





Brighton & Hove  
City Council

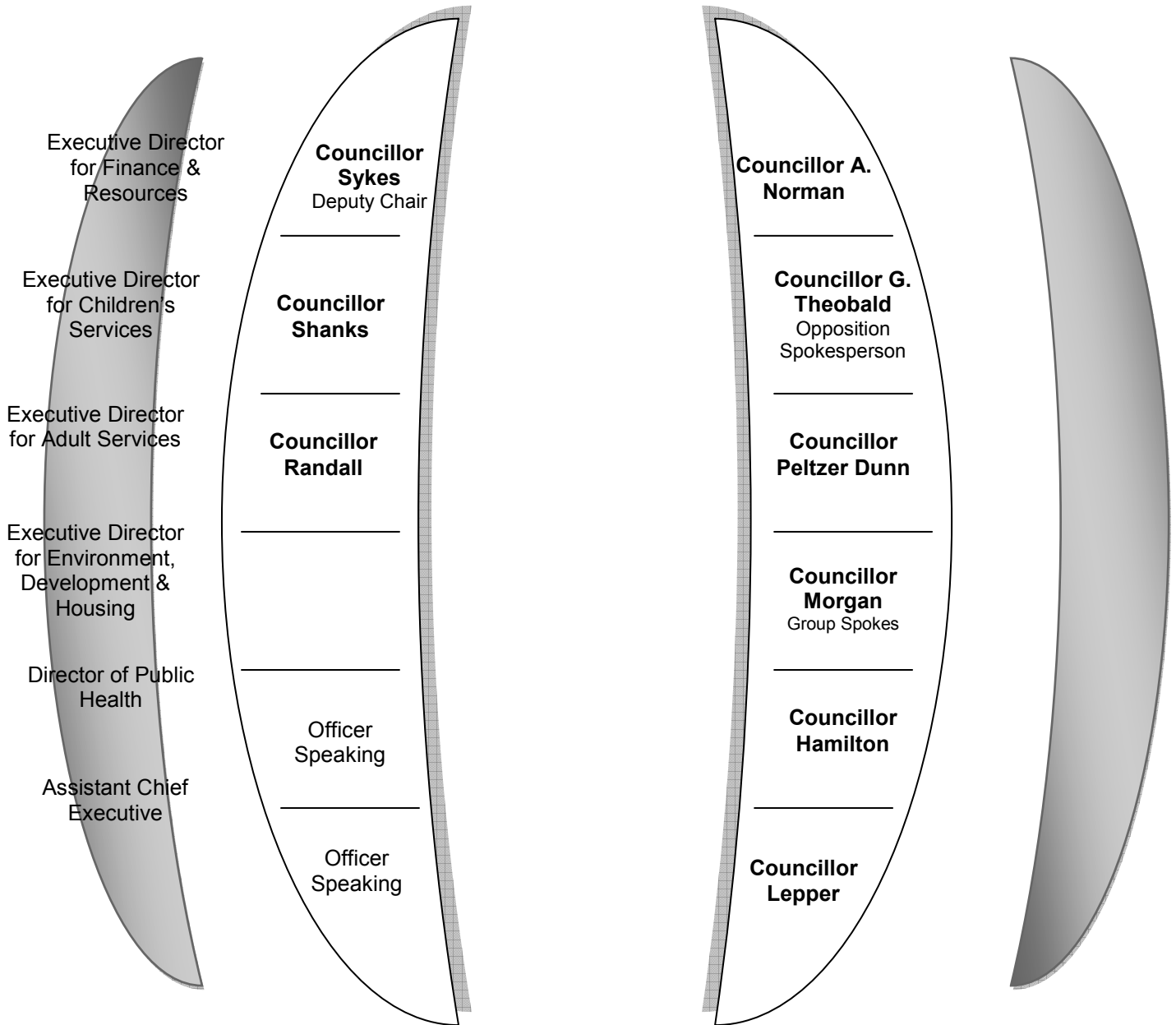
# Policy & Resources Committee

Title:	<b>Policy &amp; Resources Committee</b>
Date:	<b>11 July 2014</b>
Time:	<b>2.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall</b>
Members:	<b>Councillors:</b> J Kitcat (Chair), Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Hamilton, Lepper, A Norman, Peltzer Dunn, Randall and Shanks
Contact:	<b>Ross Keatley</b> Acting Democratic Services Manager 01273 291064 ross.keatley@brighton-hove.gov.uk

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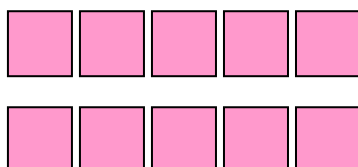
# Democratic Services: Policy & Resources Committee

Monitoring Officer	Councillor J. Kitcat Chair	Chief Executive	Democratic Services Manager
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Public Speaker	Councillor Speaking
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Public Seating



Press

## AGENDA

### PART ONE

Page

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#### PROCEDURAL MATTERS

#### 23 PROCEDURAL BUSINESS

(a) **Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

(b) **Declarations of Interest:**

- (a) Disclosable pecuniary interests not registered on the register of interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

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

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

(c) **Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

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

*A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.*

#### 24 MINUTES

1 - 16

To consider the minutes of the meeting held on 12 June 2014 (copy attached).

## POLICY & RESOURCES COMMITTEE

### 25 CHAIR'S COMMUNICATIONS

### 26 CALL OVER

- (a) Items (29 – 48) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

### GENERAL MATTERS

### 27 PUBLIC INVOLVEMENT

17 - 18

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

- (a) **Petitions:** to receive any petitions presented by members of the public to the full council or as notified for presentation at the meeting by the due date of the 30<sup>th</sup> June 2014;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 4<sup>th</sup> July 2014;
  - (i) Public Question from Adrian Morris concerning the Aquarium Arches (copy attached).
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 4<sup>th</sup> July 2014.

### 28 MEMBER INVOLVEMENT

19 - 20

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or as notified for presentation at the meeting by the due date of the 30<sup>th</sup> June 2014;
- (b) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.
  - (i) Food Banks in the City – Notice of Motion referred from the Council meeting held on the 8<sup>th</sup> May 2014 (copy attached).

### FINANCIAL MATTERS

### 29 TREASURY MANAGEMENT POLICY STATEMENT (INCORPORATING THE ANNUAL INVESTMENT STRATEGY) END OF YEAR REVIEW 2013/14

21 - 32

Report of the Executive Director for Finance & Resources (to follow).

Contact Officer: James Hengeveld

Tel: 29-1242

Ward Affected: All Wards

## **POLICY & RESOURCES COMMITTEE**

- 30 TARGETED BUDGET MANAGEMENT (TBM) 2014/15 MONTH 2 33 - 86**
- Report of the Executive Director for Finance & Resources (copy attached).
- Contact Officer: Jeff Coates Tel: 29-2364*  
*Ward Affected: All Wards*
- 31 WAIVERS OF CONTRACT STANDING ORDERS 87 - 94**
- Report of the Executive Director for Finance & Resources (copy attached).
- Contact Officer: Elin Star Tel: 29-1949*  
*Ward Affected: All Wards*
- 32 BUDGET AND CORPORATE PLAN PREPARATION 95 - 118**
- Report of the Executive Director for Finance & Resources (copy attached).
- Contact Officer: Nigel Manvell Tel: 29-3104*  
*Ward Affected: All Wards*
- STRATEGIC & POLICY MATTERS**
- 33 CITY PLAN PART ONE - CHANGES ARISING FROM EXAMINATION PROCESS 119 - 180**
- Report of the Executive Director for Environment, Development & Housing (copy attached).
- Contact Officer: Helen Gregory Tel: 29-2293*  
*Ward Affected: All Wards*
- 34 ANNUAL PERFORMANCE UPDATE 2013/14 181 - 214**
- Report of the Executive Director for Finance & Resources (copy attached).
- Contact Officer: Andy Edwards Tel: 29-6823*  
*Ward Affected: All Wards*
- CONTRACTUAL MATTERS**
- 35 MINIMUM BUYING STANDARDS FOR CATERING CONTRACTS 215 - 236**
- Report of the Executive Director for Finance & Resources (copy attached).
- Contact Officer: Francesca Iliffe Tel: 29-0486*  
*Ward Affected: All Wards*

## **POLICY & RESOURCES COMMITTEE**

### **36 HOME TO SCHOOL SPECIAL NEEDS PUPILS TRANSPORT AND OTHER SOCIAL CARE TRANSPORT CONTRACT 237 - 244**

Report of the Executive Director for Children's Services (copy attached).

*Contact Officer: Michael Nix*

*Tel: 29-0732*

*Ward Affected: All Wards*

### **37 PROCUREMENT OF WASTE AND RECYCLING CONTRACT 245 - 248**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Martin Hedgecock*

*Tel: 295047*

*Ward Affected: All Wards*

### **38 SHARED LIVES (TENDER CONTRACT) 249 - 254**

Report of the Executive Director for Adult Services (copy attached).

*Contact Officer: David Pena-Charlon*

*Tel: 01273-296810*

*Ward Affected: All Wards*

### **39 CASH IN TRANSIT CONTRACT 255 - 262**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Nigel Manvell*

*Tel: 29-3104*

*Ward Affected: All Wards*

## **REGENERATION & PROPERTY MATTERS**

### **40 HOVE TOWN HALL, SOUTH END, OFFICE OPTION 263 - 268**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Angela Dymott*

*Tel: 29-1450*

*Ward Affected: All Wards*

### **41 PORTSLADE SPORTS CENTRE - FUTURE MANAGEMENT ARRANGEMENTS 269 - 274**

Joint report of the Executive Director of Children's Services and the Assistant Chief Executive (copy attached).

*Contact Officer: Michael Nix*

*Tel: 29-0732*

*Ward Affected: North Portslade*

### **42 STANMER PARK MASTER PLAN & APPLICATION FOR HERITAGE LOTTERY FUND GRANT FUNDING 275 - 284**

Joint report of the Executive Director for Environment, Development & Housing and the Executive Director for Finance & Resources (copy attached).

## **POLICY & RESOURCES COMMITTEE**

Contact Officer: Jan Jonker  
Ward Affected: All Wards

Tel: 29-4722

### **43 DISPOSAL OF 18 MARKET STREET**

**285 - 290**

Report of the Executive Director for Finance & Resources (copy attached).

Contact Officer: Jessica Hamilton  
Ward Affected: Goldsmid; Regency

Tel: 29-1461

## **GENERAL MATTERS**

### **44 APPOINTMENT TO THE FIRE AUTHORITY**

To appoint a representative to the Fire Authority following Councillor Rufus' resignation.

Note: The appointment currently falls to Green Group and Councillor Deane has been nominated.

### **45 ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 17<sup>th</sup> July 2014 Council meeting for information.

*In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on the 7<sup>th</sup> July 2014 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.*

## **PART TWO**

## **REGENERATION & PROPERTY MATTERS**

### **46 STANMER PARK MASTER PLAN & APPLICATION FOR HERITAGE LOTTERY FUND GRANT FUNDING - EXEMPT CATEGORY 3**

**291 - 294**

Appendix 2 to the joint report of the Executive Director for Environment, Development & Housing and the Executive Director for Finance & Resources, listed as Item 42 on the agenda (circulated to Members only).

Contact Officer: Jan Jonker  
Ward Affected: All Wards

Tel: 29-4722

## POLICY & RESOURCES COMMITTEE

### 47 DISPOSAL OF 18 MARKET STREET - EXEMPT CATEGORY 3 295 - 296

Appendix 2 to the report of the Executive Director for Finance & Resources, listed as Item 43 on the agenda (circulated to Members only).

*Contact Officer:* Jessica Hamilton

*Tel:* 29-1461

*Ward Affected:* Goldsmid; Regency

### PROCEDURAL MATTERS

### 48 PART TWO MINUTES - EXEMPT CATEGORY 3 297 - 298

To consider the part two minutes of the meeting held on the 12<sup>th</sup> June 2014 (circulated to Members only).

*Contact Officer:* Mark Wall

*Tel:* 29-1006

### 49 PART TWO PROCEEDINGS

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

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 and deputations to committees and details of how questions and deputations can be raised can be found on the website and/or on agendas for the meetings.

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

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For further details and general enquiries about this meeting contact Ross Keatley, (01273 291064, email [ross.keatley@brighton-hove.gov.uk](mailto:ross.keatley@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)



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Date of Publication - Thursday, 3 July 2014



**BRIGHTON & HOVE CITY COUNCIL**

**POLICY & RESOURCES COMMITTEE**

**4.00pm 12 JUNE 2014**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor J Kitcat (Chair) Councillors Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Lepper, A Norman, Peltzer Dunn, Pissaridou, Randall and Shanks

**PART ONE**

**1. PROCEDURAL BUSINESS**

**(a) Declarations of Substitutes**

1.1 Councillor Pissaridou was present in substitution for Councillor Hamilton.

**(b) Declarations of Interest**

1.2 There were no declarations of interests in matters listed on the agenda.

**(c) Exclusion of Press and Public**

1.3 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any of the items listed on the agenda.

1.4 **RESOLVED:** That the press and public be excluded from the meeting during consideration of the items contained in part two of the agenda.

**2. MINUTES**

2.1 The minutes of the meeting held on 1 May 2014 were approved as a correct record of the proceedings and signed by the Chair.

**3. CHAIR'S COMMUNICATIONS**

3.1 The Chair stated that the previous weekend the city came together for the 70<sup>th</sup> Anniversary of D-Day and extended thanks to everyone involved in preparing for the

events and to all of the people who came to support them. He made special mention of the ex-Mayor of Hove, Bernie Jordan, who made the headlines with his trip to France, and was pleased to note that he made the journey back and was safely with friends and family.

- 3.2 The Chair extended thanks to those staff and Members who participated in the previous week's Local Government Association (LGA) Peer Review. This had been a valuable exercise that tested the hypothesis of progress and asked LGA colleagues to measure the authority against a suite of set criteria. The initial feedback had been very positive and a more detailed report was expected.
- 3.3 The Chair also stated that much of the agenda considered directly or indirectly the financial situation; especially how services were planned to be delivered and progressed as the consequences of austerity played out. The Council had a duty to provide services and a duty of care to residents and visitors. It was noted that political views were not incompatible but they were becoming increasingly polarised as financial realities hit. The Chair hoped that all Members would seek to work together to find solutions to these challenges, and despite the increased politicisation that a pre-election year brought – the entire Council would seek to work on behalf of the electorate rather than hoping primarily to influence their vote.

#### 4. CALL OVER

- 4.1 The Following items on the agenda were reserved for discussion:

Item 7	Targeted Budget Management (TBM) Provisional Outturn 2013/14
Item 8	Governance of Value for Money Phase 4
Item 9	Charging Options In Relation To Sunday Parking
Item 10	Adult Services – Future Service Models
Item 11	Brighton & Hove Seaside Community Homes – Registered Provider Application
Item 12	Progress Report on the Workforce Equalities Action Plan
Item 14	Confirmation Article 4 Direction – Office to Residential
Item 15	Hove Park Depot – Long Lease to School
Item 17	Brighton & Hove City Council Provision of Arboricultural Services
Item 18	Appointment to Brighton Estates Conservation Trust
Item 20	Hove Park Depot – Long Lease to School – Exempt Category 3
Item 20A	Brighton & Hove Seaside Community Homes – Registered Provider Application – Exempt Category 3

- 4.2 The Acting Democratic Services Manager confirmed that the items listed above had been reserved for discussion, and that the following reports on the agenda with the recommendations therein had been approved and adopted:

Item 13	Development of Shared Lives
Item 16	Procurement of a Framework Agreement for Reactive Fabric Maintenance and Minor New Works.

## 5. PUBLIC INVOLVEMENT

- 5.1 The Chair noted that a petition in relation to Free Parking on Sundays had been referred from the Council meeting on 27 March 2014, and as part of the recommendation from that meeting there was an accompanying Officer report at Item 9 on the agenda. The Committee agreed to consider the petition at the same time as the Officer report at Item 9.
- 5.2 The Chair noted that a deputation from the 'Tenants Leasing Council Owned Properties in Stanmer Village' had been referred from the Council meeting on 8 May 2014, and it was clarified that since that meeting a new tenancy was now in place. The Chair then put the recommendation that the Committee note the report to the vote.
- 5.3 **RESOLVED:** That the Committee note the report.
- 5.4 The Chair noted that no other petitions, public questions or deputations had been received for the meeting.

## 6. MEMBER INVOLVEMENT

- 6.1 The Chair noted that Councillor G. Theobald has given advance notice of a question which was listed in the agenda papers.

- 6.2 Councillor G. Theobald's question asked:

"Given that it is now almost a year since P&R Committee agreed the way forward for the redevelopment of the King Alfred site, will the Leader of the Council please provide Committee with an update on progress with choosing a preferred bidder for the new leisure centre?"

- 6.3 The Chair responded:

"As Councillor Theobald will be aware, it was this administration that re-established the King Alfred project in 2012, following many years of inactivity from the previous administration. In a relatively short period we confirmed the city's priorities for the new Sports Centre, and the type of enabling development needed to help deliver it, and set out the process by which the council would seek to appoint a development partner.

Since securing the unanimous support of the Policy & Resources Committee in July 2013, officers have continued preparatory work needed to inform and support the formal procurement exercise. The King Alfred is among the most strategically significant projects in the city and it is vitally important that the council is properly prepared before embarking on a complex tendering process. To do so prematurely will not benefit either the council, interested developers or the community.

As a first step in this process, in November 2013, the council hosted a 'Developers' Day' event that enabled early engagement with the development community, and the opportunity for the council to promote this exciting development opportunity. This successful event, attended by 65 senior representatives from more than 40 companies,

enabled the council to outline the city's objectives and to begin dialogue with a range of industry specialists. Valuable feedback obtained from the day has helped inform the planned process, which we hope will be welcomed by developers.

We have just recently appointed Deloittes to support the council with property, procurement, and cost advice to support the OJEU 'Competitive Dialogue' and we are committed to starting the procurement exercise later this summer.

- 6.4 By way of a supplementary question Councillor G. Theobald asked for more information in relation to the specific timetable, and the Chair agreed he would send a detailed written response after the meeting to this effect.
- 6.5 The Chair noted the Notice of Motion as listed in the agenda, and formally proposed the motion himself which was seconded by Councillor by Councillor Sykes. The Committee then debated the motion.
- 6.6 The Chair then put the following motion to the vote:

"This Committee resolve to endorse the Local Works campaign for a 'supermarket levy', and support the Derby City Council-led bid to government requesting relevant powers under the Sustainable Communities Act."

- 6.7 The motion was **carried**.

## **7. TARGETED BUDGET MANAGEMENT (TBM) PROVISIONAL OUT-TURN 2013/14**

- 7.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to Targeted Budget Management (TBM) Provisional Out-turn 2013/14. TBM was a key component of the Council's overall performance monitoring and control framework; the report set out the provisional outturn position (Month 12) on the Council's revenue and capital budget for the financial year 2013/14. The final outturn position was subject to the annual external audit review, and the final position would be shown in the Council's financial statements which had to be signed by the Chief Financial Officer by 30 June 2014 and the audited set approved by the Audit & Standards Committee by 30 September 2014.
- 7.2 Councillor Sykes thanked Officers for the work that had gone into the report, and noted that the underspend was good news which showed the change of position since the 2014/15 budget had been agreed. The pressure area in relation to the Code of Connection provision was also noted.
- 7.3 Councillor Morgan noted that the expenditure on homelessness had been lower than expected, but queried this against the growing number of homeless in the city; he also asked if the underspend in the City Parks service could be put back into the service. In response to the first matter the Executive Director for Finance & Resources confirmed that not all of the additional funding for homelessness had been needed, and the overall spend had been increased in this area. It was not certain if this trend would continue; a lot of work had been put in to help mitigate the impact of welfare reforms, and there was a degree of reliance on discretionary funds – not all of which would continue in future years. In response to the second point the Executive Director for Environment,

Development & Housing stated that, in relation to concerns about refuse collection in Parks, this could be looked at, but increasing spend on this in the current financial year would need to be considered against achieving underspend in other areas otherwise this would increase the risk of an overall budget overspend in the service – there would further information on this in the TBM report to the July meeting.

- 7.4 Councillor A. Norman welcomed the reported underspend in the budget, and noted there was indication, to her, in the report that the number of people in work in the city was increasing. In relation to business rates the reduced number of successful appeals was welcomed, and it was referenced that the Council no longer needed support from the Safety Net. With the addition of grant funding that had been lobbied for it was noted that there was a significant financial boost for the Council, and Councillor A. Norman queried if there had been a need to increase Council Tax as part of the 2014/15 budget.
- 7.5 In response to specific questions from Councillor A. Norman the Executive Director for Finance & Resources explained that the public health reserve had to be ring fenced specifically for that service; currently the Director of Public Health was considering options to secure long term finance gains. In relation to discretionary funds it was clarified that there had been an underspend in the previous financial year and the decision had been made to take some recurrent funding out of this to stretch these resources over a longer period. The carry forward on 'Living Our Values Everyday' related to the corporate plan modernisation agenda and the range of activities that had been rolled out for all managers in the organisation to equip them with the skills to work through the change process.
- 7.6 The Executive Director for Environment Development & Housing clarified for Councillor A. Norman that over all, expenditure in City Clean and City Parks had come in on budget. There had been an overspend in the City Clean budget in one area, but this needed to be considered in the context of a very difficult year for the service. There had been some serious problems with vehicle breakdowns which had contributed to cost pressures, but the Executive Director had full confidence that this would be addressed when the new vehicles became operational later in the year.
- 7.7 The Executive Director for Adult Services explained to Councillor A. Norman that work was being undertaken to consider a range of supported living options and this included extra care schemes.
- 7.8 Councillor Sykes noted the late receipt of £400k from central government, and stated that this was contrary to good financial planning; the Chair agreed with this, but Councillor A. Norman noted that in her experience local authority finance had always been complicated.
- 7.9 Officers agreed to provide Councillor G. Theobald with additional information in relation to Patcham Court open access scheme outside of the meeting.
- 7.10 In response to Councillor Pissaridou the Executive Director for Finance & Resources explained that the funds for short breaks for children had been a capital grant; the voluntary sector had since been invited to put forward ways to use these funds which had not had proposals in place.

7.11 The Chair noted the ongoing difficult position of the budget in the next year and referenced the amount of work that the organisation needed to undertake. The Chair then put the recommendation to the vote.

**7.12 RESOLVED:**

- (1) That the Committee note the total provisional outturn position for the General Fund, which is an underspend of £1.085m. This consists of an underspend of £1.190m on council controlled budgets and an overspend of £0.105m on the council's share of the NHS managed Section 75 services;
- (2) That the Committee note the provisional outturn for the Housing Revenue Account (HRA), which is an underspend of £0.766m.
- (3) That the Committee note the provisional outturn position for the Dedicated Schools Grant which is an underspend of £1.447m.
- (4) That the Committee approve the carry forward requests totalling £7.176m as detailed in Appendix 2.
- (5) That the Committee note the provisional outturn position on the capital programme.
- (6) That the Committee approve the following changes to the capital programme.
  - i. The variations and reprofiles in Appendix 4 and the new schemes as set out in Appendix 5.

**8. GOVERNANCE OF VALUE FOR MONEY PHASE 4**

- 8.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to Governance of Value for Money Phase 4. The report set out the proposals for the next phase of the Council's Value for Money approach, Phase 4, together with arrangements for oversight for effective governance of the programme. This was to ensure the aims of the programme were clear and the arrangements for the oversight were robust and appropriate to the scale of the challenge. The Value for Money programme was a key component of the delivering the Council's Corporate Plan Priority of Modernising the Council. It was also a crucial building block for the Council's budget planning for 2015/16 and it's Medium Term Financial Strategy.
- 8.2 Councillor Sykes referenced the enormity of the challenge for the Council stating that the budget would reduce by £90M in the next 5 years, and last year the value for money programme had delivered £9.4M of savings. The report referenced the need for strength in central services to monitor and push this process, and there would be an expanded group of elected Members involved to oversee it.
- 8.3 Councillor A. Norman thanked Officers for the work to support this report, and noted that EY had confirmed the view of her Group that there were bigger savings to be made through value for money in the organisation. She added that this was contrary to the view of both the Green and Labour Groups that there were no more significant efficiency savings to be made and it was necessary to raise Council Tax. Councillor A. Norman



went on to add that she had believed there was more scope for procurement based savings and she welcomed more work around debt recovery.

- 8.4 In response to specific questions from Councillor A. Norman the Executive Director for Finance & Resources explained that the Council was following the advice from EY and giving a clear and consistent message that all staff had to play a part in contributing to and owning the changes and this would be a challenge for Senior Officers and Members. It was added that EY had been aware of some of the politically different views, and felt it was important there was political consensus around value for money.
- 8.5 The Executive Director went on to add that in relation to the modernisation of adult social care there was discussion around the opportunity for a local authority trading company, and much greater savings had been identified across health and social care. The report listed later in the agenda [Item 10] discussed the local authority trading company, and made a judgement around the scale of change, and the focusing of resources into the statutory requirements of the Care Bill and the Better Care Fund.
- 8.6 In response to Councillor G. Theobald the Executive Director for Finance & Resources explained that EY had reported back on the progression of the Workstyles programme in terms of its delivery within time and on budget. There had been challenge on whether the physical changes to buildings needed to be accompanied by greater consideration and change of how staff worked. It was also noted that other local authorities had invested much greater sums in terms of technology.
- 8.7 The Chair noted the budgetary challenge for the next financial year; the organisation would need to be very clear around this, and it was hoped the value for money programme would deliver. The Chair then put the recommendation to the vote.
- 8.8 **RESOLVED:**
- 1) That the Committee note the scope and savings opportunities identified for phase 4 of the council's Value for Money programme.
  - 2) That the Committee approve the cross-party member oversight arrangements for the programme as set out in paragraph 3.18.
  - 3) That the Committee note the minimum one-off resources of £1.450m anticipated to be required to achieve success and the further work required to quantify additional resources for key enabling projects.
  - 4) That together with £0.350m already approved for 2014/15, the Committee agree:
    - a) the early drawdown of the 2015/16 Modernisation Fund (£0.700m) to support the programme in 2014/15;
    - b) the set aside of £0.400m of the 2013/14 revenue budget underspend to support the programme in 2014/15, and;
    - c) to set aside the remaining £1.624m resources from 2013/14 to support the programme in 2015/16.

- (5) To agree additional recurrent investment of £0.300m in the council's procurement capacity as set out in paragraph 7.3 and appendix 1.

## 9. CHARGING OPTIONS IN RELATION TO SUNDAY PARKING

- 9.1 The Committee considered a report of the Executive Director for Environment, Development & Housing in relation to Charging Options in Relation to Sunday Parking; the item was also linked to a petition which was listed as Item 5(c) on the agenda. At Council on 27 March 2014 a petition was presented to 'introduce free Sunday car parking and on street parking across Brighton & Hove,' an amendment was tabled "*that the petition is referred to the Policy & Resources Committee for consideration accompanied by a full Officer report on the proposal, including an estimate of the costs of partial or full implementation of free Sunday parking and an impartial assessment of the advantages and disadvantages.*" The Committee were asked to consider three options for parking: i) Citywide free parking on Sundays; ii) partial free parking on Sundays; and, iii) to refer alternative suggestions for parking to the annual review at the end of the year for consideration.
- 9.2 The Chair noted that an amendment had been put forward by the Conservative Group and invited Councillor G. Theobald to propose the amendment. Councillor G. Theobald stated the Group had sought to be helpful by specifying suggestions as part of the amendment, and they were of the view that a full report should come forward on these matters as there was real concern from residents. There was scope for targeted measures to help traders and address the perceived negative image the city had in relation to parking. Reference was made to measures taken by Worthing Borough Council to reduce parking charges, and there was a need to assist local businesses. Councillor G. Theobald added that Brighton & Hove had one of the largest parking surpluses outside of London, and some of the existing car parking facilities in the city were currently underused.
- 9.3 Councillor A. Norman formally seconded the amendment.
- 9.4 Councillor Morgan stated he would not support the proposed amendment, and he felt that the recommendation as listed in the report was the most appropriate and practical approach. He expressed concern about some of the wording of the proposed amendment and felt it could potentially lead to displacement parking in more outer lying areas of the city. Councillor Morgan wanted to see a fair policy that gave provision for road safety schemes that had not come forward during the roll out of the 20mph zone, and wished to support local traders through the best use of the city car parks.
- 9.5 Councillor J. Kitcat referenced the success of the city economy, and its status as a seaside resort nationally. He did not believe that Worthing Borough Council represented a like for like comparison, but agreed there was always scope to consider targeted measures across the city as part of the Annual Parking Review. It was noted that recent changes had been implemented to allow greater flexibility.
- 9.6 Councillor Peltzer Dunn stated he would support the amendment, and noted that it sought to provide a series of suggestions. He noted the proposals for Option 3 and requested that in relation to paragraph 4.3 of the report there be a full list of alternatives

with reasons as the amendment sought action to this extent. In response the Executive Director stated that this was an appropriate approach to take.

- 9.7 The Chair added that in light of feedback from the Annual Review changes made been made year on year.
- 9.8 The Chair put the amendment to the vote which was **lost**.
- 9.9 The Chair then put the recommendation as per the report to the vote.
- 9.10 **RESOLVED:** That the Committee decides to refer alternative suggestions for parking charges to the annual review at the end of the year for consideration (option 3).

## 10. ADULT SERVICES- FUTURE SERVICE MODELS

- 10.1 The Committee considered a report of the Executive Director for Adult Services in relation to Adult Services – Future Service Models. The report detailed the findings arising from the development of a business base to demonstrate whether establishing a Local Authority Trading Company (LATC) to deliver adult social care services was in the best interests of the city; following a request from the Committee in December 2013. The report also outlined the legislative and funding changes that had taken place since the decision had been taken. The Committee were asked to consider the impact of additional change; the competing priorities of management and the associated financial risks.
- 10.2 Councillor Randall noted he had been on the Scrutiny Workshop that had looked at local trading companies; it was noted that the unions had made make a compelling case against them; there was no overwhelming business case and other examples of failures elsewhere.
- 10.3 Councillor A. Norman asked some specific questions, and stated that she was concerned the decision to not progress this work was political at a time when the Council needed to change, modernise and deliver services differently, and she added that the assumptions in the report seemed reasonable over the next five years.
- 10.4 In response to Councillor A. Norman the Executive Director of Adult Services referenced paragraph 3.8 of the report – in relation to work around the Better Care Fund with partners, and stated that there could be some restrictions if this work ran alongside a LATC, and the current approach was to strengthen the joint commissioning agreement. The service was managing a significant amount of change; with a small senior management team. It was considered that the introduction of a LATC would be an additional pressure beyond current capacity when attention was focusing around the implementation of the Care Bill.
- 10.5 The Chair added that this could be revisited in a few years, but the current priorities for Officers should to focus on the Care Act and the Better Care Fund.
- 10.6 Councillor G. Theobald stated that services would have to change for the benefit of residents, and he felt that views of the Green and Labour Groups went against recommendations from EY, and placed Officers in a difficult position.

- 10.7 The Chair stated that the report contained the professional view of Officers, and reiterated the challenges in relation to the timing of this in the face of other significant changes in the service.
- 10.8 The Executive Director stated that Officers were of the view that modernising the service with partners through the provision of the Better Care Fund was the most appropriate way forward, and this would help to deliver efficiencies as outlined in the report.
- 10.9 The Chair put the recommendation to the vote.
- 10.10 **RESOLVED:** That Committee agree not to establish a Local Authority Trading Company (LATC) for ASC services.

#### **11. BRIGHTON AND HOVE SEASIDE COMMUNITY HOMES - REGISTERED PROVIDER APPLICATION**

- 11.1 The Committee considered a report of the Executive Director for Environment, Development & Housing in relation to Brighton & Hove Seaside Community Homes – Registered Provider Application. The report sought approval for Brighton & Hove Seaside Community Homes Limited (BHSC) to become a Charitable Registered Provider with the Homes and Communities Agency (HCA).
- 11.2 Councillor Randall highlighted the work of BHSC which had included refurbishing 406 units at a cost of £7.4M saving the Council £2.4M – this work was programmed to finish in March 2016. This change would guarantee the future of BHSC and enable it to act as a Council builder and develop sites within estates.
- 11.3 Councillor Peltzer Dunn welcomed the report and stated it was a common sense approach; he asked that the changes be properly and fully communicated with tenants to provide peace of mind.
- 11.4 Councillor Morgan welcomed the principle of the report, and noted this was similar to the 2007 proposal to undertake this for all of the Council's housing stock which had not been supported at that time.
- 11.5 The Chair then noted that the Part 2 matters would be discussed when the meeting moved into closed session.
- 11.6 Following consideration of the information in closed session the Chair put the recommendations to the vote.
- 11.7 **RESOLVED:**
- (1) That the Committee agree to Brighton and Hove Seaside Community Homes Limited becoming a Registered Provider with the Homes and Communities Agency and authorise the Head of Law to vary the existing agreements and complete any new documentation as necessary.

- (2) That the final agreement be subject to BHSCCH undertaking the necessary consultation with tenants and lenders.

## **12. PROGRESS REPORT ON THE WORKFORCE EQUALITIES ACTION PLAN**

- 12.1 The Committee considered a report of the Executive Director for Finance & Resources in relation to the Progress Report on the Workforce Equalities Action Plan. The report sought to update the Committee on the progress that had been made against the Year 1 Action Plan and seek approval for the work it was proposing to carry out in Year 2; this followed issues raised in the Council commissioned assessment of race equality in employment carried out by Global HPO.
- 12.2 The Chair welcomed this positive work, and hoped it would encourage further building of trust.
- 12.3 Councillor Randall referenced the BME needs assessment work that had been undertaken, and added that Global HPO had been enthusiastic about this work. He extended congratulations to the Communities Team, and added that this work had first begun during his time as Leader. The work stood out an example of real partnership working that made the city stand out positively.
- 12.4 Councillor Sykes agreed with the comments made by Councillor Randall, and referenced the report to note that the work was recognised by the trade unions and workers forums.
- 12.5 Councillor Warren highlighted the award the Scrutiny Team had received in relation to the Trans Scrutiny, and stated that the report would allow the Council to make long term commitments to facilitate the city becoming more diverse.
- 12.6 Councillor Shanks noted there would be reporting in schools where there was further work to do as BME numbers were increasing.
- 12.7 Councillor Peltzer Dunn complimented the work of Officers for the positive manner they proposed proceeding with this work.
- 12.8 The Chair put the recommendations to the vote.
- 12.9 **RESOLVED:**
  - (1) That the Committee note the progress made against the Year 1 Action Plan, as set out in paragraphs 3.7 - 3.10 and Appendix 1.
  - (2) That the Committee approve the Year 2 Workforce Equalities Action Plan set out in Appendix 2.

## **13. DEVELOPMENT OF SHARED LIVES**

- 13.1 **RESOLVED:**

- (1) That the Committee notes the results of the 12 week consultation undertaken regarding the proposed transfer of SPFT Shared Lives to the In-House scheme
- (2) That the Committee agrees the transfer of SPFT Shared Lives to The In-House scheme.

#### **14. CONFIRMATION ARTICLE 4 DIRECTION - OFFICE TO RESIDENTIAL**

- 14.1 The Committee considered a report of the Executive Director for Environment, Development & Housing in relation to the Confirmation Article 4 Direction – Office to Residential. The report sought confirmation of the article 4 direction to remove the permitted development rights for change of use from office to residential in: Central Brighton; New England Quarter and London Road and two key office sites: Edward Street Quarter and City Park. This was the last stage in the process before the article 4 could come into effect.
- 14.2 Councillor G. Theobald stated that he had supported this work since July 2013, and asked for confirmation that policy would not protect office sites that were very unlikely to come back into use as offices. In response the Executive Director for Environment, Development & Housing stated that the emerging City Plan had a general allowance for greater flexibility and mixed use. The Principle Policy Advisor added that the City Plan recognised that the Preston Road area had changed to a secondary office area of the city, and it was recognised that such areas would not have the same attraction for employers as those in the city centre.
- 14.3 Councillor Peltzer Dunn asked a specific query in relation to the wording that ‘applicants must have “redeveloped” the office to establish residential use by 30 May 2016’, and Officers agreed to circulate a legal definition of this wording to the Committee following on from the meeting.
- 14.4 The Chair put the recommendations to the vote.
- 14.5 **RESOLVED:**
  - (1) That the Committee notes consultation responses to the proposed amended boundary;
  - (2) That the Committee confirms the direction under article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) made on 25 July 2013 to remove the permitted development rights for the conversion of offices (B1a Use Class) to residential use (C3 Use Class) in Central Brighton, New England Quarter and London Road area and two key office sites Edward Street Quarter and City Park and authorises officers to undertake formal notification of the confirmation.
  - (3) That the Committee notes that the Article 4 Direction, once confirmed, will come into force on 25 July 2014.

**15. HOVE PARK DEPOT - LONG LEASE TO SCHOOL**

- 15.1 The Committee considered a report of the Executive Director of Finance & Resources in relation to Hove Park Depot – Long Lease to School. The report sought to advise the Committee on the provision of a primary Bilingual Free School and to seek approval to the grant of a long leasehold interest at a premium.
- 15.2 Councillor Shanks welcomed the report and the additional funding that would be raised through the lease of the site. She noted that the school was currently doing very well, and she added that some recent concerns raised by residents had been looked into, but would not impact on the funding for the school.
- 15.3 The Chair then noted the Part 2 matters would be discussed when the meeting moved into closed session.
- 15.4 Following consideration of the information in closed session the Chair put the recommendations to the vote.
- 15.5 **RESOLVED:**
- (1) That approval be given to the disposal, subject to planning permission, of land at Hove Park Depot as shown on the attached plan, on a 125 year lease at a peppercorn to the Bilingual Free School for the capital receipt identified in the confidential appendix to this report.
  - (2) That the detailed terms of the lease shall be settled by the Head of Property & Design and the Head of Law, in consultation (as appropriate) with the Executive Director of Children’s Services. and that the Head of Law is authorised to complete all of the necessary documentation.

**16. PROCUREMENT OF A FRAMEWORK AGREEMENT FOR REACTIVE FABRIC MAINTENANCE AND MINOR NEW WORKS**

- 16.1 **RESOLVED:** That the Committee grants delegated authority to the Executive Director, Finance & Resources to approve the procurement and award of a framework agreement for reactive fabric maintenance and minor new works to the council’s civic offices, social care historic, operational (excluding schools) and commercial buildings with a term of up to a maximum of four (4) years.

**17. BRIGHTON AND HOVE CITY COUNCIL PROVISION OF ARBORICULTURAL SERVICES**

- 17.1 The Committee considered a report of the Executive Director of Environment, Development & Housing in relation to Brighton & Hove City Council Provision of Arboricultural Services. The report sought approval for the procurement of a contract to provide aboricultural services within Brighton & Hove.
- 17.2 Councillor Randall hoped that the procurement exercise could use local companies wherever this was possible. Councillor A. Norman also noted that she agreed with these

comments, and the Executive Director noted the steer from the Committee and agreed to look at the procurement options.

17.3 In response to Councillor Morgan the Executive Director noted the procurement would give the service greater flexibility, but he would need to confirm outside of the meeting the arrangements between land and parks.

17.4 Councillor Peltzer Dunn stated he had a great deal with sympathy with local contractors; whilst the report gave a preference for one contract he suggested this could be split into two across the city to make it easier for local contractors to bid.

17.5 The Chair put the recommendations to the vote.

17.6 **RESOLVED:**

- (1) That the Committee approves the procurement of a contract for aboriginal services in Brighton & Hove with a term of three (3) years from 1 February 2015 to 31 January 2018 and an option to extend for a further two years to 31 January 2020;
- (2) That the Committee grants delegated authority to the Executive Director Environment, Development and Housing –
  - (i) to carry out the procurement of the contract referred to in 2.1 above including the award and letting of the framework agreement; and,
  - (ii) to grant an extension to the contract referred to in 2.1 above of two years should he/she consider it appropriate at the relevant time.

**18. APPOINTMENT TO BRIGHTON ESTATES CONSERVATION TRUST**

18.1 The Committee considered the Appointment to Brighton Estates Conservation Trust; this had been delegated to the Committee as it was not able to be determined at Annual Council for reasons of sensitivity. Nominations were sought for the two representative positions for 2014/15 and these roles were currently filled by Councillors Mitchell and West. The Chair asked for nomination:

18.2 Councillor G. Theobald nominated Councillor Janio and this was seconded by Councillors A. Norman.

18.3 Councillor Morgan nominated Councillor Mitchell and this was seconded by Councillor Lepper.



	<i>Janio</i>	<i>Mitchell</i>	<i>West</i>
<b>J. Kitcat</b>			√
<b>Randall</b>			√
<b>Pissaridou</b>		√	
<b>Lepper</b>		√	
<b>Sykes</b>			√
<b>Morgan</b>		√	
<b>A. Norman</b>	√		
<b>Peltzer Dunn</b>	√		
<b>Shanks</b>			√
<b>G. Theobald</b>	√		

- 18.4 Councillor J. Kitcat nominated Councillor West and this was seconded by Councillor Sykes.
- 18.5 A recorded vote was then taken by the Acting Democratic Services Manager; as listed below:
- 18.6 As there was a tie in the vote the Chair exercised his casting vote and voted for Councillor Mitchell.
- 18.7 The Chair then proposed that Councillors Mitchell and West be appointed to Brighton & Hove Estates Conservation Trust.
- 18.8 **RESOLVED:** That the Committee agree the appointment.

## 19. ITEMS REFERRED FOR COUNCIL

- 19.1 There were no items referred to the Council meeting on 17 July 2014.

## 20. HOVE PARK DEPOT - LONG LEASE TO SCHOOL - EXEMPT CATEGORY 3

- 20.1 **RESOLVED:** That the information contained in the appendix be noted.

## 20 .1 BRIGHTON AND HOVE SEASIDE COMMUNITY HOMES - REGISTERED PROVIDER APPLICATION - EXEMPT CATEGORY 5

- 20A.1 **RESOLVED:** That the information contained in the appendix be noted.

## 21. PART TWO MINUTES - EXEMPT CATEGORY 5

- 21.1 **RESOLVED:** That the Part 2 minutes of the last meeting held on 1 May 2014 be approved as a correct record of the proceedings and signed by the Chair.

**22. PART TWO PROCEEDINGS**

- 22.1 **RESOLVED:** That the information contained in the appendix, Items 20 & 20A to the reports listed at Items 11 & 15 on the agenda and the minutes of the last meeting, Item 21, remain exempt from disclosure to the press and public.

The meeting concluded at 6.21pm

Signed

Chair

Dated this

day of

2014

**WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC**

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

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

The following written question has been received from a member of the public.

**(a) Adrian Morris**

“The Aquarium Terraces, above Madeira Drive, are in a chronic state of neglect and decay with empty units, broken windows, boarded up areas, a half painted boardwalk, tattered flags and areas with rubbish. As we approach the summer season, it’s a blight on the seafront.

What action has the Green Council taken in putting pressure on the owners of the Terraces to bring about repairs and improvements?

**Reply from Councillor J. Kitcat, Leader of the Council**



<b>Subject:</b>	<b>Food Banks in the City – Notice of Motion Referred from the Council Meeting held on the 8 May 2014</b>		
<b>Date of Meeting:</b>	<b>10 July 2014</b>		
<b>Motion Proposed by:</b>	<b>Councillor Gilbey</b>		
<b>Contact Officer: Name:</b>	<b>Ross Keatley</b>	<b>Tel:</b>	<b>29-1064</b>
	<b>E-mail:</b>	<b>ross.keatley@brighton-hove.gcsx.gov.uk</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**NOTICE OF MOTION**

**FOOD BANKS IN THE CITY**

This council acknowledges the key role that foodbanks, operated by FareShare Brighton, play in helping those in food poverty across the City.

With recent statistics showing a 38% increase in the usage of these foodbanks in 2013, This Council resolves that a report be brought to the next Policy & Resources Committee to outline what options the authority has to further support foodbanks in the City, building on the recent collections of non-perishable food items at Council Customer Service Centres.



**Subject:** Treasury Management Policy Statement 2013/14 –  
End of year review

**Date of Meeting:** 11 July 2014

**Report of:** Executive Director of Finance & Resources

**Contact Officer: Name:** James Hengeveld **Tel:** 29-1242

**Email:** james.hengeveld@brighton-hove.gov.uk

**Ward(s) affected:** All

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The 2013/14 Treasury Management Policy Statement (TMPS), practices and schedules were approved by Policy & Resources on 21 March 2013. The TMPS sets out the role of Treasury Management, whilst the practices and schedules set out the annual targets and methods by which these targets will be met.
- 1.2 The TMPS includes the Annual Investment Strategy (AIS) which sets out the key parameters for investing council cash funds and was approved by Full Council on 28 March 2013 and amended by full Council on 12<sup>th</sup> December 2013.
- 1.3 It is recommended good and proper practice that Members receive half yearly reports and review and endorse treasury management actions during the year. The mid-year review was presented to Policy and Resources on 5<sup>th</sup> December 2013.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee endorses the key actions taken during the second half of 2013/14 to meet the treasury management policy statement and practices (including the investment strategy) as set out in this report.
- 2.2 That Policy & Resources Committee notes that the approved maximum indicator for investment risk of 0.05% has been adhered to and the authorised limit and operational boundary have not been exceeded.

**3. CONTEXT/ BACKGROUND INFORMATION**

***Overview of Markets***

- 3.1 The financial year 2013/14 continued the challenging investment environment of previous years, namely low investment returns, although levels of counterparty risk had subsided somewhat. Economic growth (GDP) in the UK was virtually flat during 2012/13 but surged strongly during the 2013/14. Consequently there was no additional quantitative easing during 2013/14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. There is much speculation that

the base rate may increase later this year but the Governor of the Bank of England has made it clear that any increase will be small and further increases will happen slowly. While CPI inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9%. In April, CPI had fallen to 1.5% however it is also expected to remain slightly below the target rate for most of the two years ahead.

3.2 The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.

3.3 The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the ECB statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising.

#### ***Treasury Management Strategy***

3.4 A summary of the action taken in the six months to March 2014 is provided in Appendix 1 to this report and further information on borrowing and investment performance is shown in the end of year Bulletin at Appendix 2. The main points are:

- The council did not enter into any new borrowing arrangements during the period;
- The highest risk indicator during the period was 0.018% which is well below the maximum set of 0.05%;
- The return on investments by the in-house treasury team and cash manager has exceeded the target rates.
- The two borrowing limits approved by full Council have not been exceeded.

3.5 Treasury management activity in the half-year has focused on a short-term horizon as summarised in the table below:

	Amount invested 1 <sup>st</sup> Oct 2013 to 31 Mar 2014			
	Fixed deposits	Money market funds	Total	
Up to 1 week	£2.3m	£193.1m	£195.3m	71%
Between 1 week & 1 month	£7.0m	£3.0m	£10.0m	4%
Between 1 month & 3 months	£38.5m	£22.5m	£61.0m	22%
Over 3 months	£8.0m	-	£8.0m	3%
	<b>£55.8m</b>	<b>£218.6m</b>	<b>£291.2m</b>	<b>100%</b>



### **Budget vs Outturn 2013/14**

- 3.6 The following table summarises the performance achieved on investments compared to the budgeted position and approved benchmark for the whole year.

	In-house Investments		Cash Manager investments (net of fees)	
	Aver Bal	Aver rate	Aver Bal	Aver rate
Budget 2013/14	£52.9m	0.63%	£24.6m	0.75%
Actual 2013/14	£78.9m	0.51%	£24.9m	0.82%
Benchmark Rate		0.36%		0.36%

- 3.7 The Financing Costs budget has seen higher than anticipated cash balances, offset in part by lower than anticipated investment rates. This, combined with the funding of large projects (such as The Keep and the Workstyles project) temporarily from internal reserves as opposed to external borrowing, has resulted in a net saving of £0.2m to the Financing Costs budget. The council will eventually have undertake external borrowing to fund these projects at a time when market conditions are assessed to be optimal. The underspend has therefore been transferred to the Financing Costs reserve which covers future borrowing and investment rate risks.

### **Summary of Treasury activity October 2013 to March 2014**

- 3.8 The table below summarises the treasury activity in the half-year to March 2014 with the corresponding period in the previous two years.

October to March	2011/12	2012/13	2013/14
Long-term borrowing raised – Capital	£10.0m	-	-
Long-term borrowing raised – HRA	£18.1m	-	-
Long-term borrowing repaid	-	-	-
Short-term borrowing raised	-	-	-
Short-term borrowing repaid	-	-	-
Investments made	£316.7m	£313.7m	£274.3m
Investments maturing	(£320.0m)	(£359.8m)	(£291.2m)

- 3.9 The following table summarises how the day-to-day cash flows in the second half-year have been funded compared to the same period in the previous two years.

October to March	2011/12	2012/13	2013/14
Cash flow shortage – general	-£13.0m	-£34.9m	-£23.8m
HRA Settlement Payment	-£18.1m	-	-
<b>Net cashflow shortage/surplus</b>	<b>-£31.1m</b>	<b>-£34.9m</b>	<b>-£23.8m</b>
Represented by:			
Increase in long-term borrowing	+£28.1m	-	-
Change in short-term borrowing	-	*-£2.0m	*£2.0m
Change in investments	£3.3m	£37.5m	£16.9m
Change in bank balance	-£0.3m	-£0.6m	£4.9m

\*South Downs National Park

### ***Security of Investments***

- 3.10 A summary of investments made by the in-house treasury team and outstanding as at 31 March 2014 in the table below shows that investments continue to be held in good quality, short term instruments. The funds invested in BBB institutions included in the table below are invested in the part-nationalised banks which are backed by Government guarantee in line with the AIS.

'AAA' rated money market funds	£10.61m	20%
'A' rated institutions	£17.01m	32%
'BBB' rated institutions	£24.90m	47%
<b>Total</b>	<b>£52.52m</b>	<b>100%</b>
Period – less than one week	£26.27m	50%
Period – between one week and one month	£8.00m	15%
Period – between one month and three months	£5.01m	10%
Period – between three months and six months	£9.24m	18%
Period – between 6 months and 1 year	£4.00m	8%
<b>Total</b>	<b>£52.52m</b>	<b>100%</b>

### ***Municipal Bonds Agency Investment***

- 3.11 The Local Government Agency's (LGA's) is developing a new initiative, the Municipal Bonds Agency (MBA). Currently, 75% of Local Authority borrowing is sourced from the government's Public Works Loans Board (PWLB). The establishment of a Bonds Agency will potentially inject some competition and diversity into the Local Authority borrowing marketplace. Additionally, the MBA estimates that once established, councils will be able to access borrowing at rates that could be somewhat lower than the PWLB borrowing rates. At this stage it is not clear whether this will be suitable for future long term borrowing by the Council and this will be assessed as more information becomes available.
- 3.12 The LGA is currently looking for Local Authorities to provide equity investments in the MBA. An equity investment will help enable the establishment of the MBA, which will allow the council to benefit from lower future borrowing rates. However, there are associated risks with the investment which must be treated as capital expenditure, and there is a considerable amount of due diligence work required before an investment is recommended. Officers are meeting with the LGA in July 2014 to discuss the initiative further.
- 3.13 The Targeted Budget Management (TBM) Month 2 report included elsewhere on this agenda recommends that Policy and Resources delegate the authority of entering into a £50,000 equity investment into the Municipal Bonds Agency to the Executive Director of Finance and Resources in consultation with the Chair of Policy and Resources Committee and Opposition Leaders if further investigation demonstrates that the investment is sound.

### ***Risk***

- 3.14 As part of the investment strategy for 2013/14 the Council agreed a maximum risk benchmark of 0.05% i.e. there is a 99.95% probability that the council will get

its investments back. The benchmark is a simple target that measures the risk based on the financial standing of counterparties and length of each investment based on historic default rates. The actual risk indicator has varied between 0.009% and 0.018% between October 2013 and March 2014. It should be remembered however that the benchmark is an average risk of default measure, and does not constitute an expectation of loss against a particular investment.

- 3.15 In January 2014, Internal Audit and Business Risk undertook an audit of the treasury management function. The audit concluded that “substantial assurance” is provided on the effectiveness of the control framework operating and mitigating risks for treasury management.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 This report sets out action taken in the six months to March 2014. Treasury management actions have been carried out within the parameters of the AIS, TMPS and Prudential Indicators. Therefore no alternative options have been considered.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The council’s external treasury advisors have been consulted over the content of this report. No other consultation was necessary.

#### **6. CONCLUSION**

- 6.1 Treasury management is governed by a code that is recognised as “best and proper practice” under the Local Government Act 2003. The Code requires a minimum of two reports per year, one of which is required to review the previous year’s performance. This report fulfils this requirement.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The financial implications of treasury management activity are reflected in the financing costs budget set out in paragraph 3.6.

*Finance Officer Consulted: James Hengeveld*

*Date: 17/06/14*

##### Legal Implications:

- 7.2 The TMPS and associated actions are exercised under powers given to the council by Part 1 of the Local Government Act 2003 which includes the power for a local authority to invest for the purposes of the prudent management of its financial affairs (section 12).

*Lawyer Consulted: Oliver Dixon*

*Date: 18/06/14*

##### Equalities, Sustainability and other significant implications:

7.3 There are no direct implications arising from this report.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. A summary of the action taken in the period October 2013 to March 2014
2. March 2014 Treasury Management Bulletin

#### **Documents in Members' Rooms**

None

#### **Background Documents**

1. Part I of the Local Government Act 2003 and associated regulations
2. The Treasury Management Policy Statement and associated schedules 2013/14 approved by Policy & Resources on 21 March 2013
3. The Annual Investment Strategy 2013/14 approved by full Council on 28 March 2013
4. Treasury Management Policy Statement 2013/14 (including Annual Investment Strategy 2013/14) – End of year Review approved by Policy & Resources Committee on 5 December 2013 and full Council on 12 December 2013
5. Papers held within Financial Services, Finance & Resources Directorate
6. The Prudential Code for Capital Finance in Local Authorities published by CIPFA 2011

## Summary of action taken in the period October 2013 to March 2014

### ***New borrowing***

No new long term borrowing was raised in the second half of 2013/14

### ***Debt maturity***

No debt matured during second the half year.

Lender options, where the lender has the exclusive option to request an increase in the loan interest rate and the council has the right to reject the higher rate and repay instead, on five loans were due in the 6 month period but no option was exercised.

### ***Weighted average maturity of debt portfolio***

With no movement in the long-term debt portfolio the weighted average maturity period of the portfolio has decreased naturally by 6 months, from 31.8 years to 31.3 years.

### ***Debt rescheduling***

No debt rescheduling was undertaken during the second half-year.

### ***Capital financing requirement***

The prudential code introduces a number of indicators that compare borrowing with the capital financing requirement (CFR) – the CFR being amount of capital investment met from borrowing that is outstanding. Table 1 compares the CFR with actual borrowing.

**Table 1 – Capital financing requirement compared to debt outstanding**

	1 April 2013	31 March 2014	Movement in period
<u>Capital financing requirement (CFR)</u>	<u>£341.8m</u>		
<u>Less PFI element</u>	<u>-£59.5m</u>		
<u>Net CFR</u>	<u>£282.3m</u>	<u>£278.4m</u>	<u>-£4.9m</u>
<u>Long-term debt</u>	<u>£207.8m</u>	<u>£207.8m</u>	<u>£0.0m</u>
<u>O/s debt to CFR (%)</u>	<u>73.6%</u>	<u>74.6%</u>	<u>+1.0%</u>

Traditionally the level of borrowing outstanding is at or near the maximum permitted in order to reduce the risk that demand for capital investment (and hence resources) falls in years when long-term interest rates are high (i.e. interest rate risk). However given the uncertainty within the financial markets, the council has maintained the strategy to keep borrowing at much lower levels (as investments are used to repay debt). The 2014/15 Treasury Management Strategy (approved by Policy and Resources Committee in March 2014) includes a borrowing strategy with a view to increase borrowing levels. Currently outstanding debt represents 74.6% of the capital financing requirement.

### ***Cash flow debt / investments***

The TMPS states the profile of any short-term cash flow investments will be determined by the need to balance daily cash flow surpluses with cash flow shortages. An analysis of the cash flows reveals a net shortfall for the 2<sup>nd</sup> half-year of £23.8 million which is consistent with the normal annual pattern of higher levels of income in the earlier part of the year and higher levels of spending in the latter.

**Table 2 – Cash flow October 2013 to March 2014**

	October 13 to March 14			Apr 13 to Mar 14
	Payments	Receipts	Net cash	Net cash
Total cash for period	£442.0m	£418.2m	-£23.8m	+£14.2m
Represented by:				
Movement in in-house investments			-£16.9m	+£22.0m
Increase in long-term borrowing			£0.0m	£0.0m
Decrease in Short term borrowing (SDNPA)			-£2.0m	-£2.5m
Movement in balance at bank			-£4.9m	-£5.3m
			-£23.8m	+£14.2m

Overall the cash position for the financial year is a net surplus of £14.2 million.

### ***Prudential indicators***

Budget Council approved a series of prudential indicators for 2013/14 at its meeting in February 2013. Taken together the indicators demonstrate that the council's capital investment plans are affordable, prudent and sustainable.

In terms of treasury management the main indicators are the 'authorised limit' and 'operational boundary'. The authorised limit is the maximum level of borrowing that can be outstanding at any one time. The limit is a statutory requirement as set out in the Local Government Act 2003. The limit includes 'headroom' for unexpected borrowing resulting from adverse cash flow.

The operational boundary represents the level of borrowing needed to meet the capital investment plans approved by the council. Effectively it is the authorised limit minus the headroom and is used as an in-year monitoring indicator to measure actual borrowing requirements against budgeted forecasts.

Table 3 compares both indicators with the maximum debt outstanding in the second half year.

**Table 3 – Comparison of outstanding debt with Authorised Limit and Operational Boundary 2013/14**

	Authorised limit	Operational boundary
Indicator set	£371.0m	£360.0m
Less PFI element	-£60.0m	-£60.0m
Indicator less PFI element	£311.0m	£300.0m
Maximum amount o/s in second half of year	£207.8m	£207.8m
Variance	(*)£103.2m	£92.2m

(\*) can not be less than zero

### **Performance**

Details of the performance of both the in-house and external cash managers are shown in graphs 4a and 4b in Appendix 2. The actual investment rates achieved have exceeded the benchmarks set.

### **Approved organisations – investments**

Council approved an expansion to the AIS 2013/14 in December 2013 to include a small number of Non-UK banks.

The changes to the AIS 2013/14 also specified additional liquid instruments that the in-house Treasury Team were able to invest in. This included Certificates of Deposit (CDs) and Enhanced Money Market Funds (EMMF).

No investments in CDs or EMMFs were undertaken in 2013/14. The in-house Treasury Team have since invested in Certificates of Deposit in Standard Chartered Bank during 2014/15. The council currently holds a total of £11m over three separate Certificates of Deposit with Standard Chartered Bank, the last of which matures in November 2014.

No other changes have been made to AIS 2013/14





The graphs below show the monthly averages of borrowing and investments outstanding, monthly cashflows and the average monthly cost/return on debt/investments, over a thirteen month period.

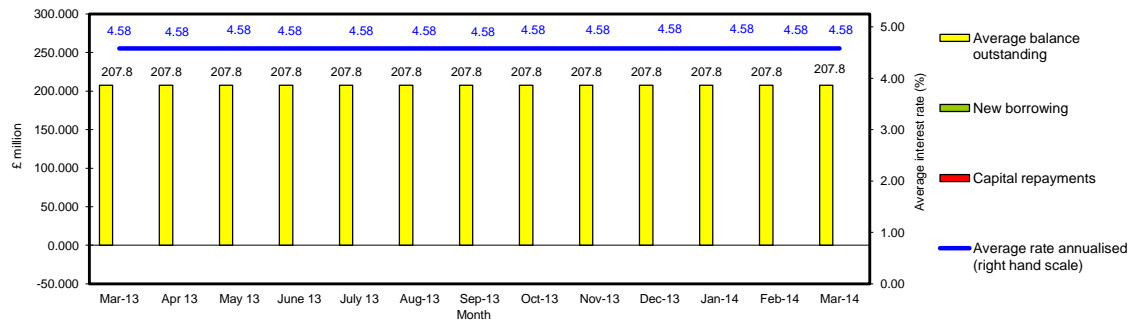
**Graph 1**

This graph shows the average monthly balance outstanding on long term debt, together with the average cost.

