

# Policy & Resources Committee

Date: **19 March 2020**

Time: **4.00pm**

Venue **Hove Town Hall - Council Chamber**

Members: **Councillors:**Platts (Chair), Yates (Deputy Chair), Mac Cafferty (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Clare, Gibson, Moonan, Miller and Shanks

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# AGENDA

## 138 PROCEDURAL BUSINESS

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

(b) **Declarations of Interest:**

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

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

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

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

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

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

## 139 MINUTES

9 - 26

To consider the minutes of the meeting held on 13 February 2020 (copy attached).

## 140 CHAIR'S COMMUNICATIONS

## 141 CALL OVER

(a) The list of items 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.

## 142 PUBLIC INVOLVEMENT

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 of (10 days);
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 13 March 2020
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 13 March 2020.

## 143 MEMBER INVOLVEMENT

27 - 30

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.
  - (i) No Expansion to Gatwick Airport – Green Group (copy to follow)
  - (ii) Voluntary Council Tax – Green and Labour Group (copy attached)

## 144 EDUCATION CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2020/21

31 - 56

Report of the Executive Director Families Children & Learning (copy attached)

Contact Officer: *Richard Barker*

Tel: 01273 290732

## 145 PAY POLICY STATEMENT 2020/21

57 - 70

Report of the Acting Head of Finance (copy attached)

Contact Officer: *Wendy Jepson*

Ward Affected: *All Wards*

- 146 SPECIAL LEAVE POLICY** **71 - 82**
- Report of the Assistant Director HR&OD (copy attached)
- Contact Officer: Clare Terry*  
*Ward Affected: All Wards*
- 
- 147 PROCUREMENT OF CONSTRUCTION RELATED CONSULTANTS** **83 - 92**
- Report of the Executive Director Economy Environment & Culture (copy attached)
- Contact Officer: Claire Hutchinson* *Tel: 01273 290795*  
*Ward Affected: All Wards*
- 
- 148 ANNUAL PLANNED MAINTENANCE BUDGET AND ASSET MANAGEMENT FUND ALLOCATIONS 2020-21 FOR THE COUNCIL'S OPERATIONAL BUILDINGS** **93 - 108**
- Report of the Executive Director Economy Environment & Culture (copy attached)
- Contact Officer: Martin Hilson* *Tel: 01273 291452*  
*Ward Affected: All Wards*
- 
- 149 2020/21 LOCAL TRANSPORT PLAN CAPITAL PROGRAMME** **109 - 124**
- Report of the Executive Director Economy Environment & Culture (copy attached)
- This report is also being considered by the Environment Transport & Sustainability Committee on 17 March 2020, and an extract of the minutes from that meeting will be circulated prior to the P&R Committee meeting.*
- Contact Officer: Andrew Renaut* *Tel: 01273 292477*  
*Ward Affected: All Wards*
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- 150 TRANSPORT FOR THE SOUTH EAST - PROPOSAL ON STATUTORY POWERS** **125 - 160**
- Report of the Executive Director Economy Environment & Culture (copy attached)
- Contact Officer: Mark Prior* *Tel: 01273 292095*  
*Ward Affected: All Wards*
- 
- 151 ASSET DISPOSAL PROCESS TO SUPPORT THE MEDIUM-TERM FINANCIAL STRATEGY AND ACHIEVEMENT OF CAPITAL RECEIPTS** **161 - 168**
- Report of the Executive Director Economy Environment & Culture (copy attached)
- Contact Officer: Ben Miles* *Tel: 01273 290336*  
*Ward Affected: All Wards*

**152 INFORMATION TECHNOLOGY AND DIGITAL INVESTMENT PLANS 2020/21 169 - 176**

Report of the Acting Head of Finance (copy attached)

*Contact Officer: James Hengeveld Tel: 01273 291242*

*Ward Affected: All Wards*

**153 CASH COLLECTION AND CASH AND VALUABLES IN TRANSIT 177 - 182**

Report of the Acting Head of Finance (copy attached)

*Contact Officer: James Hengeveld, Lorraine Tel: 01273 291242*

*Kuhler*

*Ward Affected: All Wards*

**154 PROCUREMENT OF CORPORATE SECURITY SERVICES 183 - 188**

Report of the Executive Director Economy Environment & Culture (copy attached)

*Contact Officer: Angela Dymott Tel: 01273 291450*

*Ward Affected: All Wards*

**155 ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 2 April 2020 Council meeting for information.

**PART TWO**

**156 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.

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### **FURTHER INFORMATION**

For further details and general enquiries about this meeting contact Lisa Johnson, (01273 291228, email [lisa.johnson@brighton-hove.gov.uk](mailto:lisa.johnson@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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**BRIGHTON & HOVE CITY COUNCIL**  
**POLICY & RESOURCES COMMITTEE**

**4.00pm 13 FEBRUARY 2020**

**HOVE TOWN HALL - COUNCIL CHAMBER**

**MINUTES**

**Present:** Councillor Platts (Chair) Yates (Deputy Chair), Mac Cafferty (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Clare, Gibson, Moonan and Shanks

**PART ONE**

**121 PROCEDURAL BUSINESS**

**(a) Declarations of Substitutes**

121.1 Councillor Simson was present in substitution for Councillor Miller.

**(b) Declarations of Interest**

121.2 Councillors Allcock, Gibson and Shanks declared a pecuniary interest in Item 133 'Fees and Charges 2020/21' as they or their partner had an allotment and the charge for an allotment was within the report. The Councillors left the meeting during consideration of that item.

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

121.3 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.

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

**122 MINUTES**

122.1 **RESOLVED:** That the Minutes of the meeting held on 23 January 2020 were agreed and signed as a correct record.

**123 CHAIR'S COMMUNICATIONS**

123.1 The Chair gave the following communication:

Hello and welcome to this meeting of the Policy & Resources Committee. I'd like to inform those present that this meeting will be webcast live and will be capable of repeated viewing.

### **Coronavirus**

As of Thursday 13 February, there has been no new confirmed cases of Coronavirus (now called Covid-19) across Sussex.

The numbers of confirmed cases in the UK remains at nine, with five of those cases being connected to people from our city.

This is a tough time for Brighton & Hove so I want to reassure people that the safety, welfare and wellbeing of everyone in our city is our primary concern.

A constant dialogue is taking place with the relevant authorities and the council is working in collaboration with and is being guided by, Public Health England and the NHS to ensure that we're giving our communities the right advice.

I understand that people feel anxious and they feel they need to have information about who is being tested and who has been asked to self-isolate, but we need to remember that the people involved have a right to privacy; and there are very important and necessary patient confidentiality guidelines that everyone must respect.

Speculation is rife about Covid-19; not everything you read in the media or on social media platforms is accurate.

The release of trusted and accurate information will always be done initially by the Chief Medical Officer. Further guidance will then be issued by Public Health England, the Department for Health and Social Care or the NHS. The local authority will always also support those messages.

Since the five Covid-19 cases were confirmed as being from the Brighton and Hove area, Public Health England has carried out a thorough risk assessment and has traced the movements of the individuals.

Public Health England has contacted people who might have had close and sustained contact with the individuals as a precaution to provide them with health advice about any symptoms in case they become unwell. These individuals have been advised to "self-isolate" which means they should stay at home and avoid contact with other people as a precaution.

It does not mean they are ill and people who have had contact with these individuals do not need to take action.

On advice from the Chief Medical Officer, the government has declared the risk as "moderate" - a level which may sound alarming but it allows government to plan for all eventualities.

Ultimately, that the risk to individuals remains "low".

People living across Sussex who have not been contacted by Public Health England are being advised they should go about their daily routine as usual.

Our schools remain open as are the NHS services across Sussex. Measures are in place to ensure the safety of all patients and NHS staff while also ensuring services are available to the public as normal.

On behalf of the city council I would like to thank everyone who has been working so hard in response to the cases of coronavirus in Brighton & Hove, including local health professionals, Public Health England, councillors and council staff.

I would also like to wish anyone affected by coronavirus a full recovery.

Brighton & Hove continues to be very much open for business.

The city remains a safe place to live, work and visit and we're looking forward to welcoming people from all over the world this weekend.

Unless the impact of Storm Dennis dictates otherwise, our venues and attractions will be open.

And finally please remember the good hygiene advice which is to :

- Always carry tissues with you and use them to catch your cough or sneeze. Then bin the tissue, and wash your hands, or use a sanitiser gel. Effective sanitiser gel should have a 60% alcohol content or higher.
- Wash your hands often with soap and water, especially after using public transport. Use a sanitiser gel (see above) if soap and water are not available.
- Avoid touching your eyes, nose and mouth with unwashed hands.
- Avoid close contact with people who are unwell.

## EU Settled Status

The council is encouraged by the number of people in the city who have so far applied to the EU Settlement Scheme. Latest figures show that 14,970 EU residents out of an estimated 19,000 in Brighton & Hove have applied. We are very happy that so many of our fellow citizens wish to stay in the city, but potentially we still have 4,000 more residents who need to apply. Our EU citizens need to have applied by 30th June 2021 in order to continue living in the UK. We will continue to raise awareness of the scheme in the city and urge all our residents to ensure their family, friends, colleagues know about the scheme and please look at the council Brexit page to see what support and advice is available.

Other key points:

- You need to have applied **BY** 30<sup>th</sup> June 2021 in order to stay in the UK and access healthcare, work etc
- These figures were released on 6<sup>th</sup> Feb 2020 by the Home Office and represent applications received up to 31<sup>st</sup> December 2020.

- 19,000 figure is an ONS estimate and we are still trying to find a more accurate figure. This is a national issue.
- Next figures will be released in May 2020

### **City clean dispute**

Colleagues will recall that members of P&R were updated on progress in relation to a dispute between GMB and the Council within the City Clean service. I am delighted to confirm that we have made very positive progress in our discussions with GMB, and this week the council and GMB signed an agreement which resolves the dispute and lifts the threat of industrial action.

The agreement provides us with a positive way forward in resolving some long-standing issues, and importantly an agreed way forward to improving the working culture and industrial relations into the future. We will be using our local consultative committee to provide a structure for discussing and resolving issues that arise in a constructive way as we continue to resolve performance and service issues. We are looking forward to working together on the future direction of the service, and ensuring we deliver a much-improved refuse, recycling and street cleansing service for our residents. I want to take this opportunity to thank both officers and union colleagues for their part in securing the agreement.

## **124 CALL OVER**

124.1 All items were reserved for discussion.

## **125 PUBLIC INVOLVEMENT**

### **125 (a) Petitions**

125.1 There were none.

### **125 (b) Written Questions**

125.2 There were none.

### **125 (c) Deputations**

125.3 There were none.

## **126 MEMBER INVOLVEMENT**

### **126 (a) Petitions**

126.1 There were none.

### **126 (b) Written Questions**

126.2 There were none.

### 126 (c) Letters

126.3 There were none

### 126 (d) Notices of Motion

126.4 (i) Madeira Terrace

The Committee considered the Notice of Motion which was referred from Full Council held on 30 January 2020.

126.5 The Chair said that the recommendation agreed by Full Council was that this Committee request that a report come to its meeting in March 2020. However, as the first project meeting and the Advisory Panel were being held in March and April it was suggested that it would be preferable to call for a report to come to the Policy & Resources Committee meeting on 30 April 2020.

126.6 **RESOLVED:** The Committee requested that a report come to the Policy & Resources Committee meeting being held on 30 April 2020.

126.7 (ii) Fuel Poverty

The Committee considered the Notice of Motion which was referred from Full Council held on 30 January 2020.

126.8 The Chair noted that Full Council resolved that this Committee call for a report to a future meeting of the Committee.

126.9 **RESOLVED:** The Committee requested that a report come to a future meeting of the Policy & Resources Committee.

## 127 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2020/21

127.1 The Chair said that as Item 127 and Item 130 both related to the budget that they would be discussed at the same time.

The Committee considered the report of the Acting Chief Finance Officer which set out the General Fund Revenue Budget proposals for 2020/21 and the Treasury Management Strategy and Capital Investment Strategy for 2020/21, and the report of the Executive Director Housing Communities & Neighbourhoods which presented the proposed Housing Revenue Account (HRA) revenue and capital budget for 2020/21. The Acting Chief Finance Officer and the Executive Director Housing, Communities & Neighbourhoods introduced the two reports.

127.2 The Chair said that there were six amendments to the report from the Green Group and noted that Amendment 5 also related to Item 133. There was another proposed

amendment to Item 133, and so if amendment 5 were agreed it would be conditional on the amendment to Item 133 also being agreed.

127.3 The Chair asked Councillor Gibson to propose the amendments:

127.4 Councillor Gibson said that the first amendment was investing to save, and the cost of employing specialist managers would be funded from savings made. Experience suggested that every £1 spent could generate savings of £4.50.

Amendment 1

*Amend the General Fund budget to reflect the change below:*

- *Retain two specialist contract management posts, at a cost of £0.090m*
- *These posts are planned to be self-funding from the savings they generate by focussing on procurement and contract management primarily within Health and Adult Social Care, city clean, transport and highways and housing mechanical and electrical.*

127.5 Councillor Gibson said the second amendment sought to provide a capital budget for the purchase of supported housing subject to a business case

Amendment 2

*Amend the General Fund budget to reflect the change below:*

- *Increase borrowing by £3m to provide additional General Fund capital funding in 2020/21, at an estimated financing cost of £0.117m; over 50 years;*
  - *Based on a viable business case, use the £3m General Fund (GF) capital funding to purchase accommodation for use as supported housing delivery, reducing spend on leasing with other landlords and thereby a) reducing the financial pressure on the GF ASC budget and b) enabling funding of the financing costs from GF savings*

127.6 Councillor Gibson said that the third amendment was to remove the subsidy to Councillor's parking at Norton Road and The Lanes car parks, and the savings be used to fund short breaks for carers of disabled children.

Amendment 3 – General Fund

*Amend the General Fund budget to reflect the changes below:*

- *Remove the subsidy to Councillors' parking at car parks at Norton Road, Hove and The Lanes, Brighton, releasing £0.033m in recurrent funding;*
- *If this proposed change is accepted by the Independent Remuneration Panel (IRP) and approved by Council, apply the £0.033m funding to provide short breaks for carers of disabled children.*

127.7 Councillor Gibson said that the Winter Maintenance Reserve, which currently stood at £650k, had rarely been spent and the fourth amendment said that the provision in that reserve should be reduced. The savings could be spent on providing support for homeless people, cycle storage and to tackle fuel poverty.

Amendment 4 – General Fund Reserves

*Amend the General Fund budget to reflect the changes below:*

- *In the light of failure to spend the Winter Maintenance Reserve in previous years, reduce the provision by £0.296m*
- *Allocate the £0.276m released over 2 years, to provide funding for 12 additional Housing First Placements for homeless people in 2020/21 and 2021/22*
- *Allocate £0.010m to fund secure covered cycle storage feasibility and demand assessment*
- *Allocate £0.010m for a Warmer Homes feasibility study, to explore options for a funded, council-led programme (especially insulation) to tackle fuel poverty*

127.8 Councillor Gibson said that the fifth amendment was to increase parking charges and that money could be spent on creating a Sustainable Urban Drainage officer, a Biodiversity officer and a Tree officer.

**Amendment 5 – General Fund**

The following is conditional on the Green Group amendment to Item 133 being agreed:

*If the amendment to Item 133 regarding the increase to car park fees is agreed, it would raise an estimated £0.123m recurrent income. Of this:*

- *Use £0.052m to create a SUDs (Sustainable Urban Drainage) officer post*
- *Use £0.047m to create a biodiversity officer post*
- *Use £0.024m to create 0.5 FTE Tree Officer post to facilitate tree planting in parks.*

127.9 Councillor Gibson said that the sixth amendment was to provide three legal officer posts to assist with the home purchase programme, to pursue landlords who had failed to achieve the Energy Performance Certificate and to support additional work arising from the Homes (Fitness for Human Habitation) Act 201

Amendment 6 General Fund and HRA

1. By capitalising the legal costs from the HRA capital programme for related capital schemes, restore a legal officer post at a cost of £0.060m pa to meet the extra demands of the expanded HRA home purchase programme in 2020/21 and housing supply ambitions to achieve 800 additional council homes by 2023.

2. Use in-house legal team to pursue action against landlords who have failed to achieve an Energy Performance Certificate (EPC) rating E by April 2020 by creating a legal post within the service at an estimated cost of £0.060m pa

The related fine income resulting from this action will be reflected in the General Fund Housing Service, estimated to be £0.060m. This income will release general fund resources of £0.060m to fund the additional post in Legal Services.

3. Use £0.060m HRA revenue funding to restore a legal officer post, to support additional work arising as a result of the 'Homes (Fitness for Human Habitation) Act 2018. This will be funded in 2020/21 from a contribution from the HRA working balance and then funded on an ongoing basis as part of future budgets.

127.10 Councillor Mac Cafferty seconded all the amendments.

127.11 Councillor Yates said that since this committee last looked at the budget proposals there had been a significant number of changes. The Council had received £404k less in Adult Social Care funding than expected, and other costs and pressures had increased, and this had only been partly balanced off due to the review of the East Sussex Pension Scheme which had reduced our outgoings by £825k a year. Some of the saving plans in the Corporate Plan had been reviewed in light of the Council's political position in services it wanted to deliver, and that had resulted in changes to a number of services. There had been a partial removal of £61k of savings against officers working in the Equalities Team, the complete removal of the saving in Violence Against Women and Girls services, and the reduction of £500k to some of the savings which were applied to services for those living with adult learning disabilities. There were also large investments, with £7m going to adult social care and children's social care and £1m for city environmental management. There were also smaller pockets of money with £10k going to a viability study into the future of Madeira Terraces, £5k to look at a park and ride schemes, £20k to look at community wealth building, £200k to address the Council's commitment to achieve carbon neutrality, £50k to deal with winter weekend shelter, £50k to improve private sector housing, £100k to address the acute pressure from income from our golf courses and £40k to address the attainment gap for children who were disadvantaged.

With regard to the amendments he said that the Labour Group would support them all with the exception of Amendment 3 and suggested that it would be more appropriate for that to be proposed at Full Council rather than this committee. The car park subsidy was part of the Members Allowance Scheme which was considered by the Independent Remuneration Panel (IRP), and had previously been signed off by Full Council and therefore they should consider whether that part of the scheme was removed rather than this committee.

127.12 Councillor Shanks referred to Adult Social Care and was concerned with the £1.55m to cover reductions in the CCG contributions. The Chief Executive said the Authority had been making strong representations to the CCG to get clarity on what the financial position will be next year, and to seek to minimise any budget reductions to ensure that they were prioritising in accordance with the city's Health and Wellbeing Strategy. There



had been some success in getting clarity for the next financial year and that had helped finance officers to anticipate that we will be in a better position than expected. Councillor Shanks asked if the Council made money on garden and commercial waste and whether schools used the service. The Executive Director Economy Environment & Culture said that the commercial waste collection had been generating income, but they hadn't met the targets and so there was a shortfall. The service was beginning to grow and was generating income. Some schools did use the service, but he was unsure which ones and so said that a written answer would be provided after the meeting. Councillor Shanks referred to the Youth Employment Service and felt that the EIA on this wasn't clear on what potential problems there could be, and noted that £102k was being taken out of the service and two services were being brought together which she felt did not necessarily go together. The Executive Director Children Families & Learning said that the proposed savings were due to the merging of the two services. Any savings would be from co-location and management costs rather than a reduction in provision. A formal consultation on that was currently being undertaken and so the outcome of that would impact on potential savings.

127.13 Councillor Mac Cafferty noted cuts to the legal service and said as most of the lawyers at the Council were women, it would have a greater impact on females and so was surprised that that had not been raised in the EIA. The Executive Lead Strategy Governance & Law agreed that Legal Services was disproportionately female, but said that most of the staff who would be affected by the cuts were more likely to be male.

127.14 Councillor Gibson noted that the reserve for new rent support was showing in the HRA report but was not showing in the General Fund Budget report, and asked for reassurance that the reserve was still there. Officers advised that the reserve was not shown in the General Fund report due to a technicality in that as the reserve would be created during the next financial year and spent during the next financial year, there was technically nothing to show. However, it was shown in the HRA report so that Members could see that the intention was there to create it.

127.15 Councillor Clare noted that there would be £5k investment for a Park & Ride and asked how that would be spent. Councillor Yates said it would be for a viability study and would need to be considered by either the ETS Committee or the Climate Assembly.

127.16 The Chair referred to the Amendment 3 and asked the Green Group whether they wished for it to be considered at this meeting or whether they would prefer it go to Full Council. Councillor Gibson confirmed that they would like it to be considered at this meeting.

127.17 The Committee voted on each amendment and decided as follows:

- Amendment 1 – Agreed
- Amendment 2 – Agreed
- Amendment 3 – Not agreed
- Amendment 4 – Agreed
- Amendment 5 – Agreed
- Amendment 6 – Agreed

**127.18 RESOLVED:** That the Committee recommends to Council:

- (1) The Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax, comprising:
  - i) A general Council Tax increase of 1.99%;
  - ii) An Adult Social Care Precept increase of 2%;
  - iii) The council's net General Fund budget requirement for 2020/21 of £215.606m;
  - iv) The 2020/21 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2020/21 savings proposals;
  - v) The reserves allocations as set out in paragraph 3.16 and table 3;
- (2) That Council notes the updated Medium Term Financial Strategy included in the Budget Book at Appendix 1.
- (3) That Council approves the Capital Strategy for 2020/21 at Appendix 2 comprising:
  - i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 6;
  - ii) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;
  - iii) The Capital Investment Programme for 2020/21 of £163.169m included within the Budget book at Appendix 1 and incorporating allocations to strategic funds.
- (4) That Council notes the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 6 and 7.
- (5) That Council further notes the budget decision is an indicative resourcing decision to be taken in the context of the explanation in the Legal Implications paragraph 14.3.
- (6) That Council approves the Treasury Management Strategy Statement as set out in Appendix 3 comprising:
  - i) The Annual Investment Strategy
  - ii) The Prudential and Treasury Indicators
  - iii) The Minimum Revenue Provision policy
  - iv) The authorised borrowing limit for the year commencing 1 April 2020 of £465m.

- (7) That Council notes that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 9.3.
- (8) That Policy & Resources Committee agrees that the Acting Chief Finance Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.

## **128 TARGETED BUDGET MANAGEMENT (TBM) 2019/20: MONTH 9**

- 128.1 The Committee considered the report of the Chief Acting Finance Officer which set out the forecast risks as at Month 9 (December 2019) on the Council's revenue and capital budgets for the financial year 2019/20.
- 128.2 Councillor Yates noted that there was a typing error in paragraph 4.4 and it should read that there was a budget pressure of £0.969m rather than £969m.
- 128.3 Councillor Clare noted that there was pressure on Community Care and although pressure funding would be available in the next budget there were also cuts proposed, and asked for confirmation that there would be sufficient funding available. The Director Families Children & Learning said that there would be additional pressure funding for Adult Learning Disability and that would offset some of the savings being made, and confirmed that there would be sufficient funding and the Authority's duty to meet assessed needs would not be compromised.
- 128.4 Councillor Clare noted that there was a £1m overspend at City Clean & Fleet Management, and asked how realistic the budget setting was and whether the problems were likely to persist. The Executive Director Economy Environment & Culture said that there had been an overspend and the report set out why that additional spend had been necessary. Additional pressure funding would be available in the proposed budget for next financial year to address the current relevant underfunding.
- 128.5 Councillor Shanks was pleased to note that there had been a reduction in the number of children in care and asked if that was a national trend. The Director Families Children & Learning said nationally the rate was increasing but there had been a significant drop in the city. The reduction was due to changes to way the Council delivered its social work to families in the city.
- 128.6 Councillor Gibson referred to temporary accommodation and noted that there had been an increase in use of spot purchase accommodation, and asked if that increase was over and above what there was at the start of the year or whether the numbers were now reducing. The Executive Director Housing Communities and Neighbourhoods said that there had actually been a modest underspend and that was because the Council had been able to access the Flexible Support Homelessness grant. There had been a spike in use of emergency accommodation and work was being undertaken to bring that down.
- 128.7 Councillor Moonan said that over the last four years the Council had put over £30m of pressure funding into Adult Social Care. The pressure on the budget was due to of a number of issues, but mainly to the increased level of demand in the city. A cross-party funding solution for adult social care was needed.

128.8 Councillor Mac Cafferty said that there had been discussions on where the S117 funding was going and an attempt to broadly engage the CCG in what the Authority did and the long term arrangements with them, and asked what engagement the Council had had with them as it was impacting on the budget. The Chief Executive said that he had met with the CCG to discuss the impact on the Council's budget. The Council were looking at all areas of spend, there was the S117 funding but there were also others such as the Better Care fund. The Executive Director Health & Adult Social Care said that there was around 430 people in the city who were on S117 funding and they were reviewed on an annual basis. The money was being well spent and there weren't big savings to be achieved. The overspend was because the spend on S117 was budgeted with the mental health budget, and some of the S117 spend went to meet people's physical needs. Going forward a case for increased funding from the CCG would be made.

**128.9 RESOLVED:** That the Committee –

(i) Noted the forecast risk position for the General Fund, which indicates a budget pressure of £3.355m. This includes an underspend of £0.137m on the council's share of the NHS managed Section 75 services.

(ii) Noted that the one-off financial risk safety net of £0.805m is available to mitigate the forecast risk if the risks cannot be completely eliminated by year-end.

(iii) Noted that further proposals for managing the current forecast overspend risk are set out in the General Fund budget report also on this committee agenda.

(iv) Approved the carry forward of £0.175m in respect of the Troubled Families grant as set out in Education & Skills section of Appendix 4.

(v) Noted the forecast for the Housing Revenue Account (HRA), which is currently an underspend of £0.295m.

(vi) Noted the forecast risk position for the Dedicated Schools Grant which is an underspend of £0.384m.

(vii) Noted the forecast outturn position on the capital programme and approve the variations in Appendix 6 and the new schemes as set out in Appendix 7.

**129 BRIGHTON RESEARCH & INNOVATION FIBRE RING**

129.1 The Committee considered the report of the Executive Director Economy, Environment & Culture which set out the proposal to create a Research and Innovation Fibre Ring (R&IR) in the centre of Brighton. The R&IR was a partnership project and the report sought agreement from members for the Council to invest in and deliver its proposed parts of the project.

129.2 Councillor Allcock said that residents from many other countries had much better broadband provision than we did, and it was important for residents of the City to have

access to fast broadband. Brighton was the fourth best city in the country for digital technology but it needed to be first. Studies had shown that good broadband had a very positive impact on the economy and so this project met with the Corporate Plan's wealth building objectives.

129.3 Councillor Bell asked what budget line the funding would come from and what return were the Council expecting to see from the investment. The Executive Director Economy, Environment & Culture said that it would come from the capital programme. With regard to the investment return, the Council would be borrowing £333k which represented good value for money as that was 20% of the total project cost and it was anticipated that by joining up some public sector sites to the fibre that we would reduce some of our revenue costs which would allow for that investment to be viable and paid off. Councillor Bell asked if officers would come back to this committee to ask for additional funding, and was advised that it was hoped that wouldn't be necessary and the cost would be within budget, and said that the investment in this project would benefit the local economy.

129.4 Councillor Moonan asked if it would be viable to bring the ring to Hove Town Hall. The Executive Director Economy, Environment & Culture said the Council had taken advantage of a strategic priority in the Coast to Capital economic plan which included linking some of our innovation sites in the city centre, so we had taken advantage of the public funding which was available to do this project. A report on digital strategy had recently been taken to the Greater Brighton Economic Board, and their strategy included a priority to ensure that we achieved coverage for all businesses across the city region, so part of the next phase for full fibre would be to find a business case to bring it to the whole city.

**129.5 RESOLVED:** That the Committee –

- (i) Noted the recent award of Local Growth Funding from Coast to Capital LEP to help deliver a Research and Innovation Fibre Ring in Brighton, and agree to enter into a funding agreement with Coast to Capital to access that funding.
- (ii) Agreed to the city council investing in the provision of the fibre ring, in line with the business case at Appendix 1.
- (iii) Authorised the Executive Director Economy, Environment and Culture to enter into a partnership agreement with the project partners to agree roles and responsibilities to deliver the project.
- (iv) Agreed to the Brighton Digital Exchange (BDX) continuing to occupy space at New England House for a peppercorn rent for 3 years, as part of the city council's match funding for the project.
- (v) Authorised the Executive Director Economy, Environment and Culture to undertake or participate in any procurement processes necessary to deliver the city council's obligations under the funding agreement.

**130 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL INVESTMENT PROGRAMME 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY**

130.1 Please see the minutes for Item 127.

**130.2 RESOLVED:** That the Committee agreed –

- (i) That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 (as amended) to the report be agreed and recommended to full Council for approval;
- (ii) That the Capital Programme Budget of £40.120m (as amended) for 2020/21 be agreed and noted the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval;
- (iii) That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

### **131 WINTER SHELTER PROVISION FOR ROUGH SLEEPERS**

- 131.1 The Committee considered the report of the Executive Director Health & Adult Social Care regarding expanding winter shelter provision for rough sleepers and homeless single people.
- 131.2 The Chair said that as well as providing weekend opening the Council were also trying to improve engagement with rough sleepers, as the more contact you had with someone the easier it would be to support them. Currently there was no day time provision available at weekends and so people were outside for 48 hours. The Chair thanked officers for their work on this matter and for the volunteers who had come forward to offer to staff the increased provision.
- 131.3 Councillor Moonan said that year on year provision for rough sleepers had been increased, but there was a gap at weekends and this report was looking at increasing day centre provision to fill that gap.
- 131.4 Councillor Gibson suggested that it would be useful for this report to be referred to the Housing Committee for information. He wanted to highlight that SWEP would be open to all which few of the other facilities were. Many of the rough sleepers were not known to the authority and so couldn't be referred to the relevant services, but if they were to access the weekend provision it would be an opportunity for staff to engage with them. He asked who would be engaging with the rough sleepers and was advised that it would probably be St Mungo's but no decision had yet been made.
- 131.5 Councillor Simson asked what the link up would be with St Mungo's and SWEP. Executive Director Health & Adult Social Care confirmed that there were very good relationships between St Mungo's, the Outreach Team, volunteers and Council officers.
- 131.6 Councillor Moonan said that recently 83% of St Mungo's staff nationally had voted for strike action, and if their managers did not make the changes called for and

they did go on strike whether there would be a significant impact on the SWEP provision. The Executive Director Health & Adult Social Care clarified that this report was not about SWEP, but said he was aware of a potential strike. However, St Mungo's staff had given us assurance that there would be not impact on local provision in the.

131.7 The Committee agreed that the report should be referred to the Housing Committee for information.

**131.8 RESOLVED:** That the Committee agreed the adoption of weekend opening in addition to the current trigger. This would have an additional cost but would mitigate the lack of day centre and other provision at the weekend and would support the Street Outreach Service in their weekend engagement with people who are rough sleeping.

### **132 CONCESSIONARY BUS TRAVEL - 3 YEAR FIXED DEAL**

132.1 The Committee considered the report of the Executive Director Economy Environment & Culture regarding concessionary travel with Brighton & Hove Bus and Coach Company.

132.2 The Chair noted that a petition on this matter had been presented to this committee by Ms A Smith in October 2019, and the Committee had agreed that a report would come to a future meeting. There were some Part Two papers to this report and so the press and public may be asked to leave the meeting if the members wished to discuss those papers.

132.3 Councillors Moonan and Clare thanked Ms Smith for bringing the petition and welcomed the report which if agreed would benefit many people.

132.4 The Committee agreed that they had considered the Part Two papers, but did not need to discuss them in closed session.

**132.5 RESOLVED:** That the Committee –

- (i) Approved a 3-year fixed deal with BHBC for commencement from 1<sup>st</sup> April 2020 until 31<sup>st</sup> March 2023;
- (ii) Approves the extension of disabled pass holder travel time by 5 hours to include travel between 4am until 9am on weekdays for Brighton & Hove residents only, which would allow travel at any time (currently 9am- 3.59am);
- (iii) Granted delegated authority to the Executive Director for Environment, Transport & Sustainability to negotiate and conclude a 3-year fixed contract with BHBC for travel concession in line with option 1 referred to in paragraph 4.8 of the part two report.

### **133 FEES AND CHARGES 2020/21**

133.1 The Committee considered the report of the Executive Director Housing, Neighbourhoods & Communities, the Executive Director Economy Environment & Culture and the Executive Lead Strategy Governance & Law which set out the proposed

202/21 fees and charges for the service areas covered by the Environment, Transport and Sustainability Committee including Bereavement Services in accordance with corporate regulations and policy.

133.2 Councillors Allcock, Gibson and Shanks had declared a pecuniary interest in this item and left the Chamber during its consideration.

133.3 The Chair noted that Councillor Gibson had submitted an amendment to Appendix 2 in the report but could not propose it as he had had to leave the meeting during discussion of this item. Councillor Yates offered to propose the amendment. The following amendment was proposed:

*Amend the parking charges as set out in Appendix 2*

***At the Lanes car park:***

*Increase the 1 hour weekday charge to £3.50*

*Increase the 2 hour weekday charge to £7.00*

*Increase the 4 hour weekday charge to £15.00*

*Increase the 9 hour weekday charge to £21.00*

*Increase the 2 hour weekend charge to £8.50*

*Increase the 4 hour weekend charge to £16.00*

*Increase the 9 hour weekend charge to £21.00*

***At Regency Square car park:***

*Increase the 1 hour charge to £3.00*

*Increase the 2 hour charge to £5.50*

*Increase the 4 hour charge to £10.50*

*Increase the quarterly season ticket to £330*

*Increase the annual season charge to £1,100*

*Reduce the proposed increase in annual trader permits by £20 per annum at an estimated reduction in income of £0.020m.*

*This raises an estimated £0.123m recurrent income.*

133.4 Councillor Mac Cafferty seconded the amendment.

133.5 Councillor Shanks asked items such as gas heaters which were often placed on pavements near to retail establishments could be taxed. The Executive Director Economy Environment & Culture said he was unsure but would find out. Councillor Shanks asked if the provision for dog wardens was contracted out. The Executive Director Housing, Neighbourhoods & Communities said he did not know and would provide a written answer.

133.6 Councillor Yates said that this report had come to this committee from the Environment Transport & Sustainability (ETS) Committee, and noted that there had a few changes to the proposed fees since ETS considered it.

133.7 The Committee voted on the amendment and it was agreed.



**133.8 RESOLVED:** That the Committee –

- (i) Approved the proposed fees and charges for 2020/21 as set out within the report and its appendices (as amended).
- (ii) Approved the relevant Traffic Regulation orders and Notices of intention to be advertised as soon as possible and that any objections to the Traffic Regulation Orders are reported back to the relevant committee for a final decision.
- (iii) Noted the proposed 2020/21 fees and charges for car parking within Stanmer Park as set out in paragraphs 3.13 – 3.15 and Appendix 3 are potentially subject to objections from the Traffic Regulation Order process. If any recommendations for changes are made to the Stanmer Park charges following the Traffic Regulation Order process this will come back to the relevant Committee alongside any potential changes in relation to Preston Park and East Brighton Park to ensure the charges are consistent across all the parks.
- (iv) Delegated authority to the Executive Director of Economy, Environment & Culture (in relation to paragraphs 3.4-3.21), the Executive Director of Housing, Neighbourhoods & Communities (in relation to paragraphs 3.22 - 3.25) and to the Executive Lead Officer – Strategy, Governance & Law (in relation to paragraphs 3.26 – 3.29) to change fees and charges as notified and set by central Government during the year.

**134 ITEMS REFERRED FOR COUNCIL**

134.1 **RESOLVED:** That no items be referred to the 2 April 2020 Council meeting.

**135 PART TWO MINUTES**

135.1 **RESOLVED:** That the Part Two Minutes of the meeting held on 23 January 2020 be agreed as a correct record.

