





Brighton & Hove
City Council

Policy, Resources & Growth Committee

Title:	Policy, Resources & Growth Committee
Date:	29 March 2018
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: Morgan (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Mitchell, Peltzer Dunn, Sykes, Wealls and Yates
Contact:	Lisa Johnson Democratic Services Manager 01273 291228 lisa.johnson@brighton-hove.gov.uk

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Democratic Services: Policy, Resources & Growth Committee

Monitoring Officer	Councillor Morgan Chair	Chief Executive	Democratic Services Officer
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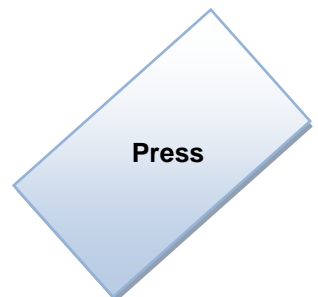
Exec. Director Finance & Resources
Exec. Director Economy, Environment & Culture
Exec. Director Neighbourhoods, Communities & Housing
Exec. Director Families, Children & Learning
Exec. Director Adult Care & Health

Councillor Hamilton Deputy Chair
Councillor Mitchell
Councillor Yates

Councillor Peltzer Dunn
Councillor Wealls
Councillor Bell
Councillor Janio Opposition Spokesperson
Councillor Mac Cafferty Group Spokesperson
Councillor Sykes



Public Speaker	Councillor Speaking
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Public Seating



Public Seating



AGENDA

PROCEDURAL MATTERS

107 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.

108 MINUTES

1 - 12

To consider the minutes of the meeting held on 8 February 2018 (copy attached).

Contact Officer: Mark Wall

Tel: 01273 291006

109 CHAIR'S COMMUNICATIONS

110 CALL OVER

- (a) Items (113-130) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

GENERAL MATTERS

111 PUBLIC INVOLVEMENT

13 - 18

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

- (a) **Petitions:** to receive any petitions presented by members of the public to the full Council or as notified for presentation at the meeting by the due date of 15 March 2018;

- 1. *Open Brighton's Homeless Shelters 365 days a year*

- Presented to the Council meeting held on 1 February 2018*
 - Lead petitioner Mr John Hadman, 5500 signatures.*

- Extract of Minutes from Council 1 February 2018 (copy attached)

- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 23 March 2018
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 23 March 2018

112 MEMBER INVOLVEMENT

19 - 20

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;
 - 1. Councillor Mac Cafferty
International Women's Day Commemoration - Blue Plaque
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

POLICY, RESOURCES & GROWTH COMMITTEE

FINANCIAL MATTERS

113 TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 (INCORPORATING ANNUAL INVESTMENT STRATEGY) 21 - 52

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

Contact Officer: James Hengeveld

Tel: 01273 291242

Ward Affected: All Wards

114 PAY POLICY STATEMENT 2018/19 53 - 64

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

Contact Officer: Matt Naish

Tel: 01273 295088

Ward Affected: All Wards

115 2018/19 LOCAL TRANSPORT PLAN CAPITAL PROGRAMME 65 - 80

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

Contact Officer: Andrew Renaut

Tel: 01273 292477

Ward Affected: All Wards

STRATEGIC & POLICY MATTERS

116 PHASING OUT SINGLE USE PLASTICS (SUPS) 81 - 92

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

Contact Officer: Mita Patel

Tel: 01273 293332

Ward Affected: All Wards

REGENERATION & PROPERTY MATTERS

117 ANNUAL PLANNED MAINTENANCE AND ASSET MANAGEMENT FUND ALLOCATIONS 2018-19 FOR THE COUNCIL'S OPERATIONAL BUILDINGS 93 - 106

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

Contact Officer: Angela Dymott

Tel: 01273 291450

Ward Affected: All Wards

118 ORBIS HARD FACILITIES MANAGEMENT PROCUREMENT 107 - 118

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

Contact Officer: Martin Hedgecock

Tel: 01273 295047

Ward Affected: All Wards

POLICY, RESOURCES & GROWTH COMMITTEE

- 119 EDUCATION CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2018/2019** **119 - 146**
- Report of the Executive Director for Families, Children & Learning (copy attached)
- Contact Officer: Richard Barker* *Tel: 01273 290732*
Ward Affected: All Wards
- 120 PURCHASE OF PROPERTY WITH RESTRICTIVE COVENANT** **147 - 156**
- Report of the Executive Director Neighbourhoods, Communities and Housing (copy attached)
- Contact Officer: Emma Kumar* *Tel: 01273 293297*
Ward Affected: Queen's Park
- 121 A REQUEST TO PURCHASE A PIECE OF HRA LAND ON MILE OAK ROAD** **157 - 182**
- Report of the Executive Director for Neighbourhoods, Communities & Housing (copy attached)
- Contact Officer: Scott Lunn* *Tel: 01273290282*
Ward Affected: North Portslade
- 122 PROCUREMENT PROGRAMME FOR HOUSING REPAIRS, PLANNED MAINTENANCE AND CAPITAL WORKS** **183 - 194**
- Report of the Executive Director for Neighbourhoods, Communities & Housing (copy attached)
- Contact Officer: Glyn Huelin* *Tel: 01273 293306*
- GENERAL MATTERS**
- 123 BRIEFING REPORT ON ASE REGIONAL ADOPTION AGENCY** **195 - 200**
- Report of the Executive Director for Families, Children & Learning (copy attached)
- Contact Officer: Karen Devine* *Tel: 01273 295444*
Ward Affected: All Wards
- 124 DATA PROTECTION OFFICER DESIGNATION** **201 - 206**
- Report of the Executive Lead for Strategy Governance & Law (copy attached)
- Contact Officer: Victoria Simpson* *Tel: 01273 294687*
Ward Affected: All Wards
- 125 SURVIVORS NETWORK PLEDGE** **207 - 210**
- Report of the Executive Director for Neighbourhoods, Communities & Housing (copy attached)

POLICY, RESOURCES & GROWTH COMMITTEE

Contact Officer: Larissa Reed
Ward Affected: All Wards

CONTRACTUAL MATTERS

126 AUTHORITY TO ENTER INTO A SUBLEASE FOR A MEDIUM SUPPORTED ACCOMMODATION SERVICE FOR HEALTH & ADULT SOCIAL CARE CLIENTS 211 - 224

Report of the Executive Director for Health & Adult Social Care (copy attached)

Contact Officer: Jenny Knight Tel: 01273 293081
Ward Affected: All Wards

127 TENDER FOR TRANSPORT PROFESSIONAL SERVICES 225 - 230

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

Contact Officer: Emma Sheridan Tel: 01273 293862
Ward Affected: All Wards

128 GRANT OF NEW LEASES SHOREHAM AIRPORT

Report of the Executive Director, Economy Environment & Culture (copy to follow)

129 ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 19 April 2018 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on [Insert Date] 2013 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.

PART TWO

CONTRACTUAL MATTERS

130 GRANT OF LEASE SHOREHAM AIRPORT PART 2

Report of the Executive Director, Economy Environment & Culture (copy to follow)

PROCEDURAL MATTERS

131 PART TWO PROCEEDINGS

POLICY, RESOURCES & GROWTH COMMITTEE

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

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

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

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Date of Publication - Wednesday, 21 March 2018

POLICY, RESOURCES & GROWTH COMMITTEE

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 8 FEBRUARY 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillors , Morgan, Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Mitchell, Peltzer Dunn, Sykes, Wealls, Yates and Mears

PART ONE

95 PROCEDURAL BUSINESS

(a) Declarations of Substitutes

1.1 Councillor Mears was present in substitution for Councillor Bell

(b) Declarations of Interest

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

(c) Exclusion of Press and Public

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

1.4 **RESOLVED:** That the press and public not be excluded from the meeting during consideration of the items contained in part two of the agenda.

96 MINUTES

96.1 Councillor Janio referred to paragraph 82.7, and said that the Executive Director, Economy, Environment & Culture's full response to his question had not been included in the Minutes.

96.2 It was agreed to include the following wording in paragraph 82.7:

The Executive Director, Economy, Environment & Culture confirmed that the consultation on the single stage transfer had broadly begun in September with engagement increasing as the project had progressed.

96.3 **RESOLVED:** That the Minutes of the meeting held as amended on 25 January 2018, as amended, be agreed and signed as a correct record.

97 CHAIR'S COMMUNICATIONS

97.1 The Chair advised all those present that the meeting would be webcast live and would be capable of repeated viewing.

98 CALL OVER

98.1 All items were reserved for discussion.

99 PUBLIC INVOLVEMENT

99.1 There were no matters listed under Public Involvement.

100 MEMBER INVOLVEMENT

100.1 There were no matters listed under Member Involvement.

101 TARGETED BUDGET MANAGEMENT (TBM) 2016/17: MONTH 9

101.1 The Committee considered the report of the Executive Director, Finance & Resources on Targeted Budget Monitoring. The report set out an indication of forecast risks as at Month 9 (December) on the Council's revenue and capital budgets for the financial year 2017/18.

101.2 Councillor Wealls asked for more information on both the temporary accommodation overspend, which had been driven by the higher than forecast volume of spot purchasing, and the ongoing pressure of voids and repair costs which had been the result of more households moving into permanent accommodation. The Executive Director Neighbourhoods, Communities and Housing said that spot purchasing was higher, which was a result of having a higher than normal decant of around 180 properties which had come to the end of their lease. In addition Kite Place had been delayed and so there were people the council were hoping to move through temporary accommodation that they weren't currently able to. The increase in people needing accommodation had reduced by around 40%. The Council were no longer entering into long leases in the hope to reduce the need for temporary accommodation in the longer term. Universal credit had added to the budget pressure, and there were currently 66 households in temporary accommodation who were all in receipt of universal credit and were all in arrears. The arrears in total were £90k, which was a significant amount.

101.3 Councillor Wealls asked if the large decant were not foreseeable when the budgets were drawn up. The Executive Director Neighbourhoods, Communities and Housing said it wasn't, as the decant had been quicker than anticipated.

101.4 Councillor Sykes referred to Children's Safeguarding and Care, and asked why the average cost of 'demand-led, secure accommodation' had increased so substantially and who was supplying the service. The Executive Director Families, Children & Learning said there no in-house placements, so external providers had to be used, and

the change to costs related to the increased duty to care leavers up to the age of 25 which meant the council was having to access more accommodation than previously.

- 101.5 Councillor Sykes noted the income generated from hoarding, which was a result of a Green Group amendment to last year's budget, and was pleased that the cost had not suppressed the market.
- 101.6 Councillor Sykes referred to the internal audit of Adult Social Care, which had raised some issues with care providers in terms of the monitoring of the placements and their costs. He accepted it was an on-going matter but asked if there was any clarity following that audit report. With regard to the TBM he noted there was £2m worth of savings, or underspend, associated with vacancies, with £600k worth of vacancies within Adult Social Care Assessment. He accepted savings were being made, but asked if there were not a risk to service users and a financial risk in not providing those services. He suggested that Brexit may be having an impact on recruitment. The Executive Director Health and Adult Social Care audit report said that the issues raised in the audit report were being taken forward. With regard to the vacancies, there had been challenges in recruitment and agency staff had to be used. There was a new recruitment programme in place, which would hopefully increase placement into permanent posts. The Executive Director Finance & Resources said that there were a number of reasons for vacancies, one was that many services were in a perpetual state of redesign, and if a department had to meet a budget saving and there were a vacancy near to the end of the financial year, the post may not be filled if it was known there wouldn't be the budget for that post in the following year. He agreed that it was necessary to consider the risk of such vacancies, and that could be part of the conversation for next year's budget.
- 101.7 Councillor Mears referred to temporary accommodation, and said that the old housing office in Oxford Street was due to be used for temporary accommodation but the delay in opening it was impacting on provision. The Executive Director Neighbourhoods, Communities & Housing said there had been delays with the premises in Oxford Street, but it would be used to provide temporary accommodation in due course.
- 101.8 Councillor Mac Cafferty noted the increase in National Non Domestic Rates (NNDR) bill for New England House. The Head of Finance said there had been an increase in NNDR on a number of Council buildings, and those costs had been built into the budget for next year.
- 101.9 Councillor Mac Cafferty referred to the Housing Strategy and asked why there had been lower spending than expected on the Transfer Incentive Scheme. The Executive Director Neighbourhoods, Communities & Housing that the scheme was demand led, and there had been fewer transfers than expected.
- 101.10 Councillor Mac Cafferty asked why there had been an overspend on the development of Brook Mead. The Executive Director Economy, Environment & Culture said that some items such as Wi-Fi, furniture for communal rooms, automatic doors etc. had not been included in the original scheme. However, those costs had been offset by money received from builders, so the development actually came in under budget.
- 101.11 Councillor Janio referred to Children's Safeguarding and Care and noted that every year the cost of demand-led residential agency placements was under predicted, and

asked if work was being undertaken to address that. The Executive Director Families, Children & Learning, said that there had been a reduction in the number of children in care and there were now 410, down by around 50 in the last twelve months. However whilst the number had reduced, the costs had increased for two reasons. Firstly the level of care needed, particularly for teenagers, had increased significantly and secondly, there had been an increase in the number of children in care nationally, and there were insufficient places to accommodate them and so the cost had increased. The Council were in discussion with neighbouring authorities to try and manage that market more effectively to address the costs.

101.12 Councillor Janio referred to the capital expenditure profile for the Shelter Hall, and asked if the funding stream for the additional £7m could be explained. The Deputy Chief Finance Officer said it would come from the Local Transport Plan capital grant, capital receipts and supported borrowing. The Executive Director Neighbourhoods, Communities & Housing said a report would be coming to both Environment Transport & Sustainability (ETS) Committee and Policy Resources & Growth (PRG) Committee where the full spend would be outlined. Council Janio was concerned that there would be an overspend, and asked that better costings be made for projects in the future as officers were continually asking PR&G Committee for more funding. Councillor Mitchell said that when the original bid for funding for Shelter Hall was submitted the full scale of what was going to be found was not known. The project was amazingly complex, but when finished would be an asset to the city. The Chair added that this was not a standard project, but something quite unusual. Councillor Janio said that the unexpected occurred on most building projects, and so there should be better planning of costs. Councillor Yates said that costs did increase, particularly when a project took a long time as cost inflation would often apply. Councillor Peltzer Dunn suggested it would be useful for officers to set out any potential problems with projects as soon as they were known.

101.13 Councillor Yates referred to the Brooke Mead project and noted that the overspend of 0.4% was off-set by delay damages, and asked where the money from those damages went to. The Executive Director Neighbourhoods, Communities & Housing said the Council were due to receive £300k of delay damages, some of which have been paid and some would be delivered as part of the final account. Councillor Mears asked if it would go to the HRA account, and was advised it would.

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

- (1) To note the forecast risk position for the General Fund, which indicated an in-year pressure of £0.428m. This includes a forecast overspend of £0.233m on the council's share of the NHS managed Section 75 services.
- (2) To note that total risk provisions of £1.384m remain available to mitigate the forecast General Fund risk if the risks cannot be completely eliminated by year-end.
- (3) To approve the establishment of two reserves as set out in paragraphs 6.2 and 6.3 of the report.
- (4) That the Committee note the forecast for the ring-fenced Housing Revenue Account (HRA), which is an underspend of £0.430m.

- (5) To note the forecast risk position for the ring-fenced Dedicated Schools Grant which is an underspend of £0.261m.
- (6) To note the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 5 and the new schemes and future years' variation in Appendix 6.

102 GENERAL FUND REVENUE BUDGET, COUNCIL TAX AND CAPITAL INVESTMENT PROGRAMME 2018/19

- 102.1 The Committee considered the report of the Executive Director of Finance & Resources, which set out the final proposals for the General Fund Revenue Budget, Capital Programme and Council Tax for 2018/19 together with the Integrated Service & Financial Plans for 2019/20 and a 10 year capital strategy.
- 102.2 Councillor Wealls referred to the Capital Investment Programme and the Education Basic Need funding, and asked what funding was likely to be freed up given the administration's decision not to support the Brighton University Academies Trust new secondary school. The Executive Director Families Children & Learning said that the decision on whether to proceed with the new school was for the Department for Education, rather than the council, and to date no decision had been made. It was therefore necessary to keep the funding until a decision not to proceed was made.
- 102.3 Councillor Wealls noted that the supplementary report to Budget Council would cover the additional Adult Social Care funding, and said that it would be helpful if that report could be more generic to allow a full discussion on how the funding would be spent at the next the PR&G Committee. The Executive Director Finance & Resources confirmed that this would be referred to in the supplementary report and that all members would be kept informed about the funding but that currently it was not clear what, if any, conditions would be stipulated by government. Councillor Wealls also noted that the budget included restoration of £50k for union facility time, and asked if that would impact on relationships with the unions. The Chair expected it would.
- 102.4 Councillor Sykes referred to the savings through procurement and contract management, and noted that some figures had been given of between £500k and £1.2m savings over a couple of years, but elsewhere a figure of savings of £3m or more a year had been suggested, and asked for more information on the difference between the two figures. The Executive Director Finance & Resources said that the initial 4-year plans already contained the majority of procurement savings, but the council then approved additional funding towards procurement and contract management activity which enabled further specific savings to be identified.
- 102.5 Councillor Sykes noted that the money the council got from Central Government for PFIs was a fixed amount, but the Council paid 3.5% more each year for the Waste PFI and asked why the amount the government paid did not increase. The Head of Finance said that all PFI credits were fixed and did not increase with inflation and that this was fully understood at the time of taking up the contracts. With PFIs, reserves were built up in the early years, which would then be drained over time as inflation uplifts took effect. The Waste PFI was volatile and demography could impact on the costs.

- 102.6 Councillor Sykes referred to the proposed savings within Housing, and noted that there had been a slight change from the figures provided in November 2017. Last year there had been a £36k saving against Housing Options, but that was now shown against the Housing General Fund and asked if the posts which were threatened in Housing Options were now safe. The Executive Director Neighbourhoods, Communities and Housing said the savings had been replaced by the deletion of a management post within Housing. The Director added that the additional money which was put in last year as a result of a council amendment was for one year, so that funding would not be available this year. Councillor Sykes referred to Education & Skills and noted the reduction of two Family Coach posts, with a saving of £80k, and that the report says that the cuts to those posts were made in April 2017 but the Equality Impact Assessment (EIA) indicated otherwise. The Executive Director Families Children & Learning said that there had been a significant redesign last year and it had incorporated the projected savings for this year, so those two posts weren't in place. The Director apologised that the EIA had not been updated to reflect the current position.
- 102.7 Councillor Mac Cafferty referred to the New Priorities for Investment, and had a number of questions on the spending. He noted that £20k would be spent on Independent Visitors to support Children in Care and asked what that money would cover. He referred to the Youth Employability Service and asked if the £90k had been identified to a specific service area. He noted that £10k would be invested in the Youth Bus, and £50k for supporting unaccompanied asylum seekers, asked if that provision was sustainable. The Executive Director Families Children & Learning said that the Independent Visitors were volunteers and, whilst some of the money would be for administration, the bulk of it would be for their expenses such as taking a child for a hot drink. With regard to the Youth Employability Service the intention was to extend the work supporting young children who leave the school system, particularly those with a disability. The Youth Bus would be operated by the Community and Voluntary Sector and the £10k would be used for admin costs and maintenance of the vehicle. The cost of supporting unaccompanied asylum seekers would be more than £50k, and so additional funding would be required but the bulk of that should come from the NHS.
- 102.8 Councillor Mac Cafferty referred to the Public Health budget and noted that 'substance misuse' would have temporary funding for 2018/19 and asked if that would affect the proposed budget cut. The Executive Director Health & Adult Social Care said that a saving of £28k had been negotiated with the provider for services relating to the in-patient detox service. However, he was unsure how the temporary funding related to the proposed budget cut and would get back to Councillor Mac Cafferty.
- 102.9 Councillor Janio referred to adult social care, and noted that a report would come to Budget Council confirming the additional money but the decision on how it would be allocated would go to another meeting. He asked if the report setting out how that money could be spent be considered by Policy Resources & Growth Committee, rather than Leaders Group which he thought had been suggested. The Executive Director Finance & Resources said that Leaders Group was only suggested as a meeting to discuss the process of allocating the money, rather than actually making a decision on the allocation itself which would initially be for Budget Council.
- 102.10 Councillor Janio thanked the administration for incorporating a number of Conservative ideas within the budget. He said that the Conservatives would vote for the budget, but

wouldn't 'support' it. Councillor Janio thanked officers for the work they had undertaken in preparing the budget.