It also shows the amount of new long term debt raised and the repayment of long term borrowing. There has not been any new or repayment of long term debt during the past twelve months

**Graph 1 Long Term Debt Outstanding**

Monthly averages



**Graph 2**

This graph shows the average monthly balance outstanding for:

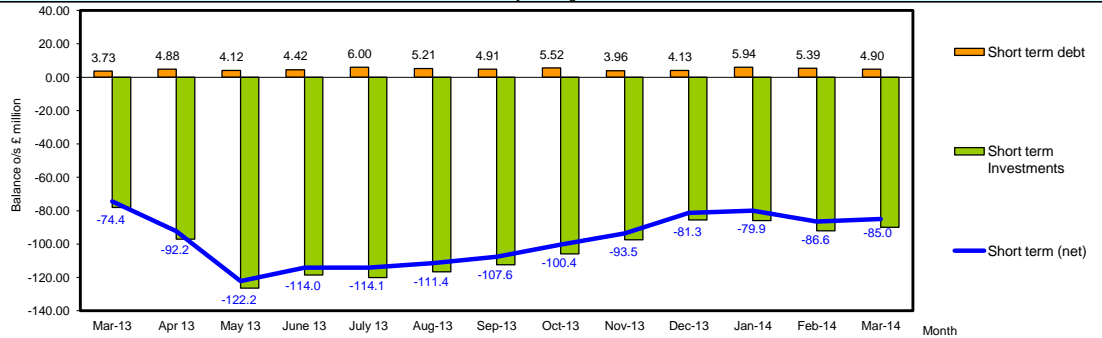
- short term debt
- short term investments

The graph also shows the net monthly cash position, excluding long term borrowing

Short term debt includes the monies held on behalf of South Downs National Park Authority.

**Graph 2 - Short Term Borrowing / Investments (all)**

Monthly Averages

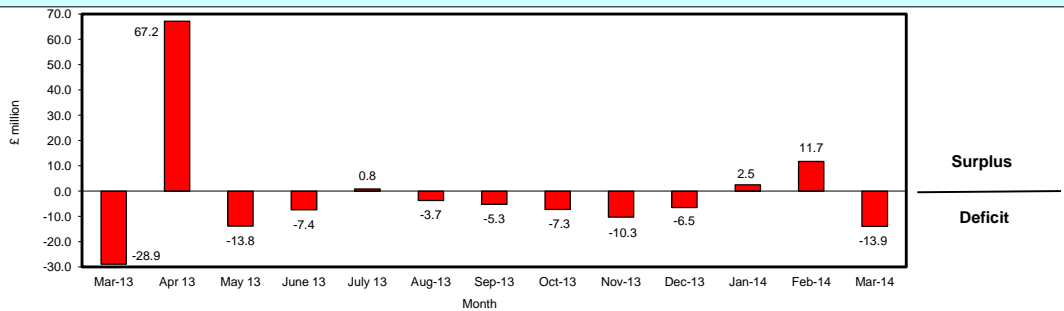


**Graph 3**

This graph shows the net monthly cash flow position, excluding movement in borrowing and investments.

Cashflow movements have resulted in a small deficit for the month

**Graph 3 - Monthly Cash Flows**



**Graph 4a**

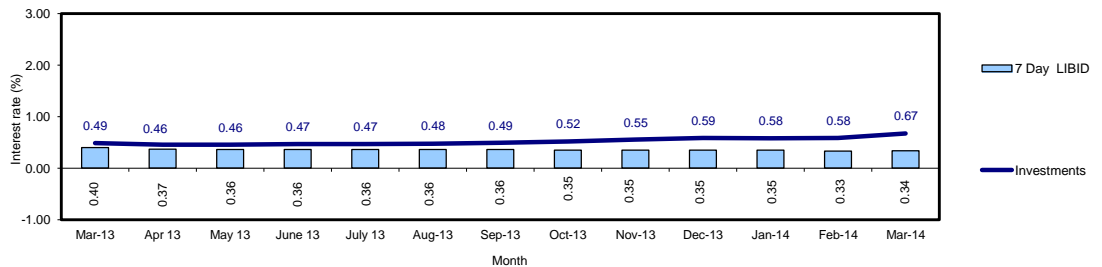
This graph compares the average return on short term investments with the average 7 Day LIBID rate.

The target is for the return on short term investments to exceed the 7 Day rate by 5% in a 12 month period

In house investments continue to meet the benchmark target rate of return.

**Graph 4a - Short Term Investments -v- 7 Day LIBID (In house)**

Monthly averages - annualised (to 2 dec pl)



**Graph 4b**

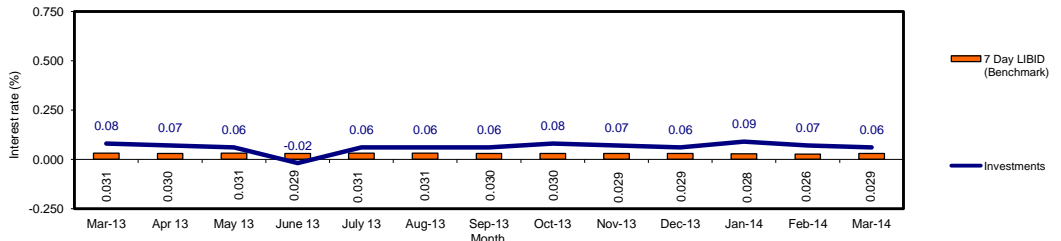
This graph compares the average return on the fund with a benchmark of 7 Day LIBID (compounded weekly).

The target is for the return on investment to exceed the benchmark rate by 5% in a 12 month period.

The cash manager performance fluctuates due to changes in the value of the investments. Performance has been equal to or above benchmark target levels in 11 of the past 12 months.

**Graph 4b Short Term Investments -v- Benchmark Rate (Cash Managers)**

Monthly actuals (to 2 dec pl)



## Investments by Sector

The 2013/14 Treasury Policy Statement states that with the exception of the banking sector and money market funds, no one sector shall have more than 75% of the investment portfolio at the time an investment is made. As at end of March 2014 investments were made as follows:-

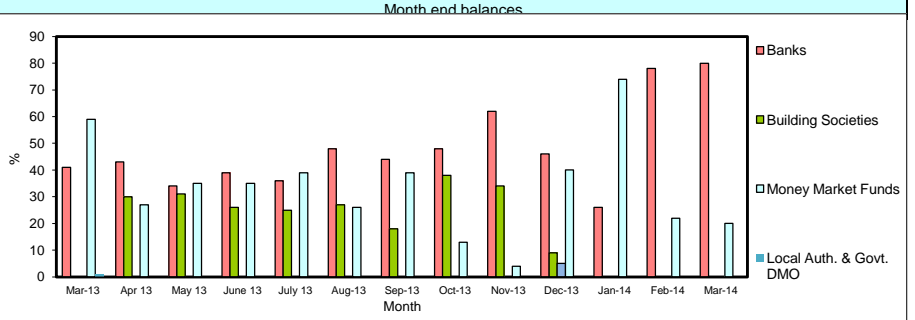
	£m	
SWIP External Managers	25.287	
<b>In-house Investments - Banks</b>		
Lloyds Bank plc	5.007	
Lloyds Bank plc	4.000	
Royal Bank of Scotland	9.243	
Royal Bank of Scotland	15.658	
Santander UK plc	8.001	
	<b>41.909</b>	<b>79.8 %</b>

<b>Money Market Funds</b>		
CCLA - Public Sector Deposit Fund	0.199	
Goldman Sachs Funds Plc	0.255	
Ignis Liquidity Fund	9.620	
Insight Liquidity Funds Plc	0.250	
Morgan Stanley Sterling Liquidity Fund	0.282	
State Street services	0.000	
SWIP GLF	0.009	
	<b>10.614</b>	<b>20.2 %</b>

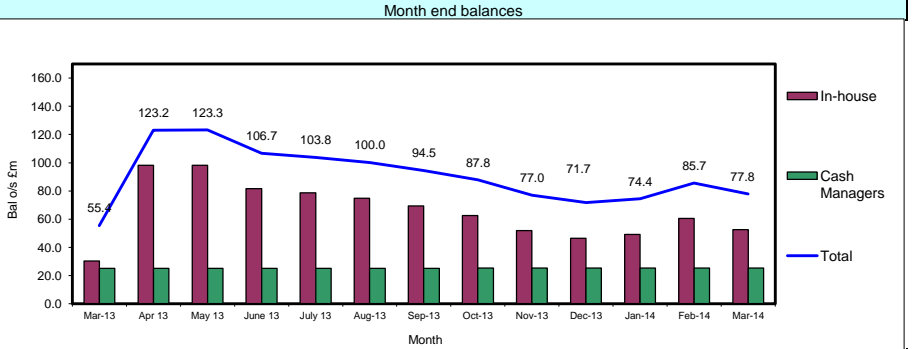
<b>In-house Investments - Building Societies</b>		
	0.000	0.0 %
<b>TOTAL - In-house Investments</b>	<b>52.523</b>	<b>100.0 %</b>

**Graph 6**  
Members agreed, as part of the 2013/14 Treasury Policy Statement, to set a maximum indicator for risk at 0.05%. Table 6 shows the risk factor to be well below the maximum set. Recent increases in the risk factor are due to lending for slightly longer periods with good quality counterparties to maintain investment returns as short-term rates in the market are falling.

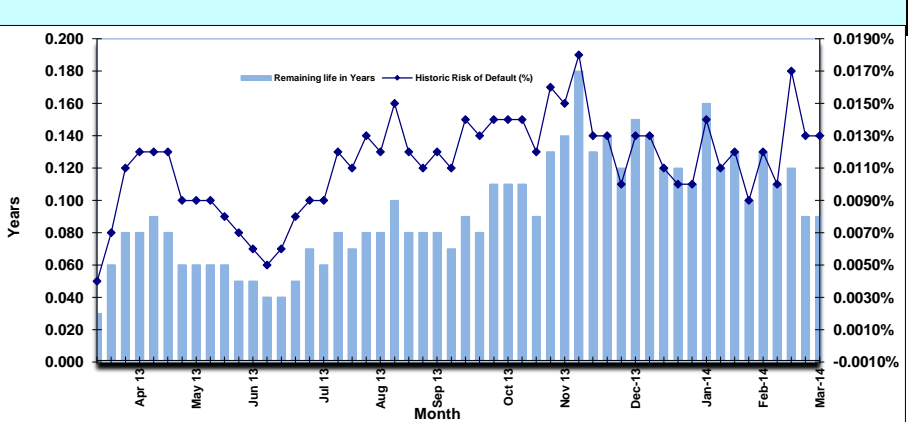
**Graph 5a - Investments by Sector (In-house)**



**Graph 5b - Investments In-house -v- Cash Manager**



**Graph 6 - Security & Liquidity of Investments**



## Prudential Indicators (Treasury Management)

The Council sets each year a number of prudential indicators for treasury management. The following tables show that these indicators have not been exceeded in the month of March 2014.

Gross Outstanding Debt (£millions)		
	Debt	PFI
Authorised limit	311	60
Operational boundary	300	60
Minimum o/s	208	-
Maximum o/s	208	-

Variable Rate Debt (%age)	
Maximum limit	40.0
Maximum amount o/s	0.0
<i>(NB. The maximum limit for fixed rate debt is 100% and cannot therefore be breached.)</i>	

Net Outstanding Debt (£millions)		
	Debt	PFI
Minimum capital financing requirement	282	60
Maximum net debt o/s	130	-

Debt Maturity Profile (%ages)					
	<12 mths	1-2 yrs	2-5 yrs	5-10 yrs	>10 yrs
Maximum limit	40.0	40.0	50.0	75.0	100.0
Minimum limit	0.0	0.0	0.0	0.0	40.0
Maximum o/s debt	0.0	1.9	3.4	8.0	86.7

<b>Subject:</b>	<b>Targeted Budget Management (TBM) 2014/15 Month 2</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jeff Coates</b>	<b>Tel:</b> 29-2364
	<b>Email:</b>	<b>Jeff.coates@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1 PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out the forecast outturn position as at Month 2 on the council's revenue and capital budgets for the financial year 2014/15.
- 1.2 This is a very early forecast based on information available as at the end of May 2014. While seasonal and other factors have been taken into account in projecting expenditure and income for the year, the accuracy of projections at this early stage is likely to be more variable. In addition, as this is the first forecast for the year and will have only been available to services for a matter of days, corrective action or recovery measures will not have been fully developed. The forecast for Month 2 should therefore be regarded as a forecast of the level of potential risk that could arise if no further action were taken. Although a significant overspend is forecast, there are many months remaining in which to take mitigating actions or develop other recovery measures to improve the position and reduce potential risks. However, the position clearly indicates significant pressures across social care budgets.

**2 RECOMMENDATIONS:**

- 2.1 That the Committee note the total forecast outturn position for the General Fund, which is an overspend of £6.031m. This consists of an overspend of £5.851m on council controlled budgets and an overspend of £0.180m on the council's share of the NHS managed Section 75 services.
- 2.2 To agree the transfer of £0.500m recurrent risk provision to Adult Social Care following the decision not to progress a Local Authority Trading Company, thus reducing the forecast overspend to £5.531m.
- 2.3 That the Committee note that there is a further £1.890m of as yet unallocated risk provision that could be used to mitigate against this overspend.
- 2.4 That the Committee note the forecast outturn for the Housing Revenue Account (HRA), which is an underspend of £0.029m.

- 2.5 That the Committee note the forecast outturn position for the Dedicated Schools Grant which is an overspend of £0.007m.
- 2.6 That the Committee note the forecast outturn position on the capital programme.
- 2.7 That the Committee approve the following changes to the capital programme.
- i) The variations and reprofiles in Appendix 3 and the new schemes as set out in Appendix 4.
- 2.8 That the Committee delegate authority to the Executive Director of Finance & Resources in consultation with the Chair of Policy & Resources Committee and the Opposition Leaders to commit a maximum of £50,000 capital expenditure as an investment in the Municipal Bonds Agency subject to the conditions set out in paragraph 3.15.

### **3 CONTEXT / BACKGROUND INFORMATION**

#### **Targeted Budget Management (TBM) Reporting Framework**

- 3.1 The TBM framework focuses on identifying and managing financial risks on a regular basis throughout the year. This is applied at all levels of the organisation from Budget Managers through to Policy & Resources Committee. Services monitor their TBM position on a monthly or quarterly basis depending on the size, complexity or risks apparent within a budget area. TBM therefore operates on a risk-based approach, paying particular attention to mitigation of growing cost pressures, demands or overspending together with more regular monitoring of high risk 'corporate critical' areas as detailed below.
- 3.2 The TBM report is normally split into 8 sections as follows:
- i) General Fund Revenue Budget Performance
  - ii) Housing Revenue Account (HRA) Performance
  - iii) Dedicated Schools Grant (DSG) Performance
  - iv) NHS Controlled S75 Partnership Performance
  - v) Capital Investment Programme Performance
  - vi) Capital Programme Changes
  - vii) Implications for the Medium Term Financial Strategy (MTFS)
  - viii) Comments of the Executive Director of Finance & Resources (statutory S151 officer)

#### **General Fund Revenue Budget Performance (Appendix 1)**

- 3.3 The table below shows the forecast outturn for Council controlled revenue budgets within the General Fund. More detailed explanation of the variances can be found in Appendix 1.

2013/14 Provisional Outturn £'000	<b>Directorate</b>	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(1,676)	Children's Services	57,629	59,564	1,935	3.4%
1,826	Adult Services	62,080	65,849	3,769	6.1%
(687)	Environment, Development & Housing	43,021	42,795	(226)	-0.5%
164	Assistant Chief Executive	17,249	17,368	119	0.7%
(21)	Public Health	4,567	4,614	47	1.0%
(959)	Finance, Resources & Law	31,072	31,121	49	0.2%
(1,353)	Sub Total	215,618	221,311	5,693	2.6%
163	Corporate Budgets	5,747	5,905	158	2.7%
(1,190)	Total Council Controlled Budgets	221,365	227,216	5,851	2.6%

- 3.4 The General Fund includes general council services, corporate budgets and central support services. Corporate budgets include centrally held provisions and budgets (e.g. insurance) as well as some cross-cutting value for money savings targets. General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools).

#### Corporate Critical Budgets

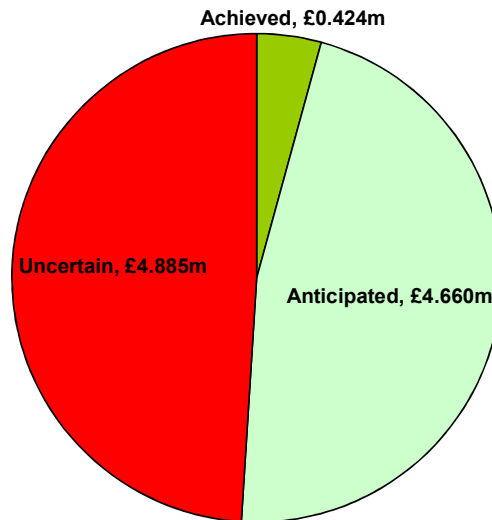
- 3.5 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These therefore undergo more frequent and detailed analysis.
- 3.6 They are based on current activity levels and commitments but these can fluctuate significantly over the year. Mitigating recovery actions can change the financial outlook substantially, even for small changes in activity levels but the opposite also applies, hence the reason for closer scrutiny of these areas.

2013/14 Provisional Outturn £'000	<b>Corporate Critical</b>	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(1,271)	Child Agency & In House	19,578	21,368	1,790	9.1%
1,634	Community Care	40,251	42,505	2,254	5.6%
(233)	Sustainable Transport	(16,245)	(16,615)	(370)	-2.3%
(865)	Temporary Accommodation	1,593	1,365	(228)	-14.3%
(137)	Housing Benefits	(613)	(613)	-	0.0%
(872)	Total Council Controlled	44,564	48,010	3,446	7.7%

## Value for Money (VfM) Programme (Appendix 2)

- 3.7 Policy & Resources Committee received a report on the next stage of the council's Value for Money Programme (Phase 4) at the committee's June meeting. The savings and resources attaching to Phase 4 are still being refined and will predominantly focus on savings for 2015/16 although some part-year savings are expected in 2014/15. In the meantime, current Phase 3 VfM projects will continue with the savings targets identified and approved by Council as part of the 2014/15 budget.
- 3.8 VfM projects generally carry significant risks and may need specialist advice or skills that can be in short supply or they may need to navigate complex procurement or legal processes. Therefore, each month the TBM report quantifies progress in terms of those savings that have been achieved, those that are anticipated to be achieved (i.e. low risk) and those that remain uncertain (i.e. higher risk). The chart below shows that there is considerable risk at present in relation to social care related VfM workstreams. More detail is provided in Appendix 1 and Appendix 2.

Value for Money Programme (All Phases) - 2014/15 Monitoring



VfM Target 2014/15 = £9.969m

## Housing Revenue Account Performance (Appendix 1)

- 3.9 The Housing Revenue Account is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents. The provisional outturn on the HRA is summarised in the table below. More detail is provided in Appendix 1.

2013/14 Provisional Outturn £'000		2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 12 %
	<b>HRA</b>				
55,565	Expenditure	58,780	58,751	(29)	0.0%
(56,331)	Income	(58,780)	(58,780)	-	0.0%
(766)	Total	-	(29)	(29)	

### Dedicated Schools Grant Performance (Appendix 1)

- 3.10 The Dedicated Schools Grant (DSG) is a ring-fenced grant which can only be used to fund expenditure on the schools budget. The schools budget includes elements for a range of services provided on an authority-wide basis including early years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The forecast outturn is currently an overspend of £0.007m and more details are provided in Appendix 1. Under the Schools Finance Regulations any underspend must be carried forward to support the schools budget in future years.

### NHS Managed S75 Partnership Performance (Appendix 1)

- 3.11 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and Sussex Community NHS Trust (SCT) and include health and social care services for Adult Mental Health, Older People Mental Health, Substance Misuse, AIDS/HIV, Intermediate Care and Community Equipment.
- 3.12 These partnerships are subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. Risk-sharing arrangements can result in financial implications for the council should a partnership be underspent or overspent at year-end and hence the performance of the partnerships is reported as a memorandum item under TBM throughout the year.

2013/14 Provisional Outturn £'000		2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
	<b>Section 75</b>				
105	NHS Trust managed S75 Services	11,695	11,875	180	1.5%

## Capital Programme Performance and Changes

- 3.13 The table below provides a summary of capital programme performance by Directorate and shows that overall it is forecast to break even at this early stage.

2013/14 Outturn Variance £'000		2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Outturn Month 2 %
	<b>Capital Budgets</b>				
(7)	Children's Services	19,633	19,633	0	0.0%
3	Adult Services	530	530	0	0.0%
(46)	Environment, Development & Housing – General Fund	20,364	20,364	0	0.0%
(73)	Environment, Development & Housing - HRA	34,566	34,566	0	0.0%
(14)	Assistant Chief Executive	17,996	17,996	0	0.0%
0	Public Health	252	252	0	0.0%
(76)	Finance, Resources & Law	9,678	9,678	0	0.0%
(213)	<b>Total Capital</b>	<b>103,019</b>	<b>103,019</b>	<b>0</b>	<b>0.0%</b>

- 3.14 Appendix 3 shows the changes to the budget and Appendix 4 provides details of new schemes for 2014/15 to be added to the capital programme. Policy & Resources Committee's approval for these changes is required under the council's Financial Regulations. The following table shows the movement in the capital budget since approval at Budget Council.

<b>Capital Budget Movement</b>	<b>2014/15 Budget £'000</b>
<b>Summary</b>	
Budget approved at Budget Council	79,975
New schemes included in the Budget above where further reports to Policy & Resources are needed before inclusion in the programme	(3,545)
Slippage and reprofiles approved in the Outturn report	10,465
New schemes approved in the Outturn report (£1.763m in report less £0.686m Brighton Digital Exchange as funding met from the Super Connected Cities programme already in the approved budget)	1,077
Reported at other Policy & Resources committees for inclusion in 2014/15 year (i360 £17m, additional Local Transport Programme £1.420m and a Dorothy Stringer school scheme of £0.142m)	18,562
New schemes to be approved in this report (Appendix 4)	365
Reprofiles and variations to be approved in this report (Appendix 3)	(3,880)
Slippage	0
<b>Total Capital Budget</b>	<b>103,019</b>



- 3.15 The Local Government Association is seeking investment from all local authorities in the Municipal Bonds Agency that it is establishing. Its purpose is described more fully in the Treasury Management report elsewhere on this agenda. The investment would be an equity stake and thus should be treated as capital expenditure. At the time of writing this report there was insufficient information on which to provide proper advice to members about the merits of the proposed investment which does carry significant risk but which may be beneficial to the wider local government community as a whole. However there is a deadline for commitment of x September, prior to the next Policy & Resources Committee. Therefore delegated authority to commit a maximum of £50,000 to the Agency is requested in consultation with the Chair and the Opposition Leaders and subject to identifying sufficient capital funding

### **Implications for the Medium Term Financial Strategy (MTFS)**

- 3.16 The council's MTFS sets out resource assumptions and projections over a longer term. It is periodically updated including a major annual update which is included in the annual revenue budget report to Policy & Resources Committee and Full Council. This section highlights any potential implications for the current MTFS arising from in-year TBM monitoring above and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.
- 3.17 Details of risk provisions currently held are given in the Corporate Budgets section of Appendix 1. It is recommended to release £0.500m recurrent risk provision to Adult Social Care following the decision at the previous committee not to progress the development of a Local Authority Trading Company for which a savings target of this value had been included in the 2013/14 Budget. At this very early stage of the year no further risk provisions are recommended to be deployed as mitigating actions and recovery plans need to be implemented before re-assessing the financial position and the level of forecast risk.

### Capital Receipts Performance

- 3.18 Capital receipts are used to support the capital programme. Any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds and projects such as the Strategic Investment Fund, Asset Management Fund, ICT Fund and the Workstyles VFM projects. There have been no receipts to date for 2014/15.

The forecast for the 'right to buy sales' 2014/15 (after allowable costs, repayment of housing debt and forecast receipt to central government) is that an estimated 60 homes will be sold with a maximum useable receipt of £0.474m to fund the corporate capital programme and net retained receipt of £2.727m available to re-invest in replacement homes. To date 4 homes have been sold in 2014/15.

## Collection Fund Performance

- 3.19 The collection fund is a separate account for transactions in relation to council tax and business rates. Any deficit or surplus forecast on the collection fund relating to council tax is distributed between the council, Sussex Police and East Sussex Fire Authority whereas any forecast deficit or surplus relating to business rates is shared between, the council, government and East Sussex Fire Authority.
- 3.20 The collection fund surplus position at 31<sup>st</sup> March 2014 on council tax was (£1.925m) and the council's share of this was (£1.644m). This was £0.243m lower than anticipated when setting the 2014/15 budget. This shortfall will need to be taken into account in estimating any deficit or surplus during 2014/15. At this stage of the year it is too early to predict any trends or changes in collection fund performance but at this stage a year end break even position is assumed.
- 3.21 The council's share of the surplus on the collection fund for business rates at 31<sup>st</sup> March 2014 was £1.590m after taking into account the repayment of Safety Net Grant. These resources will be available when setting the 2015/16 budget. The 2014/15 business rates income assumption included projected growth of 0.5% in rateable value as well as a further 1.0% increase through a review of the register. At this stage of the year it is too early to predict whether these assumptions will be delivered and therefore no variance is currently reported.

## **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The provisional outturn position on council controlled budgets is an overspend of £5.851m which would be reduced to £5.351m after the transfer of £0.500m recurrent risk provision to Adult Social Care. In addition, the council's share of the provisional overspend on NHS managed Section 75 services is £0.180m. Any overspend at year end will need to be funded from general reserves which would then need to be replenished to ensure that the working balance did not remain below £9.000m. Any underspend would release one off resources that can be used to aid budget planning for future years.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 No specific consultation has been undertaken in relation to this report.

## **6 CONCLUSION AND COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE & RESOURCES (S151 OFFICER)**

- 6.1 This is clearly an early forecast that indicates a significant level of forecast financial risk that must be urgently attended to, particularly in relation to Adult Social Care and Children's Services. In addition to the decision not to progress the Local Authority Trading Company for Adult Social Care there are other savings included in the budget for Adult Social Care which have been delayed or deferred. It is vital for both the immediate and long term financial position that these are now progressed. There are concerning trends on the corporate critical budgets for Community Care and for Looked After Children which will need further analysis. Mitigating actions and recovery plans are being developed and implemented which should reduce the forecast risk but it is not clear at this stage by how much.

- 6.2 The Executive Leadership Team (ELT) will keep the position under close scrutiny and will take appropriate action to reduce spending, manage vacancies and develop financial recovery plans where necessary.

## **7 FINANCIAL AND OTHER IMPLICATIONS**

### Financial Implications:

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

*Finance Officer Consulted: Jeff Coates Date: 24/06/14*

### Legal Implications:

- 7.2 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: 24/06/14*

### Equalities Implications:

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

### Sustainability Implications:

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

### Risk and Opportunity Management Implications:

- 7.5 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 recommended minimum working balance of £9.000m to mitigate these risks. The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Revenue Budget Performance
2. Value for Money Programme Performance
3. Capital Programme Performance
4. New Capital Schemes

### **Documents in Members' Rooms:**

None.

### **Background Documents**

None.



## Appendix 1 – Revenue Budget Performance

### Children’s Services - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(6)	Director of Children's Services	118	118	0	0.0%
511	Education & Inclusion	3,835	3,845	10	0.3%
(412)	Disability & SEN	5,493	5,703	210	3.8%
(975)	Children's Health, Safeguarding and Care	29,468	29,572	104	0.4%
(794)	Stronger Families, Youth & Communities	18,715	20,326	1,611	8.6%
(1,676)	Total Revenue – Children’s Services	57,629	59,564	1,935	3.4%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
<b>Education &amp; Inclusion</b>			
10	Home to School Transport	The overspend of £0.010m reflects the latest numbers of children being transported (476). A detailed analysis has been undertaken with the budget holder for each area of the budget and the latest position reflects the estimated outturn position.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring these budgets back in balance where possible
<b>Children’s Health, Safeguarding &amp; Care</b>			
(42)	Corporate Critical-In House Foster Payments	As part of the children’s VFM programme, there is an ongoing attempt to increase the recruitment of ‘in-house’ foster carers. This has not progressed as well as anticipated and currently there are 22.13 FTE less children placed than allowed in the budget. However, there are significantly more children placed with family and friends carers or under special guardianship orders than provided in the budget and the combination of these	

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
		factors results in a projected underspend of <b>£0.042m</b> in in-house placements.	
186	Corporate Critical 16+Services	The budget for 16+ services is split across 4 client types - Care Leavers, Ex Asylum Seekers, Looked After Children and Preventive. Across these services the budget allows for 53.65 FTE young people and currently the projection is based on 64.04 FTE young people. This together with a slightly higher than budgeted average unit cost and overspends on non-accommodation costs result in an overall overspend of <b>£0.186m</b>	The new joint commissioning arrangements between children's services and Housing start in June and it is anticipated that the improved commissioning of placements, work on reducing the numbers of young people being accommodated and more rigorous monitoring of non-accommodation budgets will reduce the overspend.
(190)	Social Work Teams	The projected Social Work Teams underspend of <b>£0.190m</b> reflects a number of vacant posts within the Advice, Contact & Assessment service (ACAS) and Children in Need (CIN) teams. At this stage it is anticipated that the 2014-15 savings within the teams will be achieved pending completion of the current restructure and after taking into account the additional cost attached to the Multi Agency Safeguarding Hub (MASH) premises. We will continue to undertake detailed monthly analysis of these areas to ensure that we're aware at the earliest stage as to any movement from the projected underspend position.	
(100)	Contact Supervision	The underspend in this service is predominantly due to the use of sessional staff being considerably less than anticipated in the budget. In addition, there is a smaller underspend in the car mileage budget, which also reflects the more efficient use of resources than was anticipated in the budget.	
188	CIC- Children In Care	The overspend relates predominantly to the use of locum social workers. Due to the increase in the number of children in care, it was felt necessary, in order to maintain a safe level of service to increase the number of social workers in this team. As this was deemed a crisis and recruitment procedures were unable to	This overspend may be reduced following agreement of the social work restructure which increases the social work establishment in the Children In Care Team, enabling

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
		meet the demand a number of locum social workers have been engaged.	additional recruitment which should result in the cessation of the use of locums.
50	Section 17 Preventive	This overspend of <b>£0.050m</b> relates to the increased costs of the housing recharge due to a higher number of homeless families.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring these budgets back in balance where possible.
12	Other	Minor overspend variances.	
<b>Disability &amp; SEN</b>			
130	Direct Payments	This early estimate based on expenditure in months 1 & 2 and taking into account the 2013-14 outturn indicates, for Direct Payments - Disabled Children, an overspend of approximately £0.130m. Cases are considered against certain criteria by an independent panel to assess entitlement to receive direct payments.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring this budgets back in balance where possible.
72	Preventive Payments	This early estimate based on expenditure in months 1 & 2 and taking into account the 2013-14 outturn indicates, for Preventive Payments – Disabled Children, an overspend of approximately £0.072m. This area will need to be monitored closely on a monthly basis as it is subject to a significant element of variation dependent on identified need.	Finance will liaise with the budget holder with a view to ensuring that an up to date projection based on current agreed cases is provided monthly.
8	Other	Minor overspend variances	
<b>Stronger Families, Youth &amp; Communities</b>			
1,646	Corporate Critical - Children's Agency Placements	The projected number of residential placements (29.38FTE) is broken down as 23.70FTE social care residential placements (children's homes), 4.92 FTE schools placements, 0.76 FTE family assessment placements and 0.00 FTE substance misuse rehabilitation placements. The budget allowed for 21.20 FTE social care residential care placements, 5.00 FTE schools placements, 1.25 FTE family assessment placements and 0.50 FTE substance misuse rehab placements. The average unit cost of these placements is £261.36 per week below the	The Children's Services Value for Money (VFM) programme has two workstreams:  The VfM Early Help Workstream objective is to deliver, review and rationalise evidence based early help services to reduce the need for specialist interventions. Key initiatives

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
		<p>budgeted level, with the most significant unit cost saving in residential homes. Overall the number of placements are 1.43 FTE above the budgeted level, and this combined with the unit cost savings described above results in an underspend of <b>£0.181m</b>.</p> <p>The numbers of children placed in independent foster agency (IFA) placements began to fall during 2012/13 and that trend continued in the early months of 2013/14, however, numbers have started to increase in recent weeks. During 2013/14 there were 165.76 FTE placements but the current projected number of placements in 2014/15 is 173.96 FTE, an increase of 4.9%. The budget for IFA placements was based on the falling trend of the previous two years and was set at 135.80 FTE which is being exceeded by 38.16 FTE placements resulting in an overspend of <b>£1.107m</b>.</p> <p>The anticipated number of disability placements is 18.71 FTE with an average unit cost of £2,039.52. The number of placements is 5.21 FTE above the budgeted level. The average weekly cost of these placements, however, is £223.06 lower than the budgeted level and the combination of these two factors together with the underspend of £0.019m on respite placements, results in an overspend of <b>£0.378m</b>.</p> <p>During 2014/15 it is estimated that there will be 2.80 FTE secure (welfare) placements and 2.13 FTE secure (justice) placements. The budget allowed for 1.00 FTE welfare and 0.75 FTE justice placements during the year. There are currently 2 children in a secure (welfare) placement and 2 in a secure (criminal) placement resulting in a projected overspend of <b>£0.342m</b>.</p>	<p>include:,</p> <ul style="list-style-type: none"> <li>• developing an Early Help Hub to create a single integrated system for identification, referral, assessment, delivery and monitoring of effective early help interventions.</li> <li>• delivering evidence based interventions (such as family coaching by Stronger Families Stronger Communities, Functional Family Therapy, Family Nurse Partnership, Triple P).</li> </ul> <p>The VfM Placement Workstream objective is to strengthen social work systems so that care plans for individual children can be delivered by lower cost interventions and placements and/or by reducing the time children require statutory interventions. Key initiatives include:</p> <ul style="list-style-type: none"> <li>• developing the Multi Agency Safeguarding Hub to ensure appropriate and timely responses to safeguarding concerns;</li> <li>• strengthening the social work transformational programme including developing a clear practice model;</li> <li>• strengthening pre-proceedings work by social work/legal/</li> </ul>



**Appendix 1 – Revenue Budget Performance**

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
			<p>Clermont Family Assessment Centre to prevent care proceedings.</p> <p>As part of both workstreams, changes in commissioning arrangements/ service redesign are being identified and implemented including working with partners in their approaches to commissioning for vulnerable adults who are parents.</p> <p>In addition, a task &amp; finish group has been set up to review and strengthen Special Education Needs (SEN)/Disability services.</p>
(35)	Other	Minor underspend variances	

## Appendix 1 – Revenue Budget Performance

### Adult Services – Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
1,693	Adults Assessment	47,952	50,206	2,254	4.7%
1,113	Adults Provider	13,897	15,650	1,753	12.6%
(980)	Commissioning & Contracts	231	(7)	(238)	-103.0%
1,826	Total Revenue - Adult	62,080	65,849	3,769	6.1%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
		The key variances across Adult Social Care are as detailed below:	Further plans are being developed and mitigating action is being taken to reduce these forecast overspends.
<b>Adults Assessment</b>			
see below	Assessment Services	Assessment Services are showing an overspend of £2.254m (4.7% of net budget) at Month 2. There are increased levels of complexity and need being experienced across all client groups and the overspend is broken down as follows: -	
769	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are reporting a pressure of £0.769m at Month 2 due largely to an anticipated shortfall of £0.558m against budget savings targets and projected commitments of approximately £0.400m for Ordinary Residence claims.	Increased scrutiny of all Learning Disability placements/care package requests has been put in place to assure value for money against eligible care needs across different types of placement.
832	Corporate Critical - Community	Under 65's are reporting a pressure of £0.832m at Month 2, due to a continuation of the cost pressures experienced during 2013-14 from increased complexity in need of clients.	Increased panel scrutiny of all complex or high cost care package requests to assure value for money

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b> (Note: FTE/WTE = Full/Whole Time Equivalent)	<b>Mitigation Strategy</b>
	Care Budget (Physical & Sensory Support - Under 65's)		against eligible care needs. Where possible no placements will be made above the agreed local authority rates. The VfM Phase 4 programme includes a specific project focussing on high cost placements to reduce costs.
653	Corporate Critical - Community Care Budget (Physical & Sensory Support -Over 65's)	Over 65's are reporting a pressure of £0.653m, of which the majority relates to the balance of unacheivable previous year savings against Extra Care Housing.	As above, there will be increased scrutiny of complex or high cost care packages. An independent Extra Care business case has been commissioned to establish demand/need projections to enable ASC commissioners to work with their housing partners to identify the types of provision that will most appropriately meet the objective of reducing residential care costs.
<b>Adults Provider</b>			
1,753	Adults Provider	<p>Provider Services is reporting a pressure of £1.545m from under-achievement of savings targets (2014/15 targets and previous years targets in 2012/13 and 2013/14). The Policy &amp; Resources Committee decision not to proceed with alternative service models results in the savings target of £0.500m not being deliverable. The recommendation in this report is that £0.500m recurrent risk provision is released to offset this saving which will not now be delivered. Achievement of other savings is dependent on the commissioning review of day options and the Learning Disabilities accommodation review. These are on-going but are now delayed.</p> <p>The overspend also includes staffing pressures against Respite Services of £0.152m reflecting increased occupancy levels and</p>	Vacancy control measures will be tightened and recruitment to posts made only where this is required to ensure CQC compliance, with the use of agency staff to be signed off by senior managers. This will have an impact on service delivery.

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b> (Note: FTE/WTE = Full/Whole Time Equivalent)	<b>Mitigation Strategy</b>
		the complexity and compatability of service users. Other pressures across the service of £0.056m.	
<b>Commissioning &amp; Contracts</b>			
(238)	Commissioning & Contracts	The underspend of £0.238m relates to the HIV Preventative contracts now being funded by the Public Health Grant.	

Environment, Development & Housing - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
101	Transport	(4,424)	(4,698)	(274)	6.2%
(5)	City Infrastructure	29,435	29,463	28	0.1%
(1)	City Regeneration	1,258	1,258	0	0.0%
3	Planning	1,965	1,965	0	0.0%
98	Total Non Housing Services	28,234	27,988	(246)	-0.9%
(785)	Housing	14,787	14,807	20	0.1%
(687)	Total Revenue - Environment, Development & Housing	43,021	42,795	(226)	-0.5%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation strategy
<b>Transport</b>			
(370)	Corporate Critical – Parking Operations	<p>Overall the corporate critical parking budget is forecast to underspend by £0.370m. The main components of this are:</p> <ul style="list-style-type: none"> <li>A £0.259m surplus from on-street parking income. This forecast incorporates new parking zones being introduced and a 2.5% increase in transactions in April and May compared to last financial year. Evidence from various major event organisers in the city, including the Brighton Festival/ Fringe and Brighton Marathon, have suggested increased</li> </ul>	<ul style="list-style-type: none"> <li>Actual income is monitored and reported on a monthly basis as part of the TBM process. There are a range of factors that can impact on parking activity and therefore any significant variations to the forecast are reported and acted upon regularly. Minor percentage variations in activity could result in significant financial implications.</li> <li>An updated tariff model exercise will be developed for the off-street car parks using updated usage data and following some minor</li> </ul>

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation strategy
		<p>attendances which are likely to increase demand for parking in the city.</p> <ul style="list-style-type: none"> <li>• There is a forecast under-achievement of income of approximately £0.216m relating to off-street car parks. There has been increased activity at some car parks, particularly Regency Square. However, there have also been several factors resulting in reduced income at The Lanes car park; including road works on the Seafront and Black Lion Street causing access issues and the ending of a contractual agreement with the Thistle Hotel which previously generated income of approximately £0.060m per year.</li> <li>• £0.047m more income than assumed in the budget is forecast for income from Penalty Charge Notices.</li> <li>• £0.251m more income than assumed in the budget is forecast from permits. This has been caused by increased demand for permits, particularly in new and extended controlled parking zones.</li> <li>• An expected £0.103m surplus on leased car parks is forecast. Contractual arrangements in place are expected to result in greater income than budgeted, as well as reducing unsupported borrowing costs.</li> <li>• Other overspend variances totalling £0.074m are forecast. These largely relate to business rates costs at Trafalgar Street car park where transitional rate relief has ended this financial year.</li> </ul>	<p>tariff changes to see if the income budgets can be better aligned.</p> <p>Off-Street Car Park expenditure budgets are to be reviewed to determine if the business rate pressure at Trafalgar Street can be funded.</p>
96	Highways	The variance relates to an overspend on staffing	It is expected that this will not be an on-going

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation strategy
		and a pressure on professional fees for highways inspection which are not fully covered by the income received.	pressure as these costs are likely to be recoverable in the future under a proposed highways permit scheme. The service is exploring ways of reducing the current cost of this service.
<b>City Infrastructure</b>			
28	City Parks	Rottingdean mini golf course has been let at a peppercorn rent resulting in an income pressure of £0.023m and £0.005m additional costs of managing the site as a nature reserve.	Several attempts have been made to remarket the site with an appropriate use on a commercial basis but no viable commercial proposal has been forthcoming.
<b>City Regeneration</b>			
0	City Regeneration	Break even position forecast at Month 2.	
<b>Planning</b>			
0	Planning	Break even position forecast at Month 2.	
<b>Housing</b>			
(228)	Corporate Critical - Temporary Accommodation & Allocations	Current trends reflect an increase in the number of properties being returned to landlords due to contracts ending and at the landlord's request in view of the improving property market. This has led to an increase in voids and the use of alternative spot purchase accommodation and/or more expensive leased properties. It also impacts on the ability to collect housing benefit income. At this stage, increasing costs and pressures on income are currently being offset by service pressure funding of £0.500m from 2013/14 and £0.440m from 2014/15. This leaves approximately £0.200m currently un-utilised service pressure funding within this service area which is included in the forecast underspend.	New properties are being acquired as soon as possible to replace those being handed back in order to manage the number of more expensive spot purchase placements. There is a potential delay in the impact of Welfare Reform on this service as eligible clients are currently awarded Discretionary Housing Payments. Costs and income are continually under review and improvements to forecasting are being developed.
0	Travellers	This budget includes £0.100m 2014/15 service pressure funding. A break even position is forecast	Council Officers meet with police and other agencies to review operational management and

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation strategy
		subject to periodic reviews of operational management.	service cost implications.
122	Supported Accommodation	This includes the 2014/15 savings target of £0.080m plus £0.060m budget pressure from delayed rent renegotiation for West Pier Hostel.	A number of efficiency measures have been identified and are being assessed in order to reduce the projected year end budget risk.
125	Private Sector Housing	The further expansion of the Private Sector Licensing Scheme was projected to achieve savings in 2014/15 of £0.125m. The timetable for introducing the scheme including public consultation and decision by Members has slipped.	The timetable for consultation and decision by Members is being reviewed by the Housing Leadership Team.



## Appendix 1 – Revenue Budget Performance

### Assistant Chief Executive - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
8	Communications	790	792	2	0.3%
22	Royal Pavilion, Arts & Museums	3,680	3,717	37	1.0%
237	Tourism & Venues	1,581	1,661	80	5.1%
(10)	Libraries	5,295	5,295	0	0.0%
(89)	Corporate Policy & Communities	5,167	5,167	0	0.0%
(4)	Sport & Leisure	736	736	0	0.0%
164	Total Revenue - Assistant Chief Executive	17,249	17,368	119	0.7%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy
<b>Communications</b>			
2	Communications	Minor Overspend.	
<b>Royal Pavilion, Arts &amp; Museums</b>			
37	Royal Pavilion, Arts & Museums	Royal Pavilion & Museums is reporting an overspend of £0.037m at Month 2, mainly due to a continuation of pressures against the achievement of retail income.	Measures have already been implemented to improve the performance of retail, including restructuring, new products and investment in the shop. These are reflected in the latest forecast.
<b>Tourism &amp; Venues</b>			
80	Tourism & Venues	The closure of Hove Centre on 24 <sup>th</sup> December 2014 is forecast to result in a reduction in budgeted hire fees from both external and internal hirers of £0.129m. In addition, this is forecast to create a shortfall in catering commission of	All expenditure at Hove Centre is under review for the remaining 6 months. There may be savings in other areas of the service to help offset this shortfall but it is too early to forecast. A better assessment of the position will be

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy</b>
		£0.013m. Employee savings from the closure will however reduce the impact of this to £0.080m.	known at Month 5.
<b>Libraries</b>			
0	Libraries	Break-even position forecast at Month 2.	
<b>Corporate Policy &amp; Communities</b>			
0	Corporate Policy & Communities	Break-even position forecast at Month 2.	
<b>Sport &amp; Leisure</b>			
0	Sport & Leisure	Break-even position forecast at Month 2.	

## Appendix 1 – Revenue Budget Performance

### Public Health – Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
0	Public Health	607	607	0	0.0%
(10)	Community Safety	1,451	1,451	0	0.0%
(3)	Public Protection	2,329	2,376	47	2.0%
(8)	Civil Contingencies	180	180	0	0.0%
(21)	Total Revenue - Public Health	4,567	4,614	47	1.0%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy
<b>Public Health</b>			
0	Public Health	The ring-fenced Public Health grant is £18.695m for 2014-15 and the expectation is that these funds will be fully utilised in year. There was an underspend of £0.576m against the grant last year, mainly as a result of costs against Sexual Health Contracts being less than anticipated. In line with the grant conditions this was carried forward to 2014-15 and spending plans have been reformulated.	
<b>Community Safety</b>			
0	Community Safety	Break even position expected at Month 2.	
<b>Public Protection</b>			
47	Public Protection	Public Protection is forecasting a pressure of £0.038m against the staffing budget and £0.009m for one-off costs for the need to investigate potentially contaminated land.	Any vacancies arising during the remainder of the year will be closely managed on a case-by-case basis to help bring down the pressure.

**Appendix 1 – Revenue Budget Performance**

Key Variances £'000	Service	Description	Mitigation Strategy
<b>Civil Contingencies</b>			
0	Civil Contingencies	Break even position expected at Month 2.	

## Finance &amp; Resources and Law - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(238)	City Services	7,678	7,783	105	1.4%
(137)	Housing Benefit Subsidy	(613)	(613)	0	0.0%
(1)	HR & Organisational Development	4,010	4,083	73	1.8%
326	ICT	6,443	6,443	0	0.0%
(520)	Property & Design	4,793	4,664	(129)	-2.7%
(172)	Finance	5,217	5,217	0	0.0%
(42)	Performance & Improvement	500	500	0	0.0%
(175)	Legal & Democratic Services	3,044	3,044	0	0.0%
(959)	Total Revenue - Resources & Finance	31,072	31,121	49	0.2%

## Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy
<b>City Services</b>			
105	City Services	<b>Revenues and Benefits</b> is forecasting an underspend of £0.050m for 2014/15. The service is managing its staff budget and recruitment strategy very carefully because of the pending introduction of Universal Credit and the associated transfer of work. It is currently thought that this will result in an underspend of approx. £0.120m. There are likely to be further underspends in other areas, notably Council Tax discretionary discounts and exemptions (approx. £0.100m) and computer maintenance	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy
		<p>costs (£0.030m). These underspends are likely to be offset by reductions of approximately £0.200m in recovered income, largely brought about by a transitional period whilst new bailiff legislation takes effect. These are early forecasts, and the situation will be monitored regularly through the year.</p> <p><b>Life Events is</b> forecasting an overall income shortfall of £0.155m. The cremation fees and burial fees are estimated to underachieve by £0.200m this year. The shortfalls in Bereavement Services income are somewhat offset by expected overachievements in Land Charges fee income (£0.020m) and an expected increase in income from nationality checking fees (£0.025m). The service has also made a contribution corporately through the launch of same-sex wedding ceremonies, resulting in an increase in bookings for these at the Royal Pavilion.</p>	<p>Work is on-going to address this income pressure, and a new plan of action is being drawn up within the service, with involvement and assistance from Finance. The measures include a staff time analysis similar to that undertaken for the Registrar's service, a review of fees and charges with a view to reporting to October P&amp;R, and a number of small service delivery changes some of which have already been implemented. It is expected that these changes will take some time to have an effect, and the projected shortfalls will be re-calculated monthly through the TBM process.</p>
<b>Housing Benefit Subsidy</b>			
0	Corporate Critical - Housing Benefit Subsidy	Break even position forecast at Month 2.	
<b>HR &amp; Organisational Development</b>			
73	HR & Organisational Development	A projected £0.073m overspend has been reported within the service, due to a gap between the cost of the current level of full time corporate release for union activities and the available budget.	
<b>ICT</b>			
0	ICT	Break even position forecast at Month 2.	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy</b>
<b>Property &amp; Design</b>			
(129)	Property & Design	The commercial rent forecasts within Property & Design are being maintained with income collection performing well for the rental properties on the high street.	
<b>Finance</b>			
0	Finance	Break even position forecast at Month 2.	
<b>Performance &amp; Improvement</b>			
0	Performance & Improvement	Break even position forecast at Month 2.	
<b>Legal &amp; Democratic Services</b>			
0	Legal & Democratic Services	Break even position forecast at Month 2.	

## Appendix 1 – Revenue Budget Performance

### Corporate Budgets - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Service	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
(364)	Bulk Insurance Premia	0	0	0	0.0%
44	Concessionary Fares	10,615	10,515	(100)	-0.9%
0	Capital Financing Costs	8,904	8,904	0	0.0%
(1)	Levies & Precepts	161	161	0	0.0%
1,355	Corporate VfM Savings	(250)	(250)	0	0.0%
(531)	Risk Provisions	4,720	4,720	0	0.0%
(340)	Other Corporate Items	(18,403)	(18,145)	258	1.4%
163	Total Revenue - Corporate Budgets	5,747	5,905	158	2.7%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy
<b>Bulk Insurance Premia</b>			
0	Bulk Insurance Premia	Break even position forecast at Month 2.	
<b>Concessionary Fares</b>			
(100)	Concessionary Fares	Underspend as a result of conclusion of negotiations on fixed deal arrangements with Brighton & Hove Buses and Stagecoach.	
<b>Capital Financing Costs</b>			
0	Capital Financing Costs	Break even position forecast at Month 2.	
<b>Corporate VFM Projects</b>			
0	Corporate VFM Projects	This savings associated with the Third Party Spend corporate VFM project are currently still being finalised and are expected to be	



Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy
		achieved through additional procurement/third party spend savings on contract renewals and renegotiations across a range of services.	
<b>Risk Provisions</b>			
0	Risk Provisions & contingency	<p>The risk provision budget includes the following main items:</p> <ul style="list-style-type: none"> <li>• £2.500m risk provisions of which it is recommended that £0.500m be released recurrently to support Adult Social Care and £0.110m set aside centrally to cover the in-year additional costs of the new security carrier contract referred to elsewhere on this agenda which otherwise would be recharged across all users of the service;</li> <li>• £0.800m held centrally for social care reforms and temporary funding for ICT contract funding shortfalls (the use of £0.300m of this has been included within the ICT forecast);</li> <li>• £0.700m for Modernisation Funds which will be allocated throughout the year;</li> <li>• £0.720m for other contingency items.</li> </ul> <p>A break-even position is reported at Month 2, however the Month 2 position indicates a number of forecast risks which may result in a call on risk provisions if these cannot be mitigated by recovery actions.</p>	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Mitigation Strategy</b>
<b>Other Corporate Items</b>			
180	Pension Costs	This overspend relates to the budget for additional compensation payments to former employees of the Council or its predecessor authorities. The benefits are subject to annual increases in line with the September Retail Price Index (RPI) which is generally higher than our corporate inflation rates for pay costs. This had been expected to be offset by a reduction in the number of beneficiaries but this has remained fairly static. All related reserves that were being used to fund yearly fluctuations have now been exhausted.	
78	Unringfenced Grants	The shortfall relates to lower than anticipated income from the Education Services Grant.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Housing Revenue Account	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
8,591	Employees	8,610	8,608	(2)	0.0%
10,837	Premises – Repair	11,199	11,199	-	0.0%
3,066	Premises – Other	2,836	2,761	(75)	-2.6%
2,000	Transport & Supplies	2,524	2,572	48	1.9%
2,021	Support Services	2,740	2,740	-	0.0%
127	Third Party Payments	183	183	-	0.0%
23,203	Revenue contribution to capital	22,124	22,124	-	0.0%
5,720	Capital Financing Costs	8,564	8,564	-	0.0%
55,565	Net Expenditure	58,780	58,751	(29)	0.0%
(49,180)	Dwelling Rents (net)	(50,423)	(50,423)	-	0.0%
(1,387)	Other rent	(1,382)	(1,382)	-	0.0%
(5,358)	Service Charges	(6,583)	(6,583)	-	0.0%
(406)	Other recharges & interest	(392)	(392)	-	0.0%
(56,331)	Net Income	(58,780)	(58,780)	-	0.0%
<b>(766)</b>	<b>Total</b>	<b>-</b>	<b>(29)</b>	<b>(29)</b>	

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy
<b>Housing Revenue Account</b>			
(75)	Premises - Other	Forecast savings on electricity costs. Latest available consumption data suggests lower expenditure than originally calculated at budget setting time.	
48	Transport & Supplies	Invest-to-save engagement of external expertise to undertake a Lean Thinking Review to ensure that income collection can be maximised, £0.025m. Additional security sweeps around blocks night and day, £0.023m.	This is currently being managed within the service by underspends elsewhere in the HRA. Security costs are being monitored closely and this overspend could increase.

## Dedicated Schools Grant - Revenue Budget Summary

2013/14 Provisional Outturn £'000	Dedicated Schools Grant (DSG)	2014/15 Budget Outturn £'000	Forecast Outturn £'000	Forecast Variance Outturn £'000	Forecast Variance Outturn %
0	Individual School Budgets (ISB) <i>(This does not include the £7.219m school balances brought forward from 2013/14)</i>	119,971	119,971	0	0
59	Early Years Block (including allocations to schools); including; Private, Voluntary & Independent (PVI) (Early Years 3 & 4 year old funding for the 15 hours free entitlement and 40% of 2 year olds from September 2014) <i>(This includes £0.050m brought forward from 2013/14)</i>	11,934	11,934	0	0
(862)	High Needs Block (excluding delegated to schools); <i>(This includes £1.079m brought forward from 2013/14)</i>	19,043	19,043	0	0
(644)	Exceptions and Growth Fund; <i>(This includes £0.318m brought forward from 2013/14)</i>	5,836	5,843	7	0.1
0	Grant income	(155,337)	(155,337)	0	0
(1,447)	Total DSG	1,447	1,454	7	0.5

## Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
<b>High Needs Block</b>			
91	Sick Children	Estimated overspend on staffing costs in the budget for educating children who are unable to attend school due to	Costs will be monitored closely over the year and efforts made to reduce costs

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy
		illness and are taught in hospital.	or identify mitigating savings to bring these budgets back in balance where possible.
13	Education Other than at School (EOTAS)	The overspend on General EOTAS relates to Looked After Children's education costs in agency placements being £0.013m more than anticipated.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring these budgets back in balance where possible.
(104)	Unspent balance brought forward from 2013/14	Unallocated balance brought forward used to cover identified overspends.	
<b>Exceptions &amp; Growth Fund</b>			
		The total overspend of £0.007m in this area relates to items specifically approved by the Schools Forum.	
40	Schools central costs	Overspend mostly relates to premature retirement costs.	Costs will be monitored closely over the year and efforts made to reduce costs or identify mitigating savings to bring these budgets back in balance where possible.
(33)	Admissions & Transport	Staffing savings.	

NHS Trust Managed S75 Budgets - Revenue Budget Summary

2013/14 Provisional Outturn £'000	S75 Partnership	2014/15 Budget Month 2 £'000	Forecast Outturn Month 2 £'000	Forecast Variance Month 2 £'000	Forecast Variance Month 2 %
117	Sussex Partnership Foundation NHS Trust (SPFT)	11,048	11,228	180	1.6%
(12)	Sussex Community NHS Trust (SCT)	647	647	-	0.0%
105	Total Revenue - S75	11,695	11,875	180	1.5%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy
<b>Sussex Partnership Foundation NHS Trust</b>			
180	SPFT	Sussex Partnership NHS Foundation Trust is reporting an overspend of £0.360m at Month 2. The overspend reflects continuing pressures from a lack of affordable residential and nursing placements across the board, potentially leading to increased use of high cost placements and waivers within Memory & Cognition Support. There continues to be a pressure from an increase in need and complexity in Mental Health and forensic services across residential and supported accommodation. In line with the agreed risk-share arrangements for 2014/15 any overspend will be shared 50/50 between SPFT and BHCC and this is reflected in the figure of £0.180m reported here.	As for Adult Social Care, there will be increased panel scrutiny of all complex or high cost placement requests to assure value for money against eligible care needs. Where possible, no placements will be made above the agreed local authority rates.
<b>Sussex Community NHS Trust</b>			
0	SCT	The Integrated Community Equipment Store (ICES) budget is reporting a break-even position at Month 2.	





## Value for Money Programme Performance (All Phases)

Projects	Savings Target £m	Achieved £m	Anticipated £m	Uncertain £m	Achieved %
Adult Social Care	2.903	0.000	0.000	2.903	0.0%
Children's Services	2.539	0.093	0.464	1.982	3.7%
Third Party Spend	2.591	0.000	2.591	0.000	0.0%
Workstyles	0.060	0.000	0.060	0.000	0.0%
Accelerated Service Redesign (FYE)	1.626	0.331	1.295	0.000	20.4%
VfM Phase 4 Additional Saving	0.250	0.000	0.250	0.000	0.0%
<b>Total All VfM Projects</b>	<b>9.969</b>	<b>0.424</b>	<b>4.660</b>	<b>4.885</b>	<b>4.3%</b>

## Explanation of 'Uncertain' VfM Savings:

Uncertain Savings £'000	Description	Mitigation Strategy for Uncertain Savings
<b>Adult Social Care</b>		
2,903	The Adult Social Care service has been under pressure throughout the previous financial year and this pressure is currently showing a continuing upward trend. This may place the achievement of VfM savings under serious threat unless immediate remedial action can be identified.	Additional scrutiny has been put in place in relation to care packages, particularly out-of-area and high cost packages, to ensure VfM and reduce costs. Extra care and other supported care provision are also being explored where possible.
<b>Children's Services</b>		
1,982	Appendix 1 provides details of the current pressures across Children's Services. The main pressures are arising from an upward trend in Independent Foster Agency placements (IFAs) and lower than expected recruitment of 'in-house' foster carers.	VfM and partnership work are continuing in the hope that trends can be halted and reversed through measures including Early Help strategies, recruitment of 'in-house' foster carers, and the SEN/Disability task & finish work.
<b>VfM Phase 4 Additional Saving</b>		
0	Although not regarded as uncertain, this saving is currently still being finalised and is expected to be achieved through	

**Appendix 2 – VfM Programme**

<b>Uncertain Savings £'000</b>	<b>Description</b>	<b>Mitigation Strategy for Uncertain Savings</b>
	additional procurement/third party spend savings on contract renewals and renegotiations across a range of services.	

## Children's Services – Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at Other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage / reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
(3)	Children's Health Safeguarding & Care	509	0	0	0	509	509	0	0.0%
(1)	Education and Inclusion	17,090	0	0	0	17,090	17,090	0	0.0%
0	Disability & SEN	489	0	0	0	489	489	0	
(3)	Schools	1,220	142	183	0	1,545	1,545	0	0.0%
<b>(7)</b>	<b>Total Children's Services</b>	<b>19,308</b>	<b>142</b>	<b>183</b>	<b>0</b>	<b>19,633</b>	<b>19,633</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

## Adult Services – Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at Other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
0	Adults Assessment	423	0	0	0	423	423	0	0.0%
0	Adults Provider	81	0	0	0	81	81	0	0.0%
3	Commissioning and Contracts	26	0	0	0	26	26	0	0.0%
<b>3</b>	<b>Total Adult Services</b>	<b>530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>530</b>	<b>530</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Appendix 3 – Capital Programme Performance

Environment, Development & Housing (General Fund) – Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at Other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
34	City Infrastructure	2,628	0	0	0	2,628	2,628	0	0.0%
(18)	City Regeneration	3,996	0	0	0	3,996	3,996	0	0.0%
2	Planning	0	0	0	0	0	0	0	0.0%
12	Transport	10,054	1,420	182	50	11,706	11,706	0	0.0%
(76)	Housing GF	3,469	0	0	(1,435)	2,034	2,034	0	0.0%
<b>(46)</b>	<b>Total Environment, Development &amp; Housing GF</b>	<b>20,147</b>	<b>1,420</b>	<b>182</b>	<b>(1,385)</b>	<b>20,364</b>	<b>20,364</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Transport</b>				
Variance	50	Access to South Downs National Park	The overall capital grant allocation for this scheme has been increased by £0.050m to £0.330m. In 2013/14 expenditure of £0.110m was incurred leaving a budget in 2014/15 of £0.220m including this £0.050m increase.	
<b>Housing GF</b>				
Variance	(1,435)	Empty Homes Programme	Further to the update report to Housing Committee on 30th April 2014, the Homes and Community Agency (HCA) grant funding allocation for the Empty Homes Programme has been declined and returned to the HCA for re-allocation. This is due to the fact that despite extensive efforts to make the scheme work, homeowners did not proceed to the point of taking the funding on offer and consequently the deadlines and guarantees required by the HCA could not be met.	