**136 CONCESSIONARY TRAVEL FIXED DEAL BRIGHTON & HOVE BUS AND COACH COMPANY**

136.1 **RESOLVED:** That the Recommendations as set out in the Part One report (Item 132) were agreed.

**137 PART TWO PROCEEDINGS**

137.1 **RESOLVED:** That the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

The meeting concluded at 6.40pm

Signed

Chair

Dated this

day of

**NOTICE OF MOTION**

**GREEN GROUP  
NO EXPANSION OF GATWICK AIRPORT**

This committee agrees:

In the light of the legal challenge to the construction of the third runway at Heathrow, to publicly oppose the expansion of Gatwick Airport;

To commission a report to Environment, Transport and Sustainability Committee that examines the environmental degradation and negative social impact of such an expansion;

To request the Chief Executive write to the Secretary of State for Transport expressing this council's opposition to the expansion, abiding by the spirit of the Paris Climate Agreement and HM Government commitment to carbon neutrality by 2050;

To continue to invest in environmentally sustainable public transport as part of the modal shift and lobby government and Transport for South East for further investment in public transport;

To reassert the call for effective action on the toxic air quality in several parts of the city;

To continue to work tirelessly for more local jobs which will benefit our local and tourist economy.

Proposed by: Councillor Mac Cafferty

Seconded by: Councillor Clare

**Supporting Information:**

-Further to the successful legal challenge in the Court of Appeal to stop the construction of the third runway at Heathrow, other London airports are lobbying to become the next airport to expand. This would bypass the significant ruling from the Court of Appeal which confirms that the Paris agreement temperature goal has a binding effect and is inconsistent with HM Government commitment to carbon neutrality by 2050.

-There is colossal and exponential damage caused to the environment through airport expansion especially the associated depreciation of air quality. As a city with toxic air quality in several areas, this should concern us. Research from the European Society for Cardiology has found that air pollution knocks almost three years off average life expectancy.

-This council's current position is from a 2015 Notice of Motion at the then Economic Development & Culture committee (EDC) which seeks the expansion of Gatwick Airport.

-The recent failure of leisure flight company FlyBe and the effect of the Covid-19 virus on the international aviation industry, which both expose structural weaknesses within the economic model of airport expansion.

-60% of flights at Gatwick are leisure-related to other parts of the UK, while nationally 15% of the population take 70% of the flights.



**NOTICE OF MOTION**

**GREEN AND LABOUR GROUPS**

**VOLUNTARY COUNCIL TAX**

This committee agrees to request that officers bring a report to a future meeting of the Policy & Resources Committee to outline the options to:

- (a) Introduce a Voluntary Council Tax Contribution option for council tax bands E, F,G and H with suggested contribution (following Westminster approach):
- (b) Proceeds to be ringfenced and passed on to a charitable trust such as the Brighton Fund, (allowing for gift aid) to three additional voluntary projects contributing to:
  - Alleviation of homelessness
  - Additional tree planting projects
  - Small groups fund for community wealth building
- (c) The pilot to be reviewed to inform any future appeals

Proposed by: Councillor Shanks    Seconded by: Councillor Yates

**Supporting Information:**



<b>Subject:</b>	<b>Education Capital Resources and Capital Investment Programme 2020/21</b>		
<b>Date of Meeting:</b>	<b>2 March 2020</b>		
<b>Report of:</b>	<b>Interim Executive Director of Families, Children &amp; Learning</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Gregory Weaver</b>	<b>Tel:</b> 01273 291214
	<b>E-mail:</b>	<a href="mailto:greg.weaver@brighton-hove.gov.uk">greg.weaver@brighton-hove.gov.uk</a>	
<b>Wards Affected:</b>	All		

**FOR GENERAL RELEASE**

***Action Required of the Policy & Resources Committee:***

- 2.1 That the level of available capital resources totalling £8.187 million for investment relating to education building financed from capital grant be noted.
- 2.2 That the allocation of funding as shown in Appendices 3 and 4 and that a recommendation to Policy & Resources Committee on 19 March 2020 for inclusion within the Council's Capital Investment Programme 2020/21 be agreed by committee.
- 2.3 That a recommendation to Policy & Resources Committee to grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required in accordance with Contract Standing Orders in respect of the entire Education Capital Programme be agreed by committee.

**BRIGHTON & HOVE CITY COUNCIL**  
**CHILDREN, YOUNG PEOPLE & SKILLS COMMITTEE**

**4.00pm 2 MARCH 2020**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**MINUTES**

**Present:**

**Councillors:** Councillor Allcock (Chair), Councillor Knight (Deputy Chair), Clare (Opposition Spokesperson), Brown (Group Spokesperson), Hamilton, Hills, McNair, Nield, Simson and Wilkinson

**Co-optees:** Bernadette Connor (Catholic Diocese), Trevor Cristin (Diocesan Director of Education), Karen James (Parent Governor Representative)

**Non-Voting Co-optees:** Adam Muirhead (Community Works Rep) and Rob Scoble (Council Youth Participation Team)

**PART ONE**

**68 EDUCATION CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2020/21**

- 68.1 The Committee considered a report of the Interim Executive Director Families, Children & Learning regarding the Education Capital Resources and Capital Investment Programme 2020/21. The report was introduced by the Head of School Organisation and the Head of Capital Strategy & DP.
- 68.2 The committee were provided with a brief overview of the report which sought to inform the Committee of the level of available capital resources allocated to this service and to recommend a Capital Investment Programme for 2020/21. Committee members were further informed of the Capital Programme under Pupil Places and Condition investment for 2020/21 along with the level of available resources from Section 106 contributions and expenditure for the 2019/20 year. It was noted that assumptions would have to be made of the capital levels received from Central Government as allocations had not yet been set. It was clarified that there were three different formats of funding to capital maintenance which were:
- The allocation to Councils
  - A buy back service that schools could contribute to
  - An allocation from Central Government to schools directly.



It was noted that and that the estimated amount that could be spent was 5.4 million pounds. It was noted that to complete all outstanding works it would cost 29.5 million pounds. It was established that an exercise was being undertaken to survey all schools' perimeter fencing to identify whether to bring forward proposals to spend capital funds on this.

- 68.3 Councillor McNair referred to 3.25 and enquired of the number of schools that would require boundary surveys, when this would be finished and what action could be undertaken by the Local Authority. Further clarity was sought in regard to using section 106 money for fencing, specifically Carden Primary as fences were a safeguarding measure.
- 68.4 The Head of School Organisation stated that fencing was not necessarily a key issue that was covered by section 106 money however BHCC would consider working as creatively as possible with regard to the use of the funding for maximum impact for schools in the City. It was stated work being carried out by BHCC this financial year and would necessitate on the access and availability of being able to liaise with school staff and school leaders. It was confirmed that governors and school leaders would have input in prioritising works at schools such as Carden Primary.
- 68.5 Councillor McNair sought confirmation on fencing provision for schools.
- 68.6 The Head of School Organisation noted BHCC's responsibility for perimeter fences and stated that they were clear in terms of demarcation of funding and responsibilities that ultimately, fencing was a matter for a school to be able to maintain. It was further noted that BHCC would continue to engage and discuss with schools and that BHCC has supported and invested in schools where there had previously been no fence. It was noted that efforts to service everyone as best as possible would be paramount.
- 68.7 Councillor Nield sought clarification as to whether Central government had, in previous years, failed to announce maintenance funding allocations or devolved formula capital allocations.
- 68.8 The Head of Strategy Capital & DP stated that while unusual however this had occurred before. It was confirmed that the reason given by Central Government was that a very high-level nationwide condition survey across all schools in the UK had been undertaken that was in addition to the detailed condition surveys that BHCC held. It was further clarified that a new algorithm for devolving funding based partly on pupil numbers and significantly on need was being authored and that this had not yet been completed.
- 68.9 Councillor Hills referred to D1 and D2s and enquired of the process by which funding was allocated and how repairs were being carried out and if they were being undertaken by local contractors paying minimum wage. Confirmation was sought as to whether sustainable methods and materials for repairs were being utilised.
- 68.10 The Head of School Organisation stated that in regard to D1 and D2s there was a rolling program of review of all schools carried out every 5 years which identified all the issues that needed addressing and priorities within those.

- 68.11 The Head of Strategy Capital & DP stated that where possible, local Small / Medium Enterprises were utilised and that up to and including this year, BHCC were using Construction Line as the system for determining contractors however BHCC were in the process of procuring a range of frameworks that would be used in future to procure building works. It was stated that BHCC were currently going through a large tender exercise with the intention to be up and running by September 2020. It was noted that the tendering process included consideration of small, medium sized enterprises, locality among others. It was clarified that where re-roofing was necessary, above requirement levels of insulation would be included to improve thermal efficiency and that where maintenance on school buildings, the most efficient plants and materials would be utilised.
- 68.12 Councillor Hills sought clarification as to whether gas boilers were still being used to replace those in building undergoing works.
- 68.13 The Head of Strategy Capital & DP noted that BHCC would always look at what other options there were available but technical difficulties that could arise when considering efficient heating sources for large buildings.
- 68.14 Councillor Clare enquired how schools raised issues they deemed important.
- 68.15 The Head of Strategy Capital & DP clarified that in addition to the 5-year condition surveys carried out, BHCC visited every school every year in the Autumn Term along with building surveyors to talk about any building issues that may have arisen since the previous Autumn. It was further noted that there were ongoing daily discussions regarding issues and that BHCC retained records of all conversations for good practice.
- 68.16 Councillor Knight referred to the large backlog and sought clarification as to why this was and if time was a factor for this. Further reference was made to the 83 individual ongoing projects and requested the number of completed projects. Clarification was sought as to whether there was any Section 106 money from before 2019 that was unspent.
- 68.17 The Head of Strategy Capital & DP confirmed that the backlog maintenance was large and that it was mostly due to underfunding from Central Government however this had changed and BHCC were now in receipt of a generous settlement of 5 million pounds a year. It was stated that the number of D2s that were being undertaken was above the number of D1s which was a positive sign. It was noted that there was no issue of contractors doing works they were not supposed to and that there were around 4 further ongoing projects. Clarification in regard to Section 106 money, further information would be shared with Councillor Knight.
- 68.18 Councillor Simson referred to the cost of allowance for additional after school care provision and enquired if BHCC were satisfied that there were providers in the City that could make use of these facilities or if BHCC were expecting schools to provide these facilities in house. Clarification was sought regarding maintenance of other buildings that came within the education portfolio.
- 68.19 The Assistant Director – Education & Skills stated that there was a range of after school provision in the city some of which was provided by companies outside of the city and that some schools provided their own after school provision.

68.20 Councillor Simson noted the difficulty in providing after school care.

68.21 The Head of School Organisation noted that non-school buildings which came under the umbrella of education buildings were covered by the Capital Funding however there were no projects in this year's works.

68.22 **RESOLVED –**

- 1 That the level of available capital resources totalling £8.187 million for investment relating to education building financed from capital grant be noted.
- 2 That the allocation of funding as shown in Appendices 3 and 4 and that a recommendation to Policy & Resources Committee on 19 March 2020 for inclusion within the Council's Capital Investment Programme 2020/21 be agreed by committee.
- 3 That a recommendation to Policy & Resources Committee to grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required in accordance with Contract Standing Orders in respect of the entire Education Capital Programme be agreed by committee.



<b>Subject:</b>	<b>Education Capital Resources and Capital Investment Programme 2020/2021</b>		
<b>Date of Meeting:</b>	<b>CYPS 2 March 2020 P&amp;R 19 March 2020</b>		
<b>Report of:</b>	<b>Executive Director of Children's Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Richard Barker</b>	<b>Tel: 290732</b>
	<b>Email:</b>	<b>richard.barker@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 In order to determine an overall Capital Programme for Brighton & Hove City Council, each service is asked to consider its capital investment requirements, within the level of allocated resources for 2020/21.
- 1.2 The purpose of the report is to inform the Committee of the level of available capital resources allocated to this service for 2020/21 and to recommend a Capital Investment Programme for 2020/21.
- 1.3 To allocate funding available in the Capital Programme under Pupil Places and Condition investment for 2020/21.
- 1.4 To inform the Committee of the level of resources to be devolved directly to schools and dioceses
- 1.5 To inform members of the level of available resources from Section 106 contributions and expenditure for the 2019/20 year.

**2. RECOMMENDATIONS:**

- 2.1 That the level of available capital resources totalling £8.187 million for investment relating to education buildings financed from capital grant be noted.
- 2.2 That Committee agree the allocation of funding as shown in Appendices 3 and 4 and recommend this to Policy & Resources Committee on 19 March 2020 for inclusion within the Council's Capital Investment Programme 2020/21.
- 2.3 That Committee agree to recommend to Policy & Resources Committee that they grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

### 3. CONTEXT/ BACKGROUND INFORMATION

3.1 The Education Capital Programme forms part of the Council's full Capital Investment Programme which was presented to Budget Policy & Resources Committee on 13 February 2020 and Budget Council on 27 February 2020.

#### Capital Finance Settlement

3.2 The capital finance settlement from central government includes Basic Need, Capital Maintenance and Devolved Formula Capital for community schools.

3.3 In previous years the capital finance settlement has included Locally Coordinated Voluntary Aided Programme LCVAP funding. This settlement was the equivalent allocation of capital maintenance funding for Voluntary Aided schools whose buildings are owned not by the council but the relevant diocese. The Department for Education (DfE) has now changed this programme and the funding will be allocated directly to the dioceses without a coordination role for Local Authorities. It is therefore no longer included in this report.

3.4 Capital finance for academies and free schools does not form part of the funding allocated to Local Authorities as they have access to the separate Condition Improvement Fund administered by the DfE.

3.5 The table below shows the allocations of capital grant funding announced for 2020/21 only and does not include 2019/20 grant forecast to be re-profiled into 2020/21 including those approvals in the Targeted Budget Management 2019/20 Month 9 report to Policy & Resources Committee on 23 February 2020.

	<b>2020/21 Settlement million</b>
Capital Maintenance Grant	£4.800 *
Basic Need Funding	£2.879
LA Devolved Formula Capital Grant (Passported entirely to schools)	£0.508 *
Sub Total	£8.187 *

*\* To be confirmed. Estimate based on 2019/20 allocation.*

3.6 In December 2018 the Government announced that they would be using the same allocations methodology for the financial year 2019–20 with some minor updates. The reason was to provide stability for schools while they reviewed their approach for 2020/21 and beyond. At the present time the government has not announced the maintenance funding allocations for the 2020/21 financial year. For the purposes of this report we are working on the assumption that there will be no appreciable difference to the allocation for the 2019/20 financial year and therefore we assume that the settlement amount for condition works for Brighton & Hove will be £4.8 million.

- 3.7 At the present time the government has not announced the Devolved Formula Capital (DFC) allocations for the 2020/21 financial year. For the purposes of this report we are working on the assumption that there will be no appreciable difference to the allocation for the 2019/20 financial year and therefore we assume that the settlement amount for DFC for Brighton & Hove will be £0.508 million.
- 3.8 DFC grants are passed directly to schools and therefore are not available for the Local Authority to spend.
- 3.9 In November 2018 the Government updated their allocation figures for Basic Need capital funding. This included an allocation for the 2020/21 financial year of £2.879 million.
- 3.10 **Appendix 2** shows how the LCVAP funding was allocated last year. This includes some commitments for the 2020/21 year to cover retentions on contract sums.
- 3.11 In addition to the funding from central Government there is a Services to Schools buy back option for the council's strategic property function. This replaced a direct allocation of funding to the Local Authority by the Schools Forum to provide a holistic property function for the benefit of schools including impartial advice and guidance, a quick emergency response to all schools and the arrangement of term maintenance contracts for areas such as gas safety, fixed wire inspections and water temperature monitoring. As well as adding to the funding available to address condition related works across the city's school building portfolio. This was available for the first time in 2017/18 and generated an income of approximately £0.623 million. It is anticipated that this will also generate £0.623 million for the 2020/21 financial year.

	Million
Capital Finance settlement	£7.679
Services to Schools Income	£0.623
Total	£8.302

- 3.12 Additional grant funding may be made available throughout the forthcoming financial year and will be reported separately if necessary.
- 3.12 The level of projected resources must finance all capital payments in 2020/21 including existing approved schemes, new schemes and future year commitments.
- 3.13 Capital slippage arising from the 2019/2020 Capital Programme will be incorporated into the 2020 /2021 programme when the capital accounts are closed in April 2020.

### Capital Commitments

- 3.14 An overall summary of expenditure for 2020/21 is attached at **Appendix 3** and a more detailed explanation of each item is shown below.

## Condition related works

- 3.15 The capital maintenance funding (£5.423 million) will be used to address the most urgent and important items highlighted by the condition surveys of school buildings as well as a number of programmes to address specific safety and improvement priorities as set out in paragraphs 3.17 – 3.27 below.
- 3.16 A major priority of the Asset Management Plan is to reduce the amount of condition related works required in schools. A rolling programme of works has been prepared which currently shows a backlog of £29.5 million.
- 3.17 It is recommended that £4.800 million from capital maintenance plus £0.623 million from Services to Schools (less the shortfall funding from last year) which totals £5.415 million is allocated to carry out structural maintenance works in the 2020/21 financial year.
- 3.18 A copy of the proposed structural maintenance programme is attached at **Appendix 4** to this report. This shows the estimated total cost of each programme of work (such as roof replacements, mechanical and electrical works etc.) but not the estimates for each individual element. This is because at the present time the amounts are pre-tender estimates and it would not make commercial sense to reveal these prior to going out to tender.
- 3.19 The extent of the work at each school will be determined by the condition survey and detailed investigation and scoping of the problem to be addressed. There will also be discussion with each school on the timing and scope of the works.
- 3.20 The proposed programme is prioritised using the Department for Education (DfE) condition criteria. The highest level of priority is attached to the renewal or replacement of building elements which fall within Grade D (as being in bad condition, being life-expired and/or in serious risk of imminent failure) and within the 'Priority 1' or 'priority 2' definition:
- |            |  |
|------------|--|
| Priority 1 | Urgent work, which will prevent immediate closure of premises and/or address an immediate high risk to the health & safety of occupants and/or remedy a serious breach of legislation  |
| Priority 2 | Essential work, required within two years, which will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of occupants and/or remedy a less serious breach of legislation. |
- 3.21 By allocating £4.800 million from the Capital Maintenance Grant and the £0.623 million from the services to schools funding we will be able to address all the D1 and a significant number of D2 priority works.
- 3.22 Legislation on both the control of legionella and asbestos in buildings has given rise to the need to carry out works on a rolling programme to school buildings to achieve compliance with the legislation. It is recommended that £0.150 million each be allocated to legionella and asbestos work.



- 3.23 It is recommended that £0.150 million is allocated for works identified by the Fire Risk Assessments that are the responsibility of the Local Authority.
- 3.24 It is recommended that £0.050 million is allocated to carry on with the rolling programme of surveys of school premises; £0.050 million is allocated for advanced design of future projects. In 2019/20 this included the cost of surveying the boundary treatments at schools in relation to safeguarding issues as detailed in the report to the CYP&S Committee in March 2019.
- 3.25 This work is now in the process of being completed following delays in implementation as a result of higher than anticipated quotes for work being received and resourcing issues. Once this survey is completed and the results collated consideration will be given as to what action, if any, the LA should undertake. Under the scheme for financing schools fencing and boundary treatments is a school responsibility. Any work to the fencing and boundary treatments of schools will need to be funded from the capital maintenance money thus reducing the amount of funding available for other urgent priorities.
- 3.26 It is recommended that £0.150 million is allocated for adaptations to schools to accommodate pupils with special mobility or sensory needs.
- 3.27 Issues regarding compliance in relation to ventilation in school kitchens have been raised for a number of years. Inadequate ventilation in a kitchen environment leads to very hot and humid conditions which raise the risk of accidents, hygiene problems and potential poor health of staff. It is recommended that £0.100 million is allocated to address the most urgent priorities.
- 3.28 The above allocations identified in paragraphs 3.16 – 3.27 total £5.618 million which leaves £0.203 million funding to be identified. Owing to favourable tenders received this financial year it will be possible to meet this cost and these will be reported at Outturn. The Education Capital Maintenance Grant for 2020/21 has yet to be confirmed by Government and may be higher than estimated which may also support the shortfall. This will be reported at future TBM reports when confirmed. In the event that an emergency arises during the year it would be possible to use Basic Need funding to address the issue in the current year and to replace the funding in future years.
- 3.29 In 2019/20 we identified 82 individual projects to undertake throughout the year at an estimated cost of £4.773 million (Inc. fees). To date we have undertaken 73 of these (some of this number are still ongoing) and 7 will be undertaken in 2020/21, the budget to meet the cost of this work has been re-profiled within the TBM9 report. We are currently considering the scope of the 2 remaining projects.
- 3.30 As a result of favourable tender returns we have been able to undertake an additional 10 projects during 2019/20 from the priority list of works.
- 3.31 In addition to the Local Authority responsibility for maintenance the schools also retain responsibility and funding for some maintenance items. This funding includes Devolved Formula Capital which the council receives from central government to pass on to schools according to a formula. There is also an element in schools' delegated budgets relating to building maintenance.

## Basic Need funding

- 3.32 Basic Need funding is provided to authorities who are experiencing increasing school rolls. The funding is provided to ensure that the Local Authority can meet its statutory obligation to secure a school place for every child that wants one.
- 3.33 The Basic Need allocation for 2020 /2021 is £2.879 million. In addition to this the Council has a further capital resource of £4.717 million. This has arisen from unallocated grant from previous years.
- 3.34 In the capital budget for 2019/20 an allocation of £8.0 million was made from the 2019/20 Basic Need funding to meet the cost of the projects to create the east and west hubs as part of the SEND re-design and £4.0million was allocated for the work required to create the Central Hub. The allocation for the east and west hubs was subsequently increased to £9.4million in a report to PR&G on 18 July 2019.
- 3.35 Work for these two projects commenced on site in the summer of 2019. Both projects have required additional work not envisaged at tender stage and it is now recommended that an additional £0.7 million is allocated to these projects to cover these extra costs.
- 3.36 Work has also commenced on the design and implementation of a new Cullum Centre for Hove Park School. The Cullum Foundation has agreed to provide £1.0 million to part fund this project. However in order to ensure the facility meets the needs of the pupils on both sites it is necessary to augment this with funding from within the council's capital programme.
- 3.37 In March 2017 the government announced the Special Provision Fund allocation to support LAs to make capital investments in provision for pupils with special educational needs and disabilities. At that point we were granted a total of £0.5 million. Since then there have been two further announcements increasing the funding to a total of £0.849 million. This funding has been allocated to the provision of the Cullum Centre.
- 3.38 The design work is just commencing but it is envisaged that the council will need to provide in the order of £1.5 million towards the cost of this project from the Basic Need funding. At the current time it is estimated that the total cost of the Cullum Centre at Hove Park will be £3.3 million with £1.0 million coming from the Cullum Foundation.
- 3.39 As detailed in the report to the CYPS Committee on 13 January 2020 there is a need for further specialist ASC provision in the city. This matter is the subject of a separate report to this committee. It is likely that there will be capital funding implications of any decision and therefore it is recommended that £0.5 million is allocated for this purpose.
- 3.40 At its meeting on 11 October 2018 the Policy Resources & Growth Committee agreed to the methodology and allocation of £16.3 million of capital funding to the City's secondary schools. This included the allocation of £15.0 million of Basic Need funding plus a further £1.3 million of Section 106 funding. The Council

continues to work in conjunction with schools to fully scope the work at each school.

- 3.41 During the design process it has become apparent it is necessary to allocate additional funds to the projects at Hove Park School and Varndean School in order to create the curriculum spaces the schools require to meet the needs of their pupils.
- 3.42 It is recommended that an additional £1.5 million is allocated to these projects to allow them to proceed.

### **Section 106 funding**

- 3.43 To meet planning policy objectives enabling the grant of planning permission it may be necessary for developers to contribute towards infrastructure to support new development. These contributions are commonly known as developer contributions or Section 106 (S106) contributions since they are secured through the planning process as Planning Obligations under Section 106 of the Town and Country Planning Act 1990.
- 3.44 A Planning Obligation may only constitute a reason for granting planning consent for a development where the obligation meets all the government tests in being:
- Necessary to make the development acceptable in planning terms
  - Directly related to the development
  - Fairly and reasonably related in scale and kind to the development
- 3.45 Since 2007 we have sought education contributions for developments of more than 10 new dwellings in areas where there was a pressure on school places. The calculation of a contribution has always been based on the number of pupils the development is likely to generate and the cost of providing this number of places. We do not seek contributions in areas where there are sufficient school places. This is because the request for contributions has to be in accordance with the points in 3.44 above. Seeking contributions in areas where there are sufficient school places would not meet the government tests requirements of the bullet points.
- 3.46 From 2007 until January 2019 we had secured approximately £2.880 million of contributions. Since that date we have secured a further £0.901 million from 8 developments. (**Appendix 5** shows the contributions received between January 2019 and January 2020).
- 3.47 It is important that any monies accrued are used in accordance with planning legislation and policy objectives as further defined in the Developer Contributions Technical Guidance. The decision on how to use the funding is based on knowledge of the school estate in terms of its capacity and condition. This information is gathered via the condition surveys and the yearly updating of the plans for the SCAP return.
- 3.48 £0.318 million of Section 106 funding was used in 2019/2020 to part fund the work to date at Dorothy Stringer and Varndean Schools. The sums for

secondary provision have been allocated to schools based on the location of the development and included in the sums allocated for additional place provision.

## **Performance**

- 3.49 Appendix B to the Corporate Property Strategy and Asset Management Plan details the Property Performance Indicators and Core Data 2018-18. Performance indicators 6a and 6b relate to project time and cost respectively.
- 3.50 The measure for project time is the percentage of projects where the actual contract period is less than 5% above the original contract period. Our project time predictability result of 75% equalled our target but was down on the previous year's result of 82%.
- 3.51 The measure for project cost is the percentage of projects where the final cost is less than 5% above the original contract sum. Our project cost predictability result of 89% exceeded our target of 86% representing the mean average for other authorities from the last published Chartered Institute of Public Finance and Accountancy (CIPFA) bench marking data and was a significant improvement on the previous year's result of 84%.

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

- 4.1 The only option available would be to not make use of this funding to improve or extend the education property portfolio. This is not recommended as it would limit our ability to maintain, modernise and improve our school buildings property portfolio and to secure sufficient school places.

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

- 5.1 There has been no specific consultation regarding the content of this report. When an individual project is developed the necessary consultation is undertaken and reported to the relevant committee.

## **6. CONCLUSION**

- 6.1 The proposed Capital Programme will enable us to continue to ensure that we secure school places in areas of the City where they are required and to improve the condition of our education property portfolio.

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

### Financial Implications:

- 7.1 The report sets out the allocation of capital resources included in the Capital Investment Programme 2020/21 as approved at Budget Council on 2 February 2020. The capital resources will meet ongoing capital maintenance requirements as well as addressing bulge classes, refurbishments, permanent expansions and to implement outcomes resulting directly from the SEND review. The capital resources include income estimated at £0.623m for 2020/21 that relates to Services to Schools buy back associated with the strategic property function. This income will assist with maintenance spend identified in this report. The

report includes estimated Government grant contributions which are subject to confirmation from the DfE in due course and will be reported in future TBM reports

- 7.2 Developer contributions (Section 106 contributions) received and the spend to date is detailed in Appendix 5. The contributions are required to be spent in accordance with planning legislation and policy objectives. These do not form part of the resources included in Appendix 3.

Finance Officer Consulted: Rob Allen

Date: 10/02/20

Legal Implications:

- 7.3 There are no direct legal implications arising from this report. Particular projects may give rise to specific issues which will be covered by individual reports at future meetings.

Lawyer Consulted: Serena Kynaston

Date: 28.01.2020

Equalities Implications:

- 7.4 There are no equalities implications arising from this programme which would impact disproportionately on any defined groups. New and refurbished buildings will conform with all relevant regulations and be fully accessible.

Sustainability Implications:

- 7.5 There are no direct environmental implications arising from this report. The environmental impacts of individual schemes are reported to Members when the detailed report is submitted to Policy, Resources and Growth Committee for final approval. The detailed planning of projects at educational establishments will take account of the implications of Brighton & Hove's policies in relation to sustainability issues generally.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Various Implications
2. LCVAP Spend in 2019-20
3. Summary of capital resources and capital investment programme
4. Condition related works 2020-21
5. Section 106 funding 2019-20

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

1. None

### **Background Documents**

1. None

Crime & Disorder Implications:

- 1.1 The detailed planning of projects will take account of security issues

Risk and Opportunity Management Implications:

- 1.2 There are no risk issues in terms of resources or risks to children as a result of this proposal

Public Health Implications:

- 1.3 There are no public health implications arising from this report

Corporate / Citywide Implications:

- 1.4 The Capital Maintenance Grant identified in this report is evidence of the government's continuing support for the Council's work as a Local Education Authority. The Basic Need Funding is indicative that the DfE understands the issues of primary and secondary places we face in the city.





LCVAP 2019/20 Programme

Allocation £981,962

<u>Establishment</u>	<u>Project Description</u>	LCVAP Allocation 2019/20	LCVAP Allocation 2020/21
Various Schools	Retention payments from 2018/19 Schemes	£ 26,288.26	
St John the Baptist RC School	Playground extension	£ 64,469.71	£ 1,425.30
St Mary Magdalen Catholic Primary School	Replacement heating, hot and cold water services	£ 98,960.37	£ 2,602.45
Cottesmore St Mary's Catholic Primary School	Structural repairs (Ph 2)	£ 65,182.50	£ 1,671.35
Cardinal Newman Catholic School	Structural repairs	£ 201,825.00	£ 5,175.00
St Joseph's RC Primary School	Replacement of boilers, associated plant and controls	£ 85,586.19	£ 2,194.52
St Bartholomew's CofE Primary School	Phase 3 - Extension and internal alterations	£ 42,750.00	£ 2,250.00
St Paul's CofE Primary School and Nursery	Replacement boiler - oil to gas Ph 1	£ 26,325.00	£ 675.00
St Martin's CofE Primary School	Library extension	£ 190,687.50	£ 4,500.00
St Margaret's CE Primary School	Heating replacement	£ 179,887.50	£ 4,612.50
		<hr/> <hr/> £ 981,962.04	<hr/> <hr/> £ 25,106.12



	CAPITAL EXPENDITURE	
	2019/20	2020/21
<b>CAPITAL MAINTENANCE</b>		
2019/20	£4,870,284	
2020/21 (to be confirmed)		£4,800,000
School contributions (Para 3.11)	£623,000	£623,000
Unallocated from previous years	£71,787	-£7,929
<b>Total</b>	<b>£5,565,071</b>	<b>£5,415,071</b>
Asbestos (Para 3.22)	£150,000	£150,000
Legionella (Pare 3.22)	£150,000	£150,000
Fire Risk Assessments (Para 3.23)	£150,000	£150,000
Ventilation in Kitchens (para 3.27)	£100,000	£100,000
Condition works proposed by committee in March (Para 3.17)	£4,773,000	£4,818,550
Advanced design on future schemes (Para 3.24)	£50,000	£50,000
Surveys (condition gas etc.) (Para 3.24)	£50,000	£50,000
Individual Pupil needs (Para 3.26)	£150,000	£150,000
	<b>£5,573,000</b>	<b>£5,618,550</b>
Unallocated / - shortfall		-£203,479
<b>BASIC NEED</b>		
2019/20	£0	
2020/21 (para 3.33)		£2,878,716
Unallocated from previous years (para 3.33)	£10,101,697	£4,717,201
SEND Capital (Para 3.37)	£515,504	
carried forward from previous years	£23,500,000	
<b>Total</b>	<b>£34,117,201</b>	<b>£7,595,917</b>
Additional secondary provision (para 3.40)	£15,000,000	
Costs arising from projects undertaken by third parties	£1,000,000	
To implement outcomes from the SEND review (Para 3.34)	£13,400,000	
<b>Total previous commitments</b>	<b>£29,400,000</b>	
Additional costs arising from the east and West Hub projects (para 3.35)		£700,000
Costs for the Cullum Centre at Hove Park School (para 3.38)		£1,500,000
Cost allowance for additional ASC special facility (para 3.39)		£500,000
Additional costs arising from secondary projects(Para 3.42)		£1,500,000
<b>Total New Commitments</b>		<b>£4,200,000</b>
Amount to carry forward to 2021/22		£3,395,917



Appendix 4

School	Proposed works	Priority
<b>GENERAL</b>		
Balfour Primary	Wall tie replacement	D2
Brackenbury Primary	Replace structural glazing in hall	D2
Carlton Hill Primary	Replace cladding to East & West Elevations	D2
Cherry Trees Nursery (Hollingdean)	Replacement external play equipment	D1
Downs Infant	Repointing, replacement of wall ties and cladding	D2
Downs Junior	Treat corroded joists in lobby	D2
Downs Junior	Masonry repairs	D2
Elm Grove Primary	Replacement of structural glazing to Hall	D2
Hangleton Primary (and Former youth office)	Repointing/wall tie replacement	D2
Hove Junior	Holland Road - final phase repointing	D2
Longhill School	Replace structural glazing/double doors rear of Block 4	D2
Queens Park Primary	Brickwork Repairs	D2
Roundabout Nursery	Rebuild retaining wall and timber repairs to play equipment	D2
Roundabout Nursery	Replace doors and velux windows	D2
Roundabout Nursery	Refurbishment of nursery toilet area	D2
Royal Spa Nursery	Masonry repairs to portico and cladding repairs to main building	D2
Stanford Junior	Repairs to rotten timber joists	D2
St Luke's Primary	Masonry repairs & repointing to the Junior hall	D2
St Luke's Primary	Damp proof wall in Giraffe classroom	D2
St Luke's Primary	Rebuild steps to dining room and structural repairs to adjacent retaining wall	D2
St Luke's Primary	Investigation & development of new service riser routes	D2
<b>GENERAL TOTAL</b>		<b>£667,000</b>

<b>ROOFING</b>		
Benfield Primary	Replacement of flat roofing (West)	D2
Bevendean Primary	Replacement of flat roof to Library corridor 0/063	D2
Coldean Primary	Recover flat roofs above a classroom and Reception	D2
Coombe Road Primary	Flat roof replacement to garden corridor & above Junior boys toilets	D2
Hertford Infant	Replace flat felt roof above, kitchen toilets & Blackbird's classroom	D2
Hill Park	Replace single storey flat adjacent to hall Lower site	D2
Homewood College	Replace flat roof to Hall	D2
Hove Junior (School Road)	Replacement of pitched roofing	D2
Longhill School	Replacement of roofing over dance studio (Second phase)	D2
West Hove Infant (School Road)	Replacement of pitched roofing	D2
Westdene Primary	Replacement of flat roof	D2
Woodingdean Primary	Replace small flat roofs to medical and reprographic rooms	D2
<b>ROOFING TOTAL</b>		<b>£1,007,000</b>

<b>MECHANICAL</b>		
Connected Hub (PRU)	Replacement of heating distribution pipework	D2
Downs View School	Replacement of boilers and associated boiler plant and controls in Pool Plant Room	D2
Fairlight Primary	Replacement of boilers and associated plant	D2
Hove Park Lower	Replacement of boilers, associated plant & controls to Block 2 (extension building)	D2
Hove Park Upper	Replacement of hot and cold water services, including conversion to mains water	D1
Mile Oak Primary	Replacement of heating to mobile classrooms	D2
Moulsecroomb Primary	Replacement of fan coil units in Hall	D2
3 Varndean Cottages	Replace heating	D1
<b>MECHANICAL TOTAL</b>		<b>£753,500</b>

<b>ELECTRICAL</b>		
Coombe Road Primary	Damp-proof rewire 4No Sockets & RCD Protect in 0/046, lighting and ceiling replacement	D1
Fairlight Primary	Replacement of electrical services and lighting (phase 2)	D2
Hove Park Upper	Replacement of electrical services, including lighting and replacement of asbestos containing ceilings	D2
Middle Street Primary	Replacement electrical services (phase 2) in Classrooms & Activity Areas 1/001;1/002;1/006;1/007	D2
Middle Street Primary	Replacement electrical services (phase 3) in Classrooms & Activity Areas 1/011; 1/012; 1/012A; 1/013	D2
Mile Oak Primary	Replacement of lighting wiring and removal of asbestos containing ceilings	D2
Stanford Junior	Replacement lighting and electrical services to upper gym hall	D2
<b>ELECTRICAL TOTAL</b>		<b>£311,000</b>

<b>TOILETS</b>		
Blatchington Mill	Toilet refurbishment to boys and girls changing rooms adjacent to theatre	D2
Brunswick Primary	Toilet refurbishment to boys and girls ground floor (former infant site)	D2
Carlton Hill Primary	Refurbish reception boy and girl's toilets 0/010, 0/011and girls 1/105 (including asbestos removal)	D2
Elm Grove Primary	Replacement of girls & boys toilets on first floor	D2
Goldstone Primary	Refurbishment of Boys & Girls toilets 0/030 & 0/032	D2
Hove Park Lower	Refurbishment of Student Services toilets	D2

**Appendix 4**

Hove Park Upper	Refurbishment of boys toilet (block 1 opposite hall)	D2
Moulsecroomb Primary	Ground Floor Junior Boys toilets	D2
Peter Gladwin Primary	Refurbishment of Boys KS1 toilets	D2
Rudyard Kipling Primary	Refurbishment of Boys KS1 toilets	D2
Saltdean Primary	Refurbish boys & girls toilets Ph 1	D2
St Georges House	Refurbish student toilets	D2
St Luke's Primary	Refurbish lower ground floor toilets (including damp proofing)	D2
St Luke's Primary	Refurbish lower ground floor girls toilets (including damp proofing)	D2
West Hove Infant (School Road)	Toilet refurbishment - final phase	D2
Surrenden Pool	Boys changing room & toilet refurbishment	D2

TOILET TOTAL    £1,315,000

**DRAINAGE**

Bevendean Primary	Drainage repairs and replacement of soakaway	D2
Blatchington Mill	Resurface car park including new base course and soakaways & drainage repairs. Resurface path along South elevation	D2
Brunswick Primary	Resurface path adjacent to playground and outside learning area	D2
Coldean Primary	Drainage to Infant playground	D2
Hertford Junior School	Resurface playground	D2
Queens Park Primary	Replace courtyard paving with tarmac	D2
Westdene Primary	Resurface paths and area adjacent to kitchen/boiler room	D2
West Hove Infant (School Road)	Resurfacing of rear access road	D2

DRAINAGE/RESURFACING TOTAL    £327,000

D1 total Excl fees    £177,500

D2 total Excl fees    £4,203,000

TOTAL Excl fees    £4,380,500

Fees @10%    £438,050

**TOTAL INCLUDING FEES    £4,818,550**

REF XPPB Classification	RECEIPT OF SECTION 106 CONTRIBUTIONS TO EDUCATION	date received	Sums received	Spent to date
369	land at Overdown Rise and Mile Oak Road Portslade Education (50%)  2017/02410 signed 10/10/17 yr 17/18	20/09/2019	£ 344,765.87	
373	Preston Barracks, Mithras House, Watts Building Lewes Road Brighton 2017/00492 signed 22/12/17 yr 17/18	28/02/2019	£ 85,215.99	
387	former Downsman PH Hangleton Way Hove Education Contribution 2017/00662 signed 9/2/18 yr 18/19	29/01/2019	£ 44,077.29	
393	land at Buckley Close, Hove Education Contribution 2018/03600 signed 2/5/19 yr 19/20	25/05/2018	£ 10,117.00	
396	87 Preston Road Brighton (former City College) Education Contribution 2017/01083 signed 14/11/17 yr 17/18	30/08/2019	£ 55,351.60	
397	Westerman Complex, School Road Hove Education Contribution 2016/02535 signed 1/8/2018 yr 18/19	11/10/2019	£ 216,079.18	
401	former Lansdowne Hotel, Lansdown Place Hove 2014/00093 signed 23/3/16 and Appeal Decision 28/10/16 yr 15/16	29/10/2019	£ 67,692.87	
402	land at Kings House, Grand Avenue Hove Education (50%) 2018/00868 signed 5/4/19 yr 19/20	21/11/2019	£ 77,308.51	

Year total	£	900,608.31	£	-
Previous years		£2,880,979.45		-£1,243,300.07
Overall total		£3,781,587.76		-£1,243,300.07





<b>Subject:</b>	<b>Pay Policy Statement 2020/21</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Assistant Director HROD, Finances &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Wendy Jepson</b>	<b>Tel: 01273 295088</b>
	<b>Email:</b>	<b>wendy.jepson@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 Localism Act 2011 requires local authorities to produce a pay policy statement to be approved by Council annually before the start of the financial year to which it relates. The aim is to increase accountability, transparency and fairness in the setting of local pay.

