Management Implications:

- 5.6 Financial risks have been assessed throughout the development of the council's budget.

Corporate / Citywide Implications:

- 5.7 The Budget seeks to improve the quality of housing and services provided to tenants across the City.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 There are no alternative options proposed. Rents are set in accordance with the Government's rent restructuring guidance and increases are in line with the Housing Subsidy Determination. The Housing Subsidy Determination controls rent setting by removing resources from local authorities through non compliance.
- 6.2 The budget proposals also includes maintaining the current service provision with improvements as identified in the Service Improvement Plan and investment in priorities such as Turning the Tide strategy. It is possible for alternative options to be considered such as increasing or reducing service provision, which would result in a reduction or increase in the revenue contributions to the capital programme. However, officers recommend that the budget proposals provide the appropriate service provision whilst ensuring that the revenue contributions to capital are in line with the current HRA Business Plan.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions the Authority must set a balanced account. This budget report provides a breakeven budget and recommends rent increases in line with current government guidance.

SUPPORTING DOCUMENTATION

Appendices:

1. HRA Forecast Outturn 2010/11 and Budget 2011/12
2. HRA Subsidy Determination 2011/12
3. Car Parking & Garages Fees 2011/12

Documents in Members' Rooms

None

Background Documents

1. CLG Housing Revenue Account Subsidy Determination 2011/12
2. 2011/12 Housing Revenue Account Working Papers

HRA Forecast Outturn 2010/11 and Budget 2011/12

	2010/11 Adjusted Budget £'000	2010/11 Forecast Outturn £'000	2011/12 Original Budget £'000
EXPENDITURE			
Employees	9,187	8,754	9,057
Premises - Repairs Response & Empty Properties	7,904	7,729	7,726
Premises - Cyclical Maintenance & Servicing	3,433	3,233	3,179
Premises - Grounds Maintenance	512	512	520
Premises Other	2,729	2,611	2,766
Transport	179	179	183
Contribution to Bad Debt Provision	263	263	268
Supplies & Services	1,591	1,656	1,677
Third Party Payments – Launderette contract	54	54	54
Support Services - From Other Departments	2,153	2,128	2,144
Revenue Contributions to Capital Schemes	3,543	3,724	3,778
Capital Financing Costs	3,729	3,585	4,955
Housing Subsidy Payable	12,925	12,991	14,532
Total Expenditure	48,202	47,419	50,839
INCOME			
Rents Dwellings	(41,613)	(41,619)	(44,213)
Rents Car Parking / Garages	(823)	(743)	(785)
Commercial Rents	(495)	(495)	(505)
Service Charges	(4,034)	(3,781)	(3,454)
Other Recharges and Interest	(1,237)	(1,183)	(1,882)
Total Income	(48,202)	(47,821)	(50,839)
DEFICIT / (SURPLUS)	0	(402)	0

Targeted Budget Management (TBM) 2010/11 as at Month 9

The forecast outturn for month 9 is an underspend of £0.402 million which will provide a contribution to revenue reserves.

Employee's costs are forecast to underspend by £0.433 million due to TUPE costs for Property & Investment staff being less than forecast in the original budget and due to vacancy management both in Housing Management and Property and Investment. This is partly due to some Property and Investment posts in the new structure, which came into effect from 1 April, being recruited to later in the financial year than anticipated. The budget had assumed a full year establishment for all posts, therefore resulting in an underspend.

The responsive repairs and empty properties budget is forecast to underspend by £0.175 million of which £0.092 million is in relation to unit cost efficiencies on the works carried out on empty properties due to Mears achieving a reduction in the budgeted unit costs of £387 per unit. Service contracts which are being procured over the next 18 months, included within cyclical maintenance, are anticipated to underspend by £0.273 million.

The Premises Other budget is forecast underspend by £0.118 million which mainly relates to the reduction in costs for Gas and Electricity. This has been offset by a reduction of heating charges to tenants included in the Service Charges income forecast.

Supplies and services includes £0.100 million towards the phased introduction of Automatic Meter Readers (AMR's) in Housing sites that fall within the gas and electric contracts. The installation of AMR's will support the Government and Council's commitment to reduce carbon emissions through lowering energy consumption as part of the 10.10 campaign, as well as legal commitments such as the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, which specifically states the need for installing AMR's as part of its early action metrics. By installing and using AMR's the Council will be able to actively monitor and manage its usage through the use of accurate actual reads from each meter. With this data to hand the reliance on estimated bills and gaps in data can be removed, allowing for a detailed analysis of high consuming sites with the intention of making savings.

Revenue Contributions to the Capital Programme have been increased by £0.181 million towards the costs of the Housing Centre refurbishment.

Capital Financing costs are forecast to underspend by £0.144 million due to forecast interest rates for the year being lower than the assumptions used for budget setting.

Leaseholder service charges income is projected to underachieve by £0.160 million. This projection has been forecast following analysis of last year's outturn which has shown that the charges are likely to be less than budgeted for.

HRA Housing Subsidy Determination 2011/12

The Housing Subsidy Determination proposes changes resulting in revenue subsidy payable of £14.532 million compared to £12.991 million payable last year. The overall subsidy position (taking into account the capital element) is an increase in the transfer of resources to the Government of £1,269 million to £4.754 million. The following table summarises the determination and the notional elements included:

Housing Subsidy	2010/11 Forecast £'000	2011/12 Determination £'000	Change £'000
<i><u>'Notional' Revenue Items</u></i>			
Management Allowance	(8,236)	(8,374)	(138)
Maintenance Allowance	(15,256)	(15,722)	(466)
Capital Charges	(4,884)	(5,229)	(345)
	(28, 376)	(29,325)	(949)
Less Guideline Rent	41,367	43,857	2,490
Net revenue subsidy payable to the Government (exc. MRA)	12,991	14,532	1, 541
<i><u>Capital Items</u></i>			
Major Repairs Allowance	(9,506)	(9,778)	(272)
Overall subsidy position – net payment to the Government	3,485	4,754	1,269

Note: credits represent income

Management

The Management Allowance has been calculated on the same formulae basis as last year and will increase by 1.77% to £680.60 per dwelling, compared to a national average increase of 2.6% at £697.84 per dwelling.

Maintenance

The Maintenance Allowance has been calculated on the same basis as last year and will increase by 3.14% to £1,277.81 per dwelling, compared to a national average increase of 1.9% at £1,203.33, per dwelling.

Capital Charges

The HRA receives subsidy based on the cost of financing historical borrowing allocations. The amount of subsidy allowance for the cost of financing reflects a forecast increase in interest rates for 2011/12.

Guideline Rent

The subsidy system assumes a notional guideline rent per dwelling which increases annually in line with the government's Rent Restructuring Policy. The guideline rent for 2011/12 is £69.95 per property per week, an increase of 6.11%.

Major Repairs Allowance (MRA)

In addition to the revenue subsidy the HRA also receives a Major Repairs Allowance for each property, which is used to partly fund the Capital Programme. The MRA represents the estimated long term average amount of capital spending required to maintain the stock in it's current condition.

The MRA will increase by 2.95% (compared to 1.7% last year), increasing average MRA to £794.68 per dwelling compared to a national average of £719.88. The total MRA, including the loss of stock from Right to Buy sales, has increased by £0.271 million to £9.777 million.

Proposed Garages and Car Parking Fees 2011/12

Charge per week	Current Charge	2011/12 charge	4.6% Increase
	£	£	£
Garage Central			
Private	19.62	20.52	0.90
Private blue badge	9.09	9.51	0.42
Council / Leaseholder	9.81	10.26	0.45
Council / LH blue badge	4.36	4.56	0.20
Garage Middle			
Private	17.16	17.95	0.79
Private blue badge	8.58	8.97	0.39
Council / Leaseholder	8.58	8.97	0.39
Council / LH blue badge	4.29	4.49	0.20
Garage Outer			
Private	14.71	15.39	0.68
Private blue badge	5.95	6.22	0.27
Council / Leaseholder	7.35	7.69	0.34
Council / LH blue badge	3.25	3.40	0.15
CPS Central			
Private	16.35	17.10	0.75
Private blue badge	8.40	8.79	0.39
Council / Leaseholder	8.17	8.55	0.38
Council / LH blue badge	1.81	1.89	0.08
CPS Middle			
Private	10.63	11.12	0.49
Private blue badge	5.95	6.22	0.27
Council / Leaseholder	5.31	5.55	0.24
Council / LH blue badge	1.38	1.44	0.06
CPS Outer			
Private	4.09	4.28	0.19
Private blue badge	1.52	1.59	0.07
Council / Leaseholder	2.04	2.13	0.09
Council / LH blue badge	1.12	1.17	0.05

Note: These charges exclude VAT where it applies.

Subject:	Housing Revenue Account Capital Programme 2011-2014		
Date of Meeting:	17 February 2011		
Report of:	Strategic Director, Place Director of Finance		
Contact Officer:	Name: Nick Hibberd	Tel: 29-3020	
	E-mail: nick.hibberd@brighton-hove.gov.uk		
Key Decision:	Yes	Forward Plan No: CAB19042	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report seeks approval for the 2011/12 capital programme and provides a provisional capital programme for the following two years, 2012/13 & 2013/14, for the Housing Revenue Account (HRA). The report takes into consideration the latest resources available and commissioning investment priorities.
- 1.2 The council's Housing Revenue Account (HRA) relates to the council's landlord duties in respect of approximately 12,300 properties and 2,230 leasehold properties.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves the capital programme budget of £30.697 million and financing for 2011/12 as set out in paragraph 4.1.

3. STRATEGIC CONTEXT

- 3.1 The 2011 - 2014 provisional HRA Capital Programme aims to balance the priorities of both the City Council and our residents to achieve a good quality, sustainable, and fit for purpose housing stock which delivers against emerging housing commissioning investment priorities as identified in the housing commissioning framework.
- 3.2 This report outlines the strategic commissioning approach to the 3-year HRA capital programme giving details of proposed funding for:
 - Non-discretionary spend – such as meeting health & safety legislative requirements and meeting the decent homes standard
 - Discretionary spend on projects to reflect tenant priority (such as Estates Development Budget)
 - Housing Commissioning Investment Priorities in accordance with the Housing Strategy and emerging housing commissioning framework

Housing Commissioning Investment Priorities

- 3.3 The housing commissioning context for the draft 3-year capital programme is outlined below:
- Brighton & Hove City Council Outcome 3: A city where people can access the housing they need
 - Community Strategy – Improving Housing & Affordability
 - Strategic Housing Partnership - City-wide Housing Strategy 2009 - 14
 - Ten in 2010 – Better Homes
- 3.4 The Housing Commissioning Framework identifies key investment priorities requiring planning for unsupported borrowing to support the HRA:
- Building new Council Homes & Estates Master Plan
 - Home Energy Efficiency Investment
- 3.5 In addition the capital programme needs to respond to the following housing commissioning investment priorities to make best use of the housing stock:
- Deliver our commitment to meet decent homes by the end of 2013
 - Ensures that our health and safety obligations are met
 - maintain investment in HRA housing adaptations as part of our ongoing work around improving access to housing adaptations
 - Reflects, and is flexible enough to deliver, residents' priorities as far as possible
 - Improves the energy efficiency and environmental sustainability of homes
 - Maximises the levels of additional external revenue streams, such as Community Energy Savings Programme (CESP) funding and Homes & Communities Agency (HCA) funding for Decent Homes backlog.

4. FUNDING 2011/12 CAPITAL PROGRAMME

- 4.1 The proposed programme for 2011/12 and the funding arrangements are outlined below.

	2011/12 Budget £'000
EXPENDITURE	
Non Discretionary Spend:	
Health & Safety	6,390
Decent Homes Work	17,009
Discretionary Spend	3,095
Housing Commissioning Priorities	1,974
Refurbishment of Temporary Accommodation	2,229
Total Programme	30,697
FUNDING	
Major Repairs Allowance	7,589
Revenue Contribution to Capital	3,778
Unsupported Borrowing	10,647
Capital Receipts from LDV	8,133
Social Housing Grant	400
Other Grants - CESP	150
Total Funding	30,697
Projected Capital Reserves at 31 March 2011	1,588

- 4.2 The programme is funded from a variety of sources including the Major Repairs Allowance (through Housing subsidy), revenue contributions, unsupported borrowing, capital receipts and grants.
- 4.3 The programme includes unsupported borrowing of £10.647 million. The capital and interest repayments will be funded from the Major Repairs Allowance and the HRA capital financing revenue budget.
- 4.4 The 2011/12 budget assumes that there will be no capital receipts from 'right to buy' (RTB) as the level of sales of council homes has been severely affected by the current market conditions in house prices generally and the availability of mortgages in the current economic climate.
- 4.5 The budget includes capital receipts of £8.133 million from the leasing of properties to the LDV from 2011/12. The exact profile of the LDV receipts over the 3 year programme is still subject to negotiation with the LDV. Therefore, the level of capital receipts will be monitored through the year and the level of capital expenditure adjusted as necessary to reflect resources available, through the 2011/12 Targetted Budget Monitoring process.
- 4.6 Grant income includes assumed funding from the Homes and Communities Agency (HCA) for the new build project on the Ainsworth Site and funding from the national scheme, run by utility companies, called Community Energy Saving Programme (CESP). The funding is generated from works that bring about carbon use reductions in the housing stock.
- 4.7 The provisional capital programme for 2012/13 and 2013/14 assumes that Self Financing will be introduced from April 2012. This means that the subsidy system will cease and therefore the HRA will retain the rental income that is currently paid back to the government. After adjusting for additional capital financing payments to finance debt it is estimated that there will be an additional £6.055 million available for investment in the capital programme spread over years 2012/13 and 2013/14.
- 4.8 The capital programme provides a contingency held in capital reserves of £1.588 million for 2011/12. This contingency is to allow for unforeseen works or housing commissioning framework investment priorities such as building new Council homes and home energy efficiency investment

5. CAPITAL PROGRAMME 2011-2014

- 5.1 The investment programme for 2011/12 is £30.697 million and is detailed in Appendix 1, along with the provisional programme for the following two years.
- 5.2 The award to Mears Limited of the long term partnering contract to deliver repairs, maintenance and improvements to the council's housing stock has enabled the council to begin delivering the priorities as set out above. Progress in all areas of the partnership has been robust, as evidenced by the findings of the audit commission review during the summer.
- 5.3 In order to assist in delivery of improvements by the new partnership, the council has begun works on the refurbishment of a new Housing Centre, which includes space for residents to use. The Housing Centre will provide an integrated

approach and bring significant benefits to the council and residents, as well as 'added value' benefits to the wider community and city. The costs of the refurbishment of the Housing Centre are included in the capital programme and further information is available in the Housing Management Repairs, Refurbishment & Improvement Strategic Partnership Super Centre Proposal report approved at Cabinet on 9 December 2009.

- 5.4 The 3 year Capital Investment Plans provide the council with long-term works information which will enable the council to build, achieve and sustain consistently high levels of customer service, to both general housing and sheltered homes across the city. This plan will help to build on the progress already made ensuring proactive, efficient and effective pre-planning, as well as continuously improving resident liaison and overall engagement. The plan effectively supports the council's commitment to communicate plans and intentions, and further develops one of the key objectives of transparency.
- 5.5 This 3 year plan takes its lead from that agreed last year, giving a consistent strategic approach, and assisting with achieving programme delivery. Outline plans are currently being developed into meaningful geographical areas of work programmes with indicative timelines to foster improved resident communication, and understanding, of our major works plans across the city. Once these plans are finalised in the next few weeks, further details will be reported to Area Panels and individual associates to discuss the works programming further. A high level of resident liaison and involvement in the earliest phases, and throughout refurbishment programmes is supported through the agreed processes now in place with Mears.