### Appendix 3 – Capital Programme Performance

<b>Detail Type</b>	<b>£'000</b>	<b>Project</b>	<b>Description</b>	<b>Mitigation Strategy</b>
			The capital programme will therefore be updated and the budget in 2014/15 removed. No funds had actually been received.	

## Appendix 3 – Capital Programme Performance

### Environment, Development & Housing (Housing Revenue Account) – Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
0	City Regeneration	3,272	0	0	0	3,272	3,272	0	0.0%
(73)	Housing HRA	32,990	0	0	(1,696)	31,294	31,294	0	0.0%
<b>(73)</b>	<b>Total Environment, Development and Housing HRA</b>	<b>36,262</b>	<b>0</b>	<b>0</b>	<b>(1,696)</b>	<b>34,566</b>	<b>34,566</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Housing HRA</b>				
Reprofile	(1,696)	Cladding	<p>Holmstead – These works had originally been planned to start in 2013/14. To allow detailed options appraisals to be carried out, these works were delayed from 2013/14 and have now been included in the 2015/16 programme.</p> <p>Bristol Estate - The original timeline for these works were based on the experience gained from similar blocks within the council housing stock. Following initial surveys it was found that, unlike the other blocks, further intrusive surveys were required on the concrete which has caused delay.</p> <p>Clarendon Road - Additional cost breakdown information was required to ensure the best value for money was being achieved.</p>	<p>No impact for residents – covered by Responsive Repairs budget.</p> <p>No impact for residents – but additional surveys will assist targeted resources and assure Value For Money (VFM).</p> <p>No impact for residents – but further detail around costing will assist in targeting resources and assure VFM.</p>

## Assistant Chief Executive - Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
0	Corporate Policy Performance & Communities	92	0	0	0	92	92	0	0.0%
200	Royal Pavilion Arts & Museums	362	0	0	0	362	362	0	0.0%
(214)	Sports & Leisure	925	0	0	(792)	133	133	0	0.0%
0	Libraries	233	0	0	0	233	233	0	0.0%
0	Tourism & Venues	176	17,000	0	0	17,176	17,176	0	0.0%
<b>(14)</b>	<b>Total Assistant Chief Executive</b>	<b>1,788</b>	<b>17,000</b>	<b>0</b>	<b>(792)</b>	<b>17,996</b>	<b>17,996</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Sports &amp; Leisure</b>				
Variance	(792)	Volks Railway	The Council was unsuccessful in the bid for Coastal Communities Funding so the Solar Trees and Railway Shed capital schemes will not proceed. The Capital programme will be updated and the budgets will be	



**Appendix 3 – Capital Programme Performance**

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>removed (£0.888m in 2014/15 and £0.299m in 2015/16). However, the Volks Railway has won a successful first round bid from the Heritage Lottery Fund (HLF) of £0.096m to draw up plans to bid for £1.5m to restore the historic Volks Railway and provide new and upgraded facilities.</p>	

Public Health – Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
0	Public Health	252	0	0	0	252	252	0	0.0%
<b>0</b>	<b>Total Public Health</b>	<b>252</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>252</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

## Finance, Resources and Law - Capital Budget Summary

Provisional Outturn Variance £'000	Service	2014/15 Original Budget £'000	Reported at other Committees £'000	2014/15 New Schemes £'000	Variation, Slippage/ reprofile £'000	2014/15 Budget Month 2 £'000	Provisional Outturn Month 2 £'000	Provisional Variance Month 2 £'000	Provisional Variance Month 2 %
(18)	City Services	286	0	0	(36)	250	250	0	0.0%
(7)	HR Organisational Development	165	0	0	0	165	165	0	0.0%
0	ICT	2,758	0	0	0	2,758	2,758	0	0.0%
(52)	Property & Design	6,476	0	0	29	6,505	6,505	0	0.0%
1	Finance	0	0	0	0	0	0	0	0.0%
<b>(76)</b>	<b>Total Finance, Resources and Law</b>	<b>9,685</b>	<b>0</b>	<b>0</b>	<b>(7)</b>	<b>9,678</b>	<b>9,678</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Services</b>				
Variance	(36)	Customer Experience Management (CEM) Parking	Variation to budget under £0.050m.	
<b>Property &amp; Design</b>				
Variance	29	External Improvement Works	Variation to budget under £0.050m.	



<b>New Capital Project Approval Request</b>				
<b>Unit:</b>	Transport			
<b>Project title:</b>	Upgrade of CCTV notice processing system and ANPR cameras			
<b>Total Project Cost (All Years)</b>	£74,000.			
<b>Purpose, benefits and risks:</b>				
<p>To replace the CCTV capture system for bus lane and parking enforcement (which is redundant and no longer supported). To procure 2 Automatic Number Plate Recognition (ANPR) cameras to improve service efficiency and improve compliance with the bus lane regulations. The government is currently consulting on proposals to ban the use of CCTV for parking enforcement. The cameras are to be used for bus lane enforcement and enforcement of the new Low Emission Zone which is due to be implemented on 1 January 2015.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Revenue Contributions	74	0	0	74
Total estimated costs and fees	74	0	0	74
<b>Financial implications:</b>				
<p>The improved efficiency of using ANPR cameras will mean that more bus lane contraventions will be captured. It is anticipated that the new systems and cameras will result in annual maintenance costs of approximately £0.015m, which will be funded from additional income generated from Penalty Charge Notices. This was reported at Environment, Transport &amp; Sustainability Committee on 8th October 2013 but the scheme is about to start in the year 2014/15.</p>				

<b>New Capital Project Approval Request</b>				
<b>Unit:</b>	Transport			
<b>Project title:</b>	Severe Weather Recovery scheme			
<b>Total Project Cost (All Years):</b>	£108,270			
<b>Purpose, benefits and risks:</b>				
<p>On 21 March 2014 the Secretary of State for Transport confirmed the funding for highway flood recovery. The amount allocated to Brighton &amp; Hove City Council was £0.295m (£0.108m is capital and £0.187m is revenue). The allocation is to provide funding for integrated transport measures and capital highway schemes within the Council.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Grant – DFT Severe Weather Recovery scheme	108			108
Total estimated costs and fees	108			108
<b>Financial implications:</b>				
<p>The capital element of this funding is being provided under a specific grant determination from the Department of Transport. The severe weather recovery scheme has been allocated on 21 March 2014 and will be used in 2014/15 for the purposes of highway flood recovery.</p>				

<b>New Capital Project Approval Request</b>				
<b>Unit:</b>	Schools			
<b>Project title:</b>	Patcham WiFi Installation			
<b>Total Project Cost (All Years):</b>	£32,000			
<b>Purpose, benefits and risks:</b>				
<p>To provide a safe, secure and robust wireless network solution which includes complete site access for staff, students and visitors to the school. The network needs to be able to be accessed by many mobile devices including; laptops, tablets, netbooks and smartphones. Procurement will be prior to the end of the academic year with the installation over the summer during the school holiday.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Unsupported Borrowing	32			32
Total estimated costs and fees	32			32
<b>Financial implications:</b>				
<p>The three year budget plan will include the budget allowances of £0.017m in 2015/16 and £0.017m 2016/17 to cover the loan repayments including interest. Should the school convert to an academy during the lifetime of the loan, liability for any outstanding repayments would normally transfer to the academy, subject to the necessary terms and conditions being contractually agreed between parties.</p>				

New Capital Project Approval Request				
<b>Unit:</b>	Schools			
<b>Project title:</b>	Hove Park School Art Huts			
<b>Total Project Cost (All Years):</b>	£151,000			
<b>Purpose, benefits and risks:</b>				
Hove Park is a vibrant school where the children come first. The curriculum, teaching and structure of the school day are all designed to support students' learning and development. In order to achieve this goal the school needs to procure new Art huts to replace the existing ones which are dilapidated.				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Unsupported Borrowing	151			151
Total estimated costs and fees	151			151
<b>Financial implications:</b>				
The school has obtained a number of quotes for purchase and installation and have selected the most suitable in terms of quality and price. The school were planning to enter into a five year lease agreement but it is better value for money for the school to borrow from the Council. The school will factor into their budget the borrowing costs over the term of the contract with the Council. Should the school convert to an academy during the lifetime of the loan, liability for any outstanding repayments would normally transfer to the academy, subject to the necessary terms and conditions being contractually agreed between parties.				



<b>Subject:</b>	<b>Waivers of Contract Standing Orders</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Cliff Youngman</b>	<b>Tel:</b> 291408
	<b>Email:</b>	<a href="mailto:Cliff.Youngman@brighton-hove.gov.uk">Cliff.Youngman@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The council's Contract Standing Orders (CSOs) require an annual report to be presented to Policy & Resources Committee for information, setting out all waivers authorised under CSO 18.2, 18.3 and 18.4. This report relates to the financial year 2013/14.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee notes the number and value of waivers authorised under Contract Standing Orders 18.2, 18.3 and 18.4 during the financial year 2013/2014.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Under CSO 18, Directors have delegated powers to waive CSOs in relation to contracts with an estimated contract value of less than £75,000 and over £75,000 following consultation with the Chair of the relevant Committee and the Procurement Strategy Manager.
- 3.2 CSO 18.7 states that a register of all waivers will be maintained by Property & Design and kept available for inspection by the public with reasonable notice during working hours.
- 3.3 For the financial year 2013/14 Waivers have been collated in the council's five directorates: Finances & Resources, Adult Services, Children's Services, Public Health, and Environment, Development & Housing. No waivers were received from ACE or Legal.
- 3.4 Statistical analysis of waivers in the financial years 2012/13 and 2013/14 is included at Appendix A and B of this report.
- 3.5 A summary of the number and value of waivers under and over £75,000 for years 2011/12, 2012/13 and 2013/14 is shown in Table 1 below. The table shows an overall increase in the number of waivers from the last financial year, but an overall decrease of £100,000 in the total value waived.

- 3.6 The increase in the number of waivers reflects an increasing awareness of CSOs (for example that a contract cannot be extended past its final date without a waiver). This continues to be an area for improvement and forms part of the VFM Phase 4 programme on Third Party Spend.
- 3.7 The value of the waivers includes two large (£534,000) waivers for Temporary Accommodation contracts prior to the complex procurement of a Temporary Accommodation framework due to be awarded in August 2014.
- 3.8 The six largest waivers (value £1.6 million) are all either extensions of contracts prior to a procurement (four), or negotiation with the only viable provider to obtain best value for money (two).

<b>Table 1</b>						
<b>Year</b>	<b>Number of Waivers</b>			<b>Value of Waivers</b>		
	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2011/12</u> <u>£ million</u>	<u>2012/13</u> <u>£ million</u>	<u>2013/14</u> <u>£ million</u>
<b>Under £75,000</b>	19	15	13	0.8	0.5	0.6
<b>Over £75,000</b>	6	2	11	5.3	2.4	2.2
<b>Total</b>	25	17	24	6.1	2.9	2.8

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Not applicable to this report.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Assistant Director Property & Design, and the Assistant Director Finance have been consulted over the contents of this report.

#### **6. CONCLUSION**

- 6.1 All waiver requests are subject to significant scrutiny and are required to evidence that Value for Money is demonstrated and that there is no alternative to competitive tender. The waiver process has been tightened in the last twelve months resulting in a number of waivers being initially rejected until receipt of appropriate evidence and satisfactory business cases for direct award. In response to Internal Audit recommendations and as reflected in the council's Annual Governance Statement, the entire process will undergo further scrutiny with the aim of further reducing the number and value of waivers from the current level and improving the robustness of and compliance with the process.
- 6.2 The continuing downward trend reflects continued efforts to increase awareness of CSOs and the need to demonstrate value for money against other options and shows the growing impact of category management procurement and commissioning approaches, including the move to greater use of partnership working and collaborative procurements.

- 6.3 The Corporate Procurement service continues to increase the knowledge of procurement practices and are utilising various innovative approaches to procurement, which are allowed for within CSOs without the need for a waiver e.g. the increase in the use of consortium contracts and frameworks plus greater collaboration with councils across the region.
- 6.4 The Corporate Procurement service also continues to promote good practice in contract governance across the council while also actively investigating and targeting areas for improvement.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The use of the waiver function, supported with appropriate evidence, allows the council to achieve best value and efficiencies from its Contract Standing Orders and therefore supports achieving value for money through procurement processes. It should be noted that any direct financial implications for individual waivers are provided and reported accordingly to support each waiver decision made over the past two financial years.

*Finance Officer Consulted: James Hengeveld*

*Date: 13/06/14*

### Legal Implications:

- 7.2 Individual waiver reports in relation to proposed waivers above £75,000 include legal implications for consideration by the Director minded to grant the waiver, prior to his/her consultation with the Chair of the relevant committee and the Procurement Strategy Manager.

*Lawyer Consulted: Oliver Dixon*

*Date: 17/06/14*

### Equalities Implications:

- 7.3 There are no direct equalities implications in this report; it should be noted that full equalities implications would be required within each report supporting a waiver decision in respect of a contract estimated to be over £75,000.

### Sustainability Implications:

- 7.4 There are no direct implications in this report and it should be noted that full sustainability implications would be required within each report supporting a waiver decision in respect of a contract estimated to be over £75,000.

### Any Other Significant Implications:

- 7.5 The use of the waiver function allows the council to mitigate potential risk of fraud and deception within the procurement process. It also allows the Corporate Procurement team to analyse trends regarding directorate procurement practices and address any issues which may arise.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A - Analysis by Reason and Key Area - for Period 1/4/12 to 31/3/13
2. Appendix B - Analysis by Reason and Directorate - for Period 1/4/13 to 31/3/14

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None

## APPENDIX A

### Analysis of Waivers by Reason and Directorate - for period 01/04/2013 to 31/03/2014

Reason	Directorates					Totals				
	Children's Services	Finance & Resources	Public Health	Environment, Development & Housing	Adult Services	Total Waivers	Waivers under £75K	Waivers over £75K	Total Value of Waivers	% Waivers by Reason
<b>Appointment of tenderer</b>										
1. Insufficient no. of tenders/did not accept lowest	0	0	0	0	0	0	£0	£0	£0	0.00%
<b>Sub total</b>						<b>0</b>			<b>£0</b>	<b>0.00%</b>
<b>Awards with no tender process</b>										
2. Award, no tender process - consultant	0	1	1	2	0	4	£49,759	£372,600	£422,359	14.75%
3. Award, no tender process - contractor	1	0	0	7	0	8	£154,900	£1,066,706	£1,221,606	42.65%
4. Award, no tender process - supplier	1	1	1	3	0	6	£193,427	£741,818	£935,245	32.65%
<b>Sub total</b>						<b>18</b>			<b>£2,579,210</b>	<b>90.05%</b>
<b>Specialist Works</b>										
5. Specialist	0	0	1	0	0	1	£30,000	£0	£30,000	1.05%
<b>Sub total</b>						<b>1</b>			<b>£30,000</b>	<b>1.05%</b>
<b>Urgent Awards</b>										
6. Urgent award - consultant	0	0	0	2	1	3	£115,000	£89,000	£204,000	7.12%
7. Urgent Award - contractor	0	1	0	0	0	1	£25,000	£0	£25,000	0.87%
8. Urgent award - supplier	0	0	0	0	0	0	£0	£0	£0	0.00%
<b>Sub total</b>						<b>4</b>			<b>£229,000</b>	<b>7.99%</b>
<b>Other</b>										
9. Other	0	1	0	0	0	1	£26,122	£0	£26,122	0.91%
<b>Sub total</b>						<b>1</b>			<b>£26,122</b>	<b>0.91%</b>
<b>Total Number of Waivers by Directorate</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>14</b>	<b>1</b>	<b>24</b>	<b>£594,208</b>	<b>£2,270,124</b>	<b>£2,864,332</b>	<b>100%</b>
<b>Total % Waivers in each Directorate</b>	<b>8.33%</b>	<b>16.67%</b>	<b>12.50%</b>	<b>58.33%</b>	<b>4.17%</b>					

24 Waivers were recorded to the total value of £2,864,332

20.7% of waivers recorded were for contracts under £75K at a total value of £594,208

79.3% of waivers recorded were for contracts over £75K at a total value of £2,270,124



## APPENDIX B

### Analysis of Waivers by Reason and Strategic Area - for period

01/04/2012 to 31/03/2013

Reason	Strategic Area					Totals				
	Communities	Finance	People	Place	Resources	Total Waivers	Waivers under £75K	Waivers over £75K	Total Value of Waivers	% Waivers by Reason
<b>Appointment of tenderer</b>										
1. Insufficient no. of tenders/did not accept lowest	0	0	0	0	0	0			£0	0.00%
<b>Sub total</b>						<b>0</b>			<b>£0</b>	<b>0.00%</b>
<b>Award with no tender process</b>										
2. Award no tender process – consultant	1	0	0	0	1	2	£42,259	£0	£42,259	1.43%
3. Award no tender process – contractor	1	0	0	1	2	4	£184,488	£319,000	£503,488	16.98%
4. Award no tender process – supplier	0	0	0	1	1	2	£50,000	£0	£50,000	1.69%
<b>Sub total</b>						<b>8</b>			<b>£595,747</b>	<b>20.09%</b>
<b>Specialist Works</b>										
5. Specialist	0	0	0	0	1	1	£40,000	£0	£40,000	1.35%
<b>Sub total</b>						<b>1</b>			<b>£40,000</b>	<b>1.35%</b>
<b>Urgent Award</b>										
6. Urgent award – consultant	0	1	0	0	2	3	£100,000	£0	£100,000	3.37%
7. Urgent Award – contractor	0	0	0	1	0	1	£40,000		£40,000	1.35%
8. Urgent award – supplier						0			£0	0.00%
<b>Sub total</b>						<b>4</b>			<b>£140,000</b>	<b>4.72%</b>
<b>Other</b>										
9. Other	0	1	1	2	0	4	£89,550	£2,100,000	£2,189,550	73.84%
<b>Sub total</b>						<b>4</b>			<b>£2,189,550</b>	<b>73.84%</b>
<b>Total Number of Waivers by Dept</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>7</b>	<b>17</b>	<b>£546,297</b>	<b>£2,419,000</b>	<b>£2,965,297</b>	<b>100%</b>
<b>Total % Waivers in each Dept</b>	<b>11.76%</b>	<b>11.76%</b>	<b>5.88%</b>	<b>29.41%</b>	<b>41.18%</b>					

17 Waivers were recorded to the total value of £2,965,297

81.6% of waivers recorded were for contracts under £75K at a total value of £546,297

18.4% of waivers recorded were for contracts over £75K at a total value of £2,419,000





**Subject:** Budget and Corporate Plan Preparation  
**Date of Meeting:** 11 July 2014  
**Report of:** Executive Director Finance & Resources  
**Contact Officer:** Name: Nigel Manvell Tel: 29-3104  
James Hengeveld 29-1242  
Email: [nigel.manvell@brighton-hove.gov.uk](mailto:nigel.manvell@brighton-hove.gov.uk)  
[james.hengeveld@brighton-hove.gov.uk](mailto:james.hengeveld@brighton-hove.gov.uk)  
**Ward(s) affected:** All

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 This report begins the planning process for the 2015/16 budget alongside the longer term development of the Council's next Corporate Plan which will run from 2015-19. It sets out an approach to more closely integrating the council's long term service and financial planning with a clearer focus on commissioning for outcomes for residents.
- 1.2 Central government deficit reduction measures are only around 50% complete both in terms of timescales and value of expenditure reductions. Any change to central government as a result of the May 2015 parliamentary election and any improvement in the national economic forecasts are expected to make only a very marginal difference to the scale of funding reductions facing local government.
- 1.3 The scale of the loss of central government grant funding over the next Corporate Plan cycle means that a more radical and long term approach to the council's service and financial planning is required. The approach proposed to consultation, engagement and scrutiny has been developed within that context. The budget gap is projected to be between £21.2m and £25.4m for 2015/16 and a further £67.2m over the following four years.

**2. RECOMMENDATIONS:**

That Policy & Resources Committee:

- 2.1 Note the resource and expenditure projections for 2015/16 and the Medium Term Financial Strategy (MTFS) projections set out in the body of the report and appendices 1 to 5.
- 2.2 Instruct the Executive Leadership Team (ELT) to develop budget proposals for 2015/16, for submission to Policy & Resources Committee for consideration, comprising:

- a 5.9% increase in the Brighton & Hove element of the council tax which would trigger a referendum in accordance with Chapter IVZA of the Local Government Finance Act 1992 and associated regulations; and
  - a substitute budget assuming a 2% threshold council tax increase that would come into effect if a referendum rejected a proposed 5.9% increase in council tax.
- 2.3 Require budget proposals to be developed by ELT alongside the creation of a new Corporate Plan for 2015-19, ensuring strong links between the Medium Term Financial Strategy and service and business planning.
- 2.4 Agree the approach to consultation, engagement and scrutiny as set out in section 5 of this report, which will be designed to shape the new Corporate Plan and Medium Term Financial Strategy as well as the 2015/16 Budget.
- 2.5 Agree the proposed approach to reviewing the Council Tax Reduction Scheme as set out in paragraphs 3.15 to 3.20.
- 2.6 Note the resource projections for the capital investment programme as shown in appendix 5.

### **3. CONTEXT/BACKGROUND INFORMATION:**

#### ***Corporate Plan***

- 3.1 The Council's current Corporate Plan covers the period 2011-2015. A new Corporate Plan for 2015-2019 needs to be developed in the context of the financial challenge being faced. The Corporate Plan will be anchored in the City's recently agreed Sustainable Communities Strategy called Brighton and Hove – the Connected City. It will also take account of the Joint Strategic Needs Assessment which provides important data about needs and demographic trends in the city. The Corporate Plan needs to be approved by Full Council and given the current no overall control context and local elections in 2015 it is important that as much consensus as possible is developed over the council's long term strategic planning. However the process also needs to accommodate important differences of views over certain key areas of policy. The proposed approach to consultation, engagement and scrutiny is designed to support this.

#### ***2013/14 Outturn***

- 3.2 The 2013/14 provisional outturn was presented to Policy & Resources Committee on 12<sup>th</sup> June 2014 and showed an underspend of £1.085m. This was an improvement of £2.024m from the estimated outturn reported to Budget Council in February 2014. Policy & Resources Committee on the 12<sup>th</sup> June 2014 also approved the recommendations of the Governance of Value for Money phase 4 report which included the allocation of the £2.024m to support the Value for Money Phase 4 programme over 2014/15 and 2015/16. The collection fund surplus for council tax in 2013/14 was £1.644m, £0.244m lower than anticipated. The collection fund surplus for business rates 2013/14 was £1.59m after allowing for the repayment of safety net grant. These variances will be built into to the 2015/16 budget projections when the collection fund estimates for 2014/15 are more certain.

### **2014/15 Budget Position**

- 3.3 A high level forecast of the likely level of spending at the end of this financial year based on spending patterns in the first 2 months of the year is shown in the TBM month 2 report elsewhere on this agenda. It shows an overall projected overspend for the General Fund of £5.531m assuming the allocation of £0.500m risk provision. Mitigating actions and recovery plans are being developed and implemented which should reduce the forecast risk but it is not clear at this stage by how much. The financial planning in this report assumes that a break even position is achieved but this position will need to be kept under review as mitigating actions and recovery plans are developed.

### **Medium Term Financial Strategy 2014/15 – 2019/20**

#### **Resources**

##### ***Retained business rates***

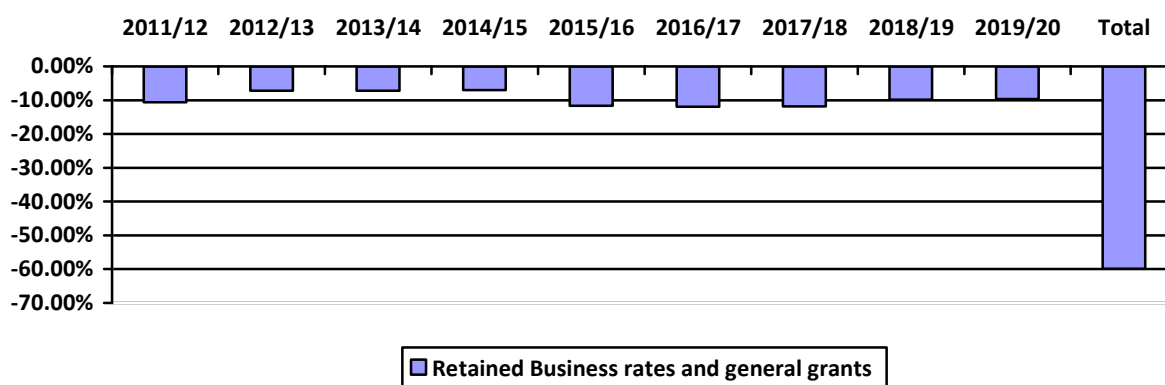
- 3.4 The 2014/15 business rates income assumptions included projected growth of 0.5% in rateable value (RV) as well as a further 1% increase through a review of the register. At this stage of the year it is too early to assess whether any change is required to these projections. Business rates income monitoring forms part of the TBM reporting process and updates will be provided to this committee throughout the year.
- 3.5 The Medium Term Financial Strategy assumes a further 0.5% growth in RV in 2015/16. The business rates income in 2015/16 will be based on the September Retail Price Index (RPI) increase and the current projection assumes a 2.8% increase. The projections will be revised when the inflationary increase is announced. Each 0.5% change in RPI is equivalent to £0.27m retained by the council.
- 3.6 In 2014/15 the government announced a number of new temporary reliefs as well as extending the small business rate relief. The government is compensating authorities for the lost income through Section 31 grants. The MTFs assumes these grants will cease from 1<sup>st</sup> April 2015 offset by a corresponding increase in business rates income, however if these reliefs were to be extended into future years the council would expect the government to continue to provide compensation.
- 3.7 The government also introduced a cap on the business rate inflationary increase for 2014/15 at 2% instead of the 3.2% RPI increase. The government has provided a section 31 grant of £0.55m in 2014/15 for this loss of income however this cap has an ongoing impact on the level of income and it is assumed that this grant funding will continue in future years.

##### ***General government grants***

- 3.8 The revenue support grant forecast for 2015/16 of £45.45m is based on the provisional settlement announced alongside the 2014/15 local government finance settlement. This is a reduction of £18.0m compared with 2014/15.

3.9 The Top-up grant introduced as part of the business rates retention scheme of £1.6m increases by inflation each year and this will not change until the business rates retention system is reset probably in 2020.

3.10 The chart below shows the percentage change in the resource forecasts from the start of the current spending round up to 2019/20 i.e. up to the end of the next spending round. The figures exclude changes in specific grants.



### ***Function and Funding changes***

3.11 The government has announced one function and funding change relating the transfer of housing benefit fraud from local authorities to the Department of work and Pensions. This change will reduce the level of Housing Benefit Administration Grant however it is anticipated there will be a similar reduction in expenditure and therefore this transfer is anticipated to be cost neutral.

### ***Specific Grants***

3.12 The budget projections include the indicative specific grant allocations announced in the provisional settlement for 2015/16 where they were provided, however it is not known if these allocations will be revised as the part of the final settlement. The government has been reducing the level of support through specific grants, and has announced a 20% reduction in Education Services Grant nationally (equivalent to £0.8m locally). An allowance of £1.150m service pressure funding for reductions in unringfenced grants has been included in the budget projections. The assumptions for changes in specific grants and the effect on budget estimates and the Medium Term Financial Strategy are included in appendix 3 to this report.

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

3.13 Fees and charges budgets for 2015/16 are assumed to increase by a standard inflation rate of 2.0% with the exception of parking charges which are planned to be frozen for a second year, and penalty charge notices (parking fines) where the levels of fines are set by government and cannot be changed independently.

3.14 The Council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either: the standard rate of inflation, statutory increases, or actual increases in the costs of providing the service as applicable. Non-statutory increases above the standard rate of inflation and/or changes to concessions or subsidies should

be reported to and considered at the relevant service committee. Where appropriate, details of fees and charges changes for 2015/16 will be presented to the relevant service committee prior to Budget Council. An overarching review of the potential for further income from fees and charges is part of the VFM 4 programme.

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

- 3.15 The council's localised Council Tax Reduction Scheme (CTRS) was introduced on 1<sup>st</sup> April 2013 to replace the national Council Tax Benefit. In 2013/14 the council qualified for transitional support by ensuring the minimum liability for working age claimants was 8.5%. The council had originally planned to set the minimum liability at 10% but this was reduced down when the transitional support was offered by government. This level was maintained in 2014/15 despite the withdrawal of the transitional grant in the following year.
- 3.16 The current 2015/16 budget assumptions for CTRS are that the council will continue to maintain the current scheme with the 8.5% minimum liability level. However the funding from government for CTR is part of the council's main Formula Grant which is subject to significant reductions. The scheme has been in operation for more than a year now and so it is appropriate to undertake a more detailed review.
- 3.17 The statutory annual review of the scheme will be presented to this committee in December 2014 and then to Full Council and this will include consideration of the minimum liability level. The council intends to continue to operate a discretionary fund. Tax payers in particularly difficult financial circumstances are invited to apply for the discretionary funds provided for in the budget or are being referred to appropriate support and advice.

### ***Council Tax Strategy, Tax Base and Collection Funds***

- 3.18 The future resource estimates in the budget papers agreed at Full Council in February were based on a council tax increase of 2%. The indicative council tax strategy in this report assumes an increase of 5.9%, but it will be up to all Members at Budget Council in February 2015 to agree the final level of the council tax. The Chancellor confirmed in the Spending Review that a local referendum would need to be held for proposed council tax increases of more than 2% for 2015/16, therefore the council will need to set aside one off resources to cover the costs of a referendum and also prepare a Substitute budget based on a threshold Council Tax increase of 2%.
- 3.19 The grant settlement included new council tax freeze grant for 2015/16 equivalent to a 1% increase in council tax for those councils who agree to freeze their council tax in 2015/16. The government has confirmed that any council tax freeze grant will be protected in baseline funding in future years.
- 3.20 The council tax collection fund surplus balance at 31 March 2014 was lower than forecast however this will be taken into account alongside any estimated surplus or deficit for 2014/15 in January 2015 for the 2015/16 budget.
- 3.21 The planning assumption is that the tax base will increase by 0.25% from 2015/16 in line with the Medium Term Financial Strategy. This assumption will be

updated within The Council Tax Base Report due to be agreed by Policy & Resources in January 2015.

- 3.22 The council's share of the business rates collection fund surplus at 31 March 2014, after allowing for the repayment of safety net grant, was £1.59m. This will also be updated alongside any surplus or deficit projected in 2014/15 in January 2015 for the 2015/16 budget.

### **General Fund Revenue Budget Estimates**

- 3.23 The revenue budget projections include key assumptions for pay and inflation, budget commitments, risk provisions and service pressures. These assumptions are set out in appendix 4.

### **General Fund Capital Investment Programme**

- 3.24 A 10-year capital programme is being developed that will provide a strategy to identify longer term capital investment plans as well as a funding strategy and the potential outcomes for each investment plan. This strategy will include major investment requirements such as new pupil places, investment in the seafront infrastructure and partnership investment through major projects such as Brighton Waterfront. The strategy will also need to include future Heritage Lottery Fund bids such as the Stanmer Park Master Plan and the Volks Railway.
- 3.25 The projected capital programme and resources for the next two years are included in the table in Appendix 5. Grant funding is provided to the council as a Single Capital Pot and with the exception of Devolved Schools Capital Grant can be prioritised as the Council see fit. Unringfenced government grants for education, transport, health and housing are projected to be £22.4m in 2015/16 but are subject to confirmation from the Government in December 2014.

Capital receipts support the capital programme and the projections have been reviewed over a two year period and include receipts from the sale of Patcham Court Farm, 251-253 Preston Road, Hove Park depot, the former Whitehawk library site, Kings House, 76-79 & 80 Buckingham Road, 18 Market Street and a number of non-core rural assets to support the Stanmer Park redevelopment project.

### **Housing Revenue Account (HRA) Budget Estimates**

- 3.26 A local authority's HRA must balance meaning that the authority must show in its financial planning that HRA income (mainly dwellings rents) meets expenditure and that the HRA is consequently viable. The introduction of self financing of the HRA from 1st April 2012 means that the authority needs to ensure sufficient income streams are available to meet the future management, repairs and investment needs of the stock and associated financing costs. The main determinants of the HRA budget are set out below.
- 3.27 Rents for 2015/16 will be calculated in accordance with the government's rent guidance as included in the DCLG's recently published 'Guidance on Rents for Social Housing' May 2014 which specifies a maximum increase of rent in any one year as being Consumer Price Index (CPI) inflation +1% for the next 10 years. The aim of this policy is to give some certainty to social landlords over their rental income and allow them to plan and 'invest in the maintenance and

improvement of existing homes, the provision of new affordable homes and in providing good services to their tenants'. However, the percentage of rent collected from tenants has begun to reduce over the last financial year as the amount of rent arrears have increased. The reasons for this increase are complex and are being analysed so that a targeted action plan can be developed. This is a critical area for the HRA, given that dwellings rents make up 86% of its total income.

- 3.28 Service Charges are payable by some tenants in addition to their rent. Service charges usually reflect additional services which may not be provided to every tenant or which may be connected with the provision of communal facilities, for example a charge for grounds maintenance services around a block of flats. A service charge must only ever aim to recover the actual cost of the service it pays for. The Government guidance therefore limits the increase to CPI + 1% unless the service is new or has fundamentally changed.
- 3.29 Although the HRA is a ring-fenced account and is not therefore subject to funding reductions applicable to the Council's General Fund, the HRA follows the principles of value for money and equally seeks to drive out inefficiencies and achieve cost economies wherever possible. This frees up more HRA resources to invest in priority investments for tenants as well as increasing the resources available for the building of new social housing in the City. Benchmarking of both service quality and cost with comparator organisations is used extensively to identify opportunities for better efficiency and service delivery. The Medium Term Financial Strategy has assumed efficiency savings of £0.550m for the HRA over 2015/16 and 2016/17. However, new benchmarking data will help to inform the savings target for 2015/16 and beyond.

#### **HRA Capital Programme 2015/16**

- 3.30 The capital investment plan for the HRA is mainly funded from direct revenue funding from tenants' rents. The 2015/16 programme includes forecast capital receipts, generated from the leasing of properties to Brighton & Hove Seaside Community Homes, to be used for maintaining our homes to the Brighton and Hove Standard and the use of retained capital receipts from Right to Buy sales for investment in new affordable homes. The HRA capital programme is incorporated within the overall capital programme projections at Appendix 5.

#### **Budget and Corporate Plan Process**

- 3.31 The ongoing scale of financial savings required over the next 5 years requires a different approach to the development of the budget and Corporate Plan. It is expected that the budget and Medium Term Financial Strategy will have the following components:
- Efficiency savings through the Council's Value for Money Programme Phase 4 including better procurement, maximising income and ensuring effective preventative services;
  - Reductions in the council's workforce through modernising the way we work and service redesign;
  - Re-commissioning and de-commissioning services to ensure that they deliver priority outcomes in the Corporate Plan;
  - Growth in resources from investment in the city creating additional council tax and business rates income.
- 3.32 The process will include:

- i) An update of the value for money screening documents prepared last year of all services with a clear range of options for each service. Screening will look at comparative value for money, relative priority of the service and/or the contribution of the service to the council's overall financial sustainability (e.g. income generating areas or preventive services);
- ii) Continued development of the Value for Money Programme and Modernisation 'Enablers' in accordance with the report to this committee in June;
- iii) Developing a cross-cutting commissioning plan alongside the Corporate Plan based on the Sustainable Communities Strategy and Joint Strategic Needs Assessments;
- iv) Reviewing the Asset Management Plan and developing a long term Capital Strategy.

### 3.33 Timetable

<b>Proposed 2015/16 Budget Timetable</b>		
Date	Meeting	Papers / Activities
11/07/2014	Policy & Resources	Budget and Corporate Plan Preparation TBM Month 2
16/10/2014	Policy & Resources	TBM Month 5
04/12/2014	Policy & Resources	TBM Month 7 Budget Update
22/01/2015	Policy & Resources	Tax Base Report Business Rates Retention forecasts 2015/16
12/02/2015	Policy & Resources	TBM Month 9 forecasts for 2014/15 budget position General Fund Revenue Budget 2015/16 Housing Revenue Account Budget 2015/16 Capital Programme 2015/16
26/02/2015	Budget Council	

## 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The budget process allows all parties to put forward viable budget amendments and council tax proposals to Budget Council on 26<sup>th</sup> February 2015. Budget Council has the opportunity to debate both the proposals put forward by Policy & Resources Committee at the same time as any viable alternative proposals.



## 5. COMMUNITY ENGAGEMENT & CONSULTATION

### *General Fund*

- 5.1 As mentioned above, there is an opportunity to consult and engage in a wider conversation with residents and stakeholders in relation to the both Medium Term Financial Strategy and the Council's Corporate Plan which will need a different approach given the scale of the financial challenge over the next 4 years.
- 5.2 Developing meaningful and helpful consultation processes in relation to the budget has proved difficult in the past due to the sheer scale of council activities and services and the complexity of local government finance, in particular understanding the relationship between the wide range of funding sources including Council Tax, Business Rates, Grants and Fees & Charges. This can make it difficult for residents, partners and other stakeholders to fully engage with budget discussions. The Council therefore intends to focus consultation and engagement on priorities for the City to help inform the development of its Corporate Plan as well as key financial choices such as the level of council tax. Budget planning can then be better informed by the identified priorities. It is intended where possible to link consultation about council priorities and spend to other public services through working with the Local Strategic Partnership, Brighton & Hove Connected and its City Management Board.
- 5.3 Detailed consultation and engagement plans are still being worked through with the Cross-party Budget Review Group. There will be a continued role for the scrutiny process and the council will continue to provide a variety of budget tools to help residents, partners and other stakeholders to understand the important aspects of the budget. Consultation and engagement is therefore likely to include:
- a role for scrutiny, continuing with last year's approach of focusing on thematic issues earlier in the process and exploring the links between Corporate Plan priorities with budget proposals;
  - engagement with key stakeholders such as the Community & Voluntary Sector Forum (CVSF), representatives from the Economic Partnership and business sector on matters or themes that are of specific interest to them;
  - ongoing engagement with staff and Trades Unions, including through the Staff Consultation Forum, Departmental Consultative Groups, team briefings and meetings;
  - cross party involvement in reviewing key financial and performance information ('VFM Screening') to help inform discussions about prioritising expenditure and options for savings alongside Corporate Plan discussions;
  - refreshing the on-line budget tool which has received positive feedback as a budget literacy aid which can help residents and others engage more fully in budget and Corporate Plan discussions and debate;
  - similarly, it is proposed to refresh the short 'budget animation' which many people found to be a useful and simple aid to understanding the council's services and budget;
  - repeating the budget questionnaire to residents and businesses to provide comparable information on priorities across years. However, this may be

augmented to include questions pertinent to development of a new Corporate Plan;

- service-led consultation, including with staff and users in those areas where options for savings have been identified;
- engagement with statutory partners in the city through the City Management Board.

5.4 It is envisaged that the support for General Fund consultation and engagement will be provided within existing budgets including an estimated £10,000 for costs such as printing and posting of questionnaires. Discussions will take place with partners to identify whether existing jointly held funds for partnership working can be used to augment this to ensure broader debate and engagement on public services in the city.

### ***Schools***

5.5 There is a statutory requirement on the local authority to consult with the Schools Forum on certain financial aspects of the schools budget including formula changes and the associated impact on budget distribution. The Schools Forum is a public meeting whose membership is made up of schools representation from across all phases and on which the Education Funding Agency has optional observer status.

5.6 Information is provided throughout the year to meetings of the Schools Forum concerning the development and/or changes to elements of the schools budget and the schools formula, now principally based on a national formula. There is a Formula Working sub-group that works with Education & Inclusion and Finance colleagues to ensure involvement and engagement of schools representatives in looking at considerations and options as proposals are developed.

5.7 Annual budget shares are usually presented to the January meeting of the Schools Forum for consultation and in recent years the Council's Executive Director of Finance & Resources has also attended this meeting and presented a report on the potential direct or indirect impacts of the Council's General Fund budget proposals on schools.

### ***Housing Revenue Account***

5.8 Council Housing tenants and leaseholders will be consulted on the 2015/16 HRA budget proposals. At this stage details are still being refined but it is proposed that the approach includes:

- A workshop with Housing and Finance staff and the Business and Value for Money Service Improvement Group to prioritise expenditure and options for savings;
- Holding resident focus groups targeted to those affected by budget proposals;
- Consultation with Area Panels.

## 6. CONCLUSION

- 6.1 The council is under a statutory duty to set its council tax and budget before 11 March each year. This report sets out the budget assumptions, process and timetable to meet this statutory duty.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 These are contained in the body and appendices of the report.

*Finance Officer Consulted: James Hengeveld*

*Date: 02/07/14*

### Legal Implications:

- 7.2 The process of formulating a plan or strategy for the council's revenue and capital budgets are part of the remit of the Policy & Resources Committee. The recommendations at paragraph 2 above are therefore proper to be considered and, if appropriate, approved by it.

- 7.3 This report complies with the council's process for developing the budget framework, in accordance with part 7.2 of the Constitution.

*Lawyer Consulted: Oliver Dixon*

*Date: 26/06/14*

### Equalities Implications:

- 7.4 As last year, we will be undertaking a budget screening process and will continue to improve the quality and consistency of Equality Impact Assessments (EIAs) as per the Overview and Scrutiny Committee's recommendation. Key stakeholders and groups will be engaged in developing EIAs but we will also need to consider how Scrutiny, other Members and Partners can be kept informed of EIA development and the screening process. In addition, where possible and proportionate to the decision being taken, we may need to assess the cumulative impact of the council's decision-making on individuals and groups affected in the light of reductions in expenditure across the public and third sectors. We will ensure the process considers the economic impact of proposals.

### Sustainability Implications:

- 7.5 Carbon budgets will continue to be produced alongside the overall financial budget for the council.

### Crime & Disorder Implications:

- 7.6 The crime and disorder implications of savings and service proposals will be set out in future budget reports where relevant.

### Risk and Opportunity Management Implications:

- 7.7 There are considerable risks to the council's short and medium term budget strategy including the impact of the economic conditions and changes in the

national budget, spending exceeding budgets, pressures on existing budgets, further reductions in grant, legislative change demands for new spend. The budget process includes the recognition of these risks in determining the 2015/16 budget.

Public Health Implications:

- 7.8 This report includes financial planning for public health responsibilities.

Corporate / Citywide Implications:

- 7.9 This report is relevant to the whole of the city.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Budget estimates for 2015/16 based on a council tax increase of 5.9% and Medium Term Financial Strategy Projections based on council tax increase of 2% in future years.
2. Budget estimates for 2015/16 and Medium Term Financial Strategy Projections based on council tax increases of 2%.
3. Specific Grants assumptions for 2015/16.
4. Expenditure assumptions 2015/16.
5. Capital Investment Programme for 2015/16 and 2016/17.

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. Files held within Financial Services
2. Brighton & Hove City Council Budget report, 27 February 2014



**BUDGET AND MTFs BASED ON 5.9% COUNCIL TAX INCREASE IN 2015/16**  
**2015/16 BUDGET - Budget changes from 2014/15 to 2015/16**

**APPENDIX 1**

	2014/15 Revised Base £'000	Internal Transfers £'000	Reverse one-off allocations £'000	2014/15 Adjusted Base £'000	FYE of 2014/15 Savings	Inflation £'000	Service Pressures	Commitments and reinvestment £'000	VFM & Other Savings £'000	2015/16 Original Budget £'000	Increase over adjusted base £'000	Increase over adjusted base %
Adult Services	73,755	-	(6)	73,749	(727)	1,405	-	44	-	74,471	722	0.98
Public Health	3,700	-	-	3,700	(10)	35	-	14	-	3,739	39	1.05
Children's Services	55,830	-	-	55,830	-	804	-	101	-	56,735	905	1.62
Environment, Development & Housing	42,295	-	-	42,295	(181)	739	-	83	-	42,936	641	1.52
Assistant Chief Executive	16,290	-	(280)	16,010	(56)	100	-	42	-	16,096	86	0.54
Finance & Resources and Legal & Democratic	30,436	-	(100)	30,336	75	163	-	(648)	-	29,926	(410)	(1.35)
<b>Total Directorate Spending</b>	<b>222,306</b>	<b>-</b>	<b>(386)</b>	<b>221,920</b>	<b>(899)</b>	<b>3,246</b>	<b>-</b>	<b>(364)</b>	<b>-</b>	<b>223,903</b>	<b>1,983</b>	<b>0.89</b>
Concessionary Fares	10,615	-	-	10,615	-	212	-	309	-	11,136	521	4.91
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs	8,904	-	-	8,904	-	-	-	150	-	9,054	150	1.68
Corporate VFM Savings	(250)	-	-	(250)	(250)	(5)	-	-	-	(505)	(255)	102.00
Contingency and Risk Provisions	4,370	-	(800)	3,570	-	87	-	444	-	4,101	531	14.87
Unringfenced grants income	(16,661)	-	-	(16,661)	-	-	1,150	2,569	-	(12,942)	3,719	(22.32)
Levies to External Bodies	161	-	-	161	-	4	-	-	-	165	4	2.48
Other Corporate Budgets	(919)	-	-	(919)	-	(46)	-	69	-	(896)	23	(2.50)
BUDGET GAP	-	-	-	-	-	-	5,000	-	(21,187)	(16,187)	(16,187)	-
<b>NET REVENUE EXPENDITURE</b>	<b>228,526</b>	<b>-</b>	<b>(1,186)</b>	<b>227,340</b>	<b>(1,149)</b>	<b>3,498</b>	<b>6,150</b>	<b>3,177</b>	<b>(21,187)</b>	<b>217,829</b>	<b>(9,511)</b>	<b>(4.18)</b>
Contributions to/ from(-) reserves	(3,189)	-	1,186	(2,003)	-	-	-	674	-	(1,329)	674	(33.65)
<b>BUDGET REQUIREMENT</b>	<b>225,337</b>	<b>-</b>	<b>-</b>	<b>225,337</b>	<b>(1,149)</b>	<b>3,498</b>	<b>6,150</b>	<b>3,851</b>	<b>(21,187)</b>	<b>216,500</b>	<b>(8,837)</b>	<b>(3.92)</b>
<b>Funded by</b>												
Formula Grant/Revenue Support Grant	63,442	-	-	63,442						45,453	(17,989)	(28.36)
Business Rates Local Share	51,581	1,974	-	53,555						55,990	2,435	4.55
Top Up Grant	1,611	-	-	1,611						1,656	45	2.79
Safety Net Grant	-	(1,974)	-	(1,974)						-	1,974	(100.00)
Collection Fund surplus/(deficit)	1,887	-	-	1,887						-	(1,887)	(100.00)
Council Tax	106,816	-	-	106,816						113,401	6,585	6.16
<b>Total</b>	<b>225,337</b>			<b>225,337</b>						<b>216,500</b>	<b>(8,837)</b>	<b>(3.92)</b>

**Budget projections for 2014/15 to 2019/20**

The table shows a summary of the budget projections for the General Fund assuming a 5.9% council tax increase in 2015/16 and 2% for future years

<b>Summary of General Fund budget projections</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	£					
	<b>million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£million</b>
Budget Requirement brought forward	228.139	225.337	216.500	206.789	198.633	193.448
Pay and Inflation	3.557	3.498	4.144	3.922	3.745	3.647
General Risk Provision	2.500	1.000	0.500	0.500	0.500	0.500
Commitments - impact of previous decisions	0.310	0.359	-0.963	-0.089	0.205	0.200
Change in Section 31 Business Rates compensation grants	-1.902	2.618	-0.018	-0.018	-0.018	-0.018
Change in New Homes Bonus	-0.680	-0.800	-0.600	0.000	-0.200	0.350
Service pressures - demographic and inflation	6.085	5.000	5.000	5.000	5.000	5.000
Service pressures - specific grants	0.423	1.150	0.650	0.600	0.500	0.500
Full year effect of savings in previous year	-1.152	-1.149	0.000	0.000	0.000	0.000
Savings / Budget gap	-15.568	-21.187	-19.763	-18.061	-14.917	-14.397
<b>Sub-Total</b>	<b>221.712</b>	<b>215.826</b>	<b>205.450</b>	<b>198.633</b>	<b>193.448</b>	<b>189.230</b>
Change in contribution to /from reserves	3.625	0.674	1.329	0.000	0.000	0.000
<b>Budget Requirement</b>	<b>225.337</b>	<b>216.500</b>	<b>206.779</b>	<b>198.633</b>	<b>193.448</b>	<b>189.230</b>
<b>Funding</b>						
Revenue Support Grant	63.442	45.453	32.050	21.252	11.307	2.118
Top Up Grant	1.611	1.656	1.702	1.749	1.797	1.846
Locally retained Business Rates	51.581	55.990	57.099	57.122	59.193	61.420
Council Tax (including collection fund surplus)	108.703	113.401	115.928	118.510	121.151	123.846
<b>Total Funding</b>	<b>225.337</b>	<b>216.500</b>	<b>206.779</b>	<b>198.633</b>	<b>193.448</b>	<b>189.230</b>



**SUBSTITUTE BUDGET AND MTFs**  
**2015/16 BUDGET - Budget changes from 2014/15 to 2015/16**

**APPENDIX 2**

	2014/15 Revised Base £'000	Internal Transfers £'000	Reverse one-off allocations £'000	2014/15 Adjusted Base £'000	FYE of 2014/15 Savings	Inflation £'000	Service Pressures	Commitments and reinvestment £'000	VFM & Other Savings £'000	2015/16 Original Budget £'000	Increase over adjusted base £'000	Increase over adjusted base %
Adult Services	73,755	-	(6)	73,749	(727)	1,405	-	44	-	74,471	722	0.98
Public Health	3,700	-	-	3,700	(10)	35	-	14	-	3,739	39	1.05
Children's Services	55,830	-	-	55,830	-	804	-	101	-	56,735	905	1.62
Environment, Development & Housing	42,295	-	-	42,295	(181)	739	-	83	-	42,936	641	1.52
Assistant Chief Executive	16,290	-	(280)	16,010	(56)	100	-	42	-	16,096	86	0.54
Finance & Resources and Legal & Democratic	30,436	-	(100)	30,336	75	163	-	(648)	-	29,926	(410)	(1.35)
<b>Total Directorate Spending</b>	<b>222,306</b>	<b>-</b>	<b>(386)</b>	<b>221,920</b>	<b>(899)</b>	<b>3,246</b>	<b>-</b>	<b>(364)</b>	<b>-</b>	<b>223,903</b>	<b>1,983</b>	<b>0.89</b>
Concessionary Fares	10,615	-	-	10,615	-	212	-	309	-	11,136	521	4.91
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs	8,904	-	-	8,904	-	-	-	150	-	9,054	150	1.68
Corporate VFM Savings	(250)	-	-	(250)	(250)	(5)	-	-	-	(505)	(255)	102.00
Contingency and Risk Provisions	4,370	-	(800)	3,570	-	87	-	444	-	4,101	531	14.87
Unringfenced grants income	(16,661)	-	-	(16,661)	-	-	1,150	2,569	-	(12,942)	3,719	(22.32)
Levies to External Bodies	161	-	-	161	-	4	-	-	-	165	4	2.48
Other Corporate Budgets	(919)	-	-	(919)	-	(46)	-	69	-	(896)	23	(2.50)
BUDGET GAP	-	-	-	-	-	-	5,000	-	(25,387)	(20,387)	(20,387)	-
<b>NET REVENUE EXPENDITURE</b>	<b>228,526</b>	<b>-</b>	<b>(1,186)</b>	<b>227,340</b>	<b>(1,149)</b>	<b>3,498</b>	<b>6,150</b>	<b>3,177</b>	<b>(25,387)</b>	<b>213,629</b>	<b>(13,711)</b>	<b>(6.03)</b>
Contributions to/ from(-) reserves	(3,189)	-	1,186	(2,003)	-	-	-	674	-	(1,329)	674	(33.65)
<b>BUDGET REQUIREMENT</b>	<b>225,337</b>	<b>-</b>	<b>-</b>	<b>225,337</b>	<b>(1,149)</b>	<b>3,498</b>	<b>6,150</b>	<b>3,851</b>	<b>(25,387)</b>	<b>212,300</b>	<b>(13,037)</b>	<b>(5.79)</b>
<b>Funded by</b>												
Formula Grant/Revenue Support Grant	63,442	-	-	63,442						45,453	(17,989)	(28.36)
Business Rates Local Share	51,581	1,974	-	53,555						55,990	2,435	4.55
Top Up Grant	1,611	-	-	1,611						1,656	45	2.79
Safety Net Grant	-	(1,974)	-	(1,974)						-	1,974	(100.00)
Collection Fund surplus/(deficit)	1,887	-	-	1,887						-	(1,887)	(100.00)
Council Tax	106,816	-	-	106,816						109,201	2,385	2.23
<b>Total</b>	<b>225,337</b>	<b>-</b>	<b>-</b>	<b>225,337</b>						<b>212,300</b>	<b>(13,037)</b>	<b>(5.79)</b>

**Budget projections for 2014/15 to 2019/20**

The following table shows a summary of the budget projections for the General Fund assuming a 2% Council Tax increase each year

**Summary of General Fund budget projections**

**2014/15      2015/16      2016/17      2017/18      2018/19      2019/20**

	£ million	£ million	£ million	£ million	£ million	£ million
Budget Requirement brought forward	228.139	225.337	212.300	202.487	194.246	188.963
Pay and Inflation	3.557	3.498	4.060	3.836	3.657	3.550
General Risk Provision	2.500	1.000	0.500	0.500	0.500	0.500
Commitments - impact of previous decisions	0.310	0.359	-0.963	-0.089	0.205	0.200
Change in Section 31 Business Rates compensation grants	-1.902	2.618	-0.018	-0.018	-0.018	-0.018
Change in New Homes Bonus	-0.680	-0.800	-0.600	0.000	-0.200	0.350
Service pressures - demographic and inflation	6.085	5.000	5.000	5.000	5.000	5.000
Service pressures - specific grants	0.423	1.150	0.650	0.600	0.500	0.500
Full year effect of savings in previous year	-1.152	-1.149	0.000	0.000	0.000	0.000
Savings / Budget gap	-15.568	-25.387	-19.771	-18.070	-14.927	-14.401
Sub-Total	<b>221.712</b>	<b>211.626</b>	<b>201.158</b>	<b>194.246</b>	<b>188.963</b>	<b>184.644</b>
Change in contribution to /from reserves	3.625	0.674	1.329	0.000	0.000	0.000
Budget Requirement	<b>225.337</b>	<b>212.300</b>	<b>202.487</b>	<b>194.246</b>	<b>188.963</b>	<b>184.644</b>
<b>Funding</b>						
Revenue Support Grant	63.442	45.453	32.050	21.252	11.307	2.118
Top Up Grant	1.611	1.656	1.702	1.749	1.797	1.846
Locally retained Business Rates	51.581	55.990	57.099	57.122	59.193	61.420
Council Tax (including collection fund surplus)	108.703	109.201	111.636	114.123	116.666	119.260
Total Funding	<b>225.337</b>	<b>212.300</b>	<b>202.487</b>	<b>194.246</b>	<b>188.963</b>	<b>184.644</b>

***Local Welfare Provision (previously known as Social Fund)***

The government has announced that the funding for the Local Welfare Provision has been withdrawn nationally from 2015/16. This includes both the administration and programme funding and for Brighton & Hove this is a loss of £0.75m. This reduction is assumed to be managed directly by the service area.

***Public Health Grant***

The government (December 2013) stated that Public Health Grant allocations have not been finalised for 2015/16 although national level figures have been confirmed. Local Authority allocations have been assumed to be the same as 2014/15, which for BHCC would be £18.695m. The grant has been ring fenced for a further year. These funds are used to:

- improve significantly the health and wellbeing of local populations;
- carry out health protection and health improvement functions delegated from the Secretary of State;
- reduce health inequalities across the life course, including within hard to reach groups;
- ensure the provision of population healthcare advice.

***Better Care Funding***

The provisional figures for the 2015/16 allocation of the Better Care Fund of £19.7m for Brighton & Hove were released by NHS England in December 2013. The source of funds is made up of £18.1m NHS Brighton & Hove CCG and £1.6m of BHCC capital grants (Social Care capital grant and Disabled Facilities Grant), this will be treated as a pooled budget with use of funds being agreed between partners. A Better Care Plan has been approved by the Health & Wellbeing Board which aims to improve local services so that people are provided with better integrated care and support, particularly, to some of the most vulnerable residents, placing them and their carers at the centre of their own care and to provide an opportunity of expansion of care in community settings. Performance against the fund will be measured against set metrics.

***Troubled Families***

The Stronger Families Stronger Communities (SFSC) programme started in April 2012 as Brighton & Hove's response to the national Troubled Families initiative. The main objectives of the programme are to reduce anti-social behaviour, improve educational attendance and reduce worklessness. The target is to work successfully with ('turn around') 675 families over a 3 year period. The four year budget plan is agreed by the multi-agency Partnership Board which takes into account significantly less attachment fees expected in year 3 (2014/15) compared to year 2 and year 1 and no attachment fees available in 2015/16. The annual budgeted costs are similar for each year. Also, because of the clarification from the national Troubled Families unit in relation to 'payment by results' funding, significantly more than projected results funding was received earlier than anticipated in 2013/14. Funding is

used to complete the existing programme in line with the National Troubled Families Unit (TFU) requirements and will be critical to the delivery of Early Help pathway which is one of the key initiatives of the Children's services VfM programme. The Troubled families grant is being extended into 2015/16 (possibly up to another 5 years) but we do not have an indicative allocation yet.

#### *Education Services Grant (ESG)*

The ESG pays for local authority services to schools and is an unringfenced grant. In June 2013 the government announced £200m or 20% savings nationally and is currently consulting on how these savings will be delivered and are looking closely at what councils actually spend on these services compared to the grant. The service pressure assumption is 20% reduction but this could increase depending on the outcome of the consultation.

#### *New Homes Bonus*

The budget assumption for additional new homes bonus within the MTFS is £0.8m for the 2015/16 budget. The calculation for New Homes Bonus will be based on data submitted to government in October. Using data up until May we are already entitled to £0.5m and therefore the budget assumption does not need to be amended at this stage.

#### ***Schools Funding***

##### *DSG*

Following on from the reforms for 2014/15 further guidance is awaited from the Education Funding Agency (EFA) for 2015/16.

##### *Universal Free School Meals for Reception/Year One/ Year Two Pupils*

The DFE has confirmed funding for meals at £2.30 per meal taken, we are still awaiting further guidance from the DFE as to when and how this funding will be paid or claimed. Central management of this funding will reduce the administrative burden on schools. The school meals team will collate this for the purposes of contract payment and therefore this could be used to claim funding as required. The contractor will be paid for the number of meals served not the number of pupils eligible to receive them. Cashless/electronic systems for collation of school meals information will be in all schools prior to September 2014. This means that we will have a robust system in each school for the recording of:

- Universal Free School Meals
- Free School Meals (KS1 & KS2)
- Paid meals (KS2 where appropriate)

The DFE has confirmed that nursery pupils are not included within the project, only those pupils in Reception, Year 1 and Year 2.

### Budget Estimates

#### ***Pay and Inflation assumptions***

The budget estimates for 2015/16 assume a 1% increase in employee costs to cover all pay related matters. These sums need to cover any pay awards, local decisions in relation to living wage commitments and any changes to the council's overall pay framework.

The outcome of the triennial review of the East Sussex Pension Scheme means the council's employer contribution rate for 2015/16 will increase from 18.5% to 19% and this increase is now being treated as a commitment within the budget projections.