1.2 The pay policy statement:

- sets out the council's policies on a range of issues relating to the pay of its workforce, particularly its senior and lowest paid staff;
- summarises the parameters within which staff are paid;
- describes the parameters being governed by a local pay framework set with reference to national terms and conditions, and nationally agreed pay awards.

1.3 The provisions in the Act do not seek to determine what decisions on pay should be taken, or what policies should be in place, but they do require councils to be open about their policies and how decisions are made.

1.4 This report asks the Policy & Resources Committee to recommend to Council the attached pay policy statement for adoption from 1st April 2020.

**2. RECOMMENDATIONS:**

2.1 That the Policy & Resources Committee recommends to Council the adoption of the pay policy statement for 2020/21 as attached at Appendix 1.

**3. CONTEXT/ BACKGROUND INFORMATION**

**The Pay Policy Statement**

- 3.1 The Localism Act 2011 requires local authorities to produce an annual pay policy statement prior to the year to which it relates. The statement for 2020/21 is attached at Appendix 1. The council may amend its statement by resolution of Council if required during the year.
- 3.2 Schools' staff fall outside the scope of this legislation. Individual governing bodies are responsible for setting and updating their own Schools' Pay Policy each year.
- 3.3 The guiding principles for the council's pay policy are set out in the 'Aim' section of the statement. The council has adopted national terms and conditions and these provide scope for local determination on grading structures and pay lines, as well as the ability to negotiate on working pattern allowances. The Council has the ability to determine its pay line and grading structure and payments over and above basic pay.
- 3.4 Chief officers, for the purpose of this legislation, are those who report to the Chief Executive and those who report to posts reporting to the Chief Executive i.e. deputy chief officers (aside from support roles).
- 3.5 The statement must provide a definition of lowest-paid employees adopted by the council for the purposes of the statement, and include the council's policies relating to the remuneration of chief officers, payments to chief officers on leaving, and the publication of information on the remuneration of chief officers. The pay policy statement provides links to our existing policies on redundancy, retirement and other compensation payments. These policies set out who is responsible for decisions on such payments.
- 3.6 Statutory guidance issued under section 40 of the Localism Act 2011 (*Openness and Accountability in Local Pay' 2012*) states that Members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment and sets the appropriate threshold at £100,000. In Brighton & Hove, the Council convenes an Appointment & Remuneration Panel whose advice must be sought in relation to senior salaries. In this way, it is ensured that adequate systems are in place to ensure value for money.
- 3.7 Supplementary statutory guidance, published in February 2013, recommends greater scrutiny and accountability of decisions to offer large severance packages (other than amounts that may be payable by virtue of any enactment e.g. redundancy retirements where payment is in line with legal requirements and normal council policy). The recommended threshold for Member involvement is set at £100,000 and the guidance states that the relevant components of such packages should be clearly set out.

- 3.8 The council's pay policy statement provides that decisions in relation to permanent recruitment to posts which attract a total remuneration package above the £100,000 threshold will be referred to the Appointments & Remuneration Panel for consideration and recommendation to the Chief Executive. The same provision is made with regard to severance packages above £100,000, with the Chief Executive having authority to agree a severance package above £100,000 where the severance package has been recommended by the Appointments & Remuneration Panel. All other severance packages are considered and agreed by an officer compensation panel comprising the Head of Human Resources, the Monitoring Officer and the s151 Officer (or their delegates). The council's external auditors are also consulted about the value for money of any potential offers to Chief Officers. Compensation packages in excess of £100,000 which relate to the Chief Executive will be referred to the Policy & Resources Committee for approval.
- 3.9 The Localism Act 2011 does not require specific numerical data on pay and reward to be published as part of a council's pay policy statement. However, the guidance referred to above suggests that consideration be given to how the pay policy statement fits with data on pay and reward that councils are already required to publish on their websites, under the [Local Government Transparency Code](#) and by the [Accounts and Audit Regulations 2015](#). The data published is in an accessible format according to the guidance contained in the aforementioned publications.
- 3.10 The council publishes pay data annually in accordance with the Local Government Transparency Code. The majority of this information is published as soon as possible after the start of the financial year. However information required in line with the Accounts and Audit Regulations 2015 is published in May each year in an unaudited format, and then the fully audited accounts are published in July each year.
- 3.11 The Localism Act 2011 requires authorities to explain what they think the relationship should be between the remuneration of its chief officers and its employees who are not chief officers. The pay multiple is calculated using the median pay of all employees within the scope of the Pay Policy Statement as a multiple of the Chief Executive's salary. This method is in line with the Hutton report on Fair Pay, which is referred to in the 'Openness and Accountability in Local Pay' guidance. For the financial year 2018/19 the pay multiple was 5.7:1. This is recalculated after the end of the financial year and published on the council's website as part of our pay data. The pay multiple is calculated using the definition contained in the Local Government Transparency Code, i.e. the ratio between the highest paid employee (usually the Chief Executive, as is the case with Brighton & Hove) and the median salary across the workforce (excluding school staff).

- 3.12 The pay multiple for 2019/20 is yet to be calculated, however it is not anticipated that this will have changed significantly as salaries and allowances have remained fairly static.
- 3.13 The pay policy statement, when published on our website, will contain hyperlinks to related information.

### **Potential Changes in 2020/21**

- 3.14 Since 2015, the Government has been considering introducing a cap of £95,000 on exit payments for employees in the public sector, as well as an obligation to repay exit payments if an individual returns to public sector employment within 12 months of leaving it. This is achievable as framework legislation has been put in place to permit either or both measure to be introduced by the laying of a statutory instrument (or regulations) which makes relevant provision.
- 3.15 In April 2019, the Government resurrected its plans for a cap on exit payments by launching a consultation on draft regulations (the 'Public Sector Exit Payment Cap Regulations 2019') and guidance. The proposed arrangements would impose on public sector employers a legal obligation to cap public sector exit payments at £95,000. The consultation closed in July 2019 and no information is currently available on when any new obligation might take effect. When or if it does, then the Council will be bound by the new rules. As a result, the situation is being monitored so that the council's arrangements can be reviewed once full details and implications are known.
- 3.16 There is no indication that proposals are currently underway to resurrect regulations for the clawback of public sector exit payments where an employee returns to employment in the public sector within 12 months. However as the power to make relevant regulations is contained in existing legislation, a watching brief is again being maintained so that the council's arrangements can be reviewed as and when necessary.
- 3.17 The Voluntary Living Wage for council employees will increase to £9.30 per hour with effect from 1<sup>st</sup> April 2020: an increase of 2.0%.
- 3.18 The pay policy does not cover the Gender Pay Gap report, published on 6 March 2020, driven by The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 this shows that on average female employees earn 5.8% more than male employees, and that using the median as a measure female employees earn 4.9% more than male employees.

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

- 4.1 Section 39(1) of the Localism Act 2011 requires the Council to approve its Pay Policy Statement, while section 39(5) requires that it publish its Pay Policy

Statement as soon as reasonably practicable after approval. This report and the Pay Policy Statement are considered to achieve the appropriate levels of transparency and to comply with relevant guidance.

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

- 5.1 The purpose of this pay policy statement is to provide transparency regarding how local decisions on pay are made. There will be no separate consultation, however trade unions have been made aware of the contents.

## **6. CONCLUSION**

- 6.1 It is a requirement of the Localism Act 2011 that Members are consulted prior to the publication of the Pay Policy Statement. It is therefore recommended that Policy & Resources Committee approve this report and recommend that full Council formally approve the Pay Policy Statement 2020/21.

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

### Financial Implications:

- 7.1 The annual pay policy statement supports good governance and allows benchmarking comparisons with other local authorities to assess Value for Money. The pay assumptions included within the budget for 2020/21 are consistent with this policy including provision for the Living Wage to increase to £9.30 per hour from 1<sup>st</sup> April 2020.

*Finance Officer Consulted: Nigel Manvell*

*Date: 19/02/20*

### Legal Implications:

- 7.2 This Pay Policy Statement complies with the requirements of s38 of the Localism Act 2011. The council is required to have regard to the statutory guidance issued pursuant to that Act, and its arrangements are considered to meet the expectations articulated in the guidance regarding offer packages and exit payments above the £100,000 threshold specified in the guidance.

Enabling legislation is in place (in the form of the Small Business, Enterprise and Employment Act 2015, as amended by the Enterprise Act 2016) to permit the proposals indicated at para 3.12 above to be introduced by the laying of secondary legislation (in this case, regulations). That has not yet happened and it is not yet clear when or if it will. The Council's employment policies and procedures will require review should the law change in these terms. As a result a watching brief is being kept.

- 7.3 It is a requirement of section 39(1) of the Localism Act 2011 that the Pay Policy Statement be approved by full Council.

Lawyer Consulted: Victoria Simpson

Date: 20.02.20

Equalities Implications:

- 7.4 The publication of a pay policy statement increases transparency over pay and promotes fairness.

Sustainability Implications:

- 7.5 None

Any Other Significant Implications:

- 7.6 The pay policy statement provides local taxpayers with information on how the council makes local decisions on pay and thus provides greater openness and transparency to assist the public to assess value for money

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix 1: Pay Policy Statement 2020/21
2. Appendix 2: Comparator councils Pay Multiple

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

None

### **Background Documents**

1. [The Localism Act 2011](#)
2. [Openness and accountability in local pay: Guidance under section 40 of the Localism Act – published February 2012](#)
3. [Openness and accountability in local pay: Guidance under section 40 of the Localism Act Supplementary Guidance –published February 2013](#)
4. [Local Government Transparency Code 2015](#)
5. [Hutton Review of Fair Pay in the Public Sector 2011](#)

# Brighton & Hove City Council Pay Policy Statement

## 1 Aim

Brighton & Hove City Council wants to ensure that the City and its residents receive high quality services and excellent value for money. In the context of the significant budget challenges that the council faces, pay levels need to be set at a level that will enable the council to attract and retain high calibre individuals while remaining prudent in its use of public funds.

To achieve this, the council requires a workforce that is conscientious, professional and reliable at all levels and which has the relevant up-to-date skills and knowledge to deliver high quality services to the residents of and visitors to Brighton and Hove.

The council depends on a high calibre senior management team able to provide leadership and to work in close partnership with other private, public and voluntary agencies across the City. The senior team need to work with partners to assess and understand the level of need across the City and to commission and deliver services. At the same time they need to be able to lead change programmes and reduce costs to deliver better outcomes for customers. An innovative, skilled and experienced workforce is vital to the delivery of our vision and this is at the heart of our pay policy. This principle applies from the lowest to the highest paid employee.

Whilst recognising the market rates for pay, and seeking to attract the best talent the council seeks to ensure that pay policies are based on fairness and equality and allow the workforce to live healthy and happy lives. The council has introduced the voluntary 'Living Wage' and is working to reduce the pay gap between the highest and the lowest paid. The pay multiple between the Chief Executive and the median earnings of the rest of the workforce will be published annually on the council's website.

## 2 Scope

This document complies with the council's statutory responsibility to produce a pay policy statement annually pursuant to s38(1) of the Localism Act 2011. This policy statement requires approval by full Council. The council wishes to ensure that local taxpayers are able to take an informed view on all aspects of the council's remuneration arrangements and the pay policy statement will be published on the council's website.

The statement applies to all employees of the council and 'casual workers', except for those staff based in schools and apprentices throughout the council.

**NOTE: The Council's arrangements in relation to exit payments and in relation to offer packages will operate subject to any requirements imposed subsequent to the adoption of this pay policy statement by regulations made pursuant to the Small Business, Enterprise and Employment Act 2015, the Enterprise Act 2016 and any associated guidance.**



### 3 Definitions

For the purposes of the pay policy statement the following definitions will apply:

- Brighton & Hove City Council defines its lowest paid employees as those who are paid on the lowest spinal column point of its [grading structure](#). This is the voluntary 'Living Wage' and is applied to casual workers as well as employees. A full time post is based on a 37 hour week. Under the terms of the revised national pay spine, (which came into effect in April 2019) the voluntary 'Living Wage' will equate to the bottom Spinal Column point of the new national pay spine.
- Chief Officers are defined as those who report directly to the Chief Executive. In Brighton & Hove these are currently the members of the Executive Leadership Team. Those who are members of the Executive Leadership Team, for the purpose of this policy statement, are also defined as Chief Officers, except where the context provides otherwise.

#### Senior Structure

For the purposes of this pay policy statement the Executive Leadership Team comprises the following posts:

- Chief Executive;
- Executive Director Families, Children & Learning (incorporating Director of Children's Services (DCS) role);
- Executive Director Health and Adult Social Care (incorporating Director of Adult Social Services (DASS) role);
- Executive Director of Economy, Environment and Culture;
- Executive Director Finance & Resources;
- Executive Lead Officer Strategy, Governance & Law; and
- Executive Director of Housing, Neighbourhoods and Communities.

The Extended Executive Leadership Team comprises members of the Executive Leadership Team and Assistant Directors ([Link to structure chart](#)). [The Leadership Network for the council comprises the Chief Executive, Executive Directors, Assistant Directors and those that report to them and are on a senior management grade \(M7 and above\).](#)

#### National Pay and Conditions

There are a number of national agreements produced through collective bargaining arrangements for different groups of local government staff. The main negotiating bodies relevant to our workforce and their scope are listed below. Brighton & Hove City Council operates these national conditions as amended by local agreements.

The National Joint Council (NJC) for Local Government Services negotiates collective agreements on pay and conditions for local authority employees who are not covered by other specialist negotiating bodies (e.g. teachers).

The Joint Negotiating Committee for Chief Officers of Local Authorities (JNC) covers the pay and conditions for Chief Officers.

The Soulbury Committee negotiates the pay and conditions for advisory staff in local education authorities (LEAs), such as: educational improvement professionals (previously advisers and inspectors) and educational psychologists.

The Joint Negotiating Committee for Youth and Community Workers covers the pay and conditions of youth and community workers.

#### **4 Governance**

The Policy & Resources Committee is responsible for setting policy on pay and conditions of employment within Brighton & Hove City Council. The council has adopted the National Joint Council terms and conditions for local authority staff as amended locally. Chief Officers, including the Chief Executive, are mainly employed on nationally negotiated JNC terms and conditions but their pay is determined locally. A minority of Chief Officers are employed on NJC terms and conditions, but similarly their pay is determined locally.

The relevant sub-committee, committee or the Chief Executive approves the appointment of staff in accordance with the Officer Employment Procedure Rules. The council has adequate systems in place through the Appointment & Remuneration Panel to ensure value for money.

The Appointments and Remuneration Panel may also be consulted for its views in connection with the statement of pay policy as defined in the council's Constitution. The policy in respect of the remuneration of interims and consultants is set out under paragraph 20 below.

#### **5 Grading Structure**

The council uses a recognised, analytical job evaluation scheme to ensure that there is an objective process for determining the relative size of jobs and thus allocating jobs to the appropriate grade. This is used for all posts, apart from those of the Chief Executive and Executive Directors and staff employed on Soulbury and Youth Worker conditions of service. The current pay and grading structure was implemented during 2010.

#### **6 Progression**

All posts, apart from that of the Chief Executive are employed on grades containing spinal column points. All employees (other than the Chief Executive) progress through their grade each year (subject to satisfactory performance), rising by one incremental point, until they reach the maximum point of the grade. Pay awards for NJC and JNC staff are negotiated nationally. ([NJC](#) and [JNC grades](#)) Where a member of staff is the subject of formal disciplinary and capability processes, increments may be withheld.

Employees may be accelerated up the pay grade by a maximum of two spinal column points to recognise exceptional performance. Link to [Additional Payments Policy](#).

## **7 Remuneration on Appointment**

Staff are usually appointed on the minimum spinal column point of the grade. However, where there are difficulties recruiting to a post or where an individual can demonstrate significant valuable previous experience, appointment may be agreed at a higher spinal column point within the grade.

The Chief Executive is required to consult the council's Appointments & Remuneration Panel on the appropriate starting salary for any new permanent Executive Leadership Team appointments or any other proposal to offer a permanent appointment with a salary package of £100,000 or more.

## **8 Chief Executive**

The Chief Executive's salary is set to ensure that it is competitive when compared to roles of similar size and complexity elsewhere and with regard to the challenges, additional hours and working arrangements required to achieve the requirements of the role. The salary is on a single fixed salary point. Nationally negotiated cost of living awards are applied.

The Chief Executive is entitled to receive a fee as set by the Ministry of Justice for acting as the local returning officer for elections. ([Link to actual earnings and earnings forecast for 2019/20](#))

Full Council is required to approve the appointment of the Chief Executive following the recommendation of such an appointment by the Appointment & Remuneration Panel.

## **9 Executive Leadership Team**

The pay and grading of the Executive Leadership Team is determined by the requirements of the role and by reference to the labour market for roles of a similar size and complexity. Executive Directors (and the Executive Lead Officer Strategy Governance and Law) progress to the next point of their grade scale subject to satisfactory performance in the role as determined by the Chief Executive Officer. Once at the top of the scale they continue to receive the JNC nationally negotiated cost of living awards ([Link to actual earnings and earnings forecast for 2019/20](#)).

## **10 Assistant Directors**

The pay structure for posts at this level ensures the council is able to attract and retain staff with the suitable skills and experience to deliver the council's many services. Nationally negotiated cost of living awards are applied.

## **11 Additional Payments**

In order to ensure sufficient flexibility to reward staff who are undertaking additional responsibilities, the council's policy on [Additional Payments](#) provides for Acting Up Allowances or a one-off Honorarium Payment to be made in specific circumstances.

## **12 Market Supplements**

The Council may pay a market supplement, in accordance with the council's market supplement policy, where there are proven shortages of individuals with particular skills and experience.

## **13 Travel and Expenses**

The Council is committed to becoming a carbon neutral city and promoting healthy and sustainable travel. This means that when employees are required to travel, they should be aware of choosing the most cost-effective, efficient and sustainable ways of travelling, both to and from work and within the working day.

Staff should first ensure that travel is necessary and that the intended outcome could not be achieved by other means, such as email or telephone or video-conferencing. Where travel is necessary, staff should make optimum use of diary planning to minimise the number of business travel journeys made and should explore walking, cycling, public transport options before using a car.

Where authorised to do so, employees are entitled to be reimbursed for mileage they incur whilst discharging their official duties. This does not include mileage to or from home to their normal place of work. The rate of [reimbursement](#) will depend on the engine size of their car, while other rates are applicable where motorbikes and bicycles are used for this purpose. Employees who have to use public transport to travel for their role are entitled to reclaim the costs of the transport under the council's expenses policies.

## **14 Working Pattern Allowances**

The council introduced its current allowance scheme for those employed on NJC terms and conditions on the 01 October 2013; these allowances reward employees who work outside the council's standard working week, which is Monday to Friday between 6am to 8pm each day. Working outside of these standard times will attract an enhancement to the hourly rate. Details can be found in the Employee Rights & Responsibilities document.

## **15 Annual Leave**

Annual leave entitlements vary according to the terms and conditions of employment. [Annual leave entitlements](#) are published on the Council's website.

## **16 Pension Scheme**

Membership of the Local Government Pension Scheme is subject to the rules of the scheme and contribution rates are set by legislation ([Link to Rates on ESCC website](#)). Where individuals are already in receipt of a local government pension they are subject to the rules on abatement of pension within the scheme.

## **17 Redundancy, Retirement and other Compensation Payments**

The council's approach to dismissals on the grounds of redundancy or efficiency of the service and in the case of early retirement can be found in the following policies on our

website: [Redundancy, Retirement and other Compensation Payments policy statement](#) and [Retirement at Brighton & Hove](#).

It is the council's policy that employees who accept a financial package on voluntary termination of their employment with the council are not re-employed or engaged as a self-employed contractor or through an agency for a minimum period of two years; details of this policy can be found in the [Re-Employment of Employees policy](#)

In exceptional circumstances, the council will agree to settle a claim or potential dispute upon the termination of employment by way of a compensation payment. In this situation, an officer panel comprised of the Head of Human Resources, the Monitoring Officer and the S151 Chief Finance Officer (or their delegates) will review a business case prepared by the relevant Chief Officer. While the officer panel will scrutinise the business case and may endorse it, make recommendations regarding it or advise against it, the final decision will remain with the relevant Chief Officer.

In the case of Chief Officers, other than those who report to the Executive Leadership Team, and in any case where the proposed total payment is £100,000 or more, the Chief Executive may approve the severance package where the package has been recommended by the Appointments & Remuneration Panel. The council's External Auditor is also consulted about any potential offers to Chief Officers. Compensation packages in excess of £100,000 which relate to the Chief Executive will be referred to Policy & Resources Committee.

## **18 Pay Protection**

In cases where an employee is redeployed into a lower graded role due to their original role being made redundant, the annual protection payment will be the difference between the employee's normal contractual pay in the former post and the normal contractual pay of the new post in year 1; and in year 2 it will be 75% of this value. After which the employee will be paid the rate for the role they've been redeployed into.

An employee will have the amount of their protection re-calculated should their pay details change at any point during the protection period so that their amount of pay does not exceed the pay they received in the role they were made redundant from.

## **19 Job Evaluation**

The council grades all NJC and JNC roles using a job evaluation scheme to ensure roles of equal value are paid equitably. The council's allowance scheme sets out circumstances where individuals are entitled to payments beyond their basic grade.

## **20 Remuneration of Staff – Contract for Services**

Individuals employed on a contract for services will be paid at a rate consistent with the pay of directly employed staff performing a comparable role and will consider where relevant, a premium to take into account any relevant market factors. It is the council's policy to minimise the use of consultants wherever possible and the approval of the Chief Executive is required prior to any commitment to expenditure on consultants in excess of £10,000.

## **21 Remuneration of Staff – Publication of Information**

The council publishes details of [staff earnings](#) in accordance with legal requirements on transparency. Further information is contained in the [Annual Report and Accounts](#) in accordance with the Audit of Accounts legislation.

## **22 Gender Pay Gap Report**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires all local authorities with more than 250 employees to publish gender pay gap data based on a 'snapshot' date of 31 March of the previous year to the year in which the data is published.

The gender pay gap is defined as the average pay gap between male and female staff in hourly pay. The council is required to publish the mean and median differences between male and female employees and the proportions of each gender in each pay quartile.

Further requirements stipulate the need to publish information related to bonuses received by each gender, however the council does not pay bonuses, and as such the council does not report under these headings.

For further information please see the most recent. [Gender Pay Gap Report](#)

<b>Subject:</b>	<b>Special Leave Policy Review</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Assistant Director – HR&amp;OD</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Clare Terry</b>	<b>Tel:</b> 01273 291334
	<b>Email:</b>	<a href="mailto:Clare.terry@brighton-hove.gov.uk">Clare.terry@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 purpose of this report is to provide Members with a new Special Leave Policy for approval – see Appendix 1.
- 1.2 The new policy has been developed as part of Our People Promise and ongoing work to make the Council a fair and inclusive workplace. The Policy will make the organisation more accessible and inclusive for employees who also act as an unpaid Carer to a disabled relative. The new policy recognises that the time off Carers may need to take in this capacity is different to other types of time off and, therefore, provides specific guidance.
- 1.3 The Discretionary Leave and Special Leave policies will be replaced by the new Special Leave Policy. The policy also includes other changes and updates that reflect and recognise the diverse needs of our employees.

**2. RECOMMENDATIONS:**

- 2.1 That the Policy & Resources Committee approves the new Special Leave Policy

**3. CONTEXT/BACKGROUND INFORMATION**

- 3.1 At the request of the Disabled Workers and Carers Network (DWCN) and the recognised trade unions, a meeting was held to discuss the issues that affect staff who act as unpaid carers to a person with disabilities. This was in the context of them needing to have time off work to attend pre-booked appointments with the relative in a support/advocate capacity.
- 3.2 Managers are hindered by the current policy wording in that there is no section or heading under which this type of leave could be reasonably considered. The current wording states that leave will not be approved where appointments are known in advance and only allows for 'unforeseen circumstances'. The very nature of appointments in the context of caring for a person with disabilities is that they will, invariably, be made in advance and, therefore, known about.

- 3.3 There are currently two policies that can be referenced – the Discretionary Special Leave Policy and the Special Leave Policy. The two policies have now been combined.
- 3.4 The current policy only allows provision for one day off for an ‘unforeseen circumstance’. It is understood that it is not always practical or possible for the employee to return to work the following day and the amended policy now gives provision for managers to consider additional time off beyond the initial day one emergency.
- 3.5 The policy now includes the provision for time off where a partner goes into labour/gives birth early/unexpectedly.
- 3.6 The policy now includes the provision for time off where an employee is at risk of being made genuinely homeless.
- 3.7 The policy now extends the Compassionate Leave section beyond immediate family members, recognising that families no longer always take the look of the ‘typical family’ or ‘nuclear family’ and are more diverse.
- 3.8 The policy additionally extends to incorporate the new Parental Bereavement (Leave and Pay) Act 2018 which allows for two weeks’ leave for employees following the loss of a child under the age of 18 or a stillbirth after 24 weeks of pregnancy.

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

- 4.1 It had been suggested that leave for carers could be included within the Absence Management Procedure (AMP).
- 4.2 It is important not to confuse genuine employee sickness absence with other types of leave and it has been decided that the AMP should direct employees and managers to the Special Leave Policy in respect of time off employees may need in an unpaid carers capacity as opposed to being covered under the AMP.

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

- 5.1 Members of the DWCN and the recognised trade unions were consulted with and the amended policy includes their views and feedback and there is full agreement to the new proposed policy.

#### **6. CONCLUSION**

- 6.1 To conclude, approximately 1 in 9 employees equate to being an unpaid carer to a disabled relative. The amended policy is now fairer and more inclusive for those staff. It also carries benefits for all other employees as it is now more current, reflecting a different/modern way of living for many. It also provides more clarity for line managers in approving time off.



## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 Additional leave may give rise to additional costs where an employee's absence needs to be covered to maintain minimum statutory staffing levels or to maintain minimum standards of service, for example agency staffing cover. However, the policy may also result in lower overall sickness absence and/or improved retention of staff by providing a policy that complements existing flexible working policies and provides greater support for unpaid carers. Costs will, therefore, need to be monitored over time to understand what, if any, net impact (plus or minus) the policy may give rise to.

*Finance Officer Consulted: Nigel Manvell*

*Date: 15/01/2020*

### Legal Implications:

7.2

The proposed new Special Leave Policy complies with the Council's statutory responsibilities and the Codes of Practice, in particular the Employment Statutory Code of Practice issued by the Equality and Human Rights Commission.

*Lawyer Consulted: Carol Haynes*

*Date: 15/01/2020*

### Equalities Implications:

Revisions to the policy have been made as a result of assessment of the equality impact of the previous policy. Engagement with the DWCN and Unions identified potential disproportionate disadvantage to carers (who are protected by law, as noted in the report). Changes to the policy reflect the specific assessed needs of carers and the different contexts in which requests for Special Leave may be made and enable a more appropriate and consistent response by managers. Equally, the revised policy provides more flexibility for managers when considering families where dependence and responsibility are structured in diverse ways.

*Sarah Tighe-Ford*

*Date: 15/1/2020*

### Any Other Significant Implications:

Changes will be made to PIER Absence Management pages to allow all categories of Special Leave to formally recorded. This will allow effective reporting of time off and put HR colleagues in a better place to provide support to staff in a more holistic and informed way.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Special Leave Policy

## **SPECIAL LEAVE POLICY**

### **Content List**

- 1 Introduction
- 2 General Principles
- 3 Scope
- 4 Leave for Dependants
- 5 Leave for Carers
- 6 Complex Domestic Situation and Compassionate Leave
- 7 Parental Bereavement Leave
- 8 Service in Non-Regular Forces
- 9 Jury Service and Public Duties
- 10 How to apply for Special Leave

## **1 Introduction**

- 1.1 Brighton & Hove City Council recognises that there will occasionally be domestic situations which will require our employees' immediate attention. It is the purpose of this policy to provide additional support by way of immediate paid time-off for employees who have to cope with domestic situations. Some of these will be emergencies and others will not. The policy also covers other special leave to include jury service, undertaking public duties and service in the Non-Regular Forces.
- 1.2 In the interests of retaining experienced, skilled and valued employees and attracting skilled job applicants, the Council is determined to ensure that employees with dependants are not disadvantaged in the workplace by offering immediate support and flexibility at the point of greatest need. In the majority of cases, women are the principal carer and so such a policy is a means of promoting equalities. However, this policy recognises that both men and women may have carer responsibilities or be faced with complex domestic situations.
- 1.3 It is recognised that a large number of employees at the Council and residents across the City are recognised as a Carer and these employees are protected under this policy separately in section 5.
- 1.4 These circumstances rarely arise when it is convenient for the team and supporting the absence often needs a considerable contribution from the team as well as the line manager. Employees should only make applications under this policy when circumstances arise which demand their urgent attention and it is not possible/appropriate to make alternative arrangements. The policy places a responsibility on employees to maintain contact with their line managers and to minimise their absence.

## **2 General Principles**

- 2.1 Special Leave is not an extension of annual leave entitlement, it is a separate policy. Therefore, there is an expectation that where possible and appropriate employees will not only minimise the length of the absence but also the frequency of applications. Wherever possible and appropriate, managers should allow staff to work from home as a reasonable adjustment for the duration/part of the leave period being requested.
- 2.2 Employees are expected to use annual leave or flexitime leave to cover known dependant commitments, e.g. school holidays, school inset days, pre-booked dental appointments. (This does not apply to Leave for Carers under section 5)
- 2.3 Applications for some types of Special Leave will, because of their very nature, need to be dealt with immediately. Therefore, the employee's line manager can approve requests on the telephone. An informal return to

work discussion should take place ideally on the day the employee returns to work in the same way as for sickness absence management.

- 2.4 In considering an application, the line manager will ascertain the reasons for the request, the steps taken by the employee to deal with the situation and the likely length of the absence. The manager will also need to assess the request against overall service delivery imperatives. On the basis of this information the line manager can grant Special Leave of up to five days in any leave year.
- 2.5 In exceptional cases, Special Leave of up to ten days may be granted in any one leave year by the line manager to enable an employee to fulfil his/her caring role in the face of emergency situations or to cope with a complex domestic situation.
- 2.6 Assistant Directors may approve Special Leave beyond ten days in consultation with the Head of Human Resources & Organisational Development.
- 2.7 All applications made under this policy will be monitored by Human Resources. Managers will be contacted by Human Resources to discuss if more appropriate support can be provided to an employee who has needed to use the policy for five or more days.
- 2.8 Where a line manager has agreed that an employee may carry forward one or more days from their annual leave from one leave year to another, the day/s carried forward should be used before being granted Special Leave under this policy.

### **3 Scope**

- 3.1 This policy applies to JNC and NJC Local Government Services employees (excluding schools). The provisions of this policy will apply on a pro-rata basis for employees on temporary, part-time or job-share contracts.