Proposed non discretionary spend

1) Health & Safety compliance

- 5.6 Health & safety works remain the key basic requirement for ensuring the wellbeing of all residents, visitors and those working on housing assets. An example of the commitment to improve the service provided in this area is the significant budgets for lift replacements. This is because the lifts in the high-rise blocks, in particular, are original in many cases. They are unreliable and expensive to maintain as a result, and require urgent replacement and upgrading to modern standards. During the first two years it is currently planned to focus on replacing the lifts in the Albion Hill high-rise flats.
- 5.7 Fire Safety and Asbestos management budgets throughout the 3-year period reflect the need to support good levels of risk reduction in these key areas. Other budgets for ensuring water safety and the security of residents, for example through modern, well maintained door entry systems, make up the key ongoing budgets in this area.
- 5.8 Health and Safety budgets also include one-off capital projects to maintain the structural integrity of the stock. Wherever possible, expensive elements of works are carried out at the same time, to drive efficiencies and limit scaffold and other costs. An example of this are the projects to install insulated over clad to Kingfisher Court and some blocks on the Bristol Estate, where window and roof replacements will also take place where required. The cladding programme is a long-term investment that protects the building fabric and saves residents money on their fuel bills.

- 5.9 The programme also includes provisional sums for surveys and identified works arising from new service contracts that will be procured over the next few months. Service contracts includes works to lifts, water tanks, ventilation shafts, dry risers, fire alarms and lighting, door entry systems and CCTV.
- 5.10 The minor capital works budget includes a provision for programmed works identified by residents requesting repairs. This approach enables the council to apply a more strategic approach to responsive repair works that are of a larger scale nature such as damp-proofing or plastering, which cannot be allocated to a future programme, or the citywide programmes for door, roof or window replacement works, for example. The council always attends to resolve the immediate health and safety requirements and initially carry out patch and repair works (where appropriate). Where appropriate the planned works will then be programmed in conjunction with other major planned works that are scheduled wherever possible, and as resources allow.

2) Decent Homes and beyond decent homes

- 5.11 In terms of decent homes, the target for end of March 2012 is 88% decent, and the programme reflects this, with large capital programmes for new heating systems, rewiring, doors, kitchens, bathrooms and windows. By 2013/14, with decency largely achieved, and capital budgets reduced, the levels of these works are also slimmed down. This allows for some investment in elements that are not included in achieving decent homes, but are very important for residents' comfort and security, such as upgrading and improving main entrance door sets in blocks of flats, including making them more accessible. Decent Homes works also incorporate measures to improve energy efficiency wherever possible, such as installing high efficiency boilers, and improving communal lighting controls.
- 5.12 Sheltered schemes will be subject to a considerable refurbishment and modernisation programme. Building on the success of recent large projects that have allowed residents to enjoy fully self-contained dwellings for the first time, in 2011/12 Broadfields will receive the benefit of these works.
- 5.13 The key projects planned for sheltered homes include the 2nd phase of a 3 year programme to complete the installation of 'hold-open' corridor doors in all the schemes. Evelyn Court will receive an upgraded replacement boiler to ensure efficient heating is provided whilst Elwyn Jones Court and Lavender House will benefit from internal decent homes improvements, such as new kitchens or bathrooms, where they are needed. Additionally, several schemes will receive upgrades or replacements to the dwelling entrance doors to ensure that fire risk is minimised. A detailed delivery timetable for this, as well as all future programmes, will be agreed in consultation with the Sheltered Housing Action Group.
- 5.14 Sheltered gas boiler and heating system upgrades, where there are domestic heating arrangements, fall within the citywide installation and replacement programmes.
- 5.15 The energy efficiency budget of £6.404 million includes for the citywide gas central heating programme, and for communal heating upgrades. In 2011/12 a major project to upgrade the communal heating provision at Nettleton and Dudeney flats will take place. The energy efficiency budget also supports the

insulated overclad project at the Bristol Estate, and provides for continuing improvements to energy efficiency in communal areas wherever possible. Communal lighting and control surveys and improvements, where needed, are integrated into the wider communal rewiring programmes to help incrementally reduce the energy use and overall unit cost, whilst at the same time improving general lighting and safety in these areas.

Proposed Discretionary Spend

The capital programme has been proposed with the inclusion of the following discretionary items:

1) Estate Development Budget

- 5.16 The Estate Development Budget is included at £0.540 million per annum. One of the objectives for 2011/12 is to complete all external approved bid works during the first half of the financial year and to speed up the completion of other approved bids. Working collectively with our residents and Mears, officers wish to explore ways of returning even greater value for money and higher levels of customer satisfaction. EDB bids will be integrated into larger planned programmes of works, where it makes sense to do so, in order to achieve greater economies of scale and therefore get more for EDB money.

2) Improving adaptability and accessibility

- 5.17 An annual budget of £0.750 million is included to provide adaptations to help residents to live comfortably in their home as circumstances change. Other programmes also assist in making homes more accessible wherever possible, such as the installation of electronic 'hold-open' corridor doors in sheltered schemes.
- 5.18 The disabled Aids and Adaptations works are now integrated into Decent Homes works where it makes sense to do so. This facilitates consideration being given to make all of the decent homes work as easy as possible to adapt at a later date, should this become necessary.

3) Conversion and Extension of Existing Dwellings

- 5.19 From 2011-12, and ongoing throughout the outline plan period, it is proposed to include a programme of loft conversion and extensions to help alleviate overcrowding in some homes. The proposed capital programme includes £0.388 million to fund up to 10 conversion or extensions per annum.

4) TV Aerials

- 5.20 This budget includes the purchase and installation of communal TV aerials for digital reception on a number of our blocks of flats.

5) ICT

- 5.21 Investment in ICT continues to be key in the delivery of the Service Improvement Plan. During 2010/11 a review of the current Housing Management system commenced. It had previously been identified that the current system has limitations in respect of the effective preparation, monitoring and overall management of contracts, performance management and customer service monitoring. The review has shown that it will not be necessary to purchase a new system and that development work is to be carried out to upgrade and improve the current Housing Management system. There are also improvements

required for sound asset management, particularly in terms of identifying effective programmes of work and health and safety management that contribute to more efficient service delivery. A provisional sum of £0.450 million has been allocated over the next three years to fund the improvements and upgrades to the housing management system and the additional modules required for the Asset Management system.

Housing Commissioning Framework Investment Priorities

5.22 There is a contingency of £1.588 million for 2011/12 to allow for unforeseen works or housing commissioning framework investment priorities such as building new Council homes and home energy efficiency investment.

1) Building new Council Homes & Estates Master Plan

5.23 The Building New Council Homes Estate Master Plan identifies sites with the potential for development of over 800 new units. Of these:

- 212 have been identified as being developed within 1-3 years
- 315 have been identified as being developed within 3-7 years
- 296 have been identified as being developed in 7+ years

5.24 The capital programme, however, just includes provision for the redevelopment of Ainsworth House during 2011/12, funded through a mixture of unsupported borrowing, revenue surpluses and capital grant. Any future schemes will need to be individually modelled, to determine what level of unsupported borrowing is affordable.

2) Home Energy Efficiency Investment

5.25 The Governments' feed-in tariffs for electrical generation by specific types of renewable energy technologies, in particular solar photovoltaic (PV), is an additional area for consideration in meeting our strategic goals. Schemes could provide a useful income stream, and options are currently being worked up through a feasibility study by Climate Energy. As such, the financial implications remain unclear and do not form part of the current budget proposals.

Refurbishment of Temporary Accommodation Properties

5.26 The capital programme includes £2.229 million for 2011/12, to refurbish a number of properties held as temporary accommodation into 48 units ready for leasing to the LDV. The LDV will pay for the refurbishment costs as part of the leasing agreement.

6. CONSULTATION

6.1 Both the asset management panel (AMP) and Repairs and Maintenance Monitoring Group (RMMG) have successfully and effectively worked with BHCC staff and Mears to ensure that there is a thorough and transparent management of the programmes, and improvements to them. Both RMMG and AMP are represented on the Core Group, and are also to have representatives on the Partnership (operational) group from December 2010. Both groups will continue to work closely with BHCC and Mears as a partnership to ensure that contract expectations and contract requirements are met, and exceeded where possible.

- 6.2 The information on the strategy and commitments of the 3-year capital programme for the period 2010-2013 was presented to all Area Panels and HMCC in December 2009, and details circulated widely, including being available on our website. The 2011-2014 3-year plan seeks to build on these solid foundations and deliver the long-term commitments, that were made in these programmes, in a transparent manner. As ever more details of plans are put together, further details will be reported to HMCC, Area Panels and other appropriate representative groups, to discuss the works programmes further.
- 6.3 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Common hold and Leasehold Reform Act 2002.
- 6.4 Every project cannot be foreseen within our planning strategy and where ad-hoc projects are needed to be carried out this will be done through existing and new processes and procedures that incorporate effective communication and engagement with all residents in the properties concerned, regardless of their individual tenure. All appropriate resident groups are to be fully included in this consultation.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Financial Implications are included in the main body of the report

Finance Officer Consulted: Sue Chapman Date: 05/01/11

Legal Implications

- 7.2 In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of and installations in its housing stock. The maintenance proposals contained within this report will assist the Council in fulfilling those obligations. All contracts over £50,000 must be sealed by Legal and comply with the Council's Contract Standing Orders and Financial Regulations, and with EU legislation, where relevant. The Council must take the Human Rights Act into account when making decisions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in the report.

Lawyer Consulted: Liz Woodley Date: 11/01/11

Equalities Implications:

- 7.3 All projects carried out include full consideration of various equality issues and specifically the implications of the Disability Discrimination Act.

Sustainability Implications:

- 7.4 Project briefs are issued on all projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

Crime & Disorder Implications:

- 7.5 All contracts are entered into with a requirement for site security. Specific projects, directly address security and prevention of crime and anti-social behaviour.

Risk & Opportunity Management Implications:

- 7.6 The prime risks associated with this report are those associated with major construction projects. Full account of risk is taken through compliance, in all works, with the Construction Design & Management Regulations, which amongst other measures, require preparation of project specific Health & Safety Plans.

Corporate / Citywide Implications:

- 7.7 The Housing Capital Programme reaches to all parts of the city. It seeks to provide substantial improvement to the Council's housing stock. The implementation of the proposed programme will take account of all relevant best practice guidelines and be developed to provide ever improving performance targets.

8. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 8.1 No alternative options were considered.

9. REASONS FOR REPORT RECOMMENDATIONS

- 9.1 The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to capital expenditure in respect of the HRA. The council's constitution and financial regulations require that capital budgets are approved through the Cabinet committee system.

SUPPORTING DOCUMENTATION

Appendices:

1. HRA Capital Programme for 2011-14

Documents in Members' Rooms

None

Background Documents

None

Item 167 Appendix 1

HRA Capital Programme 2011 – 14

EXPENDITURE	2011/12 Budget	2012/13 Provisional Budget	2013/14 Provisional Budget
	£'000	£'000	£'000
Health & Safety:			
Door Entry Systems & CCTV	219	220	221
Water Tanks, Ventilation, Fire Alarms, Lighting	492	494	498
Lifts	1,547	1,539	1,552
Fire Safety & Asbestos Management	976	870	788
Minor Capital Works	888	838	755
Minor Empty Properties	345	348	364
Roofing	597	603	631
Communal main entrance doors	0	0	207
Structural works	1,326	121	303
Decent Homes work:			
Windows	2,213	1,134	933
Dwelling Doors	969	670	599
Kitchens & bathrooms	3,135	3,568	1,880
Rewiring - Domestic/ Communal	1,780	1,663	795
Energy Efficiency	6,404	5,909	4,274
Cyclical Decorations	2,508	2,414	2,271
Discretionary areas:			
Estate Development Budget	540	540	540
Disabled Aids & Adaptations	750	750	750
Conversions & Extensions of Existing Dwellings	388	390	393
TV Aerial cabling works	858	0	0
ICT Budget	150	150	150
Super Centre Refurbishment	409	308	0
Housing Commissioning Priorities:			
Ainsworth House New Build	1,974	0	0
Refurbishment of Temporary Accommodation	2,229	0	0
Total Expenditure	30,697	22,529	17,904

Subject: Developer Contributions – Interim Guidance
Date of Meeting: 17 February 2011
Report of: Strategic Director, Place
Contact Officer: Name: Debra May Tel: 29-2295
E-mail: debra.may@brighton-hove.gov.uk
Key Decision: Yes Forward Plan No: CAB18654
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report updates the interim guidance on when and how Developer Contributions are sought in relation to development proposals. The updated guidance concerns 5 policy areas where contributions are commonly sought and which will benefit from updated guidance. It is important to note that there are a number of other areas where Developer Contributions are sought in relation to development proposals.
- 1.2 Whilst the guidance will provide developers with greater certainty and understanding on all five policy areas there is singular recognition of the need to respond flexibly to the rapidly changing housing market and the funding of affordable housing in particular. In terms of housing provision this guidance signals a significant change of approach. It reflects the need to make adjustments for the new funding model for affordable housing and recognises the potential offered by the new powers for local authorities to develop affordable housing. As explained further in paragraph 3.2.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet approves the Interim Guidance on Developer Contributions (Attached as Appendix 1 – Supporting Documents) for: Affordable Housing, Local Employment and Training; Education; Open Space and Transport and travel, until such time that it is replaced by an Infrastructure and Developer Contributions Supplementary Planning Document that will be informed by new legislation.

3. BACKGROUND

Infrastructure and developer contributions

- 3.1 Developer contributions are secured at the time of granting planning permission to mitigate any negative impact of development and provide for appropriate contributions towards increased infrastructure and service demands. The contributions are secured through Planning Obligations under section 106 of the

Town and Country Planning Act 1990, which are sought where they meet the statutory tests of being necessary, directly related to the development in planning terms and fairly and reasonably related in scale and kind to the development. Such contributions, infrastructure provision or upgrades are sought in relation to scale and impact of development in accordance with the current adopted Local Plan and the policies within the emerging Core Strategy. The overall aim is to achieve sustainable development and to ensure development makes a positive contribution to the community and surrounding area.

- 3.2 The purpose of the Interim Guidance is to provide up to date interim technical guidance as to when and how different types of contributions will be calculated for five topic areas. The aim is to provide clarity and consistency on developer contributions until legislation on infrastructure provision is finalised at which point the Interim Guidance will be replaced by an Infrastructure & Developer Contributions Supplementary Planning Document that will provide further detail on all topic areas where contributions may be sought.

Scope of Interim Guidance Notes

- 3.3 The Interim Guidance, in the attached appendices, will set out the threshold and how payments are calculated for 5 different types of developer contributions and what the contributions will provide.