The provision for general inflation ranges between 0% and 2% depending on the type of budgeted expenditure; fees and charges are assumed to increase by 2.0% with the exception of parking income as described in paragraph 3.13 in the body of the report. Increases in costs above assumed inflation level will be managed through services' budget strategies unless the increase is significant and is identified as a corporate service pressure.

#### ***Commitments and Risk Provision***

The main commitments in the budget model include planned adjustments to the concessionary fares and financing costs budgets, increased resources to support procurement set out in the Governance of Value for Money Phase 4 report to this committee on the 12<sup>th</sup> June 2014, increased employer pension contributions, reductions in central recharges to schools and the HRA as a result of reducing costs of services, and the impact of the expected changes to unringfenced grants. In 2014/15 there is a recurrent risk provision of £1.0m, while financial projections for 2015/16 include a new £1.0m recurrent risk, an increase of £0.5m from the projections included in the MTFS in recognition of the challenging budget gap and the level of savings that will be required to deliver a balanced budget.

#### ***Service Pressures***

Service pressures have a direct effect on the level of savings the council needs to identify to deliver a balanced budget and therefore it is critical that projections are made on a sound basis to provide confidence in the financial assumptions.

A high level assessment of the current trends on the council's corporate critical budgets and other pressures has been taken into account in setting the service pressure assumptions for 2015/16 and £6.15m has been included for demographic and cost pressures and reductions in unringfenced grants. Initial allocations to support service planning are as follows:

- £3.0m for Adult Social Care particularly in relation to Learning Disability transitions, increased complexity of physical disabilities deprivation of liberty and Mental Health Services;

- £1.15m for reductions in unringfenced grants particularly the reductions to Education Services grant;
- £1.0m for Children's Social Care mainly relating to children's placements , inter agency placement fees, and independent reviewing officers;
- £0.5m ICT capacity and services.

The assessment identified a range of other demographic, cost, legislative and income pressures. The corporate insurance budget for public liability is due to be retendered and is an area of financial risk as costs for other authorities have increased significantly. The remaining balance of £0.5m pressure funding will be set aside to cover these pressures.

Projected Capital Investment Programme

Appendix 5

<b>Capital Programme</b>	<b>2015/16 £000</b>	<b>2016/17 £000</b>
<u>Assistant Chief Executive</u>		
i360 Project	13,000	6,200
<b>Total Assistant Chief Executive</b>	<b>13,000</b>	<b>6,200</b>
<u>Children's Services</u>		
New Pupil Places	8,507	12,641
Education Capital Maintenance	3,000	3,000
Devolved Capital to Schools	500	500
Education Structural Maintenance	900	900
<b>Total Children's Services</b>	<b>12,907</b>	<b>17,041</b>
<u>Adult Services</u>		
Adult Social Care	975	750
<b>Total Adult Services</b>	<b>975</b>	<b>750</b>
<u>Environment, Development &amp; Housing</u>		
Housing stock (HRA)	35,386	24,822
B&H Community Seaside Homes	1,370	1,215
Local Transport Plan	5,580	7,000
<b>Total Environment, Development &amp; Housing</b>	<b>42,336</b>	<b>33,037</b>
<u>Finance, Resources &amp; Law</u>		
Strategic Investment Fund	250	250
ICT Fund	2,000	500
Asset Management Fund	300	300
Procurement of vehicles & equipment	1,000	700
Corporate Planned Maintenance	500	500
Social care buildings investment	500	500
Workstyles	9,717	1,750
<b>Total Finance, Resources &amp; Law</b>	<b>13,967</b>	<b>4,500</b>
<b>Total</b>	<b>83,185</b>	<b>61,528</b>
<b>Resources</b>	<b>£000</b>	<b>£000</b>
Council Borrowing	20,389	7,547
Government Capital Grants	23,144	23,741
Capital Receipts & Reserves	15,502	5,190
Direct Revenue Funding	24,150	25,050
<b>Total</b>	<b>83,185</b>	<b>61,528</b>





<b>Subject:</b>	<b>City Plan Part One - Changes arising from Examination Process</b>		
<b>Date of Meeting:</b>	<b>Policy &amp; Resources Committee – 11 July</b>		
<b>Report of:</b>	<b>Director Environment, Development and Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Helen Gregory</b>	<b>Tel: 29-2293</b>
		<b>Liz Hobden</b>	
	<b>Email:</b>	helen.gregory@brighton-hove.gov.uk	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

1.1 The City Plan Part One is currently under examination by an independent Planning Inspector appointed by the Secretary of State. At the start of the examination officers formally requested that the Inspector propose modifications to the Plan in order to resolve any problem she had identified with the Plan that would otherwise make the Plan unsound or not legally compliant and therefore incapable of being adopted.

1.2 This report sets out the Inspector's Initial Conclusions on the soundness of the Plan (the letter is included in full at Appendix 1 with her subsequent correspondence), and sets out the further work and modifications that she has indicated need to be made to the City Plan in order for her to find it sound. The City Plan examination cannot be concluded and the City Plan cannot be adopted until her concerns are addressed through changes ('modifications') to the City Plan.

The most significant requirement of the Inspector was for the council to more rigorously investigate opportunities for potential housing sites in the urban fringe (Urban Fringe Assessment) in order for her to determine whether there is greater potential for the delivery of new housing from this source. The Inspector has made it clear that only then would she be in the position to consider whether the Plan could be found sound.

1.3 The consequence of the Inspector's Initial Conclusions Letter is that changes (modifications) need to be made to the Plan to rectify the matters that the Inspector feels currently make the Plan unsound. All of the proposed changes arising from the Inspector's Initial Conclusions are set out in Appendix 2. These are considered to represent a major shift in policy in the City Plan and are referred to the Policy & Resources Committee for approval. Other proposed modifications to

the Plan are updates or have been made in response to consultation responses at the submission stage and are not considered to represent a major shift in policy. These are referred to Committee for information and are set out in full in Appendix 3 (a copy is in Members' Rooms).

- 1.4 As a consequence of the further work requested by the Inspector, this report also seeks approval of updated studies and assessments (arising from the Inspector's initial conclusions) as background evidence documents to support the City Plan. A summary of these updated/ amended background documents is set out in Appendix 4 and copies have been placed in Members' Rooms.
- 1.5 The Inspector needs to be satisfied that requirements for public consultation have been met with regard to the proposed changes arising from her initial conclusions letter. The report therefore seeks authority to go out to public consultation on the proposed changes to the Plan.

## **2. RECOMMENDATIONS:**

That Policy & Resources Committee:

- 2.1 Approve the proposed modifications to the City Plan Part One set out in Appendix 2 that represent a major shift in policy in the City Plan.
- 2.2 Note the remaining proposed modifications set out in the Full Schedule (Appendix 3) and authorise that the Head of Planning and Public Protection may make any necessary minor amendments to the Full Schedule prior to public consultation;
- 2.3 Approve a nine week period of public consultation on the Full Schedule of Proposed Modifications to the Submission City Plan Part One (along with new/ updated supporting documents) commencing 25<sup>th</sup> July 2014;
- 2.4 Authorise the Head of Planning and Public Protection to agree any further draft "main modifications" to the City Plan Part One necessary to make it sound and to authorise the publication of such draft modifications for public consultation save that should any draft modification involve a major shift in the policy approach of the City Plan Part One the draft modification shall be referred by the Head of Planning and Public Protection to the Policy and Resources Committee for approval.
- 2.5 Approve the following studies as supporting evidence for the City Plan and further Development Plan Documents (summarised in Appendix 4):
  - Sustainability Appraisal
  - Appropriate Assessment Update
  - Health and Equalities Impact Assessment Update
  - Transport Assessment Update
  - Exceptions and Sequential Test Update (flood risk)

- Draft Strategic Housing Land Availability Assessment 2014 update
- Urban Fringe Assessment Study
- Assessment of Housing Development Needs Study: Sussex Coast Housing Market Area, May 2014
- Housing Implementation Strategy
- Addendum to the Infrastructure Delivery Plan

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The City Plan Part One is the strategy for development, infrastructure and land use in Brighton & Hove to 2030. It will help to deliver the right type of development in the right places including housing, business space and schools. It is also a key delivery mechanism for other strategies in the city, e.g. Sustainable Community Strategy, Student Housing Strategy and Economic Strategy. Adoption of the Plan is critical to ensure that local priorities are delivered. Until then, key planning decisions will be based upon the 'presumption in favour of sustainable development' in the National Planning Policy Framework.
- 3.2 At the Council meeting 31 January 2013, it was agreed that the City Plan Part One would be submitted to the Secretary of State for examination following a six week period of consultation. It was also agreed that the Head of Planning and Public Protection should agree any draft "main modifications" to the City Plan Part One necessary to make it sound and to authorise the publication of such draft modifications for public consultation.
- 3.3 It was also agreed at the Council meeting that any draft modification which involves a major shift in the policy approach of the City Plan Part One should be referred by the Head of Planning and Public Protection to the Policy and Resources Committee for approval. It was noted that all modifications to the Plan would be presented to the Policy and Resources Committee and Full Council in due course as part of the adoption of the City Plan Part One.
- 3.4 The City Plan ('submission version') was submitted to the Secretary of State for examination in June 2013, following public consultation. 85 respondents submitted representations to the City Plan which were forwarded to the Secretary of State for consideration. The Secretary of State appointed Inspector Laura Graham BSc MA MRTPI and as part of the examination, the Inspector held hearings over 6 days in late October at the Brighthelm Centre.
- 3.5 It reflected well on the Council at the hearings that so many of the issues raised by the 85 respondents at the submission consultation stage had been resolved prior to the hearing sessions. This involved meeting respondents, agreeing statements of common ground and drafting proposed changes to the plan to address their concerns. The proposed changes to the Plan put forward by the Council before and as

a result of hearing discussions are not considered to represent a significant policy shift (see Appendix 3).

- 3.6 The Inspector identified a number of issues and matters for discussion at the hearings. The key areas of discussion related to the Duty to Cooperate, housing land supply and viability issues.
- 3.7 In her initial conclusions (published on 13 December 2013) the Inspector considered that the city council had met the legal requirements of Duty to Cooperate (which has been a significant hurdle for many local authorities). However, she considered that the council had not done enough to reduce the level of shortfall between the housing target in the city plan (11,300 units) and objectively assessed housing needs (20,000). Specifically, that the council needed to look more carefully at the urban fringe for potential housing sites. She made further comments on the Brighton Marina policy and viability relating to sustainable building standards.
- 3.8 The consequence of the Initial Conclusions Letter is that changes need to be made to the Plan to rectify the matters the Inspector feels currently make the Plan unsound and incapable of being adopted.
- 3.9 The Inspector will need to issue a report on the City Plan's soundness and legal compliance before the plan can proceed towards adoption. Before this, the Inspector will consider whether further hearing sessions/ written statements are necessary following her consideration of any representations received on the proposed modifications. This will have an impact on the adoption date of the City Plan. As a consequence, it is anticipated that if further hearing sessions are required the earliest the City Plan can be adopted is July 2015.

### **Housing Land Supply Modifications**

- 3.10 The Inspector recognised that there are significant constraints to providing land for housing development in the city. However she considered that the magnitude of the housing shortfall between the proposed City Plan housing target (11,300) and the objectively assessed housing need (20,000) to be significant. She considered this level of shortfall to be a failure to meet the social dimension of sustainable development as set out in the National Planning Policy Framework (NPPF). The Inspector indicated that the Council must rigorously assess all opportunities to meet housing need. It was her initial view that the main sources of additional housing supply offering the opportunity to increase the housing target were windfall sites (small and unexpected housing development) across the plan period as a whole and urban fringe sites.
- 3.11 The Inspector went on to state that to be satisfied the council had looked more positively for housing sites and for the Plan to be found

sound that the council should have 'left no stone unturned in seeking to meet as much of its housing need as possible'.

- 3.12 The Inspector considered that the council should investigate an additional allowance for windfall sites to the housing target. These are sites that unexpectedly become available for development and are difficult to anticipate through a Strategic Housing Land Availability Assessment (SHLAA). Such sites in Brighton and Hove are usually small sites (up to 5 units) and make a significant contribution to overall housing supply. The housing target in the Submission Plan however, made a cautious allowance for such sites towards the end of the Plan period guided by the previous Inspector's comments on the withdrawn core strategy. This allowance has been reassessed following the current Inspector's comments and an additional allowance has been made to cover the whole plan period. The additional contribution to the increased housing target from windfall is 650 units.
- 3.13 The Inspector considered that the main housing supply issue was that the council should undertake a more rigorous assessment of the urban fringe (open space between built up area boundary and the National Park) to determine whether there is greater potential for the delivery of new housing from this source.
- 3.14 The council's own urban fringe assessment<sup>1</sup> gave strong weight to the NPPF policy (at paragraphs 73 and 74) to protect existing open spaces and to the protection of the city's biodiversity resource. Weight was therefore given to 'local designations' on sites. The Inspector disagreed with this stating: 'these sites are not subject to nationally recognised designations, which would indicate that development may be restricted'. The Inspector proposed that an assessment of the city's urban fringe should be undertaken to include a detailed analysis of whether the identified constraints to development could be satisfactorily addressed through mitigation and/or compensation measures. This assessment could consider the possibility of allowing some development on urban fringe sites which would secure some new good quality public open space, as part of a package of development. The Inspector's overall impression was that the starting point of previous analysis of these sites had been 'the desire to resist development'.
- 3.15 Following the Inspector's initial conclusions letter and government policy requirements officers commissioned consultants to undertake an independent study of all 66 urban fringe sites (named and mapped in Appendix 4). Sites were assessed on the basis of the parameters set out in the Inspector's initial conclusions. Following those assessment parameters, the Study concluded that there is potential for 1,180 homes on parts of 39 urban fringe sites. Overall, this potential represents 31 hectares or 7.5 % of the total area of Urban Fringe land. It should also be noted that the study found that in most cases only part

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<sup>1</sup> Urban Fringe Assessment Update September 2013

of each site investigated offered potential for development (a summary of the Study findings is set out in Appendix 4).

- 3.16 As a consequence of the Inspector requesting a reassessment of windfall allowance and the re-assessment of the potential for delivery of new housing from the Urban Fringe, it is proposed that the housing provision figure for the city be increased to 13,200 in order to satisfy her concerns that the council has sought to meet as much of the identified housing needs as possible. As a consequence the Spatial Strategy and Policy CP1 Housing Delivery need to be modified to acknowledge the role of the urban fringe as a potential source of housing. CP1 will need to indicate a 'broad source' single figure for 1,060<sup>2</sup> housing potential within the urban fringe and an increased windfall allowance of 1,250 (comprising existing with the additional windfall allowance of 650 units). These proposed changes (set out in Appendix 2) are considered to be a significant shift in policy.
- 3.17 The urban fringe sites identified as having potential for housing through the Urban Fringe Assessment have not been formally designated as housing sites ('allocated') in the City Plan Part One. Part Two of the City Plan will propose sites for formal allocation as housing sites informed by the Urban Fringe Assessment Study and the updated SHLAA. There will be full consultation on site allocations as part of the process of preparing Part Two of the Plan. It is nonetheless likely that some of the urban fringe sites identified as having some housing potential in the Study will come forward as planning applications for development before Part Two of the City Plan is adopted. Any such sites will need to be determined against the most up to date development plan and the policies in the NPPF. SA4 Urban Fringe has been modified to address this and consequential changes have been made to CP16 Open Space and CP17 Sports Provision (see appendix 2).
- 3.18 As a consequence of the proposed changes arising from the increased housing target and the urban fringe being identified as a potential source for housing a number of background evidence documents that support the City Plan Part 1 were required to be updated/ amended. This has ensured that the impact of the proposed changes on issues such as transport and city infrastructure (education, health etc) have been fully considered and appropriately appraised. The summary of these study findings are set out in Appendix 4.
- 3.19 An updated study on housing requirements has been undertaken in response to the publication of results from the 2011 Census. This Study (Assessment of Housing Development Needs within the Sussex Coast Housing Market Area) was required to ensure the evidence

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<sup>2</sup> The reduced figure compared to the identified potential reflects assessment of availability of the sites carried out through the Strategic Housing Land Availability Assessment 2014 update. Hangleton Bottom although identified by the Urban Fringe Assessment has having potential for housing was considered to be unavailable due to its waste allocation.

underpinning the Plan was up to date and robust. As a result the new figures for Brighton & Hove indicate that the housing requirement has increased from 16,000 - 20,000 to 18,000 - 24,000 additional homes by 2030. This increase is due to higher levels of migration and household formation than previously forecast. The implication is that the gap between the target and objectively assessed need has increased. As a result, the Inspector will be looking for even greater assurance that no stone has been left unturned in the search for additional homes.

### **Other Required Modifications arising from the Inspector's initial conclusions**

- 3.20 The Inspector has indicated at her initial conclusions stage, a very limited number of other policy areas where she is inviting the council to make modifications to address her concerns. These are:

#### **DA2 Brighton Marina**

- 3.21 The Inspector has requested modifications to the policy to remove the restriction of development above the cliff height. It should be noted that although the Brighton Marina Act 1968 prohibits building above the cliff height unless otherwise agreed with the Council as the local authority named in the Act, the Act also provides that the planning regime operates independently of the Act. Having considered the arguments put for and against the policy presumption at the hearing session, the Inspector concluded that this restriction could unduly constrain effective delivery of development in this area. She went on to state that safeguards already exist within DA2 to address protect environmental assets, quality of building design and heritage issues. The modification proposed, emphasise these safeguards through the addition of the need to take account of the cliff height issues under the development area strategy objectives.
- 3.22 The Inspector has also requested that the District Centre status for the Marina is removed as it was her opinion that the evidence did not justify its designation currently. The proposed modification still retains the need to enhance the shopping offer and range of shops at the Marina and indicates that a more detailed policy will be put forward in Part Two of the City Plan.

#### **CP8 Sustainable Building Standards/ viability**

- 3.23 The Inspector considers that there was no local justification for the sustainability standards for new homes set out in the Policy CP8 to be above national standards. Further, on the basis of information before her at the examination, she considered that the proposed standards would impact on the viability of development. The NPPF requires plan proposals to be viable at the time of preparation and at all stages of an economic cycle of the Plan. Rather than accepting the council's position that sufficient flexibility has been built into the wording of CP8

to take account of viability, the Inspector has recommended that the sustainable building requirements should be modified to be in line with national standards. The proposed modification has been made to bring the standards in relation to new residential development in line with current building regulations – Code Level 4 to 2016 and Code Level 5 post 2016. The Policy still retains robust requirements to support the council’s aspirations for zero carbon development and reducing the ecological footprint of the city.

### **Full Schedule of Proposed Modifications**

- 3.24 All proposed modifications arising out of the examination process require public consultation and have been subject to a Sustainability Appraisal. Before issuing her report on the Plan’s soundness and legal compliance, the Inspector will consider any representations received on the main modifications. The Inspector may feel able to deal with any additional points raised through the consultation as ‘written representations’, or may consider that further hearing sessions are necessary. Only then will the Inspector be in a position to decide whether or not to recommend the modifications to the Plan in her final Report on the Plan.
- 3.25 A full schedule of the proposed modifications to the City Plan Part One has been placed in Members’ rooms. The changes from the submission version of the City Plan Part One are annotated as ‘tracked changes’ to highlight the modifications subject to consultation.

### **Supporting Evidence and Assessment**

- 3.26 As a consequence of the proposed changes arising from the Inspector’s Initial Conclusions Letter a number of background evidence documents that support the City Plan Part 1 were required to be updated/ amended. This report seeks approval of the following studies as background evidence documents to support the City Plan:
- Sustainability Appraisal
  - Appropriate Assessment Update
  - Health and Equalities Impact Assessment Update
  - Transport Assessment Update
  - Exceptions and Sequential Test Update (flood risk)
  - Draft Strategic Housing Land Availability Assessment 2014 update
  - Urban Fringe Assessment Study
  - Assessment of Housing Development Needs Study: Sussex Coast Housing Market Area, May 2014
  - Housing Implementation Strategy
  - Addendum to the Infrastructure Delivery Plan

A summary of these updated/ amended background documents is set out in Appendix 4 and copies have been placed in Members’ Rooms.



#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The proposed approach is to modify the Plan to address the concerns raised by the Inspector in her Initial Conclusions Letter and to publish these for public consultation. This will ensure that the Inspector is able to conclude her consideration of the City Plan Part One. This is the only practicable option if the City Plan Part One is to progress towards adoption and ensure the council has an up to date development plan.
- 4.2 Without these modifications the Inspector has indicated that the City Plan Part One could not be found sound and could not therefore be adopted. Without an adopted City Plan; an agreed housing target and five year supply of housing sites or an up to date spatial strategy for growth in the city there would be considerable uncertainty in respect of decision making on planning applications. In the absence of an up to date City Plan, the National Planning Policy Framework's 'presumption in favour of sustainable development' would apply.
- 4.3 The consequence of 'planning by appeal' would be inappropriate development within the city's urban fringe and across the city as a whole. This would undermine the positive and balanced approach to future growth and development in the city as set out in the City Plan and jeopardise investment in key sites/strategic allocations of city-wide importance. There would be significant cost and resource implications associated with defending an increased number of planning appeals and an increased risk of costs being awarded against the council (which is already being experienced). There would also be a danger that without a robust plan in place, developers would be able to bypass the city council and take their proposals straight to the Planning Inspectorate for determination.
- 4.4 The benefit of having an adopted City Plan is that it will carry full weight in decision-making. Applications for housing development will be assessed against the adopted City Plan housing target (13,200) rather than the city's full objectively assessed housing need figure of 24,000 homes (the top end of the range). This will ensure that the city's aspirations for key sites/ strategic allocations can be realised. Much needed employment sites and privately owned green spaces within the urban area can be better protected from inappropriate development. An adopted City Plan and a published Urban Fringe Assessment Study can be used to resist speculative development proposals on the 92.5% of the urban fringe that was found not to have housing potential. An adopted City Plan and the Urban Fringe Assessment Study are also critical to assess housing proposals that come forward on privately owned urban fringe sites (identified as having potential for housing) in advance of their formal designation in Part 2 of the City Plan.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Proposed Modification consultation will run for nine weeks from 25 July to 25 September March 2014, this longer period of consultation is in recognition of the summer holiday period. Information will be available on the dedicated City Plan page of the website; the council's consultation portal and made available for inspection at the city deposit points (customer services centres and libraries).
- 5.2 Specific statutory consultees will be directly notified, as will other 'general consultees' and people who have previously commented on the City Plan (such as the 85 respondents to the submission City Plan), or who have requested to be kept informed about the plan's progress.
- 5.3 The consultation only relates to the proposed changes/ modifications to the City Plan Part One. There will not be consultation on the whole Plan. The consultation is focused, as at the Submission stage, on the defined tests of soundness and legal compliance. Comments received will be collated by the Local Development Team and forwarded to the Inspector for her consideration. On the basis of the representations the Inspector will decide whether to re-open the examination hearing.

## **6. CONCLUSION**

- 6.1 It is important to have a development plan in place. In order to progress the City Plan Part One to adoption the Inspector has indicated to the council a number of changes or main modifications to the plan that she considers are required to be made in order for her to be able to find the plan sound. These modifications represent a significant policy shift and therefore require agreement by the Policy & Resources Committee. Public Consultation is required before the Inspector can consider the proposed modifications and conclude the examination.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The costs associated to the recommendations in this report will be funded from existing Planning Strategy and Projects revenue budgets and a one-off revenue funding allocation made available for public examination costs.

Finance Officer Consulted: Steven Bedford Date: 27/05/2014

### Legal Implications:

- 7.2 Although the City Plan part 1 has already been submitted to the Secretary of State, Section 20(7C) of the Planning & Compulsory Purchase 2004 Act allows the Council to request that the Inspector make modifications to the City Plan where these are needed to rectify

matters that the Inspector feels currently make the Plan unsound or not legally compliant and thus incapable of being adopted. The 'main modifications' now proposed as a result of the examination process require further public consultation.

- 7.3 It is not considered that any adverse human rights implications arise from the Report.

Lawyer Consulted: Hilary Woodward 4/6/14

Equalities Implications:

- 7.4 The Inspector indicated in her Initial Conclusions Letter that the housing target in the Submission City Plan represents a failure to meet the social dimension of sustainable development. An update to the Health and Equalities Impact Assessment has been undertaken to assess the proposed modifications. Overall, the HEQIA concluded that the City Plan, as modified, presents policies that are co-ordinated to address health and well-being outcomes throughout the city.

Sustainability Implications:

- 7.5 An addendum to the Sustainability Appraisal (SA), incorporating the requirements of Strategic Environmental Assessment (SEA) has been carried out on the proposed modifications and tested the housing target options. The SA Addendum report has been published as a background document to support the consultation. Overall, when all the modified policies are looked at cumulatively alongside the remaining policies within the City Plan, no new significant impacts have been identified that were not already identified by the Submission City Plan Sustainability Appraisal. The Inspector indicated in her Initial Conclusions Letter that the Sustainability Appraisal that accompanies the City Plan should properly test the implications of meeting the full objectively assessed need for housing (20,000 homes by 2030). Such an assessment would assist the council in demonstrating compliance with paragraph 14 of the NPPF. The appraisal found that the positive impacts of meeting the objectively assessed housing need in full to be outweighed by the adverse economic, environmental and social impacts resulting from the losses of land in employment uses and sites of open space within the built up area that would be required in order to meet this need.
- 7.6 An Appropriate Assessment has also been updated to take into considerations the change to the housing target and the identification of the urban fringe as a broad source of housing potential has on the conservation objectives of a European Site and to ascertain whether it would adversely affect the integrity of that site. The AA has concluded that from the information available at the proposed modifications stage, all the possible impacts of the proposed modifications to the Brighton & Hove City Plan Part 1 on European sites had been discounted at the

screening stage of the Appropriate Assessment. It therefore concluded that no change to the City Plan Part 1 was required and also that the City Plan Part 1 did not support any project proposal where it cannot be demonstrated that the development would not have an adverse effect on the integrity of any European or Ramsar site.

Crime & Disorder Implications:

- 7.7 The City Plan Part 1 addresses crime and disorder through development area proposals, special area policies and a number of citywide policies. Proposed amendments do not significantly affect these policies.

Risk and Opportunity Management Implications:

- 7.8 Risks to the City Plan are regularly reviewed at project meetings. The need to carry out this additional stage of consultation prior to the Inspector finalising her report (and the potential need for one or more further hearing sessions) will have an impact on the anticipated adoption date of the City Plan Part 1. Without an up to date development plan the council can not demonstrate a five year supply of housing sites against its objectively assessed housing need. This would increase the risk of inappropriate development being allowed at appeal; a threat to a sustainable balance of uses in the city and a risk to investment in mixed use sites/strategic allocations in the City Plan. There are cost and resource implications associated with defending an increased number of planning appeals. The proposed modifications and the additional stage of public consultation significantly reduce the likelihood of any remaining risks to the adoption of the City Plan.

Public Health Implications:

- 7.9 The City Plan part 1 addresses health inequalities and the healthy planning agenda through a city wide healthy city policy and where appropriate, in a number of other policy areas. The City Plan was subject to an Equality and Health Impact Assessment. This Assessment has been updated in light of the proposed modifications.

Corporate / Citywide Implications:

- 7.10 The City Plan will be a significant factor in steering development in the city for the next 20 years. It will contribute to delivering the Corporate Plan and plans and strategies across the city council directorates, along with the Sustainable Community Strategy. It will also help to deliver city-wide strategies of public and voluntary sector partners and promote investment and economic growth.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Inspectors Initial Conclusion Letter 13 December 2013 and Letter 13 February 2014
2. Schedule of Proposed Modifications resulting from Inspectors Initial Conclusions Letter
3. Full Schedule of Proposed Modifications (In Member's Room)
4. Summary of Findings - new/ updated background studies

### **Documents in Members' Rooms**

1. Full Schedule of Proposed Modifications to the City Plan Part 1
2. Sustainability Appraisal
3. Appropriate Assessment Update
4. Health and Equalities Impact Assessment Update
5. Transport Assessment Update
6. Exceptions and Sequential Test Update (flood risk)
7. Strategic Housing Land Availability Assessment 2014 update
8. Urban Fringe Assessment Study
9. Assessment of Housing Development Needs Study: Sussex Coast Housing Market Area, May 2014
10. Housing Implementation Strategy
11. Addendum to the Infrastructure Delivery Plan

### **Background Documents**

1. Submission City Plan Part 1
2. Submission City Plan - 31 January Policy & Resources Committee



**Date:** 13<sup>th</sup> December, 2013

**INSPECTOR:**  
Laura Graham BSC MA MRTPI

**PROGRAMME OFFICER:**  
Mrs Claire Jones-Hughes

This letter reflects my initial conclusions on the soundness issues I have identified at this stage in the examination process. I am writing to you now to enable you to consider the best way to address these issues. However, these comments are not intended to be comprehensive, and are made without prejudice to the content of my final report.

## **Housing**

### *Objectively Assessed Need for Housing*

The Framework requires local authorities to assess their full housing needs, including affordable housing. The Housing Duty to Cooperate Study for the Sussex Coast Housing Market Area, May 2013, identifies that an objective assessment of housing need would fall between 16,000 – 20,000 dwellings for the period to 2030. The study notes that the higher end of the range takes account of the shortfall of affordable housing in the City, and includes the provision of 210 dwellings per annum to contribute to reducing the affordable housing backlog.

At the hearings there was a reasonable degree of consensus that the range of 16,000 – 20,000 (as set out in Main Modification MM26) was an accurate reflection of the full, objectively assessed need for housing, although some participants argued that the need could be higher, having regard to the significant need for affordable housing.

Bearing in mind the Framework's requirements that local authorities should assess their **full** housing needs (my emphasis), including affordable housing, my view is that the Plan should indicate that the full objectively assessed need is the higher end of the range, i.e. 20,000 new dwellings.

### *Duty to cooperate.*

I accept that the Council has sought to engage positively with neighbouring authorities in the region. My initial conclusion is that it has met the legal requirement under S.33A of the Act. Unfortunately, the cooperation with neighbouring Councils has not led to a positive outcome, in the sense that none has offered to assist Brighton and Hove by offering

to meet all or part of the objectively assessed needs that cannot be met in Brighton and Hove.

*Housing supply.*

The Plan proposes a target for the provision of new housing of 11,300. This represents only 56.5% of the full objectively assessed need. Even if the lower end of the range were to be used (which for the reasons given above, I do not accept is the correct approach), the target would meet only 70.6% of the need. These figures represent a significant shortfall and substantial weight must be given to the consequent failure to meet the social dimension of sustainable development.

I recognise that there are significant constraints to providing land for development, and that there are competing priorities for any land which may be available. However, given the significant shortfall in meeting housing needs, it is important that the Council rigorously assesses all opportunities to meet that need. It is my preliminary view that the following sources potentially offer an opportunity to increase the target for the provision of new housing.

*Windfall sites.*

The Council should investigate whether or not it would be appropriate to make an allowance for windfall sites, bearing in mind the requirements of paragraph 48 of the Framework.

*Urban Fringe Sites.*

These sites are not subject to nationally recognised designations, which would indicate that development may be restricted. Whilst it may be the Council's aspiration to designate some of these sites as Local Green Space, this is not being pursued through Part 1 of the Local Plan and I have doubts as to whether some of these areas would meet the requirements of paragraph 77 of the Framework. In my letter of 22 July 2013, I commented that the analysis of the urban fringe sites "identifies perceived constraints, but includes no analysis of whether such constraints could be satisfactorily overcome, and what the residual adverse impacts of developing some of the less constrained sites would be". The revised version of TP002a published in September 2013 includes additional commentary on constraints, but does not provide the further analysis that I referred to in my letter. Having now seen some of the sites and had the opportunity to examine more closely the underlying evidence on which this analysis is based, I am not persuaded that the protection from development implied by Policy SA4 is justified in relation to all urban fringe sites. In coming to this conclusion, I have taken account of paragraphs 73 and 74 of the Framework. However, your own analysis concludes that some of these sites do not make a significant contribution to the provision of useable open space, and have limited potential to do so in the future. No consideration appears to have been given to the possibility of allowing development on these sites, which would enable the provision of good quality public open space, as part of a package of



development. Similarly, no consideration appears to have been given to the extent to which other constraints, such as archaeological significance, should prevent development altogether, or whether adequate mitigation would be possible by, for example, careful consideration of design and layout and the imposition of conditions. The site at Toads Hole Valley, which is proposed for development, suffers from some of the same constraints that are said to affect other sites, including its proximity to the National Park. However, the more positive approach taken towards development on this site contrasts with the negative approach taken to other sites. The overall impression given is that the starting point for analysis of these sites has been the desire to resist development, which is at odds with the Framework's requirement that the plan should be positively prepared. The Sustainability Appraisal (SA) makes general observations that the higher housing targets tested would result in significant losses of employment land and open space, but without a more detailed analysis of the sites concerned, I do not consider that great weight can be placed on the conclusions of the SA.

Main modifications MM21 and MM27 indicate that a review of the built up area boundary will be undertaken in Part 2 of the City Plan. However, Document TP/002a seems to pre-judge that exercise by concluding whether or not the sites have any development potential and if so, how many new dwellings may be provided. The expected yield of new dwellings from this analysis is about 100. In view of the significant shortfall in meeting objectively-assessed needs I consider the Council should undertake a more rigorous analysis of the urban fringe sites, along the lines I have already suggested, to determine whether there is greater potential for the delivery of new housing from this source.

#### *Land currently in employment use.*

I recognise that the Plan aims to make appropriate provision for land for employment uses to support the local economy. However, doubts have been raised about the ability of some sites to support the kind of employment and/or mixed-use development envisaged in policy CP3. Bearing in mind the shortfall in land to meet new housing needs, I consider the Council should rigorously reassess whether this policy should be modified to allow for the loss of employment land to housing, where an employment or mixed-use development is not viable. The requirement of the Policy that there should be no net loss in employment floor space may inhibit redevelopment for mixed uses, particularly on sites where viability is marginal.

#### *Five-year land supply*

I note that the Council achieved a good rate of housing delivery from the mid 1990s through to 2007. The lower rate of delivery in recent years is related to poor market conditions. In the circumstances, I consider there is not a record of persistent under delivery and therefore the appropriate buffer, in accordance with the Framework, is 5%. The most common method of calculating a five-year land supply is to use the annualised housing requirement derived from the overall target. I note the Council's

approach is to base its calculations on the housing trajectory, which has the effect of reducing the five-year land supply requirements in the early years of the Plan. The Framework is not prescriptive about the method that should be used to determine the five-year supply of land for housing. However, a method of calculation that suppresses housing land supply in the early years of the plan period does not, in my view, accord with the Framework's general intent to boost significantly the supply of new housing. Such an approach could be justified if essential infrastructure requirements are likely to constrain the delivery of new development, but I am not persuaded that the impact of the economic recession is a valid reason for taking this approach. Once you have addressed the issues relating to the overall target for new homes, you will need to demonstrate that a five year supply of housing land based on an annualised dwelling requirement plus 5% will be available at the time the Plan is adopted.

### *Overall conclusions on housing*

The City Plan Part 1 falls well short of meeting the objectively assessed need for new housing, and although I note the Council's continuing commitment to engage with neighbouring authorities, there is no evidence before me to show that any of the unmet need will be met elsewhere. For the reasons given above I am not persuaded that the City Plan Part 1 meets the requirements of paragraph 14 of the Framework which requires local planning authorities to meet objectively assessed needs, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole. I recognise the constraints faced by the Council but if I am to find the Plan sound, notwithstanding such a significant shortfall in the provision of new housing, I would need to be satisfied that the Council had left no stone unturned in seeking to meet as much of this need as possible. Furthermore, depending on the scale of unmet need it may be necessary to reduce the plan period in order that the City Plan can be found sound.

### **Brighton Marina**

I have considered the representations made both orally and in writing regarding the Brighton Marina Act. However, it is not part of my examination to consider whether any planning permissions granted by the Council are lawful. There is no evidence before me that extant planning permissions are being challenged through the Courts, and I have seen nothing to persuade me that these permissions cannot be implemented. Bearing in mind the failure to meet objectively assessed housing needs, and the limited opportunities available to meet that need, it is important that the Marina makes as significant a contribution to the provision of new housing as is reasonably possible. At the hearings there was discussion about the criterion in Policy DA2, which requires development not to breach the cliff height, and there is evidence that this restriction threatens the viability of development at the Marina, and would reduce the amount of housing that could be provided. My attention was drawn to an appeal decision relating to a scheme, which would have breached the cliff height.

The appeal was dismissed because of the inadequacy of the accompanying legal agreement. However, neither the Inspector nor the Secretary of State concluded that the breach of the cliff height was a reason to refuse the scheme. Those conclusions were, of course, specific to that scheme and at the examination hearings the Council expressed the opinion that it was the particular qualities of that scheme that had led to those conclusions. Policy DA2 requires a high quality of building design and includes various safeguards for important environmental assets. There is a statutory duty to pay special attention to the desirability of preserving or enhancing the character and appearance of the Kemp Town Conservation Area. In all the circumstances I consider that the Policy should be modified to remove the cliff height restriction to enable a viable scheme to come forward, which can make a significant contribution to meeting housing needs.

*Brighton Marina Shopping Centre.*

The Council's own evidence does not support the designation of Brighton Marina as a District Centre. That aspect of Policy CP4 is not justified and the Policy should be modified accordingly. The Council's aspiration to improve the shopping centre is included in Policy DA2 and if this is successful, it may be appropriate to designate it as a District Centre when a review of the Plan is undertaken.

**Viability**

The Council's Combined Policy Viability Study, which was unfortunately finalised after the plan was submitted for examination, finds that the combined requirements of the Plan raise serious doubts about the viability of development across the Plan area. The Council seeks to rely on the flexibility clauses in the policies, which it says will enable development to go ahead. It is useful to build in such flexibility to allow for site specific issues to be taken into consideration, but this is not an acceptable substitute for ensuring that the plan facilitates development throughout the economic cycle, as required by the Framework (paragraph 174). I am therefore inviting you to draft modifications to the Plan to ensure that the requirements of the Framework are met in relation to this issue and in accordance with the evidence now available. In particular, you may wish to consider whether the requirements of Policy CP8 can be justified in this context, particularly bearing in mind forthcoming changes to the Building Regulations. Furthermore, the characteristics of the housing stock in Brighton are not dissimilar to those in many established urban areas and I am not convinced that this justifies a local requirement, which is more onerous than the national standards provided by the Building Regulations.

I look forward to receiving your response but it may be of assistance for you to know that I will be working on the Rother Local Plan Examination throughout January 2014.

*Laura Graham*

Inspector



**Brighton & Hove  
City Council**

**Planning & Public Protection**  
Hove Town Hall  
Norton Road  
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Inspector Laura Graham BSc MA  
MRTPI  
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Date: 31 January 2014  
Ref: CPP1/InsCor/LH/310114  
Phone: 01273 292504  
e-mail: Liz.hobden@brighton-hove.gov.uk

Dear Miss Graham,

Thank you for your letter dated 13 December 2013 (ref ID-21) setting out your initial conclusions on the soundness issues with the Brighton & Hove City Plan Part 1.

I would like to take this opportunity to set out the council's response to the concerns you raise in your letter and our views on the way forward. We intend to address all of your comments positively. The council is keen to take the City Plan forward rapidly to adoption and it is a key priority for the city that will help bring major sites forward for development and stimulate economic growth.

## **Housing**

### **Duty to Cooperate**

The council notes and welcomes your initial conclusion that we have met the legal requirement under S.33A of the Act with regard to duty to cooperate. We will continue to work positively with neighbouring authorities to pursue a positive outcome regarding meeting unmet housing requirements. Examples of progress are that the city council's Economic Development and Culture Committee on 23rd January approved The Coastal West Sussex and Greater Brighton Local Strategic Statement (LSS) along with the memorandum of understanding and terms of reference for the Coastal West Sussex and Greater Brighton Strategic Planning Board. In a separate development the City Council (along with Lewes District Council and the Coast to Capital LEP) have accepted an invitation to join the West Sussex Strategic Planning Board. The LSS has also now been formally agreed by the other seven planning authorities that sit on the Coastal West Sussex Strategic Planning Board. In addition there is ongoing work with the Local Enterprise Partnership and with the Strategic Economic Plan. The council will continue to seek effective mechanisms to deliver housing employment and infrastructure needs through Duty to Cooperate.

### **Objectively Assessed Need**

The council notes that you consider that the City Plan should indicate that the city's objectively assessed need for housing over the plan period should be the higher end of the estimated range (20,000 dwellings) as put forward in the Housing (Duty to Cooperate) Study for the Sussex Coast Housing Market Area, May 2013 (Core Doc Ref EP/051). We propose to draft Post-Hearing Modifications to the Plan to address this concern.

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## Housing Supply

The council welcomes your recognition of the significant constraints the city faces in meeting its objectively assessed housing needs and the competing pressures and priorities for available land. Your letter suggests three potential sources of land supply which you advise the council to further consider in an attempt to increase housing supply.

**a) Windfall Sites** – the council will investigate whether it would be appropriate to make an additional allowance for housing supply from this source. The housing target in the City Plan already makes an allowance for such sites towards the end of the Plan period and further intensification of the urban area is also anticipated through the council's estate regeneration programme. However, the council will consider whether an additional allowance may be appropriate to cover the whole plan period. Subject to the results of this investigation, we would draft post-hearing modifications to Policy CP1 and Annexe 3 Housing Implementation Strategy accordingly.

**b) Urban Fringe Sites** – in order to address your concerns, the council will undertake a thorough and detailed assessment of land within the city's defined urban fringe. This study will include an analysis of whether identified constraints could be satisfactorily overcome, and what the residual adverse impacts of developing additional urban fringe sites would be.

As a point of clarification, some of the urban fringe sites are subject to nationally recognised designations, for example, RIGS, SSSI and land designated as Ancient Scheduled Monument. In accordance with the NPPF it is considered appropriate that these sites/ parts of site are excluded from the detailed assessment. Can you confirm that you are agreeable to this?

In undertaking this additional work, the council will remain mindful of policies in the Framework that indicate existing open space, sports and recreational buildings and land, including playing fields should not be built on unless surplus to requirements or capable of being replaced by equivalent or better provision in a suitable location.

A timeframe for the completion of this work is set out in detail at the end of this letter for your consideration. The findings of the study will be reflected in the annual update of the Strategic Housing Land Availability Assessment, where urban fringe sites with housing potential will be listed. The housing potential identified will be reflected in a revised housing target and the five year housing supply for the city.

Your comments on this approach would be welcome.

**c) Land Currently in Employment Use** – the council would welcome clarification on this aspect of your letter and the extent of the additional reassessment required. In your letter you state that:

*'Bearing in mind the shortfall in land to meet new housing needs, I consider the Council should rigorously reassess whether this policy should be modified to allow for the loss of*

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*employment land to housing, where an employment or mixed-use development is not viable. The requirement of the Policy that there should be no net loss in employment floor space may inhibit redevelopment for mixed uses, particularly on sites where viability is marginal.'*

Could you clarify and confirm to which parts of the policy CP3 your statement relates? In Matters Statement 5 on Employment the council addresses this specific matter in relation to mixed use development in part 4 of CP3. With respect to CP3.4 it should be noted that two of the five sites listed have recently been granted planning permission for mixed use development where viability evidence submitted by the applicant was assessed and a reduction in employment floorspace allowed to achieve viability. A third site is at pre-application stage. Subject to your clarification the council will draft modifications to CP3.4 to modify the reference to no net loss of employment floorspace.

### **Five Year Supply**

The council welcomes your recognition of the good rate of housing delivery achieved in the city before the economic downturn and that 5 per cent is an appropriate buffer for the 5 year supply.

We note your recommendation that an annualised approach to the calculation of the 5 year supply requirement should be used. It was not the intention of the council's phased or staggered approach to suppress housing land supply but rather to realistically reflect the specific nature of housing development in the city (e.g. a high proportion of flatted development) , and market signals with regard to deliverability in the early years of the plan. These factors are all reflected in the council's housing trajectory. The council also notes that the City Plan must be able to demonstrate an up to date 5 year supply of housing at the time the Plan is adopted to be found sound.

We would welcome further clarification and advice from you on the suggestion that it may be necessary to reduce the plan period to find the plan sound as we have some concerns regarding this point. The City Plan has been prepared in accordance with NPPF guidance (paragraph 157) requiring plans to be drawn up over an appropriate timescale to take account of longer term requirements. City Plan background studies, planned development and infrastructure provision is based upon a 15 year plan. The council is concerned that a shortened plan period could undermine the approach and evidence base informing the City Plan Part 1. Further, given the delays in adopting the City Plan it would seem appropriate to move the start date for the Plan from 2010 to 2014. Your comments on this approach would also be welcome.

### **DA2 Brighton Marina**

The council notes your comments on Brighton Marina in relation to the cliff height restriction and the status of the shopping centre. The council's aspirations are to enhance the choice and performance of retailing at the Marina and to ensure new development is of a high quality of building design, safeguarding important environmental assets as well as preserving/ enhancing the character and appearance of the Kemp Town Conservation Area. We will draft post-hearing modifications in response to your comments.

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### **Viability**

You have invited draft modifications to the plan to ensure the Plan facilitates development throughout the economic cycle as required by paragraph 174 of NPPF with particular reference to the sustainable building policy (CP8).

The council is committed to meeting the government's targets to deliver zero carbon homes and maintaining rigorous energy performance targets over the plan period. The council will re-examine the approach to standards in the policy in response to your comments.

### **Sustainability Appraisal**

An Addendum to the submission Sustainability Appraisal will be produced to assess the impacts of the proposed Main Modifications. The council assumes this will not be required to consider alternative housing target options other than that arising from the housing potential identified but would welcome your advice on this matter. Updates to other sections of the SA may take place where considered appropriate.


### **Next Steps**

A broad timetable below is proposed to take the work forward:

<b>Stage</b>	<b>Date</b>
Additional work and Further Studies	End May 2014
Council Decision on Main Modifications	July 2014
Publication and consultation on Main Modifications in response to Inspector's Letter and additional work (including addendum to the submission Sustainability Appraisal)	End July to September 2014
Re-open Hearing	October 2014
Inspector's Final Report	December 2014

The council considers an up to date Plan is critical for future growth and development in the city and is keen to take the plan forward towards adoption as soon as possible. We have indicated that we will be undertaking consultation on main modifications in response to your letter and the additional work undertaken to take place before a re-opened hearing. However we would like to seek your advice on this part of the timetable. You may prefer consultation to take place after a re-opened hearing. We trust that our suggested approach and indicative timetable is acceptable to you, but would of course be happy to explore any concerns or questions that you have, via the Programme Officer.

Yours sincerely



Liz Hobden  
Local Development Team Manager

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Brighton & Hove City Council –City Plan: Part 1

**Date:** 13th February, 2014

**INSPECTOR:**  
Laura Graham BSC MA MRTPI

**PROGRAMME OFFICER:**  
Mrs Claire Jones-Hughes

Thank you for your letter dated 31 January 2014 and positive approach to my initial conclusions. My response to the specific questions you raise is as follows:

**Analysis of urban fringe sites**

According to your Urban Fringe Assessment September 2013, it appears that there are a limited number of sites which are subject to national designations such as SSSI or Scheduled Monument, and such designations apply to parts of sites, rather than the whole of identified sites. In the case of sites affected by SSSI/RIGS designation (site 37 is the only one identified in your Assessment) you will need to consider the extent to which development of parts of the site not covered by the designation would have an adverse impact on the notified special interest features, and the extent to which any harm could be adequately mitigated. Similarly, you will need to consider the extent to which development would harm a Scheduled Monument in accordance with paragraph 132 of the Framework.

For the avoidance of any doubt, my initial conclusions should not be interpreted as an indication that all urban fringe sites would be suitable and/or appropriate for development. My main concern is that the decision to protect some sites from development because of their open space/recreational value is not supported by your own assessment of their existing or potential value for such uses.

**Employment policy**

In the light of the significant shortfall in meeting housing needs my concern is that policies for employment land should not seek to protect sites in employment use where there is no reasonable prospect of use or redevelopment for employment purposes. Viability is clearly an important consideration and I note you have sought to address this through proposed modifications MM30 and MM31. At this stage I am content to consider this matter once representations on the modifications have been received.

**Plan period**



What I have in mind is that if, in spite of your best efforts, there remains a very significant shortfall in meeting the objectively assessed housing need it may be necessary to indicate that the Plan will be subject to an early review. So far as the start date for the Plan is concerned, the Framework requires, preferably, a 15 year time horizon. The City Plan Part 1 seeks to provide the overall strategic and spatial vision to 2030. There will still be 15 years of the Plan period left if the City Plan is adopted in 2015. In the circumstances, I do not consider it essential to move the start date forward to 2014 to ensure soundness.

### **Sustainability Appraisal**

You will need to reassure yourselves that the Sustainability Appraisal Addendum complies with legal requirements, as the Council is the competent authority for these purposes when the Plan is adopted, and it would not be appropriate for me to give detailed advice at this stage. However, one of the tasks of the Sustainability Appraisal is to ensure that all reasonable alternatives have been evaluated. It seems to me that the Sustainability Appraisal should properly test the implications of meeting the full objectively assessed need for housing. Such an assessment should also assist the Council in demonstrating whether it has met the test set out at paragraph 14 of the Framework.

### **Timetable**

I have some reservations about the timetable you have set out. The Inspectorate's current Procedural Guidance indicates at paragraph 4.26 that the general expectation is that issues raised on the consultation of draft main modifications will be considered through the written process and further hearing sessions will only be scheduled exceptionally. Until I have seen any representations made on the draft main modifications, I will not be able to come to a clear conclusion on whether further hearing sessions will be necessary. In the event that further hearings are necessary, the timescale you have outlined would not be acceptable to me. I would need additional time to draw up matters and issues for further hearings and to allow participants to submit statements on those matters and issues. Alternatively, if further hearings are not necessary, I would hope to finalise my report at an earlier date, subject to any other commitments I may have. I suggest that you keep Mrs Jones-Hughes informed about your progress and the dates you schedule for consultation on the main modifications, so that contingency arrangements for further hearings can be made.

*Laura Graham*

Inspector



**Brighton & Hove City Plan Part One  
Schedule of Proposed Modifications Arising from the Inspector’s Initial Conclusions**

The modifications below are expressed in the conventional form of ~~strike through~~ for deletions and underlining for additions of text.

Modifications are in City Plan order. The policy number and City Plan page number are shown in the second column.

Reference numbers in the first column relate to the Full Schedule of Proposed Modifications set out in Appendix 3, placed in the Members’ Rooms.

Ref	Policy/ Paragraph	Proposed Modification
PM010	Section 2 – The Strategy, Spatial Strategy Pages 24,28,29	<p><b>A Spatial Strategy for Brighton &amp; Hove</b></p> <p>2.7 <u>Recognising the need to plan positively to meet the needs of a growing city</u>, <del>the City Plan's aim is to</del> <u>seeks to achieve</u> a balanced and sustainable approach to accommodating growth over the plan period.</p> <p><b>Strategy for the future of Brighton &amp; Hove</b></p> <p>2.12 The assessed housing requirements (demand and need for new homes) for the city over the plan period are much higher than the city can realistically accommodate. The plan sets a minimum housing target of <del>11,300</del> <u>13,200</u> new homes to be achieved by 2030 and this reflects the capacity and availability of land/sites in the city; the need to provide for a mix of homes to support the growth and maintenance of sustainable communities; the need to provide land for other essential uses (such as employment, retail, health and education facilities and other community and leisure facilities) and the need to respect the historic, built and natural environment of the city.</p> <p><b>The Spatial Distribution of Development</b></p> <p>2.19 Spatially the majority of new housing, employment and retail development <u>will be located on brownfield (previously developed) sites within the city's built up area and will be</u> directed to eight specific development areas (DA1 – 8). These are areas of the city which either already benefit from close proximity to good sustainable transport links or are areas where accessibility can be improved; are areas which offer significant capacity for new development and are areas where new development and/or regeneration will secure substantial benefits for the city. This approach ensures that <u>opportunities for development of brownfield sites are maximised</u>, transport impacts will be minimised and the city's countryside and the South Downs National Park will continue to be protected.</p>

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**Appendix 2**

**Brighton & Hove City Plan Part One – Proposed Modifications Schedule**

Ref	Policy/ Paragraph	Proposed Modification
		<p><u>2.20 Much of the land within the city’s defined urban fringe forms part of the city’s green infrastructure; either in terms of the city’s open space framework (e.g. parks, recreation grounds, sports pitches and playing fields, allotments, cemeteries, natural/semi-natural space) or part of the city’s biodiversity resource such as local nature reserves, sites of conservation importance or Nature Improvement Areas. However in light of the significant scale of the city’s housing need, objectively assessed to fall within a range of 18,000 - 24,000 new homes to 2030<sup>#</sup>; the requirement of the government’s National Planning Policy Framework to plan positively to meet housing needs in full and; the need to adequately address the social dimension of sustainable development the potential for housing from the urban fringe has had to be reassessed<sup>##</sup>. The strategy for accommodating growth in the city continues to maximise development opportunities from brownfield sites but also includes the urban fringe as broad source of potential for housing development.</u></p> <p>Insert footnotes:  <sup>#</sup> Coastal West Sussex Housing Study Update 2014  <sup>##</sup> Urban Fringe Assessment Study June 2014</p>
<p><b>PM018, PM019, PM021</b></p>	<p>DA2 Brighton Marina, Black Rock and Gas Work Site, pages 38 – 40, 44</p>	<p>Amend Illustrative diagram to remove from key and map ‘shopping area’. Amend policies map to reflect this.</p> <p>3.13 The long term aspiration of the council is to address the deficiencies of the Marina, <del>including the underperforming District Shopping Centre,</del> and the wider area to facilitate the creation of a mixed use <del>district</del> <u>area</u> of the city. This will be achieved through the generation of a sustainable high quality marina environment which creates easier and more attractive access for residents and visitors, extends the promenade environment up to and around the Marina and creates stronger pedestrian and visual links with the sea from the Marina.</p> <p>Amend policy:</p>

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**Appendix 2**

Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification
		<p>The strategy for the development area is to facilitate the creation of Brighton Marina and the wider area as a sustainable mixed use <u>district area</u> of the city, through the generation of a high quality marina environment by supporting proposals which:</p> <ul style="list-style-type: none"> <li>• Secure a high quality of building design <u>that takes account of the cliff height issues in and around the Marina</u>, townscape and public realm while recognising the potential for higher density mixed development in accordance with the aims of the Spatial Strategy to optimise development on brownfield sites;</li> <li>• <del>Do not breach the cliff height within the Marina;</del></li> <li>...</li> <li>• Secure a more balanced mix of retail, including support for independent retailers, <u>and non retail uses such as leisure, tourism, and commercial uses</u> <del>and non-retail uses,</del> <u>which accords with its District Centre status;</u></li> <li>...</li> </ul> <p>6. Balancing uses with an emphasis towards boating, surfing, leisure and recreation and the enhancement of the <del>District Centre</del> <u>retail offer</u> through encouraging the provision of mixed retail activity and services to support any additional expansion in population (see CP4).</p> <p>...</p> <p>Proposals for uses in addition to the recreation and leisure use will only be considered where it can be demonstrated that these uses support the delivery of a leisure and recreation facility and <del>are not in competition with the District Centre status of</del> <u>complement development at the Marina</u>. Supporting or enabling uses should perpetuate informal leisure uses associated with the seafront, conserve the historic environment and enhance linkages between Black Rock, the Marina and the Gas Works site.</p> <p>...</p> <p>3.17 <del>The Marina is identified as a District Centre in the city's retail hierarchy (see Policy CP4). The</del></p>

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**Brighton & Hove City Plan Part One – Proposed Modifications Schedule**

Ref	Policy/ Paragraph	Proposed Modification
		<p>majority of <u>existing</u> retail activity takes place in the Merchant’s Quay and at the Asda superstore. Whilst <del>the District Centre</del> <u>Brighton Marina</u> contains a range of bars, restaurants and factory outlet stores related to its wider recreation and leisure role, it <u>currently</u> lacks the full range of shops and services, such as banks and post offices, <del>found typically in District Shopping Centres</del> <u>to support the proposed expansion in residential population</u>. The strategy for the development area is to enhance the choice and performance of retail activity in the <del>District Centre</del> <u>Marina</u> through the encouragement of mixed retail activity and improvements to the public realm. <del>Ancillary</del> <u>Retail development on the Black Rock and Gas Works sites should accord with CP4 Retail Provision. not compete with or prejudice the District Centre at the Marina. A detailed policy regarding the appropriate type and mix of A1 and non A1 uses in the Marina will be set out in Part 2 of the City Plan.</u></p> <p>Add New Paragraph in supporting text after 3.15:</p> <p><u>Fundamental to the strategy for the development area is the provision of mixed use development at a density that helps achieve a vibrant and sustainable place. However proposed developments should ensure the preservation and/or enhancement of the setting of all listed buildings and conservation areas nearby, as well as the wider historic landscape and city skyline including views to and from the South Downs National Park. Applications for higher density development will be assessed in terms of their ability to meet the design and density considerations set out in CP12 and CP14. It is essential that any new development provides an attractive pedestrian environment, active retail and leisure frontages as well as easy access to the harbour, boardwalk, shoreline and other recreational areas within the Marina.</u></p>
<b>PM064</b>	SA4 Urban Fringe, pages 111- 113	<p>Amend paragraphs 3.154 and 3.155 to read as follows:</p> <p>3.154 In many instances the South Downs National Park boundary is contiguous with the built up urban edge of the city. The urban fringe is therefore now made up of ‘pockets’ of residual green space rather than any homogenous green ‘belt’ around the city. <del>These areas are vulnerable to</del></p>

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Ref	Policy/ Paragraph	Proposed Modification
		<p>development pressures, farm fragmentation and anti-social behaviour such as fly-tipping, vandalism and inappropriate recreational activity such as illegal motor biking. Elsewhere there has been piecemeal enclosure both for the keeping of horses and garden use. <u>Much of the city's urban fringe meets the NPPF definition of existing open space and represents a significant proportion of the city's open space resource. The urban fringe is also important in terms of biodiversity and designations include the South Downs Way Ahead Nature Improvement Area, Local Nature Reserves (LNRs) and Sites of Nature Conservation Interest<sup>#</sup></u></p> <p><u>3.155 Within the urban fringe, there will be some opportunities for development to help meet citywide needs. The appropriate nature and form of any such development will need to reflect the need Careful use and management of land within the urban fringe is therefore essential in terms of helping to retain the setting of the city in its downland landscape.</u></p> <p>Add new footnote:</p> <p><u># SNCIs have been reviewed and will be renamed Local Wildlife Sites in Part 2 of the City Plan.</u></p> <p>Amend policy (wording in bold) to read as follows:</p> <p><b>SA4 Urban Fringe</b></p> <p><b>The <u>Where appropriate, the</u> council will promote and support the careful use and management of land within the urban fringe to achieve the following objectives:</b></p> <p><b>1. The protection and enhancement of the wider landscape role of land within the urban fringe, the setting of the South Downs National Park and the protection of strategic views into and out of the city.</b></p>

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Ref	Policy/ Paragraph	Proposed Modification
		<p><b>2. Securing better management of the urban fringe, environmental improvements and safe public access to the countryside through sustainable means.</b></p> <p><b>3. The promotion of the urban fringe <u>land</u> as part of the city’s green network and, <u>where appropriate</u>, encouraging opportunities for multi-functional uses such as, appropriate recreation and cultural experience, new allotments and local food production and biodiversity conservation and enhancements (see CP10 Biodiversity).</b></p> <p><b>4. The protection of sensitive groundwater source protection zones from pollution and encouraging land management practices that reduce rapid surface water runoff and soil erosion.</b></p> <p><b>5. The creation of ‘gateway’ facilities and interpretative facilities in connection with the South Downs National Park to support sustainable tourism.</b></p> <p><b>Development within the urban fringe will not be permitted except where:</b></p> <p><b>a) a site has been allocated for development in a development plan document; or</b>  <b><u>b) a site (or part of a site) has been identified in the 2014 Urban Fringe Assessment Study as having potential for residential development; or</u></b>  <b><u>c) a countryside location can be justified;</u></b></p> <p><b><u>and where it can be clearly demonstrated that:</u></b></p> <p><b><u>d) the proposal has had regard to the downland landscape setting of the city;</u></b>  <b><u>e) all any adverse impacts of development are minimised and appropriately mitigated and/or compensated for; and</u></b>  <b><u>f) where appropriate, the proposal helps to achieve the policy objectives set out above.</u></b></p> <p>Insert the following new Paragraph between 3.157 and 3.158:</p>