### **4 Leave for Dependants**

- 4.1 For the purpose of this section, an employee will be regarded as having a dependant where the dependant is an adult or child.
  - who lives in the same household as the employee and who is directly dependent upon the employee for financial/domestic support or who becomes dependent when ill.
  - who lives separately but who at times of illness requires domestic support from the employee because no other arrangements are available e.g. support around the house, shopping, school drop off and pick up.

The employee need not be related to the dependant but the employee must satisfy the Council that he/she has a principal permanent care role.

4.2 Special Leave cannot be granted where the employee could reasonably have been expected to plan to meet such a commitment (by use of annual leave or flexitime) – see examples below. The initial emergency must be such that it was unknown and unforeseen and for which pre-planning would have been impossible or impractical. Examples of where Special Leave may be granted are as follows:

- child care arrangements are unexpectedly withdrawn
- the dependant falls ill unexpectedly, is injured or assaulted
- the school or nursery is unexpectedly closed

4.3 It will not be granted where:-

- the childminder is on holiday or the school/play scheme is closed for the holiday/inset day.
- appointments with the doctor and dentist which have been planned in advance. Please refer to the Absence Management Procedure for such situations.

4.4 Managers may ask for documentary evidence concerning the request, e.g. an appointment letter, text or email.

4.5 Where the dependant continues to be unwell/ill after the initial unexpected illness, injury, etc, the manager should consider the requirement for additional time off beyond the initial day one emergency. It will not always be appropriate for someone else other than the employee to care for the dependant and/or if it is possible for the employee to make alternative arrangements i.e. they may not have a network of support. The manager should also consider alternative arrangements for home working during this period where it is appropriate and reasonable for the employee and the service.

## **5 Leave for Carers**

5.1 Under the Equality Act 2010, employers have a legal duty to make reasonable adjustments where working arrangements place a person disabled at a substantial disadvantage from those who are not disabled.

5.2 The Equality Act is also applicable where an employee is acting as main carer for someone who is disabled. If that employee were treated less favourably as a result of their association with the disabled person

themselves, this is considered discrimination by association.

- 5.3 In context of their role as a formal Carer, the employee will often know in advance about hospital or GP/similar types of appointments for the person they are caring for where the appointment has to be during core working hours. The manager must reasonably consider this time off in the same way they would as if the event were 'unforeseen' or an 'emergency' under section 4 above.
- 5.4 Managers may ask for documentary evidence concerning the request, e.g. an appointment letter, text or email.
- 5.5 Those members of staff with disabilities should refer to the Absence Management Procedure for time off for pre-booked appointments.

## **6 Complex Domestic Situation and Compassionate Leave (Please also refer to Section 7 below – Parental Bereavement Leave)**

- 6.1 The Council recognises that complex domestic situations occasionally occur which result in employees requiring immediate time off. An employee may not be able to concentrate on their work because of their complex domestic situation and a short period of time off may help the employee to cope with the situation. Examples could be:
- Employees experiencing the break-up of a personal relationship
  - Employees experiencing domestic violence
  - Employees whose partner or close family have a terminal/life threatening illness
  - Employees whose children have been unexpectedly admitted to hospital or need to attend to see a Consultant with the possibility of a terminal/permanent disability/need to operate diagnosis of the child.

Note: This point should be cross referenced to Leave for Carers and if there is any doubt as to what part of the policy applies, advice should be sought. This also does not apply to general GP/dental appointments, etc. See Point 4.3.

- Partner goes into labour/gives birth unexpectedly/early and/or the birthing partner experiences difficulties during the birth resulting in a stay at hospital for the partner and/or child as a result of those birthing difficulties
- Close family death (compassionate leave)
- If an employee is at risk of being made homeless and can provide proof of this risk, the manager must consider approving the time off in

the same way as other examples given above. This does not apply to staff who are simply moving home and it has been/is their decision to do so where annual leave/flexi time would apply.

- 6.2 It is understood that close family can differ from family to family. Therefore, the manager needs to understand the relationship between the employee and the close family member to consider approving the leave.
- 6.3 Where the complex domestic situation has affected the employee's health and rendered them unfit for work then any absence will be regarded as sickness absence and the sickness absence policy will apply.
- 6.4 Where appointments cannot be made outside of core time, employees will be allowed time off for appointments for life threatening conditions/treatment/screenings e.g. cancer in respect of themselves (See section 5 for reference to Leave for Carers). Managers must be notified in good time so that arrangements can be made to ensure service cover.

## 7 **Parental Bereavement Leave**

- 7.1 The Parental Bereavement (Leave and Pay) Act 2018 provides two weeks' leave for employees following the loss of a child under the age of 18 or a stillbirth after 24 weeks of pregnancy
- 7.2 Employees who lose a child will be allowed two weeks paid leave which can be taken in either a single continuous block of two weeks, or in two separate blocks of one week at different times.
- 7.3 If an employee loses more than one child, they will be entitled to take a separate two week period of leave for each child.
- 7.4 The leave must be taken within a **56 week** window from the child's death
- 7.5 This applies to employees who are the primary carer for example including adopters, foster parents, guardians and those who have assumed responsibility for looking after a child in the absence of a parent.
- 7.6 Employees already taking family leave such as maternity leave, paternity leave, adoption leave, shared parental leave and parental leave will be entitled to take parental bereavement leave in addition to any of these types of leave.

**NOTE: Paid Parental Bereavement Leave is in addition to any compassionate leave provided (see Section 6 above) and also see General Principles 2.4, 2.5 and 2.6**



## **8 Service in Non-Regular Forces**

- 8.1 Employees who are members of the non-regular forces who attend annual camp should be granted one week's leave

## **9 Jury Service and Public Duties**

- 9.1 On receipt of a summons to serve on a jury, an employee must advise their line manager who will approve paid leave of absence unless a necessary exemption is secured. An employee serving as a juror shall claim the allowance for loss of earnings to which they are entitled under the Juror's Allowance Regulations currently in force. The Council will then deduct the amount claimed from the employees pay upon receipt of payment of the fee.

- 9.2 A maximum of 18 days paid leave in any one year will be approved for employees involved in the following defined activities:

- Attendance as a member at meetings of a local authority or other body including managing/governing bodies of schools
- Service as a Justice of the Peace
- Attendance at a court of law as a witness for any cases involving the Council, or arising out of any activity conducted by the Council. Court appearances in this context would include all courts, criminal or civil coroner's courts, courts of enquiry, employment tribunals and any necessary interviews in connection with proceedings. This should apply whether the employee is a party to the proceedings or a witness. Time off with pay should also be allowed where an employee has been summoned to appear as a witness in any criminal proceedings or at a coroner's inquest
- Duties as a retained Fire Fighter with East Sussex Fire Brigade
- Attendance at Civil Protection Training courses
- Attendance at a Police Identification Parades

## **9 How to apply for Special Leave**

- 9.1 As soon as time is required, the employee must contact their line manager to explain the reasons for the request. If the line manager is not available, the employee must contact the next available manager.
- 9.2 Where an application for a period of Special Leave is approved, the onus is on the employee to maintain contact with their line manager during the absence. It is particularly important for operational reasons that line managers are kept abreast of changing circumstances.

- 9.3 If the line manager does not approve an application for Special Leave then they should consider whether or not to grant annual leave, flex leave or unpaid leave to enable the employee to take the time off. This must be discussed with Human Resources in advance.
- 9.4 On return to the work place, the employee should record the time off retrospectively on PIER.
- 9.5 Where the appointment is known in advance e.g. under Leave for Carers at section 5, the absence should be requested via PIER as well as being discussed and agreed with the line manager in advance
- 9.6 If a manager or employee is in doubt as to the application of any of the points in this policy, please contact Human Resources or your Union.

DRAFT

<b>Subject:</b>	<b>Procurement of construction-related consultants</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Claire Hutchinson</b>	<b>Tel:</b> 01273 290795
	<b>Email:</b>	<a href="mailto:claire.hutchinson@brighton-hove.gov.uk">claire.hutchinson@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 objective of this report is to seek approval from Policy & Resources Committee to set up new procurement arrangements for construction related consultancy services.
- 1.2 The proposal is to use a purchasing system (which is also known as a 'dynamic purchasing system' under the Public Contracts Regulations 2015). This provides a route to market which is similar to a framework but it is open for new suppliers to join at any time and is run as a completely electronic process. This arrangement will be used to award contracts for construction related consultancy services across the Royal Institute of British Architects (RIBA) Plan of Work 2013 (stages 0-7) when Council expertise and/or resource to fulfil those services is unavailable.

### 2. RECOMMENDATIONS:

That Committee:

- 2.1 Grants delegated authority to the Executive Director Economy, Environment & Culture to:
  - 2.1.1 Set up a dynamic purchasing system for construction related consultancy services;
  - 2.1.2 Admit organisations who meet the selection criteria to the system referred to in 2.1.1 above;
  - 2.1.3 Enter into a framework agreement with each of the organisations who have been admitted to the system referred to in 2.1.1 with an initial term of four years and the option to extend by up to a further two years;
  - 2.1.4 Approve and enter into extensions to the framework agreement(s) for a period of up to two years following the initial term.

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

- 3.1 In 2016, following a decision by Policy Resources & Growth Committee on 3 December 2015, the Council's procurement team set up a dynamic purchasing system for construction related consultancy, to procure compliantly external consultancy across the Royal Institute of British Architects (RIBA) Plan of Work 2013 (stages 0-7) with a term of 4 years (1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2020).
- 3.2 This arrangement was set up to help to address the following issues:
- The Council had an ongoing requirement for external advice relating to construction and there were not always available internal expertise and/or resources to fulfil certain roles.
  - Some services in the area of construction consultancy were covered by existing contracts, however this was often not the main scope of the contract and these services were frequently sub-contracted, therefore establishing an indirect relationship with these consultants.
  - In the past there were performance quality concerns and additional costs incurred (fees) when accessing external frameworks, together with a concern that they did not support the local economy, with many of the consultants on them being large, national companies.
- 3.3 The services provided under the current arrangements are as follows:
1. Architectural services including landscape architect
  2. Asbestos surveyor
  3. Building surveyor
  4. CAD technician
  5. Clerk of works
  6. Electrical engineer/designer
  7. Engineering services including structural engineer
  8. Financial viability assessor
  9. Health & Safety Advisor
  10. Mechanical engineer/designer
  11. Project manager
  12. Quantity surveyor/cost consultant/employer's agent
  13. Urban and regional planner
- 3.4 Within the last year (August 2018 – August 2019) ten contracts have been awarded by the Council using the system (mainly for building surveyor and engineering services).
- 3.5 As well as the Council, the following authorities have signed an access agreement to use the Council's system in order to procure their construction related consultancy requirements:
- Adur and Worthing Councils
  - Arun District Council
  - Crawley Borough Council

- East Sussex County Council
- Hastings Borough Council
- Horsham District Council
- Mid Sussex District Council
- Reigate & Banstead Borough Council
- Wealden District Council

### **3.6 Current position**

- 3.6.1 The spend across the whole Council for construction consultancy services, procured through various routes, for the financial year 2019/2020 was £2.3 million.
- 3.6.2 The Council has an ongoing requirement for the provision of external construction consultancy services within short timescales and through a compliant route. It procures these services through various routes as follows:
- The construction related purchasing system referred to above.
  - Suitable central purchasing bodies' frameworks.
  - Subcontracting of construction consultancy services where a construction/works contract has been entered into. When this arrangement is put in place it requires a main contractor/subcontractor relationship rather than a direct Council relationship with the consultant.
- 3.6.3 There is a need for the Council to continue to tap into new entrants to this market, through which ever procurement route is chosen. This is to provide the Council access to the most relevant and recent consultancy expertise for any of the diverse construction related projects the Council undertakes.
- 3.6.4 There is still a demand from District, Borough and County level local government authorities in East Sussex, West Sussex and Surrey to access the current and any future Brighton & Hove City Council construction related consultancy services procurement arrangement.

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

### **4.1 POSSIBILITY OF PROVIDING THIS CONTRACT IN-HOUSE**

- 4.1.1 Officers will continue to seek to use in-house expertise e.g. architects, building surveyors and so on, where possible. However, there is not always the in-house expertise and/or the resource to fulfil certain roles/undertake certain tasks due to the fluctuation of the Council's need and the timescales in which the resource needs to be available to the Council.

4.1.2 Some of the Council's needs in relation to construction related consultancy are unable to be fulfilled by in-house resource as it's not always possible to recruit to these roles.

### **Alternative Routes to Market**

4.1.3 Several procurement routes have been assessed. Details of each including the preferred option are explained below:

#### **i. Existing contracts**

4.1.4 The Council's highways and transport service area have a professional services framework which includes civil and structural engineering and other highways related roles. This framework is for transport and highways related works only and therefore not appropriate for other departments to use. It is proposed however that the highways and transport service will be able to access the Council's new purchasing system for construction related consultancy services as appropriate, providing an alternative route if required.

#### **ii. Central Purchasing Body Frameworks:**

4.1.5 Suitable frameworks have been identified, however in this instance there are several disadvantages to using frameworks:

- May not support the local economy with many being large, national suppliers
- May not be value for money as rates and margins may be larger than local SMEs who may have further to travel
- Suppliers on the framework are fixed for the duration of the frameworks so unable to accommodate the addition of any new suppliers entering the market place and/or maintain the necessary capacity required on the framework if a supplier is removed from the framework due to performance issues or if the supplier ceases to trade.
- Terms and conditions of framework may not satisfy all the Council's specific requirements.

4.1.6 There are several advantages of this option, and these are detailed below:

- Contract Standing Order compliance.
- Quick and simple - there's no need to run a full tender exercise in accordance with the Public Contract Regulations 2015.
- Established clear quality standards and pricing competitiveness.
- May be better value for money due to national framework economies of scale.

#### **iii. Third party arrangements**

4.1.7 Suitable third-party purchasing systems are available for the Council to access however there is no guarantee that these routes to market would support the

local supplier base as well as a Council managed arrangement can. In addition, there may be reduced commitments to social value which may not meet the Council's current priorities.

#### **iv. Compliant council managed purchasing system – PREFERRED OPTION**

4.1.8 A compliant procurement would be undertaken in accordance with the Public Contract Regulations 2015, which will follow the rules of the restricted procedure with the condition that all bidders satisfying the selection criteria been admitted to the purchasing system and the number of bidders admitted to the purchasing system is not limited.

4.1.9 There are several advantages with this option:

- Once in place it will provide a quick and compliant tender process adhering to Public Contracts Regulations 2015.
- Competitive rates can be secured following mini competition call offs for each requirement.
- Accommodates the addition of any new suppliers (who satisfy the selection criteria) entering the market place and provides the ability for the capacity of the system to be maintained if a supplier is removed from the system due to performance issues or if the supplier ceases to trade.
- Social value can be delivered in accordance with the Council's social value framework.
- Will enable trained Officers to self-serve resulting in reduced demand on the Procurement Team
- Terms and conditions used will satisfy the Council's specific requirements.

4.1.10 There are several disadvantages with this option:

- Resource intensive to draft documentation and to set up the arrangements for the system
- Ongoing officer resource to manage the arrangement once it is in place

4.1.11 The following services have been identified for inclusion under the new the arrangement for construction related consultancy services (but may change during pre-tender consultation):

1. Architectural services
2. Landscape architect
3. Asbestos surveyor
4. Building surveyor
5. CAD technician
6. Clerk of works
7. Electrical engineer/designer
8. Engineering services including structural engineer
9. Financial viability assessor
10. Health & safety advisor
11. Mechanical engineer/designer

12. Project manager
13. Quantity surveyor/cost consultant/employer's agent
14. Urban and regional planner

- 4.1.12 The new system for construction related consultancy services, which will be open for new suppliers to join at any time and is run as a completely electronic process, will be structured and run to enable the following:
- 4.1.13 Call-off's will be run through mini competitions once the necessary authority to procure and award has been obtained from the relevant officer in accordance with contract standing orders (CSOs). The mini competition will establish the consultant to be appointed for each work package. There will be no minimum or maximum value to the call-offs as the consultancy requirements will vary and the term will also vary from one day to potentially years.
- 4.1.14 The Council's e-sourcing portal (InTend) will be used to run the system. The high risk, high value (>£75,000) requirements will require procurement resource to support the call offs. For the low value (<£75,000), low risk requirements trained Officers will be able to self-serve to procure call off contracts using the system. This will reduce the procurement support needed for these activities in the medium-term enabling procurement resource to be utilised to address higher value higher risk activities within the Council.
- 4.1.15 As well as the Council, District, Borough and County level local authorities in East Sussex, West Sussex and Surrey (subject to access agreements) will be able to access it.
- 4.1.16 Break clauses can be included so that there is flexibility for the Council to continue employing the same consultant through several project/RIBA stages (usually based on funding and performance).
- 4.1.17 The evaluation of mini competitions will include consideration of social value through commitments to additional services such as apprenticeships, community initiatives and client training.
- 4.1.18 Bidders may be required to offer a discount should they be awarded more than two roles under one work package/mini competition.

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

- 5.1 Procurement Advisory Board (PAB) on 27th January 2020 considered this matter and agreed that a report setting out the proposals should progress to Policy & Resources Committee for a decision.
- 5.2 District, Borough and County level local authorities in East Sussex, West Sussex and Surrey who currently access the Council's purchasing system have advised they want to access the proposed new arrangement (subject to access agreements).

## **6. CONCLUSION**



## **Value and Savings**

- 6.1 The system will allow the Council greater control and flexibility to procure construction related consultancy work and may lead to greater value for money by channelling the Council's requirements through a consolidated route.

## **Potential Risks**

- 6.2 The main risk associated with this activity is that the system is not utilised by the Council either through officer's lack of knowledge of its existence or perceptions the call off process is complicated, time consuming and cumbersome. In addition, the market may feel disillusioned with the Council if insufficient work is placed through the system.
- 6.3 The proposal to mitigate these risks is to produce a "Simple Guide to the dynamic purchasing system" in addition to publicising the benefits of using the compliant system on The Wave and making the template documents user friendly to both officers and bidders.

## **7. FINANCIAL & OTHER CONSIDERATIONS**

### Financial Implications:

- 7.1 A minimum contract value of £5,000,000 would be satisfactory as it will be open to other local authorities. The current spend in this financial year 2019/20 is estimated at circa £2,300,000. Costs are borne by the relevant capital and construction budgets.
- 7.2 The purchasing system will provide flexibility of spend as it does not guarantee orders and there will be no obligation to spend any value. The system will allow the council greater control and flexibility regarding the construction related consultancy work and may lead to efficiencies and greater value for money. The system will allow other Local Authorities to access it.
- 7.3 Value and savings with regards to the use of the system are identified within section 6. High value procurements will require some Procurement Officer support, and this will be met from within the existing budget resources.

*Finance Officer Consulted: Rob Allen*

*Date: 11/02/20*

### Legal Implications:

- 7.4 In accordance with Part 4 of the council's Constitution, Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply with CSO 3.1, authority to enter into contracts with a value in excess of £500,000 must be obtained from the relevant committee.
- 7.5 Contracting authorities are permitted by Regulation 34 of the Public Contracts Regulations to set up a 'dynamic purchasing system'. This purchasing system is

similar to an electronic framework agreement, but new suppliers can join it at any time. It is run as a completely electronic process and should be set up using the restricted procedure and as set out in Regulation 34. The procurement involves a two-stage process. First, in the initial setup stage, all suppliers who meet the selection criteria and are not excluded must be admitted to the system. The Council must not impose any limit on the number of suppliers that may join. Unlike framework agreements, suppliers can also apply to join the system at any point during its lifetime. Individual contracts are awarded during the second stage. In this stage, the Council will invite all suppliers (who have passed the selection criteria) to bid for a specific contract.

- 7.6 Legal Services will advise during the procurement process to ensure compliance with all relevant public procurement legislation as well as the Council's Contract Standing Orders (CSOs).
- 7.7 The value of the call off contracts through the system will vary from project to project and therefore authority to procure and award each call off contract through the system must be obtained in accordance with the scheme of delegations.

*Lawyer Consulted: Isabella Sidoli*

*Date: 03/02/2020*

#### Equalities Implications:

- 7.8 In the first instance, officers will seek to use internal expertise e.g. architects, building surveyors and so on, where possible.
- 7.9 The system will provide greater access and visibility of Council opportunities for the provision of construction related consultancy as all suppliers satisfying the selection criteria area will be admitted to the system and invited all the mini competitions conducted through the system.

#### Sustainability Implications:

- 7.10 By the Council undertaking a tender process to set up the system, this may encourage more local supplier interest and potentially could lead to a greater number of contracts awarded to local suppliers which would contribute to the circular economy and community wealth of the City. The procurement documents will also be designed in a manner to encourage small to medium enterprise (SME) applicants, at both the selection and the call off stage

#### Brexit Implications:

- 7.11 The system would be flexible enough to accommodate the addition of new consultants (provided they satisfy the selection criteria) and so maintain capacity through the system in the event that, for example, a consultant on the system ceases to trade due to any negative impact caused by Brexit.

#### Social Value and Community Wealth Building Implications:

7.12 During the procurement process bidders will be asked how they can deliver social value in accordance with the Council’s social value framework. The benefits for each call off will be identified and evaluated at each mini competition.

7.13 In addition, the Council will ensure that the specific social value requirements such as encouragement of local employment, cascade of payment terms and Real Living Wage commitments will be agreed as part of gaining a place on the system.

Cost/Quality Weighting Considerations

7.14 The indicative call-off cost/quality ratios for the construction consultancy procurement are to be set within the following ranges:

Quality	Price	Social Value
10% - 70%	20% - 80%	minimum10%

7.15 The above range is to provide flexibility at call off stage when the specifics of a requirement will be known.

7.16 The evaluation of the bids for contracts will be based on most economically advantageous tender (MEAT) which combines qualitative and cost elements to identify the best offer and service provider for a specific contract requirement.



<b>Subject:</b>	<b>Annual Planned Maintenance Budget and Asset Management Fund Allocations 2020-21 for the Council's Operational Buildings</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Executive Director for Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Angela Dymott</b>	<b>29-1450</b>	
	<b>Name: Martin Hilson</b>	<b>Tel: 29-1452</b>	
	<b>Nigel McCutcheon</b>	<b>29-1453</b>	
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	<b>nigel.mccutcheon@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 To seek approval for the annual revenue budget allocation and programme of maintenance, improvements and health & Safety works for the Council's operational property portfolio. The report details the allocations for two budgets: The *Planned Maintenance Budget* and the *Asset Management Fund*.
- 1.2 The Planned Maintenance Budget covers essential repair works to civic offices, historic, operational and commercial buildings consists of a revenue budget of £3,003,603 and a Social Care Planned Works Budget of £500,000, totalling £3,503,603.
- 1.3 The annual Asset Management Fund is a capital budget for property improvements and health & safety works totalling £1,000,000.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee
  - (i) approve the annual programme of planned maintenance works for the Planned Maintenance Budget as detailed in Appendices 2 and 3, at a total estimated cost of £3,503,603;
  - (ii) approve the Asset Management Fund allocation for 2020-21 totalling £1,000,000, as detailed in paragraph 3.4.2 of this report.
  - (iii) grants delegated authority to the Executive Director Economy, Environment & Culture to procure the Planned Maintenance Budget and Asset Management Fund improvement works and award contracts within these budgets, as required, in accordance with the council's Contract Standing Orders.

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

#### **3.1 Asset Management**

- 3.1.1 The council's Corporate Property Strategy & Asset Management Plan sets out the property context for Brighton and Hove, the council's strategic property objectives, and is available on the council's website. The Corporate Property Strategy & Asset Management Plan is currently being refreshed to reflect the recently approved council Corporate Strategy, Our Plan and agreed corporate priorities over the next 3 years. It will be presented to Policy & Resources Committee later this year for approval.
- 3.1.2 The council's property is managed strategically and operated through a mixed economy Corporate Landlord Model that centralises the council's property functions to professional teams in Property & Design within the Economy, Environment and Culture Directorate. The aim is to make best use of our assets and improve the utilisation, efficiency and effectiveness of our land and buildings. This is supported by the council's asset data management software that aims to centralise property related information.
- 3.1.3 Rolling condition surveys are undertaken to ensure a robust assessment of the council's 5-year requirement for planned maintenance to help prioritise future programmes of work.

#### **3.2 Planned Maintenance Budget**

- 3.2.1 This budget of £3,503,603 relates to those operational buildings where the council has a repairing liability but excludes council housing, highways and educational establishments which have their own budgetary provisions.
- 3.2.2 The Corporate Building Maintenance Strategy that supports the Corporate Property Strategy & Asset Management Plan sets out a robust strategic framework to deliver the key property objective to optimise the contribution that property makes to the council's priorities and strategic and service objectives. The aim is to ensure that finite maintenance resources are prioritised and targeted at our key operational assets to meet service delivery needs and maintain the value of our key assets
- 3.2.3 Like most local authorities, the council faces a backlog in its required planned maintenance, extreme budget challenges and our small and limited maintenance budgets are inadequate for the need. Financial controls applied over a number of years have meant substantial cuts in what can be achieved with the annual maintenance programme, that in turn increases our prioritised volumes of required maintenance with associated risk. We aim to ensure best use of resources, value for money and that funding is properly prioritised.
- 3.2.4 The annual planned maintenance budget allocation is prioritised in consultation with service client officers to address the highest critical and most essential maintenance works and supports service re-design and delivery. It also aims to ensure that statutory compliance works and higher risk Health and Safety issues are addressed. Essential maintenance includes works of a structural nature and

those that keep our buildings watertight. Around a third of the planned maintenance budget covers the ever increasing costs of statutory compliance testing, routine servicing and maintenance contracts. Current contracts have been extended until September 2020 and are being retendered as detailed in 3.5.4.

- 3.2.5 In accordance with the council's 50 year lease agreement with the trustees of the Brighton Dome Complex on the Royal Pavilion Estate that commenced in 1999, £221,303 has been top-sliced from the budget to a sinking fund to contribute towards maintenance works at the Dome. There is an obligation within the lease agreement that the council provides a contribution to this sinking fund each year (that increases by Retail Prices Index) to go towards helping to maintain the fabric of the building, items of plant, statutory compliance testing, routine servicing, etc.
- 3.2.6 As reported to Policy & Resources on 5<sup>th</sup> December 2019 on 1<sup>st</sup> April 2020 the Royal Pavilion & Museums service will transfer to the Royal Pavilion & Museums Trust on a 25 year contract. The lease arrangements will mean that the Trust is fully responsible for all forms of external and internal maintenance, health and safety and statutory compliance for the leased buildings. To financially contribute towards to the upkeep of the council buildings, the council shall retain an annual sum within this budget for a planned programme to be prioritised and agreed between the Trust and Property & Design. For 2020-21 the sum allocated is £424,000 for planned maintenance and £57,000 for term, statutory and reactive contracts; a total of £481,000 from this budget and a further contribution of £174,000 from reserves to support the total maintenance commitment to the Trust.

### **3.3 Summary of the proposed Annual 2020/21 Planned Maintenance Budget Programme of Works**

- 3.3.1 The financial allocation to each main service client area is listed within Appendices 2 and 3. Examples of planned maintenance works in the corporate programme include high-level external repairs and redecoration to the Royal Pavilion under the new Trust arrangement, seafront painting, roofing works to the Brighton Centre, repairs and redecoration to cemetery buildings, wall repairs to reduce risk and concrete repairs and protection works at the King Alfred Leisure Centre.
- 3.3.2 There are sums to fund the ongoing structural propping and engineer checks to Madeira Terraces whilst solutions are being sought. Each service client area also has a sum allocated for Health and Safety management works that helps support service providers to progress any prioritised remedial works throughout the course of a year.
- 3.3.3 Examples of areas of work to the adult and children's Social Care portfolio include a variety that address risk reduction to support some of the most vulnerable; such as improving security, addressing damp issues, window repairs and redecorations.

### 3.4 The Asset Management Fund

3.4.1 The Asset Management Fund 2020-21 is a capital fund of £1,000,000 to support property improvements, property related Health & Safety requirements and access improvements under the Equality Act 2010. It forms part of the Capital Strategy 2020-21 along with the Strategic Investment Fund of £250,000 and the Information, Technology & Digital Fund of £500,000.

3.4.2 The proposed overall Asset Management Fund allocation is as follows and details of the bids can be found in Appendix 4 which includes a breakdown of the reprioritised Workstyles programme, important health & safety improvements to two major operational buildings, and property related health & safety and Equality Act requirements:

Description	Asset Management Fund
<b>1. General Property Improvements</b>	<b>Funding £m</b>
<b>1a</b> Workstyles Phase 4	0.700
<b>1b</b> Bartholomew House Mechanical Ventilation – Phase 2	0.090
<b>1c</b> Security and entrance Works at Hollingdean Depot – Additional funding	0.100
<b>Sub total general property improvements</b>	<b>0.890</b>
<b>2. Equality Act Improvements</b>	
2a Rolling programme of access improvements to corporate buildings	0.025
<b>3. Property Related Health &amp; Safety Legislation</b>	
3a Asbestos Management	0.025
3b Legionella Management	0.025
3c Fire Risk Assessment Works	0.035
<b>Sub total Equality Act &amp; property related Health &amp; Safety</b>	<b>0.110</b>
<b>TOTAL OVERALL</b>	<b>1.000</b>

### 3.5 Procurement of Works

3.5.1 Contract Standing Orders set out the council's process for the procurement of works. We have streamlined the way we procure planned maintenance through a wide range of collaborative processes. Achieving the best use of every pound spent, and reducing risk within the financial restrictions, is largely dependent upon adopting the right form of procurement for each given situation. Larger value projects (in the main capital projects) are delivered through the council's Strategic Construction Partnership. Lower value planned maintenance projects that are well defined, simplistic in nature, are procured using traditional competitive tendering to achieve best value through testing competition within the market. Where appropriate for works below £25,000 Property & Design's reactive repairs and minor works framework is utilised.



- 3.5.2 The council's property and procurement officers are working collaboratively with East Sussex County Council to jointly set up a range of planned maintenance frameworks through a two stage Official Journal of the European Union compliant process. This was reported to Policy & Resources on 10<sup>th</sup> October 2019 where approval was granted to the Director of Economy, Environment & Culture to procure and subsequently award; subject to a good outcome.
- 3.5.3 The robust transparent process enables local small and mid-size enterprises the opportunity to bid for a place on the frameworks to achieve a good outcome that delivers quality planned maintenance works and embeds, delivers and demonstrates real social value to our City. The procurement exercise also covers new term and reactive contracts as set out in 3.5.4 below with the Official Journal of the European Union timetable for frameworks and contracts to start anticipated to be 1<sup>st</sup> September 2020.
- 3.5.4 The Planned Maintenance Budget includes an allocation to fund statutory testing, routine servicing and maintenance contracts, an integral part of good planned maintenance practice. This includes mechanical and electrical, lifts and water hygiene cyclical maintenance. These contracts were procured by the council in 2013 as fixed price contracts over a 4 plus 2year contract period. These contracts are being re-procured with East Sussex County Council in conjunction with the frameworks described in 3.5.2. To adhere to the joint procurement timetable the council approached the incumbent term contractors to seek their agreement to extend their particular contracts until September 1st 2020, each contractor responded with details of the increased cost due to wage and consumable inflationary pressures since 2013. These have been absorbed within the contractors Overheads & Profits to date but were now proving unsustainable. The proposed increases submitted by the incumbent contractors have given a guide that enables a forecast of future contract costs to be derived with the result that we can reasonably expect an increase in budget requirement of £318,000 (from £800,000 to £1,118,000 per annum) for 2020/21, although the outcome of the joint procurement exercise for these contracts may produce a lesser increase in cost. The suggested programme allocates a sum of £1,000,000 and this will be reviewed, with the progress of the programme, once new contracts figures are known.

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

- 4.1 Failure to maintain our building stock and conform to Health and Safety and other statutory legislation to meet liabilities will increase risks, inhibit service delivery, may lead to a negative perception of the council, reduce the value of the assets and prevent fulfilling the council's priorities, aims and objectives as stated in the Corporate Property Strategy & Asset Management Plan and Corporate Strategy. Property teams work closely together to ensure that these programmes of investment work align with others.
- 4.2 Failure to improve the council's core office accommodation, address property related access obligations under the Equality Act 2010 and property related Health & Safety legislation would increase council risks and liabilities, inhibit service delivery, may lead to a negative perception of the council, reduce the value of our assets and prevent fulfilling the council's priorities, aims and

objectives as stated in the Corporate Property Strategy and Asset Management Plan and the corporate priorities in the council's Corporate Strategy.

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

- 5.1 Regular consultations take place with all service Client officers of the relevant Directorates and with technical officers within Property.
- 5.2 The Workstyles project will involve extensive internal and external consultations on customer and service delivery requirements, flexible working supported by appropriate technology and service re-design.
- 5.3 The procurement of planned maintenance frameworks and new term and reactive contracts as set out in 3.5.2 to 3.5.4 was reported to the Procurement Advisory Board and subsequently to Policy & Resources on 10<sup>th</sup> October 2019.

## **6. CONCLUSION**

- 6.1 To approve the financial allocation to a prioritised annual programme of maintenance works to the operational buildings set out in Appendices 2 and 3 excluding council housing, highways and educational properties which have their own budgetary provisions.
- 6.2 To approve the Asset Management Fund financial allocation for 2020-21 and the recommended bids as detailed at paragraph 3.4.2 and Appendix 4 for property improvements, access requirements under the Equality Act 2010 and property related Health & Safety requirements for 2020-2021

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

### Financial Implications:

- 7.1 The council's Planned Maintenance Budget for 2020-21 provides a total £3,503,603 for annual planned maintenance expenditure on the council's civic offices, historic, operational (excluding schools, housing and highways) and commercial buildings. Included within this annual budget and overall programme of works are items that will be capitalised and included in the 2020-21 capital programme. A permanent annual contribution toward the Dome Complex sinking fund of £221,303 has been top sliced from the Corporate Planned Maintenance Budget. The proposed budget allocation to the respective building portfolios reflects the risk prioritisation outlined in the report and is shown in Appendix 2 to this report.
- 7.2 The Planned Maintenance Budget will be met from a combination of revenue budget and capital borrowing. The borrowing costs have been factored into the Medium Term Financial Strategy. A one-off contribution of £150,000 has been included within the Planned Maintenance Budget from existing maintenance reserves to assist with pressures within the Term Maintenance Contract.

- 7.3 The council's capital funded works programme provides £500,000, for essential repair works to Social Care premises. The proposed budget allocation is shown in Appendix 3 to this report. This is funded from borrowing with the financing costs met corporately within the general fund revenue budget.
- 7.4 The programme of works set out in the appendices can be funded from within the agreed budget allocations for 2020-21. Emerging compliance risks will be addressed by reprioritising the allocation as required. Risk and priorities will be reassessed and considered in the development of the allocation for 2021-21.
- 7.5 The Revenue Budget 2020-21 report presented to Budget Council on 27 February 2020 recommended the allocation of £1,000,000 capital resources to support the Asset Management Fund 2020-21. The Asset Management Fund allocation will be met from capital receipts funding. The Asset Management Fund allocations will be incorporated into the council's Capital Investment Programme 2020-21 to support the schemes identified within the table at paragraph 3.4 and Appendix 4. The Asset Management Fund will make a contribution toward the Workstyles Phase 4 projects subject to a detailed business cases being approved for the various programmes listed in Appendix 4. Any revenue budgets and running costs associated with the investments in this report will be met from existing budgets.

Finance Officer Consulted: Rob Allen

Date: 06/02/20

#### Legal Implications:

- 7.6 Works of repair set out in this report must comply with relevant lease conditions, health and safety and other applicable legislation. Framework agreements, with individual contracts being called off under the frameworks and partnering agreements are effective contractual tools for delivering construction contracts on time within budget. All forms of procurement outlined in this report must comply with the council's Contract Standing Orders and, where applicable, European Union and United Kingdom public procurement obligations.

The proposed works fulfil legislative requirements under Health & Safety law including in relation to fire safety and the control of Legionella. The access improvement works proposed will assist the council in meeting its obligations under The Equality Act 2010.