102.11 Councillor Hamilton thanked officers for their work in preparing the budget and said that it was a tremendous piece of work.

102.12 The Chair said that, despite political differences, councillors had to deal with difficult funding issues and reach an agreement. He thanked the finance team and everyone involved in preparing the draft budget.

102.13 **RESOLVED:**

(1) That the Committee recommends to Council:

(a) The Administration's proposed Council Tax increase in the Brighton & Hove element of the council tax, comprising:

- (i) A general Council Tax increase of 2.99%;
- (ii) An Adult Social Care precept increase of 3.00%;
- (iii) The council's net General Fund budget requirement for 2018/19 of £208.824m;
- (iv) The 2018/19 budget allocations to services as set out in Appendix 1 incorporating 2018/19 savings proposals contained in the 4-Year Integrated Service & Financial Plans;
- (v) The reserves allocations as set out in paragraph 3.21 and table 3;
- (vi) The Prudential Indicators as set out in Appendix 10 to this report.

(b) That Council note the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 11 and 12.

(c) That Council approves the authorised borrowing limit for the year commencing 1 April 2018 of £436m.

(d) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 9.

(e) That Council notes the 4-Year Integrated Service & Financial Plans proposals for 2019/20 at Appendix 6.

(f) That Council notes the updated Medium Term Financial Strategy at Appendix 4.

(g) That Council approves the strategy for funding the investment in change and flexible use of capital receipts set out in paragraph 6.10.

- (h) That Council notes the Capital resources and proposed borrowing included in Appendix 7.
 - (i) That Council approve the Capital Investment Programme for 2018/19 included at Appendix 8 and incorporating allocations to strategic funds detailed in paragraph 6.9.
 - (j) That Council note that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 11.3.
- (2) That Policy, Resources & Growth Committee agrees that officers be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.

103 HRA BUDGET INVESTMENT PROGRAMME 2018/19 AND MEDIUM TERM FINANCIAL STRATEGY

103.1 The Committee considered the report of the Executive Director of Finance & Resources, and the Executive Director for Neighbourhoods, Communities & Housing which presented the proposed Housing Revenue Account (HRA) revenue and capital budget for 2018/19 as required by the Local Government and Housing Act 1989. The report was introduced by the Executive Director of Finance & Resources.

103.2 Councillor Sykes moved a motion to amend Recommendation 2.1 (a) and (b) with the following wording:

- (a) *Approves and recommends to full Council the updated HRA revenue budget for 2018/19 as shown in Appendix 2, (**Appendix 2 Data Table B amended to remove 'Children's Centre Services: £0.170m'**);*
- (b) *Approves and recommends to full Council the capital programme expenditure and financing budget of ~~£36.344m~~ **£39.344m** for 2018/19 and notes the 3 year programme as set out in Appendix 4, (**Appendix 4 expenditure line 'Purchase Properties' increased from £1.000m to £4.000m in 2018 /19, funded by bringing forward £3.000m resources from 2019/20 currently allocated to Further New Build – New Schemes, and the description narrative to read 'Report to H&NH committee for a programme to purchase former council houses or similar properties'**);*

103.4 Councillor Mac Cafferty seconded the motion.

- a. The Chair said that he understood that officer's advice was that the proposed amendment was problematic and presented a number of concerns and difficulties. Firstly, as it was a new proposal, officers across Housing and Finance had not had the opportunity to consider the potential viability in any detail to be able to advise members whether or not it would be reasonable, or safe, to commit resources to such a scheme. Secondly, there were serious concerns over the capacity of the service to be able to deliver this scheme in 2018/19. There was already a large and ambitious capital

programme proposed for the HRA (£36m) and there were currently reported risks on the timely delivery of some 2017/18 schemes. Adding a major new investment of £3m was unlikely to be deliverable without detailed consideration of resources and/or potential re-prioritisation of current and proposed capital schemes for 2018/19. Thirdly, the amendment used future RTB receipts and brought forward borrowing that would otherwise be used on future years' new build and/or other housing capital schemes. These were resources that the Housing committee had not yet considered in detail and this amendment therefore circumvented the normal and proper processes for consideration of all options for the use of future resources available to the HRA. Given this clear advice, he proposed that the Committee did not support the amendment and left it to officers to consider the proposals and submit a report to future Housing and PR&G committees for consideration. The Chair said his understanding was that it would be perfectly possible to do this after Budget Council and the non-inclusion of the proposed borrowing in the budget did not prejudice the ability to proceed with it should it be considered appropriate following proper evaluation of the proposals in accordance with established practice.

b. The Committee voted on the proposed amendment, and it was not agreed.

c. Councillor Hamilton moved a motion to amend Recommendation 2.1 (a) and 2.2 (a) with the following wording:

*2.1 (a) Approves and recommends to full Council the updated HRA revenue budget for 2018/19 as shown in Appendix 2; **subject to the removal of the proposed contribution of £0.170m from the HRA Revenue Budget to the General Fund in respect of Children's Centre Services and to use the resources released to fund the HRA Capital Programme 2018/19, thereby reducing the amount of borrowing required by the HRA and future financing costs incurred by the HRA.***

*2.2 (a) Approves the updated HRA Revenue Budget for 2018/19 as **amended and** shown in Appendix 2*

d. Councillor Wealls seconded the motion.

e. The Committee voted on the proposed amendment, and it was agreed.

103.9 **RESOLVED:**

(1) That the Committee -

(a) Approved and recommended to full Council the updated HRA revenue budget for 2018/19 as shown in Appendix 2; subject to the removal of the proposed contribution of £0.170m from the HRA Revenue Budget to the General Fund in respect of Children's Centre Services and to use the resources released to fund the HRA Capital Programme 2018/19, thereby reducing the amount of borrowing required by the HRA and future financing costs incurred by the HRA.

- (b) Approved and recommended to Full Council the capital programme expenditure and financing budget of £36.344m for 2018/19 and notes the 3 year programme as set out in Appendix 4;
 - (c) Noted the HRA forecast outturn for 2017/18 in Appendix 1 of a 0.43m underspend as at month 9; (Noted that this forecast has been updated since Housing and New Homes Committee to take account of the most recent information available);
 - (d) Noted the Medium Term Financial Strategy and 30 year financial projection shown in Appendix 5;
 - (e) Noted the Integrated Service and Financial Plan (savings proposals) in Appendix 6.
- (2) That the Full Council:
- (a) Approves the updated HRA Revenue Budget for 2018/19 as shown in the revised Appendix 2;
 - (b) Approves the Capital Programme expenditure and financing budget of £36.344m for 2018/19 and noted the 3 year programme as set out in the revised Appendix 4

104 ITEMS REFERRED FOR COUNCIL

104.1 **RESOLVED:** That the Committee agreed that the following items be referred to Council on 22 February 2018 –

Item 102: General Fund Revenue Budget, Council Tax and Capital Investment Programme 2018/19

Item 103: HRA Budget Investment Programme 2018/19 and Medium Term Financial Strategy

105 PART TWO MINUTES - EXEMPT CATEGORY 3

105.1 **RESOLVED-** That the Part Two minutes of the previous meeting held on 25 January 2018 be approved and signed as the correct record.

106 PART TWO PROCEEDINGS

106.1 **RESOLVED-** That the Part Two Minutes did not contain any exempt information and so would not be exempt from disclosure to the press and public.

The meeting concluded at 5.40pm

Signed

Chair

Subject: Open Brighton's Homeless Shelters 356 Days a Year
– Petition: Extract from the proceedings of the
Council Meeting held on the 1 February 2018

Date of Meeting: 29 March 2018

Report of: Executive Lead for Strategy, Governance & Law

Contact Officer: Name: **Mark Wall** Tel: **01273 291006**
E-mail: mark.wall@brighton-hove.gov.uk

Wards Affected: All

FOR GENERAL RELEASE

Action Required of the Policy, Resources & Growth Committee

To receive the item referred from the Council for consideration.

Recommendations: That the petition be noted and considered along with a report as detailed in Council resolution by the Policy, Resources & Growth Committee.

The Petition:

We the undersigned petition Brighton & Hove City Council to open homeless night shelters all year round (365 days).

In the meantime, we urge the council to conform to central government directions on opening SWEP shelters (Severe Weather Emergency Protocol). We understand this government requirement is not being met, with approximately £90,000 left unspent from previous years of SWEP budget.

Lead Petitioner – John Hadman

Additional Information

Why is this important?

Rough sleeping has almost doubled in the last year, but, the number of supported beds for homeless people has plummeted. There is also not enough affordable accommodation for people to move on to, making matters worse.

As a result, despite the goal of no second night out, rough sleepers are waiting an average of 12 weeks before some form of accommodation is provided. We therefore urge BHCC to fund resources to expand the amount of support accommodation available for homeless people all year round, not just when temperatures hit 0c and ensure that the existing budget available is spent.

BRIGHTON & HOVE CITY COUNCIL**COUNCIL****4.30pm 1 FEBRUARY 2018****COUNCIL CHAMBER - HOVE TOWN HALL****MINUTES**

Present: Councillors Marsh (Chair), Simson (Deputy Chair), Allen, Atkinson, Barford, Barnett, Bell, Bennett, Brown, Cattell, Chapman, Cobb, Daniel, Deane, Druitt, Gibson, Gilbey, Greenbaum, Hamilton, Hill, Horan, Hyde, Inkpin-Leissner, Janio, Knight, Lewry, Littman, Mac Cafferty, Meadows, Mears, Miller, Mitchell, Moonan, Morgan, Morris, A Norman, K Norman, O'Quinn, Page, Peltzer Dunn, Penn, Phillips, Robins, Sykes, Taylor, C Theobald, G Theobald, Wares, Wealls, West and Yates.

PART ONE**67 PETITIONS FOR COUNCIL DEBATE**

- 67.1 The Mayor stated that where a petition secured 1,250 or more signatures it could be debated at the council meeting. She had been made aware of one such petition which related to the provision of homeless shelters in the city. She also noted that there was an amendment to the covering report's recommendation from the Green Group.
- 67.2 The Mayor also noted that there was a Notice of Motion, Item, 72(2) on the agenda which related to the same subject, and she was therefore minded to take the item at the same time and to have one debate on the issue.
- 67.3 The Mayor then invited Mr. Hadman as the lead petitioner to present the petition.
- 67.4 Mr. Hadman thanked the Mayor and confirmed that the petition had 5,511 signatures and noted that this was more than the previous petition he had brought to the council last April. He believed that there was a need to address the situation of homelessness and rough sleeping in the city and noted that the Council's SWEP only operated in certain conditions and was not sufficient to resolve the matter. He questioned the lack of progress and noted there were a number of empty council properties that could be used as a night shelter. He also noted that the council had an objective to remove rough sleeping by 2020 and questioned how that target could be achieved. He suggested that the opening of the Brighton Centre as a temporary night shelter was not sufficient and more was needed to be done and hoped that this petition would result in action being taken.

- 67.5 Councillor Moonan thanked Mr. Hadman for the petition and stated that the opening of the Brighton Centre had been a cross-party initiative, which she believed was appropriate and was working well. She wished to thank the officers involved and all those who had volunteered to help make it operational. She also noted that councillors were looking to secure funding to enable a night shelter to be provided permanently and that resources had been identified in the Budget which was due to be considered on the 22nd February. She stated that SWEP took into account certain factors and it was difficult to predict the severity of the weather when planning ahead for the year. She stated that the Administration had prioritised the issue of rough sleeping and the Rough Sleeping Strategy was in place and beginning to take effect; to date 1,300 people had been helped to get off the streets; although it was recognised that numbers may increase.
- 67.6 Councillor Gibson moved an amendment on behalf of the Green Group requesting that a report be brought to the Policy, Resources & Growth Committee to identify resources to help prevent homelessness. He stated that rough sleeping was a huge concern in the city and had to be prioritised and action taken. The situation was getting worse with 174 rough sleepers currently in the city. He welcomed the petition and the additional resources that had been identified in the budget; as well as the work being undertaken by voluntary organisations to help address the situation. He also believed that more needed to be done to provide temporary accommodation and that the previous cuts to supported accommodation should be reconsidered. There was a need to provide shelter for 365 days a year and not just on a temporary basis.
- 67.7 Councillor Druitt formally seconded the amendment and reserved his right to speak later in the debate.
- 67.8 Councillor Moonan then proposed the joint Notice of Motion as listed in the agenda on behalf of the 3 Groups represented on the Council. She stated that the opening of the Brighton Centre as a temporary night shelter had made a positive contribution; proving up to 30 beds in a safe environment. She wished to thank the staff involved and volunteers who had enabled it to open and prove to be a success.
- 67.9 Councillor Mears formally seconded the joint motion and stated that she was happy to support the Green Group's amendment. She also wished to thank Mr. Hadman for his efforts to highlight the issue of homelessness and rough sleeping. In regard to the overall situation, she felt that there were too many strategies and not enough information being given to committee on how available funding was being utilised.
- 67.10 Councillor Gibson also seconded the joint motion and stated that he believed the joint working to date had been positive and had made an important start by using a council building. He also felt that the council should look to work more closely with local communities which had also taken the initiative to support rough sleepers. There was a need to expand Housing First and have shelters open 365 days a year.
- 67.11 Councillor Meadows stated that it was a difficult situation and needed to be addressed. She welcomed the actions taken by residents within the city and felt that these needed to be part of a wider strategy, given that thirty plus people were arriving in the city every week.

- 67.12 Councillor Simson stated that at the last Audit & Standards Committee she had asked for information on hidden homelessness and been informed that there was no data available. She was concerned that this issue was not being addressed and was in effect a time bomb that could impact at any moment and needed to be taken into consideration.
- 67.13 Councillor Druitt stated that he wished to pay tribute to Mr. Hadman who should be an inspiration to everyone. There was a huge amount of voluntary support in the city and this needed to be harnessed and the council should work with those volunteers to improve what was on offer to help those on the streets. The Green Group amendment took account of the fact that homelessness was a year round situation and that needed to be recognised.
- 67.14 Councillor Bell noted that funding to assist with homelessness was available and hoped that all parties could work together to ensure it was used effectively.
- 67.15 Councillor Penn stated that there was a housing crisis in the city and more work was needed to address the impact of Welfare Reforms and rent levels in the city of homelessness was going to be addressed.
- 67.16 Councillor Wealls stated that there was a need to improve how the council responded to cases, he was aware of an instance where rough sleeping had been reported but it took several days before anyone attempted to go to speak to the people, who had moved on by that time. He felt that more work was needed to ensure those agencies commissioned to support rough sleeping were taking action and using resources effectively.
- 67.17 Councillor Moonan welcomed the comments and stated that whilst the Green Group amendment could be accepted, it had un-costed ideas and needed to account for the overall budgetary position of the council. It would have helped if the proposals could have been discussed as part of the budgetary process; however she hoped that this important matter could be addressed on a cross-party basis and for difficult decisions to be taken collectively.
- 67.18 The Mayor thanked Mr. Hadman for attending the meeting and presenting his petition; and noted that the Green Group's amendment had been accepted. She therefore put the recommendations as amended to the vote which were carried.
- 67.19 **RESOLVED:**
- (1) That the petition is noted and referred to the Policy, Resources & Growth Committee for consideration at its meeting on the 29th March 2018; and
 - (2) That a report addressing the issues in this petition be submitted to Policy, Resources & Growth Committee which identifies resources that can be made available through the budget-setting process to prevent homelessness through:
 - 365 day provision of accommodation for rough sleepers with appropriate support services to enable rough sleepers to make a permanent transition

away from rough sleeping

- Reversing the cut in the supply of supported accommodation for rough sleepers made in the summer of 2015
- Expanding the supply of properties for use by Housing First and other move-on accommodation by buying and/or leasing suitable properties
- Working more in partnership with community volunteers to support and expand community initiatives to prevent rough sleeping so that we can meet the Council's goal of 'No second night out'

67.20 The Mayor then put the following Notice of Motion to the vote:

This Council:

1. Recognises the positive contribution of the Brighton Centre Winter Night Shelter in providing rough sleepers with both a welcoming, safe and warm environment, and assistance with a variety of health, housing and other issues, over the cold winter months.
2. Congratulates volunteers and staff for their work on the project above and beyond the call of duty.
3. Resolves to work together on a cross-party basis to tackle budgetary and logistical issues so that projects such as these, that reduce rough sleeping, can continue in future years.

67.21 The Mayor confirmed that the motion had been carried unanimously.

Councillor Phelim Mac Cafferty
Brighton & Hove City Council
Hove Town Hall
Norton Road
Hove BN3 3BQ

Chief Executive
Brighton & Hove City Council
Hove Town Hall
Norton Road
Hove
BN3 3BQ

Date: 16 March 2018

Our Ref: PM/nv

Your Ref:

By email

Dear Chair of the Policy, Resources and Growth Committee

Re International Women's Day Commemoration - Blue Plaque

This month our city marked 'International Women's Day,' a crucial date in the calendar that highlights the fight for women's equality. This year we also mark the 100th anniversary of the Representation of the People Act, which gave the right to vote to some women over the age of 30. Today, as in the past, Brighton and Hove has been at the centre of the rich struggle for women's equality.

This letter requests that to commemorate the 100th anniversary, the Committee considers the options to nominate the movement for women's votes in Brighton and Hove to be commemorated by a blue plaque next to the Clock Tower*; that such a nomination is communicated to the Commemorative Plaque Panel; and, that appropriate arrangements are made with civic and cultural organisations to highlight important stories of the struggle for women's suffrage for the coming year.

In marking the 100th anniversary of the Representation of the People Act we must acknowledge the extraordinary bravery of suffragists and suffragettes who fought for equal rights for women. Brighton Women's Social & Political Union was founded in 1907 and was one of the most active regional branches of the Pankhurst-led organisation- whose motto was 'Deeds not Words.' While in the summer of 1913, a group of 100 women from Brighton marched to London supporting the call for votes for women- as part of the National Union of Women's Suffrage Societies' mass march from seventeen cities across the country. As elected representatives ourselves, we must recognise the heroism of Brighton and Hove suffragettes who fought for the right to vote.

Suffragist Millicent Garrett Fawcett was married to Henry Fawcett, Member of Parliament for Brighton in 1865. Today Millicent's surname lends itself to one of the leading organisations for gender equality. *8- 9 the Quadrant, next to the Clock Tower, was home of the Women's Social and Political Union founded by Emmeline Pankhurst. Emmeline's great-granddaughter, Dr Helen Pankhurst is an alumnus of Sussex University and granddaughter of Sylvia Pankhurst. Many of the organisation's well-known members, such as Christabel Pankhurst, Annie Kenney, and Emily Wilding Davison, came to visit the city. In January 1910 police removed

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Green Party Councillor for Brunswick & Adelaide Ward

two women from inside the organ at the Dome, after they drew attention to their hiding place with a sneeze. The pair – Brighton-local Eva Bourne and activist Mary Leigh – had planned to leap from the organ during a talk that evening by anti-suffrage Prime Minister Herbert Asquith, shouting “votes for women.”

These are women who bravely fought for the representation of women in Parliament and their participation in public life. Later in 1918 women become magistrates and had their right to sit as Councillors extended. Their steps are well worn by thousands of other women in the city since, fighting for a fairer world.

I urge the committee to consider honouring the struggle for votes for women in this fashion; so that their efforts are publicly recognised for years to come. I would be grateful if the committee would accept this request and bring to a future committee plans for its implementation this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Phelim Mac Cafferty', written in a cursive style.