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Ref	Policy/ Paragraph	Proposed Modification				
		<p><u>Through the 2014 Urban Fringe Site Assessment Study, some land within the city’s urban fringe has been identified as having potential to help meet the city’s housing requirements (see Part B, Policy CP1 Housing Delivery). Sites identified through the study (or parts of sites where relevant) will be further tested through the Strategic Housing Land Availability Assessment exercise and suitable sites will be taken forward as site allocations through Part 2 of the City Plan. Sites coming forward for development ahead of the preparation of Part 2 of the City Plan will need to address the criteria set out in Policy SA4 above and satisfy detailed information requirements<sup>#</sup> at the planning application stage.</u></p> <p>Add new footnote:</p> <p><u># This may include, for example, landscape assessment, ecology surveys, traffic assessments and possibly Environmental Impact Assessment.</u></p>				
<p><b>PM072</b></p>	<p>CP1 Housing Delivery, pages 127-132</p>	<p>Amend first sentence in Part A of policy:</p> <p><b>The council will make provision for at least <del>11,300</del> <u>13,200</u> new homes to be built over the plan period 2010 – 2030 (this equates to an annual average rate of provision of <del>565</del> <u>660</u> dwellings).</b></p> <p>Amend Part B of Policy:</p> <p><b>B: Distribution of new housing.</b></p> <p><b>New housing will be delivered broadly in line with the following distribution:</b></p> <table border="1" data-bbox="555 1310 1498 1385"> <thead> <tr> <th data-bbox="555 1310 1144 1353">Area / Source of Supply</th> <th data-bbox="1144 1310 1498 1353">No. of new homes</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 1353 1144 1385">Development Area</td> <td data-bbox="1144 1353 1498 1385"></td> </tr> </tbody> </table>	Area / Source of Supply	No. of new homes	Development Area	
Area / Source of Supply	No. of new homes					
Development Area						

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Ref	Policy/ Paragraph	Proposed Modification	
		DA1 – Brighton Centre and Churchill Square Area	20
		DA2 – Brighton Marina, Gas Works and Black Rock Area	1940
		DA3 – Lewes Road Area	840
			<u>880</u>
		DA4 – New England Quarter and London Road Area	1185
			<u>1130</u>
		DA5 – Eastern Road and Edward Street Area	470
			<u>515</u>
		DA6 – Hove Station Area	630
			<u>525</u>
		DA7 – Toad’s Hole Valley	700
		DA8 – Shoreham Harbour	400
			<u>300</u>
		<b>Development Area Total</b>	<b>6155</b>
			<b><u>6010</u></b>
		<b>Development Across Rest of City:</b>	<b>3945</b>
		a) <u>Within the built up area</u>	<u>4145</u>
		b) <u>Within the urban fringe<sup>#</sup></u>	<u>1060</u>
		<b>Small identified sites</b>	<b>650</b>
			<b>765</b>
		<b>Small Windfall Development</b>	<b>600<sup>125</sup></b>
			<b><u>1250<sup>125</sup></u></b>
		<b>Total</b>	<b>11,350</b>
			<b><u>13,230</u></b>

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Ref	Policy/ Paragraph	Proposed Modification
		<p>Insert footnote:  <del># As defined in policy SA4 the City Plan Part 1.</del></p> <p>Amend footnote 125:  <del><sup>125</sup>An allowance for small windfall development has been made for the final 6 years of the plan period 2024 – 2030; although it is anticipated that small windfall development will contribute to meeting the housing target in earlier parts of the plan period. An allowance for small windfall development has been made across the plan period. See 2014 SHLAA.</del></p> <p><del>4.2 Based on demographic factors, (reflecting scenarios of population and household growth), the city’s full (unconstrained) housing requirement, for both market and affordable housing, over the plan period has been assessed at 15,800 new homes to 2030. This would equate to an annual average of 790 new homes per annum) A series of studies indicate that to meet in full the city’s ‘objectively assessed housing need’ (housing demand and need) over the plan period to 2030 could mean needing to build between 900 – 1200 dwellings per annum or 18,000 – 24,000 dwellings to 2030<sup>127</sup>.</del></p> <p>Amend footnote 127:  <del><sup>127</sup>Brighton &amp; Hove City Council, Housing Requirements Study Update, GL Hearn, October 2012 <u>Assessment of Housing Development Needs Study: Sussex Coast HMA, May 2014.</u></del></p> <p>4.4 The City Plan housing target for a minimum of <del>41,300</del> <u>13,200</u> new homes reflects the capacity and availability of land/sites in the city, the need to provide for a mix of homes to support the growth and maintenance of sustainable communities, the need to make provision in the city for other essential development (for employment, retail, health and education facilities, other community and leisure facilities) and the need to respect the historic, built and natural environment of the city.</p>

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## Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification
		<p>4.6 The spatial strategy for the city is set out earlier in this Plan (see Spatial Strategy, Section 2). In broad terms, the strategy seeks to direct a significant amount of new development to eight identified Development Areas (see Policies DA1-8) which either already benefit from close proximity to good sustainable transport links or are areas where accessibility can be improved; are areas which offer significant capacity for new development and are areas where new development and/or regeneration and renewal will secure substantial benefits for the city. <u>The strategy for accommodating growth in the city continues to maximise development opportunities from brownfield sites within the built up area but it also acknowledges that some housing development will come forward from some of the city’s urban fringe sites. This is reflected in Part B of Policy CP1.</u></p> <p>4.7 The eight Development Areas account for <del>just over half (54%)</del> <u>45%</u> of the planned amount of new housing for the city. Within the Development Areas, the City Plan makes strategic allocations to secure the delivery of 3235 new dwellings (see spatial policies DA2 – DA8). In other parts of the city, there are also a significant range of opportunities for new residential development (through, for example conversions, redevelopment and changes of use) and such development will help to promote and secure the establishment of sustainable communities. Residential development will be required to respect the local character and distinctiveness of neighbourhoods (see also SA6, CP12 and CP14).</p> <p>4.8 Over the last 15 years<sup>128</sup> the average rate of new housing development in Brighton &amp; Hove has been around <del>550</del> <u>540</u> dwellings per annum. More recently, annual rates of housing delivery have been far lower than this reflecting the <del>ongoing</del> impacts of global economic recession<sup>129</sup>.</p> <p>Amend footnote 128:</p> <p><sup>128</sup><del>1997/8 – 2011/12, Residential completions data.</del> <u>1999/00 – 2013/14 Residential Completions Data.</u></p> <p>4.10 The city’s housing target implies an annual average rate of <del>565</del> <u>660</u> dwellings per annum over the plan period as a whole. Based on the 2012<del>4</del> SHLAA update, the <u>housing trajectory</u><sup>130</sup></p>

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**Brighton & Hove City Plan Part One – Proposed Modifications Schedule**

Ref	Policy/ Paragraph	Proposed Modification
		<p><u>demonstrates that housing delivery in the city has been well below this in the first four years of the plan period (2010-2014), reflecting the impacts of economic recession. The trajectory anticipates that housing delivery is likely to achieve at least this rate in the first ten years after plan adoption (2014—2024) will increase in the (post adoption) five year supply period 2014 – 2019 and looks likely to achieve the planned average delivery rate of 660 units per annum. In the following six to ten year supply period (2019 – 2024), housing delivery rates are anticipated to increase significantly with delivery coming through from a number of the city’s larger strategic sites. At present, the trajectory indicates that post 2024, housing delivery is again likely to exceed the planned average delivery rate. The council’s Housing Implementation Strategy (HIS) identifies a range of planning management actions and measures to assist in managing housing supply across the plan period bringing forward sites for development should this prove necessary. The HIS also identifies that further site allocations will be made through the preparation of Part 2 of the City Plan.</u></p> <p>Amend footnote 130:</p> <p><sup>130</sup>As informed by the <del>2012 SHLAA Update</del> <u>the 2014 Revised Trajectory.</u></p> <p>Replace Figure 2 with revised Housing Trajectory:</p> <p><b>Figure 2: <del>Housing Trajectory 2010 – 2030 (Based on 2012 SHLAA)</del></b></p>

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Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification																																																																																																																														
		<p style="text-align: center;"><b>Brighton &amp; Hove Housing Trajectory as at 1st April 2012</b></p> <p>The chart displays the housing trajectory from 2010/11 to 2029/30. The Y-axis represents the number of units, ranging from 0 to 800. The X-axis represents the year. A red horizontal line indicates the City Plan Target of 565 units per annum. The bars represent the Total Identified Supply (dark blue), Small Unidentified Supply (Small windfall) (light blue), and Total Actual Supply (green). The Total Actual Supply is shown for 2010/11 and 2011/12. The Total Identified Supply starts in 2012/13 and increases to approximately 680 units by 2023/24. The Small Unidentified Supply (Small windfall) is shown from 2024/25 onwards, increasing the total supply to approximately 580 units by 2029/30.</p> <table border="1"> <caption>Estimated Data for Figure 2: Housing Trajectory 2010 – 2030</caption> <thead> <tr> <th>Year</th> <th>Total Actual Supply</th> <th>Total Identified Supply</th> <th>Small Unidentified Supply (Small windfall)</th> <th>Total Supply</th> <th>City Plan Target (565 pa)</th> </tr> </thead> <tbody> <tr><td>2010/11</td><td>280</td><td></td><td></td><td>280</td><td>565</td></tr> <tr><td>2011/12</td><td>310</td><td></td><td></td><td>310</td><td>565</td></tr> <tr><td>2012/13</td><td></td><td>450</td><td></td><td>450</td><td>565</td></tr> <tr><td>2013/14</td><td></td><td>450</td><td></td><td>450</td><td>565</td></tr> <tr><td>2014/15</td><td></td><td>650</td><td></td><td>650</td><td>565</td></tr> <tr><td>2015/16</td><td></td><td>650</td><td></td><td>650</td><td>565</td></tr> <tr><td>2016/17</td><td></td><td>650</td><td></td><td>650</td><td>565</td></tr> <tr><td>2017/18</td><td></td><td>650</td><td></td><td>650</td><td>565</td></tr> <tr><td>2018/19</td><td></td><td>650</td><td></td><td>650</td><td>565</td></tr> <tr><td>2019/20</td><td></td><td>680</td><td></td><td>680</td><td>565</td></tr> <tr><td>2020/21</td><td></td><td>680</td><td></td><td>680</td><td>565</td></tr> <tr><td>2021/22</td><td></td><td>680</td><td></td><td>680</td><td>565</td></tr> <tr><td>2022/23</td><td></td><td>680</td><td></td><td>680</td><td>565</td></tr> <tr><td>2023/24</td><td></td><td>680</td><td></td><td>680</td><td>565</td></tr> <tr><td>2024/25</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> <tr><td>2025/26</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> <tr><td>2026/27</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> <tr><td>2027/28</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> <tr><td>2028/29</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> <tr><td>2029/30</td><td></td><td>450</td><td>130</td><td>580</td><td>565</td></tr> </tbody> </table> <p><b>Figure 2: Housing Trajectory 2010 – 2030 (Based on 2012 SHLAA) 2010 – 2030 (Based on SHLAA 2014 Update)</b></p>	Year	Total Actual Supply	Total Identified Supply	Small Unidentified Supply (Small windfall)	Total Supply	City Plan Target (565 pa)	2010/11	280			280	565	2011/12	310			310	565	2012/13		450		450	565	2013/14		450		450	565	2014/15		650		650	565	2015/16		650		650	565	2016/17		650		650	565	2017/18		650		650	565	2018/19		650		650	565	2019/20		680		680	565	2020/21		680		680	565	2021/22		680		680	565	2022/23		680		680	565	2023/24		680		680	565	2024/25		450	130	580	565	2025/26		450	130	580	565	2026/27		450	130	580	565	2027/28		450	130	580	565	2028/29		450	130	580	565	2029/30		450	130	580	565
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Ref	Policy/ Paragraph	Proposed Modification
		<p style="text-align: center;"><b>Housing Trajectory Revised Position 2014</b></p> <p>The chart displays the following data series:</p> <ul style="list-style-type: none"> <li>Small Unidentified Supply (Small windfall allowance): Dark blue</li> <li>Identified Supply (Market Element): Medium blue</li> <li>Affordable Housing Delivery (estimate of 30% per annum from 2014): Light blue</li> <li>Completions (Market Element): Green</li> <li>Completions (Affordable Housing): Yellow-green</li> <li>City Plan Annual Target (660pa): Horizontal green line</li> </ul> <p>Amend footnote 131:</p> <p><sup>131</sup>SHLAA 2012 2014 Update.</p> <p>4.12 The table illustrates that approximately <del>3230</del> <u>3,500</u> dwellings have either already been built since 2010 or are currently 'committed' for development in terms of sites having an extant planning permission or allocated in the 2005 Brighton &amp; Hove Local Plan. This plan makes strategic site allocations to achieve a further 3635 dwellings. Further capacity is identified for an additional <del>3885</del> <u>4208</u> dwellings and appropriate site allocations will need to be made in Part 2 of the City Plan.</p>



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		These 'identified' sources comprise <u>985%</u> of the overall housing target to 2030.																																																																																																																																																
		<p><b>Table 4: Housing Delivery, Supply Breakdown 2010 – 2030</b>  <b>(Based on 2012 <u>2014</u> SHLAA)</b></p> <table border="1"> <thead> <tr> <th>Spatial Area</th> <th>Already Built or Committed</th> <th>Strategic Allocations</th> <th>Broad Locations / <u>Source</u></th> <th>Further Capacity Identified in SHLAA</th> <th>Allowance For windfall</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>DA</b>s</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>DA1</td> <td>13</td> <td>0</td> <td></td> <td>7</td> <td></td> <td>20</td> </tr> <tr> <td>DA2</td> <td>855</td> <td>1085</td> <td></td> <td>0</td> <td></td> <td>1940</td> </tr> <tr> <td>DA3</td> <td>420</td> <td>300</td> <td></td> <td>390</td> <td></td> <td><u>850</u></td> </tr> <tr> <td></td> <td><u>126</u></td> <td></td> <td></td> <td><u>454</u></td> <td></td> <td><u>880</u></td> </tr> <tr> <td>DA4</td> <td>285</td> <td>615</td> <td></td> <td>285</td> <td></td> <td>1185</td> </tr> <tr> <td></td> <td><u>380</u></td> <td></td> <td></td> <td><u>135</u></td> <td></td> <td><u>1130</u></td> </tr> <tr> <td>DA5</td> <td>0</td> <td>335</td> <td></td> <td>135</td> <td></td> <td>470</td> </tr> <tr> <td></td> <td><u>10</u></td> <td></td> <td></td> <td><u>170</u></td> <td></td> <td><u>515</u></td> </tr> <tr> <td>DA6</td> <td>120</td> <td>200</td> <td></td> <td>310</td> <td></td> <td>630</td> </tr> <tr> <td></td> <td><u>90</u></td> <td></td> <td></td> <td><u>235</u></td> <td></td> <td><u>525</u></td> </tr> <tr> <td>DA7</td> <td>0</td> <td>700</td> <td></td> <td>0</td> <td></td> <td>700</td> </tr> <tr> <td>DA8</td> <td>0</td> <td></td> <td>400</td> <td></td> <td></td> <td>400</td> </tr> <tr> <td></td> <td><u>52</u></td> <td></td> <td><u>248</u></td> <td></td> <td></td> <td><u>300</u></td> </tr> <tr> <td><b>DA Total</b></td> <td><b>1390</b></td> <td><b>3235</b></td> <td><b>400</b></td> <td><b>1130</b></td> <td></td> <td><b>6155</b></td> </tr> <tr> <td></td> <td><u>1525</u></td> <td></td> <td><u>250</u></td> <td><u>1000</u></td> <td></td> <td><u>6010</u></td> </tr> <tr> <td><b>Rest of City</b></td> <td><b>1190</b></td> <td></td> <td><b>500</b></td> <td><b>1856</b></td> <td></td> <td><b>3945</b></td> </tr> <tr> <td>    a) <b><u>Built up area</u></b></td> <td><b>1208</b></td> <td><b>400</b></td> <td><b>390</b></td> <td><b>2147</b></td> <td></td> <td><b>4145</b></td> </tr> <tr> <td>    b) <b><u>Urban Fringe</u></b></td> <td></td> <td></td> <td></td> <td><b>1060</b></td> <td></td> <td><b>1060</b></td> </tr> </tbody> </table>					Spatial Area	Already Built or Committed	Strategic Allocations	Broad Locations / <u>Source</u>	Further Capacity Identified in SHLAA	Allowance For windfall	Total	<b>DA</b> s							DA1	13	0		7		20	DA2	855	1085		0		1940	DA3	420	300		390		<u>850</u>		<u>126</u>			<u>454</u>		<u>880</u>	DA4	285	615		285		1185		<u>380</u>			<u>135</u>		<u>1130</u>	DA5	0	335		135		470		<u>10</u>			<u>170</u>		<u>515</u>	DA6	120	200		310		630		<u>90</u>			<u>235</u>		<u>525</u>	DA7	0	700		0		700	DA8	0		400			400		<u>52</u>		<u>248</u>			<u>300</u>	<b>DA Total</b>	<b>1390</b>	<b>3235</b>	<b>400</b>	<b>1130</b>		<b>6155</b>		<u>1525</u>		<u>250</u>	<u>1000</u>		<u>6010</u>	<b>Rest of City</b>	<b>1190</b>		<b>500</b>	<b>1856</b>		<b>3945</b>	a) <b><u>Built up area</u></b>	<b>1208</b>	<b>400</b>	<b>390</b>	<b>2147</b>		<b>4145</b>	b) <b><u>Urban Fringe</u></b>				<b>1060</b>		<b>1060</b>
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Ref	Policy/ Paragraph	Proposed Modification					
		Small id. Sites	650 <u>765</u>				650 <u>765</u>
		Small Windfall				600 <u>1250</u>	600 <u>1250</u>
		<b>Total</b>	<b>3230</b> <b><u>3499</u></b>	<b>3635</b>	<b>900</b> <b><u>640</u></b>	<b>2985</b> <b><u>4208</u></b>	<b>600</b> <b><u>1250</u></b> <b>11350</b> <b><u>13232</u></b>
		<p>4.13 Brighton &amp; Hove is a tightly constrained city. In many instances, the boundaries of the South Downs National Park are contiguous with the built up area of the city. As a consequence, the majority <del>(94%)</del> <u>(87%)</u> of new residential development will take place on previously developed land or 'brownfield' sites. The Plan does however make a strategic allocation for the development of land at Toad's Hole Valley to the north of the city which is a large greenfield site falling outside the boundaries of the National Park <u>(See DA7)</u>. Development at this location will contribute a significant amount of new housing development for the city and, as part of a mixed use comprehensive development, will secure many other benefits for the city (see DA7). <u>The 2014 Urban Fringe Study also indicates that sites within the city's urban fringe will contribute to housing land supply as indicated in Part B of Policy CP1.</u></p> <p>4.15 <del>Government</del> <u>National</u> planning <u>policy</u> guidance requires sufficient specific sites and/or broad locations to be identified to meet planned housing targets for at least the first ten years of the plan<sup>133</sup>. In reality, small 'windfall' site development (as described above) will come forward throughout the plan period and will contribute towards meeting the planned housing requirements for the city and ongoing five year supply requirements. <u>The potential supply from small windfall site development is reflected in the planned housing target for the city (see Part B of Policy CP1).</u> <del>In this way, development from small windfall development activity will supplement housing supply achieved</del></p>					

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Ref	Policy/ Paragraph	Proposed Modification									
		<p><del>from identified sites and also provide a measure of contingency should there be an element of non-delivery from some of the large development sites. Given the NPPF requirements, a minimal allowance for development from this source has only been included as part of the city's projected land supply after 2024.</del></p> <p>Amend footnote 132:</p> <p><sup>132</sup>Small site development <u>has</u> accounted for approximately <u>35%</u> <del>36%</del> of total residential development across the city over the last 10 years.</p> <p>4.16 The housing trajectory is based upon reasonable <u>and realistic</u> assumptions about the deliverability of housing over the plan period. The trajectory illustrates that the rate of housing delivery in the city is expected to increase over the first ten years of the plan period (<del>post-adoption</del>) reflecting anticipated recovery in the economy and financial markets which has severely affected development rates in the early years of the plan period. The trajectory will be updated and reviewed on an annual basis to track delivery progress against planned housing requirements and the requirement to maintain a five year supply of housing land/sites. This will be reported through the council's annual Authority Monitoring Report. The council's Housing Implementation Strategy outlines how housing delivery will be managed over the plan period.</p>									
<p><b>PM078, PM081</b></p>	<p>CP4 Retail Provision, Pages 144, 146</p>	<p><b>Brighton &amp; Hove's hierarchy of shopping centres will be maintained and enhanced by encouraging a range of facilities and uses, consistent with the scale and function of the centre, to meet people's day-to-day needs, whilst preserving the predominance of A1 use classes:</b></p> <table border="1" data-bbox="562 1219 1641 1366"> <thead> <tr> <th data-bbox="562 1219 831 1294">Centre Definition</th> <th data-bbox="831 1219 1350 1294">Defined Centres</th> <th data-bbox="1350 1219 1641 1294">Linked Policies</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 1294 831 1334">Regional Centre</td> <td data-bbox="831 1294 1350 1334">Brighton</td> <td data-bbox="1350 1294 1641 1334">DA1, SA2</td> </tr> <tr> <td data-bbox="562 1334 831 1366">Town Centres</td> <td data-bbox="831 1334 1350 1366">Hove</td> <td data-bbox="1350 1334 1641 1366"></td> </tr> </tbody> </table>	Centre Definition	Defined Centres	Linked Policies	Regional Centre	Brighton	DA1, SA2	Town Centres	Hove	
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		<p>4.44 The Brighton &amp; Hove Retail Study Update (2011)<sup>160</sup> has reviewed the vitality and viability of each of the shopping centres. The Study does not recommend that any new centres need to be designated but recommends that the District Centre designation for Brighton Marina should be removed. The Council's preferred approach for Brighton Marina is to <del>maintain its designation as a District Centre</del> <u>enhance the choice and performance of retail activity through the encouragement of mixed retail activity and improvements to the public realm</u>, and to continue to address the development and future uses at this location using site specific policy DA2. <u>A detailed policy regarding the appropriate type and mix of A1 and non A1 uses in the Marina will be set out in Part 2 of the City Plan.</u></p>																			

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Ref	Policy/ Paragraph	Proposed Modification																																				
<b>PM085, PM087, PM089</b>	CP8 Sustainable Buildings, Pages 160, 162,164	<p>Amend table set out under CP8.1:</p> <p><b>1. All development will be required to achieve the minimum standard as set out below or equivalent standards from a quality assured scheme;</b></p> <table border="1" data-bbox="607 502 1659 1066"> <thead> <tr> <th rowspan="3"></th> <th colspan="2">Development size</th> <th rowspan="2">Post 2016</th> <th rowspan="2">Post 2019</th> </tr> <tr> <th colspan="2">2013-2016</th> </tr> <tr> <th>Non-major</th> <th>Major and Greenfield</th> <th>All</th> <th>All</th> </tr> </thead> <tbody> <tr> <td><b>NEW BUILD</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Residential</b> Code for Sustainable Homes</td> <td colspan="2" style="text-align: center;"><u>Level 4</u> <del>Level 5</del></td> <td colspan="2" style="text-align: center;"><u>Level 5</u> <del>Level 6</del></td> </tr> <tr> <td><b>Non-residential</b> BREEAM</td> <td style="text-align: center;">Very Good</td> <td style="text-align: center;">Excellent</td> <td colspan="2" style="text-align: center;">Outstanding</td> </tr> <tr> <td><b>CONVERSIONS</b></td> <td colspan="4" style="text-align: center;"><b>Non-major (3-9 units) and Major</b></td> </tr> <tr> <td><b>Residential</b></td> <td colspan="4" style="text-align: center;">BREEAM Very good</td> </tr> </tbody> </table> <p><b>Standards may be updated in other DPD documents and/or a review of this policy.</b></p> <p>4.77 Brighton &amp; Hove is particularly vulnerable to the impacts of present and future climate change. Opportunities for growth and expansion are constrained by the South Downs to the north of the city and the sea to the south. The city also contains a high proportion of protected and/or old buildings<sup>184</sup>. Within this context, the need to secure improvement in the environmental performance of the existing stock as well as more resource efficient and carbon neutral development whilst delivering homes and jobs through development is challenging. The combination of standards with</p>		Development size		Post 2016	Post 2019	2013-2016		Non-major	Major and Greenfield	All	All	<b>NEW BUILD</b>					<b>Residential</b> Code for Sustainable Homes	<u>Level 4</u> <del>Level 5</del>		<u>Level 5</u> <del>Level 6</del>		<b>Non-residential</b> BREEAM	Very Good	Excellent	Outstanding		<b>CONVERSIONS</b>	<b>Non-major (3-9 units) and Major</b>				<b>Residential</b>	BREEAM Very good			
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**Brighton & Hove City Plan Part One – Proposed Modifications Schedule**

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		<p>provisions for viability assessments will help address this challenge. This will provide the flexibility needed to ensure the right balance between the economic, environmental and social objectives of the City Plan. <del>The standards set out in this policy are commensurate with the scope of this challenge.</del> Energy, water and waste have been identified as key resource issues of particular concern in relation to growth in the city<sup>185</sup>.</p> <p>4.83 The Building Research Establishment Environmental Assessment Method (BREEAM) and the Code for Sustainable Homes (CSH) are widely recognised, accredited, independent methods for assessing environmental performance of non-residential and residential buildings, respectively. These tools will be used to support policy decision making because they cover a wide range of sustainability issues within a simplified score that provides flexibility for developers in meeting standards set in this policy. Successors to these tools and/or equivalent standards by nationally recognised certification bodies may also be accepted<sup>190</sup>. <u>Any changes to nationally described standards and or revised Building Regulations will be addressed through Part 2 of the City Plan or a review of this Policy.</u></p> <p><del>4.87 More is asked of larger, new build and greenfield types of development as these tend to benefit from economies of scale and easier, cheaper ways in which sustainable design and construction features can be designed in. A growing number of flagship schemes in the UK<sup>191</sup> and in Brighton &amp; Hove<sup>192</sup> have demonstrated the viability of such developments.</del></p> <p>Delete footnotes 191 and 192:</p> <p><sup>191</sup><del>See Homes and Communities Agency’s Carbon Challenge website.</del></p> <p><sup>192</sup><del>A number of high standard developments have already been achieved under the 2005 adopted Local Plan policy SU2.</del></p>

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## Appendix 2

## Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification
PM099, PM101	CP16 Open Space, pages 196-197	<p><b>Planning permission resulting in the loss of open space, including the beach, will not be granted unless:</b></p> <p>...</p> <p><b><u>b) The development site is identified in the 2014 Urban Fringe Assessment Study as having potential for residential development, and appropriate mitigation for the loss of the open space forms part of and can be viably secured by the proposal for residential development (see also SA4 and CP1); or</u></b></p> <p>...</p> <p>4.174 Due to the city's housing requirements a review of the capacity and need for open space was required and the findings of the Open Space, Sport and Recreation Study 2008 were further assessed through the Open Space Study Update 2011. The Update Study endorsed the local open space standards and the approach taken in the 2008 study. It devised a scoring system to assess open space which was applied to private open spaces and used to inform the 2010 Strategic Housing Land Availability Assessment. However the factors that produce a low open space offer (a combined assessment of 'quantity', 'accessibility' and 'quality' including potential) also limit a site's suitability for housing and no additional open space sites were identified as suitable for housing. <u>However through the 2014 Urban Fringe Site Assessment Study some open spaces within the city's urban fringe have been identified as having potential to help meet the city's housing requirements (see Policies SA4 and CP1). Unlike other urban open spaces the loss of these sites can more readily be mitigated by alternative provision within the National Park or compensated for by the National Park's open space offer.</u></p> <p>4.175 When the open space standards are applied, a significant increase in open space will be required by 2030 (an additional <del>237</del> <u>293</u> hectares should be <del>created</del> <u>provided</u> when ONS population projections are applied, <del>which however is reduced to 202</del> hectares when the City Plan housing</p>

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## Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification
		<p>target of <u>13,200</u> is taken into account <u>the generated demand equates to approximately 167 hectares<sup>214</sup></u>). It is therefore important new developments seek to provide the open space requirements generated respectively. However due to the city's physical constraints, between the sea and the South Downs National Park, it is recognised that the future open space requirements are unlikely to be met in full. To compensate, more intensive use of existing open space will be needed in an attempt to maintain current quality of life including the opening up of school grounds to the community/public and an expectation that owners should endeavour to enable better open space use of under-used private spaces. There will also be a need to better connect green spaces together to improve accessibility and to improve access for quiet recreation to the South Downs National Park.</p> <p>Amend footnote 214:</p> <p><sup>214</sup>ONS stands for Office for National Statistics. <u>The 2030 population figure applied is 310,900 based on ONS 2012-based Sub national Population Projections. The indicative generated demand of 13,200 residential units is calculated using the council's excel open space standards calculator and by assuming an average unit size of 2 bedrooms. The difference between the two figures is considered to be due to the accumulative quantitative shortfall in open space arising since the base year of 2006 and also the potential of the housing target to restrict growth in population. These figures apply a population figure of 302,806 and 294,072 respectively which are based on information in the ONS 2010-based Sub National Population Projections March 2012 and 2011-based interim projections covering 2011-2012 (published Sept 2012) – Initial release of 2011 Census Data. The population figures are detailed and explained further in the Housing Requirements Study (Update of 2011 HRS Study).</u></p>
PM102	CP17 Sports Provision, Pages 200-201	<p><b>... Planning permission resulting in the loss of indoor and outdoor sports facilities and spaces will not be granted except where:</b></p> <ul style="list-style-type: none"> <li>• <b><u>The development site is identified in the 2014 Urban Fringe Assessment Study as having potential for residential development, and where appropriate mitigation for the loss of the sports provision forms part of and can be viably secured by the proposal for residential development (see also SA4, CP1 and CP16); or</u></b></li> </ul>



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## Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification			
		...			
		<b>Standard for Indoor and Outdoor Sports Facilities</b>			
		<b>Indoor Sports</b>			
		<b>Quantity (indoor sport)</b>			
		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 provided for 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 (See also the Sports Facility Plan for further recommendations).		
		<b>Accessibility (indoor sport)</b>			
		Standards to comply with national best practice.			
		<b>Quality (indoor sport)</b>			
		All facilities should be built or provided in accordance with national best practice			
		<b>Outdoor Sports</b>			
		<b>Quantity (outdoor sport)</b>			
		Current Provision	Current Provision (Ha/1,000 pop)	Proposed Standard (Ha/1,000 pop)	Additional Space required by 2030 <sup>215</sup>
		Approx 118.5	0.47	0.47	Approx 20 to 23

## Appendix 2

## Brighton & Hove City Plan Part One – Proposed Modifications Schedule

Ref	Policy/ Paragraph	Proposed Modification			
		Hectares			<u>15.5 to 28</u> hectares
<b>Accessibility (outdoor sport)</b>					
20 minute walk time (960 metres)					
<b>Quality (outdoor sport)</b>					
Clean, litter-free sports facilities should be provided with appropriate, well drained, well maintained surfaces. Ancillary accommodation should include toilets, changing facilities, dog waste bins and litter bins and appropriate amenity and sports lighting.					
<b>Standard for Indoor and Outdoor Sports Facilities</b>					
All sites should meet the minimum specifications of the appropriate National Governing Body of sport and meet Equality Act 2010 guidance.					
Amend footnote 215:					
<p><sup>215</sup><u>Applying a 2030 population figure of 310,900, based on ONS 2012-based Subnational Population Projections, an additional 27.6 hectares of outdoor sport space will be required. However, when the indicative generated demand of the City Plan's housing target of 13,200 residential units is calculated (using the council's excel open space standards calculator and by assuming an average unit size of 2 bedrooms) an additional 15.5 hectares is required. The difference between the two figures is considered to be due to the accumulative quantitative shortfall in outdoor sport arising since the base year of 2006 and also the potential of the housing target to restrict growth in population. ONS stands for Office for National Statistics. Based on information in the Office for National Statistics 2010-based Sub-National Population Projections March 2012 and 2011-based interim projections covering 2011-2012 (published Sept 2012) – initial release of 2011 Census Data. Applying the respective 2030 projection figure of 299,777 an additional 22.9 hectares will be required however on the assumption that the City Plan housing targets will restrict the growth in population to 292,886 this will reduce the additional outdoor sport requirement to 19.66 hectares. The population figures are detailed and explained further in the Housing Requirements Study (Update of 2011 HRS Study).</u></p>					

## **Appendix 4 - City Plan: Summary of New / Updated Background Studies**

### **1. Assessment of Housing Development Needs Sussex Coast Housing Market Area, GL Hearn 2014**

This study provides an updated assessment of housing development needs in the Sussex Coast Housing Market Area (HMA) in response to revised demographic data published by the Office of National Statistics. National Planning Policy Guidance requires local authorities to take account of new demographic information in order to ensure that the council's objectively assessed housing needs are based on the most up to date information. The study updates the previous Housing Duty to Co-operate Study, Sussex Coast HMA May 2013 and provides a robust background document to support the City Plan.

The 2014 Assessment takes account of the following information:

- ONS updates regarding net migration
- ONS updates on household formation rates

The report suggests that the most realistic projection of future (unconstrained) housing requirements for the city indicates a requirement for an additional 18,000 – 24,000 dwellings over the 2010 – 2030 plan period (equivalent to 800 -1000 homes per annum).

### **2. Transport Assessment Update, JMP Consultants (2014)**

JMP Consultants was commissioned by the city council to update the May 2013 Strategic Transport Assessment (TA) of the City Plan Part 1 to take account the identification of the urban fringe as broad source of potential for housing development and the increased windfall allowance.

The STA Update has documented the additional transport impacts arising from the City Plan main modifications in terms of the increased housing target. The key objectives have been to:

- determine the transport impacts of the development strategy detailed in the updated 2030 City Plan including potential highway and public transport impacts and associated constraints on travel; and
- determine the level of interventions (mitigation) required to manage traffic and transport in order to support sustainable development and the City Plan.

Specifically this report has sought to determine whether the mitigation previously proposed for 11,300 dwellings; also satisfactorily mitigates the additional 1,900 dwellings identified in Brighton & Hove mainly on the urban fringe.

To establish the impacts of the updated City Plan the following forecast year scenarios have been re-run:

- 2030 City Plan Reference Case – Base model plus committed developments and transport schemes that are certain or near certain of being delivered in the plan period plus the strategic developments noted in the proposed City Plan (Development Areas 1 to 8) and Urban Fringe sites.
- 2030 City Plan Mitigation Case – This is the 2030 City Plan Reference Case plus the additional mitigation measures identified in the May 2013 STA and required to address travel constraints.

The assessment of these scenarios has been conducted for a morning and evening weekday peak period and has revealed the following at a strategic level:-

- The proposals within the updated City Plan Mitigation show an increase in both car trips and public transport trips. This is to be expected given 20 years of growth on the network from committed developments and background traffic growth.
- The overall public transport modal split for the city is lower with the urban fringe sites because these have lower levels of public transport accessibility than the development areas already tested
- Without further public transport interventions, the modal split from the new urban fringe sites is likely to be more car dominated than for the development areas which were tested in the 2013 May STA.
- There is a higher modal share by public transport with and without the additional 1,900 dwellings than in the 2010 base.
- In the evening peak, the mitigation measures already identified in the May 2013 STA will be sufficient to return the operation of the network to slightly better than if the developments were not there. In the morning peak, the model is forecasting a slight deterioration of around 8%.

The results of the modelling show that a sustained improvement in public transport provision and walking and cycling facilities accompanied by personalised travel planning and behaviour change campaigns will be required to ensure that developments in the urban fringe offer a realistic travel choice. This is in addition to the mitigation already identified in the May 2013 STA.

Given the location of these sites, bus based solutions are likely to be required and the update identifies some potential measures which might be considered at the detailed planning application stage as developments come forward. In particular opportunities should be explored to link some of the public transport interventions at Toads Hole Valley with those in neighbouring development areas such as Hangleton and Mile Oak.

At a local level, increases in traffic and journey times are forecast around the northern part of Brighton & Hove and in particular where it interfaces with the Highways Agency's Strategic Road Network. The City Plan mitigation previously developed in conjunction with the Highways Agency has been

tested further and this indicates that the conclusions drawn for the May 2013 STA are still valid. That is, a package of junction improvements has been identified and discussed with the HA which would enable traffic to more efficiently leave the A27, with no detrimental impact on the safety and efficiency of the mainline carriageway.

### **3. Draft SHLAA Update (2014)**

The Strategic Housing Land Availability Assessment (SHLAA) is updated annually to take account of the latest annual residential monitoring exercise and any further technical work regarding development site capacity and viability.

The SHLAA site and summary schedules illustrate actual and anticipated residential development over the City Plan timescales 2010 – 2030. The schedules also illustrate what is expected to be delivered spatially across the city in terms of the eight Development Areas (DA1 – DA8) indicated in the City Plan Part one across the Rest of the City. The SHLAA has also taken account the findings of the Urban Fringe Assessment Study and the identification of the Urban Fringe as broad source of potential for housing.

The draft 2014 SHLAA Update indicates there is potential capacity for around 13,200 dwellings to be delivered over the plan period. A 'housing trajectory' indicates the rate at which development is anticipated to come forward. This has informed the Housing Implementation Strategy (Annexe 3 to the City Plan Part 1). A final version of the SHLAA will be produced in September following consultation with landowners.

### **4. Sustainability Appraisal**

The aim of the City Plan is to deliver sustainable development of the city in accessible locations and to help create cohesive and sustainable communities. The Sustainability Appraisal tests the extent to which the City Plan meets identified sustainable development principles. This is a separate independent document produced alongside the City Plan, which critically examines its objectives, options and policies and tests them against the principles of sustainable development.

One of the tasks of the SA is to ensure that all reasonable alternatives have been evaluated. The SA has therefore tested the implications of the revised Spatial Strategy against the alternative option of Spatial Strategy as set out in the Submission City Plan Part 1 (2013). It has also tested the implications of the housing target set out in the proposed modification to CP1 Housing Delivery against an alternative option of meeting the full objectively assessed need for housing.

The SA report provides an overview of what the anticipated impacts of implementing the Plan will be. The SA has therefore carried out a re-assessment of all policies whereby the Proposed Modification resulted in a significant change to the previous SA findings. As a result, the SA has led to a series of minor amendments to the Proposed Modifications to the City Plan.

Overall, the SA of the proposed modifications comes to the conclusions that the Plan will make an important contribution to achieving sustainable development in the city and that it balances the competing development needs of the city in a way that protects the majority of the natural environment and the historic built environment. Where there is potential for adverse impacts, the SA considers that the policies contained within the Plan should ensure any impacts are minimised and mitigated to an acceptable level.

### **5. Appropriate Assessment June 2014 Updated Report (Habitats Regulations Assessment Report)**

This updated assessment takes account of the increased housing target and the identification of the urban fringe as a broad source of potential for housing. The aim of the assessment is to evaluate the ecological impact of the proposed modifications to the City Plan Part 1 to ensure that it does not have an adverse effect on any European or Ramsar wildlife sites.

The updated Report concluded that from the information available at the proposed modifications stage, all the possible impacts of the proposed modifications to the Brighton & Hove City Plan Part 1 on European sites had been discounted at the screening stage of the Appropriate Assessment. It therefore concluded that no further change to the City Plan Part 1 was required. In addition, it concluded that the City Plan Part 1 did not support any project proposal that would have an adverse effect on the integrity of any European or Ramsar site.

### **6. Health Equalities Impact Assessment (HEQIA) Addendum**

The aim of the Health & Equalities Impact Assessment is to identify potential health and equalities outcomes, both adverse and beneficial, and their distribution amongst sensitive community groups. The proposed modifications to the City Plan Part 1 have been appraised against a framework consisting of the key determinants of health and the potential health outcome upon sensitive community groups identified in order to address current and prevent future adverse health and equality outcomes.

The Assessment concluded that the majority of the proposed main modifications to have no impact or to strengthen the potential for beneficial impacts against a range of health determinants. In the cases where the HEQIA predicted an adverse impact, the HEQIA considered the requirements

of Policy CP18: A Healthy City to address the concerns. The HEQIA made some individual recommendations for changes to proposed modifications policies in order to strengthen the requirements of CP18. These have been made to either prevent or reduce the potential for an adverse health or equalities outcome.

Overall, the HEQIA concluded that the City Plan, as modified, presents policies that are co-ordinated to address health and well-being outcomes throughout the city.

## **7. Sequential and Exception Tests for the Brighton & Hove City Plan Update 2014**

The National Planning Policy Framework (NPPF) requires Local Plans to 'apply a sequential, risk-based approach to the location of development to avoid, where possible, flood risk to people and property and manage any residual risk, taking account of the impacts of climate change, by applying the Sequential Test, and, if necessary, applying the Exception Test' (NPPF, paragraph 100).

This further update in June 2014 takes into account the inclusion of the urban fringe as a broad source of housing potential with an identified potential of 1,060 homes informed by the Urban Fringe Assessment Study 2014 and an increased windfall allowance. The urban fringe allowance is in addition to the identification of Toads Hole Valley as a Development Area in the Submission City Plan Part 1 (DA7 Toads Hole Valley). The 2012 update applied the sequential test to Development Area 8 - Toads Hole Valley. Whilst the urban fringe is identified as a broad source of potential for housing through the proposed changes to the City Plan Part 1, no specific sites are allocated through the proposed modifications to the City Plan Part 1. The Sequential Test cannot therefore be applied to this identified allowance. The document has been updated to reflect the proposed changes to the Plan and the current stage of the Examination.

## **8. Addendum to Annexe 2 to the City Plan Part 1 - Infrastructure Delivery Plan, June 2014**

The addendum report has been produced in response to the increase in the housing target proposed in the Main Modifications to policy CP1 in part One of the City Plan. The document comprises an assessment of impacts and changes affecting infrastructure and identifies key requirements to support the potential delivery of future development in areas identified in the Urban Fringe Assessment. The update is based upon information available at the time it was prepared and more detailed assessment will be undertaken at regular intervals.

The provision for certain physical and community infrastructure to support future needs arising from an increased housing target has been identified across the following areas and is further detailed in the addendum:

### **Water, Wastewater treatment and sewerage connectivity**

No major issues were identified. As the sites are mostly at the end of the supply and drainage network some locally significant improvements particularly in regard to connectivity to sewage networks in the west of the city would be needed. More locally other improvements may be required and impacts would be modelled once there is more certainty on proposals. This requirement is already addressed by proposed main modifications to policy CP7.

### **Education**

There are ongoing needs for additional school places particularly in the west and centre of the city. This will be addressed by seeking opportunities for new schools as part of major development schemes in priority areas of the city. Overall planning obligations will be secured from new residential development to contribute funding towards expanding both primary and secondary education provision to mitigate impacts. There remains an existing need for an additional secondary school to meet the needs of a growing population.

### **Transport**

The findings of the Transport Assessment Update, also undertaken in response to the main modifications, indicate that there will no requirements for additional major infrastructure to mitigate impacts resulting from the increased housing target. However, there will be the need for general mitigation arising from development proposals on a site by site basis, for example, improved bus services upgraded bus stops. Cycling improvements could also be considered more specifically to links and upgrade to the network. Some requirements may be secured through developer contributions.

### **Health provision**

There are localised capacity issues in both the west and east of the city. Consideration will be given to providing health facilities within new major developments.

## **9. Housing Implementation Strategy – Annexe 3 to the City Plan Part 1, June 2014**

The updated Housing Implementation Strategy indicates that through the proposed modifications the City Plan Part One will make sufficient provision to meet the planned housing target of 13,200 additional homes in the plan period to 2030. Housing delivery from small sites will also continue to make a significant and ongoing contribution to supply throughout the plan period. Further windfall housing delivery is also anticipated through the temporary change of permitted development rights to allow changes of use from office to residential.



The Housing Implementation Strategy sets out the options for managing housing land delivery over the plan period. The expected rate of housing delivery over the Plan period is illustrated through an updated 'housing trajectory' and the Housing Implementation Strategy sets out the council's preferred approach to identifying a 5 year supply of housing sites.

The updated housing delivery trajectory reflects the following key factors:

- The effects of economic recession which have particularly impacted upon housing delivery rates in the early years of the plan period and are continuing to constrain the recovery of the housing market within the city; although there are signs of an improvement. This has resulted in a significant 'shortfall' against planned housing requirements.
- The particular impact the recession has had on the ability to bring forward some of the larger, more complex development sites within the city; many of which are large scale flatted types of development; some of which are mixed use development schemes; that require significant investment and longer lead in and build out times.
- The loss of a number of identified general housing sites to student housing proposals for which there is a strong current demand; and
- A revised assessment of annual outputs on identified housing sites, again reflecting impacts of economic recession and flatted formats of development in the city.

In summary, the following key points are relevant:

- The planned housing target of 13,200 (implied average of 660 units per annum) for the plan period represents a significant boost in housing supply in accordance with the general thrust of policy in the NPPF.
- This planned boost to housing supply is particularly evident when compared to historic development trends in the city, e.g. the average rate of housing delivery over the last 20 years has been 590 units; in the last 15 years 540 dwellings per annum and in the last five years 350 dwellings per annum.
- The City Plan also seeks to boost housing supply in the first five years post adoption; the supply requirement implies an average of 650 units per annum compared to an average of just 350 units delivered over the last 5 years.
- Given the impacts of economic recession and particularly the impacts on housing delivery in the early years of the plan period, achieving the planned delivery of housing over the full plan period will be challenging. However, the council is actively addressing this through a series of positive actions and measures to ensure housing delivery is achieved in accordance with the anticipated housing trajectory.

## **10. Urban Fringe Assessment Study, Land Use Consultants, June 2014**

Land Use Consultants were appointed by the council to undertake an assessment of the city's urban fringe sites to identify the potential contribution from the urban fringe towards the city's housing requirements.

66 urban fringe sites/parcels of land have been assessed, by means of site visits and a detailed desk-based analysis of constraints. These sites are listed and mapped at the end of Appendix 4. The assessment examines the potential positive and negative effects of residential development and estimates indicative numbers of dwellings that each site could reasonably accommodate.

The 2014 Urban Fringe Assessment is a detailed investigation, for each site, of whether and to what extent identified constraints (e.g. open space, ecology, landscape, environment and archaeology) could be satisfactorily mitigated as part of any potential residential development. This specifically was to address the City Plan Inspector's concerns with the council's previous urban fringe assessment.

The assessment therefore focuses on a detailed consideration of the potential impacts of residential development (either positive or negative or a combination) on a pre and post mitigation basis with reference to identified constraints.

The study:

- identifies 39 individual sites/land parcels are identified as having some potential; covering 31 hectares which equates to approximately 7.5% of the total urban fringe area.
- estimates that 1,180 homes could potentially be accommodated on these sites.
- generally only identifies small parts of sites (the least sensitive areas) for housing.
- identifies certain '**clusters**' of sites which should be taken forward through a '**masterplan**' approach to development to avoid piecemeal approach.
- recommends that improvements, in terms of new public open space and new community facilities could be secured alongside new development.
- recommends that four sites should be considered for a Local Green Space status (the same protective status as Green Belt).
- excludes 5 sites from the detailed analysis because the majority of the site was affected by an 'absolute constraint'. Absolute constraints included national designations such as Scheduled Ancient Monuments, Sites of Special Scientific Interest and also included cemeteries and graveyards and reservoirs.

The South Downs National Park Authority and the County Archaeologist were consulted on the Urban Fringe Assessment along with a steering group of council officers representing parks and property services.








## Urban Fringe Assessment – Map index - Site References and Description

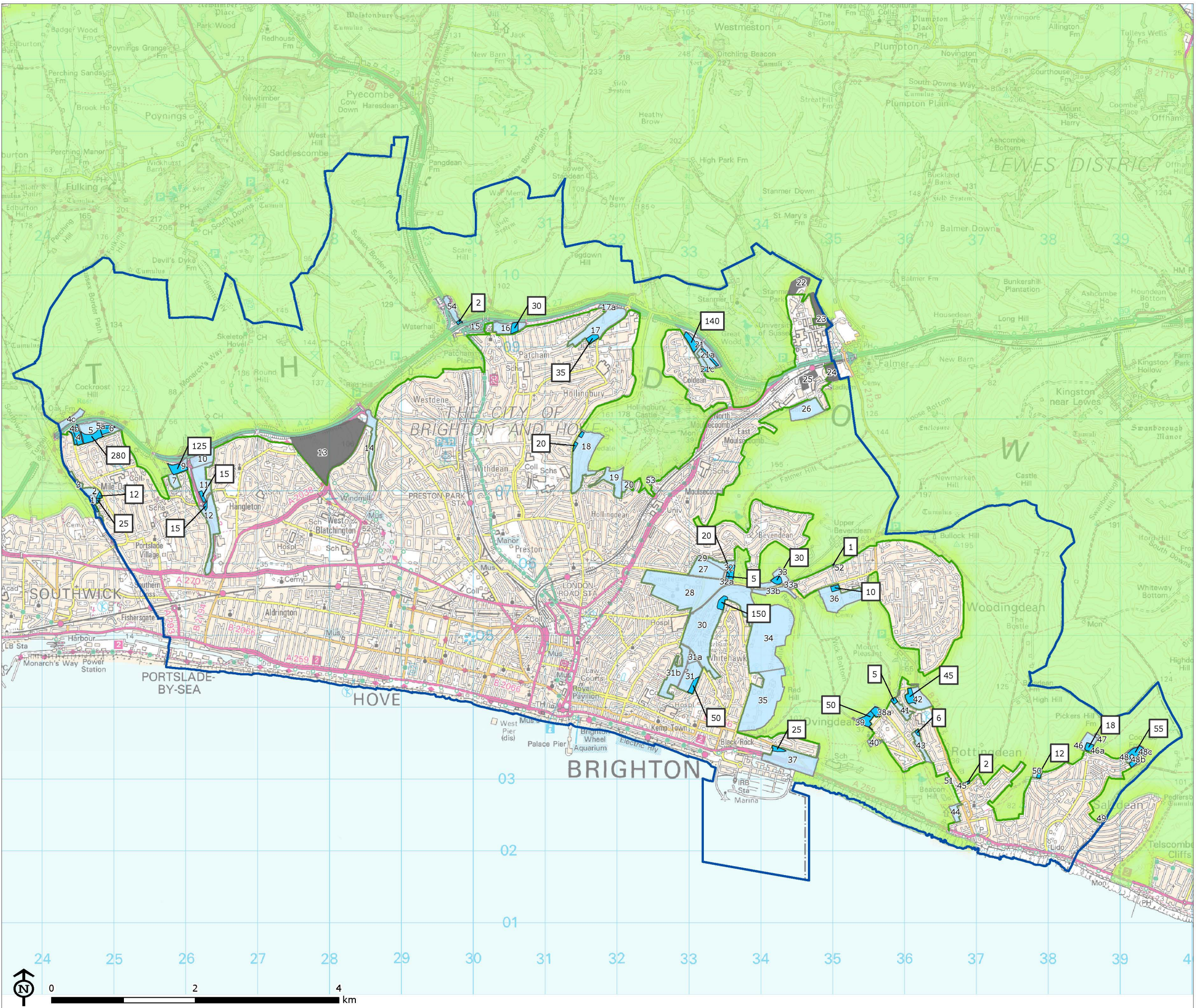
Site Reference No.	Site Description
1	Land at Oakdene, Southwick Hill
2	West of Mile Oak Road, Portslade
3	Oakdene, Upper Paddocks, South Wick Hill
4	Land at Mile Oak Road, Portslade
4a	Land at Mile Oak Road, Portslade
4b	Land at Mile Oak Road, Portslade
4c	Land at Mile Oak Road, Portslade (north of A27)
5	Land at Mile Oak Hill, Portslade
5a	Land at Mile Oak Hill, Portslade
6	Land at Mile Oak allotments, Portslade
7	Foredown Allotments, Thornbush Crescent Portslade
no site 8	
9	Land at Hangleton Bottom, Portslade
10	Benfield Hill, Benfield Valley
11	Benfield Valley, north of Hangleton Lane.
12	Benfield Valley, south of Hangleton Lane
14	Three Cornered Copse, bounded by Dyke Road Ave, King VI Ave.
15	A27/A23 Interchange (including land east of Patcham Court Farm)
16	Land at and adjoining Horsdean Recreation Ground, Patcham
17	Land at Ladies Mile, Carden Avenue
17a	Mackie Avenue
18	Land south of Hollingbury Golf Course and east of Ditchling Road (including land north or reservoir, Roedale allotments and Hollingbury Park)
19	Lower Roedale Allotments and Playing Fields, Lynchett Close.
20	Hertford School Grounds, Lynchett Close.
21	Land to North East of Coldean Lane.
21a	Land North of Varley Halls, Coldean Lane.
21b	Varley Halls, Coldean Lane
21c	Land South of Varley Halls
26	Brighton University Playing Fields
27	City and Jewish Cemeteries
28	Brighton Cemeteries, Tenantry Down Allotments and adjoining land
29	Jewish Cemetery and land adjoining
30	Land at and adjoining Brighton Race Course
31	Land east of Whitehawk Road

Site Reference No.	Site Description
31a	Whitehawk Hill Road/Manor Hill Road
31b	Land west of Whitehawk Hill Road
32	Land at South Downs Riding School
32a	Reservoir Site
33	Land North of Warren Road (Ingleside Stables)
33a	Land East of Warren Road
33b	Land South of Warren Road
34	Sheepcote Valley, Wilson Avenue.
35	East Brighton Park and Sports Ground
36	Land south of Warren Road, adjacent to Nuffield Hospital (included mixed open spaces and Lawns Memorial burial grounds)
37	Roedean Miniature Golf Course and land south of A259
38	Land at Ovingdean Hall Farm (land north of Bulstrode Farm)
38a	Land at Ovingdean Hall Farm
39	Land at Bulstrode Farm / Ovingdean Farm (includes former chicken sheds)
40	Land east of Greenways
41	Land at Wanderdown Road Open Space
42	Land adjacent to Ovingdean and Falmer Road, Ovingdean
43	Land to rear of Longhill Road
44	Allotments to west of The Green
45	Land to Rear of Bazehill Road
46	Land west of Saltdean Vale, Saltdean
46a	Land at Former Nursery site west of Saltdean Vale, Saltdean
47	Land and buildings at Pickershill, Saltdean Vale
48	Land at Coombe Farm Westfield Avenue
48a	Land north of Westfield Rise
48b	Land at Westfield Avenue North
48c	Land at Saltdean Boarding Kennels
49	Covered Reservoir – Longridge Avenue
50	Land West of Falmer Avenue
51	Rottingdean Recreation Ground
52	Rosebery Avenue, Woodingdean
53	Queensdown School
54	Land at Braypool Lane

# Brighton and Hove Urban Fringe Assessment

## Urban Fringe Site Assessment (2014)

-  Number of units
-  UA boundary
-  Urban fringe with potential
-  Urban fringe sites
-  Previous urban fringe sites
-  Built-up area boundary
-  National park boundary



Map Scale @ A3:1:52,000



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<b>Subject:</b>	<b>Annual Performance Update 2013/14</b>		
<b>Date of Meeting:</b>	<b>11th July 2014</b> Overview & Scrutiny Committee – 14 <sup>th</sup> July 2014		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Andy Edwards</b>	<b>Tel:</b> 29-6823
	<b>Email:</b>	<b>andy.edwards@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

1.1 This report reviews our performance progress as an authority and as a city during 2013/14. Specifically the report shows progress in the following areas:

- Our organisational measures of success as they relate to the Corporate Plan and the council's organisational health measures.
- How well the priorities in the Sustainable Community Strategy are being delivered

1.2 In a time of so much change It is appropriate to re-frame performance management going forward and re-invigorate the organisation around this consistent message:

Performance Management

- Performance Management is not just about indicators, it is also about priority setting, financial planning and risk management.
- It's about culture, Performance is the day job, we must be open, honest, consistent and fair.
- We must not just measure we need to understand our performance, sometimes off target performance is acceptable but not knowing why performance is off target is never acceptable.
- Above all it is about improvement

**2. RECOMMENDATIONS:**

2.1 That Committee notes the areas of highlighted performance.

2.2 That Committee authorises officers to take the necessary measures to maintain progress and tackle issues of concern highlighted in the report.

### 3. CONTEXT / BACKGROUND INFORMATION:

#### 3.1 Performance Update content

3.1.1 In July 2011 Cabinet approved the Performance and Risk Management Framework for the City Council and this was subsequently also agreed by the Brighton and Hove's Strategic Partnership (BHSP).

3.1.2 The component parts of the Performance and Risk Management Framework (PRMF) for the city and council are as follows:

§ **BHCC Corporate Plan** - with an associated organisational performance plan supported and delivered through service business plans, risk registers and Individual Performance Reviews with all staff. Progress reporting is overseen by the Executive Leadership Team and reported to Policy and Resources Committee.

§ **The City's Sustainable Community Strategy** – with an associated Partnership Performance Plan (previously called the City Performance Plan). The Partnership Performance Plan (PPP) is owned by, and the responsibility of Brighton & Hove Connected and the City Management Board. Progress reports therefore have implications for public, private and voluntary sector partners in the city and will be taken forward in collaboration with them.

3.1.3 The following appendices contain results for the year 2013-14 where they are currently available. Some data are time lagged and will be reported to Committee in the next performance update:

**Appendix 1** Full list of results to date showing results against target and a direction of travel arrow

**Appendix 2** Exceptions report detail

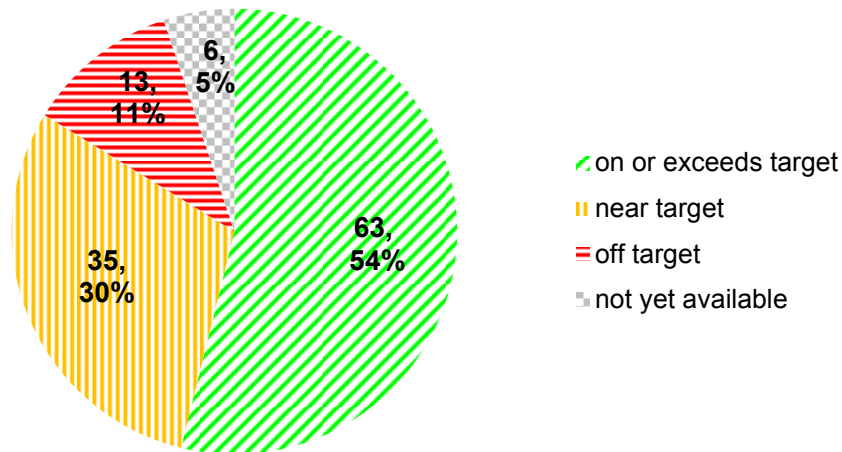
3.1.4 Performance information currently available is included in the attached appendices.

3.1.5 Progress against the commitments in the Corporate Plan was reported to Policy & Resources and Council on 20<sup>th</sup> March 2014. This report contains data for the measures of success that support those commitments.

#### 3.2 Overall progress

3.2.1 The overall performance against targets is shown in the chart below. Where results are available the overall summary is positive, with 84% meeting or being close to target (shown as green or amber) at the end of the financial year. Work is ongoing to gather data for some indicators where information is not yet available; this can be where we are waiting for external agencies to submit data to the council.





3.2.2 Below are some highlights where there has been significant improvement and/or good performance against target:

All Pupils 5 or more A\* - C GCSE including English and Maths – improved performance 6 percentage points above the previous year and 1 percentage point above the national average for the first time since 2005/06

Special Educational Needs Pupils: Key Stage 2 Level 4+ in Reading, Writing and Maths – 15 percentage point increase over 2 years, and 6% above regional comparators

Early years registered childcare providers judged to be good or outstanding – consistently above National and Regional comparators for the 3<sup>rd</sup> year running

Average time between a child entering care and moving in with adopters – we are placing children with adopters faster, better than last year and the England 3 year average

Police recorded total Crime – 5 year downward trend

Police recorded assaults with injury (proxy for alcohol related crime) – 5 year downward trend

Satisfaction with parks and open spaces – consistently high levels of satisfaction

The Number of bus passenger journeys – among the highest in the country

Increase in the number of households where homelessness was prevented due to casework by the council - better than target

All council homes meet the decent homes standard – met the 100% target for the first time this year

Increase in the percentage of people receiving Supporting People services who have established or are maintaining independent living – better than target performance

Permanent admissions of older adults (65+) to residential and nursing care homes – better than target performance linked to the Supporting People activity

Self Directed Support – improved performance

People helped to stop smoking – above target performance

3.2.3 The available performance information is set out in the appendices as follows:

Appendix 1 – full list of indicators and a summary of performance status. Where results are not available in time for Committee because the data are time lagged we will report the results in the 6-month Performance Update.  
Appendix 2 – This is the exception report detail with comprehensive commentary and improvement plans.