Affordable Housing

- 3.3.1 Affordable Housing will be sought through direct on site provision through approved Registered Providers or in exceptional circumstances a commuted sum towards off site provision may be considered. A methodology for calculating contributions for such exceptional circumstances towards off site provision has been prepared and is included in the Interim Guidance. This will help secure appropriate provision of affordable housing to meet the needs of the city.
- 3.3.2 The guidance also responds to changes in the way affordable housing is likely to be funded in future. The HCA has announced that they will not grant aid affordable homes secured through S106 agreements as this mechanism should fund the full costs. They also have reduced funding available for affordable schemes being brought forward by RSL's in the immediate future.
- 3.3.3 The loss of HCA funding for affordable housing secured through S106 agreements may affect the financing of market led housing schemes and negotiations concerning the number and type of affordable units secured on each site. The reduction of HCA funding available direct to RSL's nationally may also result in changes to the number of 100% affordable housing schemes commencing over the next two to three years.
- 3.3.4 In place of the current grant based funding of affordable housing the government anticipates that RSL's will use their significant land and property assets and rental income streams to borrow money commercially and to use this to bring forward new affordable housing. Larger RSL's are already using these mechanisms.

- 3.3.5 The government is also permitting Councils to borrow against their own housing land assets and guaranteed income streams (from rents from council housing) to borrow funds to build new housing. Brighton and Hove is investigating this option and a report was taken to Cabinet on 11th November 2010.
- 3.3.6 It will be essential for planning processes to be flexible in the short term to adapt to these changes in the funding of affordable housing.

Local Employment & Training

- 3.3.7 Obligations currently support providing a skilled workforce through targeted on site construction training requirements that provide local employment. The Interim Guidance also introduces a new area for contributions, namely that contributions are to be put towards a skills development programme which is part of a training project supporting apprenticeship and local employment needs in partnership with City College.

Education

- 3.3.8 The Interim Guidance provides clarification on contributions for local schools towards additional class room provision (in relation to key major schemes) or upgrade to resources, such as classroom equipment or on site play facilities.

Sport, Recreation & Play Space

- 3.3.9 This includes contributions to upgrade parks and other amenity space for sports, play provision or other community facilities with health, leisure and social benefits. Revised standards for space provision are included in this guidance, which have been revised in accordance with the findings of the Open Space, Sports and Recreation Study agreed at Cabinet Member Meeting July 2009.

Transport and Travel

- 3.3.10 The Interim Guidance clarifies how payments towards mitigating the impact of increased travel are calculated.

4. THE FUTURE OF DEVELOPER CONTRIBUTIONS

- 4.1 Legislation is already in place which would allow the local planning authority to secure infrastructure by way of a developer contribution. The legislation is referred to as the Community Infrastructure Levy Regulations (CIL). Before a wholesale move to a CIL system of contributions is progressed there are a number of themes which need to be brought together and to be in place.
- 4.2 Firstly, it is anticipated that more detailed legislation as part of the reform of the planning system will be emerging in support of the CIL approach to contributions. That legislation is likely to address the issue of providing greater control to local authorities. Secondly, there is a need for a robust local policy framework to support the transition to CIL. This work has been progressed through the emerging Core Strategy.

5. MONITORING AND REVIEWS

- 5.1 A monitoring process for securing contributions and the delivery of appropriate improvements shall continue, which in all cases ensure each contribution is wholly allocated to provide improvements in accordance with the s106 planning obligation. This process ensures a clear audit trail and assures developers who expect consistency as to how the contributions are utilised.
- 5.2 In recognition of the need to enable appropriate development during the current economic climate the Council has introduced a range of temporary measures that has allowed for reductions in certain types of contributions. The current process in allowing for temporary measures were in force throughout 2010 and allowed for a more balanced and flexible approach without compromising on provision towards necessary infrastructure delivery. The Council intends these temporary measures to be regularly reviewed to ensure continued consideration as well as a consistent approach to securing developer contributions and has therefore agreed to continue with the current approach which will be next reviewed at the end of June 2011.

6. CONSULTATION

- 6.1 Internal consultation has been undertaken and comments are included in this report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Commonly developer financial contributions (through Section 106 obligations) secure infrastructure and services created by the demand from new development including highway infrastructure; transport improvements and travel initiatives; education, health, community or recreation facilities and occasionally off-site ; affordable housing. The level of contribution will be related to the scale of the new development and its impact on the local environment. Any increased contributions received through amendments in methodology will be held and utilised in accordance with existing processes. The cost of producing the Interim Guidance on Developer Contributions will be met from existing budgets.

Finance Officer Consulted:

Karen Brookshaw

Date: 21/01/11

Legal Implications:

- 7.2 Developer contributions are currently secured under the provisions of s106 of the Town and Country Planning Act 1990. Upon the coming into effect of the Community Infrastructure Levy Regulations on 6 April 2010 such contributions may only be secured if they are 1) necessary to make the development acceptable in planning terms 2) directly related to the development and 3) fairly and reasonably related in scale and kind to the development. The Regulations give detail as to how and when the levy may be charged and place further restrictions on the use of planning obligations.

- 7.3 Current Government guidance is contained in Circular 05/05: Planning Obligations which reiterates that s106 obligations are intended to make acceptable development which would otherwise be unacceptable in planning terms. The Circular also imposes tests which planning obligations must meet, being essentially those tests now set out in the Community Infrastructure Levy Regulations 2010 and set out above.
- 7.4 The government has recently announced that the Community Infrastructure Levy will be retained but will be subject to reforms that will provide greater control to local authorities over the funding of infrastructure. Such reforms, as stated in section 4. above, will be likely to be part of the reform of the planning system flowing from the introduction of the Localism Bill and consequent legislation. As noted in the report, the Interim Guidance will provide clarity and consistency on the provision of developer contributions until such time as the new legislation is finalised and a supplementary planning document adopted.
- 7.5 It is not considered that the report raises any adverse human rights implications.

Lawyer Consulted:

Hilary Woodward

Date: 21/01/11

Equalities Implications:

- 7.6 Developer contributions can provide wide community benefits and can be used to provide, for example, local employment, affordable housing, recreation space and education facilities.

Sustainability Implications:

- 7.7 The aim of developer contributions is to assist in enabling development to contribute towards the establishment of sustainable communities. The continuation of seeking contributions will ensure appropriate measures are secured to the wider infrastructure to help provide long-term sustainable development for the city.

Crime & Disorder Implications:

- 7.8 Developer contributions may be sought towards community safety initiatives such as improved lighting or CCTV.

Risk and Opportunity Management Implications:

- 7.9 Decisions on determining planning applications should take account of all material considerations including the provision of the infrastructure necessary to support the development. If development takes place without adequate contributions to infrastructure provision, a strain is placed on existing facilities to the detriment of the wider community and public resources.

Corporate / Citywide Implications:

- 7.10 Developer Contributions will continue to ensure that the council's policies on securing contributions towards infrastructure and services will help deliver the

Sustainable Community Strategy priorities to improve housing and affordability, promote sustainable transport and improve health and well being in the city.

8. EVALUATION OF ANY ALTERNATIVE OPTION(S):

8.1 In consideration of other options other than the production of interim guidance notes there are options to simply continue relying of the existing adopted Local Plan policies. This is reasonably sufficient as the council already currently secures a range of contributions; however the Local Plan policies are not sufficiently worded to justify the introduction for securing contributions to a local employment training programme which is now a priority for the council. In addition a formula for calculating commuted sums in lieu of on site provision of affordable housing is also included as further guidance.

9. REASONS FOR REPORT RECOMMENDATIONS

9.1 The recommendation allows the council to be further informed during in the process of determining planning applications when seeking developer contributions.

9.2 The Interim Guidance has been produced taking into account the need for updated advice, current practice and priority areas for seeking future developer contributions.

SUPPORTING DOCUMENTATION

Appendices:

1. Supporting documents

Documents In Members' Rooms

None

Background Documents

None

APPENDIX 1 (SUPPORTING DOCUMENTS)

**Affordable Housing
Local Employment and Training
Education
Open Space
Transport and travel**

Affordable Housing

The Council is committed to maximising the provision of affordable housing and this document sets out guidance on the requirements for affordable housing within the City. This aims to ensure that the Council achieves mixed, balanced and sustainable communities and to deliver high quality affordable housing for local people in housing need.

This document will be reviewed annually.

Policy Context

National Policy

[Planning Policy Statement 3](#)¹ (CLG June 2010) identifies the role that affordable housing has in contributing to the achievement of mixed and sustainable communities.

PPS 3 states that the Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this, the Government is seeking:

- to achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community.
- to widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need.
- to improve affordability across the housing market, including by increasing the supply of housing.
- to create sustainable, inclusive, mixed communities in all areas, both urban and rural

PPS3 (Paragraphs 27 – 30) and Delivering Affordable Housing²(CLG Nov 2006) set out the Local Authorities key role in the delivery of affordable housing through the planning system.

Local Policy Guidance

The Brighton & Hove Local Plan³ identifies sites for housing development and mixed use sites where an element of housing will be required. The Local Plan also sets out the policies relating to 'windfall' development sites, dwelling type and size, housing

¹ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/planningpolicystatement3.pdf>

² <http://www.communities.gov.uk/documents/housing/pdf/152897.pdf>

³ <http://www.brighton-hove.gov.uk/index.cfm?request=c1000488>

densities and the provision of private amenity and outdoor recreation space. The Local Plan will be incrementally replaced by the Local Development Framework (LDF). Developers should refer to the Council's website to view the policies and proposals in the Brighton & Hove Local Plan and supplementary planning guidance.

Meeting Affordable Housing Needs

Definition of Affordable Housing

As defined in PPS3, affordable housing includes social rented and intermediate housing that is provided to eligible households whose needs are not met by the market, available at a cost that is genuinely affordable to local people and which includes provision for accommodation to remain at an affordable price or for the subsidy to be recycled for alternative affordable housing provision.

Social Rented Housing

Rented housing owned and managed by local authorities and registered providers for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as Policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes & Communities Agency as a condition of grant.

Intermediate Housing

Housing at prices and rents above those of social rent but below market price or rents and which meet the criteria set out above. These can include equity products (Homebuy) and other low cost homes for sale or intermediate rent.

Affordable Housing Delivery

In Brighton & Hove, affordable housing will be delivered by a registered provider engaged with the City Council through the Brighton and Hove Housing Partnership and signed up to the City Council's Partnership Agreement (see Appendix 1 for current partners).

On suitable housing sites the Council will negotiate with developers to secure a 40% element of affordable housing on proposals for residential development capable of producing 10 or more dwellings. The policy applies to all proposed residential development including conversions and changes of use (Policy HO2 in the adopted Local Plan and Policy CP12 in the submission version of the Core Strategy).

Tenure Mix

Across the City the required tenure split for affordable housing will typically be:

55% social rented;
45% intermediate housing.

For individual sites the exact tenure split will be guided by up to date assessments of local housing need and site/neighbourhood characteristics.

Housing Type

For the City as a whole the preferred affordable housing mix in terms of unit size and type to be achieved is:

30% one bedroom units;
45% two bedroom units;
25% three + bedrooms.

Up to date assessments of housing needs (for example, the Strategic Housing Market Assessment April 2008⁴) show that although the greatest need (numerically) is for smaller, one and two bedroom properties there is significant pressure on larger, family sized homes. For this reason, the Council welcome proposals that include higher proportions of family sized homes.

When the development is completed the City Council will be able to nominate people from the housing register for 100% of the units on initial lets with 75% on subsequent lets.

Design Guide for Affordable Housing

The Council will expect high standards of design, layout and landscaping for all developments which reflect the character of the area and reflect local distinctiveness.

To ensure the creation of mixed and integrated communities the affordable housing should not be visually distinguishable from the market housing on the site in terms of build quality, materials, details, levels of amenity space and privacy.

The affordable housing should be 'tenure blind' and fully integrated with the market housing. It should be distributed evenly across the site, or in the case of flats, in small clusters distributed evenly throughout the development.

All new schemes within the Homes & Communities Agency's National Affordable Housing Programme must be built to meet or exceed the HCA's current Design & Quality Standards (April 2007)⁵.

All residential units must be built to 100% Lifetime Homes Standard. At least 10% of the affordable homes must be built to the council's wheelchair accessible standard as set out in Planning Advice Note – Lifetime Homes and Accessible Housing (PAN03), adopted Jan 2008.

Alternative Developer Contributions

⁴ http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/B_H_Strategic_Housing_Market_Assessment_April_2008.pdf

⁵ SPD08 Sustainable Building Design requires CfSH L4

As a general principle, on site provision of affordable housing is the Council's first priority. Off site provision of affordable housing on an alternative site or by way of a financial payment in lieu (or commuted sum) will only be sought in exceptional circumstances. A methodology for calculating contributions for such exceptional circumstances towards off site provision is included in this Interim Guidance.

Circumstances which might justify offsite provision or payment in lieu are set out below. As a general principle, there will need to be good planning or housing reasons to accept offsite provision or a commuted payment. Such justification will need to be carefully made as the presumption will remain for onsite provision unless circumstances indicate otherwise. This is a matter for the developer to demonstrate and for the planning authority in conjunction with Housing Commissioners to consider and agree.

- Where mixed community objectives/housing priorities could be better met in an alternative location (for example where family sized (3 + bedroom, outdoor space) housing cannot easily be provided for on the development site itself or where there is already a concentration of social housing in an area, then it may be preferable to seek offsite provision or a commuted sum to fund affordable housing elsewhere).
- Where there are high housing costs for occupiers associated with the development (for example, in expensive flatted developments such as conversions of listed buildings leading to high service/maintenance charges and where this cannot be satisfactorily overcome or avoided by alternative design, massing or separate new build for the affordable housing).
- Where on small sites it is not practical, from a management perspective, to provide and manage a small number of on-site affordable housing units.
- Where the location of the development is less suitable for those on lower incomes (because it is remote from public transport, local facilities, employment, etc).

It is important to note that economic viability is not the key test for whether there should be on- or off-site provision. Viability determines the overall amount of affordable housing contribution – i.e. the appropriate percentage and the type (tenure, size mix) of affordable housing sought - whether provided onsite, offsite or as a commuted payment. Any concerns regarding viability should be reflected in the proportion of affordable housing sought.

The decision of the local authority to accept offsite provision or a commuted payment in lieu will be based on the acceptability or otherwise of on-site provision as a housing and spatial planning solution. This approach accords with the general principle that financial contributions should be of 'broadly equivalent value' – the commuted sum should be equivalent to the developer/landowner contribution if the affordable housing was provided on-site. Neither off-site provision or financial contributions will be a less expensive option than on-site provision, but will be equitable. In such circumstances where the proportion of affordable housing is being

negotiated the Council may require the developments financial information be provided on an open book basis which will be required as part of the process.

Offsite provision on an alternative site

Where the case for no on-site provision is agreed, then the council may consider offsite affordable housing provision on an alternative development site. An example may be where a private developer can 'pair' up development sites. Provision of affordable housing on an alternative development site will be in addition to any requirement arising from the alternative site. Where an alternative site is insufficient in area to accommodate all the affordable housing requirement then financial contributions to remedy the shortfall will be sought.

Commutated Payments Formula

The Council will seek a sum equal to the difference between an Open Market Value and Social Housing Value at either commencement or practical completion.

- **Open Market Value (OMV)**

The OMV will be required to be undertaken by an independent valuer, the cost of which would be borne by the developer.