Councillor Phelim Mac Cafferty

Green Party Councillor for Brunswick and Adelaide
Convenor of the Green Group of Councillors, Brighton and Hove City Council
Green Group Spokesperson on the Policy and Resources Committee and Planning Committee

Subject:	Treasury Management Strategy Statement 2018/19 (Incorporating Annual Investment Strategy)		
Date of Meeting:	29 March 2018 – Policy, Resources & Growth Committee 19 April 2018 - Council		
Report of:	Executive Director of Finance & Resources		
Contact Officer:	Name:	James Hengeveld	Tel: 01273 291242
	Email:	James.hengeveld@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Part 1 of the Local Government Act 2003 requires each local authority, inter alia, to:
- comply with the requirements of ‘the Code of Practice for Treasury Management in the Public Services’ issued by CIPFA; and
 - comply with investment guidance issued by the Secretary of State
- 1.2 The Code of Practice requires each local authority to set out its strategy on treasury management for the forthcoming year. Additionally, guidance issued under the Local Government 2003 requires a local authority to approve an annual investment strategy. The purpose of this report is to recommend a Treasury Management Strategy Statement (TMSS - formerly called the Treasury Management Policy Statement), Treasury Management Practices and Annual Investment Strategy for the financial year commencing 1 April 2018.
- 1.3 At its meeting in March 2017, Policy, Resources & Growth Committee approved both the Treasury Management Statement and Treasury Management Practices for 2017/18 and subsequent years. There are no changes recommended to the Statement or Practices.
- 1.4 This year, this Committee is asked to recommend all three of the aforementioned strategies to full Council for its approval. This is in line with best practice and in preparation for submitting the report alongside the Budget Report in 2019/20 onwards.

2. RECOMMENDATIONS:

- 2.1 That Policy, Resources & Growth Committee recommends that full Council approve the TMSS and Treasury Management Practices, which remain as approved by Policy, Resources & Growth Committee on 23 March 2017.

- 2.2 That Policy, Resources & Growth Committee recommend that full Council approve the Annual Investment Strategy 2018/19 as set out in Appendix 2 to this report.
- 2.3 That Policy, Resources & Growth Committee recommends that full Council approve the Borrowing Strategy as set out in Appendix 3 to this report.

3. CONTEXT/ BACKGROUND INFORMATION

Background

- 3.1 The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested into counterparties and instruments commensurate with the council's risk appetite.
- 3.2 The second main function of the treasury management service is the funding of the council's capital plans. The capital plans provide a guide to the borrowing need - which is essentially the longer term cash flow plan - to ensure the council can meet its capital spending obligations.
- 3.3 The recommended TMSS follows the drafting format recommended in the Treasury Management Code of Practice. The Treasury Management Practices and schedules identify the practices and procedures that will be followed to achieve the aims of the TMSS and that underpin the council's Treasury Management function. These practices remain unchanged from previous years and are considered 'best practice' under the Code.

Reporting Requirements

- 3.4 The Council is currently required to receive and approve, as a minimum, three main reports each year which incorporate a variety of treasury policies, estimates and actuals.
- 3.5 At the beginning of the year, the authority is required to receive and approve:
- The treasury management strategy (how the investments and borrowings are to be managed) including treasury indicators;
 - An Annual Investment Strategy (the parameters on how investments are to be managed);
 - The council's capital plans (including prudential indicators);
 - The Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to the revenue account over time).

The first two outlined above are contained in this report. The prudential and treasury indicators, MRP Policy and capital plans were approved by Budget Council on 22 February 2018. The prudential and treasury indicators are replicated in Appendix 3 of this report.

- 3.6 Two further reports will update members with the mid-year and end of year progress of the performance of the treasury management function.
- 3.7 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by Policy, Resources & Growth committee.

Changes to the Prudential Framework

3.8 The council undertakes its borrowing and investment decisions in accordance with the four statutory codes which make up the Prudential Framework. Each of these four codes has recently been updated following consultation with Local Authorities. CIPFA released revised Prudential and Treasury Management Codes in December 2017, and the Ministry for Housing, Communities and Local Government released revised Investment Guidance and MRP Guidance in February 2018.

3.9 The Prudential Framework has primarily been revised to improve the transparency and accountability of local authority investments, particularly in non-financial commercial investments such as commercial property and loans to third parties. The aim is to ensure members are fully conversant with the risks of non-financial investments and are aware of how the risks are proportional to the council's revenue position and other capital and borrowing activity. The major changes to implement are as follows:

- **Capital Strategy:** All local authorities will be required to prepare an additional report called a Capital Strategy report, which is intended to provide the following:
 -
 - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed;
 - the implications for future financial sustainability.

The aim of this report is to ensure that all elected members fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

- **Treasury Management Role of the Section 151 (S151) Officer:** The specific responsibilities of the S151 officers have not been revised under the code's revision. However, as the codes have been extended to cover non-financial investments (which CIPFA have defined as being part of treasury management), it is implicit that there has been an extension of these responsibilities to cover non-financial investments.
- **Implementation:** CIPFA have issued a statement requiring full implementation by 2019/20 but with adoption recommended as early as possible. A Capital Strategy which is compliant with the code's new requirements will be drafted. Additionally, changes may need to be made to the Treasury Management Practices & Schedules and the Council's Financial Regulations and Procedures. Officers are working towards having these requirements in place during 2018/19, with changes to be agreed alongside the 2018/19 Treasury Management Mid-Year Review.

Annual Investment Strategy

3.10 The Annual Investment Strategy (AIS) for 2018/19 is set out in Appendix 2 to this report. The AIS gives priority to security and liquidity.

- 3.11 Security is achieved by:
- selecting only those institutions that meet stringent credit rating criteria or, in the case of non-rated UK building societies, have a substantial asset base; and
 - limiting the amount invested with any one institution.
- 3.12 The council uses independent credit rating agencies to assess the creditworthiness of investment counterparties. Aside from some specific exemptions (as set out in 1.3.3 of Appendix 2), the AIS 2018/19 continues with the policy of assessing creditworthiness by applying the lowest rating issued by the three main rating agencies – Fitch, Moody’s, and Standard & Poor’s. In the majority of cases the ratings issued by these agencies are aligned but this is not always the case.
- 3.13 Rating criteria are only one factor taken into account in determining investment counterparties. There are other factors such as:
- counterparty Credit Default Swap prices - traded financial derivatives that are essentially “insurance” against a counterparty’s debt; the price trends of these instruments provide some insight as to how the market views the risk of a particular counterparty;
 - credit watches;
 - outlooks published by the ratings agencies;
 - articles in the financial press.
- 3.14 Action will be taken where it is felt the risk attached to a particular counterparty has or is likely to deteriorate. Action will include the temporary suspension of the counterparty if considered appropriate.
- 3.15 Liquidity is achieved by limiting the maximum period for investment and matching investment periods to cash flow requirements.

Changes to the AIS for 2018/19

Externally managed investments (Cash Manager)

- 3.16 During 2017/18 there has been a change in the council’s relationship with the cash managers (Aberdeen Asset Management). The council now invests directly into Aberdeen’s AAA Ultra Short Dated Bond Fund as opposed to having a segregated mandate for investment. This does not change the risk or return of the funds invested with Aberdeen as the council’s money was already held in this fund. The segregated Cash Manager mandate was originally set up to allow the cash manager to invest directly into other instruments such as gilts. However, in reality as the markets changed following the financial crisis, this mandate was never utilised.

As a result, references to the Cash Manager’s investment parameters have been deleted from the Annual Investment Strategy as this is no longer relevant. The investment is being treated as an investment into an Ultra Short Dated Bond fund (previously called Enhanced Money Market funds in previous AIS documents).

Fund Selection Process

- 3.17 In order to maximise the council’s investment return within appropriate security and liquidity parameters, it is important to match investment time horizons with

cash needs. A balance sheet review has been undertaken which has identified that up to £20 million of the council's reserves are expected to be long term reserves and can therefore be invested for a time horizon of up to 5 years. Additionally, up to £20 million has been identified as being available for investment for a time horizon of up to 3 years in line with cash flow forecasts.

- 3.18 Furthermore, it has been a number of years since the performance of the Aberdeen fund has been tested against other similar funds. The performance of Aberdeen has fallen over the last couple of years, which has presented a good opportunity to review the performance through the undertaking of a selection process for Ultra Short-dated Bond funds.
- 3.19 Working with the council's treasury advisors, treasury officers are expecting to place up to £30 million across a small number of funds. This incorporates the £20 million of longer term reserves as well as a further £10 million which can be safely invested for a 2/3 year time horizon in line with cash flow forecasts.
- 3.20 Link Asset Services has been engaged to assist in a selection process of two types of funds as set out below. The purpose of investing in two different types of fund is to ensure diversification and allow the council to improve its return on investments whilst minimising the risk of capital loss. Both types of funds are already allowable within the council's investment strategy.
- **Ultra Short Dated Bond Funds:** These pooled investment funds are typically invested only in high quality, investment grade instruments. The funds are highly diversified and very liquid and most are rated by the ratings agencies. The funds vary in terms of what assets they invest in, and the recommended investment time horizon varies, from just a few weeks to one year. The council already invests £26 million in the Aberdeen Ultra Short-dated bond fund. Officers expect to invest up to £20 million across up to two funds.
 - **Short Dated Bond Funds:** These funds are also pooled investment vehicles. One evident way these funds differ from the Ultra Short dated funds in that they are largely unrated by the ratings agencies and therefore a greater level of due diligence is required to fully understand the parameters under which they invest. The investment time horizon is longer too, with most funds having a minimum investment time horizon of 2-3 years. The longer term nature of the assets within the fund means that the fund's performance can be more volatile than the Ultra Short Dated fund. Officers will undertake a detailed selection process which will include detailed assessments of a range of different aspects of each fund. These will include the underlying investment process, the experience of the fund management company, permitted instruments, past performance, including volatility, and an understanding of the ethical approach associated with each fund. These assessments will be undertaken following receipt of responses to a detailed questionnaire that will be sent to each fund manager deemed appropriate at the start of the process. Officers expect to invest up to £20 million across up to two funds.

Money Market Fund Reform

- 3.21 The council uses Money Market Funds (MMFs) as its primary means of achieving liquidity within its investment portfolio. The funds that the council currently invests in are funds which use a Constant Net Asset Value (CNAV) pricing method. As reported within the 2017/18 Annual Investment Strategy report in April 2017, new EU regulations for reforming MMFs are coming into force on 1 January 2019. The changes will limit the activity and structure of

CNAV funds to just those which invest solely in government-level securities. As a result, many fund managers will be modifying their non-government MMF structures to LVNAV (Low Volatility Net Asset Value) or VNAV (Variable Net Asset Value). The strategy has been amended to allow the council to invest in all three fund types: up to £10m per AAA rated fund.

Bank Ring-fencing

- 3.22 The government introduced has new ring-fencing legislation which comes into effect from 1 January 2019. Under this legislation large banks (those which hold retail and SME deposits over £25bn) are required to separate out core retail banking activities from their investment and international activities. This is a response to the global economic crisis to improve the resilience of banks.
- 3.23 There are currently 5 UK banks which will be subject to the ring-fencing requirements: the RBS Group, the Barclays group, the Lloyds Banking Group, the HSBC group and Santander UK will therefore be splitting their operations out into two banks. In the majority of cases, the relationship that the council has with these banks will operate within the ring-fence. Where this is not the case, deposits will only be placed with banks where they meet the council's investment strategy parameters.
- 3.24 Where the RBS group is currently treated as having part national status in accordance with 1.3.3 of the AIS (Appendix 2), from 1 January 2019 only the ring fenced part of the group will be treated in this way.

Borrowing Strategy

- 3.25 The Borrowing Strategy is largely determined by the borrowing needs of the council and forecasts of future interest rates. An up-to-date economic analysis and the latest interest rate forecasts are presented in Appendix 1 to this report.
- 3.26 The Borrowing Strategy, as set out in Appendix 3, focuses on reconciling the benefit of undertaking low cost long term funding with the short term cost of carrying additional debt in a low investment rate environment.

Treasury management controls & governance

- 3.27 The treasury management service is subject to detailed audit each year. This includes the testing of the control environment and the management of risk. A substantial assurance level was the assessed result of the most recent audit in December 2017.
- 3.28 Paragraphs 3.4 to 3.6 of this report set out the reporting and scrutiny requirements for Treasury Management.
- 3.29 Appendix 4 sets out the current scheme of delegation for treasury management.

Training & Qualifications

- 3.30 External training courses for the treasury management team will be considered for value and benefit. Records of individual training will be kept in accordance with the procedures introduced by the council for such purposes. Career development and succession arrangements will also be in accordance with council policy on such arrangements.

- 3.31 Details of the qualifications for treasury staff are set out in the job descriptions and person specifications appertaining to each post. Secondments (if any) will be recorded in accordance with council policy on such instances.

Member training on treasury management is seen as an important tool in the scrutiny of the service. A course which gives an overview of treasury management (“An introduction to treasury management”) is available. The course explains what treasury management is, the aims and objectives of the service, and an understanding of the key risks, including investment risk.

Use of Advisors

- 3.32 The council currently uses Link Asset Services as its external treasury advisors. The advisors are expected to be proactive in analysing information to assist the in-house treasury team to meet its targets on the cost of long-term borrowing and investment returns, and to advise on developments in the sector.
- 3.33 The council recognises that responsibility for decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to access specialist skills and resources.
- 3.34 The contract with Link Asset Services was awarded in November 2015 utilising a public sector framework. This contract is for three years to November 2018. A procurement process will be undertaken during 2018/19 to procure a new treasury advisory contract.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report confirms there are no changes to the TMSS approved by the Policy, Resources & Growth Committee last year. The Strategy continues with a strong emphasis on risk management and the impact this may have on the performance of the treasury management service.
- 4.2 The AIS continues with the strong emphasis on risk management and liquidity, two cornerstones to the draft guidance issued by the Secretary of State, and the impact these have on investment performance.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council’s external treasury advisors have been consulted in the drafting of this report.

6. CONCLUSION

- 6.1 Treasury management is governed by a code that is recognised as “best and proper practice” under the Local Government Act 2003. The code requires local authorities to report annually in advance on their treasury management plan and strategy. This report fulfils this requirement.
- 6.2 Additionally, the 2010 investment guidance requires that local authorities produce an investment strategy to be approved and amended by full Council. This report fulfils both of these requirements.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Financing Costs budget has been prepared on the basis of the borrowing strategy set out in Appendix 3, the annual investment strategy set out in Appendix 2 and the interest rate forecasts and economic forecast set out in Appendix 1.

Finance Officer Consulted: James Hengeveld

Date: 06/03/2018

Legal Implications:

- 7.2 This report is made in accordance with Part 1 of the Local Government Act 2003, which provides local authorities with a wide power to borrow up to the affordable limit, as well as to invest subject to limits provided for by regulations. The 2003 Act requires local authorities to follow proper practices in relation to their accounting practices. Regulation 31 of the Local Authorities (Capital Finance and Accounting) (England) Regulations (as amended) specifies the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and Service Reporting Code of Practice for Local Authorities as the proper practices. The powers to borrow and invest are to be exercised subject to the restrictions and guidance indicated in this report.
- 7.3 It is a proper function of Policy, Resources & Growth Committee to review the council's TMPS and Borrowing Strategies, and to formulate the Annual Investment Strategy prior to their consideration by full Council.

Lawyer Consulted:

Victoria Simpson

Date: 13/03/2018

Equalities Implications:

- 7.4 No equalities impacts have been identified in relation to this report.

Sustainability Implications:

- 7.5 The council's ethical investment statement requests that institutions apply council deposits in a socially responsible manner. Ethical options were considered in the report to 12 July 2012 Policy & Resources Committee

Any Other Significant Implications:

Risk & Opportunity Management Implications:

- 7.6 The investment guidance issued under the 2003 Act requires the council to assess credit worthiness by reference to an independent rating agency. The AIS 2018/19 will use the ratings assigned by Fitch, Moody's and Standard & Poor's.
- 7.7 The ratings provide an opinion on the relative ability of an institution to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The council uses credit ratings as an indication of the likelihood of receiving its money back in

accordance with the terms of the investment. Other sources of information are also used to supplement that provided by the rating agencies.

7.8 The minimum ratings set out in the AIS have the following meaning:

	<u>Generic criteria</u>	<u>Fitch</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
<u>For investment up to 1 year</u>				
Short-term	Good capacity for timely payment of financial commitments. Where the credit risk is particularly good, a "+" is added to the assigned rating by Fitch and S&P	F2	P-2	A-2
<u>For investment in excess of 1 year</u>				
Long-term	Strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	BBB	Baa	BBB

7.9 Investment risk is managed by selecting only institutions that meet the council's stringent credit rating criteria. Liquidity risk is managed by applying maximum investment periods to institutions.

SUPPORTING DOCUMENTATION

Appendices:

1. Economic Outlook and Interest Rate prospects
2. Annual Investment Strategy 2018/19
3. Borrowing Strategy and Indicators 2018/19
4. Treasury Management Scheme of Delegation

Documents in Members' Rooms

None

Background Documents

1. Part I of the Local Government Act 2003 and associated regulations
2. Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes' published by CIPFA third edition 2011
3. 'Treasury Management in the Public Services – Guidance notes for local authorities ... ' published by CIPFA fourth edition 2011
4. 'The Prudential Code for Capital Finance in Local Authorities' published by CIPFA third edition 2011

5. Brighton & Hove City Council Anti-Money Laundering Policy approved by full Council on 19 January 2006
6. Guidance issued by the secretary of State under Section 15(1)(a) of the Local Government Act 2003 effective from 1 April 2010

Brighton & Hove City Council
Economic Overview and Interest Rate prospect 2018/19

The council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. The commentary below and the interest rate forecast at Table A below provide the treasury advisor's central view.

Economic Background

The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. At its February 2018 meeting, there was no change in Bank Rate but the forward guidance changed significantly to warn of "earlier, and greater than anticipated" rate of increases in Bank compared to their previous forward guidance. The forecast at Table A includes increases in Bank Rate of 0.25% each in May and November 2018, November 2019 and August 2020.

The overall longer trend is for gilt yields and therefore PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. Since the financial crash of 2008, the action of central banks in implementing substantial Quantitative Easing amplified this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. There was a sharp rise in bond yields after the US Presidential election in November 2016 and further increases in as a result of an agreement to a significant increase in the US government deficit aimed at stimulating economic growth and some reversing of monetary policy by the US Central Bank (The Fed). We have also seen a sharp selloff in equities and bonds in February 2018 that has given further impetus to a rise in bond yields.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to cause an increase in bond yields in the UK and other developed economies. However, the degree of influence is likely to be offset by the prospects for economic growth and inflation in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Borrowing & Investment Rates

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. Forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside (i.e. pushing rates downwards), particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt and/or weak capitalisation of some European banks
- Potential challenges over the leadership and direction of the EU as a result of a combination of a number of factors. Germany is still without a fully agreed and stable coalition government after the inconclusive result of the general election in October, Italy's election of 4th March resulted in no majority, with the party looking to have the biggest representation in party being the anti-EU populist party of Five Star added to other election results (such as in the Czech Republic and Austria) which has seen other Anti-EU parties having strong representation.
- US domestic economic and fiscal policy
- A Chinese downturn and its impact on emerging market countries.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Table A – Interest Rate forecasts April 2018 to March 2021 (annual averages)

	Bank Rate	Returns on liquid Investments*	Long-term borrowing rates		
			5 year	25 year	50 year
2018/19	0.88%	0.80%	2.10%	3.05%	2.85%
2019/20	1.13%	1.25%	2.35%	3.30%	3.10%
2020/21	1.44%	1.50%	2.55%	3.55%	3.35%

(Source – Capital Asset Services: Interest Rate Forecast, February 2018)

* *Liquid investments are defined as those invested for less than 3 months. The council has budgeted for an average investment return of 0.90% in 2018/19.*

BRIGHTON & HOVE CITY
COUNCIL

ANNUAL INVESTMENT
STRATEGY
2018/19

The Annual Investment Strategy is subject to approval by Policy, Resources & Growth Committee on 29 March 2018 and by full Council on 19 April 2018.

Changes to be approved are annotated in ***grey bold italic***

Brighton & Hove City Council
Annual Investment Strategy 2017/18

This Strategy complies with guidance issued by the Secretary of State on investments and sets out the council's policy on investment criteria and counterparties. It should be noted that the minimum criteria set out in this document is only one factor taken into account for the investment of council funds. Other factors, such as Government guarantees and support and information available from the financial press and similar publications will also be taken into account when determining investment decisions. Counterparties that satisfy the minimum criteria are not automatically included on the council's approved investment list.