Lawyer Consulted: Elizabeth Culbert

Date: 27-01-2020

#### Equalities Implications:

- 7.7 Where applicable, items of maintenance work within the programme will consider the Equality Act 2010 to improve access and general facilities to address the diverse needs of staff and users of the civic offices, operational and commercial buildings.

The provision of on-going access works under the rolling programme will assist in the council in meeting requirements under the Equalities Act 2010.

Sustainability Implications:

- 7.8 Sustainability will be improved through the rationalisation of assets, associated infrastructure and environmental improvements. Energy efficiency measures are incorporated into maintenance and improvement works where appropriate.

Any Other Significant Implications:

- 7.9 The maintenance of operational properties is part of the Corporate Property Strategy & Asset Management Plan to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Other Implications
2. Proposed Corporate Planned Maintenance Budget Allocation 2020-21
3. Proposed Social Care Planned Works Budget Allocation 2020-21
4. Proposed Asset Management Fund - Detail of Allocations

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

None

### **Background Documents**

1. The Corporate Property Strategy & Asset Management Plan
2. The Corporate Building Maintenance Strategy

Crime & Disorder Implications:

- 1.1 There are no direct implications in respect of the prevention of crime and disorder within this report although certain items of work try to minimise vandalism through design and the use of relevant materials.

Risk and Opportunity Management Implications:

- 1.2 The risks and opportunities are dependent on the successful procurement of contractors and robust contract and financial management to ensure that works are completed safely within budget and programme. Corporate risk is reduced through the Corporate Landlord model, ensuring consistency of approach for statutory and other legal requirements.

Public Health Implications:

- 1.3 The allocation includes funding the Water Management, Mechanical, Electrical and Lift statutory compliance and servicing contracts. Failure to have robust processes to manage these risks could lead to significant public health implications e.g. proliferation of Legionella Bacteria, etc. Both the Corporate and Social Care programmes include prioritised works to reduce risk to public health e.g. structural improvements, internal decorations to improve hygiene in Social Care premises, etc.  
Works to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice ensures public health requirements are met with regard to Legionella and asbestos management.

Corporate / Citywide Implications:

- 1.4 The maintenance, repair and improvement of operational properties is part of the Corporate Property Strategy & Asset Management Plan to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

**Proposed Corporate Planned Maintenance Budget Allocation 2020-21**

<b>Property Type</b>	<b>Examples of works / properties covered</b>	<b>Service area Clients</b>	<b>Budget Allocation</b>
Corporate - Building	Asbestos testing & surveys	All	£17,500
Corporate - Fabric maintenance contracts Mechanical & Electrical testing, servicing & statutory compliance	Clearance of roofs, gutters, graffiti removal, boilers, legionella control, lifts, mechanical & electrical testing & maintenance	All – corporate contracts cover all property types - historic, leisure, libraries, Brighton Centre etc.	£1,000,000
Historic – contribution to the new Royal Pavilion & Museums Trust	Royal Pavilion external repairs & redecoration	Royal Pavilion & Museums	£424,000
Dome	General maintenance	Dome	£221,303
Leisure	Swimming pools, paddling pools & golf clubhouses	Sports & Leisure Services	£185,000
Libraries	Various libraries	Libraries & Information Services	£100,000
Seafront	Seafront repairs & redecoration, Volks Railway & Madeira Terrace	Seafront Services	£363,800
Civic & Amenity	Bartholomew House, Parks buildings, cemeteries & memorials	Property – Premises & Environment	£274,500
Hollingdean Depot	Hollingdean Depot	Cityclean	£60,000
Commercial	Miscellaneous Landlord obligations	Property - Estates	£206,000
Venues	Brighton Centre	Tourism & Venues	£151,500
<b>TOTAL</b>			<b>£3,003,603</b>

### Proposed Social Care Planned Works Budget Allocation 2020-21

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical upgrades	Condition survey & energy efficiency measures	£19,000
	Internal Refurbishment to fourteen social care premises	Statutory & condition survey	£195,000
	External Refurbishment to Children's Centres, Ireland Lodge, etc.	Condition survey	£219,000
	Fire Precautions – works to be prioritised through fire risk assessments & survey	Statutory & survey	£30,000
	Electrical upgrades	Condition survey	£37,000
<b>TOTAL:</b>			<b>£500,000</b>



## Proposed Asset Management Fund - Detail of Allocations

### 1) General Property Improvements

#### 1a) Workstyles Phase 4: £700,000

Workstyles is a corporate modernisation programme, established to improve office space and enable flexible working across a range of operational sites. The programme has contributed to the council's Medium Term Financial Strategy and Capital Investment Programme by consolidating the council's operational portfolio, delivering revenue savings of over £2m, and generating capital receipts in excess of £25m. The Asset Management Fund has supported the delivery of the Workstyles programme, contributing to the development of business cases, feasibility studies and professional surveys, as well as funding capital improvements to operational buildings that further enable flexible working opportunities.

#### Reprioritisation of Workstyles programme

The Workstyles programme was recently reprioritised to better align with the corporate strategic priorities of increasing the housing stock, generating community wealth and social value, and achieving a carbon neutral city by 2030. These priorities were reviewed alongside the programme's primary objective of enabling flexible working across the council's operational portfolio. As a result of this reprioritisation several new projects were identified, while pre-existing projects expanded in scope.

Current projects within the Workstyles Programme (not all of which are supported by the Asset Management Fund) include:

**Moulsecoomb Neighbourhood Hub** – Proposals for a new neighbourhood hub in Moulsecoomb would provide accommodation for a range of council and partnership services (including Library Services, Health, Youth Services, Community Space, Adult Learning, Sports & Leisure), and release surplus land for development into approximately 250 new council homes. In addition, new Social Work offices facilities will be provided to support the extension of the housing scheme. The Asset Management Fund is contributing £500k of the 20/21 allocation to this project. The project is also supported by One Public Estate grant funding.

**Hollingdean Depot offices** – aligned with the wider City Environment modernisation programme, a Workstyles project has been established to review and modernise office accommodation at Hollingdean Depot to devise and implement flexible working practices within the City Clean service. The Asset Management Fund is contributing £100k of the 20/21 allocation to this project.

**Enabling Stanmer Master Plan** – Workstyles are supporting the delivery of the Stanmer Park Heritage Lottery Fund project through reducing the industrial operational element currently located on the site. Project management support is

also being provided from the Workstyles team to oversee the linked project of refurbishing the Traditional Agricultural Buildings in the Park. This project links to the development of a City Downlands Estate Plan, which the Workstyles programme is also supporting.

**Regency Road – Family Children & Learning** – Workstyles are developing a business case to modernise council office space at Regency Road, introducing flexible working principles to the services based there and creating opportunities for greater collaboration between teams in the Families, Children & learning directorate.

**Brighton Town Hall** - Brighton Town Hall is a landmark of the city. It is centrally located, adjacent to the Customer Service Centre in Bartholomew Square, and accommodates important life events such as wedding ceremonies and the registration of births, deaths and marriages. It is a civic building of political significance, hosting full council meetings and coordinating electoral events. However, the building is an under-occupied, under-used, substantial grade-two listed structure with ever increasing required maintenance needs, and an insufficient Planned Maintenance Budget to meet this need. Several options for addressing these issues have been developed, supporting the delivery of key strategic priorities, including:

- **Driving Economic Growth** – working in partnership with the Chamber of Commerce and Brighton & Hove Economic Partnership.
- **Developing our International Reputation** – a focus for activity which seeks to promote investment into the City, support businesses to export, and develop our external relations nationally and internationally.
- **Rejuvenated Destination Marketing** – Enhancing the offer from Visit Brighton
- **Modern Civic Office** – A Mayoralty that supports economic growth and inward investment through an agreed programme of events

Following a decision at budget council to reduce the capital allocation to Brighton Town Hall redevelopment from £1.5m to £0.564m, and changes to the local economy – in particular the retail and restaurant sectors, officers need to undertake a review of the viability of the business case and report back to committee at a later date.

The 2020/21 Asset Management Fund contribution to Workstyles will support continued delivery of these projects, as well as any new projects that emerge through regular review of the operational estate, provided that proposals align with the Administration's strategic priorities, as outlined above. £100k of the 20/21 allocation is retained for feasibility studies and business case development. Any future change request for the programme and support from the Asset Management Fund will go through formal governance arrangements for approval.

#### **1b) Bartholomew House Mechanical Ventilation: £90,000**

The ventilation to the 2<sup>nd</sup> floor of Bartholomew house is provided by the openable windows which have been compromised by the construction of perimeter meeting rooms. Ventilation to the remaining floors is also provided by openable

windows and both factors make it difficult to determine the available fresh air delivered to the space, to comply with building regulations. (Part F building regs refers)

During a survey it was found that the potential of reduced fresh air was leading to higher room temperatures thus contributing to feelings of tired/listlessness in some staff.

The design and contract documents are currently being drawn up to provide additional mechanical ventilation to help address this situation and the expected cost for the requirement for this project is expected to be £150,000 to £180,000

The works are currently phased over two years, i.e. £90,000 in 2019/20 and £90,000 in 2020/21. Additional works to fully complete all phases of the project may be required in 2021/22.

### **1c) Hollingdean Depot New Security Hut and Road adaptations: £100,000**

The existing security hut at Hollingdean depot requires replacing with a new structure as it is beyond its useful life and has health & safety risks.

The configuration of the road entrance also needs changing to improve vehicle movements and health and safety. Both of these items are essential to the operation of the Operator's Licence for the depot and general health and safety and security of the site.

A sum of £150,000 was allocated from the 2019/20 Asset Management Fund with a £30,000 match funding contribution for Health and Safety works coming from the Planned Maintenance Budget. Due to site operational circumstances the original brief has been extended to include the provision of above ground fuel tanks, demolition of a disused oil store and security portacabin, sealing of disused underground fuel tanks, improvements to the site CCTV system and the installation of access controls, traffic flow control and road marking. An additional £100,000 is being allocated in 2020/21 for these works.

### **2) Equality Act Improvements: £25,000**

2a The access improvement budget will continue to support projects that improve physical and sensory access for people with disabilities to the council's public building and spaces.

Actual and potential projects include:

- On-going input into improved navigation of Whitehawk Campus - signage designed with visually impaired people in mind, and those with learning disabilities; seating, handrails, tactile paving and contrasting nosings
- Acoustic improvements to two meeting rooms at Brighton Town Hall
- Access ramp to tennis courts and pavilion at Queens Park.
- Handrails and contrasting nosings to Booth Museum entrance

### 3) **Property Related Health & Safety Legislation**

#### 3a) Asbestos Management: £25,000

Allocation contributing towards a centralised corporate fund to meet the actions as detailed in the corporate asbestos surveys. This fund is used to manage the risk and prevent exposure and the spread of Asbestos Containing Material and is prioritised in the Corporate Asbestos Register. For example a priority project to remove asbestos from the service tunnel at St Luke's Primary School is planned for the summer holidays 2020.

#### 3b) Legionella Works (L8): £25,000

On-going works are required to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice – HES-L8 to prevent the occurrence of legionella in installed equipment and water systems. In 2020-21 the focus will be installing self-flushing shower heads in Parks pavilions such as at :

Braypool

Waterhall

Beaconsfield (Victoria Rd)

Easthill Park

Greenleas

Happy Valley

Heath Hill

Stanmer

Other works based on Risk Assessments, will include social care residential buildings such as Windlesham Rd, Preston Drove, Drove Road and Ireland lodge.

#### 3c) Fire Risk Assessment Works: £35,000

This bid will contribute towards a prioritised rolling programme of works to council properties following Fire Risk Assessments of council properties. Various works have been identified and this bid will allow the highest priority works to be completed in accordance with the Regulatory Reform (Fire Safety) Order 2005.

For example there are major projects underway at Hill Park and Downs View Schools. New fire detection and alarm systems will be installed in new extensions. Funds are being brought together to allow us to upgrade the fire systems and emergency lighting in the existing building to current standards and to avoid difficult interfaces between two systems. A contribution from this Asset Management Fund budget will part fund this work.

<b>Subject:</b>	<b>2020/21 Local Transport Plan Capital Programme</b>		
<b>Date of Meeting:</b>	<b>17 March 2020 – Environment, Transport &amp; Sustainability Committee</b>		
	<b>19 March 2020 – Policy &amp; Resources Committee</b>		
<b>Report of:</b>	<b>Executive Director – Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Andrew Renaut</b>	<b>Tel: 01273- 292477</b>
	<b>Email:</b>	<b>andrew.renaut@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 council receives capital funding each year for transport schemes through the Government's Local Transport Plan [LTP] process. The council approved the use of this capital funding (£4.758m) for approved and new transport schemes and projects for 2020/21 on 27 February 2020 as part of the overall budget. In addition, the funding in 2020/21 has also been increased by £3.900m of additional capital funding for investment in citywide improvements to supplement the planned LTP investment. This was agreed at Budget Council on 27 February 2020, and therefore provides a total of £8.658m. This report seeks approval of specific allocations of this funding to particular maintenance and sustainable transport projects and programmes of work.
- 1.2 The LTP is a statutory document and the council's fourth LTP [LTP4] was approved by the council in March 2015. The development of a new LTP will begin this year. An LTP must consist of a long-term Strategy (2030 for Brighton & Hove), and a short-term Delivery Plan. Maintaining, managing and improving the city's transport and highway infrastructure, which is one of the city's largest assets with an estimated value of £4.04 billion, is an essential part of the council's investment which helps support and provide access to the many activities that are important to the city's residents and local communities and its wider, sub-regional economic role within the Greater Brighton City Region.

**2. RECOMMENDATIONS:***That the Environment, Transport & Sustainability Committee:*

- 2.1 Recommends that Policy & Resources Committee agrees the 2020/21 Local Transport Plan capital programme budget allocation of £8.658 million, as set out in Appendix 1 of this report.

*That the Policy & Resources Committee:*

- 2.1 Agrees the 2020/21 Local Transport Plan capital programme budget allocation of £8.658 million, as set out in Appendix 1 of this report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The amount of 2020/21 capital funding is initially based on Government estimates of how much investment is required in the city. However, over many years, the levels of funding provided have not been sufficient to fully maintain and improve the city's infrastructure to meet standards and demands. This has resulted in ongoing deterioration of the council's transport network which becomes more costly to repair or replace over time. A future report on this issue will be brought to the Environment, Transport & Sustainability Committee later this year.

- 3.2 The council ensures that the investment it makes with the funding it is allocated is focused on maintaining and renewing the road network to a high standard; improving safety; increasing choices for some journeys by providing for, and encouraging, the use of sustainable transport; and creating a more attractive public realm. The proposed, capital programme for 2020/21 allocates funding across a number of areas including capital renewal (maintenance); capital repairs (potholes); asset management; and sustainable (integrated) transport projects and programmes. It includes commitments to schemes that are already approved, ongoing programmes of works and new projects which will deliver long-term benefits to the city and its residents. The content of the programme is based on a number of factors, which include: -

- recent or past decisions made by this or other council committees, often following public consultation, to deliver transport projects and programmes;
- prioritised projects or programmes identified in investment or action plans to deliver the aims and objectives of approved council strategies or plans following public consultation;
- decisions made by committees in response to the receipt of petitions, deputations or Notices of Motion;
- engagement and discussion with The Connected City's Transport Partnership;
- requests for improvements from ward councillors or residents which are prioritised according to need or significance, based on committee-approved policies or assessment criteria, if available; and
- technical or statistical data, surveys or evidence which indicate that a significant problem exists and requires capital investment to correct it.

- 3.3 Investment in short-term, reactive repairs to the transport network in response to relatively minor problems identified by officers or residents is carried out from within existing revenue budgets, which are allocated separately within each financial year via the delegated authority assigned to the Executive Director of Economy, Environment & Culture.

- 3.4 The capital funding secured through the LTP process and invested in its Strategy and Delivery Plan contributes towards enhancing local neighbourhoods and environments and strengthening the city's role as a transport hub and centre for economic activity within the wider Greater Brighton City Region. Major schemes include those within the city centre, such as Valley Gardens, and the seafront, including rebuilding and regenerating the city's historic 'arches' (which are

highway structures supporting the promenade and A259). More localised investment in neighbourhoods includes bus stops, pedestrian crossings, cycle facilities and Rights of Way improvements.

- 3.5 In addition, the LTP budget has been used to help secure and deliver significant levels of capital funding from other sources for many different projects. These have included competitive, Government funding rounds, and applications to secure funding allocated to the Coast to Capital Local Enterprise Partnership [LEP] as part of the Local Growth Fund, which is the primary funding source for delivering the Valley Gardens project.
- 3.6 The Government funding included in the 2020/21 capital programme consists of two traditional LTP block allocations for Maintenance and Integrated (Sustainable) Transport, plus two additional funding streams which are:-
- **‘Incentive’ Funding** – additional funding allocated to councils that demonstrate: approval of a highway infrastructure asset management strategy; input of stakeholders into the process; collaborative working with construction partners; standard specifications; joint contracts and collaboration with other local authorities.
  - **Pothole Action Fund and Flood Resilience Fund** – for minor road surface repairs, or to prevent potholes forming.
- 3.7 The proposed allocation of funds set out in Appendix 1 is based on a number of factors: 1) the progress made on completing or continuing spend on 2019/20 projects and programmes; 2) previously agreed financial contributions or commitments to begin or continue projects or programmes in 2020/21; and 3) success in securing, or being allocated, additional funding from external sources e.g DfT and LEP (Local Growth Fund) [LGF].
- 3.8 The funding in 2020/21 has also been increased by £3.900m of additional capital funding for investment in citywide improvements to supplement the planned LTP investment. This was agreed at Budget Council on 27 February 2020. This funding will be allocated across projects and programmes which include infrastructure to expand zero emission transport; improvements to roads; filling potholes, repairing uneven pavements and other works to make cycling, walking and driving safer; improvements to cycling, bus, pedestrian and electric/hydrogen vehicle projects, to support carbon emission reduction; further investment into the bus network, introducing more bus shelters, real-time bus stops and schemes to reduce bus journey times; staff posts (funded through these capital resources) to support the increased spending on transport projects and priorities; increased tree planting, to help absorb toxic emissions and improve air quality; and support for the work and outcomes of the Climate Assembly on transport. A further, revised appendix to this report will be issued as an addendum in advance of this meeting, indicating how the additional £3.900m is proposed to be allocated.
- 3.9 The content of the programme is described briefly below, and is consistent with the principles established within the LTP4 Delivery Plan – maintaining the network, managing movement, and improving streets and infrastructure.

## CAPITAL RENEWAL (MAINTENANCE) FUNDING

- 3.10 The proposed allocation of £3.290m of LTP funding for this area of work includes estimated sums of Incentive Funding and Pothole Action Funds of £0.589m. Further allocations from the additional £3.900m Budget Council sum will be proposed to this area in the revised appendix that will be circulated in advance of the meeting. This area of funding is focused on maintaining links and routes and reflects the continued and growing need to renew highway infrastructure in order to ensure that it has a longer life. This minimises the need for ongoing/short-term repairs which are funded from revenue budgets. This sum is in addition to £1.792m worth of funding from other approved, council sources for the street lighting improvement programme.
- 3.11 The programme includes £1.485m for road re-construction. Priority consideration will continue to be given to repairing damage that has occurred to key routes to address the effects of high traffic volumes and recent episodes of winter weather conditions. Sections of roads where the surface requires immediate, major repairs or renewal will be identified based on recent surveys. A further £0.600m will help improve the condition of footways across the city, with a continued focus on well-used corridors. The programme will include the use of permeable, flexible paving to treat tree root areas and reduce flood risk. £0.095m is also allocated to continue investment in addressing problems associated with damaged highway drainage which causes surface water flooding on roads and pavements.
- 3.12 Significant works to assess and strengthen highway structures across the city will also continue (requiring £0.450m from the 2020/21 LTP allocations) to ensure they remain in a safe condition and are fit for purpose. The investment involves the inspection, maintenance or renewal of structures which is currently focused on the seafront, in line with the principles of the council's Seafront Investment Plan. The Shelter Hall structure supports the A259, and the scheme includes improvements to the King's Road/West Street junction which are expected to be completed in June this year. Further work will be undertaken to develop detailed designs for Phase 4 of the seafront programme. Other sites where structural work on retaining walls are planned include Dyke Road Drive, Hartington Road and Bates Road.
- 3.13 A further additional £0.300m will be invested in maintaining Hove Station Footbridge, which provides important local connections between the Hove Park area and the station and Central Hove. Network Rail owns the bridge, but the council has responsibility for its upkeep.
- 3.14 An annual allocation of £0.300m has been previously approved to assist in reducing the ongoing maintenance requirements for the £10m-plus worth of street lighting in the city, primarily funded by an 'Invest to Save' initiative. Ongoing surveys and condition assessments identify areas/corridors that require street lighting column replacement. The works include upgraded lighting with more efficient lanterns/lamps to help accelerate reductions in electricity and maintenance costs and achieve the city's target of becoming carbon neutral by 2030. The programme of investment in 2020/21 is currently being planned and finalised.



- 3.15 The Government requires all Local Highway Authorities to identify and account for their infrastructure (often referred to as ‘assets’) by updating their Highway Asset Management Strategy, which provides a comprehensive inventory of current asset condition. This will be continued during 2020/21 with £0.060m as it is also a requirement for securing Government funding for maintenance. This strategy is used to prepare medium and long-term programmes of works to maintain the highway to required standards. The council’s self-assessment of its progress is a ‘Band 3’ grading, which is the highest level of compliance and is expected to secure additional (‘incentive’) funding for works of approximately £0.400m.

### INTEGRATED (SUSTAINABLE) TRANSPORT FUNDING

- 3.16 The proposed allocation of £1.468m of LTP funding for this area of work includes increased provision for safe, sustainable and healthy forms of transport and will create more efficient movement through junctions and crossings that will help reduce congestion and/or emissions, therefore improving air quality. This is in addition to £4.482m worth of LGF from the LEP. Further allocations from the additional £3.900m Budget Council sum will be proposed for this area in the revised appendix that will be circulated in advance of this meeting. This total amount of funding will be focused on delivering the following key LTP objectives.

#### *Connecting people with destinations, activities and services*

- 3.17 Targeting transport investment in certain locations will help support the wider needs of the city and deliver a broad range of improved service outcomes. These locations can include important local facilities and/or more significant destinations that help draw people and investment to the city, by improving safety and increasing the transport options available to reach them.
- 3.18 The prioritisation of developing a trial ‘School Streets’ scheme in the city will begin with a proposed investment of £0.030m in 2020/21, which will be combined with funding from the council’s Sustainability and Carbon Reduction Investment Fund. Pioneered in Hackney in London, a ‘School Street’ is a road outside a school with a temporary restriction on motorised traffic at school drop-off and pick-up times. This will help improve the safety and environment around school entrances and complement other measures on routes to and from schools. Other measures will assist in encouraging sustainable travel behaviour change, such as workplace and school travel planning, some of which are match-funded by businesses, and which also support the council’s Government revenue-funded Access Fund for Sustainable Travel project.
- 3.19 Local shopping centres are a focus for many communities/visitors and provide a variety of facilities and services that can help to reduce the need to make separate journeys. Enabling these locations to be more accessible and attractive to everybody and function safely and practically e.g deliveries and servicing, provides the opportunity for them to thrive as part of the local economy. A funding allocation of £0.075m is proposed to undertake feasibility, design and consultation for the Boundary Road/Station Road corridor in Portslade in 2020/21. This work will be integrated with the successful extension of the council’s Access for Sustainable Travel Fund for a fourth year.
- 3.20 Local parks and open spaces provide opportunities for people of all ages to improve their quality of life in terms of relaxation, fresh air or exercise. Improving

access to those locations will enable them to be reached safely and sustainably, or address local perceptions of danger or severance, and therefore be used more regularly. Improving Rights of Way [RoW] in line with the statutory, approved RoW Improvement Plan will continue with £0.040m, and improved links between the city and the South Downs National Park remain a priority.

- 3.21 £0.170m worth of investment is proposed in interchange facilities, where people can transfer between different forms of transport on their journey/visit. This will include investment in more secure, on-street motorcycle parking.

Improving neighbourhoods

- 3.22 Continued investment is required in targeted road safety engineering schemes to maximise casualty reduction, especially the number of people killed or seriously injured in collisions. £0.173m is proposed to be invested in priority ('high risk') locations, and a programme is currently being developed. Safety improvements will be implemented in Surrenden Road to address residents' concerns, especially about school children; and £0.020m will contribute towards improving the Whitehawk Road/Bristol Gardens junction which is a priority ('high risk') locations. This scheme will complement the current improvements to the Wilson Avenue/Roedean Road junction, and both sites are linked to movements to and from GB Met College, and St Mark's and Steiner Schools. The programme also includes £0.040m to undertake an experimental road closure of Temple Street to address rat-running drivers, as agreed by the ET&S Committee.

- 3.23 Tackling pollution levels in the city's Air Quality Management Areas remains a high priority. For example, the new, minor traffic management scheme in Rottingdean Village is designed to help reduce harmful emissions in the High Street. Walking and cycling are the best forms of 'low carbon' transport and the activity involved also provides additional personal health benefits for individuals and can help reduce pollution if they replace some car journeys. 'Dropped' kerbs at road crossings are important ways of increasing the mobility of local residents and visitors and increasing the attractiveness and convenience of journeys, especially over short distances. A total of £0.250m is planned to be spent specifically in these areas in 2020/21, including pedestrian crossing facilities outside Hove Station and at the A293/Hangleton Lane junction, and feasibility/design work for a cycle route along the A259 (Wellington Road). Other named projects within the overall capital programme will also include measures to enable and increase active and healthy travel.

- 3.24 The expansion of the city's electric vehicle charging point network will help meet the growing demands for this infrastructure by widening choice, increasing uptake and therefore reducing carbon emissions. A £0.070m allocation will help deliver more 'Rapid' charging points and support the additional £0.300m worth of grant funding secured from the Government's Office for Low Emission Vehicles for 'Fast' charging points.

Managing links and improving routes

- 3.25 Ensuring the efficient movement of people and vehicles across and along key transport corridors helps to keep the city moving and enable or promote regeneration. Construction of the agreed Valley Gardens (Phases 1 & 2) scheme will be completed in 2020/21 using LGF money only; and progress will continue

on developing the detailed design for Phase 3 of the project between Edward Street and the A259/Palace Pier, also using LGF money only in 2020/21.

- 3.26 Continued £0.350m worth of investment in the use of technology to manage the city's transport network is planned to replace, modernise and optimise traffic signal-controlled junctions and pedestrian crossings and improve the flows of people and traffic. A prioritised programme of locations is currently being developed.
- 3.27 A programme of investment in improvements to address locations where buses frequently get delayed and then impact on the reliable operation of the city's bus network will be funded with LTP money. In 2020/21, this will include £0.050 being invested in improving the busy Western Road/Dyke Road area near the Clock Tower.

#### General allocations

- 3.28 Minor investment is often required for some schemes after the main construction works have been completed in the previous financial year e.g safety audits and additional remedial works, and to also allow some initial scoping and preliminary work on new or emerging schemes. Some data collection will also be undertaken to assist in monitoring and assessing the wider effects of some schemes and projects. An allocation of £0.065m of funding will enable work to be undertaken on investing funding secured from permitted planning applications (referred to as 'Section 106 contributions') in locations across the city. This will include investment in transport and highway measures which are primarily focused on sustainable (walking, cycling and public transport) measures.

#### Future transport capital programme investment

- 3.29 In approving its 2020/21 budget, the council has also confirmed that it expects to receive an LTP capital allocation from the Government in the order of £5.0m in 2021/22. This sum could be confirmed in the Government's forthcoming Budget announcement in March 2020 and will enable the ongoing development and delivery of capital projects, programmes and initiatives in line with the council's LTP Strategy. The final sum and its allocation will be dependent upon future funding allocations and budget decisions made by the council.

#### OTHER SOURCES OF FUNDING

- 3.30 The LTP process is one of many funding sources that are used to deliver transport schemes. For example, in 2017 the council was successful with its £1.485m bid for the Government's Access for Sustainable Travel Fund which supports sustainable and accessible travel projects to help overcome barriers to jobs and economic activity. This has been focused in the Sackville Road and Lewes Road corridors and Whitehawk/Eastern Road. The council's successful application for a fourth year of this funding in 2020/21 has secured a further £0.495m, and will be focused on the Portslade area.
- 3.31 As referred to in paragraph 3.27 above, investment in local transport is also secured through the planning process via legal agreements. For example, funds from the redevelopment of the Royal Sussex County Hospital will fund measures within 2km of the site and the Eastern Road corridor. Other sums previously

secured for making bus stops and pedestrian routes accessible and level will also be used in 2020/21 to continue these important work programmes across the city near development sites. From June 2020 onwards, some transport funding may also be secured through Planning process via the Community Infrastructure Levy.

3.32 The council has also successfully secured funding for major and significant transport schemes by bidding for Local Growth Fund [LGF] money, such as the BikeShare scheme and the three phases of Valley Gardens. This funding is administered by the LEP and ceases to be available beyond March 2021, but any successor funding has not yet been announced by the Government.

3.33 In future years, the LTP capital programme may also need to reflect new or successful bids for funding, when these opportunities arise. For example, the council led a bid on behalf of the Greater Brighton City Region to the Government's Transforming Cities Fund for the A259 in 2018 but unfortunately it was not successful. However, future Government funding streams could result in access to significant levels of investment for transport and travel in the city and wider City Region such as the new National Roads Fund for the newly established Major Road Network. This should, which should become available in 2020.

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

4.1 The proposed 2020/21 LTP capital programme is consistent with the Strategy and the principles of the Delivery Plan in the current LTP, and the proposed allocation of capital investment will help contribute to meeting local transport and wider policy objectives and outcomes. The programme includes commitments to financial contributions to projects and programmes. These will have either helped secure much larger sums of capital funding from other sources for the council, or will be combined with other sums to invest in comprehensive improvements to the city's transport network. Maintaining these commitments is essential to deliver those projects and will help support the council's case for any similar future bids.

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

5.1 The majority of the overall level of funding available through the LTP process is the outcome of the council's budget setting process. The proposed, detailed 2020/21 programme will be conveyed to The Connected City's Transport Partnership on 10 March 2020. Engagement and consultation also took place with the Partnership in 2014/15 prior to the approval of the current LTP in March 2015. The ET&S Committee also considered and approved a number of new projects and priorities to be progressed as part of the LTP capital programme/Delivery Plan in November 2015.

5.2 As outlined in paragraph 3.2 of this report, many individual projects and programmes have been, or will be, the subject of consultation with local communities and ward councillors. Alongside the Maintenance/Renewal programme, the delivery of Integrated Transport schemes will be considered by the council's Head of Traffic Management in order to minimise the potential effects of works on the overall operation and management of the city's transport network.

- 5.3 Multi-agency working remains key to helping achieve improvements in service outcomes and overall performance across the city through scheme development and transport investment. Improving transport infrastructure and services ensures that the council and its partners can meet the varying needs of the city, especially at a time when achieving sustainable economic, environmental and social outcomes, through value for money investment, are high priorities. When required, all projects will be fully co-ordinated with other council schemes and works by other agencies (gas, water etc) to minimise disruption and ensure efficient use of funds.

## **6. CONCLUSION**

- 6.1 The decision of the committees to consider and approve the allocation of the 2020/21 LTP capital programme to projects and programmes will provide a clear indication of proposed plans for capital investment in transport using the LTP budget, and other sources of funding such as the LGF. The overall programme is based on the relevant allocations made at Budget Council on 27 February 2020 and it will enable works to be continued or started, which will support the council's, city's and wider stakeholders' objectives.

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

### Financial implications:

- 7.1 In 2014, a Government announcement included the council's indicative funding allocations for 2020/21 from the LTP process. The sum for 2020/21 was confirmed in the Government's 2018 Roads Information Pack and has been included within the council's Capital Investment Programme 2020/21 to 2024/25.
- 7.2 The overall level of 2020/21 funding available through the LTP process was approved at Budget Council in February 2020. This report sets out the proposed use of a net sum of £4.758m worth of Government funding within the LTP capital programme, which takes into account the return of £1.000m to council reserves which was brought forward to fund works on the Shelter Hall project in 2019/20. It also includes other sources of funding secured or approved, as summarised in the table below. A fuller description and breakdown of these sums is shown in Appendix 1 of this report. Further allocations from the additional £3.900m Budget Council sum will be included in the revised appendix that will be circulated in advance of this meeting.

<b>FUNDING SOURCE</b>	<b>2020/21 Allocations (£'000s)</b>
<b>Government LTP Grant Funding</b>	
LTP Integrated Transport Block	3,059
LTP Highway Maintenance Block	2,110
<b>Sub-total</b>	<b>5,169</b>
<b>Additional Government Transport Funding</b>	
Incentive Funding ( <i>estimated sum - assumes Band 3 self-assessment ranking for Highway Asset Management</i> )	400
Pothole Action Fund ( <i>estimated sum - assumes same allocation as 2019/20</i> )	189
<b>Sub-total</b>	<b>589</b>
<b>Council funding</b>	
Council borrowing – Street lighting ‘Invest to Save’	1,792
Funding returned to reserves (from Shelter Hall 2019/20)	-1,000
Additional capital funding (27/2/20 Budget Council)	3,900
<b>Sub-total</b>	<b>4,692</b>
<b>LEP funding</b>	
Local Growth Fund [LGF] – Valley Gardens Phases 1,2 & 3	4,482
<b>Sub-total</b>	<b>4,482</b>
<b>TOTAL TRANSPORT CAPITAL FUNDING AVAILABLE</b>	<b>14,932</b>

- 7.3 Future years’ capital programmes will require Policy & Resources Committee approval and will reported at future committees. Any revenue implications as a result of these schemes including financing costs from borrowing will be met from existing revenue budgets.

*Finance Officer Consulted: Rob Allen*

*Date: 26/2/2020*

Legal Implications:

- 7.4 The LTP is a statutory requirement and was adopted by Full Council in March 2015. There are no direct legal implications associated with approving the 2020/21 LTP capital programme, which are consistent with the Strategy and the Delivery Plan set out within the LTP4. Where sums of money relate to projects which are funded by the LEP, these are subject to formal Funding Agreements. Any relevant legal implications will be considered when individual schemes are brought forward for implementation.

*Lawyer Consulted: Hilary Woodward*

*Date: 10/2/2020*

Equalities Implications:

- 7.5 In developing specific projects and programmes within the 2020/21 LTP capital programme, the needs of those people and communities who are identified as having ‘protected characteristics’ (those against which discrimination is unlawful) as defined by the Equality Act 2010 will be prioritised from the outset, and wherever possible their needs will be incorporated into designs in order to overcome barriers to movement that may be experienced. In doing so, this will ensure that the transport network is made accessible to everybody, irrespective of any protected characteristic. Improvements to local areas and strategic transport routes will enhance the provision and choice for people, especially those with

mobility difficulties, or other disabilities. Road safety schemes will improve conditions for vulnerable road users.

Sustainability Implications:

- 7.6 LTP capital funding enables the council to meet environmental objectives set out in the LTP4 Strategy and the council's Sustainability Action Plan, such as a shift towards greater use of sustainable transport, improving air quality and reducing emissions to help achieve a carbon neutral city by 2030.

Brexit Implications

- 7.7 There are none.

Any Other Significant Implications:

- 7.8 The 2020/21 LTP capital programme helps deliver the objectives of the LTP as a strategic document for the city, and transport and travel have a significant role in supporting and helping achieve the city's and council's wider objectives across a number of service departments. These are set out below.

Crime & Disorder Implications:

- 7.9 There are no direct implications arising from the proposed 2020/21 LTP capital programme. However, the LTP4 has a particular focus on improving road safety and personal security and, wherever possible, its projects and programmes will seek to support the aims and priorities of the council's Community Safety and Crime Reduction Strategy 2017-20, especially in helping to deliver measures that improve the physical environment, ensure communities are stronger, and help people feel safer. This can include work to design, improve, manage and maintain public spaces and streets so that people feel safe. The positive use of spaces is encouraged to ensure that crime and anti-social behaviour are discouraged.