3.2.4 The exception indicators below have been selected because they meet one or more of the criteria:

- are off target
- show a concerning trend
- are of concern compared with other authorities
- affected by partners and/or central government policy

Exception indicators:

- Children who are looked after per 10,000
- Free school meal pupils: 5 A\* to C grades in GCSEs including English and Maths
- Court disposals resulting in custodial sentences
- Percentage of household waste sent for reuse, recycling and composting
- Nitrogen Dioxide levels in Brighton and Hove ( $\mu\text{g}/\text{m}^3$  - micrograms per cubic meter): Lewes Road
- Environment Agency Assessment of groundwater status in Brighton and Hove
- Percentage of Stage 1 complaints upheld or partially upheld - largely down to missed refuse and recycling complaints
- Number of LGO complaints upheld or partially upheld (15 in total)
- Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools)
- Average number of working days / shifts lost per Full Time Equivalent (FTE) due to short term sickness absence (not including schools)
- Percentage of employees responding that they have experienced discrimination or harassment or bullying in the last 12 months – staff survey
- Percentage of staff who declare that they are from an ethnic minority
- Percentage of staff who declare themselves to be LGBT

On 12<sup>th</sup> June the Workforce Equalities Action Plan was approved at Policy and Resources this detailed the progress made on year 1 actions and set out the improvement plan actions for year 2. This plan will address the workforce related exceptions shown above.

Appendix 2 provides more information on these including a summary of performance so far, the context for that service and a short summary of proposed actions to improve performance.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Through consultation with The Chief Executive, Directors and Heads of Service the proposed Performance and Risk Management Framework was deemed to be the most suitable model. This was agreed by Committee and the Brighton & Hove Strategic Partnership.

- 4.2 Possible alternative options to developing the Partnership Performance Plan included not developing a plan. This was deemed unsafe and unwise by the Public Service Board.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Each thematic partnership was responsible for contributing and confirming the outcomes and indicators for their relevant parts of the Partnership Performance Plan. In addition, BHCC senior managers were given opportunity to contribute and clarify the outcomes and indicators relevant to their responsibilities. Discussion was also held with the three political groups within the council. The outline Plan was also discussed at the Overview and Scrutiny Commission.
- 5.2 Data for each area in the report has been provided by the responsible officer.

## **6. CONCLUSION**

- 6.1 The council must ensure that it uses a robust performance and risk management framework to meets the challenges of delivering services in the financial context that local authorities are now working in.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The Partnership Performance Plan enables progress against targets to be reviewed with strategic partners and supports the identification of potential financial impacts of risks. The council's service and financial planning processes are aligned to ensure that resources are allocated to support corporate plan priorities; new and changed priorities can then be reflected in medium term financial plans and future budget strategies for the Council and partners.

*Finance Officer Consulted: James Hengeveld Date: 12/06/14*

### Legal Implications:

- 7.2 There are no legal implications arising from this report

*Lawyer consulted: Elizabeth Culbert Date: 09/06/14*

### Equalities Implications:

- 7.3 An underlying principle of the Partnership Performance Plan is that it focuses on the significant issues for the city, some of which are about tackling the inequality experienced by our residents.

### Sustainability Implications:

- 7.4 The City Sustainability Partnership contributed to the sustainability outcomes and indicators for inclusion in the Partnership Strategy Performance Plan. These are most notable in the section 'Living within Environmental Limits'. However, as reported in the Sustainable Community Strategy sustainability issues are embedded across the strategy's priorities and as such are reported across various parts of the Partnership

Performance Plan i.e. transport and the economy. The council One Planet Living actions in the Sustainability Action Plan sets out our plan to deliver positive change in sustainability. The three year action plan has been put together by the council, BioRegional, the city's partnerships and other leading organisations in the city.

Crime & Disorder Implications:

- 7.5 The Partnership Performance Plan includes a specific section on outcomes and indicators for crime and disorder. These have been suggested and confirmed with the Crime and Disorder Reduction Partnership.

Risk and Opportunity Management Implications:

- 7.6 Accompanying the Partnership Performance Plan, a city-wide risk register has been developed.

Corporate / Citywide Implications:

- 7.7 The Partnership Performance Plan is a partnership document. It is owned by, and the responsibility of Brighton and Hove's Strategic Partnership. Therefore, PPP progress reports have implications for all public sector partners in the city.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**













1. Performance Indicator overview report
2. Exception report

### **Background Documents**

None












# APPENDIX 1: 2013/14 Annual Performance Update: full list of indicators DRAFT

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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
<b>Children's Services</b>					
Early years registered childcare providers are judged to be good or outstanding	%	77	87	 GREEN	➡
Prevalence of breast-feeding at 6-8 weeks from birth	%	70	73.8	 GREEN	⬆
All our schools are judged to be good or outstanding by OFSTED	%	100	76.4	 AMBER	⬇
All Pupils: Key Stage 2 Level 4+ in Reading, Writing and Maths	%	76	79	 GREEN	⬆
All pupils: 5 or more A*-C GCSE including English and Maths	%	62	62	 GREEN	⬆
Special Educational Needs Pupils: Key Stage 2 Level 4+ in Reading, Writing and Maths	%	34	40	 GREEN	⬆
Special Educational Needs pupils: 5+ A* to C grades in GCSEs including English at Maths	%	23	26	 GREEN	⬆
Free School Meals Pupils: Key Stage 2 Level 4+ in Reading, Writing and Maths	%	60	58	 AMBER	⬆
Free School Meals Pupils: 5+ A* - C grades in GCSEs including English & Maths	%	38	31	 RED	⬆
Overall absence in maintained & academy primary schools	%	4.5	3.9	 GREEN	⬆
Overall absence in maintained & academy secondary schools	%	6	6.3	 AMBER	⬆
School aged young people who have drunk alcohol in the last 7 days as measured by year-on-year reduction (Years 7-11)	%	13	10.9	 GREEN	⬆













## APPENDIX 1: 2013/14 Annual Performance Update: full list of indicators DRAFT

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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
Proportion of children living in poverty	%	20.1	19.6	 GREEN	↑
Stronger Families Stronger Communities Families engaged on the Programme	No.	720	793	 GREEN	↑
Stronger Families Stronger Communities [SFSC] Families 'turned around'	%	47	47	 GREEN	↑
Young people aged 16 – 18 who are Not in Education, Employment or Training	%	6.9	6.9	 GREEN	➡
Reduce the number of first time entrants to the youth justice system	No.	68	84	 AMBER	↓
Under 18 conception rate per 1000 women as measured by reduction from baseline	No.	26.5	29.1	 AMBER	↑
Children who were the subject of a child protection plan per 10,000	No.	54.6	56.9	 AMBER	↓
Children who are looked after per 10,000	No.	78.6	92.7	 RED	↓
Looked after children with three or more placements during the year	%	11	12.5	 AMBER	↓
Care leavers not in education, employment or training	%	36	37.3	 AMBER	↓
Average time between a child entering care and moving in with adopters (days)	No.	636	560	 GREEN	↑
Court disposals resulting in custodial sentences	%	4.5	6.5	 RED	↑











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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
<b>Public Health</b>					
CPP 2.1 Police recorded total crime	No.	23,598	21,616	 GREEN	↑
CPP 2.2 Police recorded assaults with injury (proxy for alcohol related crime)	No.	1,578	1,457	 GREEN	↑
CPP 2.3 - Number of drug related deaths	No.	38	32	 GREEN	↓
CPP 2.4 Percentage of adults leaving drug treatment who do so as a planned exit	%	60	52	 AMBER	↑
CPP 2.6 - % of domestic violence victims seen at the Multi-Agency Risk Assessment Conference (MARAC) who are repeat cases	%	35	33	 GREEN	↓
CPP 2.7 Number racist and religiously motivated crimes and incidents	No.	350	291	 GREEN	↑
CPP 2.8 Number of disability motivated hate incidents and crimes	No.	60	31	 GREEN	↓
CPP 2.9 % of LGBT hate crime prosecutions that resulted in conviction	%	85	73.9	 AMBER	↓
CPP 4.1 Alcohol related hospital admissions per 100,000 population	No.	1,931	1,773.6	 GREEN	↑
Stopping smoking (4 week smoking quitters)	No.	2,000	2,002	 GREEN	➡
Corp 1.7.4 Percentage of finalised Domestic Violence prosecutions resulting in a conviction	%	68.4	73	 GREEN	↑
Corp 1.7.3a - The percentage of people feeling safe in the daytime in their local area	%	96	97	 GREEN	➡

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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
Corp 1.7.3b - The percentage of people feeling safe after dark in their local area	%	78	80	 GREEN	➔
Healthy weight in primary school age children in Reception - percentage of children measured this year who are a healthy weight	%	78	78	 GREEN	⬇️
Healthy weight in Primary school age children in Year 6 (10-11 years) - percentage of children measured this year who are a healthy weight	%	67.5	72.4	 GREEN	⬆️
<b>Adult Services</b>					
CPP 4.7 % Social care clients receiving Self Directed Support	%	75	78	 GREEN	⬆️
CPP 4.6 Delayed transfers of care per 100,000 population	No.	3.6	1.2	 GREEN	⬆️
AOHRx01. Percentage of carers who receive an assessment and services or advice/information	%	48	49.4	 GREEN	⬆️
AOHRx02. Permanent admissions of younger adults to residential and nursing care homes per 100,000 population	No.	15.9	10.6	 GREEN	⬆️
AOHRx03. Permanent admissions of older adults (65+) to residential and nursing care homes per 100,000 population	No.	834	734.9	 GREEN	⬆️
AOHRx05. Percentage of Quality Audits completed (Safeguarding adults)	%	100	100	 GREEN	➔
Corp 1.5.1 - Percentage of adults with learning disabilities known to the council in paid employment	%	13	13.7	 GREEN	⬆️
Corp 1.5.3 - Percentage of adults receiving secondary mental health services who are in paid, self or supported employment	%	Not set	Not yet available		














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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
<b>Environment Development &amp; Housing</b>					
CPP 6.2 Kilograms of residual household waste per household (Kg)	No.	596	597.9	 <b>AMBER</b>	↓
CPP 6.3 Percentage of household waste sent for reuse, recycling and composting	%	32	25.6	 <b>RED</b>	↓
DOHRx03. Percentage of municipal waste landfilled	%	5	7.6	 <b>AMBER</b>	↓
DOHRx04. Missed Refuse Collections	%	0.24	Not available		
DOHRx05. Missed Recycling Collections	%	0.38	Not available		
CPP 5.4 - Number of affordable homes delivered (gross)	No.	230	164	 <b>AMBER</b>	↑
CPP 5.1 - Percentage council homes that meet the Decent Homes Standard	%	100	100	 <b>GREEN</b>	↑
CPP 5.2 - Private sector vacant dwellings returned into occupation or demolished	No.	153	169	 <b>GREEN</b>	↑
DOHRx10. The number of households where homelessness was prevented due to casework by the council	No.	2,200	2,810	 <b>GREEN</b>	↑
Corp 1.2.2 Percentage of people receiving Supporting People services who have established or are maintaining independent living	%	68	76	 <b>GREEN</b>	↑
Corp 1.2.4 Reduction in the number of people living in fuel poverty: % of households who are 'fuel poor' in the city	%		11.8		↑
DOHRx09. Corp 1.3.2 - The supply of ready to develop housing sites	%	100	91	 <b>AMBER</b>	↑














# APPENDIX 1: 2013/14 Annual Performance Update: full list of indicators DRAFT

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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
Corp 1.3.3 – Percentage of new affordable housing that meets the wheelchair standard	%	10	10	 GREEN	↑
Corp 1.3.5 - The energy efficiency rating of local authority owned homes (based on Standard Assessment Process 2009)	No.	62.7	63.6	 GREEN	↑
EOHRx05. Housing Tenants: Rent collected as proportion of rent due	%	98.6	98.3	 AMBER	↓
DOHRx06. Local Wildlife Sites designated in positive conservation management.	%	50	52	 GREEN	↓
DOHRx11. Corp 2.2.9a - Nitrogen Dioxide levels in Brighton and Hove (µg/m3 - micrograms per cubic meter): Lewes Road	No.	40	48	 RED	↑
DOHRx12. CPP 7.2 - Carbon dioxide emissions attributable to transport (kilo tonnes)	No.	284	301	 AMBER	↑
Corp 2.1.6 - Carbon Dioxide emissions per capita	%	24	23.2	 AMBER	↑
Corp 4.3.4 Percentage reduction in the greenhouse gas emissions from local authority operations (CO2e, degree day adjusted)	%	4	Not yet available		
Corp 2.2.3 – The number of bus passenger journeys originating in the local authority area (millions)	No.	44.7	46.4	 GREEN	↑
Corp 2.2.4 - Percentage of bus services running on time	%	88	89.4	 GREEN	↑
Corp 2.5.1 - Maintain the condition of the city's two Sites of Special Scientific Interest (SSSI)	No.	2	2	 GREEN	➡
BOHRx10. Corp 2.4.1 - The percentage of people satisfied or very satisfied with the city's parks and open spaces (City Tracker)	%	86.8	87.9	 GREEN	➡

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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
Corp 2.1.1 - Percentage of the working age population claiming out of work benefits	%	11	12.2	 AMBER	↓
Corp 2.1.2 - The number of new business registrations for VAT and PAYE per 10,000 resident population aged 16 years and over	No.	69	69.7	 GREEN	↑
Corp 2.1.3 - Growth in number of digital media businesses (percentage growth in employees)	%	9	29.6	 GREEN	↑
Corp 2.1.7 - Inward investment enquiries to the city	No.	6,414	7,331	 GREEN	↑
Corp 2.2.1 - Annual daily average cycle count	No.	7,678	7,052	 AMBER	↓
Corp 2.2.2 – The number of cycle parking spaces across the city	No.	2,745	2,853	 GREEN	↑
Corp 2.2.7 - Reduction in the number of adults and children killed or seriously injured in road traffic incidents	No.	136	145	 AMBER	↑
Corp 2.4.3 - The number of listed buildings at risk	No.	16	16	 GREEN	➡
Corp 2.4.2 - The number of conservation areas at risk	No.	5	5	 GREEN	➡
Corp 2.4.4 - The number of allotment plots in the city	No.	3,070	3,067	 AMBER	➡
Corp 2.4.5 - The number of residents awaiting an allotment plot	No.	1,792	1,107	 GREEN	↑
Corp 2.4.6 - The proportion of approved planning applications for new build (residential) development committing to high standards of environmental design	%	100	100	 GREEN	➡
Corp 2.4.7 - The number of enforcement notices issued regarding the appearance of sites/buildings in the city	No.	27	12	 GREEN	↑

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Direction of Travel Key ↑ - improving ➡ - static ↓ - declining









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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
Corp 2.5.2 - The Environment Agency's assessment of groundwater status in Brighton and Hove			poor	 RED	➔
<b>Finance &amp; Resources</b>					
BOHRx01. Total number of Stage 1 complaints	No.	1,644	1,846	 AMBER	⬇️
BOHRx02. Percentage of Stage 1 complaints upheld or partially upheld	%	31	39.3	 RED	⬇️
BOHRx03. Total number of Stage 2 complaints	No.	156	171	 AMBER	⬇️
BOHRx04. Percentage of Stage 2 complaints upheld or partially upheld	%	21.7	22.8	 AMBER	⬇️
BOHRx05. Total number of Local Government Ombudsman complaints	No.	72	63	 GREEN	➔
BOHRx06. Number of Local Government Ombudsman complaints upheld or partially upheld	No.	12	15	 RED	⬇️
EOHRx01. Percentage of invoices for commercial goods and services that were paid within 30 days	%	94	94.5	 GREEN	⬆️
EOHRx02. BV008 Local - Percentage of invoices from SME (Small or Medium Enterprises) and individuals that are paid within 10 working days of receipt	%	80	86.3	 GREEN	⬆️
EOHRx03. Percentage of council tax collected	%	97.6	97.1	 AMBER	⬇️
EOHRx04. Percentage of non-domestic rates collected	%	98.7	98.4	 AMBER	⬆️










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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
EOHRx06. Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools)	No.	10	11.3	 RED	↓
EOHRx07. Average number of working days / shifts lost per Full Time Equivalent (FTE) due to short term sickness absence (not including schools)	No.	3.5	4.6	 RED	↓
EOHRx08. Average number of working days / shifts lost per Full Time Equivalent (FTE) due to long term sickness absence (not including schools)	No.	6.5	6.7	 AMBER	↓
EOHRx09. BV016a Percentage of staff who declare that they have a disability as a percentage of the total workforce who declare whether they have a disability (not including schools)	%	7.5	7.2	 AMBER	➡
EOHRx10. BV017 Percentage of staff who declare that they are from an ethnic minority as a percentage of the total workforce who declare their ethnicity (not including schools)	%	19.5	13.3	 RED	↑
EOHRx11. BV018 Percentage of staff who declare themselves to be LGBT as a percentage of the total workforce who declare their sexuality (not including schools)	%	13	11.5	 RED	↓
EOHRx12. Corp 4.1.1 Percentage of employees responding that they have experienced discrimination or harassment or bullying in the last 12 months	%	14.9	17	 RED	↑
EOHRx13. Percentage of authority buildings open to the public with all public areas suitable for and accessible to people with disabilities	%	89	89.6	 GREEN	↑





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Performance Indicator	Unit	Target	Result	Status	Direction of Travel
<b>Assistant Chief Executive</b>					
CPP 1.1. Improve the visitor economy (millions)	£	746	753.5	 <b>GREEN</b>	↑
BOHRx08. Overall satisfaction with Council Services in the local area (City Tracker Survey)	%	Baseline year as the question was changed	60		
BOHRx07. Agreement that the Council uses money wisely (City Tracker Survey)	%	55	50	 <b>AMBER</b>	↓
BOHRx09. Percentage of residents who agree that their local area is a place where people from different backgrounds get on well together (City Tracker Survey)	%	90	92	 <b>GREEN</b>	➡
BOHRx11. Corp 3.4.4 - The percentage of people who feel they can influence decisions in their locality (City Tracker Survey)	%	55	50	 <b>AMBER</b>	↓
Corp 1.6.1 - Percentage of the adult population that has engaged in the arts at least three times in the past 12 months (City Tracker Survey)	%	40	36	 <b>AMBER</b>	↓
Corp 1.6.2 – Percentage of adult participation in sport and active recreation	%	23.3	34.1	 <b>GREEN</b>	↑
Corp 1.6.3 - Percentage of the adult population who have attended a museum at least once in the last 12 months (City Tracker Survey)	%	49	49	 <b>GREEN</b>	➡
Corp 1.7.2 - the percentage of people who think people in their area treat one another with respect and consideration (City Tracker Survey)	%	80	82	 <b>GREEN</b>	➡
Corp 3.2.2 - Percentage of people participating in decision making groups that affect their area (City Tracker Survey)	%	18	15	 <b>AMBER</b>	➡

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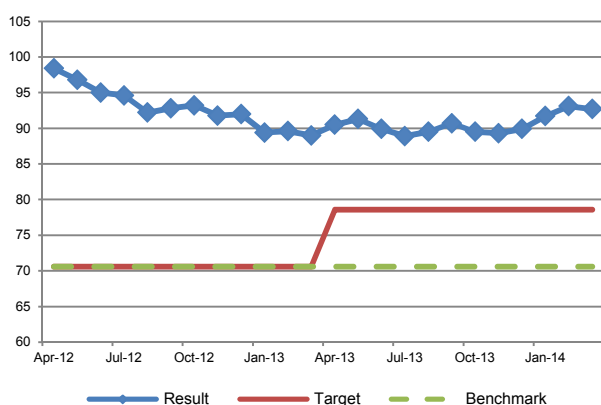
Performance Indicator	Unit	Target	Result	Status	Direction of Travel
<b>Legal &amp; Democratic Services</b>					
FOHRx01. Number of people watching web cast of "Open Door" sessions	No.	10,616	7,326	 AMBER	↓
FOHRx02. Increase in web cast views of council and committee meetings	No.	31,197	41,307	 GREEN	↑
Corp 3.4.1 - The number of e-petitions submitted to council	No.	37	21	 AMBER	↓
Corp 3.4.3 - The number of public questions and deputations to Council meetings	No.	33	10	 AMBER	↓





## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

Children who are looked after per 10,000	Target	Result	 RED
	78.6	92.7	



### Performance Summary:

The Looked After Children (LAC) rate per 10,000 for March 13 is 88 which represents a significant improvement from the March 2012 figure of 97. The 13/14 target of 78.6 for the current period is the mean average of our two nearest statistical neighbours (Bristol and Bournemouth) for the year 2012. This equates to 393 LAC.

The 14/15 target is 81.6 children per 10,000 (410 LAC in Brighton & Hove). This is the average for our 10 nearest authorities in terms of contextual factors based on Public Health analysis of deprivation, alcohol, drugs and mental health. Based on local trend and taking into account various initiatives that are underway within children's services, the VfM project board has set a challenging and realistic target of reducing 32 LAC (full time equivalents) in 14/15.

The mean average of our two nearest statistical neighbours for the year 2013 is 82. The number of LAC has fallen slightly from 466 for February 14 to 464 for March 2014 but has risen from 446 in March last year. The peak LAC number was 515 in November 2011. 51.5% of the LAC cohort are male and 48.5% are female. Nationally, 56% of LAC were male in March 13. B&H age profile is not significantly different compared to national figures for March 13 particularly when reviewing the 3 broad age bands of under 5s, primary school age and youth population.

In relation to legal status, B&H experienced similar trend compared to national figures and is now in line or close to national averages based March 13 figures. 22.8% of LAC starters in the year were aged under 1 compared to 21% nationally. 19.4% were aged 1 to 4 compared to 20% nationally. 11.2% were aged 5 to 9 compared to 17% nationally. 32% were aged 10 to 15 compared to 29% nationally. 4.6% were aged 16 and over compared to 13% nationally.

Reason for LAC episode ceasing based on March 13 figures - B&H performance is better in terms of adoption and children returning to their parents. However, there are less children with the status of Residence Order/Special Guardianship Order.

### Commentary

1. Historically there have been a high number of children in care in Brighton and Hove, however over the last two years there has been a consistent reduction in the overall numbers of children in care as a result of implementing a robust Value for Money (VfM) programme. Given the need to ensure that children are safe it is anticipated that it will be some time before the current target has been achieved, and the concept of a target should be treated with caution as this is not a target that staff are working towards, but rather an indication of the total numbers we would generally expect a city such as Brighton and Hove to have. Our audit programme indicates that there are no children who have inappropriately entered the care system.

2. Public Health & Children's Services joint analysis in Oct 2011 suggested that there were 41 Local Authorities who were in worse contextual situation (factors - deprivation, alcohol, drugs,

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

mental health) compared to Brighton & Hove. However, Brighton & Hove ranked 14th highest in terms of children in care figures resulting in the gap of 27. This analysis has been repeated with the latest data which confirms significant improvement. Brighton & Hove ranks 26th highest in terms of children in care figures with overall contextual ranking deteriorating to 31 resulting in the gap of 5.

3. Between 1st April 2008 and 31st March 2013, 66.6% of children who started to be looked after have been known to social care for seven years or more. This suggests that strengthening provision of timely early help and social work support is required to prevent escalation of need or timely issue of care proceedings as the longer children have been left in damaging situations the bleaker their long term stability looks. Also the more expensive their placements may be.

4. The impact of public sector budget reductions, welfare reforms and changes to youth justice system plus changes in relative deprivation will need careful monitoring to understand any changes in children in care numbers.

### **Improvement Actions:**

1. To continue to effectively implement VfM initiatives including identifying /resolving barriers in a timely way. Key initiatives include – strengthen early help processes, delivering evidence based interventions (such as Stronger Families Stronger Community, Functional Family Therapy, Family Nurse Partnership, strengthen Social Work Transformational Programme to improve quality of interventions delivered to families in need, Early Parenting Assessment Programmes), implementing pathway from social work to Early Help, developing costed directory of interventions, strengthen pre-proceedings work by social work/Clermont/legal services to prevent care-proceedings, Early Care Planning Forum to ensure consistent decision making (Strategic Commissioner, Ongoing)

2. Develop Multi-Agency Safeguarding Hub (MASH) to ensure appropriate and timely response to safeguarding concerns including developing a clear threshold document to provide guidelines with regards risk factors, balancing the strengths and weaknesses in the situation of individual children. (Assistant Director - Children's Health, Safeguarding & Care, by June 14)

3. To design and develop Early Help Hub to create a single integrated system for identification, referral, assessment, delivery and monitoring of effective early help interventions taking into account activity levels, current arrangements (e.g. youth early help pathway, VfM pathway, early years) and likely budgets available for early help over the coming years (Assistant Director - Stronger Families, Youth & Communities, by September 14)

4. Strengthen links with commissioners and providers of adult services, health, public health, community safety to enable 'whole systems change' in relation to services for vulnerable adults who are parents. (Assistant Director - Stronger Families, Youth & Communities, Ongoing)

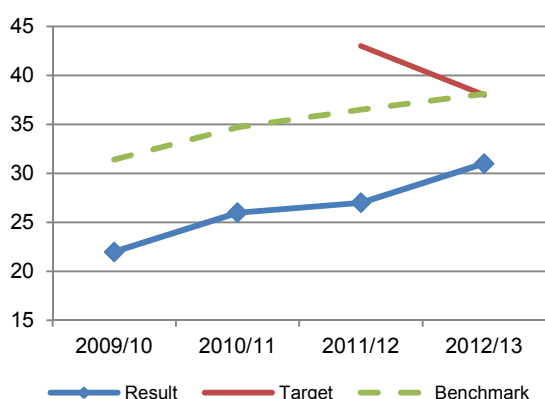
5. Review and strengthen Special Education Needs (SEN)/Disability services including implementing the findings of a review of commissioning of placements for children with disability. (Assistant Director – Education & Inclusion, by December 14)

6. Assess whether a business case exists for creating a specialist adolescence service as recommended by quality assurance audit of residential placements (Helen Gulvin Assistant Director, (Assistant Director - Stronger Families, Youth & Communities, by October 14)

**Accountable Director: Pinaki Ghoshal**

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

<b>Free school meal pupils: 5 A* to C grades in GCSEs including English and Maths</b>	<b>Target</b> 38.0%	<b>Result</b> 31.0%	 <b>RED</b>
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### Performance Summary:

5+ A\*-C GCSE (or equivalent) including English and mathematics GCSE is a way of measuring overall achievement, and is used in the floor standards the Department for Education set for a school's performance.

In 2012/13 the free school meal (FSM) pupils percentage achieving 5+ A\*-C GCSE (or equivalent) including English and mathematics GCSE was 31%, this was a rise of 3 percentage points from 2011/12 result, but Brighton and Hove

is still below the 2012/13 national result of 38%, and statistical neighbour average of 32% and was 14th from the top out of the 19 south east local authorities.

In Brighton & Hove the non-FSM 2012/13 result was 68% a rise of 6 percentage points since 2011/12. Brighton and Hove was above the 2012/13 the national result of 64%, and above the statistical neighbour average of 64%, and was 7th from the top out of the 19 south east local authorities.

The gap has widened in Brighton and Hove to -37 percentage points in 2012/13 from -35 in 2011/12 because of the lower rise in the FSM results. In 2012/13 the national FSM attainment gap was -26 percentage points.

In 2012/13 expected progress in English for Brighton and Hove FSM was 54%, the same as 2011/12. This was the same as the national result of 54%. In 2012/13 the Brighton & Hove non-FSM result was 77%, higher than the national result of 73%. No other local authority benchmarking figures are currently available.

In 2012/13 expected progress in mathematics for Brighton & Hove FSM was 38%, this has risen from 33% in 2011/12, but was below the national FSM result of 52%. In 2012/13 the Brighton & Hove non-FSM result was 72%, below the national result of 74%. No other local authority benchmarking figures are currently available.

### Commentary


The available data suggests that the tracking of pupil progress, quality of teaching and focus of leadership did not fully meet the needs of these pupils. Being aware of the low performance we developed a Closing the Gap Strategy which outlined ways forward. In summer 2013 we appointed a Secondary Partnership Adviser. He is meeting with each secondary head teacher to challenge their outcomes. We have also asked every school to send in their 'Pupil Premium Report' so can more closely monitor and evaluate and offer further advice which reflects best practice. This is now is a focus for the secondary school partnership in their Raising Attainment Plan (RAP). They have more sophisticated data which shows where the gaps are and are improving their tracking. There are networks of teachers and the joint professional development day to improve the quality of teaching further and a data consultant from DfE has spoken to the secondary head teachers.

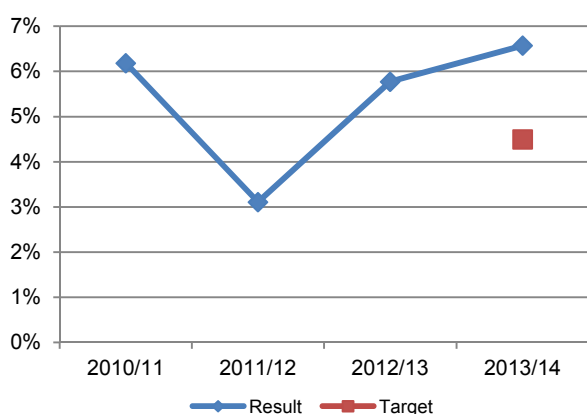
## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

### Improvement Actions:

1. Encourage every school to have a 'pupil premium champion) and start a number of focus groups on different strands. (Closing the Gap secondee and Head of Standards and Achievement, by June 2014)
2. Facilitate the Leadership Programme across the city which includes an action research project on closing the gap. (Closing the Gap secondee and Head of Standards and Achievement, by June 2014)
3. Develop a peer review for schools for FSM performance (Closing the Gap secondees from schools, by June 2014)

**Accountable Director: Pinaki Ghoshal**

<b>Court disposals resulting in custodial sentences</b>	<b>Target</b> 4.5%	<b>Result</b> 6.5%	 <b>RED</b>
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### Performance Summary:

For the year 2013/2014 there were 14 custodial sentences out of a total of 215 sentences. Those 14 sentences were received by 10 individuals on 11 sentencing occasions. As a proportion, custodial sentences represent 6.5% of the total, exceeding the target of 4.5%.

Latest comparative data published by the Ministry of Justice (MOJ) shows custodial sentences as a rate per 1,000 population. Data published for April to June 2013 shows Brighton & Hove achieving a rate of 0.61 compared to a rate of 0.5 for England and 0.36 for the South East

### Commentary

While there has been a reduction in the actual number of young people sentenced to custody, there has been a reduction in the number of young people within the criminal justice system this has meant that the proportion of those in custody has increased. This indicates there was a reduction in the number of young people committing serious crimes.

The YJ strategy for 14-16 has now been signed off by Children's committee and the Youth Offending Service (YOS) management board. There are 5 priorities for the city around youth justice one of which is reducing the numbers entering into custody.

Young people sentenced to custody are discussed at multi agency risk management and following sentence and prior to release, all young people are now discussed and a multi-agency resettlement plan agreed. Given the risk of reoffending and custodial sentences and the number of all option pre- sentence reports that were requested, the YOS and wider Children's services need to look at how plans are put in place for these high risk young people.

During quarter 4 there was a vacancy in the resettlement worker, however all had custody and resettlement plans. Due to staff illness in the management team we have not completed the work on the custody and remand panels; however the multi-agency management of risk

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report


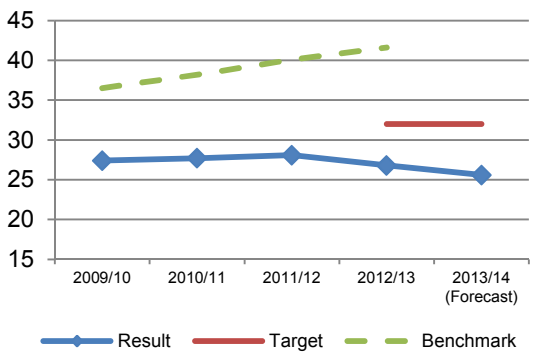
meetings were reviewed with the police.

### **Improvement Actions:**


1. To develop custody and remand panels to review all cases following a custodial sentence and take forward learning in the YOS. Practice Manager - Youth Offending Service. Development by end June, Roll out by September
2. Develop training for social care teams to ensure greater joint working. Senior Social Worker – Youth Offending Service. June 2014
3. Develop new performance measures for the team and a more robust performance management structure of case work supervision and the management of risk. As part of this we will be reviewing the multi agency risk management meeting. This should enable those at risk of custody to be identified and more robust plans put in place. Practice Manager - Youth Offending Service, September 2014
4. We are developing a programme of interventions to target our high risk/high offending young people. Manager of Youth Offending Service, September
5. Ongoing work with YMCA on resettlement and interventions to those coming out of custody, including the development of mentoring programme. Practice Manager - Youth Offending Service, September 2014
6. Work with Cookham Wood to quarterly review all case and learning in relation to those in custody. Practice Manager - Youth Offending Service, September 2014
7. Work with education to address changes to the entitlement of those with SEN for educational support in custody. Practice Manager - Youth Offending Service, September 2014

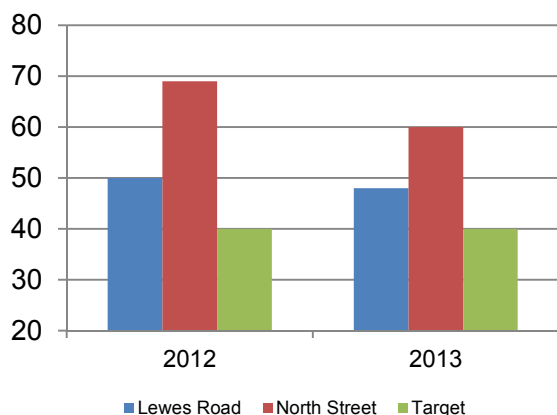
**Accountable Director: Pinaki Ghoshal**

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

Percentage of household waste sent for reuse, recycling and composting	Target 32.0%	Result 25.6%	 <b>RED</b>
 <p><b>Performance Summary:</b> This result is the annual forecast based on the provisional data up to February this year.</p> <p>Performance peaked in 2011/12 after a gradual year on year increase up until that point. However, performance has shown a year on year decrease since then and the provisional forecast shows that recycling, reuse and composting is likely to be below levels seen in 2009/10.</p>	<p>Brighton and Hove’s recycling rate is lower than the national average. Cities generally have lower recycling rates than more rural areas. This is due to a number of factors including that in more rural areas residents have more room to store their recycling and there is less turnover of population. Rural areas also produce more garden waste which inflates recycling rates. When comparing dry recycling rates (all materials recycled except garden waste and food waste) Brighton &amp; Hove’s provisional quarter three rate of 21.3% compares much more favourably with the national provisional quarter three rate of 23.7%.</p>		
<p><b>Commentary</b></p> <p>The recycling rate forecast is below target and has declined over the last year. Service disruption in the build up to, and during negotiations on allowances in the first half of the year are likely to have had an impact as well as the subsequent service reorganisation. During disruption refuse collections were prioritised over recycling collections as refuse presented greater issues in terms of odour and nuisance.</p> <p>The high housing density in Brighton &amp; Hove, including many properties with multiple-occupancy also means that less green waste is produced. However, Brighton &amp; Hove does target suitable homes to encourage home composting as a more cost effective and environmentally sustainable option for dealing with garden waste, offering subsidised compost bins for garden and food waste.</p> <p>The high turnover of the city’s population also presents challenges communicating good practices to reinforce and improve upon the collection processes that are already in place. Many authorities have also introduced fortnightly refuse collection many with food waste collection. Food waste collection has been considered for Brighton &amp; Hove; however it would require significant extra funding at a time when the council is facing significant budget cuts.</p> <p><b>Improvement Actions:</b></p> <p>Roll out of communal recycling will be completed in July which is expected to increase recycling rates by up to 3%. The full impact of which will be seen in the first full year of roll out during 2015/16. Some impact should be visible in 2014/15 results also.</p> <p>A communication and engagement campaign is being launched together with an incentive scheme in 2014/15 to raise the profile of the recycling service. The campaign is being informed by feedback on the service from residents.</p> <p><b>Accountable Director: Geoff Raw</b></p>			

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

<b>Nitrogen Dioxide levels in Brighton and Hove (<math>\mu\text{g}/\text{m}^3</math> - micrograms per cubic meter): Lewes Road and North Street</b>	<b>Target</b> 40 $\mu\text{g}/\text{m}^3$	<b>Result</b> LR:48 $\mu\text{g}/\text{m}^3$ NS:60 $\mu\text{g}/\text{m}^3$	 <b>RED</b>
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### Performance Summary:

The annual daily average of nitrogen dioxide concentration at roadside on Lewes Road compares to similar levels in 2012 of  $50 \mu\text{g}/\text{m}^3$ . North Street has seen a small reduction on 2012 of  $9 \mu\text{g}/\text{m}^3$  on the 2012 annual daily average of  $69 \mu\text{g}/\text{m}^3$ . However, both areas are still above recommended levels.

**Lewes Road:** The kerbside monitor adjacent to Lewes Road South of Vogue Gyratory is within 2 metres of the A270. Pre-scheme vehicle estimations suggest 23,000 vehicles a day of

which 3.4% are heavy goods vehicles and 4.5% are buses or coaches. The street is partially enclosed by buildings.

In 2013 45% of the recorded hours (3650) were below the NO<sub>2</sub> annual average target at this site. 2013 results are similar to those recorded over some months in 2005-06 and the later part of 2012. Diffusion tubes near the gyratory area suggest similar levels to ten or twelve years ago.

**North Street:** The kerbside monitor adjacent to North Street is within 6 metres of the B2066. 2012 real time counts indicate on average 6,100 vehicles a day of which 5.6% are heavy goods vehicles and 38.2% are buses or coaches. The street is enclosed by four and five storey buildings with restricted ventilation from the south for example along Ship Street that is ten metres away.

In 2013 35% of the recorded hours (2926) were below the NO<sub>2</sub> annual average target at this site. Results are comparable with part of 2012 at this location. Diffusion tube & dispersion model evidence suggest higher concentrations of NO<sub>2</sub> close to the intersection with Queens Road. The tube evidence also suggests increasing levels of NO<sub>2</sub> on North Street since 2007.

### Commentary

The existing Air Quality Strategy is linked with the Local Transport Plan and has joint interest with Sussex to initiate a low emission strategy (LEZ). The 2015 bus LEZ will cover North Street, Churchill Square and Western Road. Brighton and Hove has won funding from department of transport and is investing over one million pounds in the retrofit of older buses in order to target emissions of oxides of nitrogen.

### Improvement Actions:


It is recommended that the air quality action plan will promote alternatives to diesel in the new management area for example methane and electric vehicle use and influence local planning policies regarding the massing and position and use of buildings. The Environmental Protection Team consults on planning applications and air quality is a material consideration for the planning process.

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

There has been impressive progress in providing travel choice in the city including a doubling in bus patronage since the early 1990s and encouragement of cycling and walking; however a number of other measures require implementation if the EU and English limits for nitrogen dioxide are to be met. The use of electrical vehicles in Brighton & Hove has increased in recent years, but this category remains a tiny contribution to local transport. The local bus company has secured funds for electrical hybrid buses now in daily operation. It is recommended that the city join with partners in West Sussex in order to utilise anaerobic digestion of organic waste to produce biogas (methane) fuel for local transport use. Key principles have been adopted by the Taxi Licensing Committee aimed at improving air quality which includes consideration of the location of ranks and future ranks, changing policy to introduce lighter smaller engine vehicles into the taxi and private hire fleet, and the potential introduction of natural gas and rapid charging infrastructure.

Please see Brighton and Hove's City Council's 'Air Quality and Management in the City' web page for the latest updates and actions around air quality and pollution: <http://www.brighton-hove.gov.uk/content/environment/air-quality-and-pollution/air-quality-management-city>

**Accountable Director: Geoff Raw**

Environment Agency Assessment of groundwater status in Brighton and hove	Previous result 0 - Poor	Result 0 - Poor	 <b>RED</b>
<p><b>Performance Summary:</b> The result of '0' represents an assessment that groundwater is poor. '2' represents an assessment that groundwater is good. '1' represents an assessment that groundwater is good but at risk of being poor. This coding has been adopted by the council to make it easier to report performance in scorecards.</p>			
<p><b>Commentary</b> The Brighton Chalk remains at poor status under the Water Framework Directive as determined by the Environment Agency.</p> <p>The Challenges and Choices consultation was published on 22 June 2013 and confirmed the results of our recent interim classification work that showed the Brighton Chalk is now at poor status for groundwater quality due to the rising trends in nitrate as well as due to water abstraction. This is significant as 100% of the city's drinking water comes from the chalk aquifer - groundwater.</p> <p>The Chalk is at risk for urbanisation, nitrate, phosphate, pesticides, chlorinated solvents, nitrate trends, saline intrusion and as a Drinking Water Protected Area. We are seeing decreasing trends in atrazine but do see occasional detections of other pesticides in the groundwater.</p> <p>The Brighton Chalk is at poor status for groundwater quantity due to the water balance test and the potential impact of surface waters. There are investigations into groundwater abstractions in the catchment. There is an ongoing investigation at Lewes Winterbourne, which is not compliant for water resources and is not supporting good ecological status. There is also a Brighton and Worthing Chalk groundwater model currently being developed.</p>			

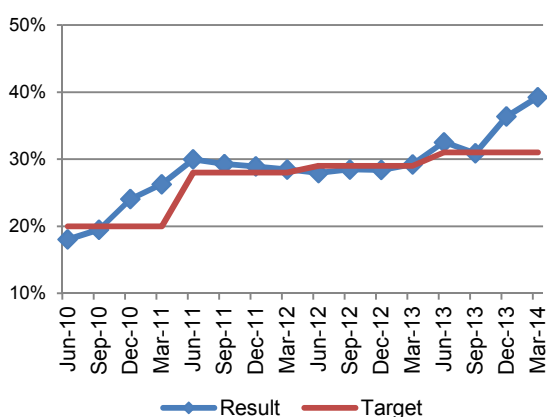


## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

The Environment Agency is currently setting up a local partnership (the Brighton Chalk partnership) to deliver improvements to groundwater quality using both urban and rural interventions. The partners include Southern Water, South Downs National Park Authority, the Environment Agency, Brighton Biosphere, Natural England, Brighton and Hove City Council and Brighton University. The rural part will be modelled on a catchment sensitive farming style of approach, and the urban part will focus on looking at improving drainage issues near water supplies with known problems.

**Accountable Director: Various depending on the source of the issues**

<b>Percentage of Stage 1 complaints upheld or partially upheld</b>	<b>Previous result</b> 31.0%	<b>Result</b> 39.3%	 <b>RED</b>
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### Performance Summary:

The increase in Stage One complaints upheld or partially upheld from the same time last year has mainly come from three service areas, City Clean, Transport and Network Management, and Revenues and Benefits

### Commentary

For City Clean the proportion of Stage One complaints upheld or partially upheld has increased from 65% in 2012/13 to 80% in 2013/14. (In 2011/12 the proportion was 37%). The increase in cases upheld indicated that refuse and recycling collections were being missed.

For Transport and Network Management the proportion of Stage One complaints upheld or partially upheld has decreased from 20% in 2012/13 to 16% in 2013/14. (In 2011/12 the proportion was 15%). The reduction in the proportion of upheld complaints appears to show that the consultation and administrative processes are being improved.

For Revenues and Benefits the proportion of Stage One complaints upheld or partially upheld has decreased from 50% in 2012/13 to 48% in 2013/14. (In 2011/12 the proportion was 39%). The nature of the complaints upheld tends to relate to communication issues. Very few complaints are upheld about the actual recovery processes.

### Improvement Actions:

During 2014-15 it is intended that customer feedback received from complaints, compliments and other sources will be provided to the Council's Management Team each quarter so that Directors and Heads of Service can compare and share information about customer satisfaction and service improvements. Any significant improvements identified in those meetings will form a part of Business Plans, and progress on implementing improvements can be monitored through the performance framework.

A programme of training has been introduced for managers in 2014-15 on developing

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

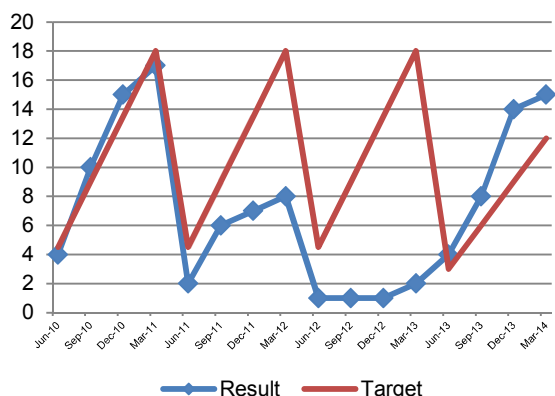
Complaint Investigation Skills and Service Improvements. The purpose of this training is to enable managers to be able to establish the cause of complaints and to identify suitable remedies and service improvements.

**Accountable Director: Various depending on the source of the issues**

**Number of Local Government Ombudsman complaints upheld or partially upheld**

**Previous result**  
12

**Result**  
15



### Performance Summary:

The number of LGO complaints received by the council is relatively few in terms of total numbers per year. The target is taken from the average of the last 2 years. Nationally the Ombudsman is reporting an increase in 13% compared to the previous year.

### Commentary

The 4 complaints where the Ombudsman found there had been maladministration and injustice were across several services. There is no consistent pattern. The areas affected were:

- Private Sector where there were delays fitting a central heating system.
- Environmental Services where a member of the public was unhappy about the decision not to install sound recording equipment
- City Clean where recycling had not been collected and promised call backs did not materialise.
- Adult Social Care where there were delays in make in a care assessment.

In the additional cases the Ombudsman was satisfied with the actions taken by the Council to resolve the complaint.

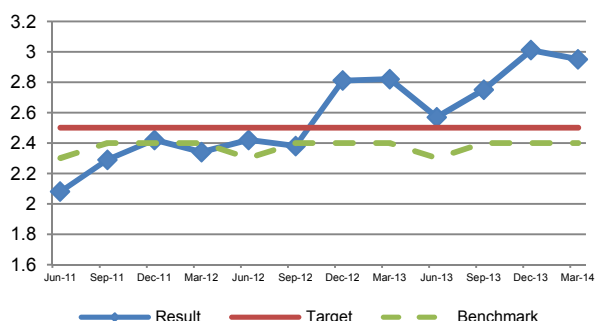
### Improvement Actions:

- During 2014-15 it is intended that customer feedback received from complaints, compliments and other sources will be provided to the Council's Management Team each quarter so that Directors and Heads of Service can compare and share information about customer satisfaction and service improvements. Any significant improvements identified in those meetings will form a part of Business Plans, and progress on implementing improvements can be monitored through the performance framework.
- A programme of training has been introduced for managers in 2014-15 on developing Complaint Investigation Skills and Service Improvements. The purpose of this training is to enable managers to be able to establish the cause of complaints and to identify suitable remedies and service improvements.

**Accountable Director: Various depending on the source of the issues**

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

<b>Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools)</b>	<b>Target</b> 10.0	<b>Result</b> 11.3	 <b>RED</b>
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### Performance Summary:

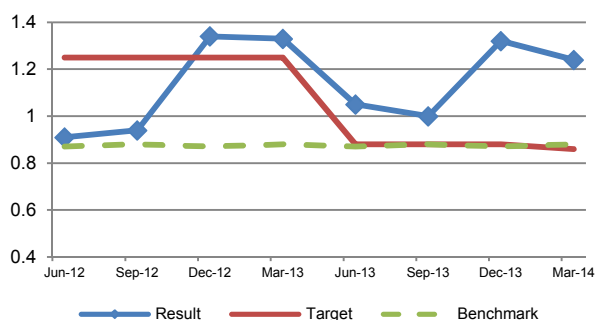
The result is the average days lost due to sickness per Full Time Equivalent (FTE) employee.

The 2013/14 overall result was 11.28 days against a target of 10 (47,408 days based on an average of 4,205 FTE employees). This is an 8.1% increase on the result for last year (where the outturn was 10.43 days). The number of days lost due to sickness for the final quarter

was 12,302 days, equivalent to 2.95 days per FTE (4,174) is above target and up on last year's fourth quarter of 2.82 days per FTE. However, this is slightly down on the quarter 3 result of 3.01 days.

Benchmarking (LGA) average for unitary authorities for 11/12 was 9.5 days.

<b>Average number of working days / shifts lost per Full Time Equivalent (FTE) due to short term sickness absence (not including schools)</b>	<b>Target</b> 3.5	<b>Result</b> 4.6	 <b>RED</b>
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### Performance Summary:

The 2013/14 overall result was 4.6 days compared with 4.5 days in 2012/13 and against a target of 3.5 days (19,377 days based on an average of 4,205 FTE employees). The number of days lost due to sickness for the final quarter is 5,176 days, equivalent to 1.24 days per FTE (4,174) is above target but down on last year's fourth quarter of 1.33 days per FTE. This is also better than the quarter 3 result of 1.32 days.

Benchmarking (LGA) average for unitary authorities 11/12 was 3.5 days

### Commentary

The Council's target for sickness is an average of 10 days / shifts lost per fte. The result for 2013/14 is 11.28 days, which is an 8.1% increase on the result for last year (where the result was 10.43 days).

The average days lost per FTE has not changed significantly since Q3, and was 2.95 days in Q4 2014.

The average number of days / shifts lost per FTE due to short term sickness absence was 1.24 days. 42% of the total days lost was due to short term sickness.

The average number of days / shifts lost per FTE due to long term sickness absence was 1.71 days. 58% of the total days lost were due to long term sickness.

Over the year, stress was the biggest cause of days lost, at 27% which is higher than 23.6% for 12/13. Days lost to open stress cases at 31 March 2014 was 1301 days, compared to 1621 as at 31 December 2013.

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

### Improvement Actions:

Following the HR led Attendance Management Review, HR have put together an internal Attendance Management team to ensure the actions from the review are implemented, and a revised approach to attendance management has been developed. As a result of the review, four key areas of work have been identified: training for managers, an attendance management toolkit, improved management information and a focussed case management approach.

The revised approach was discussed with the unions in April and a paper was taken to the Staff Consultation Forum on 12th May.

Messages are going out to the organisation in the ELT briefing and on the Wave during May regarding revised approach.

All DMT's have had Attendance Management on the agenda to discuss the approach.

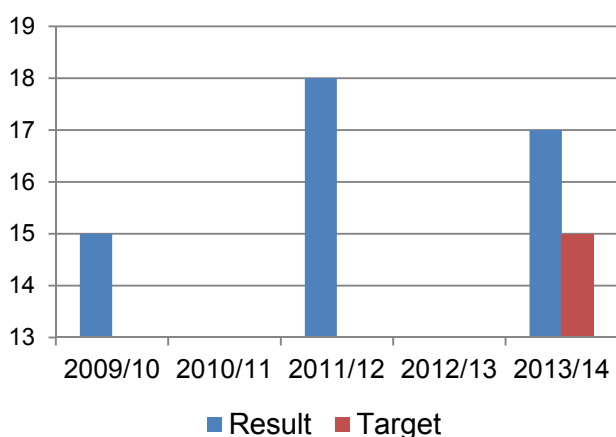
Work has started in terms of preparing briefing sessions for managers and on revising the wave page and documents on Attendance Management to create the Attendance Management Toolkit.

**Accountable Director: Catherine Vaughan**

**Percentage of employees responding that they have experienced discrimination or harassment or bullying in the last 12 months**

**Target**  
<15%

**Result**  
17%



### Performance Summary:

This result was taken from the Staff Survey in response to question "During the last year have you been discriminated against or harassed or bullied at work?" 17% of staff answered yes. This is only a 1% decline from 2011 survey. There is a split between employees experiencing this from within the council and from external sources, with 57% of the discrimination, harassment or bullying was in relation to personality clash and management style/action.

### Commentary

In order to support our staff working in front line services who are experiencing incidents of harassment or bullying, throughout the last year the health and safety team have continued to deliver Personal Safety training including provision of bespoke training for service areas. A total of 15 courses have been delivered which were attended by 193 staff. In addition to this 11 risk assessment courses have been delivered which 133 staff attended.

The Personal Safety training has been further developed to include half day training for non-lone workers, aimed at a target audience who are not lone workers but their role involves dealing with the public face to face or over the telephone and dealing with potentially confrontational situations.

A new Safety Management Framework has been developed 'Team Safety' which sets out 8 objectives to be managed to ensure robust procedures are in place to identify and manage

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

hazards associated with work. The team have audited 161 team safety plans over the past year.

A new on-line incident report form has been launched to all areas with the exception of schools, libraries, museums and royal pavilion (who continue to report on paper based reports). The system enables faster reporting and follow-up and includes a routing of incidents for dealing with violence and aggression. All incidents are investigated by the health and safety team and each service area has a dedicated 'gate keeper' to consider whether perpetrators should be placed on the Clients of Concern register.

The Health and Safety team work closely with legal, security and other services to case conference incidents as required to ensure appropriate arrangements are in place to protect staff and legal follow up.

The Corporate Health and Safety committee (chaired by the Chief Executive) receives reports each quarter which sets out data on incidents, trends and actions taken and consider whether further actions / resources are required.


### Improvement Actions:

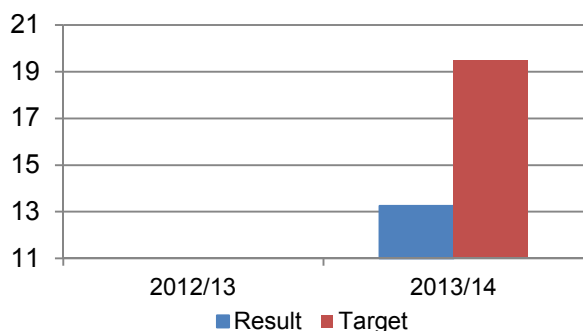
The Health and Safety Business Partner for each Directorate is meeting with their Director / DMT to discuss top causes of incidents and audit approach match to the hazard profile of services. This will provide a risk based approach and will be informed by incident stats, audit findings, organisational intelligence and staff survey outcomes for the Directorate.

The Human Resources Advisory Team routinely monitor the formal cases that are raised to ensure learning is embedded into practice.

The staff survey data is a perceptions based question and does not correlate to any data on formal processes or mediation but gives an important indication of how staff are experiencing their work environment. The staff survey is going to be commissioned on an annual basis to ensure there is a clear measure of impact to enable the council to be more responsive..

**Accountable Director: Catherine Vaughan**

<b>EOHRx10. BV017 Annual - Staff who declare that they are from an ethnic minority as a percentage of the total workforce who declare their ethnicity (not including schools)</b>	<b>Target</b> 19.5%	<b>Result</b> 13.25%	 <b>RED</b>
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### Performance Summary:

13.28% of employees (569 of 4,286 staff who disclosed their ethnicity) declared that they were from a non-white British background.

Of these, 5.8% (247) identified as being from a black minority ethnic group), 5.3% (226) identified as White Other and a further 2.2% (95) as White Irish. This means that, in the last year, the black minority ethnic composition of the council's workforce has increased by 0.2%.

There is no comparative data available for the White Other and White Irish groups for

## APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report

2012/13 as explained in the commentary section below.

### **Commentary**

In August 2013, the council reviewed its workforce targets in line with the economically active population within the City using the data from the 2011 Census. At the same time, and in recognition of the significant demographic changes that had occurred within Brighton & Hove over recent years, the council considered it would be more appropriate to start monitoring the "White Other" and "White Irish" minority ethnic groups separately rather than continuing to include them within the "white" category as had been the case historically.

As a direct consequence of these changes, the council's workforce target for staff declaring they are from an ethnic group in this report has been revised from 5% to 19.5%. The new target is made up as follows:

BME target - 9.1%

White Other target - 8.8%

White Irish target- 1.6%

### **Improvement Actions:**

One of the main actions in Year 1 of the council's Workforce Equalities Action Plan was to improve the capture, quality and monitoring of the organisation's workforce profile. A key part of this work over the last twelve months has focussed on encouraging those staff for whom the organisation holds incomplete, or no, personal equalities information. An initial exercise resulted in the level of ethnicity "unknowns" decreasing from 12.51% in Q4 2012/13 to 11.51% in Q4 2013/14.

This result was somewhat disappointing and so another council-wide exercise aimed at improving the quality of our workforce data is about to take place and a message has gone out in a recent ELT Briefing to ask all staff who have direct access to a computer to check and update their equalities information.


A separate exercise is also underway to capture equalities data from employees in those service areas where individuals do not have direct access to ICT facilities (e.g. CityClean and City Parks). Particular effort is being focussed on these groups because the declaration rates are low in these areas.

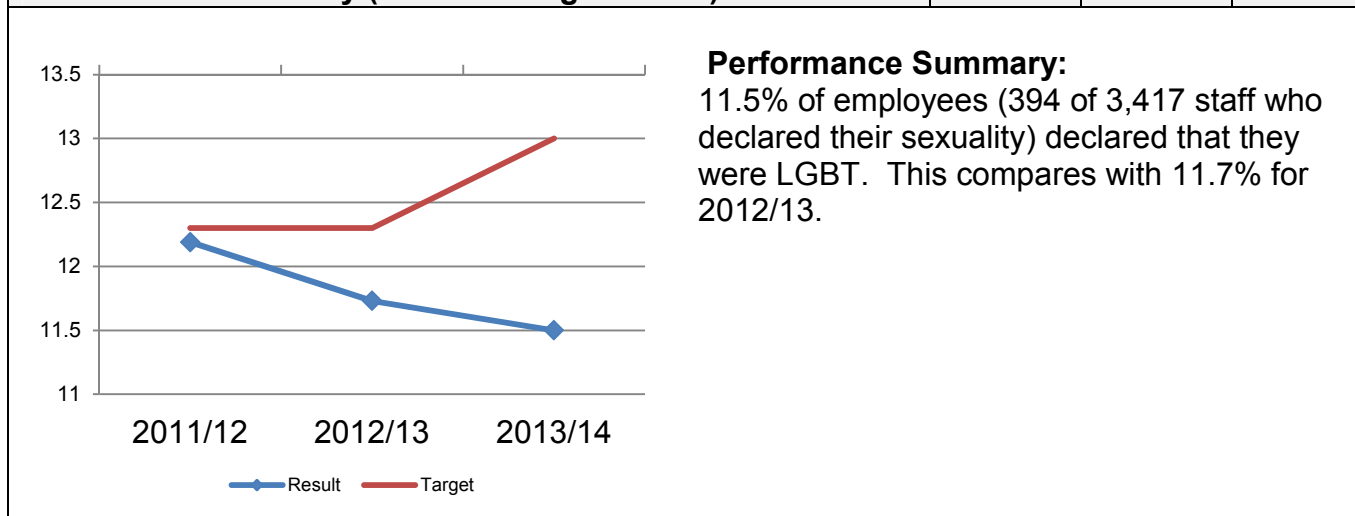
In addition, the council has also begun to capture equality information relating to its casual and agency workforces. Improved data quality will enable the profiles of our contracted and non-contracted workforces to be analysed in more detail and will provide useful information regarding the level of migration of casual and agency workers into our contracted workforce. This more detailed work is scheduled in Year 2 of the council's Workforce Equalities Action Plan.

By establishing a solid foundation of workforce data, the council will be in a better position to be able to identify equality issues and trends and to take positive action where appropriate to address these.

**Accountable Director: Catherine Vaughan**

**APPENDIX 2: 2013/14 Annual Performance Update: Exceptions Report**

<b>EOHRx11. BV018 Annual - Staff who declare themselves to be LGBT as a percentage of the total workforce who declare their sexuality (not including schools)</b>	<b>Target</b> 13%	<b>Result</b> 11.5%	 <b>RED</b>
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**Performance Summary:**  
 11.5% of employees (394 of 3,417 staff who declared their sexuality) declared that they were LGBT. This compares with 11.7% for 2012/13.

**Commentary**

Over the last 12 months, HR have taken steps to encourage staff to provide their personal equalities information. In addition, all online applicants are required to provide this data as part of the application process. As a result, the level of unknowns has reduced over the last 12 months. Sexuality Unknowns have decreased from 22.26% in Q4 2012/13 to 20.03% in Q4 2013/14.