1 Criteria to be used for creating / managing approved counterparty lists / limits

Each counterparty included on the Council's approved lending list must meet the criteria set out below. Without the prior approval of the Council, no investment will be made in an instrument that falls outside the list below.

1.1 Capital security

Table 1 sets out the minimum capital security requirements for an investment to be made.

<u>Table 1 – Minimum capital security requirements</u>	
Banks/building societies with a credit rating	The institution must have a minimum short term rating of good credit quality
Building societies that do not satisfy the minimum rating criteria above	The society must have an asset base in excess of £5 billion
Money market funds	The rating of the fund meets the minimum requirement of triple A ('AAA' / Aaa)
<i>Ultra-Short Dated Bond Funds</i>	<i>The rating of the fund meets the minimum requirement of AA</i>
<i>Short Dated Bond Funds</i>	<i>Short Dated Bonds Funds are not rated. A selection process will evaluate relative risks and returns of funds and the security of the council's money and the fund volatility will be key measures of suitability.</i>
Debt Management Account Deposit Facility	The deposit is made in accordance with the rules and regulations relating to such investment as issued by the Debt Management Office from time to time

1.2 Maximum permitted investment by sector

Table 2 sets out the maximum permitted investment for each sector.

<u>Table 2 – Maximum permitted investment by sector</u>	
<u>Sector</u>	<u>Percentage of total investment portfolio at the time the investment made</u>
Banking sector	100%
Building society sector	75%

<u>Table 2 – Maximum permitted investment by sector</u>	
<u>Sector</u>	<u>Percentage of total investment portfolio at the time the investment made</u>
Local authority sector	100%
Money market funds	100%
Short Dated/Ultra Short Dated Bond Funds	50%
Debt Management Account Deposit Facility	100%
Maximum amount invested for more than 1 year	25%

1.3 Maximum permitted investment by counterparty

1.3.1 General

With the exception of money market funds and the Debt Management Account Deposit Facility, no one counterparty may have more than 25% of the relevant sector maximum at the time the investment is made.

1.3.2 Rated counterparties

Table 3 sets out the exposure limits and maximum periods for deposits based on various credit ratings.

<u>Table 3 – Exposure limits and maximum periods per counterparty (with rating)</u>				
	<u>A rating of at least (lowest of Fitch (F) / Moody's (M) / Standard & Poor's (SP))</u>			
Short-term rating	F = F1+ M = P-1 SP = A-1+	F = F1+ M = P-1 SP = A-1+	F = F1 M = P-1 SP = A-1	F = F2 M = P-2 SP = A-2
Long-term rating	F = AA+ M = Aa1 SP = AA+	F = AA- M = Aa3 SP = AA-	F = A M = A2 SP = A	F = BBB M = Baa SP = BBB
Exposure Limit	£25m	£25m	£15m	£10m
Maximum period – fixed deposits	3 years	2 years	1 year	6 months
Maximum period – negotiable instruments	5 years	5 years	1 year	6 months

In addition, investment in money market funds and open ended investment companies with a rating of 'triple A' (i.e. AAA / Aaa) is permitted up to a value of £10 million per fund.

1.3.3 Exceptions

The methodology for determining exposure limits and maximum periods per counterparty will be determined in all cases by Table 3 with the following exceptions:

- The Royal Bank of Scotland plc is deemed to have the highest rating irrespective of the actual rating assigned to them as a result of being

“part-nationalised”. As a result, the limits on the amount advanced and length of investment will be £25 million and 1 year respectively.

- An additional operating limit of £2 million and an additional investment limit of £5m will be provided for the council’s provider of transactional banking services (Lloyds Bank plc). It is unavoidable that the £2.million operational limit may be breached from time to time. Officers ensure this is kept to a minimum.
- For any investment where there is a direct and legal offset against an existing financial liability, the counterparty will not be subject to assessment using the council’s credit assessment as outlined in Table 3.

Where there is a significant or sudden deterioration in one or more indicators (such as CDS prices), officers will undertake a review and, where necessary take action. This action may take the form of temporary suspension of a counterparty from the council’s approved lending list, or a restriction of the maximum period and investment limits.

1.3.4 Non-rated counterparties

Table 4 sets out the exposure limits and maximum periods for deposits for counterparties that are not rated.

<u>Table 4 – Exposure limits and maximum periods per counterparty / fund (with no rating)</u>		
<u>Counterparty</u>	<u>Exposure Limit</u>	<u>Maximum period</u>
Local authority	£10 million	5 years
Non-rated building society with an asset base in excess of £5bn	£5 million	6 months
Debt Management Account Deposit Facility	Unlimited	6 months

1.4 Investment classification (regulatory)

The investment guidance issued by the Secretary of State requires the council to identify investments as either ‘specified’ or ‘non-specified’. Table 6 sets out the requirements for each type.

<u>Table 6 – Investment classification</u>		
<u>Requirement</u>	<u>Specified</u>	<u>Non-specified</u>
Currency	Must be in Sterling	Any currency
Maturity period	Up to 12 months	Up to/Over 12 months
Credit worth	Counterparty with high credit rating (including MMFs and USDBFs), UK government or local authority	Other

All investments made by the Council are denominated in Sterling and are made only in counterparties as set out in paragraph 1.3 above.

The maximum amount invested in non-specified investments will be 50% of the total value of investments. The use of non-specified investments is limited to:

- (a) investment in non-rated building societies with an asset base in excess of £5bn, or
- (b) investment for longer than 12 months with counterparties that meet the minimum long-term rating detailed in Tables 3 and 5 above or

2 Approved methodology for changing limits and adding / removing counterparties

A counterparty shall be removed from the council's list where a change in their credit rating results in a failure to meet the criteria set out above.

A new counterparty may only be added to the list with the written prior approval of the Executive Director of Finance & Resources and only where the counterparty meets the minimum criteria set out above.

A counterparty's exposure limit will be reviewed (and changed where necessary) following notification of a change in that counterparty's credit rating or a view expressed by the credit rating agency warrants a change.

A counterparty's exposure limit will also be reviewed where information contained in the financial press or other similar publications indicates a possible worsening in credit worth of a counterparty. The review may lead to the suspension of any counterparty where it is considered appropriate to do so by the Executive Director of Finance & Resources.

3 Full individual listings of counterparties and counterparty limits

For 2017/18, with the exception of the list of high quality AA rated Non-UK banks within AA rated countries specified below, investment by the in-house treasury team will be restricted financial institutions incorporated within the UK and regulated by the Financial Conduct Authority.

The in-house treasury team is able to invest in the following Non-UK banks:

- Australia & New Zealand Banking Group Limited (Australia)
- Bank Nederlandse Gemeenten (The Netherlands)
- Commonwealth Bank of Australia (Australia)
- DBS Bank Ltd (Singapore)
- Landwirtschaftliche Rentenbank (Germany)
- National Australia Bank (Australia)
- First Abu Dhabi Bank PJSC (Abu Dhabi, UAE)
- Nederlandse Waterschapsbank N. V. (The Netherlands)
- Nordea (Finland)
- NRW. BANK (Germany)
- Overseas Chinese Banking Corporation Limits (Singapore)
- Svenska Handelsbanken (Sweden)
- The Bank of New York (BNY) Mellon (USA)
- Toronto Dominion (Canada)
- United Overseas Bank Limited (Singapore)
- Westpac Banking Corporation (Australia)

A full list of counterparties in which the council will invest surplus funds, together with limits and maximum investment periods is contained in Schedule 1 to this AIS.

There is no pre-determined list for investments made by funds that could be utilised by the council. However, each fund will be subject to its own minimum creditworthiness criteria, which will be reviewed by officers as part of any selection and monitoring process..

4 Details of credit rating agencies' services

Credit ratings will be based on those issued periodically by Fitch, Moody's and Standard & Poor's.

5 Permitted types of investment instrument

All investments must be denominated in Sterling.

The in-house treasury team may invest in fixed term and variable term cash deposits, money market funds and open ended investment companies.

The in-house treasury team may only invest in negotiable instruments (including Certificates of Deposit and Corporate Bonds) where to do so offers additional value in terms of investment return and appropriate and supporting advice has been sought from the council's external treasury advisors on the suitability of such an investment.

6 Investment risk

6.1 Assessment of credit risk

Whilst the AIS relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for the in-house treasury team to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

6.2 Investment risk matrix

The weighted average benchmark risk factor for 2018/19 is recommended to be 0.05%, the same as 2017/18. This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid-year or end of year reviews. ***This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process.***

For any investment where there is a direct and legal offset against an existing financial liability, the investment will be assumed to have a benchmark risk of 0.00%.

6.3 Investment advisors

The council appoints treasury advisors through a regular competitive tendering process. One of the services provided by Link Asset Services is the provision of updated credit ratings and “watches” issued by the three rating agencies. In addition Link Asset Services are proactive in providing additional market information as set out in paragraph 6.1 above.

6.4 Investment training

The council’s advisors have a wide-ranging programme of training giving council officers access to seminars, workshops and printed material. The council’s in-house treasury team is experienced in dealing with investments but where necessary further training and updates will be provided.

Appropriate training will be made available to all Members who are involved in the treasury management decision-making process.

6.5 Investment of money borrowed in advance

The council has the flexibility to borrow funds in advance of need (i.e. to fund future debt maturities). The Director of Finance & Resources may do this where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial over the life of the loan or to meet budgetary constraints.

Borrowing in advance will be undertaken within the constraints set out in the Treasury Management Strategy. The risks associated with such borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or end of year reviews.

6.6 Investment liquidity

Liquidity is achieved by limiting the maximum period for investment and by investing to dates where cash flow demands are known or forecast.

7 Ethical investment statement

The Council has approved the following ethical investment statement that will apply to all cash investments made by, or on behalf of, the Council

“Brighton & Hove City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:

- *encouraging those institutions to adopt and publicise policies on socially responsible investments;*
- *requesting those institutions to apply council deposits in a socially responsible manner.”*

Counterparties shall be advised of the above statement each and every time a deposit is placed with them.

8 Glossary

Long-term – period in excess of 12 months

Negotiable instrument – an investment where the council can receive back the amount invested earlier than originally agreed (subject to conditions)

Non-specified investment – see Table 6 above

Short-term – period up to and including 12 months

Specified investment – see Table 6 above

Supranational – an organisation that encompasses more than one nation,
such as the World Bank

DATA TO BE UPDATED BEFORE FINAL RELEASE
Brighton & Hove City Council

Banks and Other Institutions - In-house Treasury Team
Annual Investment Strategy 2018/19

<u>Counterparty</u>	<u>Specified/ Non- specified</u>	<u>Short-term</u>			<u>Long-term</u>			<u>Max amount</u>	<u>Max period – fixed deposits</u>
		F = Fitch M = Moody's SP = Standard & Poor's							
		F	M	SP	F	M	SP		
Bank of Scotland / Lloyds Bank	Specified	F1	P-1	A-1	A+	Aa3	A	£20m	1 year
Barclays Bank plc	Specified	F1	P-1	A-1	A	A1	A	£15m	1 year
Close Brothers	Specified	F1	P-1		A	Aa3		£15m	1 year
Clydesdale Bank	Specified	F2	P-2	A-2	BBB+	Baa1	BBB+	£10m	6 months
HSBC Bank plc	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
National Westminster Bank / Royal Bank of Scotland	Specified	F2	P-1	A-2	BBB+	A2	BBB+	£25m	1 year
Santander UK plc	Specified	F1	P-1	A-1	A	Aa3	A	£15m	1 year
Standard Chartered Bank	Specified	F1	P-1	A-1	A+	A1	A	£15m	1 year
Sumitomo Mitsui Banking Corporation Europe Ltd	Specified	F1	P-1	A-1	A	A1	A	£15m	1 year
Virgin Money plc	Specified	F2			BBB+			£10m	6 months
<u>BUILDING SOCIETIES (+)</u>									
Coventry (3)	Specified	F1	P-1		A	A2		£15m	1 year
Leeds (5)	Specified	F1	P-2		A-	A3		£10m	6 months
Nationwide (1)	Specified	F1	P-1	A-1	A+	Aa3	A	£15m	1 year
Principality (6)	Specified	F2	P-2		BBB+	Baa2		£10m	6 months
Skipton (4)	Specified	F1	P-2		A-	Baa1		£10m	6 months
Yorkshire (2)	Specified	F1	P-2		A-	A3		£10m	6 months
<u>NON-UK BANKS</u>									
Australia & NZ Banking Group (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
Commonwealth Bank of Australia (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
National Australia Bank Ltd (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
Westpac Banking Corporation (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
Toronto Dominion (Canada)	Both	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
Nordea bank (Sweden)	Both	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m
Landwirtschaftliche Renenbank (Germany)	Both	F1+	P-1	A-1+	AAA	Aaa	AAA	£25m	3 years
NRW.BANK (Germany)	Both	F1+	P-1	A-1+	AAA	Aa1	AA-	£25m	2 years
Bank Nederlandse Gemeenten (The Netherlands)	Both	F1+	P-1	A-1+	AA+	Aaa	AAA	£25m	3 years

Continued overleaf...

Appendix 2

Counterparty	Specified/ Non- specified	Short-term			Long-term			Max amount	Max period – fixed deposits
		F = Fitch M = Moody's SP = Standard & Poor's							
		F	M	SP	F	M	SP		
Nederlandse Waterschapsbank N. V. (The Netherlands)	Both		P-1	A-1+		Aaa	AAA	£25m	3 years
DBS Bank Ltd (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
Overseas Chinese Banking Corporation Limits (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
United Overseas Bank Limited (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
Svenska HandelsBanken AB (Sweden)	Both	F1+	P-1	A-1+	AA	Aa2	AA-	£25m	2 years
First Abu Dhabi Bank PJSC	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
Bank of New York Mellon (USA)	Both	F1+	P-1	A-1+	AA	Aa1	AA-	£25m	2 years
OTHER									
Other Local Authorities (per Authority)	Both							£10m	5 year
Debt Management Deposit Facility	Specified							Unlimited	6 months
Money Market Funds – CNAV (per fund)	Specified							£10m	Liquid
Money Market Funds – LVNAV (per fund)	Specified							£10m	Liquid
Money Market Funds – VNAV (per fund)	Specified							£10m	Liquid
Ultra Short Dated Bond Funds (per fund)	Specified							£10m	Liquid
Short Dated Bond Funds (per fund)	Non-Specified							£10m	Liquid

(*) Ratings as advised by Capita Asset Services February 2018

(+) UK Building Societies ranking based on Total Asset size – Source: Building Societies Association February 2018

¹ distinction is a requirement under the investment regulations

Borrowing Strategy and Indicators 2018/19

The capital expenditure plans of the council are set out in the Capital Programme Report approved by Policy, Resources & Growth Committee on 08 February 2018 and full Council on 22 February 2018. The treasury management function ensures that the council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans. This involves both the organisation of the cash flow and where required, the organisation of appropriate borrowing facilities.

The council operates a two pool approach for borrowing following HRA Self Financing introduced in March 2012.

General Fund Borrowing

As a response to the economic climate, the Council has been maintaining a strategy of repaying debt and funding its borrowing requirement through utilising cash balances which were supporting the Council's reserves and balances (known as under borrowing). This is a prudent strategy as investment returns are low and counterparty risk is still an issue that needs to be considered.

This strategy was amended in 2015/16 to reduce the council's under-borrowing position; £20 million of new borrowing was undertaken during 2015/16 and 2016/17 as a result of the expected reduction in cash backed resources due to the use of reserves expected to meet one-off costs within the medium term financial strategy. Undertaking this external borrowing has also allowed the council to take advantage of historically low interest rates, reducing the long term cost of the council's debt portfolio. The General Fund's average cost of borrowing as a result (excluding i360) has reduced from 4.82% to 4.46% which creates permanent revenue savings of £86,000.

The table below demonstrates that the General Fund expected to maintain approximately £45m of under-borrowing over the next three years. Borrowing interest rates have been volatile so far in 2017/18 and increased sharply after the result of the general election in June 2017, after the September MPC meeting, (when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases), and again in January and February 2018. Increases have been sharper in periods up to 10 years than in longer maturities. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Major projects have not been included in this table due to the risk of uncertainty of timing of these projects requiring borrowing. Once timing is more certain for major projects approved within the capital programme, options appraisals will be undertaken to ascertain the most appropriate source and type of borrowing in each case.

Officers are currently exploring whether the council is able to access the PWLB's Infrastructure interest rate as announced as part of the Autumn Statement for eligible projects.

HRA Borrowing

The HRA operate a fully funded Capital Financing Requirement. In 2016/17, the HRA applied £13.3m of borrowing to fund its capital programme. Of this, it borrowed £10m externally from the PWLB and the remaining £3.3m was borrowed from the General Fund in order to reduce the HRA's interest rate and to also minimise counterparty risk at a time where general fund investment balances were increasing. Officers are monitoring interest rates in consultation with the treasury advisors to ascertain the optimum time to externalise this borrowing.

	2017/18 £'m	2018/19 £'m	2019/20 £'m	2020/21 £'m
General Fund				
Borrowing Requirement - start of the year	183.0	184.3	186.2	183.7
Increase in borrowing requirement	8.5	10.6	5.5	5
Provision to repay debt	(7.8)	(8.7)	(8.0)	(8.8)
Borrowing Requirement - end of the year	184.3	186.2	183.7	180.0
Actual Borrowing	139.0	140.5	140.8	141.1
Under/(over) borrowing position	45.3	45.7	42.9	38.8
Housing Revenue Account				
Borrowing Requirement - start of the year	123.1	127.3	146.1	150.1
Increase in borrowing requirement	4.7	19.7	4.8	
Provision to repay debt	(0.5)	(0.9)	(0.7)	(0.7)
Borrowing Requirement - end of the year	127.3	146.1	150.1	151.0
Actual Borrowing	127.3	146.1	150.1	151.0
Under/(over) borrowing position	0.0	0.0	0.0	0.0

Interest rate risk

The under-borrowing position illustrated in Table 1 above demonstrates the extent to which the council is exposed to interest rate risk. As Appendix 3 outlines, borrowing rates have been historically low over year and expected to rise in the medium term.

Officers will monitor market interest rates and adopt a pragmatic approach to changing circumstances in order to minimise the financial impact any adverse movement on interest rates on the council's debt and investment portfolios;

- Long term borrowing will be postponed where it is felt there is a significant risk of a sharp fall in long term interest rates;
- The borrowing position will be re-appraised and considered where it is felt that there is a significant risk of a sharp rise in long term interest rates with the likely action that new long term borrowing will be raised whilst interest rates are expected to be lower than in subsequent years.

Consideration will be given to the following borrowing options, which will be appraised to seek the most appropriate option at the time:

- Short term borrowing (i.e. repayable for less than a year)
- PWLB variable rate loans for up to 10 years
- PWLB fixed rate loans up to 50 years
- Market loans that offer comparable or better terms to the facilities set out above
- Bond issues by the Municipal Bonds Agency where they offer comparable or better terms than the other options outlined above.

The length and type of borrowing will depend upon factors including prevailing interest rates, interest rate expectations and the maturity profile of the council's existing portfolio.

Policy on Borrowing in advance of need

The council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the Treasury Management reporting process.

Debt Rescheduling

Table 2 shows the level of maturing debt over the next three years. The council has a number of loans where the lender may vary the interest rate, after which the council would have the right to repay. Based on the latest interest rate projections (Table A, Appendix 2), it is considered very unlikely that these loans would be repaid early – however, debt that is repaid early will have implications on both the GF and HRA debt portfolios.

	2018/19	2019/20	2020/21
Maturing Debt	£2.7m	£2.4m	£2.4m
Debt subject to early repayment options*	£20.0m	£15.0m	£25.0m
Total debt at risk of maturity	£22.7m	£17.4m	£27.4m

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to Policy, Resources & Growth Committee within the normal Treasury Management reporting process and/or Target Budget Management process following its action.

Municipal Bonds Agency

It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may make use of this new source of borrowing as and when appropriate.

Borrowing prudential Indicators

The following borrowing indicators were approved as part of the budget report at full Council on 22 February 2017.