- **Social Housing Value (SHV)**

SHV is calculated on the basis that a tenant has security of tenure. The Council's Housing Stock is valued each year for accounting procedures and the way in which this is done is by using Wilks Head and Eve (independent chartered surveyors and specialists in rating) valuing the OMV and then discounting for the fact that a tenant is in place. The discounting figure is currently set at 50%. This figure will be taken from the latest statement of accounts.

Commutated Payments: Proposed Uses

The use of any commuted sum will be secured via a section 106 legal agreement. Sums will be negotiated for planning sites where affordable housing is required, but where the provision cannot easily be made on site, nor can it be provided on an alternative site within the locality.

For maximum flexibility it is proposed that the Council would use commuted payments to fund affordable housing in the City in the following ways:

- To fund the costs of building new affordable housing on Council owned land where the site is considered to be available, suitable and achievable;
- To fund the costs of area regeneration of Council Housing Revenue Account housing estates that would provide new affordable housing;
- To fund the provision of new affordable housing through Registered Social Landlords (RSL's) and/ or other social housing providers;
- To purchase land for new affordable housing schemes either directly by the Council or through RSL's.

Appendix A

Preferred Partners for the Provision of New Affordable Housing

The Council has established a good relationship through the Brighton & Hove Housing Partnership with a number of Housing Associations and works in partnership with these preferred partners to provide affordable housing which meets local housing needs.

The current preferred Housing Association partners are signed up to the Brighton & Hove Housing Strategy and actively contribute to the Council's strategic housing objectives. As such, the Council requires developers to meet their affordable housing obligations by working in partnership with these preferred partners.

Preferred Partners

Affinity Sutton

www.affinitysutton.com

Over 55,000 homes across England

Contact: Kath Kane, Development Manager

01273 431893

Kath.Kane@affinitysutton.com

Hyde Group (Hyde Martlet Housing Association)

www.hyde-housing.co.uk

The Hyde Group has over 40,000 affordable homes, mainly in the South East of England & in London.

Joanne Maunders; Principle Development Manager

01273 234284

joanne.maunder@hyde-housing.co.uk

Southern Housing Group

www.shgroup.org.uk

The Southern Housing Group has approx. 24,000 affordable homes throughout the south of England and in London.

Jeremy Barkway

Regional Development Manager;

01403 224850

jeremy.barkway@shgroup.org.uk

Liz Hills, Area Development Manager;
01403 224813
Liz.Hills@shgroup.org.uk

Guinness Trust

www.guinnesspartnership.com

The Guinness Trust has over 50,000 affordable homes throughout England.

Michael Gray, Area Development Manager
01293 874203
michael.gray@guinness.org.uk

Moat Housing Group

www.moat.co.uk

Owns and manages over 20,000 homes throughout Kent, Sussex, Essex, Hertfordshire and South London

Sarah Paxton, Senior Development Manager
0845 3596887
sarah.paxton@moat.co.uk

Local Employment and Training

The Local Plan outlines the need to ensure development through investment and jobs in a way that is consistent with the principles of sustainable development. A key aim of sustainability is to maintain economic growth and employment, and 'Getting People into Work' is one of the Council's strategic priorities.

The key objectives of Chapter 5 of the Local Plan, 'Supporting the local economy and getting people to work' are:

- Improve the competitiveness of the local economy;
- Support and retain existing businesses;
- Promote Brighton and Hove for internal, national and local business investment opportunities;
- Develop a portfolio of high quality premises to meet the needs of expanding local businesses and companies wishing to relocate to Brighton and Hove;
- Improve the skills level of the local workforce; and
- Maintain and strengthen the visitor economy.

The Brighton & Hove Local Employment Scheme (BHLES)

A key aim of sustainability is to maintain economic growth. Employment and training contributes towards this aim. Developments depending on their size may be required to provide direct provision of employment and training initiatives by the developer or a financial contribution towards an agreed and established programme with a local partnership.

Agreements relating to employment matters and specifically the provision of construction and post –construction training can make a measurable contribution to reducing social exclusion within the city and achieving sustainable development. The training would be required to be for people living within the administrative boundary of Brighton and Hove, and directly related to the employment needs of the development.

Contributions may be sought from all major developments to maximise opportunities to develop local skills and business performance. Training contributes to this aim and developer contributions will be sought to expand appropriate training and employment provision.

Development in the city should involve supporting local employment and training for the benefit of the construction industry as a whole, and suitably trained individuals are required for construction services for new development. The Council is keen to ensure ongoing developer support for the provision of local training and employment agreements for all major developments.

Seeking contributions for training co-ordination benefits all parties by providing employment, training, enabling sustainable development and mitigating the potential for delays to the construction process. A local workforce will enable easier recruitment and retention and will reduce the environmental impact of a commuting workforce. The advertising of all jobs, which relate to the development, should be accessible to local

people through local, approved employment agencies such as Job Centre Plus and its partners.

An obligation will ensure contributions towards the city-wide coordination of training and employment schemes to support local people to employment within the construction industry. Development also directly contributing towards a workplace co-ordinator further facilitates easy routes to employment with contributions directly relating to the construction of developments and training for local people benefiting the city's major development sites across the city.

The methodology for securing contributions towards employment and training will enable the Council and delivery organisations to:

- engage in long term planning of the scheme;
- benefits residents and trainees, who are then able to develop their skills and qualifications both on and off site;
- support developers in achieving a commitment to local employment and training;
- support the development industry;
- support long-term monitoring and compliance with obligations.

A planning obligation for employment and training may include a number of elements, such as;

- a contribution by the developer towards pre- and post- construction training;
- a commitment to recruit residents for jobs pre- and post development;
- the provision of waged construction training placements on the development site;
- larger schemes to include the provision of a serviced, on site recruitment and/ or training facility and/or workplace coordinator;
- the provision of information that the Council can use to monitor the success of the scheme;
- the developer to enter into a partnership with a local college or training provider.

Financial Contributions

Financial contributions may also be sought towards a local employment training off-site programme and its running costs, including the provision of an appropriately qualified tutor. These contributions will support capital and revenue costs on the 'Futures' programme for residents and small businesses.

Threshold and provisions

Contributions may be required from development on or above the thresholds detailed below. Provision of contributions on all development will need to be agreed in detail by the Council and the developer and be met prior to the commencement of development.

Brighton & Hove Local Employment Scheme			
All major developments may provide an agreed percentage of local employment on site in negotiation with the Local Employment Scheme Co-ordinator.			

Type	Threshold	Contribution Sum	Note
Commercial	500m2	£10.00 per m2	All including office, retail (except

			light industrial/warehouse)
Light industrial / Warehouse	235m2	£5.00 per m2	
Residential	10 units and above	£500 per unit	
Change of Use			
Office to residential	All	£250 per unit	
Light industrial /warehouse to residential	All	£500 per unit	
Commercial to other uses (excluding residential)	500m2	£10.00 per m2	
Light industrial to other uses (excluding residential)	235m2	£5.00 per m2	

Example of development contribution:-

750 m² commercial space x £10 per m² = £7,500

50 residential units x £500 per dwelling =£25,000

The proposed thresholds and formula applied would be negotiated taking into account wider considerations linked to the development of the scheme.

Education - Provision and Facilities

The Council will ensure that the impact of new residential development does not create additional pressure on local schools that do not have capacity. In stress areas (see below) contributions will be required where new development impacts on primary and secondary school places. Development that generates a need for primary school places will require provision that is very local to the development whereas developments that generate a need for additional secondary school places may require additional places some distance from the development owing to the location of the secondary schools in the City.

To ensure that the impact of new residential development does not create additional demands on schools that do not have the capacity, the Council will seek contributions for education provision:

- where the scale of the development will create a significant impact on existing residents attending local schools;
- or, where there is an identified shortage of school places;
- or, the development is in the vicinity of a school with temporary classrooms.

Education requirements are calculated using standard formulae, as set down by the Department for Education (DfE) in the relevant Building Bulletin. This sets out standards of provision for education facilities, including the size and number of classrooms needed to accommodate a specific number of children and the cost multiplier for building costs per pupil places in schools in the city. The need for development to provide for additional school places will be guided by adjusted pupil forecasts produced by the Council from General Practitioner registration data provided by the Health Authority.

How Contributions are Calculated

The cost multipliers per dwelling used to calculate developer contributions for the expansion of existing schools are derived from the relevant, regionally adjusted DfE Basic Need cost multiplier figures of costs of provision per pupil. These figures are updated annually and are calibrated to take account of the differing costs of building across the country.

The Council has produced a pupil product ratio for different types and tenures of dwelling and this informs the number of additional pupils that residential development is likely to generate. Pupil product ratios are derived from local studies and apply to developments for both market and affordable housing and the number of school age children generated by varying sized properties. The method of calculating contributions is by multiplying the likely pupil product ratio generated by the intended development by the cost per pupil place which for the purpose of this Interim Guidance is also shown as cost per unit.

To accurately reflect the demographic situation and projections within the City the Council's Housing Needs Survey 2005/06 is used to demonstrate that flats and apartments in the City generate up to 80% of the numbers of children as terraced and semi-detached housing. In calculating requirements, account will be taken of this and the development mix and the size of proposed dwellings.

Thresholds & When Contributions will be Sought

Potentially all residential development creates new demand for education provision and requiring contributions from all development is reasonable and based on the findings of the Housing Needs Survey 2005/06. However, the requirement for development to provide contributions to school places will only be required across specified stress areas on large developments of 10 units net gain and above and where there is insufficient school capacity to support the development.

The current situation is one of varying capacity in different locations, and in specific parts of the city, particularly the central, southern and western areas, there is no additional educational capacity and therefore these areas are highly susceptible to the future demands generated by new development.

The need for contributions towards education requirements applies to all types of residential development, excluding sheltered housing and student accommodation. For major schemes, where there is a specific and identified need, a development should bear the full cost of education facilities needed to support it, including where appropriate, the acquisition and provision of a fully serviced site, the design and construction of buildings, fitting out costs and any necessary transport measures. These requirements will be sought on a case-by-case basis, guided by the relevant DfE guidelines and pupil forecasts.

In areas where predominately small developments occur, this will be the subject of further investigation into the application of a lower threshold for contributions. Contributions in the form of commuted sums, which may be pooled, will enable resources, equipment or improvement works at schools affected by any development, or groups of unrelated developments, in the given area.

Contributions will also take into account the adequacy of existing playing fields and indoor recreational space, communal space (e.g. school hall) and specialist teaching space (e.g. laboratories) and the additional pressures new development places on these. Generally, such facilities should be located with or close to other community facilities and should also be conveniently and safely accessible on foot, by public transport and bicycle and for people with disabilities, as well as by car. Additionally the council will require contributions for special needs and youth facilities, which are also clearly linked with new development.

Site Provision

Nursery Provision

The need for nursery provision will be guided by the Early Years Development and Childcare Plan. Physical requirements will be determined in consultation with nursery school providers/operators and the Children & Young Peoples Trust. This will include the provision of land and buildings within a primary school where a new facility is justified.

Primary School Provision (Pupils aged 4-11)

A new one form of entry school providing 210 places has a space requirement of 10,500m², including a minimum of 5,000m² for playing fields. A new two form entry

school providing 420 places has a space requirement of 18,500m², including a minimum of 10,000m² for playing fields.

Secondary School Provision (Pupils aged 11-16)

A new six form entry school providing 900 places has a space requirement of 65,000m², including a minimum of 45,000 m² for playing fields. A new eight form entry school providing 1,200 places has a space requirement of 82,000m², including a minimum of 55,000 m² for playing fields.

Thresholds and Cost Multiplier per Pupil

This table illustrates the development thresholds at which contributions will be sought together with the pupil costs per housing unit.

These figures will be applied should contributions be required

<u>Education calculation multiplier</u>	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
Nursery provision	Pupil yield	Pupil yield	Pupil yield	Pupil yield
Private owned / rented	0.02	0.06	0.14	0.23
Affordable rented or shared ownership	0.03	0.15	0.27	0.28
	£	£	£	£
Houses	£259	£779	£1,818	£2,988
Flats	£207	£623	£1,455	£2,390
Primary provision	Pupil yield	Pupil yield	Pupil yield	Pupil yield
Private owned / rented	0.02	0.07	0.16	0.26
Affordable rented or shared ownership	0.05	0.22	0.40	0.41
	£	£	£	£
Houses	£259	£813	£1,858	£3,020
Flats	£207	£650	£1,486	£2,416
Secondary provision	Pupil yield	Pupil yield	Pupil yield	Pupil yield
Private owned / rented	0.02	0.06	0.15	0.24
Affordable rented or shared ownership	0.04	0.19	0.35	0.36
	£	£	£	£
Houses	£391	£1,174	£2,936	£4,698
Flats	£313	£939	£2,349	£3,758

Sixth Form provision	Pupil yield	Pupil yield	Pupil yield	Pupil yield
Private owned / rented	0	0.01	0.03	0.05
Affordable rented or shared ownership	0	0.02	0.03	0.03
	£	£	£	£
<u>Houses</u>	0	£212	£636	£1,061
<u>Flats</u>	0	£169	£509	£849

Open Space, Sport and Recreation

As the population increases in Brighton & Hove this creates a need not just for housing but also for job opportunities, services and community facilities. This includes a need for open space which in view of the physical constraints upon the city, the sea to the south and a National Park to the north and east, is becoming increasingly important to take into account in new developments. The cumulative impact from the incremental loss of existing open space and shortfalls in open space provision within developments can be significant.

A failure to take into account the need for open space can lead to a reduction in quality of life and have negative impacts on health, social integration/inclusion, micro-climate, economic stability and educational attainment. Trees and soft landscaping help reduce air and noise pollution and surface water run off. Physical activity is also important for health, social inclusion and educational attainment. Open space, sport and recreation are therefore something that is very much part of sustainable communities. It is becoming increasingly important to ensure open space is appropriately planned into any new development scheme at an early stage to ensure it is effective and its use optimised.

New residential development will be required to provide open space in accordance with policy requirements of the adopted Local Plan. The policies relevant to open space, sport and recreation are: HO5 Provision of private amenity space in residential development; HO6 Provision of outdoor recreation space in housing schemes; QD15 Landscape design, QD16 Trees and hedgerows, QD17 Protection and integration of nature conservation features, QD20 Urban open space, QD28 Planning Obligations. This Interim Guidance sets out more detailed guidance on what is considered to constitute appropriate provision. Only in exceptional circumstances will alternative provision be considered and in such circumstances alternative facilities must be provided to the satisfaction of the council.

In situations where the provision of open space cannot be provided on site (either in totality or part thereof) a financial contribution will be sought for the shortfall taking into account government guidance and guidelines on costings to help secure the provision elsewhere.

Open Space Sport and Recreation Study 2008/9

The Citywide Open Space, Sport and Recreation Study assesses the quantity, quality, accessibility and demand for open space including existing indoor sport facilities in the City and recommends standards appropriate to Brighton & Hove. It was informed by the findings of public consultation and was prepared by consultants in accordance with PPG17. The Study forms a background study for the Local Development Framework and has been adopted as such by Brighton & Hove City Council (Environment Cabinet Member Meeting of 30 July 2009). The recommended local open space and indoor sports facilities standards have been included in the submitted Core Strategy.