Risk and Opportunity Management Implications:

- 7.10 The design of most transport schemes are road safety audited to ensure they comply with current design standards. Regular monitoring and reporting throughout the year of the LTP capital programme and its projects will minimise any risk of not fully spending the approved investment programme. Maintenance and renewal of the seafront as an asset to the city is identified within the council's Strategic Risk Register (Risk SR23 - Unable to develop an effective Investment Strategy for the Seafront) because it includes the transport routes and highway structures that form and support it. Investment in it therefore forms part of the proposed 2020/21 capital programme. Investment in scheduled maintenance of roads, pavements and cycle routes provides safer infrastructure for all users and reduces the need for expensive reactive repairs.

Public Health Implications:

- 7.11 Transport and travel are critical to delivering the city's public health objectives as they contribute significantly to some of today's greatest challenges to public

health, including road traffic injuries, physical inactivity, the adverse effect of traffic on social cohesiveness and the impact on outdoor air and noise pollution. Improving people's and communities' health and well-being is a key objective of the LTP4, and the LTP capital programme allows continued investment in transport improvements that provide for and promote active travel, such as walking and cycling. This investment also helps to improve air quality by reducing harmful emissions therefore delivering objectives and actions set out in the council's Air Quality Action Plan, such as providing for electric vehicles and enabling greater use of alternatives to the car for some journeys. Creating less dangerous and more attractive environments, such as road safety and public realm schemes, will improve individual and community health and quality of life.

#### Corporate / Citywide Implications:

- 7.12 The LTP includes principles and objectives that will help support the city's planned economic growth, social development and environmental enhancement. The annual LTP capital programme plays an important role in delivering the council's Corporate Plan; the City Plan Part 1 policies (especially Policy CP9 on Sustainable Transport) and the schemes/projects identified within its associated Infrastructure Delivery Plan. The LTP capital programme will also reflect the current and emerging priorities and policies of the council, city, and other partners and stakeholders which are set out in other strategies, policy documents or statements such as the LEP's new Strategic Economic Plan 'Gatwick 360'; the Greater Brighton City Region Inward Investment and Trade Strategy and 5-year Strategic Priorities; and the outcomes set out in the 2014-2019 South Downs National Park Partnership Management Plan. The council is also playing an important role within the wider region by its participation in the Shadow Partnership Board and officer groups that are part of the Sub-national Transport Body known as Transport for the South East [TfSE]. This is helping to shape the emerging priorities of a draft Transport Strategy, and seek powers to set investment plans for roads and railways, reduce emissions, improve air quality and make travelling simpler and easier which will allow it to transform travel, boost the economy and protect the environment.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Proposed 2020/21 LTP capital programme allocations  
**Note** - Further allocations from the additional £3.900m Budget Council sum will be included in a revised appendix that will be circulated in advance of this meeting.

#### **Background Documents**

1. Report and addendum to Budget Council – February 2020
2. Government's Roads Information Pack - November 2018
3. Report to Environment, Transport & Sustainability Committee (LTP Future Priorities) – November 2015
4. Report to Full Council meeting (Approval of LTP4) – March 2015
5. Brighton & Hove City Council's Fourth Local Transport Plan [LTP4] – March 2015



**SUMMARY OF PROPOSED 2020/21 LTP CAPITAL PROGRAMME ALLOCATIONS**

(Some sums will increase due to the allocation of the additional £3.9m agreed by 27/2/20 Budget Council. Proposals will be circulated in a revised appendix in advance of this meeting)

Project/Programme	Description (see Footnotes below for explanation of symbols)	2020/21 Proposed Allocation (£'000s)
<b><i>CAPITAL RENEWAL/MAINTENANCE</i></b>		
<b><i>Maintaining links and routes to improve.....</i></b>		
<b>Surfaces</b>	Roads #	1,485
	Pavement/Footways	600
<b>Drainage</b>	Replacement of failed gullies/soakaways	95
<b>Street Lighting</b>	Replacement of connections and columns @	300
<b>Bridges &amp; Structures</b>	Seafront Highway Arches Renewal Programme	200
	Dyke Road Drive retaining wall	150
	Hartington Road retaining wall	50
	Hove Station footbridge	300
	Other sites	50
<b>Highway Asset Management</b>	Surveys/update inventory/strategy evidence	60
<b><i>CAPITAL RENEWAL/MAINTENANCE SUB-TOTAL</i></b>		<b><i>3,290</i></b>
<b><i>INTEGRATED/SUSTAINABLE TRANSPORT</i></b>		
<b><i>Connecting people with.....</i></b>		
<b>Education, Training &amp; Learning</b>	School Streets	30
	School Travel Plan Measures ***	20
<b><i>SUB-TOTAL</i></b>		<b><i>50</i></b>
<b>Workplaces &amp; job opportunities</b>	Business Travel Plan Measures ***	20
	Personalised Travel Planning ***	20
<b><i>SUB-TOTAL</i></b>		<b><i>40</i></b>
<b>Shopping areas</b>	Boundary Road/Station Road - Portslade	75
<b><i>SUB-TOTAL</i></b>		<b><i>75</i></b>
<b>Parks, open spaces &amp; the National Park</b>	Rights of Way – incl. access to National Park	40
<b><i>SUB-TOTAL</i></b>		<b><i>40</i></b>
<b>Interchanges</b>	Cycle parking	40
	Motorcycle parking	80
	Accessible bus-stops	50
<b><i>SUB-TOTAL</i></b>		<b><i>170</i></b>
<b><i>Improving neighbourhoods with.....</i></b>		
<b>Road Safety measures</b>	'High risk' collision/casualty sites	173
	Surrenden Road	75
<b><i>SUB-TOTAL</i></b>		<b><i>248</i></b>
<b>Air Quality measures</b>	Electric vehicle charging points	70
<b><i>SUB-TOTAL</i></b>		<b><i>70</i></b>
<b>Active travel measures</b>	Pedestrian crossings – freestanding sites	180
	Walking network – dropped kerbs and handrails	40
	Cycle network ***	15
	Cycling & Walking Infrastructure sites	15
<b>Traffic Management</b>	Temple Street – experimental closure	40
<b><i>SUB-TOTAL</i></b>		<b><i>290</i></b>
<i>continued...../</i>		

Project/Programme	Description (see Footnotes below for explanation of symbols)	2020/21 Proposed Allocation (£'000s)
<b>Managing links and routes with.....</b>		
<b>Technology &amp; Travel Information</b>	'Intelligent/smart' Traffic Signals	350
<b>SUB-TOTAL</b>		<b>350</b>
<b>Connecting people and neighbourhoods with, and improving, the .....</b>		
<b>City Centre &amp; Seafront</b>	Valley Gardens: Phases 1 & 2 – completion **	0
	Valley Gardens: Phase 3 – detailed design and construction **	0
	Bus Network Infrastructure	50
<b>SUB-TOTAL</b>		<b>50</b>
<b>General allocations</b>		
<b>'Section 106' works</b>	Various sites +	65
<b>Minor works</b>	Scheme completion & scoping/Monitoring	20
<b>SUB-TOTAL</b>		<b>85</b>
<b>INTEGRATED/SUSTAINABLE TRANSPORT SUB-TOTAL</b>		<b>1,468</b>
<b>TOTAL ALLOCATIONS</b>		<b>4,758</b>
<b>Allocations Initially Funded From:-</b>		
LTP Integrated Transport Block Grant Allocation		3,059
LTP Maintenance Block Grant Allocation		2,110
<b>Additional Government Funding Sources</b>		
Highway Maintenance Incentive Fund ( <i>indicative sum – to be confirmed</i> )		400
Pothole Action Fund ( <i>indicative sum – to be confirmed</i> )		189
<b>SUB-TOTAL</b>		<b>5,758</b>
<b>Additional Council and Other Funding Sources</b>		
<u>Maintenance</u>		
Council Borrowing – Street lighting 'Invest to Save'		1,792
Funding returned to Reserves (from Shelter Hall 2019/20)		-1,000
Additional capital funding (27/2/20 Budget Council) *		3,900
<u>Integrated Transport</u>		
Local Growth Fund – Valley Gardens Phases 1&2		3,305
Local Growth Fund – Valley Gardens Phase 3		1,177
<b>SUB-TOTAL</b>		<b>9,174</b>
<b>GRAND TOTALS</b>		<b>14,932</b>

### **Footnotes**

# - includes Incentive Funding allocation (assumed to be £400,000 based on Band 3 self-assessment ranking) and Pothole Action Fund allocation (assumed to be £189,000 based on allocation received in 2019/20).

@ - committed contribution to 'Invest to Save' project (PR&G Committee – 8/2/16).

\*\* - local contribution not required in 2020/21 - funded by LEP Local Growth Fund.

\*\*\* - committed contribution to DfT-funded Access Fund for Sustainable Travel project.

+ - to enable design and delivery of works associated with approved development.

\* - this additional sum will be allocated to proposed projects and programmes in a revised appendix that will be circulated in advance of this meeting

### **NOTES –**

- In many cases, costs indicated above are preliminary estimates.

- Expenditure on schemes may need to be increased, reduced or deferred during a financial year as information becomes available, such as survey results, tender returns or unforeseen engineering difficulties.
- The timing of construction works may be subject to network co-ordination with other council projects, development, utility companies, contractor availability and weather conditions.



<b>Subject:</b>	<b>Transport for The South East – Proposal To Government on Statutory Powers</b>		
<b>Date of Meeting:</b>	<b>Policy &amp; Resources Committee 19<sup>th</sup> March Full Council 2<sup>nd</sup> April</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Prior</b>	<b>Tel: 01273 292095</b>
	<b>Email:</b>	<b>mark.prior@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 Policy, Resources & Growth Committee agreed on 11<sup>th</sup> July 2019 to support the draft Proposal to Government seeking specific powers for Transport for The South East (TfSE) to become a Statutory Body and for the Chief Executive to respond positively, as set out in the Report, to the formal consultation.
- 1.2 The Purpose of this Report is for members of the Committee to note the development of the final proposal that will, if agreed by The Secretary of State for Transport, create a new Statutory Transport Body, composed of 16 Constituent Local Authorities, including Brighton & Hove City Council, from across the South East and refer the final Proposal as attached as Appendix 1 to Full Council for agreement.

**2. RECOMMENDATIONS:**

**Policy & Resources Committee**

- 2.1 That the development of Transport for The South East as an emerging Sub National Transport Body, including its progress in delivering a Proposal To Government to enable it to become a Statutory Body, be noted.
- 2.2 That the Proposal To Government be referred to Full council for agreement.

**Full Council**

- 2.3 That the proposal to Government as set out at Appendix 1 be agreed; and
- 2.4 That authority is delegated to the Executive Director for Economy, Environment and Culture to respond positively to Transport for The South East on the proposal;;

- 2.5 That the need for a further report seeking formal consent from full Council to the creation of the statutory body, following the response from the Secretary of State, be noted.

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

- 3.1 Sub-National Transport Bodies (STB's) are designated within Part 5A of The Local Transport Act 2008 as amended by The Cities and Local Government Devolution Act 2016 with twin purposes to facilitate the development of transport strategies and so promote economic growth for the area.

- 3.2 Sixteen upper tier local authorities in the South East have been working together since 2016 to develop a proposal for an STB. They are:

Bracknell Forest; Brighton & Hove; East Sussex; Hampshire; Isle of Wight; Kent; Medway; Portsmouth; Reading; Slough; Southampton; Surrey; West Sussex; West Berkshire; Windsor and Maidenhead; and Wokingham.

- 3.3 Brighton & Hove City Council is a full member of the Board of Transport for The South East (TfSE), an emerging Sub National Transport Body (STB). TfSE has operated in 'shadow' status since July 2017 pending submission and agreement of a draft statutory order by the Secretary of State for Transport. The Chair of ETS Committee is the TfSE Board member representing Brighton & Hove.

- 3.4 The existing Shadow Partnership Board also includes arrangements for involving the 5 Local Enterprise Partnerships (LEPs) (Coast to Capital, Enterprise M3, Solent, South East, Thames Valley Berkshire); 2 National Park Authorities (Soth Downs and New Forest); 44 Boroughs and Districts in East Sussex, Hampshire, Kent, Surrey and West Sussex; and transport industry and other stakeholders in its governance. The Board is attended by senior officers from The Department for Transport, Network Rail, Highways England and Transport for London.

- 3.5 These efforts have been acknowledged by the Government's Department for Transport and grants exceeding £1.5 million have been awarded to TfSE to fund the development of the emerging Transport Strategy for the area. TfSE has also provided support to its constituent authorities, including Brighton & Hove, in pursuit of grant funding and bids to Government for specific projects, including support for the creation of its Major Road Network, such as the A259, that will unlock new funding streams. TfSE are supporting a bid from Brighton Hove for £20 million funding to reconstruct seafront arches.

- 3.6 Transport for The South East recently consulted on its draft Transport Strategy that was also considered by 21 January ETS Committee. The draft strategy was strongly supported across the region and will be further amended to reflect greater ambition amongst its partners to deliver on declared Carbon reduction targets.

- 3.7 The statutory basis for STBs as set out in Para 3.1 states that "the Secretary of State may by regulations establish as a sub-national transport body for any area in England outside Greater London"

- 3.8 If it obtains statutory status, TfSE will have powers and responsibilities that are required to deliver the Transport Strategy and support the work of its constituent local authorities and partners. It will have twin purposes to facilitate the development of the Transport Strategy for the region and to promote economic growth.
- 3.9 To achieve statutory status, TfSE is required to develop a Proposal to Government which will need to demonstrate the strategic case for the creation of a sub-national transport body and set out how TfSE will fulfil the statutory requirements for such a body as outlined in the enabling legislation. This draft proposal was first brought to Policy & Resources Committee for approval on 11<sup>th</sup> July 2019, during the consultation period.
- 3.10 The draft Proposal is required to identify the types of powers and responsibilities that the STB will be seeking, as well as identifying the proposed governance structures.
- 3.11 The legislation requires that a new sub-national transport body will be promoted by, and have the consent of, its constituent authorities, and that the proposal has been the subject of consultation within the area and with neighbouring authorities. Transport for the South East consulted on the draft proposal between 7 May 2019 and 31 July 2019. A summary of the consultation responses is set out at paragraph 6 of Appendix 1.
- 3.12 Several amendments were made to the draft proposal that are now incorporated within the final Proposal (Appendix 1) to reflect the comments raised by respondents to the consultation including:
- Strengthening the opening narrative and strategic case sections to increase emphasis on environmental protection, climate change and social inclusion (sections 2 and 3);
  - Clarifying and strengthening the principle of subsidiarity and consent to highlight that any new powers would be operated jointly and with the full consent of its constituent authorities, that decisions relating to exercising powers are taken at the most relevant level and, where possible, future aspirations will focus on drawing down powers from central government (para 5.6);
  - Bus franchising powers were removed from the proposal, with the emphasis placed on building stronger relationships with bus operators and work with local authorities to ensure that services are operating in a way that supports the delivery of the Transport Strategy at a regional or wider level.
  - The powers relating to rail (section 5) have remained unchanged, however, TfSE is awaiting the outcome of the Williams Rail Review and will consider whether it should include provision to assume a role in contracting for rail services as it matures as an organisation.
- 3.13 The TfSE Board agreed the revised proposal, attached as Appendix 1, at its September 2019 Board Meeting and is awaiting further advice from the Department for Transport and Ministerial Team regarding a formal submission date.

- 3.14 It is anticipated a formal submission date will be agreed at the April TfSE Board Meeting and agreement of the recommendations by Members of this Committee and Full Council within this report will provide TfSE Board assurance that Brighton & Hove City Council are content for the joint submission of the Proposal document to Government.

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

- 4.1 Since Transport for The South East was established in June 2017 it has emerged as a powerful and effective partnership bringing together 16 local transport authorities, 5 LEPs, 46 districts and boroughs and other key stakeholders including Network Rail, Highways England and Transport for London. So far it has secured over £1.5m funding from the Department of Transport that has delivered and consulted on a draft South East Region Transport Strategy that if agreed in conjunction with the Proposal powers will potentially further secure significant levels of transport infrastructure funding to deliver the region's and our own City Council's policy agenda. TfSE has also supported the City Council in securing key parts of its own Highway Network as newly designated Major Road Network including the A259 Seafront Road that it is further supporting secure a £20m bid to reconstruct seafront arch structures. By not agreeing the recommendations will likely diminish the City Council's position within the region and impact on its ability to secure additional bidding opportunities and funding streams.
- 4.2 Agreement to the recommendations will, after further agreement at Full Council, enable Transport for The South East to submit the Proposal To Government document seeking powers to become a Statutory Body.
- 4.3 Failure to agree the recommendations will mean TfSE does not have the consent of all constituent authorities within the South East and therefore will be unable to obtain agreement to Statutory Status from the Secretary of State for Transport as prescribed within legislation.

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

- 5.1 A full 12 week public consultation was undertaken from 7th May 2019 within the proposed TfSE geography and with neighbouring local authorities. Prior to the formal consultation exercise, there had been extensive discussions with constituent local authorities, LEPs, district and borough authorities and other stakeholders to inform the types of powers that TfSE might seek to support the delivery of the Transport Strategy.
- 5.2 During the 12 week consultation, TfSE was required to engage with all constituent authorities, LEPs, neighbouring authorities and other appropriate stakeholders. In addition to the 16 constituent authorities and 5 LEPs, there are 16 neighbouring Transport Authorities that TfSE included in the formal consultation.



- 5.3 The consultation resulted in 98 responses from a wide range of stakeholders, including a number of local interest groups and members of the public. The overall findings of the consultation were positive, with 94 respondents offering support for the principle of establishing a sub-national transport body for the south east.
- 5.4 The consultation raised several points for consideration and modification that are addressed in the main body of this report that were reviewed and agreed by the TfSE Board in September 2019.

## **6. CONCLUSION**

- 6.1 Agreeing the recommendations will likely enhance the City Council's position within the region and improve its ability to secure additional bidding opportunities and funding streams through its position and influence on the TfSE Board.
- 6.2 It is a requirement of the primary legislation for all constituent local authorities of the proposed Sub National Transport Body area to agree to the joint Proposal to the Secretary of State for Transport, pursuant to it becoming a statutory body.
- 6.3 Policy, Resources & Growth Committee welcomed the draft proposal to establish a Sub-national Transport Body for the South East and its draft Proposal on 11 July 2019 and the subsequent changes identified in the main report have been agreed by the TfSE Board.

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

### Financial Implications:

- 7.1 The TfSE has established an annual subscription for its members and secured grant funding from the Department for Transport to support the development of the Transport Strategy. The council's annual contribution is funded from existing resources within the City Transport service. There is a reasonable expectation that if statutory status is obtained, it will increase the likelihood of the TfSE and its members accessing external funding opportunities towards the delivery of the Transport Strategy.

*Finance Officer Consulted: Steven Bedford*

*Date: 04/02/20*

### Legal Implications:

- 7.2 The Cities and Local Government Devolution Act 2016 allows the Secretary of State to make Regulations to establish an STB as a corporate body for any area in England outside Greater London. Regulations can only be made if the Secretary of State considers that establishing an STB would facilitate the development and implementation of transport strategies for the area and that the effect of these strategies would be to promote economic growth in that area.
- 7.3 Before making a proposal to Government, the constituent authorities must undertake consultation, which has now been completed and the outcome of that consultation has been reflected in the updated Proposal attached at Appendix 1.

- 7.4 Once the Government has received the proposal from TfSE, there will be a period of three to six months while the Secretary of State considers the request. The Secretary of State will then formally respond to the TfSE proposal setting out the powers and responsibilities that have been granted to TfSE. Work will then begin on drafting the Statutory Instrument which will be laid before Parliament. All constituent authorities will be required to give their consent to the creation of the statutory body following the formal response from the Secretary of State. A further report will be required for full Council to give consent based on the final wording of the Statutory Instrument.

*Lawyer Consulted: Elizabeth Culbert  
17/02/20*

*Date:*

#### Equalities Implications:

- 7.4 Consideration has been given to the potential for any adverse equalities impacts arising from the recommendations of this report. It is the view of officers that the recommendations included in this report do not have an adverse impact on any of the protected characteristics of people or communities identified in the Equalities Act 2010.

#### Sustainability Implications:

- 7.5 The TfSE Vision specifically refers to environmental protection and seeks to deliver on mitigating the impacts of Climate Change and reducing Carbon emissions. Its emerging Transport Strategy also acknowledges the City Council's and other local authorities declared Climate Emergencies and ambitions to be Carbon Neutral by 2030. TfSE's governance arrangements include Board Membership on behalf of protected landscape areas, including the South Downs National Park Authority.
- 7.6 In terms of seeking improvements to Air Quality across the region, two of the specific functions sought by TfSE's Proposal to Government include creation of Clean Air Zones and the power to charge in connection with these zones. This is in recognition of the potential need to coordinate air quality improvement across local authority boundaries.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Transport for The South East – Proposal to Government, September 2019.

#### **Background Documents**

1. Developing a Proposal to Government, Report to Transport for The South East, Shadow Partnership Board, 19<sup>th</sup> September 2019



# **Proposal to Government**

**September 2019**

## 1. Executive summary

- 1.1 Transport for the South East is a sub-national transport body (STB) established to speak with one voice on the strategic transport priorities for the South East region.
- 1.2 Our aim is to grow the South East's economy by delivering a safe, sustainable, and integrated transport system that makes the South East area more productive and competitive, improves the quality of life for all residents, and protects and enhances its natural and built environment.
- 1.3 By operating strategically across the South East on transport infrastructure – a role that no other organisation currently undertakes on this scale – we will directly influence how and where money is invested and drive improvements for the travelling public and for businesses in a region which is the UK's major international gateway.
- 1.4 Already we are commanding the attention of government, facilitating greater collaboration between South East local authorities, local enterprise partnerships (LEPs) and government to shape our region's future.
- 1.5 Our proposal has been developed in partnership with TfSE's members and stakeholders and represents a broad consensus on the key issues facing the region and the powers required to implement our transport strategy.
- 1.6 Our members and stakeholders are clear that a statutory sub-national transport body for the South East is vital if we are to successfully:
  - Increase our influence with Government and key stakeholders;
  - Invest in pan-regional strategic transport corridors;
  - Deliver sustainable economic growth, while protecting and enhancing the environment, reducing emissions and promoting social inclusion; and
  - Enable genuinely long-term planning.
- 1.7 We have only proposed those powers for TfSE which are proportionate and will be effective in helping us achieve our strategic aims and objectives, complementing and building on the existing powers of local authorities.
- 1.8 These powers would enable us to deliver significant additional value at regional level through efficient and effective operational delivery, better coordination of pan-regional schemes and the ability to directly influence and inform national investment programmes.

## 2. The Ambition

*“By 2050, the South East will be a leading global region for emission-free, sustainable economic growth, where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality.*

*A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace, giving our residents and visitors the highest quality of life in the country.”*

**Transport for the South East 2050 vision statement**

- 2.1 Transport for the South East (TfSE) was established in shadow form in June 2017. In the short period since, we have emerged as a powerful and effective partnership, bringing together 16 local transport authorities, five local enterprise partnerships and other key stakeholders including protected landscapes, transport operators, district and borough authorities and national agencies to speak with one voice on the region’s strategic transport needs.
- 2.2 Our vision is underpinned by three strategic goals, which align to the three pillars of sustainable development:
  - improve productivity and attract investment to grow our economy and better compete in the global marketplace;
  - improve health, safety, wellbeing, quality of life, and access to opportunities for everyone; and
  - protect and enhance the South East’s unique natural and historic environment.
- 2.3 Our transport strategy, which covers the period to 2050, will form the basis for achieving that vision. It will deliver sustainable economic growth across the South East, whilst taking account of the social and environmental impacts of the proposals outlined in the strategy.
- 2.4 TfSE has already, in shadow form, added considerable value in bringing together partners and stakeholders to work with Government on key strategic issues, securing positive outcomes for the region in the Roads Investment Strategy 2 and Major Road Network, influencing rail franchising discussions and providing collective views on schemes such as southern and western rail access to Heathrow.
- 2.5 The requirements within our proposal seek to provide TfSE with the initial functions and powers to move to the next stage of our development – to begin delivering the transport strategy and realising the benefits that a high

quality, sustainable and integrated transport system can unlock for people, businesses and the environment.

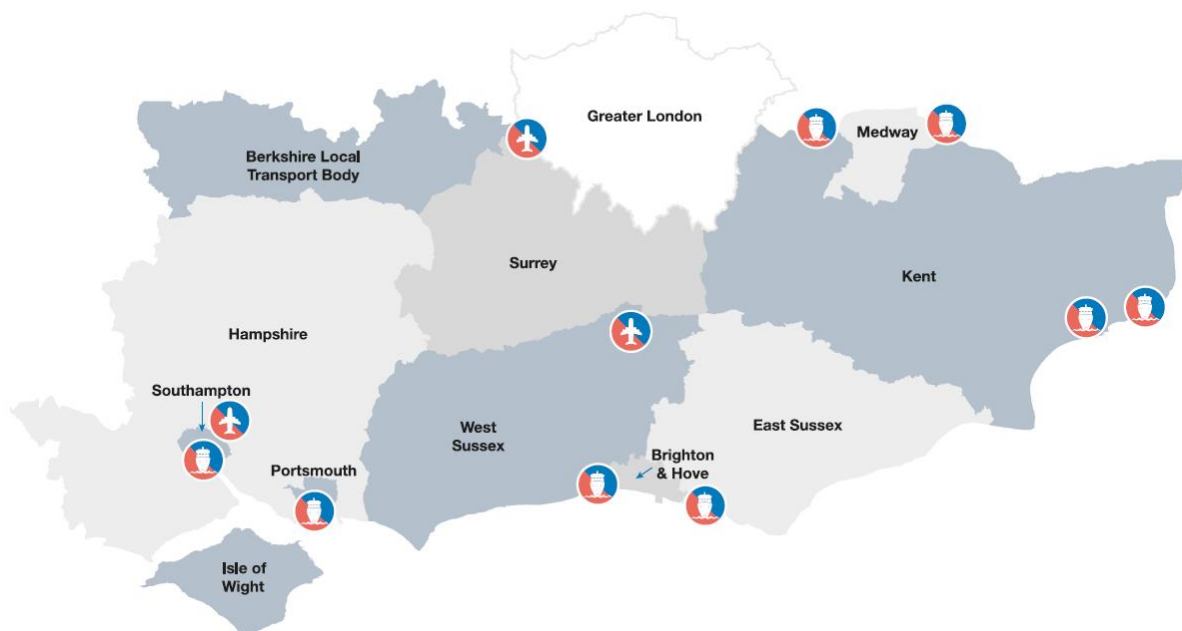
- 2.6 We are clear that we only seek those powers and functions which are necessary to deliver our strategy and achieve our vision. Our requirements differ from those of other STBs and reflect the different geographic, economic, political, social and environmental characteristics of our region and the strategic objectives of TfSE and its partners.
- 2.7 We are only seeking powers that are applicable to a sub-national transport body as outlined by the legislation. There are many other bodies that have environmental and economic remits beyond those held by an STB and it will be essential that we work with these partners to deliver sustainable economic growth across the south east.



### 3. The Strategic and Economic Case

#### The Transport for the South East area

- 3.1 The South East is already a powerful motor for the UK economy, adding more than £200 billion to the economy in 2015 – second only to the contribution made by London and more than Scotland, Wales and Northern Ireland combined.
- 3.2 It is home to 7.5m people and 329,000 businesses including some of the world’s biggest multinationals as well as a large number of thriving, innovative SMEs. It is a world leader in knowledge intensive, high value industries including advanced engineering, biosciences, financial services and transport and logistics.
- 3.3 The South East area includes both of the nation’s busiest airports in Heathrow and Gatwick, a string of major ports including Southampton, Dover and Portsmouth, many of the country’s most vital motorways and trunk roads and crucial railway links to London, the rest of Britain and mainland Europe.



- 3.4 The South East’s international gateways support the economic wellbeing of the whole of the UK. As we withdraw from the European Union, they will be integral to supporting a thriving, internationally facing economy.
- 3.5 Half of all freight passing through Dover going on to other parts of the country. Southampton sees £71 billion of international trade each year and Portsmouth handles two million passengers a year. More than 120 million air passenger a year use Gatwick, Southampton and Heathrow airports.

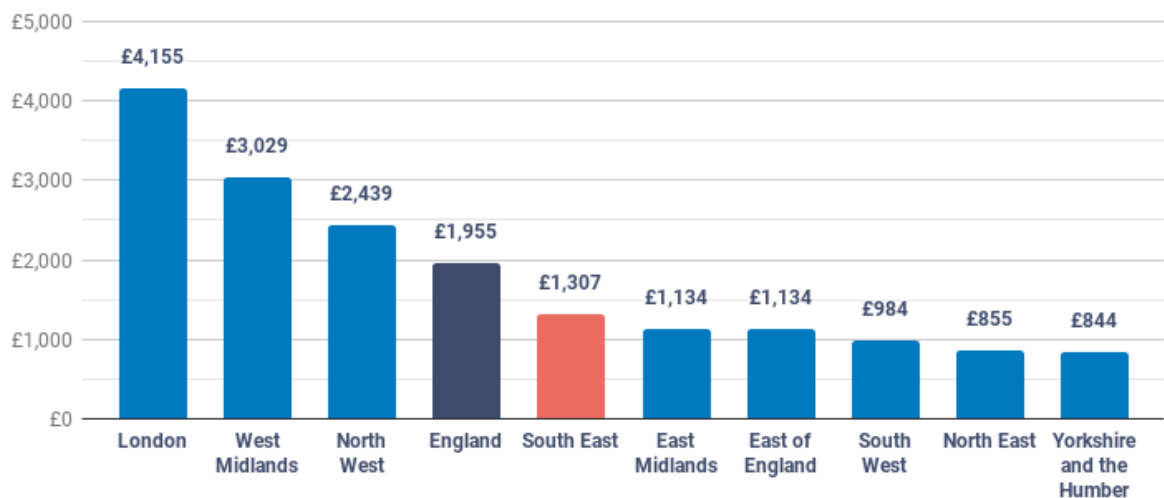
3.6 Our people and infrastructure are not our only assets. With two national parks, five areas of outstanding natural beauty and much of the region allocated as green belt, the South East draws heavily on its unique and varied natural environment for its success. It offers outstanding beaches, historic towns, dynamic cities and unparalleled links to London, the UK, Europe and the rest of the world. It is, in short, an amazing place to live, work and visit.

### The scale of the challenge and why change is needed

3.7 But we face a real challenge. Despite these enviable foundations – and in some cases because of them – our infrastructure is operating beyond capacity and unable to sustain ongoing growth.

3.8 Despite the economic importance of the region to the UK economy, contributing almost 15% of UK GVA (2015), the South East has seen continued underinvestment in transport infrastructure with a per capita spend that is significantly below the England average and a third of that in London.

#### Planned transport infrastructure spending per head



Source: IPPR North analysis of planned central and local public/private transport infrastructure spending per capita 2017/19 onwards (real terms 2016/17 prices)

3.9 So while transport links to and from the capital are broadly good, elsewhere connectivity can be poor – even between some of our region’s major towns and cities. Train journey times between Southampton and Brighton (a distance of around 70 miles) are only marginally less than the fastest train journeys between London and Manchester. The corresponding journey on the A27 includes some of the most congested parts of the South East’s road network.

- 3.10 Underinvestment in road and rail infrastructure is making life harder for our residents and businesses. New housing provision is being hampered by the lack of adequate transport infrastructure. In our coastal communities, lack of access to areas of employment and further education and higher education are major contributors to high unemployment and poor productivity.
- 3.11 The social geography of the South East is varied. The South East area is home to some of the most prosperous and productive areas of the country, but also contains significant areas of deprivation. Improving transport connectivity can help reduce the likelihood of deprivation, but this cannot be considered in isolation and needs to work alongside other important factors, such as improving skills levels.
- 3.12 The South East has a varied and highly valued natural environment. Significant parts of the South East area are designated as National Parks, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. The environmental assets of the South East help make the South East area an attractive place to live, work and visit, as well as providing an important contribution to the economy. The future development of the South East area and its transport network will need to be managed to minimise any potential adverse impact and enhance these natural assets. The principle of biodiversity net gain will be vital in achieving this.
- 3.13 The South East area faces several significant environmental challenges in the future. There are a significant number of Air Quality Management Areas in place across the South East area. These areas have been established to improve air quality and reduce the harmful impact of Nitrogen Oxides (NO<sub>x</sub>), Sulphur Oxides (SO<sub>x</sub>), and particulates on human health and the natural environment. Transport – particularly road transport – is one of the largest contributors to poor air quality in the South East area. Transport therefore has a significant role to play in improving air quality. Noise pollution is also a significant issue, particularly for communities located close to the Strategic Road Network.
- 3.14 The South East also has a significant role to play in tackling climate change. The South East accounts for 12% of the United Kingdom’s greenhouse gas emissions. In 2018, transport accounted for a third of the United Kingdom’s greenhouse gas emissions.
- 3.15 These are challenges that extend beyond administrative and political boundaries. They require TfSE to have the powers to effectively join up transport policy, regulation and investment and provide clear, strategic investment priorities which will improve connectivity into and across the region, boost the economy and improve the lives of millions.

### **The powers to achieve our vision**

- 3.16 To enable us to achieve our vision through the efficient and effective delivery of the transport strategy, we propose that a range of functions exercisable by a local transport authority, passenger transport executive or mayoral combined authority are included in the regulations to establish TfSE on a statutory footing.
- 3.17 We have only sought those powers which we believe are proportionate and will be effective in helping us achieve our strategic aims and objectives, complementing and building on the existing powers of local authorities. The powers will be sought in a way which means they will operate concurrently with – and only with the consent of – the constituent authorities.
- 3.18 These powers would enable us to deliver significant additional value at regional level in three key areas:
- **Strategic influence:** Speaking with one voice and with the benefit of regional scale and insight to influence the development of national investment programmes; a trusted partner for government, Network Rail and Highways England.
  - **Coordination:** Developing solutions which offer most benefit delivered on a regional scale; working with partners and the market to shape the development of future transport technology in line with regional aspirations.
  - **Operational:** Accelerating the delivery of schemes and initiatives which cross local authority boundaries, ensuring strategic investment happens efficiently and that the benefits for residents and businesses are realised as soon as possible.

### **The benefits of establishing TfSE as a statutory body**

- 3.19 **One voice for strategic transport in the South East**  
TfSE will provide a clear, prioritised view of the region's strategic transport investment needs. We already offer an effective mechanism for Government to engage with local authorities and LEPs in the region; statutory status would take that a step further, enabling us to directly inform and influence critical spending decisions by Government and key stakeholders including Highways England and Network Rail.
- 3.20 **Facilitating sustainable economic growth**  
The transport strategy will facilitate the delivery of jobs, housing and growth across the South East and further build on our contribution to UK GVA. Implementation of strategic, cross-boundary schemes, particularly investment in the orbital routes, will connect economic centres and international gateways for the benefit of people and businesses, regionally and nationally. TfSE also offers a route to engage with other sub-national transport bodies and Transport for London on wider cross-regional issues.

However, this cannot be growth at any cost. The implementation of the transport strategy must ensure that the region's high quality environmental assets are protected and, where possible, enhanced, as well as improving health, safety, wellbeing, quality of life, and access to opportunities for everyone.

**3.21 Delivering benefits for the travelling public**

TfSE can support the efficient delivery of pan-regional programmes that will offer considerable benefits to the end user – for example, integrated travel solutions combined with smart ticketing will operate more effectively at a regional scale and can best be facilitated by a regional body than by individual organisations.