Limits to borrow activity

Prudential Indicators D1, D2 and D3 set the limits of external borrowing.

The operational boundary is the point at which external debt is not expected to be exceeded. The Authorised Limits is a control on the maximum level of borrowing, defined as the statutory limit under Section 3 (1) of the Local Government Act 2003. External debt is prohibited beyond the Authorised Limit and any revision to the limit would need approval by full Council.

Prudential indicators (D1) “Operational Boundary” and (D2) “Authorised Limit” 2018/19 to 2020/21

	2018/19 Estimate		2019/20 Estimate		2020/21 Estimate	
<u>Operational Boundary</u>						
- Borrowing	£373m		£414m		£444m	
- Other l/term liabilities	£50m	£423m	£48m	£462m	£45m	£489m
<u>Authorised Limit</u>						
- Borrowing	£386m		£428m		£458m	
- Other l/term liabilities	£50m	£436m	£48m	£476m	£45m	£503m

Separately, the council is also limited to a maximum HRA Capital Financing Requirement through the HRA self financing regime. This limit is currently £156.8 million.

Prudential indicators (D3) HRA Limit on indebtedness 2018/19 to 2020/21

	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
HRA limit on indebtedness	£156.8m	£156.8m	£156.8m
HRA Debt	£146.1m	£150.1m	£151.0m
Headroom	£10.7m	£6.7m	£5.8m

Treasury management Indicators

Prudential Indicators E2, E2a and E3 below are intended to manage the risk of adverse movement in interest rates and risk associated with refinancing maturing debt.

Prudential indicator (E2) – Upper limits on net debt interest rate exposure 2018/19 to 2020/21

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	108%	108%	109%
Upper limit on variable interest rate exposure	43%	43%	43%

The percentages in Indicator E2 are calculated on the net outstanding principal sums (i.e. net of investments). The upper limit of 115% is a consequence of the council maintaining an investment portfolio. Indicator E2a exemplifies the indicator over borrowing and investment.

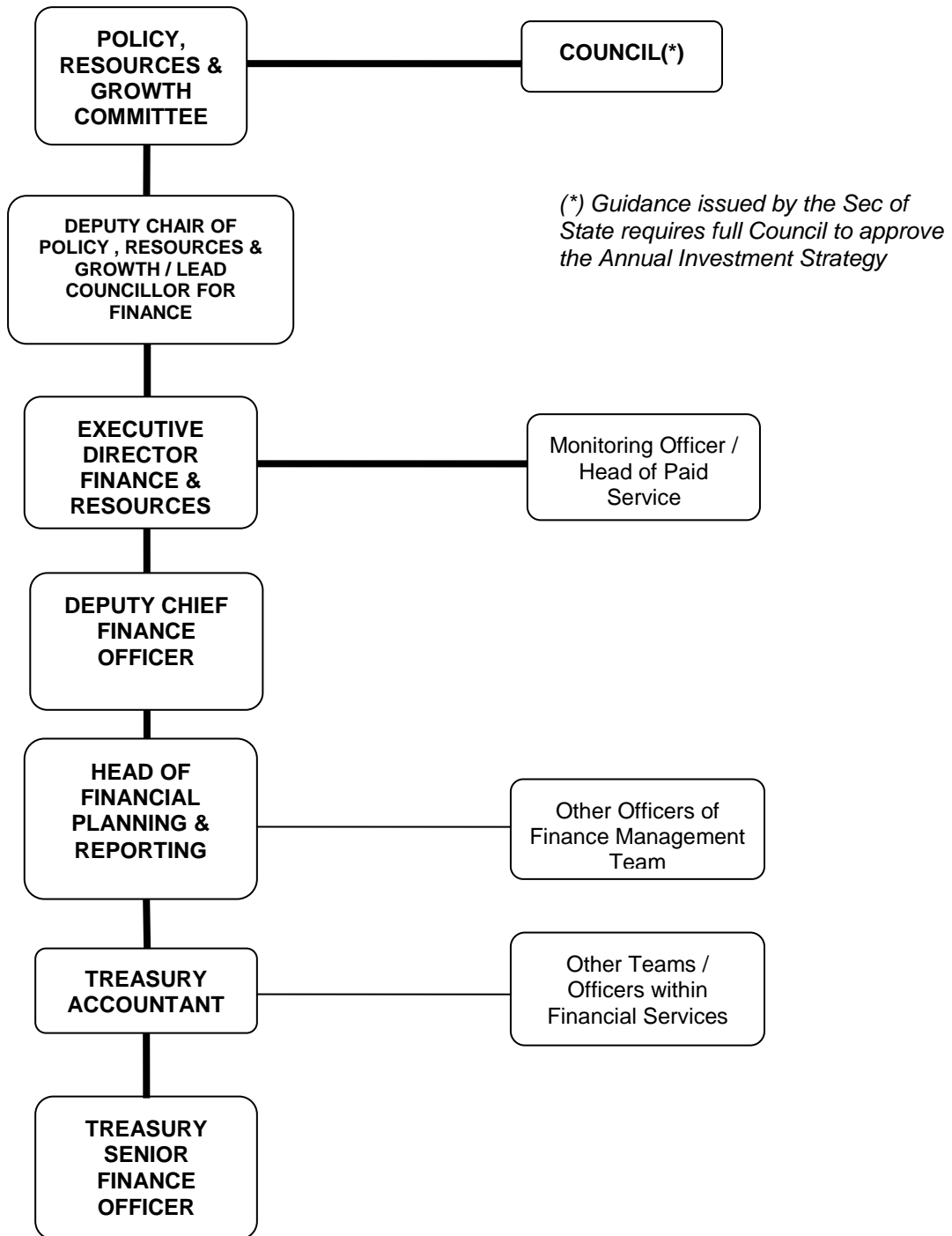
Prudential indicator (E2a) (supplemental) – Upper limits on interest rate exposure 2018/19 to 2020/21

	2018/19	2019/20	2020/21
Upper limit on borrowing – fixed rate exposure	100%	100%	100%
Upper limit on borrowing – variable rate exposure	40%	40%	40%
Upper limit on investments – fixed rate exposure	100%	100%	100%
Upper limit on investments – variable rate exposure	100%	100%	100%

Prudential indicator (E3) – Upper and lower limits on the maturity structure of borrowing 2018/19

	Upper limit	Lower limit
under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	40%

Brighton & Hove City Council
Treasury Management Organisational Chart



The delegation of authority to make executive decisions on, and keep records of, treasury management activity is denoted by the bold line

Subject:	Pay Policy Statement 2018/19		
Date of Meeting:	29 March 2018 Full Council – 19 April 2018		
Report of:	Executive Director Finances & Resources		
Contact Officer:	Name:	Matt Naish	Tel: 201273 95088
	Email:	matt.naish@brighton-hove.gov.uk	
Ward(s) affected:	All		

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. These statements must set out the council's policies on a range of issues relating to the pay of its workforce, particularly its senior and lowest paid staff. 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 require councils to be more open about their policies and how decisions are made
- 1.2 This report seeks approval of the Policy, Resources and Growth Committee to recommend to Council the attached pay policy statement for adoption from 1st April 2018.
- 1.3 The pay policy statement summarises the parameters within which staff are paid. These parameters are in turn governed by a local pay framework set with reference to national terms and conditions, and nationally agreed pay awards.

2. RECOMMENDATIONS:

- 2.1 That Policy, Resources & Growth Committee recommends to Council the adoption of the pay policy statement 2018/19 attached at Appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Localism Act 2011 requires local authorities to produce annual pay policy statements prior to the year to which they relate. The statement for 2018/19 is attached at Appendix 1. The council may amend its statement by resolution of Council if required during the year to which it relates. 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.

- 3.2 The guiding principles for the council's pay policy are set out in the attached statement under 'Aims'. 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. has the ability to determine its payline and grading structure and payments over and above basic pay.
- 3.3 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.
- 3.4 The statement must provide a definition of lowest-paid employees adopted by the council for the purposes of the statement and it must 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 Department for Communities and Local Government guidance, 'Openness and Accountability in Local Pay', states that Members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State's guidance considers the appropriate threshold to be £100,000. In Brighton & Hove, the Council has established an Appointment and Remuneration Panel whose advice must be sought in relation to senior salaries. Therefore, it is considered that there are adequate systems in place to ensure value for money.
- 3.5 Supplementary Guidance published in February 2013 recommends greater scrutiny and accountability for decisions made to offer large severance packages. Again the recommended threshold for Member involvement is set at £100,000 and states that all components of such packages e.g. pay in lieu of salary, redundancy payments, pension entitlements, holiday pay and any other fees or allowances are clearly set out. The attached 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 and 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 and 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 Policy, Resources & Growth Committee for approval.

Note: The Council's arrangements in relation to exit payments will operate subject to any requirements imposed by Regulations made pursuant to the Enterprise Act 2016 and the Small Business, Enterprise and Employment Act 2015 and to associated guidance.

- 3.6 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 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 (England) Regulations 2011. The data that is published is published in accessible formats according to the guidance contained in the aforementioned publications.

- 3.7 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 to be published in conjunction with the Accounts and Audit (England) Regulations 2011 is published in June each year in an unaudited format and then the fully audited accounts are published in September each year.
- 3.8 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. Last year 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 and the median salary of the whole of the authority's workforce (excluding school staff).
- 3.8 The pay multiple is **yet to be calculated this year** this will be calculated prior to PR&G & Full council**.
- 3.9 The Voluntary Living Wage for council employees will increase to £8.75 per hour with effect from 1st April 2018: an increase of 3.55%
- 3.10 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. 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.
- 3.11 The pay policy statement excludes all schools based staff including Headteachers.
- 3.12 The pay policy statement, when published on our website, will contain hyperlinks to related information.

Proposed Changes in Legislation relating to Exit Payments (not currently in force)

- 3.13 In November 2015 the Government indicated its intention to introduce a cap on exit payments for employees in the public sector. Although provision for this was

included within the Enterprise Act 2016, regulations limiting exit payments remain in draft and no implementation date has been set.

As previously reported, the Enterprise Act states that:

- Exit payments in the public sector will be capped at a maximum of £95,000 including pension benefits
- The cap will include all payments in relation to all exits from relevant employments that occur within 28 day period
- The cap will cover a wide range of payments
- There will be a limited number of exempt payments (e.g. death or injury)
- There will be power for full council to waive the cap subject to Treasury directions.

3.14 In addition, in March 2016 the Government issued draft regulations to provide for the recovery of exit payments made to employees who leave the public sector and return to the same within a period of 12 months. The regulations have not yet taken effect, however if and/or when they do take effect, the Council will be bound by them. The Government proposes to set the minimum salary at which the recovery provisions apply at £80,000 per annum.

3.15 If the proposals outlined in paragraphs 3.13 and 3.14 (or a version of them) are implemented, then relevant council employment policies will be reviewed once the full details and implications are known.

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.

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 and Resources Committee approve this report and make the recommendation to full council to approve the Pay Policy Statement 2018/19.

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 within the budget for 2018/19 are consistent with this policy including provision for the Living Wage to increase to £8.75 per hour from 1st April 2018.

Finance Officer Consulted: James Hengeveld

Date: 04/02/16

Legal Implications:

- 7.2 The proposed Pay Policy Statement complies with the requirements of s38 of the Localism Act 2011 and has taken into account associated guidance. The proposed arrangements are considered to satisfy the expectations articulated in the guidance regarding member oversight of relevant exit payments. The Statement is also consistent with existing Data Protection and Employment legislation. The Repayment of Public Sector Exit Payments Regulations 2016, made under the Enterprise Act 2016, remain in draft and it is not yet clear when or if they will become law. If implemented, these Regulations will require certain public sector workers to repay some or all of any 'qualifying exit payments' in certain circumstances. The Public Sector Exit Payments Regulations 2016, also still in draft, propose to set a cap of £95,000 to apply to the majority of public sector exit payments. The Council's employment policies and procedures will require review should the law change in the terms described above, this to ensure that they reflect the requirements of the new regulations and any associated guidance.
- 7.3 It is a requirement of the Localism Act that the Pay Policy Statement be approved by Full Council.

Lawyer Consulted: Victoria Simpson

Date: 31/01/18

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 2018/19

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. Code of Recommended Practice for Local Authorities on Data Transparency
5. Hutton Review of Fair Pay in the Public Sector 2011

Brighton & Hove City Council Pay Policy Statement 2018/19

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 without being overly generous or imprudent with public funds.

To achieve this, the council requires a workforce at all levels that is conscientious, professional and reliable 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 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 our 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.

The Council's arrangements in relation to exit payments will operate subject to any requirements imposed by Regulations made pursuant to the Enterprise Act 2016 and the Small Business, Enterprise and Employment Act 2015 and to 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 our [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.
- 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 report to the Executive Leadership Team, for the purpose of this policy statement, are also defined as Chief Officers.

Senior Structure

For the purposes of this pay policy statement the Executive Leadership Team comprises the following posts; Chief Executive, Executive Director Families, Children and 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 and Resources, Executive Lead Officer, Strategy, Governance and Law, Executive Director of Neighbourhoods, Communities and Housing.

The Corporate Management Team comprises members of the Executive Leadership Team and Heads of each Service ([Link to structure chart](#)).

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 & Growth 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 and 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. ([Link to Constitution](#)). The policy in respect of the remuneration of interims and consultants is set out under paragraph 19 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. Our current pay and grading structure was implemented during 2010.

6 Progression

All posts, apart from that of the Chief Executive and the Executive Directors are employed on grades containing spinal column points. Employees progress through their grade each year, rising by one incremental point, until reaching 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 and Remuneration Panel on the appropriate starting salary for any new permanent Executive Director 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 2018/19](#))

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

9 Executive Directors

The pay and grading of Executive Directors is determined by the requirements of the role and by reference to the labour market for roles of a similar size and complexity. They are on a single fixed salary point. Nationally negotiated cost of living awards are applied ([Link to actual earnings and earnings forecast for 2018/19](#)).

10 Corporate Management Team (excluding Executive 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

Where authorised to do so, employees are entitled to be reimbursed for mileage they incur whilst discharging their official duties. The rate of [reimbursement](#) will depend on the engine size of a car, 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 a new 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](#).

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. This is agreed by an officer panel comprised of the Head of Human Resources, the Monitoring Officer and the Executive Director Finance and Resources (or their delegates). In the case of Chief Officers or in any cases 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 and 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 & Growth Committee.

Note: This Statement of Pay Policy will operate subject to any requirements regarding exit payments pursuant to the Enterprise Bill and the Small Business, Enterprise and Employment Act 2015 and associated Regulations.

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.

Subject:	2018/19 Local Transport Plan Capital Programme		
Date of Meeting:	20 March 2018 – Environment, Transport & Sustainability Committee		
	29 March 2018 – Policy, Resources & Growth Committee		
Report of:	Executive Director – Economy, Environment & Culture		
Contact Officer:	Name:	Andrew Renaut	Tel: 01273- 292477
	Email:	andrew.renaut@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The city council receives capital funding each year for transport schemes through the government's Local Transport Plan [LTP] process. The council approved the use of capital funding for approved and new Transport schemes and projects for 2018/19 on 22 February 2018 as part of the overall budget, which included £5.365m worth of known, new capital investment in Transport from Government sources.
- 1.2 The LTP is a statutory document and the council's fourth LTP [LTP4] was approved by the council in March 2015. The LTP4 consists of a long-term Strategy to 2030, and a short term 4-year Delivery Plan within which 2018/19 is the last year. 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 at least £1.4 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.
- 1.3 The amount of 2018/19 capital funding is based on Government estimates of how much investment is required in the city. The council then ensures that this capital investment is focused on ensuring the highway network is maintained and renewed 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, detailed programme allocates funding across a number of areas including capital renewal (maintenance); capital repairs (potholes); asset management; and 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. It is based on a number of factors, which include taking account of:-

- recent or past decisions made by this or other council committees, often following public consultation, to deliver transport projects and programmes;
- the prioritisation of allocations to projects or programmes identified in investment or action plans which are required 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;
- 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;
- engagement and discussion with The Connected City's Transport Partnership; and
- technical or statistical data, surveys or evidence which indicate that a significant problem exists and requires capital investment to correct it.

1.4 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.

2. RECOMMENDATIONS:

That the Environment, Transport & Sustainability Committee:

- 2.1 Recommends that Policy, Resources & Growth Committee agree the 2018/19 Local Transport Plan capital programme budget allocation of £5.365 million to projects and programmes and notes the additional allocations for schemes agreed at Budget Council, as set out in Appendix 2 of this report; and
- 2.2 Notes the indicative allocations of future LTP budgets to projects and programmes for 2019/20 and 2020/21 to continue funding the next Local Transport Plan Delivery Plan, as set out in paragraphs 3.25 and 7.2 of this report.

That the Policy, Resources & Growth Committee:

- 2.1 Agree the 2018/19 Local Transport Plan capital programme budget allocation of £5.365 million to projects and programmes and notes the additional allocations for schemes agreed at Budget Council, as set out in Appendix 2 of this report; and
- 2.2 Notes the indicative allocations of future LTP budgets to projects and programmes for 2019/20 and 2020/21 to continue funding the next Local Transport Plan Delivery Plan, as set out in paragraphs 3.25 and 7.2 of this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The capital funding secured through the LTP process and invested through its strategies and delivery plans has contributed 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. 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 has included bus stops, pedestrian crossings, cycle facilities and Rights of Way improvements.

- 3.2 In addition, LTP budgets have 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 [C2C] Local Enterprise Partnership [LEP] as part of the Local Growth Fund, which is helping to fund the Valley Gardens project which will improve the movement and flow of people and vehicles across and through the city centre.
- 3.3 The overall 2018/19 capital programme is made up of two traditional LTP block allocations for Maintenance and Integrated Transport, plus two additional funding streams which are:-
- **'Incentive' Funding [IF]** – 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 [PAF]** – for minor road surface repairs, or to prevent potholes forming;
- 3.4 The proposed allocation of funds to schemes (set out in Appendix 2) has been based on two main factors - 1) the progress made on completing or continuing spend on 2017/18 projects and programmes; 2) the agreed contributions or commitments to begin new projects/programmes in 2018/19; and 3) success in securing, or being allocated, additional funding from external sources e.g DfT and LEP (Local Growth Fund) [LGF].
- 3.5 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. 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.

CAPITAL RENEWAL (MAINTENANCE) FUNDING

- 3.6 The proposed programme of just over £5.4m for this area of work includes £2.5m worth of funding from other sources amounts in addition to LTP, IF and PAF capital allocations for 2018/19. This 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.
- 3.7 The programme includes just over £1.000m 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 and continuing extreme winter weather conditions. Sections of roads where the surface requires immediate, major repairs or renewal will be identified based on recent surveys. Priority locations will include the strategic, heavily trafficked routes into the city. A further £0.150m will help improve the condition of footways across the city, with a focus on well-used corridors. A new programme has also been developed to treat tree root areas using flexible paving to reduce highway surface water penetration and therefore reducing flood risk in some of the higher flood risk areas. £0.200m has been allocated to increase the investment in addressing significant problems associated with damaged highway drainage that causes surface water flooding on roads and pavements. Work is initially prioritised in the city's outlying areas which also benefits the central area as the land slopes towards the sea.

3.8 Significant works to assess and strengthen highway structures across the city will also continue (requiring almost £1.8m from the LTP allocations) to ensure they remain in a safe condition and are fit for purpose. The overall amount of investment is required in order to inspect, maintain or renew structures which are a critical, but ageing, part of the seafront's infrastructure from the Former West Street Shelter Hall to the Bandstand. This investment accords with the principles of the council's Seafront Investment Plan.

3.9 The programme includes a total of £3.5m towards the £19.2m strengthening of the former West Street Shelter Hall structure which supports the A259, and improvements to the junction of King's Road and West Street. Approximately half of the total cost of the scheme has been secured via a successful bid to the Government's Highways Maintenance Challenge Fund. As reported at Policy, Resources & Growth Committee on 8 February this year, the projects costs have increased from original estimates. This is because there have been:-

- a number of significant engineering and geotechnical challenges due to unstable ground conditions that has necessitated both major temporary and permanent engineering solutions to ensure the stability of the A259, as the council is effectively trying to rebuild a bridge whilst keeping it open;
- a greater than anticipated number of historic buried structures (sea walls) and in addition the statutory undertakers have required the installation of additional utilities infrastructure;
- significant challenges in trying to build a new structure over a strategic main sewer which runs through the site; and
- a number of significant design changes to ensure the final building meets the council's Property & Design Estates Team's, Planning's, Conservation's and Historic England's requirements including the complete re-fabrication and re-location of the listed kiosk.