Breakdown of the Standard

The breakdown of the standards are broadly defined as follows. The full text can be read in the Open Space, Sport and Recreation Study 2008/9 (and erratum2010) or click here: http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/Open_Space__Sport_and_Recreation_Study_-_Final_Report_Mar_2009_3.pdf
http://www.brighton-hove.gov.uk/downloads/bhcc/ldf/Open_Space_Rec_Study_Apr10.pdf

Open Space Standards		
	Quantity Standard* (hectare / 1,000 pop)	Accessibility Standards
Parks and Gardens	0.92	15 minute walk time (720m)
Amenity Greenspace (AGS)	0.582	10 minute walk time (480m)
Natural Semi-Natural (NSN)	2.8	15 minute walk time (720m)
Outdoor Sport	0.47	20 minute walk time (960 metres)
Children & Young People (equipped play)	0.055	15 minute walk time (720m)
Allotments	0.23	15 minute walk time (720m)
Total	5.057 hectares/1,000 pop	

* The 2008 Open Space, Sport and Recreation Study contains detailed information on Quality Standards expected.

Indoor Sports	
Quantity (indoor sport)	
Modelling undertaken in line with Sport England parameters. Standards to comply with national best practice.	The Open Space, Sport and Recreation Study recommends the council should aim to provide a new multi-sports wet/dryside leisure centre (in addition to the replacement of provision currently made at the King Alfred Leisure Centre) and indicates a further potential need for additional pool space and indoor sports halls. The study also indicates a demand for an indoor arena and ice rink.
Accessibility (indoor sport)	

Standards to comply with national best practice.
Quality (indoor sport)
All facilities should be built or provided in accordance with national best practice and meet the minimum specifications of the appropriate National Governing Body of sport and meet Equality Act 2010 guidance (formerly Disability Discrimination Act).

Government guidance PPG17: Planning for Open Space, Sport and Recreation (July 2002)

PPG17 states that 'Planning Obligations should be used as a means to remedy local deficiencies in the quantity or quality of open space, sports and recreational provision. Local authorities will be justified in seeking Planning Obligations where the quantity or quality of provision is inadequate or under threat, or where new development increases local needs'.

Calculations for contributions for open space provisions are set out below and the table in the Appendix table of Contribution Costs. This Technical Paper and the following calculations have incorporated the provisions set out in the Brighton & Hove Open Space, Sport and Recreation Study 2008/9.

Calculating Commuted Payments for Off-Site Provision

On-site provision will be sought and only in exceptional circumstances will alternative provision be considered acceptable. However there are minimum sizes in respect of achieving effective useable areas of open space. These are detailed below:

Typology	Minimum Size (hectares)
Parks and gardens	0.4
Natural/Semi-Natural	0.05
Amenity Green Space	0.04
Outdoor Sport	0.28
Children and Young People Equipped	0.04 + buffer
Allotments	0.05

In most cases the demands generated by a development proposal will not meet the minimum size. In such cases it is likely provision will be achieved more effectively by an off-site contribution.

Where a development proposal generates demands equal to or greater than these minimum size guidelines for achieving useable space then on-site provision will be

expected. The inability to provide such space on-site could be an indication of over development.

Scope of Contributions

The level of contribution required will depend upon the nature of the facility to be provided. The financial contributions secured will be used to provide new facilities, additions to existing facilities and where the opportunity arises the provision of additional new open space. The types of schemes to be funded include:-

- New playground equipment
- New pitches etc
- Safety surfacing to accommodate / enable the respective increase in usage
- Changing facilities to accommodate / enable the respective increase in usage
- Access enhancements to accommodate / enable the respective increase in usage
- Improvements to existing respective typologies to increase their offer
- New planting
- Enhancements to the green network
- On larger schemes it may also be appropriate to secure part of a contribution for respective open space co-ordinators whose duties will include promotion and the running of activities, information on provision etc.

Threshold

Provision will be sought from all residential developments. Residential proposals for 9 or fewer units will not be required to provide the full extent of open space requirements unless the site is capable of accommodating 10 residential units or forms part of a larger developable site for residential units. Residential proposals of 9 or fewer units will be expected to have regard to the need to provide private amenity space, landscaping and communal areas to enable informal play/social interaction. Developments of 10 or more will be required to provide/contribute to all forms of open space and indoor sport provision. Calculations for contributions are set out on the following page.

When Contributions will be Sought.

Typology					
	Bedsits	Open Market Residential Units (excluding bedsits)	Affordable Housing (excluding Bedsits)	Student accommodation and hostels	Housing for the active elderly (excluding bedsits)
Parks and gardens	✓	✓	✓	✓	✓
Amenity greenspace (AGS)	✓	✓	✓	✓	✓

Natural semi natural Open space (NSN)	✓	✓	✓	✓	✓
Outdoor sport facilities	✓	✓	✓	✓	✓
Children and Young People (Equipped Playgrounds)	X	✓	✓	X	X
Allotments	✓	✓	✓	✓	✓
Indoor Facilities	✓	✓	✓	✓	✓

Key:

- ✓ Provision or contribution for net additional units provided will be sought.
X Provision or contribution will not normally be sought.

Housing for the active elderly applies to schemes providing accommodation for the elderly including sheltered housing schemes. In respect of extra care sheltered housing and nursing care accommodation which specifically caters for the less active regard will be given to ensuring appropriate on-site landscaping in order to secure a pleasant outlook and opportunities for activity (e.g. to assist with gardening, food growing etc)

Occupancy levels

The occupancy levels detailed below will therefore be assumed for the purposes of calculating the level of open space and indoor sport contribution required for a development.

Bedsit	= 1 person per unit
1 bedroom dwelling	= 1.5 persons per unit
2 bedroom dwelling	= 2.5 persons per unit
3 bedroom dwelling	= 3.5 persons per unit
4 bedroom dwelling+	= 4 persons per unit

If the proposal is in outline form and only the total number of units is known, the occupancy will be assumed to be 2.2 persons per unit. This is intended to provide an initial guide to the likely open space and sport requirements. This initial figure will in all circumstances be updated by a detailed calculation based on the number of bedrooms; once a reserved matters/detailed application is submitted.

Thresholds and calculation of contributions

Open Space Requirement per person:

Typology	Local quantity standard per person
Parks and gardens	9.2m ² per person (0.00092 ha)

AGS	5.82m ² per person (0.000582 ha)
NSN	28m ² per person (0.0028 ha)
Outdoor sport	4.7m ² per person (0.00047 ha)
Children and young people equipped	0.55m ² per person (0.000055 ha)
Allotments	2.3m ² per person (0.00023 ha)
Total	50.57m² per person (0.005057 ha)

Maintenance

There is no statutory duty on a local authority to provide open space (except cemeteries and 'statutory' allotments). In view of the future implications of the current public sector austerity measures it is considered reasonable to include maintenance costs. These will address initial troubleshooting and setting up costs in amending maintenance site specifications etc. Common practice has sought to take into account the cost of maintenance over a period of at least one generation. This will be at least 10 years up to a 25 year period. For the purposes of this document 10 years has been applied.

Contributions per Person and per Dwelling:

The following table details the cost per person. The Open Space, Sport and Recreation Study calculated the cost per person for the provision of assessed future needs for indoor sport. This figure is £196 per person.

Category	Cost per Hectare (£)	Cost per person	Maintenance Per 10 years	Total cost per person
Parks and garden	374,200	£344	£100,000	£436
Amenity Green Space (AGS)	49,600	£29	£10,500	£35
Natural/ Semi Natural areas (NSN)	59,300	£166	£10,500	£195
Outdoor sport	576,200	£271	£58,000*	£298
Children and Young people Equipped space	520,800	£28.60	£52,080*	£32
Allotments	186,000	£43	-	£43
Open space Sub Total		£882		£1,039
Indoor Sport				£196
TOTAL Open Space Sport and Recreation				£1,235

* Assumed maintenance cost of 25% of cost per hectare (as applied in draft SGPBH9).

The following table details the contributions per dwelling.

Dwelling size:	Open Space Contribution	Indoor Sport Contribution	Total Contribution Per Dwelling
Studio/bedsit (1person) (n.b. No contribution towards children & young people)	£1,007	£196	£1203
1 bed unit (1.5 persons)	£1,558.50	£294	£1,852.50
2 bed unit (2.5 persons)	£2,597.50	£490	£3,087.50
3 bed unit (3.5 persons)	£3,636.50	£686	£4,322.50
4 + bed unit (4 persons)	£4,156	£784	£4,940

PLEASE NOTE: Base date April 2010 – future contributions will be adjusted to reflect changes in costs.

Click this link to access the full Recreation, play, sport calculator: (to be set up once technical paper adopted)

Further Information:

Sport England Kitbag, advises on standards and calculations for assisting in securing contributions towards sport and recreation facilities. For further information on Sport England kitbag click the link below:

http://www.sportengland.org/facilities_planning/planning_tools_and_guidance/planning_kitbag.aspx

Transport and Travel

Introduction

When considering development proposals, securing developer contributions to improve transport is an important tool for dealing with the total traffic impact that all development has on the city. Issues including the site layout and safety of the access, and changes that are required to make proposals acceptable locally, as well as potentially over a wider area, are addressed during the planning application process. Ensuring both are resolved satisfactorily through appropriate transport measures will support the overall objective of achieving sustainable growth.

Depending on the location, size and type of development, transport measures can include schemes to improve the management of traffic and parking, improvements to access, works to provide for and encourage the use of sustainable forms of travel such as pedestrian, cycle and buses, e.g. bus stop improvements, and measures to raise awareness and provide information such as Travel Plans. In addition, contributions may be sought for measures that improve safety and reduce or prevent casualties caused by collisions. In seeking to minimise the transport impacts of development, contributions will be required towards measures that enable access to sustainable forms of transport and can therefore maximise their use and increase people's choices.

Separate legal agreements may be required for larger developments to secure necessary mitigation measures during construction. For example, construction traffic routing restrictions may be required and included as part of Construction Environmental Management Plans [CEMPs] especially to lessen any impacts in the City's Air Quality Management Area [AQMA] and residential areas.

All new developments are required to bear the full costs of transport infrastructure, initiatives and/or services that are required, including future maintenance requirements, and all associated costs of drafting legal agreements.

The size of contribution is calculated with a simple-to-use formula based on the scale of the development proposal. The contribution sought is based on the net increase [if any] in transport impact. With major development, any required highway works that contribute to achieving the Council's transport and wider policy objectives will be off set against the contribution. Agreement to specific measures and the overall contribution will be subject to negotiations with the developer prior to, or during, the planning application process.

THE FRAMEWORK FOR DELIVERING IMPROVEMENTS

Transport Assessments

The adopted Brighton & Hove Local Plan requires that major planning applications should be submitted with a Transport Assessment [TA]. The TA should be prepared with reference to the Department for Transport [DfT] document – "Guidelines on Transport Assessment" published March 2007 or any successor document. Where necessary, developers may also be required to provide a

Transport Statement [TS], in line with the same DfT guidelines. The DfT thresholds that trigger the requirement for the submission of these documents are reproduced in Appendix B of this Interim Guidance.

Applications for smaller scale development will not usually require a full TA but must still demonstrate that the transport impact complies with Local Plan policies. The Council will confirm the type of assessment required to support a planning application during pre-application discussions with developers. The Council may request a TA or TS if it is considered that the proposal will create a material impact in a location or area, such as a junction that is over or near capacity or where there is an existing safety concern, or within the City's Air Quality Management Area [AQMA].

Developers will also need to demonstrate consistency with the current Local Transport Plan [LTP] and may be required to contribute to relevant proposals identified in the LTP, such as measures proposed on Sustainable Transport Corridors, walking and cycling networks, and at local railway stations or other transport interchanges.

The current LTP (2006/07-2010/11) can be viewed at City Direct offices, all libraries in Brighton & Hove, and on the Council's website. A new LTP will be in place by April 2011. For further information on the Council's website, search for citydirect or Local Transport.

The Process for Securing Funding

Legislation and Policy

Planning Policy Statement 1 (PPS1) Delivering Sustainable Development states that in preparing development plans, planning authorities should seek to; *"provide improved access for all ... by ensuring that new development is located where everyone can access services or facilities on foot, bicycle, or public transport rather than having to rely on access by car"*.

Government Policy Note PPG 13 states that planning obligations should be based around securing improved accessibility to sites by all forms of transport with the emphasis on achieving the greatest degree of access by public transport, walking and cycling.

The City's current transport objectives are set out in the Brighton & Hove LTP (2006/07 – 2010/11), and are as follows:-

- Tackling congestion - To reduce the impact of car journeys and encouraging the use of other means of transport in such a way that the City can grow and improve its economy.
- Improving road safety - To improve levels of safety and reduce casualties for all road users.

- Improving air quality - To reduce transport-related emissions and therefore, improve the health of residents and the environment of the City, especially within the AQMA.
- Increasing accessibility – To improve access to services and activities within the City by the various forms of sustainable transport available to the community, whilst ensuring that locations that attract large numbers of visitors or employees have adequate facilities for cyclists and pedestrians to encourage healthier lifestyles.
- Maintenance – To improve the condition of roads, footways, streetlights, bridges and street furniture, and improve the street scene and enhance the living environment for the whole community.

A new LTP is currently under development and will be in place by April 2011.

These objectives are aimed at supporting the policies in the adopted Brighton & Hove Local Plan (July 2005), especially those set out in Chapter One *Making the connection between land use and transport* which include :

- TR1 – states that development proposals should provide for the demand for travel they create and maximise the use of public transport;
- TR2 – notes that if a development increases on-street parking a residents' controlled parking zone may need to be funded and implemented by the developer;
- TR4 – notes that travel plans will be required for developments that are likely to have significant transport implications;
- TR14 – notes that where developers are unable to provide cycle parking on-site contributions will be sort for improvements to the infrastructure elsewhere.

Emerging future planning policies are set out in the Council's approved Local Development Framework [LDF] Core Strategy (February 2010).

Together these planning policies provide the Council with the framework to implement the wider strategic goals for the city. There is only limited funding available for the programmes of work included in the LTP and therefore local authorities seek to work in partnership with developers to secure additional funding to ensure that these policy objectives and thus the wider goals of the LTP are achieved.

The vast majority of new development will create additional movement and activity and therefore place additional pressure on the existing transport network. If the City is to achieve the goals set out above it is essential that

appropriate measures are funded or infrastructure enhanced and improved as an integral part of new development proposals.

Development proposals must demonstrate how they can reduce the need to travel and be accessible by all forms of transport. Smaller developments will have a cumulative impact and therefore, it is appropriate that developments of even a single dwelling which would result in a material increase in movement on the transport network, should contribute in some way towards meeting the transport needs they create.

Section 278 Highways Agreements

If the highways works are to be carried out on the public highway, the Council as Highway Authority will enter into a Legal Agreement with a developer under Section 278 of the Highways Act 1980. This allows developers to carry out the works to the public highway at their full expense whilst insuring the Council against poor or in-complete workmanship. A bond covering the full costs of the works is secured and released on completion of the works to the Council's satisfaction. The developer will be required, to pay for maintenance for a 12-month period following completion of the works after which the Council will then be responsible.