**Improvement Actions:**

Work is continuing to improve the quality of our workforce data by reducing the percentage of employees and casual workers for whom the council holds incomplete, or no, personal equalities data. Particular effort is being focussed on capturing data from employees working in those service areas where declaration rates are lowest for example CityClean and City Parks. An exercise is currently underway to collect data from CityClean employees which will be completed in early June. A similar exercise in CityParks is planned for later in the year.

Discussions are underway with our supplier of agency workers to improve the equalities data they provide to the Council, and we have begun to capture data from the casual workforce.

In addition to these specific exercises, a message has gone out in the ELT Briefing to ask all staff to check and update their equalities information.

**Accountable Director: Catherine Vaughan**





<b>Subject:</b>	<b>Minimum Buying Standards for Catering Contracts</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Francesca Iliffe</b>	<b>Tel: 29-0486</b>
	<b>Email:</b>	<b>Francesca.iliffe@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Minimum Buying Standards (MBS) for catering contracts have been developed to deliver the Corporate Procurement Strategy aim ‘to ensure value for money is achieved whilst the council operates as a “responsible procurer” taking account of social, economic and environmental impacts’. Approval is sought to adopt these standards across council catering contracts.
- 1.2 Adoption of MBS for catering contracts is a target under the Food Action Plan of the City’s OPL Plan, and also: the *Procurement Strategy*; the refreshed *Sustainable Community Strategy (2014)*; and the *City Food Strategy: Spade to Spoon (2012)*.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee – Agree that the proposed minimum buying standards, as set out in Appendix 1, be specified in the council’s future procurement of catering contracts.
- 2.2 Grant delegated authority to the Executive Director Finance & Resources to take all necessary measures to implement the recommendation at 2.1.

**3. CONTEXT/ BACKGROUND INFORMATION**

**Policy Background**

- 3.1 The Corporate Procurement Strategy was approved by Policy & Resources Committee on January 16<sup>th</sup> 2014. Under *Strategic Objective 4: Procurement, Diversity & Sustainability*, the Strategy committed to ‘develop, publish and where possible implement minimum food standards for all catering contracts’ between 2014 -15.
- 3.2 *Objective 4* aims to ‘fully embed the OPL (One Planet Living) objectives throughout procurement processes and procedures and work toward achievement of targets laid out in the council’s Sustainability Action Plan’.

3.3 Through these policies the council has signed up to a number of commitments to improve the food served daily to thousands of school children, clients, visitors and employees. Through the adoption of MBS, BHCC can influence and drive healthy and sustainable food production and consumption, and local economic development.

#### **Proposed standards**

3.4 Proposed MBS are attached at **Appendix 1**. These have been developed by the Brighton & Hove Food Partnership (BHFP) for the city council with funding obtained by the Partnership from the Esmée Fairbairn Foundation.

3.5 The MBS require that contracts over £75,000 per year be delivered to Bronze FFL (Food for Life) Standards as a minimum and that contracts under £75,000 be delivered to the MBS (Appendix 1) which list equivalent standards, though certification would not be a requirement.

3.6 This would require the caterer for larger contracts (over £75,000) to be working towards and achieve the Bronze FFL 'Catering Mark' standard for the catering operation during the first year of the contract. For contracts with a value under £75,000, equivalent MBS standards should be used for food procurement.

3.7 The achievement of Bronze is seen as the first step in a progressive journey to improve standards. Silver and Gold standards can be achieved by point scoring against further criteria for environmental, ethical and local sourcing; and making healthy eating easy. Criteria are set out in Section 3 'Points System, Silver and Gold' in the [FFL Catering Mark Standards Manual](#) (copies in Members Rooms).

3.8 If this policy is adopted, Brighton & Hove City Council would be the first local authority to achieve MBS across all its catering contracts.

3.9 There are currently 6 catering contracts in force between the council and external providers, with a value over £75,000. The caterers are:

- § School meals: Initial Catering Services (Eden Foodservice)
- § Brighton Centre: Kudos Catering
- § Royal Pavilion & Museums and The Dome: Peyton & Byrne
- § Meals on Wheels: RVS Food Services Ltd
- § Staff and Civic canteens: Pabulum Ltd
- § Hove Centre: Hardings Bar & Catering (concluding December 2014)

3.10 There are currently 12 council premises with a food spend of between £5,000 and £74,000. These include: Ireland Lodge Resource Centre; Wayfield Avenue Resource Centre; Craven Vale Resource Centre; Knoll House Resource Centre; New Steine Mews Hostel; Cherry Tree Nursery; Learning Disability Day Options; Beach House Respite Service; Roundabout Nursery; Jumpstart Nursery; Tower House Day Centre; and Acorn Nursery.

3.11 Council best practice is being led by the city's school meals contract which achieved Bronze FFL when the caterers. Eden Foodservice achieved the Catering Mark for School Meals in 2012. Every day 7,200 meals are served across 64 primary and special schools to this standard. Silver Standard is expected to be achieved by autumn 2014.

- 3.12 The Brighton Centre catering contract was awarded to Kudos in April 2014. The contract specification included requirement to achieve Bronze FFL standards 'as a minimum'. Kudos aim to achieve Bronze by the end of 2014 and will immediately seek Silver FFL, intending to achieve certification by spring 2015.

### **Food for Life Standards (FFL)**

- 3.13 The FFL Catering Mark ([www.sacert.org/catering](http://www.sacert.org/catering)) incorporates standards for healthy, fresh, seasonal and farm-assured food, sustainable fish, Fairtrade products, and meat and eggs produced under higher standards of animal welfare. Standards progress through Bronze, Silver and Gold for caterers to make progress over time. The FFL Catering Mark is run by the independent nongovernmental organisation the Soil Association, supported by many food, health and conservation groups.
- 3.14 The scheme is well suited to public-sector institutions who want to use a well established, respected, accredited scheme for specifying robust health and sustainability criteria in catering contracts. FFL has simple-to-communicate standards that are fast becoming an industry standard, familiar to many caterers – large and small – that serve food in the public sector.
- 3.15 FFL Catering Mark is a good way for public-sector institutions and caterers to meet health and sustainability objectives, to help build the market for caterers, farmers and fishers who produce food to high nutritional and sustainability standards, to be able to make robust claims about their progress, and to receive public recognition for doing so.
- 3.16 Evidence from the school meals service indicates that adopting Bronze FFL standards has not impacted on costs to the council. Any increased cost to the caterer has been offset by increased meal up-take.
- 3.17 Other benefits set out by the Soil Association include: school caterers report an increase in meal uptake; venues have seen an increase in footfall and meals purchased; catering staff become more empowered and engaged; the Catering Mark contributes to Corporate Social Responsibility; and caterers find that sourcing locally and cooking from scratch is cost neutral or cost beneficial. Marketing resources are available to help communicate achievement.
- 3.18 Catering Mark meals are served at over 6000 UK sites. One quarter of schools in England, several government-run institutions and local authorities, and some leading UK hospitals are already working to FFL Catering Mark Standards.

### **Cost Implications**

- 3.19 Evidence from caterers adopting the FFL Catering Mark shows there are typically no cost implications to implement the standards to Bronze level – i.e. due to a change in the type of food sourced. However, there is an annual audit fee which ranges from £550 per year for smaller settings, up to £1000 per year for larger.
- 3.20 For council contracts over £75,000, the inclusion of a requirement for the contract to be delivered under the Bronze FFL standard is expected to be cost neutral to

the council. The contractor will have to achieve certification and be subject to an annual audit fee (see **Appendix 3 FFL Catering Mark Standards and Fees**).

- 3.21 For contracts/spend under £75,000 the costs are likely to be minimal. Applying for the Catering Mark will not be mandatory and therefore no audit fee will be required unless the caterer/kitchen chooses to apply. If the council sought the catering mark for *all* its council managed catering outlets a *one off* fee of £1,000 applies. This report does not recommend this approach at this point: further work should be undertaken to ensure this approach would be successful. If this route is taken, another report would seek committee approval. Adoption of these MBS provides a foundation from which further achievement can follow.
- 3.22 Adopting FFL standards can potentially deliver cost savings. Many caterers have found switching to local suppliers helped shorten supply chains, saving money. Serving Catering Mark meals also helps caterers increase meal uptake thus improving profit margins. FFL Partnership research found that of public sector institutions adopting FFL criteria, 71% reported implementation of FFL sustainability criteria was cost neutral, whilst 29% reported overall cost savings. The [case studies](#) for these can be read on the [Soil Association](#) website, these are summarised at **Appendix 4 Case studies from organisations that have achieved the Soil Associations Food for Life Catering Mark** (produced by BHFP).
- 3.23 A Government commissioned report into [DEFRA's 'Public Sector Food Procurement Initiative'](#) (PSFPI) concluded that costs decreased when there was an increase in the procurement of UK, regional, seasonal, farm-assured and small/local supplier produce (60% of those surveyed reported cost decreases or no impact on food costs).
- 3.24 The experience of the Brighton & Hove School Meals service is that achieving Bronze FFL has had no impact on costs. Whilst the school meals tender document did not specify achievement of the FFL Catering Mark, *the standards themselves were included* and tender returns were financially competitive. Having achieved the standards, the caterer then went on to achieve the Catering Mark. The price of the school meals contract was not increased. This contract is highly price sensitive, delivered under a burden of regulation higher than most other council catering contracts, and demonstrates the achievability of Bronze Standard.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 BHFP researched progress made by other councils with standards for catering: Bristol, Plymouth, Lambeth, Leicester, Havering, Sheffield, Cardiff, Herefordshire, Stockport, and Kirklees. Progress by other authorities has been made around school meals rather than adopting standards across all council catering contracts. Therefore Brighton & Hove could be the first to make this commitment.
- 4.2 Contact with these councils provided important lessons learned on delivering standards across contracts. These included stressing importance that: procurement officers are involved to ensure standards are written into contracts; catering contract managers are actively engaged; and that health and sustainability are both included in standards. They stress that trying to develop

new bespoke standards has not been successful, and adoption of existing standards is a better approach.

- 4.3 Three sets of minimum standards were presented by BHFP to council officers for consideration. **Appendix 2** provides *Options Analysis*. Options included:
- i) Government Buying Standards (DEFRA)
  - ii) Bespoke standards developed purely by and for council contracts
  - iii) Bronze FFL Catering Mark (Food for Life Partnership)
- 4.4 On consideration, catering managers felt FFL offered the most reliable method for improving standards. Due to standards being tried and tested; as commercial caterers know and understand them; as annual audit helps ensure caterers are doing what they say they're doing; and the trusted logo helps communicate to the public, enhancing confidence and ensuring consumers benefit.
- 4.5 The use of the Catering Mark incurs a cost for annual auditing. BHFP recommended a threshold adopted into the council standards below which FFL certification would not be a requirement, as smaller caterers may find certification costs would not be recouped. BHFP recommend a threshold of £75,000.
- 4.6 For catering outlets falling below the £75,000 threshold, the proposed MBS specify a precise set of standards for budget holders to follow. This will provide helpful definitions of healthy and sustainable food standards for smaller caterers e.g. nurseries and adult social care kitchens.
- 4.7 The officer workshop revealed a lack of co-ordination between these discretely managed smaller catering outlets and kitchens, and that group buying could provide cost savings and streamline procurement processes. Opportunities for development of a Buying Group to increase value for money would be a helpful next step in the delivery of healthy and sustainable food under council contracts. BHFP have some resource to be able to help the council explore this.

#### **Community Meals Contract**

- 4.8 The Community Meals Contract is the 2<sup>nd</sup> largest council catering contract after School Meals. It is currently awarded to RVS (Royal Voluntary Service) who subcontract the cooked meal element to Sodexo/Tillery Valley. RVS also carry out a 'safe and well check' when the food is delivered. Contract renewal is due 2016 with a potential 1 year extension.
- 4.9 Community Meals are currently unlikely to achieve FFL Bronze Standards because meals are processed remotely and transported frozen to be reheated locally. Bronze FFL Standards require that 75% of dishes be freshly prepared from unprocessed ingredients on site or at a local hub. At a national level, few caterers are capable of meeting FFL Standards for community meal contracts. This is therefore a problem shared with all LAs.
- 4.10 Council officers working on Community Meals aspire towards a more local approach. There are current opportunities being explored with Sussex Partnership NHS Foundation Trust who are in the process of developing a new catering production unit which may have capacity to produce and process food for other public sector contracts across Sussex. If this becomes a viable supplier,

RVS may the flexibility to transfer to an alternative supplier and a contract variation could be negotiated.

### **Other settings**

- 4.11 The city hosts over 400 outdoor events each year that include an offering of food. The council provides a suite of guides and documents for event organisers and exhibitors on the [Sustainable Events page](#) of the council website. If adopted MBS will be included in the Sustainable Events Guide for Outdoor Events.
- 4.12 Other establishments serving food that are either council owned or leased (e.g. City Park cafes) are not represented here. It is recommended that the MBS be circulated to these outlets as *recommended* standards.

### **Next Steps**

- 4.13 BHFP has committed to continue to work with council caterers to improve standards in public sector procurement. As part of this they have offered to explore the potential for development of a 'buying group' which could offer cost and time saving for smaller outlets. They have also offered to work with Community Meals officers and contract holders to explore how this contract could be delivered more sustainably. BHFP have played a vital role in the development of these standards, and their contribution and commitment has been gratefully appreciated by officers.
- 4.14 Council catering contract managers will be advised by the Corporate Procurement Team to adopt the proposed MBS, writing the standards into the contracts on renewal or re-let; and that council budget holders and officers be advised to adopt the standards when procuring food, drink and catering services.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 BHFP obtained funding from Esme Fairburn Foundation to support the council in this work. This has included: research on national best practice; consultation with council catering managers and officers; and the development of council officer endorsed MBS based around the Soil Associations 'Food for Life' Standards.
- 5.2 BHFP work through their 'Good Food Procurement Group' with large organisations across the city to improve the food they serve. If BHCC adopt MBS, BHFP plan to take MBS out wider through the Group to ensure other organisations follow the council's lead adopting FFL standards for their catering operations. The potential impact of this on food served in the city is significant.
- 5.3 BHFP coordinate a citywide 'Good Food Procurement Group' to share and drive good practice across all sectors in large catering contracts. BHFP seek to develop a City Food Charter, which could include the Minimum Buying Standards developed for BHCC. In this way the council could lead local good practice.

- 5.4 Council catering managers have been consulted individually and at a workshop held in February 2014 by BHFP also attended by caterers and contractors. Consultation explored the options for MBS and how these could work across all sizes of contract. Officers included: the Procurement Strategy Manager and Sustainability Advisor and represented: Community Meals; Royal Pavilion & Museums and The Dome; Primary and Special Schools; Events & Brighton Centre conferences; Intermediate Care Services. Food policy, sustainability advisors and BHFP Dieticians also attended.
- 5.5 Officers expressed unanimous support for adoption of FFL certification and standards across council contracts.
- 5.6 Community consultation undertaken for the City Food Strategy 2006 and 2012 and the One Planet Living Plan 2013 demonstrated local people expect public organisations and the council in particular to have healthy, ethical, and environmentally responsible food procurement policies and practices.

## **6. CONCLUSION**

- 6.1 Adoption of MBS will deliver the Corporate Procurement Strategy aim 'to ensure value for money is achieved whilst the council operates as a "responsible procurer" taking account of social, economic and environmental impacts'.
- 6.2 Adoption of MBS meets policy targets in the One Planet Living Plan and other corporate and citywide strategies. Implementation will contribute to a healthier and more sustainable food system, and provide healthier food for residents, workers and visitors to the city.
- 6.3 Officers managing catering contracts are supportive of adoption of these MBS.
- 6.4 MBS will contribute to bringing all council catering provision up to a minimum standard and provide a framework for further improvement.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The introduction of Food for Life Bronze standard certification for contracts over £75,000 and the equivalent standard but uncertified for those contracts below £75,000 is not anticipated to increase costs of the contracts. The audit costs for certification would be borne by the contractor.

*Finance Officer Consulted: James Hengeveld*

*Date: 04.06.14*

### Legal Implications:

- 7.2 Any standards included in a council invitation to tender must be relevant to the subject matter of the proposed contract, and included in the specification associated with that contract. In the case of catering contracts, Food for Life standards would be relevant.

- 7.3 Where the procurement involved a catering contract with an estimated value at or above the point at which the EU public procurement regime applies, the specification must allow for European standards equivalent to FFL; this is necessary in order to comply with EU Treaty principles of equal treatment of bidders across the European Union.

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 09/06/14*

Equalities Implications:

- 7.4 An EIA has not been undertaken on these recommendations. The majority of customers receiving meals through the council's largest contracts are amongst the most vulnerable in the city (e.g. via school meals, community meals and care home meals). The balanced nutrition of these meals is vital. FFL includes nutritional standards and upholds any national standards for community and school meals. FFL Catering Mark requires investment, training and up skilling of school meals staff, many of whom are on minimum wage.

Sustainability Implications:

- 7.5 Applying minimum standards will deliver a headline aim of the OPL Local and Sustainable Food principle but also delivers against: Reducing Waste; Sustainable Materials; Sustainable Water; Land Use and Wildlife; Culture & Community: Equity & Local Economy: Health & Happiness.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.6 There is a reputational risk if the council does not adopt proposed standards and policy objectives to introduce minimum standards are not realised.

Public Health Implications:

- 7.7 Recommendations are intended to contribute to delivering Health & Wellbeing Strategy objectives: to give every child the best start in life; to ensure healthy standard of living for all; to create and develop healthy and sustainable places and communities; and to strengthen the role and impact of ill health prevention.

Corporate / Citywide Implications:

- 7.8 Adoption of minimum standards for catering contracts is supported by the One Planet Living Plan, the Sustainable Community Strategy, the City Food Strategy, and the Health & Wellbeing Strategy. Whilst adoption is a target within these policies, the wider objective of delivering a healthy sustainable food system is the overarching aim that adoption of standards intends to progress towards.



## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Draft Standards: Proposed Minimum Buying Standards for Council Catering Contracts
2. Options Analysis: potential minimum buying standard sets for council contracts
3. Food For Life Catering Mark Standards and Fees
4. Case studies from organisations that have achieved the Soil Associations Food for Life Catering Mark (document produced by BHFP).

### **Documents in Members' Rooms**

1. [Food for Life Catering Mark Standards Manual](#) (version 2, 2013) Soil Association

### **Background Documents**

1. [Corporate Procurement Strategy 2014-2017](#)
2. [One Planet Living Plan 2013](#)



## Brighton & Hove City Council Minimum Buying Standards for purchasing food

Brighton & Hove City Council recognises its responsibility to carry out its procurement activities in an environmentally and socially responsible manner. In 2012 Brighton & Hove City Council (BHCC) adopted a city-wide food strategy *Spade to Spoon: Digging Deeper: a food strategy and action plan*. The strategy sets out how the city works towards a healthier more sustainable food system, one which reduces food poverty, supports local food businesses and reduces the environmental impact of the way in which we produce, consume and dispose of our food. BHCC is a key partner in helping to deliver the strategy and has signed up to a number of commitments that seek to improve the food it serves every day to thousands of school children, clients, visitors and employees. Through the development and adoption of Minimum Buying Standards, BHCC can use its significant buying power and influence to encourage healthy and sustainable food production and consumption and drive local economic development.

**The following Minimum Buying Standards are based on the Bronze Food for Life Catering Mark Standards, developed by the Soil Association. Meeting them should be seen as the initial stage of a progressive journey to improve the food served, therefore working through from Bronze, to Silver and Gold is encouraged.**

**Caterers securing contracts must be able to demonstrate they support the principles of these standards and for those contracts worth over £75,000 per annum, will need to be working towards and achieve the Catering Mark standard during the first year of the contract. Use of the Catering Mark logo demonstrates the independent endorsement from the Soil Association that meals are fresh, seasonal and better for animal welfare.**

### Minimum Buying Standards for purchasing food

	Minimum standards
<b>Additives</b>	All products or ingredients must not contain the following additives: E102 tartrazine E104 quinoline yellow E107 yellow 2G E110 sunset yellow E120 cochineal E122 carmoisine E123 amaranth E124 ponceau 4R E129 allura red E131 patent blue V E132 indigo carmine E133 brilliant blue FCF E151 black PN E210 benzoic acid

	<p>E211 sodium benzoate  E621 monosodium glutamate  E635 sodium 5 – ribonucleotide  E950 acesulfame K  E951 aspartame  E954 sodium saccharine</p>
<b>Trans fats</b>	All products and ingredients must not contain trans fats
<b>GM</b>	All products must not be genetically modified (GM) or contain genetically modified ingredients
<b>Freshly prepared</b>	At least 75% of dishes must be freshly prepared from unprocessed ingredients on site or at a local hub
<b>Eggs</b>	All eggs (including liquid eggs) must be from free-range hens
<b>Meat</b>	<p>All meat and meat within products on the menu must be accredited by one of the following welfare schemes:</p> <ul style="list-style-type: none"> <li>• Assured Food Standards (Red Tractor Assurance)</li> <li>• Farm Assured Welsh Livestock (FAWL)</li> <li>• Quality Meat Scotland (QMS)</li> <li>• Farm Quality Assurance Scheme (FQAS) Northern Ireland</li> <li>• EBLEX Quality Standard Mark (English Beef and Lamb Executive)</li> </ul> <p>Of these the higher standards are:</p> <ul style="list-style-type: none"> <li>• Organic</li> <li>• Freedom Food</li> </ul>
<b>Fish</b>	All fish served must NOT be on the Marine Conservation Society (MCS) ‘fish to avoid’ list, available at <a href="http://www.fishonline.org/fish-advice/avoid">www.fishonline.org/fish-advice/avoid</a> . This list is updated regularly according to the latest research. You must refer to the list when ordering fish
<b>Seasonality</b>	All menus are seasonal and in-season produce is highlighted. Menus need not be exclusively seasonal, but must show seasonal variation and ideally include seasonal meats and fish too. ‘Seasonal’ produce is fresh produce that can be produced outdoors in the UK at that time of year
<b>Training</b>	Catering staff are supported with skills training in fresh food preparation and where applicable, the Food for Life Catering Mark
<b>Water</b>	Free drinking water must be prominently available
<b>Provenance information</b>	Information must be on display about where food comes from. For example, the names of farms and/or local food businesses supplying locally produced ingredients could be displayed on menus, blackboards, posters, or communicated to your customers through

	flyers, websites or newsletters
<b>Food safety</b>	All suppliers must be verified to ensure they apply appropriate food safety standards, based on HACCP (Hazard Analysis and Critical Control Points) principles
<b>Nutritional standards</b>	<p>Caterers in schools and academies, early years and residential care settings and hospitals must demonstrate their compliance with national standards or guidelines on food and nutrition.</p> <p>School and academy catering  <a href="http://www.childrensfoodtrust.org.uk/schools/the-standards">http://www.childrensfoodtrust.org.uk/schools/the-standards</a></p> <p>Early years settings  <a href="http://www.childrensfoodtrust.org.uk/pre-school/resources/guidelines">http://www.childrensfoodtrust.org.uk/pre-school/resources/guidelines</a></p> <p>Residential care homes (adults 18-65 years of age)  <a href="http://www.thenacc.co.uk/shop/Goodpracticeguides">http://www.thenacc.co.uk/shop/Goodpracticeguides</a></p> <p>Residential care (older people) and community meals  <a href="http://www.cwt.org.uk/publications.html#older">http://www.cwt.org.uk/publications.html#older</a></p> <p>Hospitals  <a href="http://sd.defra.gov.uk/advice/public/buying/products/food/standards/">http://sd.defra.gov.uk/advice/public/buying/products/food/standards/</a></p>
<b>Diet and cultural needs</b>	Menus must provide for all dietary and cultural needs
<b>Waste</b>	There must be a clear plan in place to reduce food waste and packaging and this should be communicated to the public and reviewed on an annual basis
<b>Fairtrade</b>	All tea, coffee, cocoa and bananas are to be certified as fairly traded
<b>Health</b>	A range of healthy options must be provided for main meal, dessert and snacks
<b>Training</b>	All catering staff are encouraged to complete the NCASS Sustainability Training for Caterers online course.

Additional criteria for Fairtrade, Health, Waste and Training that are outside the **Bronze FFL Catering Mark standards** have been included in the list for MBS as these fit with current council policy.

**Encouragement is given to always champion local, sustainable and higher welfare (e.g. Freedom Food or Organic) where available, affordable and appropriate.**

#### **Additional resources**

Soil Association's Food for Life: [Catering Mark Standards Manual](#)

Government Buying Standards: [Food and catering services](#)

EU GPP criteria: [Food](#)

Healthy Choice Award: [For care homes, nurseries and breakfast clubs](#)

Brighton & Hove Food Partnership: [Food strategy](#) or [help with suppliers](#)



## Appendix 2. Options Analysis: potential minimum buying standard sets for council contracts

These options were considered at a workshop in February 2014 for council catering managers. Existing models for delivering minimum standards had been researched by the Food Partnership. Standards were presented that included both health and sustainability specifications within the standards. Workshop attendees unanimously supported Food for Life bronze as

<b>Government Buying Standards for Food</b>	
<ul style="list-style-type: none"> <li>• Introduced by DEFRA in 2011</li> <li>• Mandatory for central govt departments and related agencies (though no monitoring and therefore implementation patchy)</li> <li>• Wider public sector encouraged to use GBSF</li> <li>• Apply to organisation, not caterer</li> <li>• Procurement of healthier more sustainable food</li> <li>• Re-launch expected June 2014, however, revised standards expected to be below FFL Bronze</li> </ul>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Healthy eating recommendations: low/no salt, reduced fat, oily fish, increased fibre, 50% desserts based on fruit</li> <li>• Environmental specifications</li> <li>• Food Waste standards included</li> <li>• Standards must be met at no extra cost</li> </ul>	<ul style="list-style-type: none"> <li>• These <b>are already specified</b> in BHCC Procurement guidance but have not been implemented</li> <li>• No means of effectively monitoring all the standards within this set, therefore demonstrating all standards are being applied could be onerous</li> <li>• Limited take-up</li> <li>• Cooked from fresh not required</li> <li>• Weak on animal welfare</li> <li>• Produce does not have to come from UK</li> <li>• Additives and GM allowed</li> <li>• Self-regulatory</li> <li>• No marketing tools</li> <li>• Weaker than food standards for McDonalds</li> </ul>

<b>Development of a bespoke set of Minimum Standards</b>	
This would involve the development of a set of standards specifically for Brighton & Hove City Council contracts.	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Flexible to suit the uniqueness of Brighton &amp; Hove</li> <li>• Can be as strong or as weak as desired</li> <li>• No audit costs / paperwork</li> <li>• Encourage sign up across the city</li> </ul>	<ul style="list-style-type: none"> <li>• No means of effectively monitoring all the standards within this set, therefore demonstrating all standards are being applied could be onerous</li> <li>• Aspirational</li> <li>• Marketing design &amp; development costs</li> <li>• No ownership</li> <li>• Involves reinventing the wheel</li> <li>• Those who have designed bespoke standards (e.g. Bristol) now recommend using FFL</li> </ul>

<b>Food for Life Bronze Standard Catering Mark</b>	
<p>Bronze standards focus on</p> <ul style="list-style-type: none"> <li>• Removing harmful additives, trans fats and GM from menus</li> <li>• 75% prepared freshly on site</li> <li>• Eggs are free-range &amp; UK welfare standard meat</li> <li>• Marine Conservation Society 'fish to avoid' list</li> <li>• Seasonal menus</li> <li>• Information on where food comes from displayed</li> <li>• Schools, early years, residential care settings &amp; hospitals – national nutritional standards</li> </ul>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Applies to the caterer and can therefore be set as a Contract Specification requirement</li> <li>• Industry standard</li> <li>• Independent endorsement</li> <li>• Recognised logo</li> <li>• Annual external audit</li> <li>• Support</li> <li>• Provides a set of progressive standards to Silver and Gold, therefore begins progression to higher achievement</li> <li>• Tried and tested</li> <li>• Excellent Marketing &amp; PR opportunities</li> <li>• Good for local economy</li> <li>• Workforce training</li> <li>• Once in place can deliver cost savings</li> <li>• Brighton &amp; Hove leading the way if adopting bronze across all contracts?</li> <li>• Easier for smaller settings to get involved if a buying group is in place</li> <li>• Possible to get an accreditation through the Soil Association which could include all smaller council catering outlets in addition to any contracted caterers that must gain their own accreditation</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of accreditation</li> <li>• Increased paperwork</li> <li>• Health specifications incorporated more at Silver and Gold level</li> <li>• Difficult for smaller settings to get involved</li> </ul>



# Food for Life Catering Mark Standards & fees

## Overview of FFL bronze standards

- No undesirable additives or trans fats
- At least 75% of dishes on the menu are freshly prepared (on site or at a local hub) from unprocessed ingredients
- All meat is from farms which satisfy UK welfare standards
- Eggs are from cage-free hens
- Menus are seasonal and in-season produce is highlighted
- Catering staff are supported with skills training in fresh food preparation and the Catering Mark
- No GM ingredients
- Free drinking water is prominently available
- No fish are served the Marine Conservation Society 'fish to avoid' list
- Information is on display about food provenance
- All suppliers have been verified to ensure they apply appropriate food safety standards
- Caterers in all schools and academies, early years and residential care settings and hospitals can demonstrate their compliance with national standards or guidance on food and nutrition
- Menus provide for all dietary and cultural needs

**Silver** and **Gold** build on the bronze standards to reward continuous improvement. The points system rewards every step taken towards the principles of the Food for Life Catering Mark.

## Sourcing environmentally sustainable and ethical food

Points awarded per % of: organic; free-range; MSC/MCS 'fish to eat'; Freedom Food; Fairtrade and Ethical Trade; LEAF

## Making healthy eating easy

Points are given for a range of optional steps to offer healthier menu choices, including: meat-free day / plant-based main options; steps to serve meat in moderation; steps to minimise salt; actions to cut plate waste; actions to support eating well; actions to promote meal take-up (schools only); healthy vending; more than 50% of bread on offer is wholemeal; making Real Bread; fruit cheaper than dessert; main meals accompanied by at least one portion of vegetables or salad)

## Fees for Food for Life Catering Mark

### For caterers in the public sector

**£995 plus VAT (£1,194)** for public sector and local authority in-house caterers, including:

- Schools
- Universities
- Hospitals
- Prisons
- Care homes

## For caterers serving the schools, nurseries, colleges and universities

Audit fee – visit, report assessment and verification: **£700**

Membership fee per number of sites/contracts (all fees subject to VAT)

1-10 **£40**

11-25 **£35**

26-50 **£30**

51+ **£25**

For example: if you have a catering contract for 14 schools, your annual fee would be:

£700 (audit fee) + (10 x £40) + (4 x £35) (membership fee) = £1,240 plus VAT

## For catering for a single site or restaurant

Sales/contract value - Fee (all fees subject to VAT)

Less than £100,000 = **£565**

£100,001 - £200,000 = **£765**

More than £200,001 = **£1100**

## For caterers serving the business & industry sector, and multi-site restaurants

Audit fee – visit, report assessment and verification: **£700**

Membership fee per number of sites (all fees subject to VAT)

2-5 = **£250**

6-10 = **£200**

11-25 = **£175**

26-50 = **£150**

51+ = **£100**

For example: if you have a contract to cater for six workplace sites, your annual fee would be:

£700 (audit fee) + (5 x £250) + (1 x £200) (membership fee) = £2,150 plus VAT

### Covered by your fee:

- Independent endorsement from the Soil Association that your meals are fresh, seasonal and better for animal welfare
- Your organisation's membership of the UK's fastest growing Best Practice scheme for caterers
- Use of the Food for Life Catering Mark logo and all relevant Soil Association marketing materials and messaging

### Contact Food for Life Catering Mark team

If you have any questions please contact 0117 914 2406 or [catering@foodforlife.org.uk](mailto:catering@foodforlife.org.uk)

## Case studies from organisations that have achieved the Soil Associations Food for Life Catering Mark:

***"Our income across the business has increased by 13% over the past 3 years - we attribute much of our success to the Catering Mark"***

Gerry Clinton, Havering Catering Service (Gold)

***Encore Hospitality Services has achieved Gold for Emirates Arena - the first UK leisure facility to serve Catering Mark meals***

The Emirates cafe in this flagship sports venue is run by Encore Hospitality Services, who are the first leisure facility in the UK to achieve the Gold Food for Life Catering Mark. They see the food offering as a vital to the building's success. Since the changes in the menu, customers have really been noticing the improvements. "Whenever we've had events on, such as the recent Cycling Event, the cafe has been packed, with queues out of the door." It's not only amongst the customers in the cafe that people have been sitting up and taking notice of the positive changes. In the kitchen too, there is a definite sense of growing pride. "Our staff are taking advantage of this opportunity to learn." The changes have affected the staff's home lives too. Brian says: "My eating habits at home have really changed, we only ever get free-range eggs now, and I'm more aware about what the kids are eating at school."

***Copper Box Arena Cafe - at Queen Elizabeth Olympic Park - is now serving Bronze Standard meals through caterer Centerplate***

Centerplate have demonstrated that good food, sustainable sourcing and conscious cooking can all be achieved without significant costs increases, showing just what can be achieved even when working to tight commercial budgets. Anna Standen, Centerplate's Corporate & Social Responsibility Manager, says: "There are costs involved in gaining this award and abiding by the Food Legacy Pledge but we feel the added value and reassurance that we are serving more sustainable food is worth it and will mean that customers spend more in our Café. More customers are questioning where their food comes from and achieving the Bronze Food for Life Catering Mark Award alongside committing to the Food Legacy Pledge ensures customers can trust the food we serve and get the food they deserve. Making everything from scratch costs can be controlled in a manner that minimizes waste, ensures great quality and still meet budgets."

***Eden Foodservice have achieved Silver for all of their primary schools in Bristol***

"A key part of the initiative was to implement it without having a negative financial impact on the business. Our Procurement Department, the Menu Development Team and our key supplier, Brakes, have worked closely together to create menus and use ingredients that meet the Silver Standards which are as cost effective as possible."

***Centerplate has achieved Silver for Bristol City Football Club - the first stadium in England to achieve the Catering Mark***

Anna Standen, Corporate & Social Responsibility Manager at The Lindley Group says: "Since achieving the award, there has been considerable interest from customers, who enjoy their meals knowing they are homemade using locally sourced produce; helping to support the local community. We have seen greater interest in where our food comes from and regularly asked questions about how we make our meals, in particular our fantastic homemade meat pasties."

***HC-One is in the process of achieving the Bronze Food for Life Catering Mark across all 242 sites. HC-one will be the first care home provider to achieve the Catering Mark on this scale – providing approximately 33,000 meals for more than 10,000 Residents across the UK each day.***

As with many care groups the menus focused on providing the correct balance of calories for a fixed cost. Whilst every effort was made to provide nourishing meals, the food quality standards were not defined. HC-One recognised that to consistently improve the food and beverage offer to Residents, there needed to be defined food quality standards in place which not only consistently raised quality and choice but also consistently met the recommended nutrition guidelines. Moreover this offer had to be delivered in an affordable way. This meant an entire review of food suppliers and new partnerships which included nutritionists and food safety experts. “The Food for Life Catering Mark standards enables us to promote fresh, healthy food at a time when we must also focus on cost efficiency. Keeping the exercise cost neutral meant negotiating very firm prices with suppliers and changing recipes to use less expensive ingredients. Overriding these challenges is a commitment and willingness to put food at the heart of the care we provide, for food to be more than an ancillary function and to deliver food that is consistently great, not just OK. As with any change programme, the Food for Life Catering Mark is about winning hearts and minds, and this always takes time when you have 240+ homes with their individual ways and 10,000 Residents with individual needs and preferences. But the fact is that food punctuates the day; it nourishes and it is something that Residents really look forward to.”

## **Financial implications**

**71% of public sector institutions meeting Food for Life Catering Mark criteria reported that the implementation of Food for Life sustainability criteria was cost neutral and 29% reported overall cost savings.<sup>1</sup>**

A Government commissioned report into Defra’s ‘Public Sector Food Procurement Initiative’ (PSFPI) concluded that costs decreased when there was an increase in the procurement of UK, regional, seasonal, farm-assured and small/local supplier produce (60% of those surveyed reported cost decreases or no impact on food costs).<sup>2</sup>

Nottingham University Hospitals NHS Trust saved £20,000 per annum by buying local fruit and vegetables.<sup>3</sup>

Compassion in World Farming case studies with local councils have shown cost savings by moving to free-range eggs which are supplied by local farmers, with Hampshire, for example, seeing a 20% drop in costs.<sup>4</sup>

Collaborative procurement contracts that incorporate robust health and sustainability criteria can help public sector institutions benefit from combined buying power and reduce costs associated both with ingredients and the contractual process itself. The London Cluster, established by Sustain and the London Borough of Havering with support from the Greater London Authority as part of the London Food Strategy, now operates multi-million collaborative food-buying contracts that incorporate high food standards in line with British Food Plan and Food for Life Catering Mark objectives, [www.sustainweb.org/resources/files/reports/GFPP\\_InHouseCaterers.pdf](http://www.sustainweb.org/resources/files/reports/GFPP_InHouseCaterers.pdf).

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<sup>1</sup> Food for Life Catering Mark: <http://www.soilassociation.org/cateringmark.aspx>

<sup>2</sup> <http://archive.defra.gov.uk/foodfarm/policy/publicsectorfood/documents/090311-PSFPI-%20evaluation.pdf>, p.29

<sup>3</sup> <http://archive.defra.gov.uk/foodfarm/policy/publicsectorfood/documents/090311-PSFPI-%20evaluation.pdf>, p.29

<sup>4</sup> [www3.hants.gov.uk/7.3\\_local\\_egg\\_partnership\\_-\\_jun\\_09.doc](http://www3.hants.gov.uk/7.3_local_egg_partnership_-_jun_09.doc)

In the long-term, buying better public sector food would significantly reduce costs caused by unhealthy food by tackling diet-related ill health which costs the NHS £6 billion every year.<sup>5</sup> There are also potential long-term savings from reduced environmental damage; reduced food waste, which costs the NHS alone £14 million a year;<sup>6</sup> lower risk of animal diseases; and local economic development, particularly in rural areas which Defra's Impact Assessment document for the original Government Buying Standards recognised.

## **Other facts and figures to support the move to procure sustainable and healthy food**

### **Supporting the local economy**

At the Oxford Farming Conference in January 2014, farmers argued that public sector procurement of British food falls way short of where it should be. The public sector bought £2.1bn worth of food and drink last year. ***"Local authorities could multiply the amount of money circulating in the local food economy by 400% if they gave procurement contracts to local food businesses."***

The public sector spends £2.5 billion each year on food and catering services, so changing food procurement to healthy and sustainable locally-produced food would bring huge benefits to people's health, the environment and local economies.

**Sussex Partnership NHS Foundation Trust** (mental health provider across Sussex, including 2 hospitals in the city) now source 85% of their fresh produce from the local area, which goes into 800,000 patient meals a year, is local. This has led to the fruit and veg bill plummeting by 20% and meat costs decreasing by 10%. Using less used cuts of meat provide locally sourced top-quality meals at a competitive price. Their use of the local market garden supplier (JR Wholesale in Hailsham) proved so successful for the supplier that over four years, its turnover increased by 30%. In a recent PLACE survey (Patient Led Assessment of the Care Environment), 91% of patients said the food was good / very good / excellent.

The new economics foundation's (nef) Social Return on Investment (SROI) research was carried out in Nottinghamshire and Plymouth. They found that the share of ingredient spend on seasonal, local produce had risen dramatically as a result of adopting Food For Life Partnership practices, by a nominal £1.65 million in Nottinghamshire and £384,000 per year in Plymouth (Kersley, 2011, p.2).

The SROI calculation found that over £3 in social, economic and environmental value was created for every £1 spent. This does not take account of any of the health, educational or cultural benefits of a whole-school approach to food which are the primary objectives of FFLP. Adding these benefits would result in a substantially higher return on investment (Kersley, 2011, p.2).

The greatest share of the benefits is experienced by local businesses – wholesale and primary producers – in the form of greater business security and, especially, enhanced local presence which leads to additional contracts and income. Of the total £5 million of benefit generated, around £3.6

The city has 4,400 hectares of farmland, but very little produce from this comes into the city.

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<sup>5</sup> Food Matters: Towards a Strategy for the 21<sup>st</sup> Century, Cabinet Office, 2008  
[http://webarchive.nationalarchives.gov.uk/+/http://www.cabinetoffice.gov.uk/strategy/work\\_areas/food\\_policy.aspx](http://webarchive.nationalarchives.gov.uk/+/http://www.cabinetoffice.gov.uk/strategy/work_areas/food_policy.aspx)

<sup>6</sup> BAPEN, Hospital Food as Treatment, <http://www.bapen.org.uk/professionals/publications-and-resources/bapen-reports/hospital-food-as-treatment>

Local fisheries at Shoreham export a large proportion of fish caught out of the city, but are keen to supply all fish to local markets.

The chalk downland that surrounds the city is ideal for sheep grazing that protects this unique habitat. City Services deliver a 'Conservation Grazing Scheme' which includes community shepherds. Currently most of this lamb is not sold directly to the city.

### **Health costs**

Obesity is associated with a range of health problems including type 2 diabetes, cardiovascular disease and cancer. The resulting NHS costs attributable to obesity are projected to reach £9.7 billion by 2050, with wider costs to society estimated to reach £49.9 billion per year. These factors combine to make the prevention of obesity a major public health challenge.

The social care costs to local authorities for the care of house-bound residents suffering from obesity related illnesses, including arthritis, heart disease and diabetes and those requiring help towards walking aids and home adaptations may be considerable - and likely to increase in line with national predictions for obesity prevalence.

In the city, 50,000 adults are obese or morbidly obese. This is estimated to have cost the NHS in Brighton & Hove £78.1 million in 2010 and this is expected to rise to £83.5 million by 2015. 30% of 10-11 year olds in the city are obese or overweight.

### **Traceability of food**

Buying traceable, local and British food has risen "*substantially*" up consumers' agendas since the horsemeat scandal, according to the latest research from Mintel (March 2013)

### **Food waste**

In 2011, the cost of food being wasted in the UK hospitality and foodservice sectors was £2.5bn. That figure is set to increase to £3bn by 2016 if no action is taken. 21% of food waste arises from spoilage; 45% from food preparation and 34% from consumer plates. (WRAP figures 2013) 66% of consumers said they would order smaller portions if they could (SRA research 2013).

### **Cost to the environment**

Research shows that food that is healthier for us is also healthier for the planet. Food is responsible for 10% of the city's carbon footprint and 17% of the city's Greenhouse Gas footprint. Meat and dairy are responsible for nearly a 1/3<sup>rd</sup> of the ecological footprint related to food.

### **Opportunity for Brighton & Hove.**

Once a set of standards have been agreed for BHCC catering contracts, these will be taken out to other establishments and employers in the city which could lead to improvements in the food for thousands of school pupils, university students, hospital patients, tourists and employees across the city. The University of Brighton has recently been awarded the Bronze Food for Life Catering Mark for most of their establishments, serving 22,000 students and 2,500 staff. Through the Good Food Procurement Group, set up by the Food Partnership, we hope to roll out the MBS to other key organisations across the city.

**Chloe Clarke, Project Manager, Brighton & Hove Food Partnership. May 2014**

**Subject:** Home to School Transport for Pupils with Special Needs and Other Social Care Transport Contract

**Date of Meeting:** 11 July 2014

**Report of:** Executive Director of Children's Services

**Contact Officer:** Name: Michael Nix Tel: 29-0732  
Email: [michael.nix@brighton-hove.gov.uk](mailto:michael.nix@brighton-hove.gov.uk)

**Ward(s) affected:** All

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval for the procurement of a framework agreement to provide for home to school transport for pupils with special educational needs, and other hired transport for vulnerable children and adults on behalf of social care teams.

**2. RECOMMENDATIONS**

That Policy and Resources Committee:

- 2.1 Approves the procurement of a framework agreement for home to school transport for pupils with special educational needs and other transport for vulnerable children and adults on behalf of social care teams, for a term of four years from 1 September 2015 to 31 August 2019;
- 2.2 Grants delegated authority to the Executive Director of Children's Services to carry out the procurement of the framework agreement referred to in 2.1 above including the award and letting of the framework agreement.

**3. CONTEXT/ BACKGROUND INFORMATION**

Summary of the current service provision

- 3.1 The provision of home to school transport is an essential service which the council has a responsibility to provide for entitled pupils under the Education Act 1996. Hired home to school transport is provided for approximately 500 pupils with special educational needs who would otherwise have difficulty in attending either mainstream or special schools. Each child's needs are assessed individually before transport is provided, and there is no automatic entitlement to hired transport assistance. Transport is provided for most pupils through whole school contracts established with external transport providers.

- 3.2 In addition to home to school transport as described in paragraph 3.1, other transport is arranged by the Home to School Transport team on behalf of child and adult social care teams in order to secure best value and manage social care transport requirements in one place. This work is commissioned by social care teams and is re-charged to them. The majority of work is commissioned on a one-off basis, although there is some recurring business. Transport is provided for vulnerable children and adults, including children in care, adults with learning difficulties and older clients. Clients are transported to a variety of destinations including contact meetings (children in care), hospital appointments and day centres.

#### Previous framework agreement

- 3.3 In 2011, a four year framework agreement was established to cover a number of schools and the provision of transport for adults and children in social care. The current framework agreement is due to expire on 31 August 2015. A number of individual 'call-off' contracts have been awarded under the framework, some of which expire after that date. It is intended that any contracts that expire after this date will be terminated early, if the Committee approves the procurement, so that the new arrangements can be effective from the same date.
- 3.4 Under a framework agreement, there is no guarantee of work and therefore no contract value in its own right. The expenditure under the contracts let under the current framework is £1.9 million per year; however it is anticipated that the new framework will achieve cost savings for the council through a revised specification and contract monitoring arrangements for call-off contracts.

#### Best practice and consultancy opinion

- 3.5 The Department for Transport (DfT) published '*Tendering Road Passenger Transport Contracts – Best Practice Guidance*' in October 2013. This included recommendations for making the tendering process easier and more relevant. In addition, it recommended that local authorities consider establishing an Integrated Transport Unit (ITU) to manage all their transport planning and organisation. This recommendation was also made by the consultants, EY, as part of a report on the council's procurement of goods and services.
- 3.6 The Value for Money approach, phase 4, incorporates Client Transport. A working group has been established to undertake a review of transport services. The project is looking at establishing an ITU for better use of the council's existing fleet and developing a strategy for partnership working with neighbouring authorities, the Clinical Commissioning Group (CCG) and third sector, either through joint commissioning and procurement, and/or with different models of provision.
- 3.7 As this project may result in the transport management for this service changing, the framework agreement allows a more flexible implementation of any call-off contracts awarded under it, which can be awarded from year to year during the framework period. This should allow quicker implementation of any recommendations arising from the transport review.



## Tender process for new framework agreement

- 3.8 In order to comply with the UK Public Contracts Regulations and the council's internal Contract Standing Orders, a formal tendering process must take place to procure the new framework agreement.
- 3.9 Using a framework agreement has a number of benefits as the council has the ability to 'call-off' contracts at short notice without the need to undertake a time-consuming comprehensive contract award process, which therefore reduces administrative effort and costs. It also allows the council the flexibility to determine specific requirements at the 'call off' stage.
- 3.10 In order to meet the deadline for contract commencement on 1 September 2015, a procurement timetable has been drawn up which proposes that the Invitation to Tender (ITT) will be published in October 2014 to ensure selection of a preferred bidder and contract award by February 2015. A comprehensive specification will be drafted to accompany the ITT. The tender will be split into separate lots which may be based on individual schools or groups of schools or on geographical areas. These two options should result in a reduction in the number of overall call-off contracts under the new framework agreement.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 An alternative would be to establish a Dynamic Purchasing System (DPS). A DPS is an electronic system for purchasing commonly used goods and services. It remains open throughout its duration for the admission of providers that satisfy the selection criteria and submit an indicative tender that complies with the service specification.
- 4.2 The Client Transport Value for Money review will explore the possibility of providing some or all of this contract in house by better fleet management utilising existing capacity within the Adult Social Care service. This will require detailed mapping of the use of the fleet and identifying any impact on other services.
- 4.3 The alternative options are not recommended whilst the transport review is being undertaken although this may be pursued in the future depending on the outcome of the review, subject to gaining any relevant approvals.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Current providers, and other providers not currently on the framework agreement but who have expressed an interest in providing the service, will be contacted in advance of the tender to seek opinion on the specification and contract terms to ensure that they are suitable and relevant. This will ensure a balance between achieving value for money and that the service is appropriately specified.
- 5.2 All current contractors will be invited to apply to tender for this work, as well as other transport providers.

- 5.3 Schools and parents of pupils using the service will be consulted on their experience of home to school transport provision to better inform the requirements for the new arrangements.

## **6. FINANCIAL & OTHER IMPLICATIONS**

### Financial Implications:

- 6.1 The award of the framework itself has no financial value; however the total current value of the contracts called off under the framework is approximately £1.9million per year.
- 6.2 It is important throughout the procurement process that the council achieves value for money and the principles of value for money are upheld as well as having secure arrangements in place for those pupils with special educational needs.
- 6.3 There are financial risks associated with the provision of home to school transport. These will arise from a number of factors, such as the number of pupils qualifying for assistance and the effect that has on unit cost, the changing costs of transport provision including fuel that affect annual price reviews, and the degree of individual pupil need which can result in costly individual transport arrangements.
- 6.4 An understanding of the wider financial risks to the council is necessary in planning future measures to secure the provision of home to school transport in the city. During the development of the contract specification, officers will need to be mindful of proposed payment mechanisms to ensure that the proportion of risk between the council and the providers is reasonably balanced.

*Finance Officer Consulted: Paul Brinkhurst*

*Date: 30 May 2014*

### Legal Implications:

- 6.5 The council has a statutory duty to provide home to school transport for certain pupils attending schools in the Brighton & Hove area under the Education Act 1996 (as amended).
- 6.6 The Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations at paragraph 2 above, given that the value of the contract which is the subject of the proposed tendering exercise is likely to have corporate financial implications.
- 6.7 Further, the council's Contract Standing Orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee, which in this instance is the Policy and Resources Committee due to the value involved.

- 6.8 Although the proposed procurement is classed as a Part B service and therefore not subject to the full impact of the UK Public Contracts Regulations, due to the value of the proposed framework a number of processes will be utilised from Part A to ensure that the procurement is competitively tendered using a fair and transparent process. The tender will be advertised using EU Supply, and will be scored on the criteria of quality and price as part of the evaluation process.
- 6.9 Careful consideration will need to be given to any current contracts that may need to be terminated early and the correct termination procedure should be followed.

*Lawyer Consulted:*

*Jo Wylly*

*Date: 5 June 2014*

Equalities Implications:

- 6.10 The council has a responsibility to promote access to appropriate educational provision for all in accordance with legislation including the Equality Act 2010. It must balance that responsibility against any change in transport provision, to ensure that it is not compromising access by vulnerable individuals.
- 6.11 It is not necessary to carry out an equalities impact assessment on this occasion as the criteria for accessing transport services are not changing as a result of this new procurement.

Sustainability Implications:

- 6.12 The Education Act 2006 (as amended) places a general duty on the council to promote the use of sustainable travel and transport. The duty applies to children and young people of compulsory school age and sixth-form age who travel to receive education or training in the council's area.
- 6.13 It is accepted that hired transport contributes to traffic levels in the city. However, this is offset by the council's contractual requirement to maximise the use of all spaces on vehicles (except where, through health or safety considerations, children must travel alone).

Any Other Significant Implications:

- 6.14 Potential risks arise for pupils and service users if suitable contractual arrangements are not made by 1 September 2015, and any failure to do so would mean that the Council would not comply with its statutory duty to provide home to school transport to entitled pupils with special educational needs. The greatest risk for students is that in the absence of transport they could not attend school. Not only would this impact on the pupils, but also on their families.

- 6.15 Any overspending on home to school transport and social care transport is at the opportunity cost of other service provision within the council and services to children in particular. It is considered that the procurement of a framework agreement, and the subsequent implementation of call-off arrangements, will achieve the greatest value for money for the council, particularly if the contract specification is carefully drafted to ensure the most cost-effective and efficient transport provision.
- 6.16 Specific safeguarding guidance for transport services is not currently in place, although it is a requirement that all personnel involved in providing transport for children have a current Disclosure and Barring Service (DBS) check. It is considered that this is essential to the safe provision of the service and therefore guidance is currently being drafted which shall form part of the tender documents.

Risk and Opportunity Management Implications:

- 6.17 There has been a consolidation of providers in the local taxi market since the framework agreement was previously procured in 2011. The specification for the service and the contract terms must limit the possibility for unexpected additional costs whilst attracting sufficient interest from providers to achieve value for money. Consultation with current providers and careful drafting of the specification and framework agreement in advance of the formal tender should mitigate this risk.

**7. CONCLUSION**

- 7.1 It is necessary to re-tender this framework agreement which expires at the end of August 2015. In order to build in sufficient time to carry out a fair and transparent procurement process, the process must commence now. Although the tendering process will run alongside the wider value for money transport review, it will enable the council to comply with its duty to provide home to school transport for all eligible pupils in the city from 1 September 2015, as well as providing other social care transport, whilst achieving value for money savings through a revised contractual specification.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. None

**Documents in Members' Rooms**

1. None

**Background Documents**

1. Department for Transport (DfT) 'Tendering Road Passenger Transport Contracts – Best Practice Guidance' October 2013





<b>Subject:</b>	<b>Procurement of Waste and Recycling Contract</b>		
<b>Date of Meeting:</b>	<b>11<sup>th</sup> July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 29-1450</b>
		<b>Martin Hedgecock</b>	<b>29-5047</b>
	<b>Email:</b>	<b>martin.hedgecock@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

To obtain the agreement of Policy & Resources Committee to tender and award a new contract for the supply of commercial waste refuse, disposal and recycling services to the Brighton & Hove City Council's civic offices, social care, historic, operational and commercial buildings with the option for schools to opt into receiving such services under the new contract. Under the current contract, 60 schools have taken up the option and all schools will be presented with the tendered contract costs and details of the benefits that each individual school would derive under the new contract.

**2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources Committee grants delegated authority to the Executive Director, Finance & Resources to approve the procurement and award of a contract for the supply of commercial waste refuse disposal and recycling services to the council with a term of up to a maximum of four (4) years.

**3. CONTEXT / BACKGROUND INFORMATION**

- 3.1 The current commercial waste contract consists of the following services, general waste disposal, recycling disposal and confidential waste disposal. It was awarded in April 2008 and extended for a further 2 years in April 2013. During the contract term the separate contract for the provision of confidential waste shredding came to an end and the provision was added to the waste contract by variation order.
- 3.2 In April 2013, as part of the zero waste One Planet Living action, the incumbent contractor installed weighing equipment to all vehicles to enable accurate commercial waste and recycling data to be obtained resulting in a focussed review of the council waste production. As a

consequence, the council has been able to reduce costs by rationalising the number of bins on site and the frequency of bin lifts.

- 3.3 Also as part of the One Planet Living Food Action Plan in December 2013 a trial was put in place for the collection and disposal of food waste in 10 schools. The participating schools were fully supported by the schools catering team and provided with the educational equipment necessary to maximise the participation by the students and staff. The waste collected has been weighed and early reports indicate that the trial is producing beneficial results. Therefore, the specification for the new contract will contain requirements for similar provision of receptacles, education in operational use and collection method to that which has been used during the trial.
- 3.4 The aim of the proposed procurement is to ensure that the council has continuity of service and continues to improve the council's rates of recycling. The tender process will also test and demonstrate Value for Money. The current cost of providing the total service is £452,000 per annum (approx £1.8m over 4 years) with waste and recycling provision for schools costing £190,000 pa. The expectation is to reduce the overall cost of the service through retendering the contract.
- 3.5 Bidders for the new contract will be invited to submit a Pre-Qualification Questionnaire which will be evaluated before a selected number of bidders are invited to tender.
- 3.6 The tenders for the new contract will be evaluated on a 40% technical / quality and 60% price split. A cross-functional evaluation panel consisting of representatives from Procurement, Property & Design and Finance will evaluate the tenders according to a methodology set out in the invitation to tender and evaluation guidelines.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 It is recognised that commercial waste disposal providers operate under different legal and statutory requirements from residential waste providers. The rationalisation of the several separate commercial waste and recycling contracts in 2008 has proved to be effective, efficient and value for money. We now have the opportunity to use this model to further improve service requirements, costs and recycling rates and expand on areas of environmentally friendly waste disposal.
- 4.2 The only other option to re-tendering this corporate rationalised contract would be to separate the component elements of the services and tender them individually. This option may mean that the Council loses the benefits of economies of scale – for example salary costs might increase through the need to increase the staff resource that would be required to manage multiple contracts.



## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Regular consultations take place with relevant departments, schools and regional partners participating in the council commercial waste disposal and recycling model to ensure service improvements and demonstrate an effective, efficient and economically viable corporate contract.

## **6. CONCLUSION**

- 6.1 Procurement of a new commercial waste contract in accordance with this report will enable the council to continue the progress made to date with waste disposal and recycling and reduce costs while continuing to achieve value for money through efficient management processes. It is therefore recommended that the contract is re-tendered with a rationalised specification that includes sustainability innovation and the potential for food waste recycling.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The council's revenue funded corporate commercial waste disposal and recycling budget for 2014-15 provides a total service of £452,000 (£1.81M over the 4 year period). Costs of commercial waste disposal and recycling services for schools are £190,000 per annum. It is expected that reduced costs will be achieved with the rationalisation of the service and the innovations designed to reduce waste.

*Finance Officer Consulted: Rob Allen Date: 06/05/14*

### Legal Implications:

- 7.2 The tender of the contract is subject to compliance with the full application of applicable EU legislation together with the Public Contracts Regulations 2006, the Council's Contract Standing Orders and Financial Regulations.
- 7.3 Council contracts with an estimated lifetime value in excess of £500,000 must be approved by the relevant committee. Policy & Resources Committee is the appropriate body to approve property related contracts of this value.

*Lawyer Consulted: Isabella Sidoli Date: 02.06.14*

### Equalities Implications:

- 7.4 Where applicable, this contract will include the need to consider the Equality Act 2010 and address the diverse needs of staff and users of the civic offices, operational and commercial buildings.

Sustainability Implications:

- 7.5 Sustainability will be improved through the innovations to be introduced within the revised contract specification to achieve 85% recycling by 2017.
- 7.6 Under the One Planet Living waste principle Brighton & Hove City Council are committed to reducing waste, reusing where possible and ultimately sending zero waste to landfill.
- 7.7 As part of the new contract the number and frequency of bin collections will be reviewed to encourage waste minimisation and recycling. The roll-out of the new contract will also be supported by increased educational material and engagement.
- 7.8 The contract will maintain the current number of recyclable materials and in addition will include the potential for a food waste collection service
- 7.9 No waste is currently or will be in the future sent to landfill sites. The contract will also introduce the use of locally based biofuel generators.

Risk and Opportunity Management Implications:

- 7.11 The risks and opportunities are dependent on the successful procurement of the contractor and robust contract and financial management to ensure that services are delivered in a timely manner within budget.

**Any Other Supporting Documentation**

**Appendices**

None

**Documents in Members' Rooms**

None

**Background Documents**

None

**Subject:** Shared Lives (Tender Contract)  
**Date of Meeting:** 11 July 2014  
**Report of:** Executive Director Adult Services  
**Contact Officer:** Name: David Peña-Charlón Tel: 29-6810  
Email: David.Pena-Charlon@brighton-hove.gov.uk  
**Ward(s) affected:** All

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To seek approval from Committee to tender and award a contract for the provision of the Shared Lives and Kinship scheme for three years from the 1st of April 2015, with the Council having an option to extend the contract period by a maximum of two years.

**2. RECOMMENDATIONS:**

- 2.1 That Committee approves the tendering of the Shared Lives and Kinship services through an approved procurement process during the financial year 2014-15 for the subsequent three to five years (i.e. contract period April 2015 to March 2018 with an option to extend by up to a further two years).
- 2.2 That delegated authority is granted to the Executive Director of Adult Services to approve the award of a contract to the successful bidders following recommendations of the tender evaluation panel and consultation with the Lead Member for Adult Social Care and Health.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Brighton & Hove Adult Social Care personalisation agenda aims to give people greater choice and control. Shared Lives is a model of adult placements with the required flexibility to offer personalised services. Shared Lives schemes recruit, assess and support carers who offer accommodation or care and support in their family home to people who are unable to live independently. As a result, users are given the opportunity to remain in the community in a family environment, developing their independence and confidence in daily living.
- 3.2 Shared Lives follows national guidance presented in Putting People First (2007), The Care and Support White Paper (2012) and Caring for our Future (2012). This guidance focuses on people's wellbeing and the quality of the support offered to stay independent for as long as possible, ensuring services are of high quality and safe. The above guidance also stimulates the development of initiatives that help people share their time, talents and skills with others in their community.