3.10 The opportunity has also been taken by the council to create a higher specification land mark building over two floors to maximise future income and create a centrepiece flagship venue, which will encourage and enable other planned major developments to be brought forward, such as the Waterfront Development. The former, listed kiosk was also unable to be salvaged and had to be completely rebuilt in accordance with strict historical and conservation parameters, which has incurred additional cost and delays.

- 3.11 An additional £0.5m from the council's capital receipts will be invested in maintaining Hove Station Footbridge, which will benefit local connections to the station and Central Hove.
- 3.12 £0.3m has been allocated to assist in reducing the ongoing maintenance requirements for the £10m-plus worth of street lighting in the city. Surveys and condition assessments identify areas/corridors that require street lighting column replacement. The approved 'Invest to Save' initiative will include an ongoing programme to upgrade lighting with more efficient lanterns/lamps to help accelerate reductions in electricity and maintenance costs, and achieve the city's carbon emission targets. The programme of investment in 2018/19 is currently being planned and finalised.
- 3.13 A government requirement for all Highway Authorities to identify and account for their infrastructure (often referred to as assets) by preparing a Highway Asset Management Strategy [HAMS] will be continued during 2018/19. £0.075m has been allocated to fulfil this requirement and the completed HAMS will form the basis of a comprehensive inventory. This will be used to prepare medium and long-term programmes of works to maintain the highway to required standards, based on its current condition. The council's self-assessment of its progress has been submitted to the Government and is considered to warrant a Band 2 grading which should secure additional ('incentive') funding for works of at least £0.196m.

INTEGRATED TRANSPORT FUNDING

Connecting people with destinations, activities and services

- 3.14 Ensuring that transport investment is targeted in locations that will help support the wider needs of the city is critical to helping 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 from a wider area.
- 3.15 £0.120m worth of proposed investment in 2018/19 will include improving the safety and environment around, and on routes to, schools and increasing the transport options available to reach centres of economic activity and employment can assist in reducing congestion. Measures include those that will assist in encouraging sustainable, travel behaviour change, such as workplace and school travel planning, some of which are match-funded by businesses.
- 3.16 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 a number of 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. Following its prioritisation within the LTP Delivery Plan by this committee in November 2015, it is proposed that work will begin to explore and develop preliminary proposals for the Boundary Road/Station Road corridor in Portslade in 2018/19.
- 3.17 Local parks and open spaces provide excellent 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 RoW Improvement Plan (currently at consultation stage) will continue, and RoWs which provide improved links with the South Downs National Park remain a priority.

- 3.18 £0.085m worth of investment is proposed in interchange facilities, where people can transfer between different forms of transport on their journey/visit. A previously approved, but unspent allocation for cycle parking at rail stations, including Hove, Portslade, London Road and Moulsecoomb, is also planned to be spent in 2018/19 but is dependent upon more significant progress being made by the lead partner, Southern Rail. Opportunities will also be taken to invest in more secure, on-street motorcycle parking. Significant progress is expected to be made on developing proposals for the 'Gateway to the Sea' project, between Brighton Station and the Seafront, which includes the busy Clock Tower junction.

Improving neighbourhoods

- 3.19 Continued investment is required in targeted road safety engineering schemes to maximise casualty reduction, in line with the positive results achieved recently in reducing the number of people killed or seriously injured. £0.180m is proposed to be invested in locations where driver speeds still exceed speed limits in 20 mph areas, and the Portland Road/Rutland Gardens 'high risk' site.
- 3.20 Tackling pollution levels in the city's Air Quality Management Areas remains a high priority. A previously approved allocation of funding will enable a minor traffic management scheme in Rottingdean Village to be delivered 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. Increasing the mobility of local residents with 'dropped' kerbs and level surfaces, alongside clear wayfinding signing for visitors, are important ways to increase the attractiveness and convenience of these types of journeys in the city, especially over short distances. A total of nearly £0.245m is planned to be spent specifically in these areas in 2018/19. Other named projects within the overall programme will also include measures to enable and increase active and healthy travel.
- 3.21 The expansion of the city's electric vehicle charging point network will help respond to the growing demands for this infrastructure by widening choice and also reducing carbon emissions. A £0.055m allocation will help towards increasing provision and developing a more significant; step-change in investment will be achieved by exploring and bidding for additional funding sources which are being discussed with the Government's Office for Low Emission Vehicles [OLEV] and other partners in the city.

Managing links and improving routes

- 3.22 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 will start in mid-2018 on the agreed Valley Gardens

(Phases 1 & 2) scheme using an LTP allocation and LGF, and progress will begin on developing proposals for Phase 3 of the project between Edward Street and the A259/Palace Pier and preparing a Business Case to submit to the C2C LEP in order to secure the current, provisional £6m LGF allocation. Owing to other funding requirements within the capital programme, work to develop proposals for the Church Road corridor in Hove is now proposed to be undertaken beyond 2018/19, following its prioritisation by this committee in November 2015.

- 3.23 Continued investment in the use of technology to manage the city's transport network is planned to help modernise and optimise traffic signal-controlled junctions and pedestrian crossings and improve driver information and traffic management, including £0.100m for the approaches to, and junction of, Wilson Avenue and Roedean Road.

General allocations

- 3.24 Some minor investment is required in 2018/19 for some schemes after the main construction works have been completed in 2017/18 e.g safety audits and additional remedial works, and to allow some initial scoping and preliminary work on new schemes. An allocation of £0.050m of funding will also enable officers to undertake work on investing funding legally secured from permitted planning applications (referred to as 'Section 106 contributions') in locations across the city. This will assist in significantly reducing the £2.3m balance held by the council, as reported to the Tourism, Development & Culture Committee in November 2017, and involve investment in transport and highway measures which are primarily focused on sustainable (walking, cycling and public transport) measures. Some data collection will also be undertaken to assist in monitoring and assessing the wider effects of some schemes and projects.

Future transport capital programme investment

- 3.25 In approving its 2018/19 budget, the council has also confirmed that it expects to receive LTP capital allocations from the Government of £5.169m in both 2019/20 and 2020/21 through the LTP process. These sums will enable the ongoing development and delivery of certain schemes or initiatives as part of the council's LTP Delivery Plan, and will be dependent upon future budget decisions made by the council, and the committee is therefore recommended to note them.

OTHER SOURCES OF FUNDING

- 3.26 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 Fund which will support sustainable and accessible travel projects to help overcome barriers to jobs and economic activity between 2017 and 2020, which will be focused on Lewes Road in 2018/19 and Whitehawk/Eastern Road in 2019/20.
- 3.27 As referred to in paragraph 3.24 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 be used in 2018/19 to continue these important work programmes across the city near development sites.

- 3.28 The council has also successfully secured funding for major and significant transport schemes by bidding for Local Growth Fund [LGF] money, which is administered by the C2C LEP. This funding will help support the retention and delivery of jobs and housing in the city and the Greater Brighton City Region. In future years, the LTP capital programme may also need to reflect new or successful bids for funding, when these opportunities arise.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The proposed 2018/19 LTP capital programme is consistent with the Strategy and the principles of the Delivery Plan in the approved LTP4, 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 should help support the consideration of the council's case for any similar bids in the future.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The proposed, detailed 2018/19 programme was reported to, and discussed by The Connected City's Transport Partnership in February 2018. Engagement and consultation also took place in 2014/15 prior to the approval of the LTP4 document 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 1.3 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 terms of minimising the potential effects of works on the overall operation and management of the transport network in Brighton & Hove.
- 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.

6. CONCLUSION

- 6.1 The decision of the committee to approve the allocation of the 2018/19 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 budget includes all the allocations made at Budget Council in February 2018 and it will enable works to be continued or started, which will continue to support the council's, city's and wider stakeholders' objectives.

7. FINANCIAL & OTHER IMPLICATIONS:

- 7.1 In 2014 the Government announced the council's indicative funding allocations for 2018/19 to 2020/21 which are included within the council's 10-year budget planning approach for its Medium Term Financial Strategy. These sums are still to be confirmed by the Government, but are not expected to change.
- 7.2 The council's 2018/19 capital programme was approved at Budget Council in February 2018 and this report sets out the proposed use of the £5.365m worth of Government funding within the Transport capital programme. The 2018/19 LTP capital programme is primarily funded by Department for Transport grants and also includes additional funding secured or approved.

Government Funding Source	Indicative allocations £'000s		
	2018/19	2019/20	2020/21
LTP Integrated Transport Block	3,059	3,059	3,059
LTP Highway Maintenance Block	2,110	2,110	2,110
Total LTP Grant Funding	5,169	5,169	5,169
Incentive Funding	196	<i>tbc</i>	<i>tbc</i>
Pothole Action Fund	<i>tbc</i>	<i>tbc</i>	<i>tbc</i>
Transport Funding Available	5,365	5,169	5,169
Council capital receipts	1,500	0	0
Council unsupported borrowing	3,805	3,805	<i>tbc</i>
Forward funding from reserves	0	1,000	-1,000
Council direct revenue	0.145	0.145	0
Local Growth Fund [LGF]	3,573	6,540	3,000
Overall Total Funding	14,388	16,659	7,169

tbc - to be confirmed. Allocations not announced/known.

- 7.3 Future years' capital programmes will require Policy, Resources & Growth Committee approval.

Finance Officer Consulted: Rob Allen

Date: 08/03/18

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 2018/19 LTP capital programme and noting future indicative allocations, which are consistent with the Delivery Plan set out within the LTP4. A number of sums reflect contributions to existing LGF projects which are or will be subject to formal Funding Agreements with the C2C LEP. Any relevant legal implications will be considered when individual schemes are brought forward for implementation.

Lawyer Consulted: Elizabeth Culbert

Date: 27/02/18

Equalities Implications:

- 7.5 In developing specific projects and programmes within the 2018/19 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. This type of investment will also help support some of the recommendations of the council’s Fairness Commission.

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 and reducing carbon emissions.

Any Other Significant Implications:

- 7.7 The 2018/19 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. Additional, wider implications associated with the proposed investment are therefore set out in Appendix 1 of this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Other Significant Implications
2. Proposed 2018/19 and Future Years’ LTP capital programme allocations

Documents in Members’ Rooms

1. None

Background Documents

1. Report to Budget Council – February 2018
2. Report to Tourism, Development & Culture Committee (Section 106 Financial Report) - November 2017
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

Other Significant Implications

Crime & Disorder Implications:

- 1.1 There are no direct implications arising from the proposed 2018/19 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:

- 1.2 The design of most transport schemes are 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 the risk of not fully spending the approved investment programme. Maintenance of the seafront as an asset to the city is identified within the council's Strategic Risk Register because it includes the transport routes and highway structures that form support it. Investment in it therefore forms part of the proposed 2018/19 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:

- 1.3 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:

- 1.4 The LTP includes principles and objectives that will help support the city's planned economic growth, social development and environmental enhancement. The annual 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 2014 Strategic Economic Plan; the emerging Greater Brighton City Region Inward Investment and Trade Strategy; the preliminary work that will inform The Connected City's 2030 City Vision; and the outcomes set out in the 2014-2019 South Downs National Park Partnership Management Plan. Over time, the city's role within the wider region will also be acknowledged, especially within the emerging priorities and collaboration that is being achieved within the Sub-national Transport Body known as Transport for the South East [TfSE] through its Shadow Partnership Board. The primary aim is to improve the region's economic connectivity and increase productivity through strategic investment in transport improvements.

PROPOSED 2018/19 AND FUTURE YEARS' LTP CAPITAL PROGRAMME ALLOCATIONS

Project/Scheme	Description (please see Footnotes below for explanation of symbols)	2018/19 Proposed Allocation (£'000s)	2019/20 Indicative future allocation (£'000s)	2020/21 Indicative future allocation (£'000s)
CAPITAL RENEWAL/MAINTENANCE SCHEMES				
Maintaining links and routes to improve.....				
Surfaces	Roads #	1005	tbc	tbc
	Pavement/Footways	150	tbc	tbc
Drainage	Replacement of failed gullies/soakaways	200	tbc	tbc
Street Lighting	Replacement of connections and columns®	300	300	300
Bridges & Structures	A259 King's Road Arches (Phases 4/5) – preliminary investigation	100	tbc	tbc
	Former West Street Shelter Hall (A259)*	1500	1500	0
	Marine Parade retaining wall (Duke's Mound)	100	tbc	tbc
	Other locations	15	tbc	tbc
Highway Asset Management	Surveys, update inventory and finalise strategy evidence	75	75	75
CAPITAL RENEWAL/MAINTENANCE SUB-TOTAL		3,445	2,110	1,110
INTEGRATED TRANSPORT SCHEMES				
Connecting people with.....				
Education, Training & Learning	Safer Routes to Schools	60	tbc	tbc
	School Travel Plan Measures***	20	20	0
SUB-TOTAL		80		
Workplaces & job opportunities	Business Travel Plan Measures***	20	20	0
	Personalised Travel Planning***	20	20	0
SUB-TOTAL		40		
Shopping areas	Boundary Road/Station Road - Portslade	20	tbc	tbc
SUB-TOTAL		20		
Parks, open spaces & the National Park	Rights of Way – incl. access to SDNP	25	tbc	tbc
SUB-TOTAL		25		
Interchanges	Cycle parking	40	0	0
	Motorcycle parking	10	10	10
	Accessible bus-stops	35	tbc	tbc
SUB-TOTAL		85		
Improving neighbourhoods with.....				
Road Safety	20mph limits – monitoring and speed reduction measures	80	0	0
	High risk sites	100	tbc	tbc
SUB-TOTAL		180		
Air Quality	Electric vehicle charging points	55	55	55
SUB-TOTAL		55		
Active travel measures	Pedestrian crossings – freestanding sites	100	tbc	tbc
	Walking network – incl. dropped kerbs and handrails	50	tbc	tbc
	Cycle network***	40	40	tbc
SUB-TOTAL		190		
<i>continued...../</i>				

Project/Scheme	Description (please see Footnotes below for explanation of symbols)	2018/19 Proposed Allocation (£'000s)	2019/20 Indicative future allocation (£'000s)	2020/21 Indicative future allocation (£'000s)
Managing links and routes with.....				
Technology & Travel Information	Intelligent Transport Systems [ITS] package - Phase 2 (Wilson Avenue/Roedean Road)~	100	tbc	tbc
	SUB-TOTAL	100		
Strategic/corridor improvements	A270 Elm Grove traffic signals	15	0	0
	Valley Gardens:Phases 1 & 2**	892	57	0
	Valley Gardens:Phase 3 – engagement and preliminary design****	200	600	400
	Church Road, Hove	0	tbc	tbc
	Bus Network Review*	30	tbc	tbc
	SUB-TOTAL	1037		
Connecting people and neighbourhoods with, and improving the				
City Centre & Seafrost	'Gateway to the Sea' – engagement and preliminary design	150	tbc	tbc
	SUB-TOTAL	150		
General allocations				
'Section 106' works	Various agreed local measures†	50	50	50
Minor works	Scheme completion & scoping/Monitoring	20	tbc	tbc
	SUB-TOTAL	70		
	INTEGRATED TRANSPORT SUB-TOTAL	2,032	3,059	3,059
TOTAL LTP ALLOCATIONS		5,477	5,169	5,169
Funded From				
LTP Integrated Transport Block Grant Allocation		3,059	3,059	3,059
LTP Maintenance Block Grant Allocation		2,110	2,110	2,110
Highway Maintenance Incentive Fund		196	tbc	tbc
Pothole Action Fund		tbc	tbc	tbc
Additional Funding Sources				
Capital Receipts – Shelter Hall and Hove Station Footbridge		1,500	0	0
Unsupported Borrowing – Shelter Hall and street lighting		3,805	3,805	0
Funding from/(to) Reserves – Shelter Hall		0	1,000	-1,000
Council Direct Revenue – street lighting		145	145	0
Local Growth Fund [LGF] – Valley Gardens Phases 1&2 and 3		3,573	6,540	3,000
GRAND TOTALS		14,388	16,659	7,169

Footnotes

- includes Incentive Funding indicative allocation (£196,000) and Pothole Action Fund allocation (to be confirmed)

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

* - supplemented with additional funding from various council sources (Council-22/2/18)

** - local contribution, committed to approved C2C LEP Local Growth Fund [LGF] scheme.

*** - committed contribution to successful bid to the DfT-funded 'Unlocking Growth with Active Travel' Access Fund project.

**** - local contribution, committed subject to acceptance of Business Case by C2C LEP to secure Local Growth Fund [LGF] allocation.

~ - supplemented with additional funding from other sources.

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

tbc - project/programme will require/receive continued funding to deliver existing/ongoing commitments (sums to be confirmed, or unknown).

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.
- Some works are also subject to network co-ordination with other projects, developers and utility companies, contractor availability and weather conditions.

Subject:	Phasing out single use plastics (SUPs)		
Date of Meeting:	29 March 2018		
Report of:	Nick Hibberd		
Contact Officer:	Name:	Mita Patel	Tel: 01273 29 3332
	Email:	mita.patel@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report provides a progress update on work that has begun in phasing out single use plastics (SUPs) across council buildings and services.

2. RECOMMENDATIONS:

That Policy, Resources and Growth Committee notes:

- 2.1 The report and work progress detailed in section 4.
- 2.2 That it will receive a more detailed report on progress in July 2018
- 2.3 The conclusions and next steps provided in section 6.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 On 2 November 2017 two Notices of Motion, one by the Conservative party (Appendix 1) and the other by the Green party (Appendix 2) were passed at Full Council. Both Notices of Motion were calling for the phasing out of SUPs across council buildings and services.
- 3.2 One Motion requested that the Environment, Transport & Sustainability Committee make recommendations to the Policy, Resources & Growth Committee, however, it was agreed at the Environment, Transport & Sustainability Committee on 28 November 2017 that one report addressing the requests made in both Notices of Motion would be considered by Policy, Resources & Growth Committee alone.
- 3.3 Around eight million tonnes of plastic makes its way into oceans each year, posing a serious threat to the natural and marine environment. There is now a growing acceptance locally, nationally and globally of the negative impact plastic waste is having upon our environment and particularly to marine life. Businesses, local authorities, communities and individuals across the country and beyond are uniting in their efforts to respond by adopting policies and practices and sharing best practice and knowledge for reducing the use of SUPs and in tackling the plastic waste pollution problem.

- 3.4 Brighton & Hove City Council is committed to supporting the local environment and is lead partner for the UNESCO Biosphere programme, The Living Coast^[1], that serves as an international demonstration area for sustainable development. The Biosphere programme works to connect people and nature to pioneer a positive future; conservation and enhancement of our local environment – including the sea and coast – is a principal objective and focus for its work.
- 3.5 Historically, the council has collaborated on successful city initiatives to reduce waste. This includes the #StreetsAhead¹ campaign led by CityClean – an anti-litter initiative in partnership with the environmental charity Hubbub² which aims to raise awareness on the damaging impacts of plastic waste and encourage responsible disposal of litter.
- 3.6 The council's efforts in this work is being recognised at a national level and was recently mentioned at the British Plastic Federation conference and at the national Keep Britain Tidy network conference, both held in February 2018.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Officers are currently consulting with services across the council to identify where SUPs use is the most significant, where they can be easily removed or alternatives identified and where there are challenges in finding alternatives.
- 4.2 Alongside this, there is continued collaboration between council teams, external organisations and plastic free campaigns groups across the city to support them in their efforts and to join forces where possible to have greater impact.

Key areas of progress in the council

- 4.3 The Procurement Team have taken some immediate steps for responding to the council's ambitions on removing SUPs through our procurement process. Following the two Notices of Motion that were brought to Full Council in November (Appendix 1 & 2), SUPs were discussed at the Procurement Advisory Board (PAB) on 11 December 2017. As a result of these discussions at PAB the following information was added to the Procurement page of the council website:

Banning of single use plastics

The Brighton & Hove City Council Procurement Team encourage its suppliers to be more responsible regarding 'single use plastics' following a Notice of Motion carried unanimously at Council on 2 November 2017 which requested Brighton & Hove City Council to consider a ban on the purchase of 'single use plastics' in all its buildings and agencies³.