Contribution Methodology for Transport/Highways Works

Anyone wishing to submit a planning application should consult the Highway Authority in the first instance to discuss transport requirements and any likely associated measures or contributions. Planning applicants can comply with the policy framework by making financial contributions to enable the City Council to improve and enhance facilities for public transport, walking, cycling and parking, thereby helping to meet the Council's specific transport objectives and policies, as well as those related to wider issues such as the economy and health.

The contribution will be sought to improve transport infrastructure and services in the immediate vicinity of the development site. To maintain transparency, the exact scheme will be identified and referenced in the legal agreement. Locations that are less accessible by sustainable transport will need higher levels of investment than areas that are well served. Levels of accessibility are shown in the current 2006 LTP and indicate that journey times of up to 10 minutes to the City Centre (central zone) would benefit from the existing sustainable transport infrastructure. The intermediate zone benefits from good quality passenger transport services on the primary routes but these services are not well connected to the wider residential areas. The outer zone is where journey times to the City Centre can be up to an hour during peak periods.

The amount of the financial contribution is generally based upon the net increase in movement by all forms of transport which is created by the development. This demand is based on the net change in the number of person trips. Person trips have been used as the most appropriate unit as this indicates the total likely level of demand placed upon the City's entire

transport infrastructure. Table 1.1 summarises average person trip rates for the most common forms of development.

Table 1.1 Development Person Trip Rate

Development Type	Person Trip Rate*
Residential – Houses**	10 per dwelling
Residential – Flats**	5 per dwelling
Office space	18 per 100m ² Gross Floor Area
Industrial space	14 per 100m ² Gross Floor Area

*Based on TRICS version 2007(b)

**Privately owned

The initial level of the contribution per person trip is £200. This figure is consistent with Government Circular 5/05 and Local Plan policy, and has been previously established and accepted as being fair and reasonable. This figure can also be factored to reflect the accessibility of the development location shown in the current 2006 LTP and thereby provide encouragement to deliver sustainable development across the City.

If a development is located in the central zone of Brighton & Hove (defined as having all amenities associated with the city centre within easy walking distance), there will be a 50% reduction on the maximum level of the calculated financial contribution to reflect the higher quality accessibility associated with the City Centre.

In the intermediate zone (where access to more sustainable forms of transport is less available) there will be a 25% reduction on the maximum level of the calculated financial contribution.

In the outer zone (identified as those parts of the City where access to the City Centre is greater than 30mins during the off-peak period) developments will be required to make the full calculated contribution.

Thresholds

Residential

Contributions for sustainable transport measures will be required on a per unit basis for all residential schemes. The incremental impact of smaller development sites in the City is significant and therefore, contributions will be sought from these sites towards sustainable transport initiatives.

The annual completion rates of residential developments of 1-5 dwellings have averaged 40% of the total completions during the period 2001-2006. The Government Circular 5/05 now advises that where the combined impact of a number of developments creates the need for infrastructure, it may be reasonable for the developers' contributions to be pooled.

Commercial

200m² of business use is considered a sufficient size to justify a contribution towards wider transport improvements. A condition will be applied to any such development proposals to ensure that applications on larger-scale sites are not phased to avoid making contributions.

Contribution Formula

A formula for evaluating the levels of financial contribution has been developed to assist applicants in understanding the contribution required. For clarification a worked example has been set out below. The example is based

Number of residential units * person trip rate * £200.00 * reduction factor
(or GFA/100m² of business space)

on a mixed-use development of two residential flats with 200m² of office use in a city centre location.

Investing Contributions From Development

Table 1.2 Transport Financial Contribution (Worked Example)

Development	Person Trip Rate	Contribution Per Trip	Central Factor	Total Contribution
2 Flats (privately owned)	10	£200.00	50%	
200m² B1c Office space	36	£200.00	50%	£4,600

The contributions secured will be used for/put towards improvements to public transport accessibility and services, new public transport, walking and cycling infrastructure, bus stop facilities, cycle parking, park and ride schemes, on-street parking controls (including all means of management and enforcement such as CCTV and improvements to street lighting) or other suitable measures such as variable message signs. Contributions to these measures are already accepted and justified, and ongoing improvements to the transport network will be required to address the impact of future development in the city.

Contributions will be sought where appropriate for the costs of improving facilities to an appropriate standard (as agreed by the Highway Authority) and, if necessary, for the costs of bringing forward existing proposals from the LTP e.g. to improve priority walking routes and sections of the cycle network in the

area. For site-specific contributions, the timing of implementation will be specified within the Section 106 agreement. If the funds are not spent within the specified period they will be refunded to the developer where this is defined in the Section 106 agreement. Some larger transport schemes may require contributions from a number of developments.

The transport contributions will usually fund projects that are located on a transport corridor or route serving the development, or within the vicinity of the site. The City Council will keep detailed records of all transport contributions received and where those contributions are used.

The methodology for calculating transport contributions will assist developers and ensure that all contributions are used in an appropriate and relevant way. The programme of LTP or other improvement schemes against which these contributions are considered will be kept under review by the Council and as such could be subject to change over time.

Some examples of schemes/measures where contributions can be sought include:-

- Road safety improvements, walking and cycling network and facilities;
- Public transport services and passenger facilities ;
- Shopmobility;
- Car free housing.

Further general information about transport proposals and schemes in the City can be found on the Council's website.

APPENDIX B**Thresholds for Transport Assessments**

The thresholds below are indicative and for guidance purposes only. Brighton & Hove City Council may apply the thresholds in light of local circumstances that affect the highway network. There are several qualitative factors that need to be taken into account that are not addressed by this document. There may also be some site specific issues that affect which banding the development comes under. Discussions with the Highway Authority are therefore essential in considering this matter.

Table 1

	Land use	Band 1	Band 2	Band 3
1	A1 Food retail	<800 sq. m	≥ 800 sq. m to 1199 sq. m	≥ 1200 sq. m
2	A1 Non-food retail	<1500 sq. m	≥ 1500 sq. m to 2249 sq. m	≥ 2250 sq. m
3	A2 Financial and professional services	<2500 sq. m	≥ 2500 sq. m to 3749 sq. m	≥ 3750 sq. m
4	A3 Restaurants and cafés	<2500 sq. m	≥ 2500 sq. m to 3749 sq. m	≥ 3750 sq. m
5	A4 Drinking establishments	<600 sq. m	≥ 600 sq. m to 899 sq. m	≥ 900 sq. m
6	A5 Hot food takeaway	<500 sq. m	≥ 500 sq. m to 749 sq. m	≥ 750 sq. m
7	B1 Business	<2500 sq. m	≥ 2,500 sq. m to 3749 sq. m	≥ 3,750 sq. m
8	B2 General industrial	<4000 sq. m	≥ 4000 sq. m to 5999 sq. m	≥ 6000 sq. m
9	B8 Storage or distribution	<5000 sq. m	≥ 5000 sq. m to 7499 sq. m	≥ 7500 sq. m
10	C1 Hotels, Boarding and Guest Houses	<100 bedrooms	≥ 100 to 149 bedrooms	≥ 150 bedrooms
11	C2 Residential institutions - hospitals, nursing homes	<50 beds	≥ 50 to 74 beds	≥ 75 beds
12	C2 Residential institutions – residential education	<150 students	≥ 150 to 224 students	≥ 225 students
13	C2 Residential institutions – institutional hostels	<400 residents	≥ 400 to 599 residents	≥ 600 residents
14	C3 Dwelling houses	<80 units	≥ 80 to 119 units	≥ 120 units
15	D1 Schools, Colleges and Universities		All developments	

16	D1 Other Non –residential Institutions	<1000 sq. m	≥ 1000 to 1499 sq. m	≥ 1500 sq. m
17	D2 Assembly and leisure	<1500 sq. m	≥ 1500 to 2249 sq. m	≥ 2250 sq. m

Table 2 - Thresholds for TA/TS/TP(Travel Plan) based on other considerations

- 1 Any development that is not in conformity with the adopted development plan.
- 2 Any development generating 30 or more two-way vehicle movements in any hour.
- 3 Any development generating 100 or more two-way vehicle movements per day.
- 4 Any development proposing 100 or more parking spaces.
- 5 Any development that is likely to increase accidents or conflicts among motorised users and non-motorised users, particularly vulnerable road users such as children, disabled and elderly people.
- 6 Any development generating significant freight or HGV movements per day or significant abnormal loads per year.
- 7 Any development proposed in a location where the local transport infrastructure is inadequate. – for example, substandard roads, poor pedestrian/cyclist facilities and inadequate public transport provisions.
- 8 Any development proposed in a location within or adjacent to an Air Quality Management Area [AQMA].

Subject:	An Academy at Portslade Community College: Update and outcome of the formal consultation stage		
Date of Meeting:	17 February 2011		
Report of:	Strategic Director, People		
Contact Officer:	Name:	Gil Sweetenham	Tel: 29-3474
	E-mail:	gil.sweetenham@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB20512	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 In line with the Council's policy to ensure that all pupils are given every opportunity to excel, this report updates Members on the process for the proposed development of an Academy on the Portslade Community College site.
- 1.2 The report informs Members of the outcomes of the statutory consultation process and seeks approval to determine the closure of Portslade Community College on 31st August 2011 to enable the opening of an academy on the same site the following day.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet notes the progress since the Cabinet report of 9th December 2010.
- 2.2 That the Cabinet notes the outcome of the statutory stage of consultation undertaken between 20th December 2010 and 31st January 2011.
- 2.3 That, taking into account the requirements of the Education and Inspections Act 2006, the statutory guidance contained in the document entitled 'Closing of a Maintained Mainstream School – A Guide for Local Authorities and Governing Bodies' and the responses to consultation, the Cabinet conditionally approve to close Portslade Community College on 31st August 2011 to enable the immediate opening of an academy on the same site the following day.

(This approval is conditional upon the making of an agreement under Section 482(1) of the Education Act 1996 for the establishment of an Academy. This condition must be met by 30th June 2011.)

- 2.4 That Cabinet delegates authority to the Director of Children's Services to submit a feasibility study to the Department for Education (DfE) to enable the project to move into the Implementation Stage.

2.5 That Cabinet agree to the setting up of an academy on the site of Portslade Community College from September 2011.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 A report was received by Cabinet on 9th December 2010 detailing the reasons for the proposed academy and the intended method of procurement.

3.2 For a school to be converted into an academy there needs to be an expression of interest (Eol) agreed by all parties to that agreement, in this case, Brighton & Hove City Council, the DfE and the sponsor. At the time of writing the previous report we believed that the Eol would be with us in mid-December.

3.3 Agreeing an Eol is normally a decision for Cabinet. However it was agreed in the last report that the agreement of the Expression of Interest be delegated to the Cabinet Member for Children so that the decision could be taken in a timely manner.

3.4 The Portslade Project is being progressed as a pilot project (one of only 4 in the country), as it was not included in the 75 projects being reviewed by DfE. As a pilot is expected that we will trial new ways of procurement and working which is expected to enable building to begin on site in 26 weeks time. Refurbishment funding for the existing site is to be based solely on the condition of the existing building.

3.5 In addition to undertaking the Statutory Consultation, the following further progress has been made;

3.5.1 Partnerships for Schools (PfS) have confirmed that £12.7million will be available for modifications to the existing buildings and to allow the sixth form to be provided on the main school site.

3.5.2 PfS have confirmed that the council will have to procure the building work through the second National Academies Framework as set up by PfS.

3.5.3 The Eol has been signed and submitted to the DfE and was accepted on 14th January 2011.

3.5.4 We have received confirmation that support funding for this project to cover project management costs incurred by the council will have to be top sliced from the £12.7million. There will be no other funding made available from the DfE.

3.5.5 Work has started on the reference scheme that is required at the start of the procurement process.

3.3.6 As this project is being run as a pilot project trialling new ways of procurement there is no requirement for an Outline Business Case (OBC). In this pilot the OBC had been replaced by a feasibility study. This is one of the ways in which it is hoped that procurement time can be reduced to just 26 weeks.

4. CONSULTATION

- 4.1 Consultation on the closure of a school must follow the processes set out in sections 15-16 of the Education and Inspections Act 2006 (EIA 2006) and the statutory guidance. Section 16(2) of the Act provides that before publishing any proposals for closure of a community school, the Council must have consulted 'such persons as appear to them to be appropriate'. This consultation was carried out in May and June 2010.
- 4.2 On 9th December 2010 Cabinet authorised the Director of Children's Services to proceed to publish the required statutory notices for the closure of the school. The subsequent 6 week representation period was the final opportunity for people and organisations to express their views about the proposals. Statutory notices were subsequently published in the local newspaper on 20th December 2010. In addition notices were displayed outside all entrances to the school and in locations across the City. The Statutory Notice stated where the full proposal information relating to this proposal could be obtained.
- 4.3 The Statutory Notice forms part of the full proposal. Copies of the full proposal were sent to the Anglican and Catholic diocese, the head teacher and governing body of Portslade Community College, local ward councillors, the DfE and local Members of Parliament. A copy of the full proposal information is in the Members rooms.
- 4.4 During the publication period 1 individual and 1 company requested a copy of the full proposal information.
- 4.5 7 representations were received during the publication period. Of these 1 was against the proposal, 3 related to the ongoing provision of community services, one was related to the proposed Academy rather than the closure of Portslade Community College and the final representation was from the Governors of Portslade Community College. Copies of the responses / representations are in the Members Rooms.
- 4.6 With regard to the representations received as a result of publishing this statutory notice, commenting on the setting up of an Academy, the statutory guidance referred to in paragraph 2.3 above provides that where proposals are published to close a school in anticipation of the setting up of an Academy they are not considered to be "related". Accordingly the Decision Maker should only take into account representations which relate to the closure of Portslade Community College, and not the proposals to set up a new Academy. Information regarding this representation is however reported here for the sake of completeness.
- 4.7 With regard to the comments about the ongoing provision of community services such as the Village Centre, Adult Education, Library and Sports Centre it is important to note that these facilities are dependant on factors and decisions outside PCC becoming an academy.

- 4.8 A meeting was held at the Village Centre with the Portslade Community Forum on 24th January 2011 to further discuss the academy proposal. A copy of notes taken at the meeting are attached to this report as Appendix 1.
- 4.9 A further public meeting was held on 25th January 2011 at the school. The purpose of this meeting was to discuss the Academy proposal not the school closure process.
- 4.10 This meeting was attended by approximately 80 members of the public as well as the head teacher and Chair of Governors of the school, Local Authority representatives and directors of the Aldridge Foundation.
- 4.11 Notes taken at the meeting are attached to this report at Appendix 2.
- 4.12 A draft copy of the consultation timeline for the future development of the proposed Academy was tabled at the meeting. A copy of the timeline is attached to this report at Appendix 3.
- 4.13 At a meeting of the Governing body of Portslade Community College held on 25th January 2011 to specifically discuss the Academy's development, the Governing body again stated their support for the proposal.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The capital cost of the sixth form build and adaptations to the college site on Chalky Road will be funded by the £12.7m grant from Department for Education (DfE). At this time, funding for project management costs has not been notified by the DfE and if this is not forthcoming the council will need to identify these resources internally. These costs, previously estimated to be up to £300k, can be met from the available School Futures Reserve which was set up to support schemes of this nature.
- 5.2 The revenue budget for the Academy will be based on the existing PCC formula budget and will be finalised in March 2011. As things stand, PCC is forecast to have a budget deficit at the time of closure, 31 August 2011, of around £150k. The college are working closely with HR regarding consultation over a staffing restructure and have identified potential savings to balance the budget going forward. However, based on previous restructures, there could be one-off severance and/or redundancy costs of up to £250k. The submitted EOI stated that the council would contribute towards the costs associated with TUPE, by funding 50% any severance costs incurred, with the DfE confirming they will fund up to £100k towards this total cost. This could mean an overall deficit of £300k for the school at the time of closure.
- 5.3 Any school deficit as at 31 August 2011 would need to be met by Brighton & Hove Children's Services, and this would be by way of an additional allocation to the schools contingency budget in 2011/12. This would potentially reduce the total available funding for all schools in 2011/12, as this is unlikely to be met from the existing schools contingency budget.