3.3 One of the priorities for Adult Social Care is to commission accommodation options that help people to maintain their independence. This includes the expansion of Shared Lives across all care groups. This has been related to offering improved outcomes for service users, preventing premature admission to residential care, promoting choice and independence, in addition to the fiscal need to provide realistic alternatives to residential care. Shared Lives placements offer both a personalised service and represent value for money, when compared to costs in residential settings.

### 3.4 **Current contracts**

3.4.1 The Council currently has two contracts with a single provider (Grace Eyre Foundation) to support Shared Lives arrangements. Together the contracts support a total of 34 service users and 22 carers. Both contracts have been managed by ASC since April 2014.

3.4.2 One of the contracts is a block contract for 9 service users. The other is a rolling contract with no limit in the number of service users. Each contract payment rates and terms and conditions are significantly different to the other. There are historical reasons for the difference. We considered merging the contracts however legal advice confirms that this would amount to the award of a new contract to which the Council's contract standing orders need to be applied..

3.4.3 **Proposal:** The block contract is due to terminate at the end of March 2015. The rolling contract can be terminated on three months' notice. The intention is to end the rolling contract on the same date as the block contract, and procure a new contract to cover both sets of arrangements from 1 April 2015. This report asks Committee to grant permission to tender a single contract that will merge the current arrangements in the process

### 3.5 **Proposed Procurement Arrangements**

3.5.1 The Contract will be tendered via a single stage open procedure via Council's eTendering Portal, EU-Supply.

3.5.2 It is considered that the Transfer of Undertakings (Protection of Employment) Regulations may apply in the event that the service transfers to a new Contractor. Prospective tenderers will be notified of this consideration and all necessary processes will be undertaken to comply with the legislative requirements

3.5.3 Tender applications will be assessed by an evaluation panel comprised of the following positions:

- Shared Lives Project Manager
- Procurement Officer
- Contracts Officer
- Social Worker from Assessment Team
- In-House Shared Lives Carer (In-House is not able to bid in this tender process)

This evaluation panel will apply the following assessment criteria in their appraisal of the tenders:

#### A. Price (35%)

The Tender price will be composed of two elements:

1. The Care Component – This represents the cost of the Shared Lives' Carers
2. The Management Component – This represents the cost of the Contractor's management of the Shared Lives Scheme.

Tender prices will be scored using the following formula:

$$\text{Score} = \frac{\text{Lowest Tendered Price}}{\text{Tender Price}} \times 35\%$$

That is, the cheaper tenderer will receive a full score of 35%, and each higher price will receive a portion of 35% proportional to the price difference between their tendered price and the lowest tendered price.

#### B. Quality (35%)

Criteria	Sub-Criteria	Weighting
Meeting the Requirement of the Specification	<ul style="list-style-type: none"> <li>• Registration to the Care Quality Commission ('the CQC');</li> <li>• Provision of Training to Carers according to CQC requirements;</li> <li>• Equality Standards; and</li> <li>• Quality Monitoring</li> </ul>	17.5%
Experience and Skills in Providing Similar or Comparable Services	<ul style="list-style-type: none"> <li>• Person-centred support to carers and service users;</li> <li>• Working in partnership with statutory and private stakeholders</li> <li>• Outcome focussed</li> </ul>	17.5%

#### C. Social Capital (30%)

Criteria	Weighting
Favouring Mutually Supportive Relationships in the Community	15%
Promoting Social Cooperative in Brighton and Hove	15%

### 3.6 Outcomes and value:

3.6.1 Tendering Shared Lives is an opportunity to both, attain a contractual coherence that will allow a strong service and to identify best value for money for its provision in Brighton & Hove.

3.6.2 The tendering process will focus on quality, cost and social capital, and will ensure the future expansion of Shared Lives to all service user groups in the city

(Shared Lives is currently provided mainly to service users with learning disabilities). As a result, vulnerable adults will have in their menu of support a personalised and solid alternative in the community to residential placements.

- 3.6.3 The development of Shared Lives will bring significant reduction of expenses. When compared with the costs of residential placements, the average savings from a Shared Lives placement are in the region of £17k per year for people with learning disabilities and £9K for people with mental health needs

#### **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 There are two Shared Lives contracts with the same provider. As one contract is due to end it is timely to re commission the service as one

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 If Committee agrees recommendation as outlined in 2.1, work will be undertaken with Procurement in order to identify, engage and consult with stakeholders as appropriate

#### **6. CONCLUSION**

- 6.1 Tendering the Shared Lives & Kinship scheme will allow the merger of the contracts currently held with Grace Eyre Foundation in a transparent manner, respecting the principles of equality in market competition.
- 6.2 Following tendering, the resulting Contract will allow the growth and development of a strong provider in the city. This will allow further development of Shared Lives

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 Based on the net spend of £0.630m against the Shared Lives and Kinship scheme for 2013-14, the proposed contract will have a value in the region of £1.9m across the 3 years. Shared lives placements represent a saving when compared to alternative forms of care and support in the community, particularly when compared to a residential setting. (The average net cost per week for a shared lives placement is £371. The average net cost per week for a residential placement ranges from £402 up to £933 depending on client group. For people with learning disabilities this is equivalent to approximately £17k per annum). The contract will allow for some growth in the number of placements which would contribute to the adults savings opportunities.

*Finance Officer Consulted: Name: Anne Silley*

*Date: 06/06/14*

##### Legal Implications:

- 7.2 The Shared Lives Scheme helps the Council to satisfy its statutory duty to provide care to people who are unable to live independently. As set out above, the proposed merger of the two current contracts constitutes the award of a new

contract in legal terms. The service is a Part B service for the purposes of the Procurement Rules, however it is considered that as there is no cross border market for this type of service. The procurement process will enable the Council to satisfy the requirements of the Council's contract standing orders (CSO's) and demonstrate value for money. Transitional arrangements will ensure that the rights of the individuals living in Shared Lives accommodation are fully protected.

*Lawyer Consulted: Jill Whittaker*

*Date: 08/06/14*

Equalities Implications:

- 7.3 An Equalities Impact Assessment will be carried out covering the scope of the proposed service. This Equality Impact Assessment is a live document that will cover all areas and of the project.

Sustainability Implications:

- 7.4 None

Any Other Significant Implications:

Corporate / Citywide Implications:

- 7.5 Shared Lives operates across the city and is an essential service in supporting people to remain in the community. Merging SP and ASC contracts and tendering the service would ensure a strong provider in the city and will promote the further development of the scheme. This will eventually have a positive impact on relieving pressure on residential placements.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

None



<b>Subject:</b>	<b>Cash in Transit Contract</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Debbie Sargent</b>	<b>Tel: 29-1379</b>
	<b>Email:</b>	<b>debbie.sargent@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 Due to the early termination of the foregoing cash in transit and ancillary services contract, it was necessary to award a new contract for a term of two years with immediate effect to ensure business continuity and minimise the risk to cash and cheques collected across the council and the subsequent impact on cash flow.
- 1.2 This report sets out urgency action taken by the Executive Director Finance & Resources in accordance with Part 6.2 A 7(2) of the constitution ("Urgency Powers").

**2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources Committee note the urgency action taken by the Executive Director Finance & Resources after consulting the Chair of the Policy & Resources Committee.

**3. CONTEXT/ BACKGROUND INFORMATION:**

- 3.1 The council's foregoing Cash in Transit provider, Coin Co International PLC (CCI), has provided cash in transit and ancillary services to the council for the period between 2007 and 2013 following a competitive tender process. This was further extended by utilising the East Sussex County Council Procurement Hub framework contract, under which CCI were the single supplier, for a further two years. This framework contract covers Eastbourne, Wealden, Rother and Lewes with CCI providing similar services to several large authorities and organisations including several London Boroughs, TFL, NCP, The National Trust and Kent National Health. Throughout the duration of the previous and foregoing contracts CCI have provided a reliable, flexible service in terms of collections and deliveries.
- 3.2 The contract stipulates that cash collected should be deposited in the council's nominated bank account within 10 business days of collections. In January 2014, it became evident that there were delays in funds being transferred to the council, which continued for some months thereafter. During this time, the position was monitored closely by council officers, with regular meetings and conversations with the Chief Executive of CCI and a visit to their premises.

Initially, CCI advised and evidenced that there was an issue with their banking software resulting in delayed transfer of funds to the council; this was further evidenced through emails from their bank. However, despite clear and firm assurances, delays continued and council officers escalated the issue to the Executive Director Finance & Resources.

3.3 Formal correspondence between the Executive Director Finance & Resources and CCI commenced and continued between March 2014 and May 2014. During this correspondence all available options were exhausted to retain the contract with CCI and ensure the transfer of council funds. This included:

- removing an element of the contract in order to minimise cash held with the contractor and therefore minimise the risk to the council;
- requesting third party assurance on the legal and financial steps CCI were taking to resolve their cash flow issues;
- offering a fair and reasonable repayment plan to secure payment over of council funds.

CCI declined the council's offer to vary the contract and did not meet agreed payment plans put in place. The balance of funds due to be paid over continued to rise and given the volume of cash collected daily from parking meters and other locations, immediate action was necessary to limit the potential financial risks to the council.

3.4 The council had no further options available to it and therefore, in accordance with the framework contract, issued a 21 day remedial notice to CCI on 27 May 2014, which required CCI to transfer over all outstanding funds by 3:00pm on 17 June 2014. The notice advised that failure to comply would result in contract termination under the terms of the contract.

3.5 Correspondence from the Chief Executive of CCI on 16 June 2014 confirmed that they were unable to comply with the notice and therefore accepted and expected termination of the contract. CCI also confirmed that they would work with the council to ensure a smooth handover to a new contractor and would continue to provide a service during this process.

3.6 Once terminated a repayment plan would immediately be negotiated with CCI to secure payment over of outstanding funds. Failure to comply could result in action via the courts which may have implications for the commercial viability of the company, however the steps outlined in this report will have capped the financial exposure to the council.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Immediately on becoming clear that the council may need to terminate the current contract, the availability of an alternative provider was explored. In liaison with Corporate Procurement, several framework agreements were considered. Considering service provision, price and flexibility, the ESPO framework agreement was identified as being the most suitable procurement framework available to the council. Under this framework, BDI Securities UK Ltd (BDI) are the single supplier of cash in transit and ancillary services in the

geographical region covering Brighton & Hove. It was therefore proposed to call off from the framework by awarding the contract to BDI Securities UK Ltd ('BDI').

- 4.2 BDI are an experienced security carrier holding contracts with several large public sector authorities, including several London Boroughs, the Metropolitan Police and various NHS bodies along with several contracts within the private sector including Travelex (a large foreign exchange retailer). They have provided excellent references and have met the council's strict financial assessment requirements for new contractors. Council officers have undertaken a site visit to BDI offices and held several meetings at council offices. During these meetings BDI have been professional, competent and flexible and have provided the necessary assurances that they are able to meet the council's service requirements within the framework contract specification.
- 4.3 Well-defined key performance indicators around service provision and the speed of transfer of council funds have been agreed with BDI together with financial penalties for non-compliance. These, along with general service provision, will be monitored daily both by BDI and council officers.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Chair of Policy & Resources Committee and the opposition spokesperson on the Audit & Standards Committee have been confidentially briefed and the council's external auditors had been alerted to the ongoing situation.
- 5.2 There has been ongoing communication between the council and the new contractor, BDI Securities UK Ltd, in setting out the council's requirements for cash in transit and ancillary services and ensuring these can be accommodated under the contract.
- 5.3 No community engagement or consultation has been undertaken in relation to this contractual change as these are services used purely by the council for processing cash collection.

## **6. CONCLUSION:**

- 6.1 Following the unacceptable situation and level of risk with the foregoing contractor, a new cash in transit provider has been identified and has been appointed for a period of 2 years by the Executive Director Finance & Resources, in consultation with the Chair of Policy & Resources Committee, using urgency powers. A record of the decision making process is provided at Appendix 1.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The annual contract value under the current contractor is £299,887, however, the contract value under the newly appointed contractor is £466,574, an increased budget commitment of £166,687 per annum. This additional budget pressure, together with additional bank charges of £14,993 will need to be accommodated within next year's overall budget.

7.2 For information, the approximate annual sums collected under the contract are:

Type of Collection	Cash	Cheques
	£m	£m
Corporate Offices and Schools	8.3	21.2
Parking Meters	11.5	n/a
<b>Total</b>	<b>19.8</b>	<b>21.2</b>

*Finance Officer Consulted: Jane Strudwick*

*Date: 17/06/14*

Legal Implications:

- 7.3 Under the council's scheme of delegation to officers, the Executive Director Finance & Resources may exercise any of the functions within her service area in cases of urgency where it is not reasonably practicable to obtain prior approval of a council committee or sub-committee, but only after consulting with the Chair of the relevant committee which, in this instance, is the Policy & Resources Committee.
- 7.4 The action taken in exercise of the Executive Director's urgency powers must be reported to Policy & Resources Committee.
- 7.5 Termination of the contract with CCI will comply with the relevant terms of that contract.
- 7.6 Awarding a new contract to BDI is a legitimate use of call-off arrangements under the ESPO framework agreement referred to in paragraph 4.1 above.

*Lawyer Consulted: Oliver Dixon*

*Date: 17/06/14*

Equalities Implications:

- 7.7 No equality impact assessment has been undertaken in relation to the services provided under this contract as this contract relates to cash collection and processing only.

Sustainability Implications:

- 7.8 There are no sustainability implications arising from this report.

Risk and Opportunity Management Implications:

- 7.9 The actions and decisions taken in the case of the council's cash in transit contract, including the use of urgency powers, have been taken in the context of managing a range of risks including the significant, growing potential financial risks to the council. The escalation process is described in the body of the report and Appendix 1 in arriving at the decision to use urgency powers and terminate the foregoing contract.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Record of Decision Making

### **Documents in Members' Rooms**

None

### **Background Documents**

None



**Executive Director Finance & Resources - Record of Decision Making**

**Termination of security carrier [cash in transit] contract with Coin Co International PLC and award of 2 year contract with BDI Securities UK Ltd**

The termination and new contract award were agreed under my urgency powers on 18<sup>th</sup> June 2014, in consultation with the Chair of Policy & Resources Committee, Cllr Jason Kitcat. Cllr Kitcat gave his consent in a telephone conversation on 17<sup>th</sup> June 2014 having received the written officer report from Debbie Sargent [Principal Accountant] dated 17<sup>th</sup> June and a copy of the letter to Coin Co from the Executive Director Finance & Resources on 25<sup>th</sup> April 2014. Cllr Kitcat had also had previous face to face briefings over recent weeks on the emerging situation and risks with the current contract.

Urgency powers were used because on Monday 16<sup>th</sup> June 2014 Coin Co advised the council that they were unable to meet the terms of our 21 day remedial notice and therefore the contract needed to be terminated with immediate effect and a new supplier engaged in order to protect the council's financial interests.

This decision was supported by the officer report from Debbie Sargent with legal and financial implications set out, as would be the case for a Policy & Resources Committee decision.

A handwritten signature in black ink, appearing to read 'CE Vaughan', is positioned above the typed name and date.

Executive Director Finance & Resources  
18<sup>th</sup> June 2014





<b>Subject:</b>	<b>Hove Town Hall, South End, Office Option</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 29-1450</b>
	<b>Email:</b>	<b>Angela.dymott@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Policy & Resources Committee on 12<sup>th</sup> September 2013 approved the implementation of Workstyles Phase 3, which takes forward the roll out of flexible working within the council and its partners and incorporates the refurbishment of Hove Town Hall to allow the re-location of staff and services from Kings House and other periphery buildings.
- 1.2 The Committee granted delegated authority to the Executive Director Finance & Resources to commence appropriate engagement and communications and to implement the works which includes commencing negotiations on approximately 25% of surplus space in the south end of Hove Town Hall on commercial terms to be negotiated by the Valuer and Head of Legal Services.
- 1.3 This report outlines an alternative proposal for this area, namely the conversion of the first floor spaces into an office which could be occupied by other external public or private service organisations that have potential synergies with existing council services to promote collaborative working.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee approve the refurbishment of the south end of Hove Town Hall as specified in paragraph 3.5 of this report.
- 2.2 That the Executive Director Finance & Resources be granted delegated authority:
  - (i) to commence appropriate engagement and negotiations with potential service providers and organisations, in relation to the proposed refurbishment referred to in paragraph 2.1 above; and
  - (ii) to grant leases to such service providers and organisations on such terms as the Director considers appropriate

### 3 CONTEXT/ BACKGROUND INFORMATION

- 3.1 Policy & Resources Committee of 12<sup>th</sup> September 2013 was presented with three options in the report *Modernising The Council - Workstyles Phase 3*, and approved the business case for Option A.
- 3.2 Option A of that report detailed proposals to dispose of the freehold of Kings House, the potential granting of long lease disposals in respect of 76-79 and 80 Buckingham Road and the disposal of surplus areas of Hove Town Hall (The Great Hall at first and second floor levels, and areas at ground floor level facing Church Road) for commercial use on terms to be negotiated by the Valuer and Head of Legal Services.
- 3.3 The report also approved the refurbishment of Hove Town Hall to accommodate the re-located staff which would enable flexible working and make better use of existing underused central circulation spaces and reception areas, convert the banqueting suite and associated spaces into meeting rooms and hot desks, construct a small extension at roof level on the north side and replacement of the existing single glazed curtain walling system with a modern energy efficient double glazed system.
- 3.4 The refurbishment of Hove Town Hall combined with the recently vacated and refurbished third floor at Bartholomew House, created under Workstyles Phase 2, would provide sufficient accommodation for all staff mainly in Kings House to move into Hove Town Hall in 2016.
- 3.5 This report proposes an alternative option whereby the council would convert the surplus first and second floor space (Great Hall) into an independent office space which could be rented out to private sector or other public organisations who might wish to co-locate and benefit from synergies with other council run services. This conversion would be funded from rental income received and is an alternative to disposal and conversion of the space by a private commercial developer. Details of the outline business can be found in the financial implications
- 3.6 Design work for the main Hove Town Hall refurbishment is now well advanced in order to meet the programmed start on site date of January 2015. The capital cost of the proposals outlined in this report would therefore benefit from an economy of scale should the two projects be undertaken at the same time.
- 3.7 The scope of works needed to convert the Great Hall would take approximately 12 months requiring a start around Easter 2015 in order to complete in the summer of 2016. Design work, including a further planning application, therefore needs to be commenced in August 2014.
- 3.8 The layout of the Great Hall allows for an independent entrance point off Tisbury Road, which would access two principal levels which can be subdivided as follows:
  - First Floor (main Hall level): Either used as one open plan office or subdivided into smaller spaces, with the potential for a double height public reception /waiting area

- Second/Mezzanine Floors: Converted to a single user occupied space (this would require a new mezzanine floor over part of the Great Hall area)
- 3.9 The Brighton & Hove Clinical Commissioning Group (CCG) who currently occupy an expensive leased building in the centre of Brighton will be looking to find alternative accommodation if they exercise an imminent lease break. CCG and the council see great benefits in co-locating to enhance the synergies and collaborative working in Social Care and Health teams that will ultimately be re-located in Hove Town Hall following completion of the renovations in 2016.
- 3.10 The Citizens Advice Bureau (CAB) currently located in part of the ground floor space of Hove Town Hall will be directly affected by these changes as it is proposed that the ground floor area will be disposed of for retail/restaurant use. The council is currently exploring re-location options with the CAB which could include use of this part of the site.
- 3.11 The proposal could also create potential savings for council services and other organisation/s working with the council helping to unlock costs within the City.

#### **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Policy & Resources Committee on 12<sup>th</sup> September 2013 approved the option of disposing of this surplus accommodation for conversion by a commercial organisation.
- 4.2 Doing nothing is not an option as the accommodation is surplus to the Council's requirements and were it not developed would be vacant under-used space with on-going building revenue and maintenance costs and liabilities in this prime location.

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Early discussions have taken place with CCG, the Citizens Advice Bureau and other public sector organisations and relevant internal teams.
- 5.2 Public consultations through the local authority planning process will be carried out through the relevant services.

#### **6. CONCLUSION**

- 6.1 Having reviewed the risks of achieving a commercial use for the upper floors of the south end of Hove Town Hall and having explored other options for this area, it is recommended that the council refurbishes the area for serviced offices that could be rented out either to external or public, voluntary and community sectors. The business model would use the council's borrowing powers to fund the capital works and ensure that the rental income received plus service costs will cover the borrowing to achieve a cost neutral funded model.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### **7.1 Financial Implications:**

The proposed investment plans are in addition to the Workstyles Phase 3 plans approved by this committee in September 2013. The September committee was presented with an option appraisal for 3 options and approved option A which included a refurbishment of Hove Town Hall and the release of this quarter of the south end of the building for commercial use. If the proposal within this report had been factored into the options appraisal this would have reinforced the business case for option A as it improves the overall financial viability.

The total net cost of construction is estimated at £2,638,000 to be funded through borrowing. The estimate is on the basis that the Council will undertake the development itself and would therefore avoid the cost of developers profit and higher fees that would be incurred should a private developer acquire the site. The construction cost includes efficiencies from undertaking the work at the same time as the Workstyles Phase 3 works at Hove Town Hall. The borrowing would be financed over a 20-year period which is similar to borrowing periods for previous Workstyles projects. The financing costs would amount to approximately £210,000 per annum and would be met from a combination of revenue generated from rental income and increased levels of Business Rates associated with the new development.

The construction costs are based on providing a 'shell and core' fit out and any internal fit outs would have to be funded separately by the tenants. The assumed rents take this into account, however, if the council were to provide fully fitted out offices this would result in higher rents.

The assumed rents for the offices are based upon current market rates and are within the financial range of the proposed occupiers. These rents and service charge would be subject to further negotiation depending on the final specifications of the offices provided.

The ground floor commercial element is projected to provide £140,000 income pa, the offices are projected to provide a total of £150,000 per annum assuming 100% occupancy, and additional retained Business Rates is estimated to generate £45,000 per annum. The net income when financing costs and income already factored into the Phase 3 business plan have been taken into account is estimated to be £95,000 per annum. There may be a requirement to fund a shortfall in the first two years of operation subject to the negotiation of rent free period and void periods associated with the new offices. The project is estimated to provide a positive Net Present Value of £1.4m over the 20-year period.

There are financial risks with this proposal. Construction costs could escalate through delays in the timetable currently set to coincide with the Phase 3 works which could result in missed cost efficiencies. There is also the potential for rising construction costs. These risks are mitigated through stringent project management and the delivery of the project through the Council's Construction Strategic Partnership.

There is a risk of failure to deliver rental income from the ground floor commercial space however the market evidence shows this location will attract commercial interest such as restaurants or a local supermarket.

There is also a risk of failure to deliver rental income from the office spaces on the first and second floors. The office space has the potential to be sub-divided to incorporate more private sector or public organisations of varying sizes in the event that CCG and CAB were not to occupy these offices. The proposal overall currently delivers a surplus based on 100% occupancy however assuming the commercial space is fully occupied, the occupancy rate for the office space could drop to 60% and the project would still break-even.

*Finance Officer Consulted: Name: Rob Allen*

*Date: 11/06/14*

## 7.2 Legal Implications:

Section 1 of the Local Government Act 2003 permits the council to borrow money for any purpose relevant to its functions; or for the purposes of the prudent management of its financial affairs. The borrowing of money for the purposes set out in this report comes within the scope of this provision.

The granting of any lease must be on terms certified by the council's valuer to be the best consideration reasonably obtainable.

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 19/06/14*

## 7.3 Equalities Implications:

The new offices would be fully accessible with provision of new accessible toilets for staff and customers.

## 7.4 Sustainability Implications:

Currently these services are located in different locations across the city and so bringing them together into one space would reduce customer journeys and help reduce the service running costs. The proposed location is adjacent to the City's primary bus routes.

The building works would incorporate the latest energy efficient lights and water saving devices and the heating system would be upgraded to improve energy efficiency. The existing single glazed windows would also be replaced with double glazed units.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Other Implications

Crime & Disorder Implications:

- 1.1 None Identified

Risk and Opportunity Management Implications:

- 1.2 The proposal would be subject to a planning application. Discussions are yet to take place with the planners. Further discussions are required with the various organisations to agree the terms of any leases. The building works would be covered under the CDM (Construction & Design Management Regulations) and there would be a dedicated Risk Register.

Public Health Implications:

- 1.3 None Identified

Corporate / Citywide Implications:

- 1.4 Effective use of the south end of Hove Town Hall fits with the corporate plan ambition to 'Demonstrably making best use of all resources, seeking to become a self-sustaining organisation serving its customers well', and the priority to 'modernise the council'. This proposal would demonstrate best use of the buildings resource of Hove Town Hall and seeks to deliver best value for money. The provision of office space for the uses described in this report would strengthen the Councils commitment to work in partnership with other service providers.

<b>Subject:</b>	<b>Portslade Sports Centre – Future Management Arrangements</b>		
<b>Date of Meeting:</b>	<b>11<sup>th</sup> July 2014</b>		
<b>Report of:</b>	<b>Executive Director of Children’s Services Assistant Chief Executive</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Michael Nix Ian Shurrock</b>	<b>Tel: 29-0732 29-2084</b>
	<b>Email:</b>	<a href="mailto:Michael.nix@brighton-hove.gov.uk">Michael.nix@brighton-hove.gov.uk</a> <a href="mailto:ian.shurrock@brighton-hove.gov.uk">ian.shurrock@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>North Portslade</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report sets out the options for the future management arrangements of Portslade Sports Centre following discussions with Portslade Aldridge Community Academy and the Aldridge Foundation.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee gives approval to undertake a procurement process to seek an external operator to manage Portslade Sports Centre.
- 2.2 That the Committee grants delegated approval to the Executive Director of Children’s Services to
- (i) appoint an external operator on a six year management contract from 1<sup>st</sup> April 2015 to be coterminous with the citywide Sports Facilities Contract
- (ii) grant an extension to the management contract for a period of up to five years should it be required in order to be coterminous with the citywide Sports Facilities Contract

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Portslade Sports Centre (PSC) consists of the original community college sports centre which was built in 1973, the more recent community sports centre (built in 1997) and adjacent artificial turf pitch (both received grant funding from Sport England).
- 3.2 Located immediately adjacent to Portslade Aldridge Community Academy (PACA), PSC is a ‘dual-use’ centre which is currently operated directly by the Council and provides sports facilities for community use and for the students of PACA.

- 3.3 The sports centre was not included in the original transfer of assets to PACA when the Academy was formed in 2011. The main reason for this was that there were complexities around the community role of the centre and the formal remit of the Academy as determined by central government, which does not extend to providing community facilities.
- 3.4 Since the formation of the Academy, the Council, PACA and the Aldridge Foundation have been jointly exploring options for PSC in order to provide improved facilities for students and the community, building on the shared vision for school and community sport.
- 3.5 PSC currently provides a range of well used sports facilities for the community and Academy students. However, the original centre is over 40 years old and needs considerable investment in order to meet modern day expectations. A recent condition survey carried out in April 2014 has identified £360,000 of works required over the next five years to roofs, mechanical and electrical installations, floors and general redecorations. In addition, the artificial turf pitch which was re-laid in summer 2005 will require replacement in the next five years at a cost of approximately £130,000.
- 3.6 The net revenue cost to the Council of operating the centre is approximately £116,000 pa. In addition to this there has been approximately £75,000 spent on repairs to the roof over the last six years with further required roof works planned for this financial year which are estimated to be £60,000-£80,000.
- 3.7 The options explored by the Council, PACA and the Aldridge Foundation have therefore centred around the best way of securing a financially sustainable future for PSC and improving the facilities for the community and students of PACA.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 During the discussions between the Council, PACA and the Aldridge Foundation, three options were considered:

Option 1 - Status quo: the Council continues to operate and manage the centre, with the centre manager reporting to a Council officer and agreed day to day links with a senior manager at PACA and a formal agreement with PACA to provide facilities for its school sports functions.

Option 2 - Transfer to PACA, with a formal agreement with the Council to preserve and develop the centre's community sports functions.

Option 3 - Enter into a contract with a leisure services provider (the majority of which are not-for-profit trusts), with a formal agreement with the Council to preserve and develop the centre's strong community use and a formal agreement with PACA to provide facilities for its school sports functions.

- 4.2 Option 1, continuing with the current management arrangement, would ensure the Council retains direct control of the operation but there are a number of disadvantages:



- The Council would be retaining the risk of operational income and expenditure.
  - The Council does not have the resources to make the necessary improvements.
  - The existing arrangement for managing the centre is not ideal as PSC is the only such facility directly managed by the council and so this option would not be consistent with the Council's strategy for managing its other sports facilities.
- 4.3 Option 2, transfer of the centre to PACA, has been the subject of lengthy and detailed discussions between the Council, PACA and the Aldridge Foundation over the last two years. However, having considered this option in the light of these discussions and in relation to its core responsibilities as an Academy, the PACA Board advised the Council in October 2013 that management through a leisure services provider was their preferred route and Option 2 was to be discounted.
- 4.4 Option 3, entering into a management contract with a leisure services provider is likely to provide the following benefits:
- A leisure services provider has the benefit of economies of scale from managing many sports facilities. This has the potential to improve standards of service and increase use of the centre through more effective programming and marketing.
  - Potential investment in facilities and equipment to meet modern day customer expectations. A provider is likely to invest if they feel that such investment will increase use and therefore provide sufficient financial return to them during the term of their contract.
  - Potential revenue saving to the Council. A provider will probably increase income as a result of 1 & 2 above. Most providers also benefit financially from relief from business rates and VAT due to their trust status. This means that they can usually operate with lower expenditure levels than in-house management.
  - A wider range of opportunities for staff for professional and career development.
  - Transfer the risk of operational income and expenditure to an external provider, although the Council would retain some landlord responsibilities for maintenance of building fabric.
  - The Council would still be able to monitor and influence service delivery through the contract specification and would reserve the right to approve fees and charges as is the case with other Council sports facilities.
- 4.5 For the reasons given in 4.3 and 4.4 above, it was decided that the Council should consider the feasibility of Option 3, to enter into a contract with a leisure services provider to manage the centre. This would be in line with the Council's

strategy for the management and development of its six other community sports facilities, through the current citywide contract with Freedom Leisure. Like many such leisure services providers, Freedom Leisure is a not for profit trust with its origins in the public sector.

- 4.6 Due to EU Procurement regulations, PSC cannot be automatically added to the existing citywide sports facilities contract with Freedom Leisure. The appointment of a leisure services provider would therefore be subject to a formal tender process.

#### Soft Market Testing

- 4.7 In order to gauge the level of interest of potential operators and to help inform this report, the Council and a representative from PACA have held site visits and informal discussions with six different operators, five of which were not-for-profit leisure trusts. These discussions covered the following key topics:

#### Market Interest

- 4.8 All six operators said they would be interested in tendering for the opportunity if it went to the market. Some of them already have a local presence as they manage contracts in neighbouring authorities but even those who do not currently operate locally said they see PSC as a good opportunity for them.

#### Capital Investment

- 4.9 All of the operators stated that the centre is a good size but requires investment in order to bring it up to date with modern day standards and to meet increasing customer expectations. They considered many areas needed updating, particularly those within the original part of the building. There were also a number of comments regarding the apparent lack of a co-ordinated approach to marketing and branding.
- 4.10 All of the operators stated that they would be willing to invest in the centre, the extent of which would be dependent upon the length of contract (see 4.12 below). Many of them drew on examples of improvement projects that they have been involved in, some of which have been funded directly by themselves and others that have been funded by local authority clients through prudential borrowing. The latter is often a preferred option because of reduced borrowing costs.
- 4.11 Health & fitness facilities (gyms and exercise studios) are generally the biggest income generator in centres such as PSC. Extending and improving these facilities is therefore considered to provide the best potential return on investment. This would be dependent upon there being sufficient local demand for such facilities which would be assessed through market research.

#### Length of Contract

- 4.12 The existing Sports Facilities Management Contract which covers six other Council facilities across the city runs until 2021 with an option to extend up to a further five years.

- 4.13 It would be prudent that any potential contract for PSC be coterminous with this contract in order that it could be included as part of a citywide package for any future re-tender. If approved, this would mean tendering for a six year contract with the option to extend for up to five years, assuming the PSC contract was to start on 1<sup>st</sup> April 2015. This approach is likely to give the best potential for long-term investment in the facility.

#### Timescale

- 4.14 An indicative procurement timetable is shown below:

Actions	Dates
Policy & Resources Committee	10 <sup>th</sup> July 2014
Issue and Evaluate Pre Qualifying Questionnaire	July/Aug 2014
Issue Invitation to Tender	Aug/Sept 2014
Evaluate Tender Proposals	Oct/Nov 2014
Award of Contract	Dec 2014/Jan 2015
Commencement Date of Contract	April 2015

#### TUPE considerations

- 4.15 There are six full time members of staff together with 21 part time staff and 17 coaches/instructors at Portslade Sports Centre. This amounts to around 14 full time equivalent staff in total. They are currently employed under contract by the council and would therefore be affected by a potential change in management arrangements. Under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) their terms and conditions of employment would remain the same following any transfer to a new operator and the process would be managed in accordance with the Council’s Organisation Change Management Framework.
- 4.16 Potential operators will be required to demonstrate experience of TUPE transfers and understand the procedures involved.

### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Consultation was undertaken with potential operators, as outlined above, to inform the process.
- 5.2 PSC staff and unions were issued with a briefing note prior to the Soft Market Testing to explain the discussions that the Council were involved in and the options regarding future management arrangements. A full timetable of consultation sessions is to be produced to ensure unions and staff are fully briefed throughout the process.

### **6. CONCLUSION**

- 6.1 Seeking an external operator is considered to be the best way of securing a financially sustainable future for PSC and improving the standard of provision for the Portslade community and students of PACA.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The report updates on the future management arrangements for Portslade Sports Centre.

It is important if the procurement process is followed that the council achieves the best value for money and the principles of value for money are upheld.

The financial implications of the recommendations will depend on the outcome of the procurement process. It is important that that the financial position is reviewed regularly in line with the Targeted Budget Management Timetable (TBM) to ensure there are no additional costs to the council than the existing net budget of approx. £116k.

*Finance Officer Consulted: Name Paul Brinkhurst*

*Date: 09/062014*

### Legal Implications:

- 7.2 Until the Sport England's funding agreement expires on 23 Nov 2018, Sport England's stipulations must continue to be addressed and met in any future arrangements.

The legal requirements as to procuring the proposed services (with particular respect to standing orders and/or any applicable Public Contracts Regulations) must also be satisfied.

The proposed option will require the agreement of PACA to allow PCS parking on PACA land as well as possibly enhanced vehicular access

*Lawyer Consulted: Marten Matthews*

*Date: 10/06/2014*

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents in Members' Rooms**

None

### **Background Documents**

None

<b>Subject:</b>	<b>Stanmer Park Master Plan &amp; Application for HLF Grant Funding</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director of Environment, Housing &amp; Development/ Executive Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott/ Jan Jonker</b>	<b>Tel: 29-4722</b>
	<b>Email:</b>	<b>jan.jonker@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Stanmer Estate and Country Park is an important 18<sup>th</sup> century landscape with many historical features and buildings. It is used for recreation, sport and leisure space as well as land for food growing. It is home to residents in Stanmer Village and is an operational base for a number of businesses and organisations. It lies within the South Downs National Park Authority (SDNPA), has significant conservation value and is home to three Scheduled Ancient Monuments and ten Archaeologically Sensitive Areas.
- 1.2 The land was purchased by the Brighton Corporation (now BHCC) in 1947 principally to protect the aquifer water supply.
- 1.3 Stanmer Park is in decline and is on the English Heritage at Risk Register. The Council is working with the SDNPA in partnership with other stakeholders on a Masterplan for the park to help prioritise restoration and improvement works in the estate over the next 10 years. The proposals will include restoration of the council owned, Grade II Listed Home Farm buildings for a number of uses, which may include a SDNPA area office and a visitor centre.
- 1.4 It is proposed to submit Heritage Lottery Fund (HLF) grant applications to help deliver the Masterplan once finalised. This report summarises the progress made to date on the project, seeks approval to progress the HLF bid, sets out proposed governance arrangements to oversee its delivery and seeks permission to consult on the Master Plan.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee agrees the approach outlined in this report to apply for grant funding for the Stanmer Project which includes the submission of a Stage 1 Parks for People application in August 2014 and a Heritage Grant in October 2014.

- 2.2 That the Committee notes the funding requirements for the project and agrees in principle the ring fencing of the match funding identified in this report and to explore options to meet the shortfall in match funding.
- 2.3 That the committee delegates authority to the Executive Director of Environment, Development & Housing and the Executive Director of Finance & Resources to oversee the completion of the Stage 1 funding bids and to sign off the final documents prior to submission to HLF.
- 2.4 That the committee agrees in principle to the relocation of the City Parks Depot out of Stanmer Park and authorises officers to continue to look into alternative locations and funding options for the relocation.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Stanmer Park is a popular, historic country park. It is a significant gateway to the South Downs National Park and has potential to encourage eco-tourism, promote sustainable growth and create new jobs linking in closely with the objectives of the Biosphere.
- 3.2 There is no long term management plan for the estate, it is in decline and historically important features of the park landscape and the Conservation Area are on English Heritage's 'At Risk Register'. The SDNPA has reviewed all listed buildings and the Well House is assessed as At Risk and the Long barn is Vulnerable to risk. The Estate contains 29 listed buildings or structures and four scheduled monuments.
- 3.3 In April 2012 Cabinet approved proposals to carry out a development appraisal for the council managed Home Farm agricultural buildings and the report also confirmed work had commenced on a Masterplan to ensure a holistic approach to any development proposals. The development appraisal was jointly funded with the SDNPA.
- 3.4 In January ETS Committee agreed governance arrangements for the project and granted permission to consult on a Masterplan in preparation for submission of a funding bid to the Heritage Lottery Fund. The project is being managed as a corporate 'Major Project'.
- 3.5 Since January the following progress has been made:
  - Revised governance arrangements, including a Project Board with representation from SDNPA and English Heritage and a Member Panel have been established. The Board oversees the management of the project and meets on a monthly basis. The Member Panel with representation from BHCC and SDNPA has had its first meeting on 20<sup>th</sup> June.
  - Significant progress has been made on the development of the Masterplan, the key elements of which are summarised below.
  - The Masterplan has been costed and options for grant funding have been evaluated and a preferred funding option identified.
  - A meeting has been held with HLF who are very positive about the scheme and support the suggested approach to grant funding.
  - Public consultation on the Masterplan has been completed and is broadly in support of the proposals.

- Engagement with key stakeholders has continued, in particular with Stanmer residents and businesses, Stanmer Organics and Plumpton College.

#### **4. SUMMARY OF THE MASTERPLAN**

4.1 The Masterplan will deliver improvements across 3 key areas of the estate: the 18<sup>th</sup> century parkland and approach to Stanmer House; the Home Farm Complex and Stanmer Village; and the Walled Garden and Nursery.

4.2 The aims of the Masterplan are to:

- Restore the council owned agricultural Home Farm buildings, which are at risk and return them to viable uses including office space for SDNPA, Visitor/Interpretation Centre, appropriate retail and small businesses and community use.
- Restore the designed landscape and its assets and restore key heritage features.
- Address traffic and parking issues and improve access to the park, including improved sustainable transport links within the park.
- Relocate the City Parks depot and other modern structures which are not in keeping with the remainder of the park.
- Restore the walled garden nursery and surrounding area.
- Deliver horticultural and heritage gardening training and food production.
- Engage people in the understanding of the landscape and in volunteering and training.
- Provide interpretation and learning facilities for the heritage of the estate and South Downs.
- Deliver a financially sustainable park management plan and a new coherent management structure to ensure future maintenance to a high standard.

##### *Relocation City Parks Depot out of Stanmer Park*

4.3 As the Masterplan has been developed it has become clear that the City Parks depot located in the park is not compatible with the restoration plans. The operations include a vehicle workshop, a waste transfer station and temporary structures. These facilities also generate a significant volume of traffic including large vehicles which exacerbate the damage to the park infrastructure.

4.4 If these facilities are not relocated the chances of the funding applications being successful are considerably reduced. The grant applications will consider making good these areas but they will not include any new facilities off site. Officers have started to look at alternative sites, including co-locating some services on existing sites, and funding options.

##### *Traffic & Parking*

4.5 There are no parking controls in Stanmer Park. This is resulting in significant displacement from other areas, particularly the University of Sussex which operates a pay and display system within its own car parks. During the weekends the high number of cars results in access problems for larger vehicles and on a number of occasions the bus service in to the park has been suspended. Parking options are being developed and need to balance visual impact of car parking against access needs for residents, visitors and organisations based in the park.

- 4.6 Irrespective of the Masterplan, parking issues have to be addressed and it is proposed to progress this element of the project early in 2015. A business plan would be developed to fund any car parking improvements through the implementation of Pay and Display as has been done in Preston Park and is currently being progressed in East Brighton Park.

## **5. MASTERPLAN COSTS & FUNDING STRATEGY**

- 5.1 The Masterplan has been costed in detail by the project consultants and quantity surveyor. The total cost to deliver the Master Plan is £11.949 m with a match funding requirement of £2.987 m. The costs include:
- £7.5 m capital repair and conservation costs.
  - £0.6m for the development phase of the project up to the submission of the final funding bids.
  - £0.8m for the delivery of activities, interpretation and staff costs to deliver the management plan once the works have been completed.
  - £3m allowance for contingency, inflation and management costs.
- 5.2 The cost plan may change slightly as the project progresses. For example improvements to car parking may be funded through a separate 'spend to save' business case by implementing parking controls. Sufficient contingency has been built in to the costs such that they are not expected to increase.
- 5.3 It is proposed to submit two funding applications for the project:
- A Parks for People Application for £4.171m to fund the restoration of the access to the park, the walled garden, nursery and provide educational facilities.
  - A Heritage Grant application for £4.791 m to fund the restoration of the agricultural Home Farm buildings.
- 5.4 This approach has been used on other projects and HLF have indicated that they support this approach and have identified the same support officer to support the council with both applications. . The value of the two grant applications and the match funding requirement is set out in the table below.



	<b>Parks for People Grant</b> 75% grant/25% Match	<b>Heritage Grant</b> 75% grant/25% Match	<b>Total</b>
	Landscape, roads, car parking, walled garden	Home Farm Complex	
Potential HLF Grant	£4,171,449	£4,790,642	£8,962,091
Maximum Match Funding Requirement from BHCC	£1,250,483	£1,396,881	£2,647,364
Minimum Match Funding Sought From Other Sources	£140,000	£200,000	£340,000
<b>Grand Total</b>	<b>£5,561,932</b>	<b>£6,387,523</b>	<b>£11,949,455</b>

5.5 For both grants it is proposed to apply for 75% of the total value of the work with a match funding contribution of 25%. Up to 95% grant funding can be applied for however reducing the match funding contribution significantly reduces the chances of the bid being successful. Based on experience with other bids the 75%/25% split is considered to be the best proportionate split to demonstrate the partners commitment to the project and maximise the chances of the bids being successful.

## 6. MATCH FUNDING

6.1 A number of sources of match funding have been identified which consist of:

- 50% of capital receipts from disposal of non-core assets identified from the agricultural portfolio.
- 100% of capital receipt disposal of residential development site within Stanmer.
- Prudential borrowing based on income stream from commercial uses of the traditional agricultural buildings following refurbishment.

6.2 The SDNPA, as a key project partner, is also reviewing opportunities to fund the project.

6.3 Property & Design have identified a number of non-core assets held within the agricultural portfolio which could be sold with limited impact on rental income and without detriment to the estate. It is estimated that the disposal of the land and properties identified could create a total gross receipt of £2.32m with a loss of income of only £18,600pa. The rent loss may be offset by top slicing the capital receipt by approximately £0.260m to repay debt and reimbursing the rental budget. The properties are set out in a separate report in Part 2 of this meeting.

- 6.4 It is proposed that capital receipts realised from the disposal of the agricultural non-core assets identified be split with 50% supporting the Council's capital investment strategy and 50% supporting the Stanmer HLF bid.
- 6.5 There is a vacant plot within Stanmer Village, created through the demolition of the building that stood there some 70 or so years ago, that has long been identified for potential residential development. Following consultation with the SDNPA planners, it has been advised that there may be an opportunity for a suitable scheme to be developed. SDNPA have made it very clear that this is outside the settlement area and a convincing case would need to be made – such as an “enabling” development for the conversion of the farm buildings.
- 6.6 Based on the development option suggested by Turner and Townsend in their May 2013 report the refurbishment of the agricultural buildings has the potential to achieve an annual rent of approximately £0.105m pa. It is estimated that £0.035m pa would support the ongoing management of Stanmer and maintenance of the buildings. The remaining income stream would be sufficient to provide financing costs to support borrowing of up to £1.0m.
- 6.7 In summary the potential sources of capital funding identified total £2.43m which would leave a shortfall in Match Funding from the Council of £0.217m.
- 6.8 The funding strategy also seeks £0.340m worth of match funding from other sources. This will include any match funding the SDNPA is able to contribute as a key partner.
- 6.9 The bulk of the match funding would have to be in place subject to prior to grant money being released for the construction phase which would not be until early 2016 at the earliest, and is more likely to be 2017. Match funding of £0.173m would need to be available earlier (early 2015 onwards) as part of the development phase of the project

## **7 ALTERNATIVE OPTIONS**

- 7.1 The proposed Masterplan requires significant investment and a holistic approach to managing the park is proposed. The alternative options, Do Nothing or Fund Essential Works Only have been considered below.
- 7.2 Do Nothing
- Stanmer Park including Home Farm is on the English Heritage At Risk Register. As a minimum the council is required to prevent further deterioration to the park and the buildings and it can be subject to an Enforcement Notice to address these issues by the SDNPA as the planning authority.
  - Some of the offices in the park, accommodating the SDNP animal welfare and pest control need to be replaced as they are no longer fit for purpose. If no new offices are provided it is likely that the SDNPA will relocate elsewhere.
  - Traffic and parking is having a detrimental impact on access to the park and its infrastructure. The access road and car parks are in a poor state of repair.

### 7.3 Fund Essential Works Only

- The authority could fund essential works to address the immediate conservation concerns from the funding identified and fund some improvements to parking through the implementation of parking controls.
- The access road will need to be resurfaced properly in the medium term with an estimated cost of £0.66m.
- It is estimated that £0.4m worth of investment is needed in Home Farm to prevent further deterioration. However this would not put the buildings back in to economic use and would not benefit the park. Without significant investment the park will continue to decline.

## 8 COMMUNITY ENGAGEMENT & CONSULTATION

- 8.1 Two stages of consultation have been carried out to inform the Masterplan. In the summer of 2013 a consultation took place to find out how residents use the park, what is important to them and what would help them enjoy their visits even more. Over 1500 people responded to the consultation. These comments, together with feedback from the Stanmer Stakeholder Group were used to develop a draft Masterplan.
- 8.2 Proposals in the draft Masterplan were subject to a second stage of consultation in March 2014. Respondents were asked their views on proposed physical improvements to the parkland, uses for Home Farm, restoration of the Walled Garden and activities they would like to see in the park. Over 1,100 people responded to the consultation.
- 8.3 The consultations have shown that there is overwhelming support for the high level proposals and significant interest in some of the proposed uses and activities in the park.
- 8.4 Throughout the project engagement has taken place with key stakeholders and numerous workshops and meetings have been held on specific aspects of the project, including parking, Stanmer Church, Stanmer Nurseries and Home Farm.

## 9 NEXT STEPS

- 9.1 Subject to the decision by this Committee, the next steps in the project are summarised in the table below.

<b>Date</b>	<b>Milestone</b>
August 2014	Submission of Stage 1 Parks for People Bid
October 2014	Submission of Stage 1 Heritage Bid
January 2015	Decision on Stage 1 bids
Spring 2015	Consultation on Parking
Summer 2016	Submission of final stage 2 bids
January 2017	Decision on Stage 2 bids
2017	Construction Procurement/ Preparation
2018	Construction

## 10. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 10.1 The Masterplan costs are detailed in paragraph 5.0 above and proposes a combination of HLGf Grant funding with match funding from both the Council and other partners and bodies as identified in paragraph 6.8. The Council's strategy to meet the match funding is detailed in paragraph 6.0 and involves the use of capital receipts and borrowing met from increased revenue income associated with the project. There is a potential funding gap of £0.217m which will need to be identified and options to close this gap will be explored which may include the use of reserves, further borrowing or disposal of other assets yet to be identified.
- 10.2 The Heritage Lottery Fund Grant application excludes costs associated with the relocation of the City Parks Depot from Stanmer Park. Various options are being explored to relocate the depot and further work will be required to identify the funding to support this move as part of the project. The remaining 50% balance of the capital receipts from the disposal of the assets within the agricultural portfolio will be used to support investment in the corporate capital investment strategy and may be used to support any funding gap in the relocation of the depot.

*Finance Officer Consulted: Rob Allen*

*Date: 11/0614*

### Legal Implications:

- 10.3 Insofar as the improvements envisaged by the Masterplan include building operations or changes of use, applications for the necessary planning and listed building consents will need to be made to the South Downs National Park Authority as local planning authority for Stanmer Park.

The introduction of controlled parking will require the making of a traffic order or orders under the provisions of the Road Traffic Regulation Act 1984. Procedural regulations require public notice of the proposed orders to be given and allow any person to object to the making of such orders. Any duly made objections must be considered by the Council when deciding whether to make the orders.

*Lawyer Consulted:*

*Name Hilary Woodward*

*Date: 10/6/14*

### Equalities Implications:

- 10.4 The approach to the Stanmer Project has been subject to a thorough Equalities Impact Assessment. The detailed consultation will proactively seek views from minority groups and residents who currently do not use the park to assess what barriers prevent them from using the park. Accessibility will be a key element of the Masterplan and the funding bid.

### Sustainability Implications:

- 10.5 The Stanmer Estate is of significant importance in terms of heritage and nature conservation. The estate is in decline and the Masterplan and funding

applications seek to restore the heritage and implement a sustainable Management Plan.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A

Risk and Opportunity Management Implications:

- 11 A risk register is maintained as part of the project governance arrangements. The main risks in relation to the project relate to the feasibility of relocating City Parks Operations out of Stanmer Park which would have a significant impact on the likelihood of the bids being successful. An officer working group has been established to explore options for this work.
- 1.2 The other main risks relate to being able to secure sufficient match funding. This report sets out proposals to ring fence a significant proportion of the require match funding. It is not unusual to have an identified shortfall in match funding at this early stage in the project. The shortfall would need to be secured prior to the submission of the final funding bids which is expected to be in the summer of 2016.
- 1.3 The heritage grant application process is competitive and there is no guarantee that the bids will be successful. However feedback from HLF officers has been positive on the project as a whole and on the proposed funding approach. Feedback from the Stage 1 submission will inform the next stages of the project.

Public Health Implications:

- 1.4 Para on recreational use

Corporate / Citywide Implications:

- 1.5 Para on importance of Stanmer to city and to area/ linking City to South Downs. Only country park in close proximity to city.

<b>Subject:</b>	<b>Disposal of 18 Market Street</b>		
<b>Date of Meeting:</b>	<b>11 July 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance and Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel:</b> <b>291450</b>
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	<b>Name:</b>	<b>Jessica Hamilton</b>	<b>Tel:</b> <b>291461</b>
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<b>Ward(s) affected:</b>	<b>Regency</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To seek agreement for the disposal of 18 Market Street from the council's investment portfolio to provide either capital funding or additional revenue funding streams (or both) to support the council's Corporate Plan and Medium Term Financial Strategy.

**2. RECOMMENDATIONS**

- 2.1 That the Committee authorise the disposal of 18 Market Street to the purchaser identified at the sale price agreed.
- 2.2 That the Committee note that the capital receipt received may be used for reinvestment to provide an ongoing income stream to support the council's Corporate Plan and Medium Term Financial Strategy and this will be subject to a future report to this Committee.

**3. CONTEXT/BACKGROUND INFORMATION**

- 3.1 Brighton & Hove City Council has an investment portfolio made up of more than 600 tenancies producing a rental income in the region of £7.4m per annum, which helps fund the provision of services. However, a substantial part of the portfolio is secondary or poorer in terms of its quality which means that it exposes the council to risk in respect of costs and reduces the possibility of rental growth allowing the income stream to keep up with inflation.
- 3.2 The Council's external agents Cluttons who manage our urban portfolio has recommended a strategy to rebalance the portfolio to ensure costs can be minimised and rental growth maximised to ensure best value is achieved.
- 3.3 An unsolicited offer has been received from a special freehold purchaser for 18 Market Street. The offer reflects their special circumstances and is in excess of the open market valuation.

- 3.4 The property is situated in The Lanes, close to the junction of Market Street with Brighton Place. The Council's previous tenant Starbucks declined to renew their lease whereby this 5 storey period building is now vacant and non-income producing.
- 3.5 Whilst occupying a corner site, the property represents an isolated ownership within the Council's portfolio and does not hold any special strategic significance to be retained.
- 3.6 Leasehold demand currently exists from local and regional retail operators, but none approach Starbucks covenant status, nor is it considered the previous income stream can be matched.
- 3.7 Due to current regulations, the two upper floors are unusable in any form as no alternative fire escape route exists. If a secondary access was installed this would require expenditure or an extended rent free period and would substantially reduce the already limited usable floor space available within the building, resulting in a loss of value.
- 3.8 The council is currently updating its Asset Management Plan and as part of this, its strategic approach to the commercial and agricultural portfolio. Advice has been sought from the council's agents and consultation on a revised approach will commence shortly with members beginning with a tour of parts of the portfolio and a workshop to help inform the decision making. A potential change in strategy that will be considered as part of this process is to disinvest in some aspects of the commercial portfolio that have lower returns on investment and reinvest the proceeds in properties with better long term returns. However given this remains work in progress it is proposed not to make any decision about the potential use of the capital receipts generated from this disposal at this stage and leave that decision until after this committee has had the opportunity to consider an updated Asset Management Plan in October 2014.
- 3.9 The disposal of this property and capital receipt will not in isolation provide the council with an opportunity to purchase a property that represents a better strategic investment than the subject property. However by pooling this receipt with future receipts the council will have the potential to invest in properties which will provide improved long term returns for the council.

#### **4. ANALYSIS AND CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Retaining the property will continue to provide an income stream, albeit slightly lower than previously paid by Starbucks
- 4.2 Marketing this property on the open market may well garner interest and ensure a capital receipt representing market value but may also deter the party currently interested who, because of their special interest are willing to pay above market value as verified by the council's agents Cluttons.

#### **5. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 5.1 There has been no community engagement. Consultations have been had with the interested party and relevant internal teams whilst negotiations continue.



## 6. CONCLUSION

- 6.1 The recommendation is to dispose of the freehold interest to the special interest purchasers identified.
- 6.2 The capital receipt of the disposal may be used for reinvestment to provide an ongoing income stream to support the council's Corporate Plan and Medium Term Financial Strategy and this will be subject to a future report to this Committee.

## 7. FINANCIAL & OTHER IMPLICATIONS

### Financial Implications:

- 7.1 18 Market Street is currently vacant and there is no income being generated from the site which will present a budget pressure in the current financial year. However, this will partly be offset with reduced costs associated with rent collection fees and lease renewal costs.

The disposal of this site will generate a capital receipt less any disposal costs. The net receipt is proposed to be reinvested back into the property portfolio pending the outcome of the property review being undertaken by the Council's external advisors and consultation with members and this will be subject to a further report to this Committee in due course.

The disposal of this site will result in reduced income for the Council's property portfolio this financial year and this will need to be reported within the Targeted Budget Management reports to this Committee. There may be continued budget pressure in future years until such time as a new income stream is generated from the reinvestment back into the property portfolio is complete.

*Finance Officer Consulted: Rob Allen*

*Date: 11/06/14*

### Legal Implications:

- 7.2 Section 123 of the Local Government Act 1972 enables a local authority to dispose of land held by them provided it achieves the best consideration reasonably obtainable. The disposal of 18 Market Street would represent best consideration. It is not considered that any individual Human Rights Act rights would be adversely affected by the recommendations in this report.

*Lawyer Consulted:*

*Joanne Dougnaglo*

*Date: 11/6/14*

### Equalities Implications:

- 7.3 There are none.

### Sustainability Implications:

- 7.4 There are none.

Any Other Significant Implications:

7.5 There are none.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Location Plan for 18 Market Street.

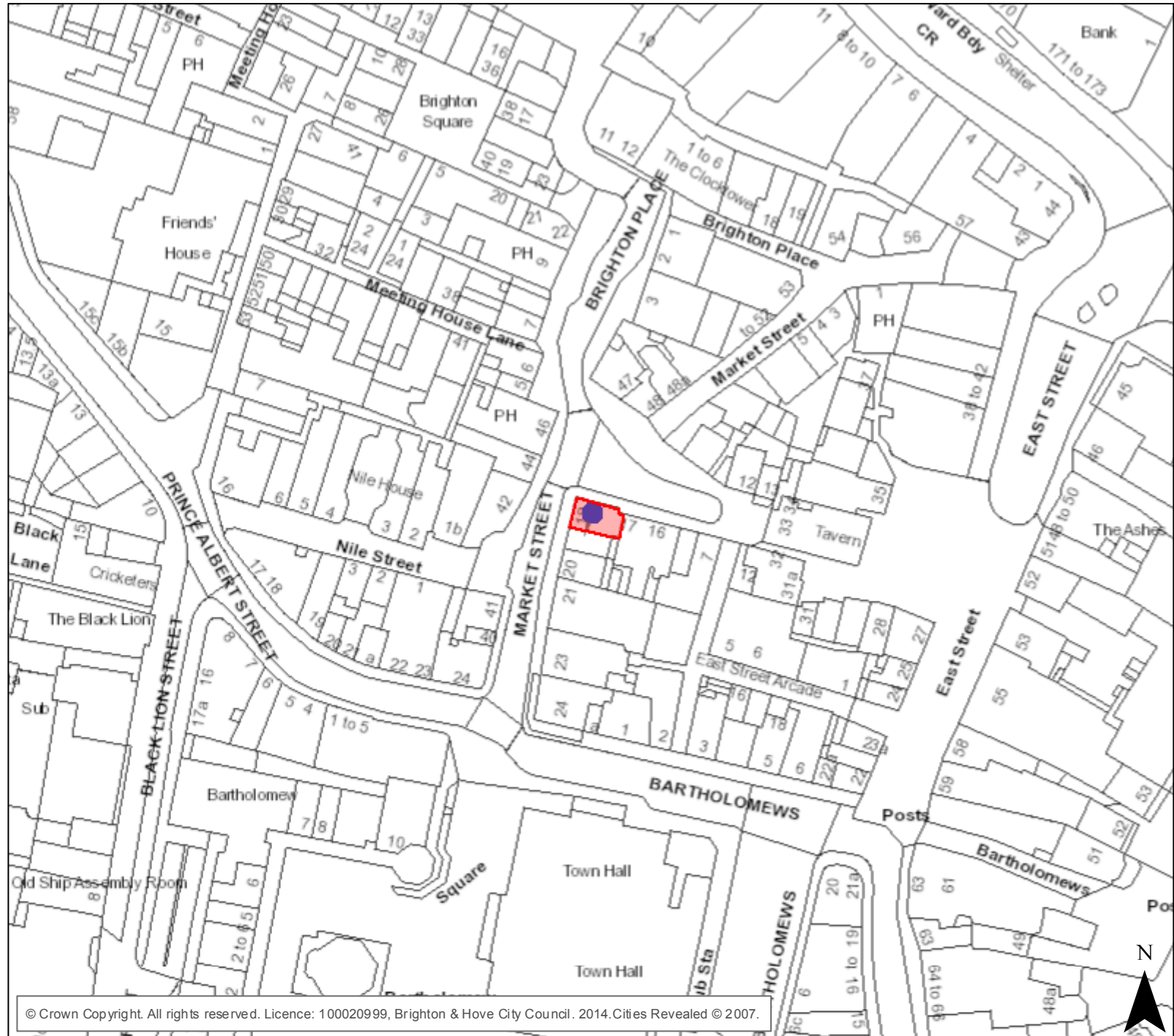
**Documents in Members' Rooms**

None

**Background Documents**

None

# 18 Market Street Legend



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