^[1] www.thelivingcoast.org.uk

¹ <https://www.brighton-hove.gov.uk/content/press-release/streetsahead-campaign-launches-clean-brighton-hove>

² <https://www.hubbub.org.uk/>

³ www.brighton-hove.gov.uk/content/council-and-democracy/contracts-tenders/sustainable-procurement.

Furthermore, the Procurement Team was consulted in February 2018 to identify what measures could be taken to influence service providers in reducing or finding alternatives to their use of SUPs. The outcome of this consultation is now being used to devise actions to understand suppliers' current use of SUPs, and encourage its suppliers to be more responsible in their use.

- 4.4 Hospitality providers to council buildings are being approached to encourage them to eliminate SUPs in their service provision in council buildings, encourage customers to use alternatives and reduce SUPs in their premises and at their point of sale.
- 4.5 The council's Communications team are leading on work to support greater staff awareness and engagement in helping to eliminate SUPs across the council. To facilitate this, a communications platform has been launched inviting staff to complete a short survey and share ideas and on the council's intranet. (This is also being shared to those teams in the council buildings that do not have access to the intranet). This will enable greater involvement and ownership of staff and building users, and success in phasing out SUPs across the organisation. It will also serve to feed into work targeting service providers led by the Procurement team outlined in section 4.3.
- 4.6 The corporate Building Users Group led by the Council's Premises Team is being consulted and will be actively engaged in any activities and work streams identified.
- 4.7 A tap water project community engagement and awareness project is currently being developed under the Biosphere programme. The project is a collaboration between Southern Water and the council's Public Health, International & Sustainability Teams, the city's Plastic Free Pledge and Refill campaigns. The project will promote the health benefits of drinking tap water to the wider public, and raise awareness to the fact that our tap water is filtered through the local chalk aquifer in the ground beneath us. It also aims to reduce plastic waste by targeting large and small organisations and venues as well as outdoor events in the city to encourage them to eliminate plastics bottles and offer tap water instead. This project is being branded under The Living Coast⁴ Biosphere programme and will be an opportunity to link with and support other initiatives in the city that aim to increase the tap water offer, reduce the need for plastic bottles and encourage greater use of reusable water and drinks containers.
- 4.8 Engagement with large venues will include replacing water bottles with project branded water carafes for the provision of drinking water. This was trialled at a senior level event that Southern Water had with the water regulator Ofwat earlier in March at the Amex stadium. The event was an opportunity to test the messaging and approach for rolling out at other large venues.
- 4.9 Work around events will include replacing plastics cups and bottles with reusable options; bottle return schemes; enabling greater access to standpipes for providing access to free drinking water; and encouraging event goers to bring

⁴ www.thelivingcoast.org.uk

their own reusable water bottles. Early discussions and engagement with key city events are already underway.

- 4.10 The Biosphere tap water project is positively engaging with seafront bars, restaurants and businesses that are keen to eliminate plastics, offer alternatives and significantly reduce beach litter. This is an exciting opportunity as plastic waste from these establishments contributes to a considerable amount of plastic litter found on our beaches. The project will also link with the council's #StreetsAhead project led by CityClean and in collaboration with the Seafront Team, in continuing to support further litter picks and anti-litter initiatives along the promenade and on the beach.
- 4.11 The #StreetsAhead programme for 2018 will include:
- Monthly beach cleans February-October with Pier2Pier Beach Clean group
 - 'A drop in the ocean': research and creative design project using plastic bottle tops from along the seafront. Tops will be collected via collection bottles hosted by businesses, via beach cleans, as well as CityClean seafront staff during their cleans. Tops will be used to create an installation which will be displayed in Kemptown beach
 - Launch of #StreetsAhead in parks, together with the Tidy Up Team, the weekend of GB Spring Clean. With more collaboration and plans to tackle litter in other parks to follow.
 - Continue to support beach clean groups and litter picking events in Brighton and Hove by arranging for the equipment and promotion of the events.
- The Biosphere tap water project will link to all these elements of the #StreetsAhead programme to make the best of opportunities for collaboration.
- 4.12 Freedom Leisure have recently announced that they will be actively reducing their plastic waste and increasing recycling across all their centres⁵. The Biosphere tap water project will be actively engaging with them to include them in the project.
- 4.13 Linked to the Biosphere project, an awareness raising initiative in schools for eliminating/ reducing SUPs (in schools) is also being developed. This will be a collaboration between the Brighton & Hove Environmental Education (BHee)⁶ programme, the Eco-Schools programme, the council's Public Health Schools team and CityClean. Some schools are already developing policies and projects for eliminating SUPs in their buildings and surroundings. These include:
- Stanford Junior School who recently ran initiatives including Plastic Free February and a plastics free pledge;
 - Fairlight Primary School – who working with CityClean to raise awareness on plastic waste including having an educational session on plastics waste and have done beach cleans as part of this.
 - St Christopher's (a private school in Hove) have introduced a 'no single use plastic bottle' policy;
 - Goldstone Primary School is planning a similar 'no single use plastic bottle' policy as well as a 'protest against plastic' campaign.

⁵ <https://www.freedom-leisure.co.uk/press-centre/coffee-cup-waste/>

⁶ www.BHee.co.uk

The council collaboration will provide a more coordinated approach for supporting more schools in the city in delivering such initiatives and will also collaborate with the schools officers from the Public Health team to make close links to the health agenda that promotes greater access to tap water in schools.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Consultation is being planned with council contract managers as outlined in 4.3.
- 5.2 Consultation and engagement with staff will be supported as mentioned in 4.5 and 4.6.
- 5.3 The Biosphere tap water project as mentioned in 4.6 to 4.12 is also consulting and engaging with organisations and other anti-plastic initiatives to ensure all opportunities are realised.
- 5.4 Consultation and best practice sharing with other local authorities, businesses, and organisations is ongoing. Tackling the SUPs problem is high on everyone's agenda and is a problem shared by all UK cities. There is a strong appetite for sharing learning and best practice and officers are seeking to do this through existing networks and sustainable city groups that the council are linked with. The council is involved in planning a small meeting in London in May to bring interested local authorities and organisations together for sharing best practice and collaborate where relevant. Council officers will also be participating in a larger seminar and networking event hosted by Aviva Investors in London in autumn 2018.

6. CONCLUSION

- 6.1 Phasing out SUPs from across the council is a significant and on-going piece of work. It is going to take time to fully capture all SUPs that are used across council services and in our buildings. In many cases, solutions for removing them will be able to be identified and action will be taken to remove these from use immediately. But in some cases it may not be possible to find a suitable alternative at the current time.
- 6.2 This work achieves both a demonstration of leadership locally and it will also have a ripple effect upon all our service providers, partner organisations and to the wider city public. It supports greater partnership working between departments and with organisations and anti-plastic initiatives across the city.
- 6.3 The PRG report in July 2018 will provide a progress update and set out further detail on measures and actions for phasing out SUPs both in the areas referred to in this report and in additional areas. The service areas include: Procurement, Events, Seafront, City Infrastructure, Housing, Premises, Public Health and Adult Social Care. Progress will also be provided on work being done to target sectors that are outside of our immediate control including businesses and schools.

Next steps

- 6.4 A programme board will be set up to support governance and accountability on this work moving forward.

6.5 A corporate SUPs policy will be drafted and brought to committee for member approval.

6.6 Next steps for the Biosphere tap water public engagement project includes:

- An official launch in early May 2018 to coincide with the start of the Brighton Festival and Fringe festivals.
- An online app and map for guiding members of the public towards participating organisations and businesses offering free water bottle refills.
- Greater numbers of businesses, venues and events engaged and signed up.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 There are no direct financial implications as a result of this report, however, the financial impact of using alternative materials and phasing out SUP's through the procurement of contracts will need to be considered within the award of each contract. The financial impact of using alternative materials for revenue services, agencies, and supply chains will also need to be considered within the scope of their respective revenue budgets. The promotion of the Biosphere project and awareness initiative in schools will be met from the Public Health, council and schools existing budgets.

Finance Officer Consulted: Rob Allen

Date: 16/03/2018

Legal Implications:

7.2 This is a high level report and there are no legal implications to note at this stage. Detailed legal implications will be provided when more detailed measures and actions for phasing out SUPs are set out. This is expected to be in the report to this Committee in July 2018.

Lawyer Consulted: Sarita Arthur-Crow

Date: 16/03/2018

Equalities Implications:

7.3 The Biosphere tap water project supports greater promotion and public access to free drinking water.

7.4 Equalities and impacts to building users and members of the public that any of the initiatives and work areas outlined in this report or that is identified, moving forward, will be considered. An equalities impact assessment will be undertaken as and where identified necessary.

Sustainability Implications:

7.5 This project supports a great many areas of sustainability. More specifically, through minimising SUP waste and litter it will be an effective approach for reducing the negative impacts these can have upon the local environment,

nature and biodiversity. Encouraging the reuse of bottles and materials and finding alternatives to SUPs will also have a positive impact upon reducing carbon emissions as there is a significant amount of embodied energy that goes into the production, manufacturing, use and disposal of SUPs.

Any Other Significant Implications:

- 7.6 None identified.

Risk and Opportunity Management Implications:

- 7.7 By taking leadership and being pro-active in its ambitions to phase out SUPs, where it can, the council is reducing its risk in getting negative publicity in its response to a growing local and global problem. There are many positive initiatives that are currently being delivered in plastic waste reduction, both at a grassroots and national level. There is currently widespread public concern and a growing desire to take action on SUPs now. The council's strong position on tackling the SUPs problem supports this cause. Its efforts in engaging with wider stakeholders and the public in these efforts, demonstrates that it is making the most of this opportunity.

Public Health Implications:

- 7.8 A key element of this work is in the delivery of the Biosphere tap water project which aims to promote greater drinking of tap water, and the positive health benefits this can have for residents, workers, and visitors in Brighton & Hove.

Corporate / Citywide Implications:

- 7.9 Activities will be supported through the development of a policy document. There will be ongoing consultation with building and service users to ensure that any reduction in SUPs do not present a negative impact to staff and the working environment.
- 7.10 This report includes projects that aim to have a positive impact upon the wider public, businesses, and other city stakeholders. All projects will involve stakeholder engagement and consultation to ensure that any potential negative impacts to the wider city community are considered and mitigated against.

SUPPORTING DOCUMENTATION

Appendices:

1. Notice of Motion from the Conservative Group, 2 November 2017
2. Notice of Motion from the Green Group, 2 November 2017

Council	Agenda Item 42(b)
2 nd November 2017	Brighton & Hove City Council

NOTICE OF MOTION

CONSERVATIVE GROUP

BANNING OF SINGLE USE PLASTICS

This Council requests:

- (1) The Environment, Transport & Sustainability Committee to consider calling for a report detailing the economic and environmental impact of single use plastics, and the potential for a ban on the purchase of 'single use plastics' in all BHCC buildings and agencies;
- (2) The Policy, Resources & Growth Committee to consider the implementation of a ban on the purchase of 'single use plastics' in all BHCC buildings and agencies; taking into account the financial implications of such a ban and the recommendations of the Environment, Transport & Sustainability Committee;
- (3) To request the Procurement Advisory Board to encourage all businesses with which the council engage, via the procurement network, to support the banning of these consumables in their place of work.

Proposed by: Cllr Bell

Seconded by: Cllr Nemeth

Supporting Information

We produce roughly 300 million tons of plastic each year and half of it is disposable. The nature of petroleum based disposable plastic makes it difficult to recycle and new materials and chemicals must be added to it to do so. Although plastic will not biodegrade, it will break down into tiny particles after many years. In the process of breaking down, it releases toxic chemicals which make their way into our food and water supply. These toxic chemicals can be found in our bloodstream. And the latest research has linked them to cancer, infertility, birth defects, impaired immunity and many other ailments.

Single use plastics are a major source of marine litter. Items such as bags, bottles and straws present a physical danger for marine life. In landfill or in our oceans, these everyday objects result in a vast loss of energetic and material value to the economy. The transition to a circular economy offers opportunities to close the loop and prevent marine litter and its ecological, social and economic impacts.

Further note:

1. £64-97 billion of material value from plastic packaging alone is lost to the economy each year.
2. Sectors such as tourism, fishing and shipping are commonly impacted by marine litter, and there is an economic burden on local authorities through clean-up costs.

Council	Agenda Item 42(c)
2 nd November 2017	Brighton & Hove City Council

NOTICE OF MOTION**GREEN GROUP****UNNECESSARY SINGLE-USE PLASTICS**

This Council resolves to:

Request that a report be brought to Policy, Resources and Growth Committee on the options for bringing an end to the use of unnecessary Single Use Plastics (SUP) in Brighton and Hove, taking account of the following measures to:

- a) enable Brighton and Hove City Council to become a full signatory of the 'Plastic Free Pledge', by phasing out the use of unnecessary SUPs in all City Council buildings, and working with commissioning partners to end the purchase and procurement of SUPs through the BHCC supply chain;
- b) encourage the city's businesses, organisations and residents to go 'plastic free,' working with best practice partners in the city to explore the creation of a 'plastic free network,' that could provide business support, practical guidelines and advice to help local businesses transition from SUPs to sustainable alternatives;
- c) to incentivise traders on Council land to sell re-usable containers and invite customers to bring their own, with the aim of phasing out SUPs; including investigating the possibility of requiring food and drink vendors to avoid SUPs as a condition of their event permission, strengthening the existing Sustainable Event Commitment Form and guidance circulated to exhibitors and traders

Proposed by: Cllr Mac Cafferty

Seconded: Cllr Littman

Supporting Information

There is a need to be aware of the damaging impact that Single Use Plastics (SUP) have on both our environment and public health, recognising that as a coastal city (and also a designated Biosphere), Brighton and Hove has a key role to play in reducing plastic waste.

(1) Unnecessary (*i.e. excluding medical items*) Single-Use Plastics (SUP) used once before disposal e.g. bottles, cups and straws, are not widely recycled. Studies from Columbia University show SUPs can take up to 600 years to degrade, breaking into fragments that cause damage to the environment and permeate the food chain.

Recent studies found that 72% of U.K tap water samples were contaminated with plastic fibres, and a third of all fish caught off the British coast contained plastic.

(2) The Plastic Free Pledge encourages organisations and individuals to reduce SUP waste <https://plasticfreepledge.com/> A petition calling on the Council to issue guidelines to local businesses on plastic reduction is here: <http://bit.ly/2gtwqFC> and a petition calling on Government to reduce and end SUPs here: <http://bit.ly/2xSFLhs>

(3) Several trailblazing businesses and organisations in Brighton and Hove have already implemented plastic free alternatives, such as Brighton Catering Supplies, Silo, HisBe supermarket and The Tempest Inn. In particular, 56 venues in Brighton and Hove have pledged to limit or remove many SUPs, such as plastic straws.

Subject:	Annual Planned Maintenance Budget and Asset Management Fund Allocations 2018-19 for the Council's Operational Buildings		
Date of Meeting:	29 March 2018		
Report of:	Executive Director for Economy, Environment & Culture		
Contact Officer:	Angela Dymott	29-1450	
	Name: Martin Hilson	Tel: 29-1452	
	Nigel McCutcheon	29-1453	
	Email: angela.dymott@brighton-hove.gov.uk		
	martin.hilson@brighton-hove.gov.uk		
	nigel.mccutcheon@brighton-hove.gov.uk.		
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 To seek approval for the annual Property revenue and capital budget allocations and programme of works. The proposed 2018-19 annual Planned Maintenance Budget (PMB) revenue allocation of essential repair works to civic offices, historic, operational and commercial buildings consists of a revenue budget relating to the corporate Planned Maintenance Budget of £2,800,650 and a Social Care Planned Works Budget of £500,000, totalling £3,300,650. The annual Asset Management Fund (AMF) is a capital budget for property improvements and health & safety works totalling £1,000,000.

2. RECOMMENDATIONS:

2.1 That Policy, Resources & Growth Committee

- (i) approve the annual programme of planned maintenance works as detailed in Appendices 2 and 3, at a total estimated cost of £3,300,650;
- (ii) approve the Asset Management Fund allocation for 2018/19 totalling £1,000,000, as detailed in paragraph 3.4.1 of this report.
- (iii) grants delegated authority to the Assistant Director of Property & Design 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

The council's Corporate Property Strategy & Asset Management Plan 2014-2018 (CPS & AMP) sets out the property context for Brighton and Hove, the council's strategic property objectives, and is available on the council's website. 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. 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 Atrium that aims to centralise property related information. 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. Risk assessments are carried out to ensure that required capital investment is prioritised to make best use of our assets.

3.2 Planned Maintenance Budget (PMB)

This budget of approx. £3.3m 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.

3.2.1 The Corporate Building Maintenance Strategy 2015-2018 that supports the CPS & AMP, is an appendix of the AMP and 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

3.2.2 Like most local authorities, the council faces a backlog in its required 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. We aim to ensure best use of resources, value for money and that funding is properly prioritised.

3.2.3 The annual planned maintenance budget allocation is prioritised in consultation with Client Officers to address the more critical and essential maintenance works to support service re-design and delivery. It also aims to ensure that statutory compliance works and as many higher risk Health and Safety issues as possible are addressed. Essential maintenance also includes works of a structural nature and those that keep our buildings watertight.

3.2.4 In accordance with the council's 50 year lease agreement with the trustees of the Dome Complex that commenced in 1999, £211,837 has been top-sliced from the budget to contribute to a sinking fund for maintenance liabilities at the Dome. There is an obligation within the lease agreement that the council provides a contribution to a sinking fund each year (that increases by RPI) to maintain the fabric of the building including major items of plant and the budget for this

is included in the Corporate Planned Maintenance Budget.

3.3 Summary of Annual Planned Maintenance Budget Programme of Works

The financial allocation to each main Client area is listed within Appendix 2 and Appendix 3. Examples of planned maintenance works in the corporate programme include high-level external repairs and redecoration to the Royal Pavilion, roofing works to the chapels at Woodvale, repairs to the Jubilee Clock Tower and seafront railings that are redecorated on a rolling programme. There are sums to fund the ongoing structural propping to Madeira Terraces whilst solutions are being sought. A contribution supports planned refurbishment works at Brighton Town Hall. Each 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. 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, resurfacing and redecorations. There are also allocations to fund external repairs and redecorations and replaced aged oil fuelled boilers at Wayfield Avenue care centre.

3.4 The Asset Management Fund (AMF)

The Asset Management Fund (AMF) 2018/19 is a capital fund to support property improvements, property related Health & Safety requirements and access improvements under the Equality Act 2010. It forms part of the Capital Strategy 2018/19 along with the Strategic Investment Fund (SIF) of £250,000 and the ICT Strategy Fund of £500,000 and consists of a budget of £1,000,000 funded from capital receipts.

3.4.1 The proposed overall AMF allocation is as follows and details of the bids can be found in Appendix 4:

Description	AMF
1. General Property Improvements	Funding £m
1a Workstyles Phase 4—Brighton Town Hall	0.750
1b Provision of Bird Netting to Roof of Hove Town Hall	0.025
1c Hove Town Hall adaptations to existing ventilation	0.065
Sub total general property improvements	0.840
2. Equality Act Improvements	
2a Rolling programme of access improvements to corporate buildings	0.035
3. Property Related Health & Safety Legislation	
3a Asbestos Management	0.030
3b Legionella Management	0.035
3c Fire Risk Assessment Works	0.060
Sub total Equality Act & property related Health & Safety	0.160
TOTAL OVERALL	1.000

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 PMB 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. Current contracts were extended in November 2017 to March 2020. After this time it is anticipated that the contracts procured through the collaborative procurement exercise with Orbis partners as set out in 3.5.3 may be utilised where they are of benefit to the council.

3.5.3 Senior Property Officers are currently working on a large collaborative Hard Facilities Management procurement exercise with Orbis partners at Surrey and East Sussex County Councils across various workstreams which is covered by a separate report on this Committee Agenda. Providing outcomes are to the wider benefit of each sovereign authority, officers will be looking to procure future works through this arrangement post April 2019.