Finance Officer consulted:

Andy Moore, Nigel Manvell

Date: 18/01/11

Legal Implications:

- 5.4 Statutory notices were published on 20th December 2010 in accordance with Section 15(1) of the 2006 Act and the accompanying School Organisation (Establishment and Discontinuance of Schools (England) Regulations 2007, as amended, (“the Regulations”). The statutory six week period for representations to be made followed. The closing date for receipt of representations or objections was 31st January 2011.
- 5.5 Paragraphs 7 – 8 and 19 of Schedule 2 to EIA 2006 set out who should decide proposals. In the case of this proposal the decision is to be taken by the LA. However there is provision for some rights of appeal to the schools adjudicator.
- 5.6 The guidance does not prescribe the process by which an LA carries out their decision-making function. This is a matter for the LA to determine but the requirement to have regard to statutory guidance applies equally to the body or individual that takes the decision. In this instance Cabinet will act as the Decision Maker for the Local Authority.
- 5.7 The Guidance entitled ‘Closing a maintained mainstream school,’ provides that there are 4 key issues which the Decision Maker should consider before judging the respective factors and merits of the statutory proposals:
- (a) Is any information missing? If so, the Decision Maker should write immediately to the proposer/promoter specifying a date by which the information must be provided.
 - (b) Does the published notice comply with statutory requirements? The Decision Maker should consider whether the notice is valid as soon as a copy is received. Where a published notice does not comply with statutory requirements as set out in the Regulations, it may be judged invalid and the Decision Maker should consider whether they can decide the proposals. In this instance legal advice has confirmed that the notice did comply with the statutory requirements.
 - (c) Has the statutory consultation been carried out prior to the publication of the notice? Details of the consultation should be included in the proposals. The Decision Maker should be satisfied that the consultation meets statutory requirements (see paragraphs 1.2 to 1.6 of the guidance). If some parties submit objections on the basis that consultation was not adequate, the Decision Maker may wish to take legal advice on the points raised. If the requirements have not yet been met, the Decision Maker may judge the proposals to be invalid and should consider whether they can decide the proposals. Alternatively the Decision Maker may take into account the sufficiency and quality of the consultation as part of their overall judgement of the proposals as a whole.
 - (d) Are the proposals linked or related to other published proposals? The proposal to close Portslade Community College is linked to the proposal to open an Academy on the same site the following day. If the Proposal to

proceed with the Academy should fail for any reason the proposal to close Portslade Community College will not be implemented.

- 5.8 A full copy of the guidance 'Closing a Maintained Mainstream school' is in the Members room. Paragraphs 4.15 to 4.62 of the Guidance set out the factors which must be considered by Decision Makers when determining a statutory proposal.
- 5.9 In considering proposals for a school closure the Decision Maker can decide to:
Reject the proposal
Approve the proposal
Approved the proposal with modifications
Approve the proposal subject to them meeting a specific condition

The Regulations provide that conditional approvals can only be given where the Decision Maker is otherwise satisfied that the proposals can be approved, and approval can automatically follow an outstanding event. In the case of this proposal approval would be conditional upon the making of an agreement under Section 482 (1) of the Education Act 1996 for the establishment of an Academy.

- 5.10 All decisions must give reasons for the decision indicating the main factors / criteria for the decision, irrespective of whether the proposals were rejected or approved, Section 7 of this report gives the reasons for the decision based on the legislative framework within which the proposal must be decided.

Lawyer consulted:

Serena Kynaston

Date: 08/01/11

Equalities Implications:

- 5.11 Planning and provision of school places is conducted in such a way as to avoid potentially discriminatory admissions priorities or planning processes. The city council and voluntary aided school bodies must be mindful of best practice as described in the Admission Code of Practice.

Sustainability Implications:

- 5.12 The construction of the proposed Academy will adhere to guidelines issued by the DfE in respect of the size of the building needed for the proposed number of children on roll.

Risk and Opportunity Management Implications:

- 5.13 Risk Register will be compiled and a full Risk Workshop will be held in the near future. Full consideration of risks is undertaken at every Project Steering Group meeting.

Corporate / Citywide Implications:

- 5.14 The development of an Academy on the Portslade Community College site is in accordance with the DfE's policy on developing a range of schools in each Local Authority thereby increasing the variety of types of school available to parents.

Crime & Disorder Implications:

- 5.15 Throughout the development of the proposed Academy, consultation with both community groups and the Community Safety team and police liaison officers will take place. Sussex Police Service endorse the view that the engagement of the community in the use of the facilities at the Academy and with the availability of those facilities outside normal school hours, it is envisaged that crime and disorder in the local area will be reduced, as will the numbers of pupils not in education, employment or training (NEET).

6. EVALUATION OF ANY ALTERNATIVE OPTION(S)

- 6.1 The only alternative option is to leave Portslade Community College as a community school managed by the Local Authority.
- 6.2 This is not considered acceptable as in discussions with the DfE it has been agreed that the school requires significant structural change to improve the results achieved by the school.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 It is recommended that the proposals to close Portslade Community College are approved subject to the condition that an agreement under Section 482 (1) of the Education Act 1996 is made for the establishment of an Academy on the same site. This agreement must be made by 30th June 2011. The signing of the Funding Agreement effectively constitutes this agreement.
- 7.2 The proposal to close Portslade Community College is inextricably linked to the proposal to open an Academy on the same site the following day. Consequently the Academy proposal is instrumental in the factors to be considered in determining the closure proposal.
- 7.3 The Academy proposal will afford significant capital investment in the school which will enable the development of the curriculum going forward. This will contribute to raising standards at the school improving attainment for children and young people.
- 7.4 The setting up of an Academy on the site of Portslade Community College will contribute to a strategic approach to diversity in choice for secondary education within the city.
- 7.5 The Academy will offer a focal point for the community providing a range of extended services to all ages. The Academy will encourage business and community participation in all types of events and activities.

- 7.6 The Academy will adhere to the Councils admissions arrangement which is based on catchment areas. This provides a truly local school which serves its most immediate community and assists in the aspirations of the Local Authority in terms of green travel arrangements.
- 7.7 The proposed Academy will have an on site sixth form which Portslade Community College cannot provide at present. This will enable students to access a coherent and exciting 14 to 19 curriculum offer. It is believed that this will encourage more young people to take up the opportunity for further and higher education.
- 7.8 There has been a wide ranging consultation with the school, stakeholders and the wider community. The results of the pre statutory notice consultation is included in the full proposal and shows that on balance there is support for the proposal.

SUPPORTING DOCUMENTATION

Appendices:

1. Notes from the Portslade Community Forum meeting held on 24th January 2010
2. Notes from the public meeting held on 25th January 2011
3. Consultation meetings timeline

Documents In Members' Rooms

1. A copy of the full proposal for the Closure of Portslade Community College
2. A copy of the guidance 'Closing a Maintained Mainstream school'
3. Responses to the statutory notice

Background Documents

1. Cabinet report from 9th December 2010

Written Comments from Portslade Community Forum Public Meeting

Monday 24th February at Portslade Village Centre

(Concerning proposals for PCC to become an Academy and the effect on Community Services such as Portslade Village Centre, Portslade Sports Centre, Adult Education, Library and the Pavilion Playgroup)

Cllr Les Hamilton, South Portslade

The continuation of the community facilities is essential if the Academy is to receive community support. BHCC MUST put in the necessary funding to maintain all the community facilities. Without them the Academy will not be accepted.

Robin Hurst, Portslade Community Forum

It is essential that both the Aldridge Foundation and Brighton and Hove Council come to an agreement as to continuing community use of buildings and funding.

Jo Fuller, North Portslade Community Newsletter Editor

The Village Centre is essential to Portslade and after tonight's meeting I feel it is more under threat than I thought! I also feel that tonight threw up more questions for me than it answered. So Many 'maybes' and 'unable to say at present'!

Cllr Bob Carden, North Portslade

The complete Community College set up must remain as it is which is to benefit the community.

Sonia Bowrah, Resident

I am unable to attend tonight's meeting but have heard that youth facilities have been stopped at the Village Centre. I do not know if this is true but have heard a friend's grandson can no longer attend one evening a week. I would like to support any move to reinstate the youth facilities should this be so and am deeply concerned should there not be any youth meetings/activities for youngsters. I look forward to hearing from you in due course.

Unnamed Comments

Hopefully the Youth Review recognises the value of the Village Centre

It would be a disgrace to lose all of the facilities a whole **COMMUNITY HAS BUILT**. For the sake of moving towards something which will be shown to be a 'Pig in a poke' in the future.

What will happen to the 6th Form site if the academy goes ahead? Is it true that Falmer and PCC 6th Forms are to be amalgamated?

Concerned that all community activity in Portslade and supported by the Village Centre continue if PCC becomes an academy.

It is extremely worrying that that Village Centre Services are seriously under threat. Our Community **NEEDS** the village centre and we are prepared to fight for it!

Very concerned about the future of community services. As a local resident with 2 children these are an invaluable community resource and **MUST NOT GO**. I came to this meeting to find out about the impact of academisation on services but very early on both council rep and Aldridge Foundation said that those decisions were part of wider decisions that they had little power/influence over.

All that I have heard this evening has – sadly- failed to reassure me. I am concerned at the lack of a requirement for significant, meaningful consultation and Governor involvement of parents and local residents. Representatives of the Aldridge Foundation offered every reassurance they were able to yet they have nearly absolute authority and what is to stop them changing these policies weeks, months, years down the line? Where is the constitutional commitment to this involvement?

Me and my friends have been coming to the Village Centre for years and if it is shut us and other children will have nowhere to go.

Portslade Community College / Proposed Portslade Academy Public Meeting Notes

Meeting date **25th January 2011 at 19.30hrs**

Attendees Gil Sweetenham, Gillian Churchill, Linda Ellis, Les Howell-BHCC
Stuart McLaughlin David King, Alison Harding – Portslade Community College
Rod Aldridge, Honor Wilson-Fletcher, Sophie Gaston – The Aldridge Foundation
Councillors Vanessa Brown, , Les Hamilton and Bob Carden
Approx 80 members of the public

DK Chair of Governors of Portslade Community College gave a brief introduction.

GS gave a short presentation outlining the programme for the proposed Academy at Portslade.

HW-F gave an overview of the Academy proposal
Aldridge Foundation and Local Authority (LA) listened to outcome of previous consultation and agreed that the current head teacher will become the Principle Designate and that the sixth form will be located on the main school site.
The LA and the Aldridge Foundation are producing a joint document to secure the community elements such as the public library.

Stuart McLaughlin made the following points
The performance of the school has already started to improve and this improvement will continue but there is a need to do things differently if the rate of improvement is to increase.
The Academy proposal allows freedom to do things differently
The support of the Aldridge Foundation creates opportunities
The funding available for the Academy will allow significant investment in ICT

The floor was then opened to questions

What is the attitude of the Principle Designate towards bullying?

Bullying is not acceptable. The Academy will work with and support both sides to understand the impacts of such behaviour.

Will the uniform Change?

Yes. The new uniform will be deigned in conjunction with the pupils.

What difference will Academy status make?

The Academy will allow greater freedoms to drive improvement. The Academy will be directly responsible to the Secretary of State not the LA.

What affect will there be on the sixth form if the proposal goes ahead?

Improved facilities for the sixth form on the main school site, a curriculum that is integrated with the rest of the school, increase in the size and capacity of the sixth form.

What will happen to teaching staff and class sizes?

Staff will transfer to the new Academy unless no suitable post exists. The LA will work with staff to find suitable alternative employment but some staff may be made redundant. Class size is partly determined by budget and partly by technology. It is anticipated that class sizes will be 27 or 28 in the next academic year.

Is it true that persistent offenders can be excluded more easily from an Academy?

The Aldridge Foundation would prefer not to exclude any pupil, however they will not tolerate poor performance and will work with pupils and parents to address any issues.

Is there any necessity to have a sponsor given the government push for non sponsored academies?

New style academies without sponsors are only an option for 'outstanding' schools at the present time. It is not clear what levels of funding are available for these new style academies.

How will the disruption be managed during the change?

The school has a significant amount of surplus capacity owing to the low pupil numbers which will assist in minimising the disruption during the build period (which will be between 18 months and two years).

Parents who do not support the proposal are concerned that their voices will not be heard, is this correct?

The decision will be made by the councils Cabinet and as part of that process all representations made will be made available as will the notes from consultation meetings.

Why is it not possible to access the £12.7 million funding without converting to Academy status?

That is a government decision. Maintaining the status quo is not an option for PCC, improvements in performance are needed now.

Will there be a reduction in staffing as a result of this proposal?

The school is currently overstaffed owing to the low pupil numbers and therefore there is a need to cut staff but this is nothing to do with the Academy proposal.

Meeting closed at 21.15hrs

An Academy at Portslade Community College

14 July 2009	Initial discussion with Secondary Headteachers and Chairs of Governors at the Seattle Conference
8 th February 2010	Meeting with Head at PCC and Chair of Governors regarding initial proposal. Briefings for CYPT member, Opposition member, and MP
1 st March 2010	Portslade councillors briefing
2 nd March 2010	PCC Governors meeting Headteacher met with Staff to outline the Councils proposal prior to Governors meeting. Initial Press release issued.
19 th March 2010	Schools Consultative Group
13 th April 2010	PCC Union meeting with Di Smith
19 th April 2010	PCC Staff meeting
22 nd April 2010	Cabinet Report agreed the start of the public consultation period regarding the proposal for PCC to become an academy
26 th April 2010	Portslade Community Forum meeting
10 th May to 18 th June 2010	1,500 consultation pamphlets issued to PCC Parents/Carers, Staff, Governors, Pupils and users supported by a detailed consultation document available on line and hard copies from the Council and PCC. Detailed consultation document provided to Headteachers and governing bodies of other primary, secondary and special schools in Brighton & Hove, City College, Varndean College and BHASVIC, Young People's Learning Agency (YPLA), neighbouring Local Authorities, Church of England and Roman Catholic Diocesan Boards of Education, Trade Unions and Associations.
10 th May 2010	Meeting with University of Sussex re Education Partner
12 th May 2010	PCC Governors meeting
10 th June 2010	PCC Public meeting at the college
14 th June 2010	PCC Public meeting at the Village Centre
22 nd July 2010	Cabinet Meeting approved the submission of the Expression of Interest (EOI). Consultation responses reported to Cabinet

Item 169 Appendix 3

6 th August 2010	The Department for Education (DfE) announced 44 academies at the most advanced stage in their capital planning with Partnerships for Schools (Pfs) would receive capital now but that the Capital allocations for the remaining 75 would be decided in the Spending Review. Unfortunately the Portslade Academy was one of the 75 Academies that had to wait until the outcome of the Spending Review to find out about the possible capital allocation.
9 th December 2010	Cabinet Report detailing the reasons for the proposed academy and the intended method of procurement. Agreement to publish statutory notice re closure of PCC subject to the creation of an academy in September 2011.
10 th January 2011	Revised EOI submitted to ministers
14 th January 2011	EOI agreed by ministers and £12,764,336 allocated for refurbishment of existing buildings and transfer of 6 th form to Chalky Road site
24 th January 2011	Portslade Community Forum meeting at the Village Centre, 7.00 p.m.
25 th January 2011	PCC Governors meeting with Council and Aldridge Foundation, 6.45 p.m.
17 th February 2011	Public Consultation meeting at PCC (Oasis Centre) 7.30 p.m. Cabinet report recommending that Cabinet agrees to PCC becoming an academy in September 2011. This report also includes the responses to the statutory closure notice consultation, and responses from the further consultation meetings at PCC, with PCC Governors, and at the Village Centre.