**3.22 Local democratic accountability**

Our transport strategy will be subject to public consultation and will, in its final form, provide a clear, prioritised view of investments agreed by all the South East's local transport authorities and with input from passengers, businesses and the general public. Delivery of the strategy will be led by the Partnership Board, comprising elected members and business leaders with a direct line of accountability to the people and organisations they represent.

**3.23 Achieving the longer term vision**

Securing statutory status offers TfSE the permanence and security to deliver the transport strategy to 2050, providing a governance structure that matches the lifecycle of major infrastructure projects. It will provide confidence to funders, enable us to work with the market to ensure the deliverability of priority schemes and support development of the skills needed to design, build, operate and maintain an improved transport network.

## 4. Constitutional arrangements

### Requirements from legislation

#### Name

- 4.1 The name of the sub-national transport body would be 'Transport for the South East ("TfSE")' and the area would be the effective boundaries of our 'constituent members'.

#### Members

- 4.2 The membership of the STB is listed below:

Bracknell Forest Borough Council  
Brighton and Hove City Council  
East Sussex County Council  
Hampshire County Council  
Isle of Wight Council  
Kent County Council  
Medway Council  
Portsmouth City Council  
Reading Borough Council  
Royal Borough of Windsor and Maidenhead Council  
Slough Borough Council  
Southampton City Council  
Surrey County Council  
West Berkshire Council  
West Sussex County Council  
Wokingham Borough Council

#### Partnership Board

- 4.3 The current Shadow Partnership Board is the only place where all 'constituent members' are represented at an elected member level<sup>1</sup>. Therefore this Board will need to have a more formal role, including in ratifying key decisions. This would effectively become the new 'Partnership Board' and meet at least twice per annum. The Partnership Board could agree through Standing Orders if it prefers to meet more regularly.
- 4.4 Each constituent authority will appoint one of their councillors / members or their elected mayor as a member of TfSE on the Partnership Board. Each constituent authority will also appoint another one of their councillors / members or their elected mayor as a substitute member (this includes directly elected mayors as under the Local Government Act 2000). The person appointed would be that authority's elected mayor or leader, provided that, if responsibility for transport has been formally delegated to

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<sup>1</sup> The six constituent members of the Berkshire Local Transport Body (BLTB) will have one representative between them on the Partnership Board.

another member of the authority, that member may be appointed as the member of the Partnership Board, if so desired.

- 4.5 The Partnership Board may delegate the discharge of agreed functions to its officers or a committee of its members in accordance with a scheme of delegation or on an ad hoc basis. Further detail of officer groups and a list of delegations will be developed through a full constitution.

### **Co-opted members**

- 4.6 TfSE proposes that governance arrangements for a statutory STB should maintain the strong input from our business leadership, including LEPs, district and borough authorities and protected landscapes. The regulations should provide for the appointment of persons who are not elected members of the constituent authorities but provide highly relevant expertise to be co-opted members of the Partnership Board.
- 4.7 A number of potential co-opted members are also set out in the draft legal proposal. Co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest.

### **Chair and vice-chair**

- 4.8 The Partnership Board will agree to a chair and vice-chair of the Partnership Board. The Partnership Board may also appoint a single or multiple vice-chairs from the constituent members. Where the chair or vice-chair is the representative member from a constituent authority they will have a vote.

### **Proceedings**

- 4.9 It is expected that the Partnership Board will continue to work by consensus but to have an agreed approach to voting where consensus cannot be reached and for certain specific decisions.
- 4.10 A number of voting options were considered to find a preferred option that represents a straightforward mechanism, reflects the characteristics of the partnership and does not provide any single authority with an effective veto. We also considered how the voting metrics provide a balance between county and other authorities, urban and rural areas and is resilient to any future changes in local government structures.
- 4.11 The steering group considered these options and preferred the population weighted option based on the population of the constituent authority with the smallest population (the Isle of Wight with 140,000 residents).
- 4.12 This option requires that the starting point for decisions will be consensus; if that cannot be achieved then decisions will require a simple majority of those constituent authorities who are present and

voting. The decisions below will however require both a super-majority, consisting of three quarters of the weighted vote in favour of the decision, and a simple majority of the constituent authorities appointed present and attending at the meeting:

- (i) The approval and revision of TfSE's transport strategy;
- (ii) The approval of the TfSE annual budget;
- (iii) Changes to the TfSE constitution.

The population weighted vote would provide a total of 54 weighted votes, with no single veto. A table showing the distribution of votes across the constituent authorities is set out in Appendix 1. This option reflects the particular circumstances of TfSE, being based on the population of the smallest individually represented constituent member who will have one vote, and only a marginally smaller proportionate vote. It is considered that this option is equitable to all constituent authority members, ensures that the aim of decision making consensus remains and that smaller authorities have a meaningful voice, whilst recognising the size of the larger authorities in relation to certain critical issues.

- 4.13 The population basis for the weighted vote will be based on ONS statistics from 2016 and reviewed every ten years.
- 4.14 As outlined in paragraph 4.7, co-opted members would not automatically have voting rights but the Partnership Board can resolve to grant voting rights to them on such issues as the Board considers appropriate, for example on matters that directly relate to co-opted members' areas of interest. The current shadow arrangements to allocate votes to co-opted Board members are working well, recognising the important contribution that these members bring on environmental, economic and social issues. It would be strongly recommended that the Statutory Body would continue with these arrangements.
- 4.15 The Partnership Board is expected to meet twice per year. Where full attendance cannot be achieved, the Partnership Board will be quorate where 50% of constituent members are present.

### **Scrutiny committee**

- 4.16 TfSE will appoint a scrutiny committee to review decisions made or actions taken in connection with the implementation of the proposed powers and responsibilities. The committee could also make reports or recommendations to TfSE with respect to the discharge of its functions or on matters relating to transport to, from or within TfSE's area.
- 4.17 Each constituent authority will be entitled to appoint a member to the committee and a substitute nominee. Such appointees cannot be otherwise members of TfSE including the Partnership Board.

### **Standing orders**



- 4.18 TfSE will need to be able to make, vary and revoke standing orders for the regulation of proceedings and business, including that of the scrutiny committee. This will ensure that the governance structures can remain appropriate to the effective running of the organisation.
- 4.19 In regards to changing boundaries and therefore adding or removing members, TfSE would have to make a new proposal to Government under Section 102Q of the Local Transport Act 2008 and require formal consents from each constituent authority.

### **Miscellaneous**

- 4.20 It may be necessary that certain additional local authority enactments are applied to TfSE as if TfSE were a local authority, including matters relating to staffing arrangements, pensions, ethical standards and provision of services etc. These are set out in the draft legal proposal.
- 4.21 TfSE also proposes to seek the functional power of competence as set out in section 102M of the Local Transport Act 2008.
- 4.22 TfSE will consider options for appointing to the roles of a Head of Paid Service, a Monitoring Officer and a Chief Finance Officer whilst considering possible interim arrangements.

### **Funding**

- 4.23 TfSE has raised local contributions from the constituent authorities and has secured grant funding from the Department for Transport to support the development of the Transport Strategy.
- 4.24 TfSE will work with partners and the Department for Transport to consider a sustainable approach to establishing the formal STB and effectively and expeditiously as possible, bearing in mind the considerable support among regional stakeholders for TfSE's attainment of statutory status.

### **Governance: Transport Forum and Senior Officer Group**

- 4.23 The Partnership Board will appoint a Transport Forum. This will be an advisory body to the Senior Officer Group and Partnership Board, comprising a wider group of representatives from user groups, operators, District and Borough Councils as well as Government and National Agency representatives.
- 4.24 The Transport Forum will meet quarterly and be chaired by an independent person appointed by the Partnership Board. The Transport Forum may also appoint a vice-chair for the Transport Forum, who will chair the Transport Forum when the chair is not present.

- 4.25 The Transport Forum's terms of reference will be agreed by the Partnership Board. It is envisaged that the Transport Forum will provide technical expertise, intelligence and information to the Senior Officer Group and the Partnership Board.
- 4.26 The Partnership Board and Transport Forum will be complemented by a Senior Officer Group representing members at officer level providing expertise and co-ordination to the TfSE programme. The Senior Officer Group will meet monthly.

## 5. Functions

*TfSE's proposal is to become a statutory sub-national transport body as set out in section part 5A of the Local Transport Act 2008.*

### General functions

- 5.1 Transport for the South East proposes to have the 'general functions' as set out in Section 102H (1) including:
- a. to prepare a transport strategy for the area;
  - b. to provide advice to the Secretary of State about the exercise of transport functions in relation to the area (whether exercisable by the Secretary of State or others);
  - c. to co-ordinate the carrying out of transport functions in relation to the area that are exercisable by different constituent authorities, with a view to improving the effectiveness and efficiency in the carrying out of those functions;
  - d. if the STB considers that a transport function in relation to the area would more effectively and efficiently be carried out by the STB, to make proposals to the Secretary of State for the transfer of that function to the STB; and
  - e. to make other proposals to the Secretary of State about the role and functions of the STB. (2016, 102H (1))5.
- 5.2 The general functions are regarded as the core functions of a sub-national transport body and will build on the initial work of TfSE in its shadow form. To make further proposals to the Secretary of State regarding constitution or functions, Transport for the South East will need formal consents from each 'constituent member'.
- 5.3 Transport for the South East recognises that under current proposals the Secretary of State will remain the final decision-maker on national transport strategies, but critically that the Secretary of State must have regard to a sub-national transport body's statutory transport strategy. This sets an important expectation of the strong relationship Transport for the South East aims to demonstrate with Government on major programmes like the Major Road Network and Railway Upgrade Plan.

### Local transport functions

- 5.4 Initial work has identified a number of additional powers that Transport for the South East may require that will support the delivery of the transport strategy. The table below provides an assessment of these functions.
- 5.5 **The powers which are additional to the general functions relating to STBs will be requested in a way that means they will operate concurrently and with the consent of the constituent authorities.**

- 5.6 To support the principle of consent, TfSE will adopt three further principles:
- That future operations of TfSE should, where possible, seek to draw down powers from central government, rather than seek concurrent powers with the local transport authorities;
  - That decisions on the implementation of the powers are made at the most immediate (or local) level, i.e. by constituent authorities in the particular area affected; and
  - Consent from the relevant constituent authorities will be obtained in advance of any Partnership Board decision on a particular scheme or project.
- 5.7 This approach will help to ensure that TfSE complements and supports the work of the constituent authorities and enables TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes

**Table 1: Proposed powers and responsibilities**

POWER	RATIONALE
<b>General functions</b>	
<p><b>Section 102 H of the Local Transport Act 2008</b></p> <p>Prepare a transport strategy, advise the Secretary of State, co-ordinate the carrying out of transport functions, make proposals for the transfer of functions, make other proposals about the role and functions of the STB.</p>	<p>This legislation provides the general powers required for TfSE to operate as a statutory sub-national transport body, meeting the requirements of the enabling legislation to facilitate the development and implementation of a transport strategy to deliver regional economic growth.</p> <p>Government at both national and local level recognises that the solutions required to deliver regional economic growth are best identified and planned for on a regional scale by those who best understand the people and businesses who live and work there.</p>
<b>Rail</b>	
<p><b>Right to be consulted about new rail franchises</b></p> <p><i>Section 13 of the Railways Act 2005 – Railway Functions of Passenger Transport Executives</i></p>	<p>We are seeking the extension of the right of a Passenger Transport Executive to be consulted before the Secretary of State issues an invitation to tender for a franchise agreement.</p> <p>The right of consultation is significant to TfSE as it confirms our role as a strategic partner, enabling us to influence future rail franchises to ensure the potential need for changes to the scope of current services and potential new markets identified by TfSE are considered.</p> <p>TfSE is uniquely placed to provide a regional perspective and consensus on the priorities for rail in its area. This would benefit central government as a result of the vastly reduced need for consultation with individual authorities.</p> <p>We recognise that changes to the current franchising model are likely following the Williams Review; regardless of these changes, TfSE is clear that it should have a role in shaping future rail service provision.</p>

<p><b>Set High Level Output Specification (HLOS) for Rail</b></p> <p><i>Schedule 4A, paragraph 1D, of the Railways Act 1993</i></p>	<p>TfSE requires a strong, formal role in rail investment decision making over and above that which is available to individual constituent authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for investment in our rail network.</p> <p>This power would enable TfSE to act jointly with the Secretary of State to set and vary the HLOS in our area, ensuring TfSE's aspirations for transformational investment in rail infrastructure are reflected in the HLOS and enabling an integrated approach across road and rail investment for the first time.</p>
<p><b>Highways</b></p>	
<p><b>Set Road Investment Strategy (RIS) for the Strategic Road Network (SRN)</b></p> <p><i>Section 3 and Schedule 2 of the Infrastructure Act 2015</i></p>	<p>TfSE requires a strong, formal role in roads investment decision making over and above that which is available to individual constituent authorities. We act as the collective voice of our constituent authorities, providing an evidence-based regional perspective and consensus on the priorities for roads investment.</p> <p>This power would enable TfSE to act jointly with the Secretary of State to set and vary the RIS in our area, ensuring TfSE's aspirations for transformational investment in road infrastructure are reflected in the RIS and enabling an integrated approach across road and rail investment for the first time.</p>
<p><b>Enter into agreements to undertake certain works on Strategic Road Network, Major Road Network or local roads</b></p> <p><i>Section 6(5) of the Highways Act 1980, (trunk roads) &amp; Section 8 of the Highways Act 1980 (local roads)</i></p>	<p>We are seeking the power that local highway authorities currently have to enter into an agreement with other highway authorities to construct, reconstruct, alter, improve or maintain roads.</p> <p>These powers, operated concurrently with the local authorities, will enable TfSE to promote and expedite the delivery of regionally significant cross-boundary schemes that otherwise might not be progressed. They would overcome the need for complex 'back-to-back' legal and funding agreements between neighbouring</p>

	<p>authorities and enable us to reduce scheme development time and overall costs.</p>
<p><b>Acquire land to enable construction, improvement, or mitigate adverse effects of highway construction</b></p> <p><i>Sections 239,240,246 and 250 of the Highways Act 1980</i></p>	<p>This power, exercisable concurrently and only with the consent of the relevant highway authority, would allow preparations for the construction of a highways scheme to be expedited where highway authorities are not in a position to acquire land.</p> <p>Land acquisition by TfSE could facilitate quicker, more efficient scheme delivery, bringing forward the economic and broader social and environmental benefits. In the event that it is not possible to prevent environmental impact on the site of the scheme or project, consideration will be given to appropriate compensation/mitigation measures.</p>
<p><b>Construct highways, footpaths, bridleways</b></p> <p><i>Sections 24,25 &amp; 26 of the Highways Act 1980</i></p>	<p>The concurrent powers required to effectively promote, coordinate and fund road schemes are vital to TfSE. Without them, we would not be able to enter into any contractual arrangement in relation to procuring the construction, improvement or maintenance of a highway or the construction or improvement of a trunk road.</p> <p>Granting of these powers would enable TfSE directly to expedite the delivery of regionally significant road schemes that cross constituent authority boundaries that otherwise might not be progressed.</p>
<p><b>Make capital grants for public transport facilities</b></p>	
<p><b>Make capital grants for the provision of public transport facilities</b></p> <p><i>Section 56(2) of the Transport Act 1968</i></p>	<p>This concurrent power would enable TfSE to support the funding and delivery of joint projects with constituent local authorities, improving deliverability and efficiency.</p> <p>Constituent authorities would benefit from the granting of this concurrent power as they may, in future, be recipients of funding from TfSE to partly or</p>

	wholly fund a transport enhancement within their local authority area.
<b>Bus service provision</b>	
<p><b>The power to secure the provision of such public passenger transport services as they consider it appropriate to secure to meet any public transport requirements within their area which would not in their view be met apart from any action taken by them for that purpose.</b></p> <p><i>Paragraph 4 of Section 63 Transport Act 1985</i></p>	<p>Local transport authorities and integrated transport authorities have the power to secure the provision of such public passenger transport services as it considers appropriate and which would not otherwise be provided.</p> <p>Travel-to-work areas do not respect local authority boundaries. TfSE is seeking to have this power concurrently with the local transport authorities in our area, enabling us to fill in identified gaps in bus service provision within our geography or secure the provision of regionally important bus services covering one or more constituent authority areas which would not otherwise be provided.</p>
<p><b>Quality Bus Partnerships</b></p> <p><i>The Bus services Act 2017 Sections 113C – 113O &amp; Sections 138A – 138S</i></p>	<p>TfSE is seeking powers, currently available to local transport authorities and integrated transport authorities, to enter into Advanced Quality Partnerships and Enhanced Partnership Plans and Schemes to improve the quality of bus services and facilities within an identified area. These powers would be concurrent with the local transport authority in the area.</p> <p>This would allow us to expedite the introduction of partnership schemes covering more than one local transport authority area which otherwise might not be introduced.</p>
<b>Smart ticketing</b>	
<p><b>Introduce integrated ticketing schemes</b></p> <p><i>Sections 134C- 134G &amp; Sections 135-138 Transport Act 2000</i></p>	<p>We are seeking powers concurrently with local transport authorities to enable TfSE to procure relevant services, goods, equipment and/or infrastructure; enter into contracts to deliver smart ticketing and receive or give payments.</p>



	<p>This would enable us to expedite the introduction of a cost effective smart and integrated ticketing system on a regional scale which would dramatically enhance the journey experience and increase access to transport to support jobs and education.</p>
<p><b>Air quality</b></p>	
<p><b>Establish Clean Air Zones</b></p> <p><i>Sections 163-177A of the Transport Act 2000 – Road User Charging</i></p>	<p>Local transport authorities and integrated transport authorities have the power under the Transport Act 2000 to implement road charging schemes.</p> <p>TfSE is seeking this general charging power as a mechanism for the introduction of Clean Air Zones, enabling reduced implementation and operating costs across constituent authority boundaries. This will be subject to the consent of the local transport authority.</p> <p>Transport is a major contributor to CO2 emissions and poor air quality; these are increasingly critical issues which our transport strategy will seek to address.</p>
<p><b>Other powers</b></p>	
<p><b>Promote or oppose Bills in Parliament</b></p> <p><i>Section 239 Local Government Act 1972</i></p>	<p>Local authorities have the power to promote or oppose Bills in Parliament; granting the power concurrently to TfSE reflects the devolution agenda of which STBs are a key part.</p> <p>Under the Transport and Works Act 1992, a body that has power to promote or oppose bills also has the power to apply for an order to construct or operate certain types of infrastructure including railways and tramways.</p> <p>Granting of this power would enable TfSE to promote, coordinate and fund regionally significant infrastructure schemes, accelerating delivery of cross-boundary schemes which might otherwise not be progressed.</p>

<p><b>Incidental amendments</b></p> <p><i>Local Government Act 1972, Localism Act 2011, Local Government Pension Scheme Regulations 2013</i></p>	<p>A statutory STB requires certain incidental amendments to enable it to operate as a type of local authority, with duties in respect of staffing, pensions, monitoring and the provision of information about TfSE.</p> <p>The incidental amendments sought are listed below in Appendix 2.</p>
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## Powers and responsibilities not being sought

5.8 Transport for the South East does not propose seeking the following functions/powers:

POWER	RATIONALE
Set priorities for local authorities for roads that are not part of the Major Road Network (MRN)	TfSE will only be responsible for identifying priorities on the MRN
Being responsible for any highway maintenance responsibilities	There is no intention of TfSE becoming involved in routine maintenance of MRN or local roads
Carry passengers by rail	There are no aspirations for TfSE to become a train operating company
Take on any consultation function instead of an existing local authority	Local authorities are best placed to seek the views of their residents and businesses
Give directions to a constituent authority about the exercise of transport functions by the authority in their area (General Power s102P of Part 5A of the Transport Act 2008)	Constituent authorities understand how best to deliver their transport functions to meet the needs of their residents and businesses

5.9 The Williams Rail Review, to which TfSE have submitted a response, could recommend significant changes to the structure of the rail industry, including the role of STBs in both operations and infrastructure enhancement. As a result, we will keep the following functions under review pending Williams' recommendations and subsequent White Paper.

POWER	RATIONALE
Act as co-signatories to rail franchises	There are no current aspirations for TfSE to become involved in this area.
Be responsible for rail franchising	

## 6. Summary of support and engagement

- 6.1 Transport for the South East consulted on the draft proposal between 7 May 2019 and 31 July 2019. The consultation resulted in 96 responses from a wide range of stakeholders, including a number of local interest groups and members of the public.
- 6.2 An overwhelming number of respondents offered support for the creation of a statutory sub-national transport body in the south east. There were many, varied reasons for this support including:
- Opportunity for TfSE to speak with 'one-voice' to identify regional priorities and influence the investment decisions of central government and national agencies;
  - Greater focus on integrated transport solutions, developing multi-modal solutions that improve the end user experience;
  - Offering a greater level of democratic accountability; and
  - The ability to accelerate delivery of long-term, strategic infrastructure schemes.
- 6.3 A number of amendments have been made to the final draft proposal to reflect the comments raised by respondents to the consultation:
- Greater emphasis on environmental protection, climate change and social inclusion (sections 2 and 3);
  - Principle of subsidiarity and consent (para 5.6);
  - Governance (para 4.14); and
  - Bus and rail powers (section 5).
- 6.4 TfSE will seek consent from its constituent authorities and the final draft Proposal will be endorsed by the Shadow Partnership Board prior to submission to Government.
- 6.5 The final submission to Government will include a summary of engagement activities, including a list of the organisations engaged in the process and an appendix with a number of letters of support from key organisations and businesses.

## Appendix 1: Distribution of votes

TfSE constituent authorities	Population <sup>2</sup>	Number of votes <sup>3</sup>
Brighton and Hove City Council	287,173	2
East Sussex County Council	549,557	4
Hampshire County Council	1,365,103	10
Isle of Wight Council	140,264	1
Kent County Council	1,540,438	11
Medway Council	276,957	2
Portsmouth City Council	213,335	2
Southampton City Council	250,377	2
Surrey County Council	1,180,956	8
West Sussex County Council	846,888	6
<i>Bracknell Forest Council</i>	<i>119,730</i>	
<i>Reading Borough Council</i>	<i>162,701</i>	
<i>Royal Borough of Windsor &amp; Maidenhead</i>	<i>149,689</i>	
<i>Slough Borough Council</i>	<i>147,736</i>	
<i>West Berkshire Council</i>	<i>158,576</i>	
<i>Wokingham Borough Council</i>	<i>163,087</i>	
Berkshire Local Transport Body (total)	901,519	6
<b>Total</b>	<b>7,552,567</b>	<b>54</b>

<sup>2</sup> Population as per ONS 2016 estimates

<sup>3</sup> Number of votes = population/140,000 (the population of constituent authority with the smallest population, this being the Isle of Wight)

## Appendix 2: List of incidental powers sought

This appendix sets out the incidental amendments that will be needed to existing legislation. They include areas relating to the operation of TfSE as a type of local authority with duties in respect of staffing, pensions, transparency, monitoring and the provision of information about TfSE.

(1) Section 1 of the Local Authorities (Goods and Services) Act 1970 has effect as if TfSE were a local authority for the purposes of that section.

(2) The following provisions of the Local Government Act 1972 have effect as if TfSE were a local authority for the purposes of those provisions—

- (a) section 101 Arrangements for discharge of functions by local authorities
- (b) section 111 (subsidiary power of local authorities);
- (c) section 113 (secondment of staff)
- (d) section 116 (member of TfSE not to be appointed as officer);
- (e) section 117 (disclosure by officers of interests in contracts);
- (f) section 135 (standing orders for contracts);
- (g) section 142(2) (provision of information);
- (h) section 222 (power to investigate and defend legal proceedings);
- (i) section 239 (power to promote or oppose a local or personal Bill).

(4) Sections 120, 121 and 123 of that Act (acquisition and disposal of land) have effect as if—

- (a) TfSE were a principal council;
- (b) section 120(1)(b) were omitted;
- (c) section 121(2)(a) were omitted.

(5) Section 29 of the Localism Act 2011 (registers of interests) has effect as if—

- (a) TfSE were a relevant authority, and
- (b) references to “the monitoring officer” were references to an officer appointed by TfSE for the purposes of that section.

(6) In the Local Government Pension Scheme Regulations 2013—

- (a) in Schedule 2 (scheme employers), in Part 2 (employers able to designate employees to be in scheme), after paragraph 14 insert—  
“15. Transport for the South East.”;
- (b) in Schedule 3 (administering authorities), in the table in Part 2 (appropriate administering authorities for categories of scheme members), at the end insert—

“An employee of Transport for the South East
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East Sussex County Council”
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(7) The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 have effect as if TfSE is a local authority within the meaning of s 101 Local Government Act 1972.







<b>Subject:</b>	<b>Asset Disposal Process to support the Medium-Term Financial Strategy and achievement of Capital Receipts</b>	
<b>Date of Meeting:</b>	<b>19<sup>th</sup> March 2020</b>	
<b>Report of:</b>	<b>Executive Director, Economy, Environment &amp; Culture</b>	
<b>Contact Officer:</b>	<b>Angela Dymott</b>	
	<b>Name:</b>	<b>Jessica Hamilton                      Tel: 01273 290336</b> <b>Ben Miles</b>
	<b>Email:</b>	<b>ben.miles@brighton-hove.gov.uk</b>
<b>Ward(s) affected:</b>	<b>(All Wards);</b>	

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

- 1.1 This report sets out the options and process for achieving the capital receipts that are critical to enabling the council's Medium Term Financial Strategy, Capital Strategy and Investment programmes. Capital receipts are generated through the disposal or appropriation of corporate property assets that are surplus to requirement, poor performing or do not contribute to the council's Corporate Strategy priorities through their current use, from within Property & Design's commercial and operational portfolios.
- 1.2 The options for achieving capital receipts outlined in this report support the delivery of the council's target to provide additional council homes and other affordable homes by 2023. Outline proposals for the delivery of homes have been submitted and approved at Housing Committee 18<sup>th</sup> September 2019 (Housing Supply Update 2019-23). The council's commercial and operational property portfolios have the potential to enable the delivery of homes in the City by releasing identified sites for development.
- 1.3 The disposal of council-owned property has been delayed to avoid an opportunity for the development of homes being missed. This approach has impacted on the council's ability to meet its capital receipt requirements for future financial years. The proposed asset disposal process outlined in paragraph 3.12 means sites not identified for council housing, nor required to support other council priorities such as community wealth, economic or environmental policy, can now be considered for disposal to achieve capital receipts as part of the council's Medium Term Financial Strategy and Capital Strategy. Sites identified for housing delivery also have the potential to provide capital receipts through their appropriation to the Housing Revenue Account.

## **2. RECOMMENDATIONS:**

### **2.1 That the Committee:**

- Agrees the criteria set out in paragraph 3.11 of this report for identifying non-HRA council-owned property and land as being suitable for disposal.
- Agrees that when the Council appropriates land from the General Fund to the Housing Revenue Account the sum paid to the General Fund should meet best consideration under Section 123 of the Local Government Act 1972.
- Notes that any recommendations to dispose of land or property comply with the criteria and asset disposal process set out in paragraphs 3.11 and 3.12, and are brought to P&R committee with a business case for approval.

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

3.1 The council has a large property and land portfolio valued at £1.83 billion [March 2019]. The operational portfolio consists of approx. 11,500 housing revenue account (HRA) residential units and in excess of 500 non-HRA properties. The non-operational commercial portfolio consists of approximately 600 properties, is valued at £244m, produces an annual income of approximately £11m and contributes to the Medium Term Financial Strategy helping support the delivery of key council services.

3.2 Property is our second largest resource after people and it is therefore important for the council, as a major owner and occupier of land & buildings in the city, to review and justify its holdings. We use our property assets to support the council's Corporate Strategy outcomes in Our Plan and aim to make best use of our public assets working towards a carbon neutral City by 2030 and build community wealth through city and regional regeneration. The Asset Management Plan & Corporate Property Strategy (AMP) provides a strategic overview of the council's property assets and the systems, processes and policies in place or being progressed to manage and maintain them. The AMP is currently being refreshed to reflect the approved council's Corporate Strategy.

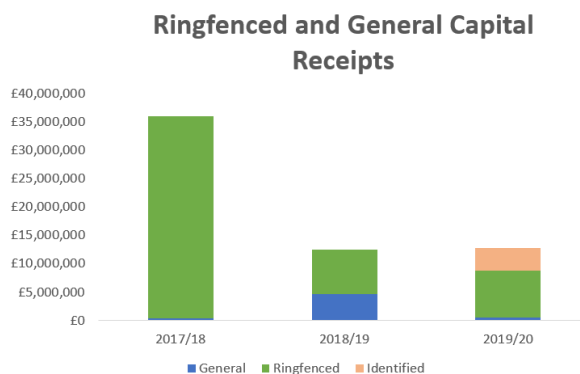
3.3 The role of Property & Design, representing the council's Corporate Landlord, is to use our assets to best effect, to understand and challenge services on their future operational property requirements, to identify & dispose of those assets which are performing poorly, to prioritise our limited resources to our core assets and to find cost effective property solutions alongside our partners. For our investment portfolio (urban and rural estates) the challenge is to develop a new strategic approach to optimise capital growth and income whilst reflecting corporate priorities by re-balancing the portfolio which is heavily retail focussed, enabling community wealth and regeneration opportunities, working towards a carbon neutral city by 2030 and contributing to the well-being of the City.

3.4 The Council's Medium Term Financial Strategy (MTFS) links to the Asset Management Plan and Corporate Property Strategy through the capital and revenue budget and programme of work. Future year capital allocations will need to be reviewed in line with capital receipts projections. The main aims of the council's Capital Strategy are to use our existing assets to generate income for investment and modernisation of council services and to generate capital receipts from the disposal of surplus or under-performing assets and to deploy the proceeds from the sale of capital assets for:

- Reinvestment in the capital investment programme,
- Modernisation of council services including using the government's capitalisation direction that allows revenue costs to be capitalised and funded from capital receipts where this generates efficiencies,
- Repayment of debt or for investment, for example, to offset any loss of rental income in the revenue budget,
- Reinvestment from under-performing assets back into more commercially viable assets as part of the rationalisation of the commercial property portfolio.

3.5 Demand for capital receipts was high during the previous four-year budget cycle and Property & Design have provided over £60m through disposals between 2016/17 to 2019/20 to support the Medium Term Financial Strategy Capital Investment programme and a range of modernisation initiatives.

### Capital Receipts Target



	2017/18	2018/19	2019/20	Total
General	£360,000	£4,640,000	£505,000	£5,505,000
Ringfenced	£35,595,000	£7,887,000	£8,259,000	£51,741,000
Identified	£0	£0	£4,020,000	£4,020,000
<b>Total</b>	<b>£35,955,000</b>	<b>£12,527,000</b>	<b>£12,784,000</b>	<b>£61,266,000</b>

Achieved Capital Receipts

#### What Are Capital Receipts Funding?

- IT&D
- Digital First
- ISFP Investment
- Voluntary Severance
- Modernisation Agenda & Contingency
- Capital Investment Programme
- Asset Management Fund
- Strategic Investment Fund
- Other Capital Projects

3.6 The need for capital receipts continues, and Property & Design officers have been set a minimum target of £6m a year up until 2022/23. A substantial proportion of previous years' capital receipts were delivered through the consolidation of operational property, mainly offices, enabled by the council's Workstyles modernisation programme. The amount of office space owned and leased by the council has reduced by 60 per cent since 2009 achieving savings of over £2m pa. There is little scope to reduce this further without negatively affecting service delivery. Officers must therefore focus on the commercial property portfolio for future disposals in order to achieve the council's capital receipt targets.

- 3.7 For the 19/20 financial year £8.7m capital receipts have been achieved. The target for 19/20 is £12.78m and the remaining balance of £4m has been identified and is dependent on the delivery of a range of capital projects. For future financial years the capital receipts target is at risk mostly due to the restriction placed on disposals described in paragraph 1.3. If the council is unable to meet its capital receipts targets for the future financial years then it will put pressure on the Medium Term Financial Strategy and Capital Strategy preventing and putting at risk the delivery of the range of modernisation and capital investment programmes and initiatives described above.
- 3.8 For the purposes of this report two types of disposal are being considered, both of which would generate a capital receipt. The first type of disposal is appropriation, which involves transferring ownership of the land or property from the General Fund to the HRA. In these cases, it is recommended that HRA would make a best consideration payment in accordance with Section 123 of the Local Government Act 1972 to the General Fund as a capital receipt. The second type of disposal would be on the open market, where the land or property is marketed, and the capital receipt is generated by sale to a private buyer. More information about the disposals process can be found on the website in Brighton & Hove City Council's Corporate Property Strategy & Asset Management Plan and the Community Asset Transfer Policy.
- 3.9 Some of the properties held in the council's commercial property portfolio have the potential to be suitable for council housing development schemes, while others do not. It is recommended that property suitable for council housing development is appropriated by the HRA, while property which is not suitable for council housing development is considered for disposal, provided that it is not required to support other council priorities such as Community Wealth building (e.g. suitable for consideration under the Community Asset Transfer policy) encompassing social value benefits, economic policy or environmental policy.
- 3.10 In order to define the new criteria that determines which properties are suitable for council housing development, officers from Property, Housing, Planning, Finance and City Regeneration held a series of workshops. These workshops considered property related issues such as condition, value, location, tenancy status, ownership, planning conditions, redevelopment viability and risks. As a result of the workshops a set of criteria has been developed which provide a framework for assessing council-owned assets and their potential suitability for council housing development. These criteria are set out below.

### 3.11 **Council Housing Development Criteria**

**Viability** – in cases where the land/property would deliver fewer than 10 homes or best consideration cannot be achieved, the housing scheme was assessed as financially unviable or an inefficient use of officer capacity

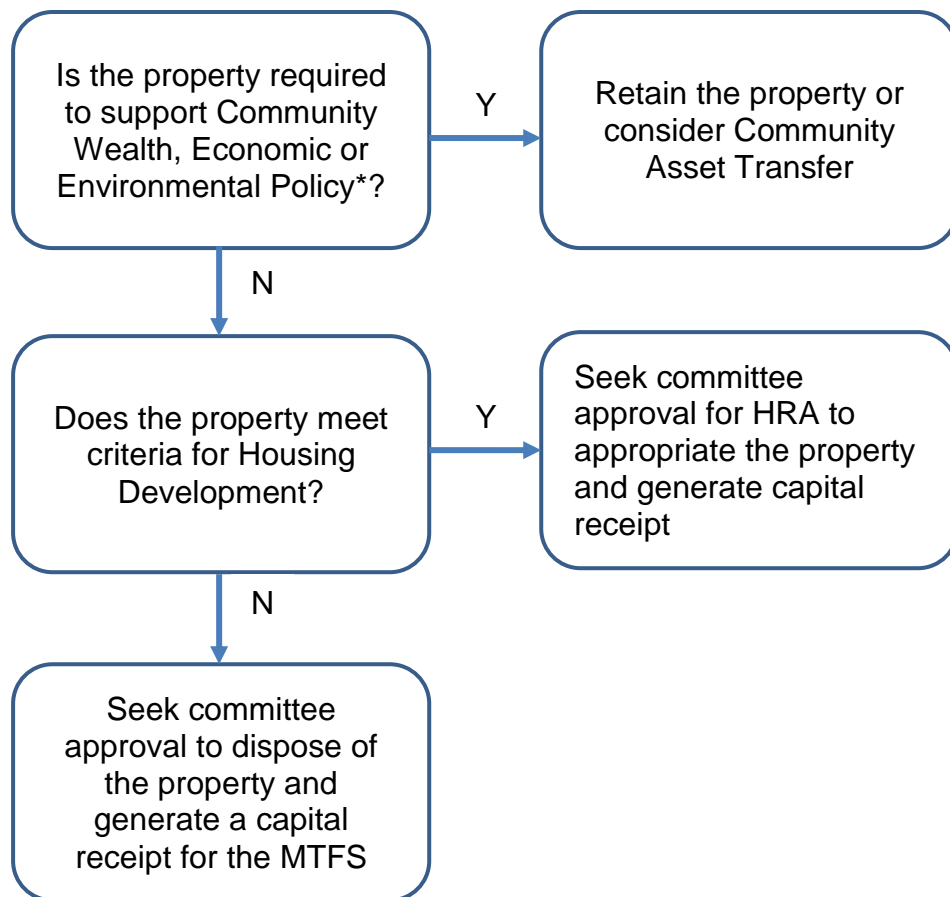
**Planning** – in cases where a change in use would be required that undermined the council's City Plan, the housing scheme was assessed as non-compliant.