If Cabinet agrees to proceed the next stages include:

1. Completion of Feasibility Study (4 – 12 weeks)
2. Reference design based on Curriculum analysis and accommodation schedule (2 weeks)
3. Funding agreement between DfE, The Aldridge Foundation and the Council to be signed by Easter 2011

4. Appointment of Principal
5. Creation of Academy Trust
6. TUPE process for existing PCC staff
7. 26 week procurement process including planning approval, identification of contractor from National Framework, and agreement of final design.
8. It is expected that work will begin on Chalky Road site in August 2011.
9. Academy opens in existing buildings on 1st September 2011

Many of these stages will run concurrently.

Subject:	Patcham Court Farm site – long leasehold disposal for commercial development		
Date of Meeting:	17 February 2011		
Report of:	Strategic Director Resources		
Contact Officer:	Name:	Angela Dymott	Tel 29-1450
	E-mail:	angela.dymott@brighton-hove.gov.uk	
Key Decision:	Yes	Forward Plan No: CAB20344	
Wards Affected:	Patcham		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To advise Cabinet on the bids for the disposal of Patcham Court Farm Site, following re-marketing by appointed agents, DTZ, Debenham Tie Leung Limited (DTZ). The 16th October 2008 Cabinet Report gave approval to the re-marketing of the site with a broadened planning brief. The report is complemented by a report in Part Two of the Agenda.

2. RECOMMENDATION:

- 2.1 That Cabinet approves:

- (a) The disposal of the site to Bidder A on a long lease of 125 years at a premium for a mixed hotel and office development subject to planning.
- (b) Continuing discussions with Bidder B or any of the other bidders, or other parties which may come forward, in the event that the terms are not concluded.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The site of 3.6 acres (1.4Ha) is located on the northern fringe of the City, just south of the A27 bypass and adjacent to the interchange of the A27 and A23. The site was previously part of the wider landholding Patcham Court Farm. The now derelict farm buildings were severed from the associated agricultural land when the bypass was constructed a decade and a half ago. The site falls within the southern fringe of the Sussex Downs Area of Outstanding Natural Beauty, but outside of the new South Downs National Park and adjoins Patcham Conservation Area. For avoidance of doubt the site does not include the adjoining allotments or houses and is shown by bold outline in the attached plan at Appendix 1.

Outcome of Marketing

- 3.2 The site was widely marketed for sale on a long lease for commercial development by DTZ, the Council's agents in October 2009. There were 8 bids from 8 separate parties received on 10th December 2009 comprising office schemes and mixed hotel schemes including offices and warehouse.

Interview process and short listed parties

- 3.3 The interviews were held over 2 days in January 2010 but because of the severe weather conditions they were delayed. Officers from Property & Design, Planning, Finance and Tourism together with DTZ formed the assessment panel. The criteria used to produce a short list were: the financial bid, the credibility of the developer's proposal and compliance with planning policy considerations.
- 3.4 All 5 parties invited for interview were evaluated on a standard matrix of scoring under 8 headings ; Track record, Deliverability, Financial Appraisal/Price, Funding, Planning, Quality/ Innovation, Added Value and Timing. After interview and a full assessment Bidder A were the clear preferred bidder with Bidder B as the second choice. This was the formal recommendation of our agents DTZ in an evaluation report

1st Bidder A – Preferred Purchaser

- 3.5 Bidder A's scheme proposes a 128 bed 4 star Village Hotel and Leisure Club providing conferencing, banqueting and community facilities, a full service restaurant, café and wine bar together with a health and fitness centre including a swimming pool, spa, sauna and gym. They are also incorporating 4,900 sq.ft of offices within the envelope of the Village Hotel.
- 3.6 As Bidder A are building, funding and occupying the hotel, the speed of the process is likely to be increased with effectively a pre-let already being in place. They are proposing to fund the acquisition and the development with their funding partner. They have undertaken a full business appraisal along with thorough research of the market and strongly believe that the concept would succeed in this location.
- 3.7 Patcham Court Farm is an employment site and their proposed development will provide 250 jobs for the hotel (166 full time equivalents and 84 part time) plus 25 jobs for the offices. Whilst their bid does not comply with local plan policy there are sufficient material considerations for them to pursue a planning application for their proposal. Their scheme would provide for a range of local employment needs, along with many additional benefits to the local community, with the hotel's facilities including a leisure centre, restaurant and bar. They have sufficient information to proceed with the long lease and would be able to complete a Development Agreement with 6 weeks of Cabinet approval. The Development Agreement would allow them to apply for planning permission at their cost. When planning consent has been obtained a long lease of 125 years would be granted at the agreed premium.
- 3.8 In order to remove some of the planning uncertainty, the developers and their design team have held a number of pre-meetings with the planners transport and highways officers throughout 2010. This has enabled the planners to set out

clearly the justification, information and planning case that would have to be provided to obtain a successful planning consent.

2nd Bidder B – Reserve Purchaser

- 3.9 Bidder B are a privately owned south coast based property company currently undertaking a mixture of office, retail and residential developments. Their proposals provide a 60 bed hotel with associated restaurant. For the balance of the site Bidder B have designed a number of different office options. The principle of an office proposal on the site would meet planning policy objectives, and the hotel would have to be supported by a strong planning case. However the warehouse accommodation does not comply with planning policy but does provide a pre-let.

Planning issues

- 3.10 The council as local planning authority (LPA) would need to consider any proposal for the site with regard to the development plan (the Brighton & Hove Local Plan) and other material considerations. The site is currently allocated under Policy EM2 of the city council's adopted Local Plan (2005) as a site suitable for high-tech business uses or general office uses within classes B1(a) and (b).
- 3.11 The proposal represents two significant departures from adopted planning policy. Firstly, the dominant land-use proposed is a hotel with only ancillary B1(a) office space and therefore contrary to Policy EM2 and secondly the proposed hotel is outside of the existing Hotel Core Area as delineated on the Local Plan proposal map and set out in Policy SR14. Therefore such a proposal would need to demonstrate that the employment likely to be generated from the site is of sufficient quality and quantum to justify a departure from the sites allocated use and that a hotel/leisure/conference facility in this location can be justified.
- 3.12 With regard to 'other material considerations' that might justify a departure from adopted planning policy, it should be noted that the site has remained vacant for many years, despite a number of attempts by the City Council to market the site. Given the unfavourable economic circumstances, it is likely that the site will remain undeveloped in the foreseeable future without some flexibility being exercised by the LPA in relation to the mix of uses on the site.
- 3.13 The proposed preferred developer has advised that, given the economic situation, the various circumstances around the site and its history there are sufficient material considerations for the LPA to consider a more flexible approach to the development of the site. They are confident that they would be able to submit a well-researched planning application that would demonstrate that due attention was being paid to the overarching planning concerns of providing employment opportunities on the site whilst providing for a variety of other important needs.

4. CONSULTATION

- 4.1 Consultations have been held with Ward Councillors who are fully supportive of the preferred bidder's scheme. Adjoining residents and the representative of the adjoining allotment holders have also been consulted. Planning and Transport

officers have held preliminary meetings with the preferred bidder's team to discuss planning and highway issues. Tourism officers have been involved in the interview process and consulted on the hotel schemes. The South East Coast Ambulance Service (SECAM) and the East Sussex Fire & Rescue Service (ESFRS) were consulted on the potential for locating their facilities on site. The District Valuation Service were asked to provide an independent valuation.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The disposal on long leasehold will generate a capital receipt less any associated fees in connection with the disposal of the site. The net capital receipt will be needed to support the corporate capital funds for future years. There is no proposed overage associated with the preferred bid however, the premium represents the best financial offer of all the bids. There is no income currently generated from the site but there are some annual costs associated with security and maintenance.

Finance Officer consulted: Rob Allen

Date: 21/01/11

Legal Implications:

- 5.2 S 123 of the Local Government Act 1972 enables the Council to sell this property provided it achieves the best consideration reasonably obtainable. It is not considered that any individual's Human Rights Act rights will be adversely affected by the recommendation in this report.

Lawyer Consulted: Anna Mackenzie

Date: 18/01/11

Equalities Implications:

- 5.3 The planners would require any development to incorporate improved access for all to include disabled access requirements, level and ramped access and cycle access.

Sustainability Implications

- 5.4 The site is in a sensitive location, within the AONB and close to the new South Downs National Park .It adjoins Patcham Village Conservation Area and is opposite three Listed Buildings, Patcham Court Farmhouse, the Village Barn and All Saints Church. The site is identified as being in a Green Corridor and is on a Greenway in the Local Plan, a green travel plan would be an essential part of the proposed scheme. The site is located above chalk aquifers and any developer would have to consult with Southern Water and the Environment Agency on the drainage proposals. This could be addressed by the implementation of a "Sustainable Urban Drainage System" (SUDS) which would slow down the release of rainwater into the drainage network or the ground.

Crime & Disorder Implications:

- 5.5 The site is occupied on a Tenancy at Will at a peppercorn to prevent unauthorised access and to maintain security. These will be continuing issues of concern whilst the site remains undeveloped.

Risk & Opportunity Management Implications:

- 5.6 The risks are dependant on the wider economic climate, property market conditions, obtaining planning consent, withdrawal of the developer selected and the site remaining vacant.

Corporate / Citywide Implications:

- 5.7 The disposal of properties is part of the corporate asset management process to ensure efficient and effective use of assets. This contributes to the regeneration of the City, the Council's strategic priorities and the increased opportunities for employment. The site is close to a recognised gateway and redevelopment will improve the location in accordance with the Tourism Strategy. The preferred purchaser's proposals are able to meet new market demand (currently unsatisfied) sitting as it does on the urban fringe. It might therefore compete more with other properties on the A27, A23 or even Crawley.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The Council could wait until the economy and market condition improve before going back to the market: This may not happen for several years and the premium bid from the hotel market may no longer be there. In the meantime the site would continue to remain derelict and undeveloped.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 A proposed disposal will maximise a capital receipt, enable development of a derelict and unsightly site, make best use of an underutilised asset, provide employment opportunities and facilitate economic growth within the City.

SUPPORTING DOCUMENTATION

Appendices:

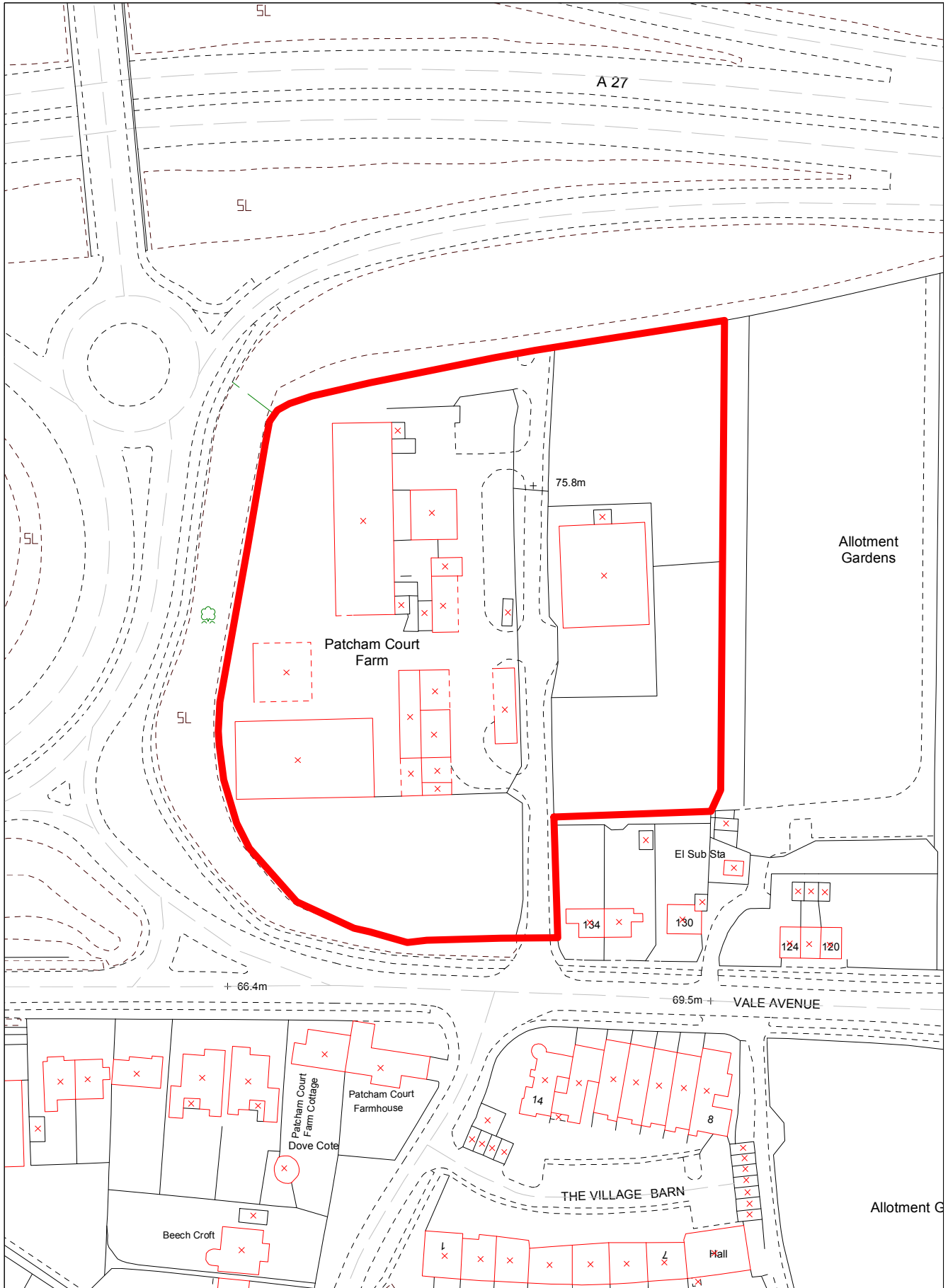
1. Plan of site

Documents in Members' Rooms

None

Background Documents

1. District Valuer's independent valuation April 2010
2. Informal Planning Brief March 2009
3. Hotel Futures Report by Hotel Solutions January 2007
4. Employment land Study 2006



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Brighton & Hove

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