**Ownership** – in cases where there was mixed tenure or ownership of land/property, the housing scheme was assessed as too complex to deliver within the council homes target timescales.

**Location** – in cases where the land/property was unsuitably located (e.g. lacking in service infrastructure – drainage, highways, power etc.), the housing scheme was assessed as financially unviable or incongruous.

**Operational** – in cases where the property was required for ongoing service delivery to support corporate strategic priorities, the housing scheme was assessed as incompatible with the council’s other priorities. This includes property requirements for the provision of Adult Social Care in the city.

### 3.12 Proposed Asset Disposal Flow Chart



\*These include current and emerging strategies such as the Corporate Plan, Asset Management Plan, Circular Economy, Economic Strategy, Sustainability, Medium Term Financial Strategy, and City Plan.

3.13 The council’s commercial portfolios also provide rental income for the organisation which supports key service delivery. Any disposal has the potential to reduce the amount of rental income that the portfolios generate. For this reason, the properties identified as suitable for disposal have been assessed as low-rent, high-value assets, and the impact of disposal on rent levels is therefore reduced to a minimum.

- 3.14 Alongside this work, a set of Asset Investment Principles are being developed, which aim to rebalance the urban commercial portfolio, removing risk and creating opportunities for income growth. These principles will further mitigate any potential income loss associated with disposals. The Investment Principles are being developed through the Asset Member Board and will be presented to this committee at a later date.

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

- 4.1 **Do Nothing** This option is not viable as it would not resolve the issues described in this report, and the capital receipts targets required to fund critical activity within the organisation would not be achieved.
- 4.2 **Reduce Capital Receipts Target** This option is not viable unless the council agrees to substantially reduce the capital investments currently funded by capital receipts. This includes IT&D transformation programmes, Modernisation initiatives, and the capital investment programme.
- 4.3 **Reduce Low-Rent Housing Target** This option is not viable as the clear target for new low-cost housing in the city, has been approved by committee. This is a strategic priority for the council.

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

- 5.1 Due to the commercially sensitive nature of the council's commercial property portfolios there has been no consultation or engagement with the community on proposals contained within this report. However, consultation will take place through any required planning applications and when reports are brought back to Policy & Resources Committee to approve disposals and associated business cases on a case by case basis.

#### **6. CONCLUSION**

- 6.1 In order for the council to meet its minimum capital receipts target of £6m p.a. it must dispose of properties from within its commercial portfolios. The analysis completed and described by this report ensures that any future sites identified for disposal do not undermine the council's target of delivering 800 additional council homes and 700 other affordable homes by 2023, nor do they undermine other strategic priorities relating to community wealth, economic or environmental policy.

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

##### Financial Implications:

- 7.1 The generation of capital receipts is a key component of the council's capital strategy and Medium Term Financial Strategy (MTFS). Capital receipts support investment in strategic investment funds and support other council investment priorities. The council has ambitious investment plans over the MTFS period and therefore identifying opportunities to generate receipts is a core requirement of the Corporate Property Strategy & Asset Management Plan. The net capital receipts target is £6m per year to 2023.

- 7.2 The proposed disposal process and criteria supports the delivery of new homes and provides criteria for disposal if council led housing is not appropriate.
- 7.3 Any proposed appropriation or disposal of council land or property will require Policy & Resources Committee approval with supporting financial implications for each case.

*Finance Officer Consulted: James Hengeveld*

*Date: 24/02/20*

Legal Implications:

- 7.4 The Executive Director of Housing, Neighbourhoods and Communities has delegated authority under the Council's constitution to acquire land or property for housing purposes up to consideration of £250,000 and residential property up to a consideration of £500,000. The Assistant Director of Property has delegated authority to acquire or dispose of land for a consideration of up to £250,000. The proposed criteria and disposal process will inform those officer decisions and will, in relation to disposals/ acquisitions assist the Policy & Resources Committee in deciding whether to acquire or dispose of land.
- 7.5 The Council is under an obligation pursuant to S123 of the Local Government Act 1971 when disposing of land to obtain best consideration for it. This obligation does not apply to appropriations but it is proposed that the council does require the Housing Revenue Account to make a payment which represents best consideration to the General Fund when land is appropriated for housing.
- 7.6 Section 17 of the Housing Act 1985 authorises a local housing authority such as the council to acquire land for housing purposes.

*Lawyer Consulted:  
23/01/20*

*Alice Rowland*

*Date:*

Equalities Implications:

- 7.7 An Equalities Impact Assessment has not been completed as a part of this work, but equalities implications continue to be considered in relation to all decisions affecting the council's commercial property portfolios.

Sustainability Implications:

- 7.8 Sustainability implications were considered as a part of the analysis undertaken by offers when determining whether land or property was suitable for housing development as described in the body of this report.





**Subject:** IT Investment  
**Date of Meeting:** 19 March 2020  
**Report of:** Acting Chief Finance Officer  
**Contact Officer:** Name: Dan Snowdon Tel: 01273 291218  
Email: dan.snowdon@brighton-hove.gov.uk  
**Ward(s) affected:** All

**FOR GENERAL RELEASE**

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

1.1 This report sets out recommendations for investment in the council's core technology foundations and digital solutions to keep the council cyber-safe, provide services with a reliable, fault-free infrastructure, and support delivery to front-line services and enable them to implement service initiatives which will deliver the Corporate Plan 2020-23.

**2. RECOMMENDATIONS:**

2.1 It is recommended that Policy & Resources Committee approves IT capital investment of £3.800m for 2020/21 for the purpose of upgrading foundational IT and providing service innovation through cloud and other digital technologies.

**3. CONTEXT/ BACKGROUND INFORMATION:**

3.1 The context for this report is structured in four parts:

- Backlog investment in the underpinning technology;
- Continued Cyber threats;
- Deployment of digital capabilities to support service innovation.
- Laptop and desktop replacement programme

**Backlog investment in the underpinning technology**

3.2 Until recent years, the Council had not put in place sufficient investment to maintain its core technology foundations. This resulted in a significant backlog of remediation and recovery work to replace and upgrade many aspects of IT infrastructure including its network, storage, devices, servers, etc. This lack of investment is due to a combination of pressures on the council's revenue resources which has limited the resources available for financing investment, together with the need to prioritise available investment in addressing data and network security, GDPR and other infrastructure weaknesses as well as emergency replacement of end of life equipment.

- 3.3 The aging estate has been the primary contributing factor in poor workforce and customer experience, as evidenced in staff surveys, and a lack of progress in service modernisation.
- 3.4 An efficient and resilient technical infrastructure is an essential foundation for all technology projects across the authority. Additionally, a modern, well managed architecture reduces the threat of cyber-attack and helps avoid the financial and reputational cost incurred because of technical failure.
- 3.5 Increased investment in the previous two years has improved this picture and there are now fewer major incidents, an improving level of customer satisfaction, including an improved IT&D support hub (formally the IT ServiceDesk), and reduced downtime of core applications and corporate systems.
- 3.6 To avoid a return to an underperforming IT service, increasing cyber-security and the operational risks associated with an aging IT infrastructure, it is essential that investment levels are maintained across the Council's IT estate.

### **Continued cyber threats**

- 3.7 Our increased reliance on technology and digital transactions, along with the growing use by criminals of bots and malware to industrialise cyber-attacks means that the threat of a successful attack on the council continues to rise.
- 3.8 IT industry research consistently shows the cost of a successful attack is increasing year-on-year. Although clearly dependent on the nature of the attack, the cost in terms lost revenue/service downtime, resources to fix problems, penalties, and potential reputational damage can be financially crippling for organisations.
- 3.9 In this context, it is critical that the security of the organisation's technical infrastructure in an ongoing area of investment and improvement.

### **Deployment of digital capabilities to enable service innovation**

- 3.10 The demand for service innovation and the continued support and maintenance of existing digital products and platforms requires that the programme capabilities transfer into central corporate services and become part of a continual service improvement offer to customer facing directorates and services.
- 3.11 In response to the current context, continued investment is required in the following areas:
- Upgrading of foundation IT across the council
  - Investment in digital innovation

## **4. IT INVESTMENT PROGRAMME**

### **Upgrading of foundation IT across the council: £1.800m**

- 4.1 Increased investment in the last two years has enabled a number of major technical improvements. These include:

- the building of a new Citrix environment;
  - migration of services to a dedicated data centre;
  - the decommissioning of over 70 end-of-life 'Server 2008' implementations;
  - the introduction of a new mobile phone offer;
  - the migration of email services to the Microsoft cloud;
  - the introduction of Wi-Fi to around 40 smaller sites; and
  - the introduction of Windows10 and the associated rollout of 4,000 new Windows10 devices.
- 4.2 These enhancements have addressed long-standing business demand and enabled new modes of flexible and agile working. Coupled with specific security improvements such as new password controls, software patch management and the introduction of new Information Governance training, significant improvements to the resilience of the infrastructure on which the organisation is wholly reliant have also been made.
- 4.3 In order to continue to improve the foundational IT in line with user expectations, the following projects are proposed for 2020/21:
- i. Following the decommissioning of Server 2008 environments, a new project to remove SQL Server (end of life July 2022) and Server 2012 (end of life Oct 2023) is required. Assessed volumes and scale indicate a 3-year migration project will need to be initiated in 2020/21. Financial implication: £0.080m (£0.240m over 3 yrs.)
  - ii. Roll-out of core Microsoft Office 365 applications including the deployment of Microsoft OneDrive to replace personal network drives which will address issues of file transfer between mobile and network devices. Microsoft 'Teams' will also be deployed to replace the soon to be end-of-life Skype for Business and a like-for-like SharePoint deployment will replace the current out-of-support SharePoint environment. Financial implication: £0.120m
  - iii. Further renewal of the core data network to update key components (e.g. 12-year-old, end of life router equipment), deploy a more robust firewall and develop a new remote access solution using 'Always on VPN' to replace the soon to be end-of-life Direct Access solution. Additional Wi-Fi access points will also be installed to increase Wi-Fi coverage. Financial implication: £0.350m
  - iv. Explore the potential of the wide-ranging suite of Microsoft Office 365 tools and implement only those where the business case can demonstrate that they will support either process efficiencies, improved customer experience, improved flexible, agile or partnership working and/or other objectives such as Our People Promise to provide improved applications and capabilities for staff and services. Financial implication: £0.450m
- 4.4 Alongside the proposed improvements to foundation IT, modernisation funding has been identified in 2020/21 to support the transition of existing contracts for software and services to the future needs of the council. In the first instance these resources will fund these contracts during the period of rationalisation and

supplement the existing revenue budget in 2020/21. Financial Implication: £0.800m.

**Investment in digital innovation: £1.750m**

- 4.5 Following the end of the Digital First programme in March 2019, several complete and partially complete digital products were transitioned into the IT&D service along with ownership of the two primary digital platforms (Mendix and Dell Boomi) that the products were developed on. A small number of developer and project manager staff from the programme were also moved into roles in IT&D.
- 4.6 A detailed review of completed Digital First work and the outstanding backlog revealed the need to undertake some remedial work to ensure the underlying design of digital solutions is on a sound and sustainable footing.
- 4.7 Additionally, three priority areas of focus for the year were considered and agreed by the Corporate Modernisation Delivery Board (CMDB):

**Priority 1:** BHCC Website content transition and development. IT&D have partnered with the Corporate Communications team to complete the Drupal 7 to Drupal 8 content transition initiated under Digital First. Under this project all current web forms (over 250) are being reviewed and decommissioned or redeveloped. Drupal 8 provides significant additional workflow capabilities.

**Priority 2:** 'MyAccount': Residents and organisations will be able to sign-up for a single account to access council services online from 26<sup>th</sup> February 2020. Initially covering Council Tax, and then Cityclean services, the solution will also provide a single point of information for checking and updating personal details which will update the central Customer Index, ensuring that all systems share the correct common data (e.g. address information).

**Priority 3:** Customer and Property Index. These indexes comprise of multiple data-matching and data-cleansing capabilities including 'Customer Viewer' used in Access Point and Corporate Debt teams to improve customer data quality and reduce customer and officer time. For example, Bus Pass Renewals which reduced the need to process over 20,000 manual renewals to just 1,000 saving £25k p.a. and vastly improving the customer journey.

- 4.8 Associated with MyAccount is the development of a basic Customer Relationship Management (CRM) process which makes online form transactions available to services in a single repository rather than via email and allows for secure messaging back to customers through two-way interfacing. This greatly improves data security, auditing, reporting and reduces officer time spent manually handling cases.
- 4.9 The Digital team have also completed multiple products initiated under Digital First, including Community Grant applications, CityClean quick lockouts, Cityclean garden waste, Housing rogue landlords, Housing environmental improvement survey and a generic 'report a problem' app.

4.10 In order to continue to improve the digital offer, the following work is proposed for 2020/21:

- i. Extend the use of MyAccount to cover additional customer services and develop Power of Attorney and account sharing capabilities. Proposed services include:
  - Easily accessible benefits statements;
  - eStore payments to improve ease of on-line payments;
  - development of customer facing services associated with the new Social Care and Housing corporate systems; and
  - roll-out of the CRM tool to all services handling customer transactions where back office tools do not provide case management capability. This avoids the use of email for case handling, thereby improving information governance, customer satisfaction and officer efficiency.
- ii. Continue to develop the Customer and Property Indexes with a view to providing cross-system dataset look-up capabilities and data quality improvements;

4.11 Continue to explore and develop Business Intelligence (BI) solutions to improve ease of access and visualisation of management information and analytical data. Explore and implement Robotics and AI solutions where business cases can demonstrate that significant process efficiencies and/or improved customer experience (e.g. speed of service) can be achieved.

**Desktop and laptop replacement programme £0.250m**

4.12 During 2019/20 the council is spending significant resources for the Windows 10 roll out which includes the replacement of most laptops and desktop computers. A 4- 5 year replacement programme will be included in future capital investment programmes however replacement equipment will continue to be required in intermediate years as part of normal turnover with an estimated cost of £0.250m in 2020/21.

**5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

5.1 Gartner research indicates that organisations similar in size to BHCC could make around a 5% saving on application licencing costs (equivalent to approximately £40k p.a.) when switching from Microsoft Office 365 to Google G Suite. However, the project costs to migrate and the associated costs of re-skilling the IT&D department alongside end-user training, procurement of additional solutions to fill capability gaps and lost productivity would create a £multi-million capital investment demand and introduce very substantial organisational risk and upheaval at a time when IT investment is just catching up and beginning to improve services.

5.2 No other viable options were identified.

**6. COMMUNITY ENGAGEMENT & CONSULTATION**

6.1 No formal consultation has been undertaken with regard to this report. However, IT&D has a number of Business Partners aligned to service directorates who work with Directorate Management Teams to understand, advise on and

feedback service demands, planned developments and other IT and Digital requirements. Key internal stakeholders have also been consulted including the Chief Information Officer for Orbis to ensure alignment with Orbis partner programmes wherever practicable and the Head of Performance, Improvement & Programmes (lead responsibility for Customer Service Strategy) to ensure alignment with council's customer service approach.

## **7. CONCLUSION**

- 7.1 The proposed IT Investment in this report will enable the council to support its service delivery and digital ambitions and enable to deployment of technology to bring about improved access to information for better decision making, improved customer service and back office processes.

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

### Financial Implications:

- 8.1 This report sets out the £3.800m investment proposals in IT for 2020/21. These resource requirements were set out in the capital investment programme approved at Budget Council in February 2020. This included £2.550m from the modernisation programme; £1.000m for the ICT fund and £0.250m for the Laptop and Desktop renewal programme.
- 8.2 The Modernisation resources are funded through the flexible use of capital receipts as agreed by government; the ICT Fund is funded by a combination of capital receipts and council borrowing, and the laptop and desktop replacement is funded from council borrowing. The borrowing costs are built into the revenue budget and the planned use of capital receipts are included in the capital receipts reserve projections.

*Finance Officer Consulted: James Hengeveld*

*Date: 09/03/20*

### Legal Implications:

There are no legal implications arising from the outlined proposals at this stage. Under the Council's scheme of delegations, any projects involving a procurement with a contract value in excess of £500k would require separate Committee approval and would need to be reviewed for legal and financial implications at that stage.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 09/03/20*

### Equalities Implications:

- 7.1 Brighton & Hove Council is committed to providing its services in a way, which promotes equality of opportunity at every possibility. Any supplier of service will be required to comply with the relevant Equality and Diversity legislation.

### Sustainability Implications:

7.2 No significant implications arising from this report.

Any Other Significant Implications:

Risk and Opportunity Implications





<b>Subject:</b>	Cash Collection and Cash & Valuables in Transit		
<b>Date of Meeting:</b>	19 March 2020		
<b>Report of:</b>	Acting Chief Finance Officer		
<b>Contact Officer:</b>	<b>Name:</b>	Lorraine Kuhler	<b>Tel:</b> 01273 291369
	<b>Email:</b>	Lorraine.kuhler@brighton-hove.gov.uk	
<b>Ward(s) affected:</b>	All		

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

- 1.1 The council currently has a contract with BDI Securities UK Limited to provide a Cash Collection and Cash & Valuables in transit service which is due to expire on 3rd August 2020.
- 1.2 The purpose of this contract is to ensure that monies collected in various council buildings across the city, as well as approximately 150 parking machines are banked securely and efficiently. It also enables cash and valuables to be delivered to various council sites in a secure and timely manner.
- 1.3 The contract is managed and monitored corporately by Orbis Business Operations. Services currently utilising the contract are (this list is not exhaustive):
- Parking
  - Royal Pavilion
  - Social Care Services (Children and Adults)
  - Libraries
  - Nurseries

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee approves the procurement and award of contract for a Cash Collection and Cash & Valuables in Transit service for an initial term of 2 years, commencing on 4th August 2020 with an option to extend for a further period of 2 years.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 In August 2014 Brighton & Hove City Council entered into a contract with BDI Securities Ltd for its cash collection and cash & valuables in transit services. This was a 24-month contract that was performed to a high standard and was followed by a mini-competition procurement process to re-tender in 2016.
- 3.2 For the 2016 procurement process, Brighton & Hove City Council accessed the Eastern Shires Purchasing Organisation framework for Cash Collection and

Cash & Valuables in Transit services. Following a robust evaluation, BDI Securities Ltd were successful and were awarded a 2+2 year contract. The extension period has subsequently been utilised and therefore the contract is due to expire August 2020.

- 3.3 BDI securities take all departmental cash and cheques direct to the council's bullion centre and the income is banked directly to our bank accounts with Lloyds Bank. Parking income is collected, counted and banked, then passed to our bank account within 10 working days. This key performance indicator (KPI) has been met throughout the duration of the contract.
- 3.4 Compared with previous contracts, the current BDI contract requires all corporate cash collected to be taken direct to the council's registered bullion centre and banked direct to the BHCC account, leaving only the parking machine income to be processed by the carrier and open to potential risk, which is approximately a weekly value of £0.030m. This considerably reduces risk compared to previous contracts where up to £0.250m per week was processed by the carrier. This reduction in risk also reflects the reduction in the number of parking meters accepting cash.
- 3.5 Quarterly service review meetings have been held throughout the contract to monitor the Service Level Agreements (SLAs) and KPIs agreed with BDI Securities Ltd for the performance of the service. Discussing and resolving any issues, upcoming changes and challenges as they arise ensures effective management and performance of the contract. Whilst the contract is managed by Business Operations, Parking Services and corporate Finance also attend the service reviews as key stakeholders. This has enabled an improved and effective relationship with the security carrier. There have also been various improvements to the service within the past couple of years, including the installation of dash-cams to the BDI vehicles. This ensures that the council is not incurring costs for collections that could have taken place but did not and this requirement will be built into the new specification as a default.

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

##### **Preferred Option: Mini-Competition via an Existing Framework**

- 4.1 In accordance with the council's Contract Standing Orders (CSOs) and the Public Contracts Regulations (PCR) 2015, the framework offers an OJEU compliant route to market with contract terms and conditions already agreed by all suppliers admitted to the framework. A national framework may also provide better value for money for this type of service due to economies of scale. The framework also has template documents that can provide a quick turnaround when drafting tender documents. A typical mini-competition may take 3 to 6 months compared to a full OJEU tender that could take up to 12 months
- 4.2 **Alternative option: Insourcing of services**
- 4.3 This would be a very complex service to deliver in-house for a number of reasons, the main concern being a lack of expertise in this industry and therefore an inability to even specify the full service requirements. The main concerns and barriers would therefore be:

#### 4.4 **Vehicles:**

A fleet of secure vehicles, meeting industry standard, would need to be purchased and maintained to hold and transport the cash & cheques collected. The vehicles are highly modified and relatively expensive and therefore financing is generally only viable for large scale operators utilising vehicles across a number of customers and contracts.

#### 4.5 **Secure Premises:**

A secure location and premises for the vehicles to return to and count and store the collected cash in preparation to be banked, as well as a secure location to keep the vehicles. There would be insurance implications to both of the above.

#### 4.6 **Professional requirements/registrations:**

The employer would be required to ensure all employees had relevant professional and operational training and requirements such as Security Industry Standard (SIA) licenses, clean driving licenses etc. As mentioned above, the council does not currently have the expertise in-house to determine these requirements. In contrast, the framework, developed by experts, ensures that these and other requirements have already been met by any contractor who has successfully registered on the framework.

#### 4.7 **Audit:**

Exposure of large volumes of cash together with lone working mean that complex internal controls and processes would need to be put in place to ensure security of collection, transportation and depositing of cash and valuables. Again, expertise does not currently exist in the council. Not putting in effective controls would be likely to invalidate insurance claims for losses or thefts whereas external contractors already have certified processes.

#### 4.8 **Implementation timeframes:**

There is only 5 months between now and the current contract expiring; this is not enough time to address the considerations highlighted above. The council would need to appoint or commission a range of external expertise to enable it to develop an in-house service which would be an additional expense and require many months to undertake.

#### 4.9 **Value for Money versus other benefits:**

Large security carrier operators are able to spread the cost of secure vehicle storage, secure premises, vehicle acquisition, operator equipment and training, as well as head office costs, over a large number of contracts to offer competitive pricing and value for money. The council would not be in this position. Cash is also a reducing commodity and the contract will accommodate this in the pricing, while an in-house service would suffer increasing unit costs unless it were able to reduce vehicles and staffing, etc. accordingly. An in-house service would bring social value and community wealth building benefits but many these can also be gained from a contractor by working with them to ensure they understand the council's priorities and values.

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

- 5.1 Engagement has taken place with Parking Services as this contract is critical to their income collection from both parking machines and corporate car parks and their budget funds the majority of this contract cost.
- 5.2 It is not felt necessary for community engagement to take place regarding this contract renewal, however, social value considerations will be included as part of the mini-competition.
- 5.3 The options above were discussed with the Procurement Advisory Board on 27 January 2020 and the board agreed with the rationale for the preferred option.

## **6. CONCLUSION**

- 6.1 This contract is fundamental to ensuring the secure transportation and banking of the council's cash and cheque income. Utilising a framework will allow the council to complete a mini-competition between recognised and professional contractors, to procure and award a contract for Cash Collection and Cash & Valuables in transit.

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

### **7.1 Financial Implications:**

The current annual value of this contract is approximately £0.240m, supporting annual cash and cheque collection exceeding £5m. It is hoped that moving to a new Central Purchasing Body framework will lead to further economies of scale and contract savings, though it is noted that the terms and details of the new framework are yet to be released.

*Finance Officer Consulted: Peter Francis*

*Date: 17/02/20*

### **7.2 Legal Implications:**

Public Contracts Regulations 2015 apply to the procurement and award of a call off contract from a framework agreement above the relevant thresholds for services, supplies and works. PCR 2015 defines a framework agreement as 'an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quality envisaged.' The process to award a contract framework agreement should be run in accordance with the Regulations as well as the council's Contract Standing Orders (CSOs) and the Framework process.

*Lawyer Consulted: Barbara Hurwood*

*Date: 09/01/20*

### 7.3 Sustainability Implications:

Sustainability will be taken in to account as part of the tender process including the proximity of the provider's fleet and staffing to Brighton and Hove and assurances regarding effective route planning, low emission security vehicles, and minimising paper records which will contribute to limiting carbon emissions and reduce paper usage during the contract.

In February 2017, the number of parking street collections were 2,400 and corporate collections were 177 as opposed to February 2019 where street collections were down to 1,669 and corporate collections to 133. This is due to cash payments decreasing across the organisation and therefore collection runs have become less frequent and smaller, giving a reduction in carbon emissions.

There is currently no strategic plan to increase the number of cashless machines further within the city or remove the machines currently taking cash within the next two-four years. However, the tender will emphasise the importance of reducing carbon emissions and encourage bidders to think more creatively in order to deliver the contract such as using electronic vehicles and effective route planning.

### 7.4 Any Other Significant Implications:

#### Value and Savings

By utilising the framework, the council is able to evaluate the quality and cost of the service in order to achieve value for money Confirmation is also awaited as to whether or not this could be a joint procurement with one of our ORBIS partners, Surrey County Council, which may lead to further savings through economies of scale. The combined volumes could potentially result in lower price bandings.

The decrease in cash collections has shown a significant saving in recent years. In 2016/17 the total invoices for the contract were £0.356m however for December 2018 to November 2019 (the last 12 months of invoices paid) the contract cost was down to £0.204m.

### 7.5 Risk and Opportunity Management Implications:

The secure transportation of the council's cash and cheques is the main risk in this contract, particularly, ensuring it is deposited at the council's registered bullion centre within 24 hours of collection. The risk exposure in relation to the carrier's processing of parking income is usually one week's worth of collections and therefore approx. £0.035m to £0.045m at any one time, dependant on the time of year.



<b>Subject:</b>	<b>Procurement of Corporate Security Services</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin Hedgecock</b>	<b>Tel: 01273 295470</b>
		<b>Angela Dymott</b>	
	<b>Email:</b>	<b>martin.hedgecock@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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

- 1.1 This report outlines the options for the council's corporate security services provision for manned security and key holding for the corporate buildings and schools contract managed by Property & Design. Following advice from the Procurement Advisory Board (PAB) on the 27<sup>th</sup> January 2020 the service is seeking approval to procure and award a contract for an initial period of 2 years with the option to extend for two further periods of 12 months while fully costed proposals to bring the static guarding element of the current contract in house are developed.

## **2. RECOMMENDATIONS:**

- 2.1 Policy & Resources Committee approves that the Executive Director of Economy Environment & Culture is granted delegated authority to procure and award a corporate contract for the provision of security and key holding services via a central purchasing body framework for a minimum initial term of 2 years with the option to extend for two further periods of 12 months ( 2+1+1).
- 2.2 Policy and Resources Committee agrees to the service developing detailed proposals to in-source all static guarding as advised by the Procurement Advisory Board on 27<sup>th</sup> January 2020, once fully developed such in-sourcing proposals for static guarding will be presented to Policy and Resources Committee.

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

- 3.1 The existing security and key holding provision has been in place with AP Security since 2013. The current contract has expired, and the service are in the process of seeking a waiver to award a short-term contract to AP Security whilst a contract for the longer-term provision is procured. A procurement options appraisal to determine the best route to market is being undertaken as set out in paragraph 4.
- 3.2 The contract is expected to commence in October 2020 for an initial period of 2 years with the option to extend for two further periods of twelve months.

- 3.3 The contract delivers static security guarding, ad-hoc security guarding, mobile security patrols, monitoring and response of alarm activations, remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings.
- 3.4 The operational benefits of utilising an outsourced provider include immediate response to situations as they arise, consistent delivery of the regular service, provision of remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings, the costs of which are shared, through economies of scale, with private organisations who contract similar services from the provider.
- 3.5 The cost of the corporate security contract provision for the council is approx. £750kpa, however this cost across all services including housing fluctuates depending on threat levels and actions and is estimated at over £900K p/a.

3.6 The indicative cost/quality ratios for this contract is to be set with the following ratios:

Quality	Price
50-60%	40-50%

The evaluation will be based on the Most Economically Advantageous Tender (MEAT) which combines qualitative and cost elements to identify the best offer and service provider for the requirements.

- 3.7 The current basic spend with AP Security is approximately £750,000.00 per annum. A desktop assessment of the pricing under a central purchasing body framework has indicated there may be a small decrease in the hourly rate for guarding, however further work is required to confirm whether the service available under this framework can meet the needs of the Council and whether the rates have been tendered in accordance with Living Wage. Any potential savings under a new contract, are likely to be small and will be achieved through insourcing some of the static sites.
- 3.8 Since the contract with the AP Security commenced in 2013 there has been no increase in contract charges and the provider is a committed Living Wage Employer.

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

- 4.1 Three potential routes to market have been identified and an appraisal of these procurement options is being undertaken. The risks, benefits and timescales of each option are being analysed and will form part of the overall assessment however a preferred option has been identified.
  - 4.1.1 There will also be a feasibility review into incorporating the corporate security service provision within a self-delivered “in house” service and flexibility will be built into the option selected to reduce the specification requirement should the option to in-source all static guarding be viable.
- 4.2 **Option 1 - Central Purchasing Body Framework:(Preferred option)**



4.2.1 Two suitable frameworks have been identified. Both provide an option to conduct a mini competition whilst one also provides an option to Direct Award. Access to a framework can be quick and simple, as there's no need to run a full EU tender exercise. This means focus can be placed on development of the specification and KPIs as contract terms are already agreed. This option may offer better value for money due to national framework economies of scale however it needs to be determined whether the corporate requirements can be met under the framework selected. The timescale for calling off under an existing framework is around 4-6 months.

#### 4.3 **Option 2 - OJEU Compliant Tender**

4.3.1 An OJEU compliant tender is one which complies with public procurement legislation. A restricted (two-stage) procedure may be required given the number of providers in the market. This is likely to be more time consuming than calling off from a framework and requires substantial resource within property, procurement and legal teams. This also may be duplication of something that is already available under a framework or via an existing contract. This option would be Contract Standing Order and Public Contracts Regulations 2015 (PCR) compliant and would encourage current market competition. The timescale for running a full OJEU tender is approximately 9-12 months

#### 4.4 **Option 3 - Access to the Orbis Soft Facilities Management Contract**

4.4.1 There are several considerations with this option; an OJEU compliant procurement has already been undertaken in accordance with PCR 2015 therefore there is no requirement to conduct a new call for competition. However, confirmation is required from legal services and ESCC governance arrangements as to whether the estimated value on the OJEU notice accounts for the level of spend within BHCC. This option would require BHCC to access services via an SLA with ESCC. The details around the contractual relationship between BHCC, ESCC and the provider and any potential risks need to be fully understood.

#### 4.5 **Feasibility of providing the security provision in-house.**

4.5.1 An initial review covering each aspect of the current contracted requirement including static site security guarding, ad-hoc security guarding, mobile security patrols, monitoring and response of alarm activations, remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings demonstrated that it would be operationally difficult to manage in-house. It was found that there would be no financial benefit in transferring the key holding, locking and unlocking and mobile response aspects of the current contract to an "in-house" provision as the cost of the service across Brighton and Hove is shared in conjunction with several other organisations who are separately contracted with the provider.

4.5.2 However, the transfer of the security provision for static site guarding at Hollingdean depot, all customer service hubs and the travellers site as well as a proportion of ad-hoc security could be viable.

4.5.3 The Procurement Advisory Board requested a detailed proposal to in-source all static guarding. The feasibility report will be completed and presented for review in the summer.

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

- 5.1 The report for the procurement of corporate security services was presented to Procurement Advisory Board on the 27<sup>th</sup> January 2020 asking the Board to review and advise on the procurement options for the provision of corporate security services.
- 5.2 The Procurement Advisory Board recommended that the service draw up detailed proposals to in-source all static guarding and suggested they should return to PAB to present this for review in the summer. A report to Policy & Resources Committee would then follow. The Board's view was that key holding would not be suitable as an in-house service.
- 5.3 There was support from PAB to access a central purchasing body framework and also acknowledgement that a 2+1+1 contract term would provide the council with flexibility and sufficient time to develop and implement any in house options.

## **6. CONCLUSION**

- 6.1 The service will be seeking a waiver to award a short term contract.
- 6.2 Following approval from Policy & Resources Committee a procurement will be undertaken to award a 2+1+1 contract.
- 6.3 Detailed, fully costed proposals will be drawn up to in-source all static guarding, exploring the benefits, disbenefits and associated risks and will be presented to PAB and to the Policy & Resources Committee in due course.

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

### Financial Implications:

- 7.1 The proposed procurement is subject to compliance with the council's Contract Standing Orders and Financial Regulations. The council's Contract Standing Orders state that contracts above the value of £0.500m require approval from the relevant Committee or executive decision-making body. The procurement process will be prepared on a basis to maximise economy and effectiveness. Consideration will be given to providing elements of the contract in house where it can be demonstrated to provide value for money. The achievement of value for money when providing goods and services is a key task to ensure that public money is well spent.

The revenue costs associated with the provision of Corporate Security Services will be funded from approved budgets within the Property & Design service. The contract will also include the provision of security services to other services such as Schools and Housing, the costs of which will be funded from their approved service budgets. Any variation between costs and approved budgets will be reported as part of the budget monitoring and budget setting process.

The development of proposals to in-source all static guarding in the future will include a detailed financial business case taking into consideration any risks and sensitivities and will be reported to the relevant Committee or executive decision-making body.

Legal Implications:

- 7.2 The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the financial threshold for services, supplies and works. The councils Contract Standing Orders (CSOs) will also apply.

Lawyer Consulted:

Name Barbara Hurwood

Date: 13/02/20

Equalities Implications:

- 7.3 An Equality Impact Assessment will be planned as part of the proposal to in-source the static guarding.

TUPE considerations will be looked into.

Sustainability Implications:

- 7.4 Sustainability will be evaluated as part of the tender evaluation process once the procurement route is chosen. Providers will be encouraged to consider potential opportunities for the use of low emission or electric vehicles by the mobile patrols and support vehicles used in the city and we will expect the provider to demonstrate other ways in which they can contribute to the council's ambition to be carbon neutral by 2030

Brexit Implications:

- 7.5 The corporate security contract will help to protect the council against possible threats and escalating threat levels.

Any Other Significant Implications:

Social value and community wealth building considerations

- 7.6 During the proposed procurement process bidders will be asked to demonstrate how they intend to deliver social value in accordance with the council's social value framework. Social value will be allocated a minimum weighting of 10% as part of the overall quality evaluation. The specific social value commitments made by the successful bidder will be measured against the council's specific requirements such as local employment, apprenticeships, cascade of payment terms and a commitment to pay the living wage. The winning bidder will be asked to demonstrate how this will be achieved throughout the life of the contract.

Crime & Disorder Implications:

- 7.6 The corporate security contract supports the council in the prevention of crime and disorder and other security threats and helps to keep the staff and the general public safe and secure.

Risk and Opportunity Management Implications:

- 7.7 Failure to ensure continuity of the current full contracted security provision may expose the council to additional financial cost and management resource time to cover the essential services required.

Public Health Implications:

- 7.8 The corporate security contract will help to promote wellbeing

Corporate / Citywide Implications:

- 7.9 The proposals support the council's corporate priorities of keeping the public and staff safe and secure in council buildings

**SUPPORTING DOCUMENTATION**

**Appendices:**

- 1.
- 2.

**Background Documents**

- 1.
- 2.