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 CPS & AMP and Corporate Plan. 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 2014-2018 and the corporate priorities in the council's Corporate Plan.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Regular consultations take place with all 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.

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 AMF financial allocation for 2018-19 and the recommended bids as detailed at paragraph 3.4.1 and Appendix 4 for property improvements, access requirements under the Equality Act 2010 and property related Health & Safety requirements for 2018-2019

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The council's Planned Maintenance Budget for 2018-19 provides a total of just over £3.3m 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 2018-19 capital programme. A permanent annual contribution toward the Dome Complex sinking fund of £211,837 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 (£1.0m). By funding part of the PMB through borrowing the Integrated Service & Financial Plans have been able to release £0.4m from 2017/18 of revenue budget from the PMB allocation toward the three year Integrated Service and Financial Plans savings target. Up to £0.1m of the budget is set aside to meet future years borrowing costs. It is projected that £0.070m will be required for 2018/19 financing costs allowing the balance to be held as a contingency for the schedule of works identified in Appendix 2.
- 7.3 The council's capital funded works programme provides an additional £0.5m, 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 2018-19. 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 2019-20.

- 7.5 The Revenue Budget 2018/19 report presented to Budget Council on 22 February 2018 recommended the allocation of £1.0m capital resources to support the Asset Management Fund 2018/19. These allocations will be incorporated into the council's Capital Investment Programme 2018/19 to support the schemes identified within the table at paragraph 3.4 and Appendix 4. The AMF will make a contribution toward the Workstyles Phase 4 project subject to a detailed business case being approved by this Committee at a later date. 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: 16/02/18

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, EU and UK 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: 05/02/2018

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. Alterations to Brighton Town Hall will comply with current Building Regulations Part M and will improve access to the North entrance

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 2014-2018 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 2018-19
3. Proposed Social Care Planned Works Budget Allocation 2018-19
4. Proposed Asset Management Fund - Detail of Allocations

Documents in Members' Rooms

None

Background Documents

1. The Corporate Property Strategy & Asset Management Plan 2014-2018
2. The Corporate Building Maintenance Strategy 2015-2018

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:

- 1.2 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 2014-2018 to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

Proposed Corporate Planned Maintenance Budget Allocation 2018-19

Property Type	Examples of works / properties covered	Client Officer	Budget Allocation
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.	£800,000
Historic	Royal Pavilion external repairs & redecoration	Tim Thearle	£408,000
Dome	General maintenance	Dome	£211,837
Leisure	Swimming pools, paddling pools & golf clubhouses	Kerry Taylor	£226,000
Libraries	Various libraries	Sally McMahon	£50,700
Seafront	Seafront repairs & redecoration, Volks Railway & Madeira Terrace	Toni Manuel	£402,200
Amenity	Parks buildings, cemeteries & memorials	Andrew Batchelor / Judith Street (cemeteries)	£190,000
Civic	Bartholomew House & Brighton Town Hall	Martin Hedgecock	£215,000
Hollingdean Depot	Hollingdean Depot	Tracy Phipps	£30,000
Commercial	Miscellaneous Landlord obligations	Jessica Hamilton	£124,913
Venues	Brighton Centre	Howard Barden	£124,500
TOTAL			£2,800,650

Proposed Social Care Planned Works Budget Allocation 2018-19

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical heating improvements to Wayfield Avenue, Wellington House & Ireland Lodge	Condition survey & energy efficiency measures	£200,000
	Internal Refurbishment to eleven social care premises	Statutory & condition survey	£186,000
	External Refurbishment to Children's Centres, 55 Drove Road, 83 Beaconsfield Villas, etc.	Condition survey	£94,000
	Fire Precautions – works to be prioritised through fire risk assessments	Statutory	£15,000
	Electrical lighting improvements at Knoll House	Condition survey	£5,000
TOTAL:			£500,000

Proposed Asset Management Fund - Detail of Allocations

1) General Property Improvements

1a) Workstyles Phase 4: Brighton Town Hall: £750,000

Following the successful completion of Phase 3 of Workstyles, there are several areas of the Council which remain untouched by the programme which creates an inequality for staff, as some are able to work flexibly, while others are limited by the pre-Workstyles approach. Addressing these inequalities and applying Workstyles principles to the council's remaining buildings will be the focus of the fourth phase of the programme. The Lead Project in Workstyles Phase 4, as reported at Policy Resources and Growth on 23rd March 2017, will be the redevelopment of Brighton Town Hall. Options and a Business Case for this project are under development and will be presented to Policy Resources and Growth Committee in July 2018

A contribution of £750,000 is required per year, for four years ie 2017/18, 2018/19, 2019/20 and 2020/21 to be allocated from the Asset Management Fund (AMF) to support the business case. On 23rd March 2017, Policy Resources and Growth approved the 2017/18 allocation and this report seeks approval for the 2018/19 allocation.

1b) Provison of bird netting to the roof of Hove Town Hall: £25,000

Following completion of the refurbishment works at Hove Town Hall in 2016, the new roof top plant and solar panels have subsequently proved to be an attraction for seagulls, who are nesting and congregating in significant numbers on the roof. This has led to a health risk for Council maintenance staff and contractors, due to the amount of accumulating 'guano', together with significant other debris (such as fish bones, carcasses etc). The resultant debris has also caused roof outlets to become blocked which in turn created leaks within the building. The amount of seagull 'guano' has also impacted on the efficiency of the solar PV panels which require more frequent cleaning. This proposal will provide netting over a significant area of the roof on the North wing of the building, where most of the plant and PV panels are located.

1c) Hove Town Hall - adaptations to existing ventilation : £65,000

Adaptations are required to the ventilation system on the ground floor of Hove Town Hall (North Block) which were not covered under the 2016 refurbishment. No works were carried out in these areas as they remained in occupation throughout the contract.

2) Equality Act Improvements: £35,000

The following work is proposed :

- Provide hearing enhancement system improvements/installations to Corporate Landlord buildings where identified in recent audit review to include additional neck - loop receivers, lapel microphones and hand-held microphones
- Make improvements to the area around the Whitehawk Hub as identified in a recent Access Appraisal such as improving signage/wayfinding, , dropped kerbs, provision of benches and contrasting nosings and handrails to external steps

3) Property Related Health & Safety Legislation

3a Asbestos Management: £30,000

The Council is proposing to purchase new Asbestos Management Software, jointly with Surrey and East Sussex Councils (as part of ORBIS). This allocation would be a contribution to the software purchase

3b) Legionella Works (L8): £35,000

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.

Works are planned to be carried out to Civic, Social Care and Schools buildings as identified by the Council's Compliance Manager. Works include removal of pipe 'dead legs', temperature calibrations, measures to keep water at prescribed temperatures and provision of secondary returns to avoid stagnation.

Examples of buildings which have been identified as needing work include Coldean library, Cornerstone Children's Centre, East Brighton park Pavilion and Hollingdean Depot

3c) Fire Risk Assessment Works: £60,000

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.

Buildings requiring works include:

- Slipper Baths, North Road
- Elm Grove and Moulsecomb Primary and Patcham Junior Schools

Subject:	Orbis Hard Facilities Management Procurement		
Date of Meeting:	29th March 2018		
Report of:	Executive Director, Economy, Environment & Culture		
Contact Officer:	Name:	Angela Dymott	Tel: 01273 291450
	Email:	angela.dymott@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To inform the Policy, Resources & Growth Committee of the recent activities conducted by Orbis Property Services (OPS) and Orbis Procurement with respect to hard facilities management services and to obtain authority to procure contracts for these services on behalf of the council.
- 1.2 Hard facilities management services include all forms of external contractor delivered building planned maintenance and responsive repairs, statutory compliance certification, testing and servicing of mechanical, electrical and water service installations. These services relate to civic offices, historic, operational, commercial buildings, social care premises, educational establishments and schools but exclude council housing and highways.

2. RECOMMENDATIONS:

That Policy, Resources & Growth Committee:

- 2.1 Authorise the commencement of the procurement of contracts for the delivery of hard facilities management services where the council is the contracting authority and note that Appendix 2 gives an indication of the contracts which will be procured and who the contracting party for each contract will be.
- 2.2 Delegate authority to Assistant Director Property & Design to agree changes to the proposals in Appendix 2 and note that further report(s) to convey the outcome of the Orbis hard facilities management procurement activity and obtain authority for the award of any contracts for hard facilities management services will be brought to future meeting(s) of this Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 OPS has developed a strategy and business plan which is now in the process of being reviewed and delivered. This includes a restructure of client and contract management which aims to optimise consistency and efficiency in the way services are delivered and received. OPS are working towards a single operating model across the three sovereign Orbis authorities and a common offering to

customers where appropriate complemented by a strategic supply chain and performance management approach.

3.2 Orbis Procurement has been working with OPS to fully understand the requirements of the service, end users, current supply chain structure and the wider market. There is a need to create budget stability from new long term contracts and reduce the total cost of delivery to ensure value for money and achieve future savings. This has led to work across the three sovereign Orbis authorities to align contract dates and requirements, resulting in a programme to establish common specifications, ways of workings and proposed new contractual arrangements.

3.3 Currently for the council there is a building works framework for reactive repairs and planned works up to £25,000 in place that expires in May 2019. Above £25,000 planned maintenance works are currently procured mainly using traditional competitive tendering to achieve best value through testing competition within the market. Existing council cyclical statutory testing, certification and maintenance contracts for legionella management, mechanical, electrical and lifts expire in March 2020.

3.4 Scope of the Orbis procurement

3.4.1 OPS manages a number of assets and customers on behalf of the sovereign Orbis authorities providing access to a range of services and the hard facility management services form part of this offer. Contracts will be procured for East Sussex County Council (ESCC), Surrey County Council (SCC) and Brighton & Hove City Council (BHCC). The approximate annual spend across OPS for all hard facilities management services is £50m. The approximate annual spend across the two key hard facilities management areas for the three Orbis authorities is detailed in the following table:

3.4.2

Workstream	BHCC	ESCC	SCC
Planned maintenance works	c. £8m	c. £7m	c. £24m
Cyclical and responsive works	c. £1.7m	c. £1.5m	c. £7.5m

3.4.3 The requirements will cover the majority of corporate and non-corporate buildings and assets within each sovereign authority's responsibility (excluding BHCC social housing and highways property). In addition some of the framework arrangement(s) may be open for other appropriate organisations to call off contracts from (the details of which will be finalised prior to going to market).

3.4.4 An initial strategic business case (SBC) addressing ESCC and SCC requirements with regards to the hard facilities management services was signed off by OPS on 23rd August 2016. This specifically addressed ESCC and SCC requirements. This SBC has now been revisited by all three sovereign Orbis authorities and sixteen core workstreams across planned maintenance works and cyclical and responsive works have been identified and agreed.

3.4.5 Planned Maintenance Works

Generally one-off project/programmes of works associated with the maintenance of building assets.

1. Mechanical services (including air conditioning)
2. Electrical services
3. Doors and windows
4. Roofing - flat & possibly pitched
5. Building works generally (including kitchens - refurbishment and renewals)

3.4.6 Planned, Cyclical and Responsive Works

6. Passenger and goods lifts / escalators
7. Hoist / care equipment

3.4.7 Cyclical and responsive Works

(Cyclical works are planned periodic maintenance of assets.
Responsive works are unplanned maintenance of assets.)

8. Doors and windows / Door entry systems / fire doors / internal / external doors / industrial doors
9. Asbestos removal works (Responsive)
10. Mechanical services (including air conditioning)
11. Electrical services
12. Kitchens - appliances
13. Fabric / roofing / building lots
14. Legionella reports (cyclical) including low value legionella responsive works
15. Asbestos reports (cyclical)

3.4.8 Certification

16. Display Energy Certificates (DEC) and Energy Performance Certificates (EPC)

3.5 The structure of the opportunity

3.5.1 Further to discussions between OPS and Orbis Procurement and also market engagement it is proposed that the requirements of the hard facilities management services are delivered through a variety of framework and term contract arrangement(s).

3.5.2 The procurement documents, specifications and award criteria are currently being worked up and further discussions will be held between OPS and Orbis Procurement to ensure that the requirements for each Orbis sovereign authority are covered.

3.5.3 The procurement process is being led by Orbis Procurement to achieve the project objectives and it will adhere to each sovereign Orbis authorities' procurement guidance, CSO/PSOs and all applicable procurement legislation.

3.5.4 A summary of the proposed framework and term contract arrangement(s) across the core workstreams that BHCC will either be able to access (via call off contract) or will be procuring as a contracting party are set out in Appendix 2.

3.5.4.1 Planned Maintenance Works

The five core workstreams in planned works are likely to be split subject to the value of works below and above a threshold to be agreed. Provisionally that may be £100,000. It is likely that there will be two types of frameworks.

- Works where the total contract value is below £100,000 will have a specialist framework with multiple contractors set up for each sovereign authority.
- Works where the total contract value is over £100,000 will have a specialist framework with multiple contractors set up for each workstream. It is likely that there will be two geographic frameworks set up for each workstream one for SCC and one covering ESCC and BHCC. The geographic split will make the opportunity more favourable to the market place as it will reflect the nature of the market and thereby should provide the Orbis partners with greater value.

3.5.4.2 Planned, Cyclical & Responsive Works

The two workstreams covering planned cyclical and responsive works will have specific Orbis wide framework and/or term contract arrangement(s) put in place.

- Passenger and goods lifts / escalators including planned works (single provider)
- Hoist / care equipment including planned works (multiple contractors)

3.5.4.3 Cyclical & Responsive Works

Two workstreams covering cyclical and responsive works will have specific Orbis wide framework and/or contract arrangement(s) put in place.

- Doors and windows / Door entry systems / Fire doors / Internal / External doors / Industrial doors (single provider)
- Asbestos removal works (responsive) (multiple contractors)

The remaining workstreams will have specific SCC and BHCC/ESCC framework and/or term contract arrangement(s). These will be further geographically split where appropriate.

3.5.4.4 Certification

Display Energy Certificates (DEC) and Energy Performance Certificates (EPC). – The requirements for these services are subject to further OPS consultation with the Energy Teams.

3.5.5 Where frameworks state multiple contractors the exact number of contractors will be determined following further analysis of each sovereign authorities demand and volumes of work to ensure the solution has an appropriate capacity.

3.5.6 Where framework or term contract arrangement(s) are to be geographically split the exact division will be determined following further analysis of our properties and associated demand and volumes of work in each case.

3.5.7 BHCC will either be able to access (via call off contracts) or will be procuring term contracts as a contracting party up to 22 contract arrangements. OPS plans to award up to a total of 68 framework or term contract arrangements. The intention is to offer these to the market as up to 49 distinct opportunities.

3.6 Key Benefits & Risks

Benefits – This is a major piece of collaborative work across Orbis where best practice can be shared between partners. Although at a relatively early stage of development it should help deliver a more robust route to market than existing arrangements, economies of scale, improvements to contract monitoring, maintain statutory assurance and result in a more resilient solution. It may also assist in developing thinking around consistency across Orbis where differences occur such as within Contract Standing Orders and Social Value.

Risks - A significant resource input and commitment from both Procurement and Property Services across Orbis is required. Social Value issues such as supporting local SMEs need further consideration. Risks around TUPE application also need to be considered. Contract monitoring arrangements need to be developed in order to understand ongoing resource requirements.

3.7 Indicative timetable and key milestones

Orbis sovereign authorities joint meeting (weekly):	starting on 4 Jan18, then weekly
BHCC Procurement Advisory Board	29 Jan 18
ESCC & SCC – SGB* submission (RTM**):	21 Mar 18
ESCC & SCC - SGB approval (RTM):	27 Mar 18
BHCC - PR&G Committee (RTM/ approval):	29 Mar 18
Specifications and schedules agreed:	9 Apr 18
Publish OJEU Notice:	20 Apr 18
PQQ Issue / Close:	27 Apr 18 / 28 May 18
ITT Issue / Close:	3 Aug 18 / 11 Sept 18
SCC Cabinet/ESCC approval, BHCC PRG approval :	27 Nov 18
Contract Award Date(s):	21 Dec 18
Contract Start Date(s):	Mobilisation 3 months = 1 Apr 19

*SGB Sourcing Governance Board

**RTM Route to Market

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Option 1 - Insource the hard facilities management services

To bring the whole of these services under direct control would mean the loss of the benefits of employing external contractor's expertise at considerable cost. In addition TUPE is likely to apply and any potential TUPE implications in relation to such an insourcing are at this stage in the process unclear. There could be capacity and skill issues too as the council would need a larger professional team requiring additional support staff in finance and legal. The ability to retain and attract such a large team of suitably qualified and experienced staff creates an additional pressure on the council, particularly as salaries and benefits are lower than those offered in private practice.

4.2 Option 2 procure the council's arrangements separately.

There is a willingness to collaborate between the Orbis partners and therefore at this time this option should be discounted. 3.6 sets out the key benefits and risks

and the council's officers will help to shape the procurement across the core workstreams to help suit the requirements of this council.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A report informing the Procurement Advisory Board of this Orbis procurement proposal was presented on 29th January 2018. The tender specifications for the new hard facilities management services contracts will be reviewed and updated to take into account comments from the Board.
- 5.2 Various meetings and discussions are taking place with Orbis Property Services and Procurement colleagues as well as client officers within Property & Design.

6. CONCLUSION

- 6.1 The recommendation is to go ahead with the procurement of the contracts set out in Appendix 2 on behalf of the council as part of a wider Orbis procurement exercise for these services. The intention is to award some or all of the council's future requirements where it is to the benefit of our sovereign authority subject to a further report(s) to Policy, Resources & Growth Committee following the outcome of the procurement exercise and evaluation.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Contracts that are procured in conjunction with Orbis Property Services for Hard Facilities Management Service will be subject to market conditions and prices as and when they are procured.

Finance Officer Consulted: Rob Allen

Date: 16/02/18

Legal Implications:

- 7.2 The council has a duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of 'economy, efficiency and effectiveness' (known as the duty of best value).
- 7.3 In accordance with Part 4 of the council's Constitution, Policy, Resources & Growth 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 in excess of £500,000 must be obtained by the relevant committee.
- 7.4 Orbis Public Law officers will advise on the proposed framework agreements, call off contracts and term contracts for hard facilities management services during the procurement process to ensure that they comply with all relevant public procurement legislation as well as the council's Contract Standing Orders (CSOs).

Lawyer Consulted: Isabella Sidoli

Date: 2/3/2018

Equalities Implications:

- 7.5 An Equalities Impact Assessment has not been carried out.

Sustainability Implications:

- 7.6 To be incorporated into the tender specifications for each workstream.

Any Other Significant Implications:

- 7.7 To be incorporated into the tender specifications for each workstream
- 7.8 Bidders will be requested to complete and deliver Social Value in accordance with the Orbis Social Value Charter. Specific Social Value requirements will also be included as sub-criteria in the award criteria.

SUPPORTING DOCUMENTATION

Appendices:

1. Other implications.
2. Summary of core workstream framework / contract arrangement(s)

Documents in Members' Rooms

None.

Background Documents

1. Minutes from the Procurement Advisory Board meeting 29th January 2018.

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 use of the relevant materials.

Risk and Opportunity Management Implications:

- 1.2 Initial identified potential benefits and risks are outlined in paragraph 3.6. These will develop as the procurement exercise takes greater shape and be reported back to this committee at a later date.

Public Health Implications:

- 1.3 Hard facilities management includes the water management, mechanical, electrical and lift statutory compliance and servicing areas. Failure to have robust processes to manage these risks could lead to significant public health implications e.g. proliferation of Legionella Bacteria, etc. Planned maintenance works will include prioritised works to reduce risk to public health e.g. structural improvements, damp remedial works, hygiene improvements in Social Care premises, etc.

Corporate / Citywide Implications:

- 1.4 Hard facilities management covers the maintenance and repair of properties as part of the Corporate Property Strategy & Asset Management Plan 2014-2018 to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

Appendix 2 Summary of core workstream framework / contract arrangement(s)

	Core Workstream	Type of Contract	Term of Contract	Contracting Party	Third parties who can access the contract	Number of Contractors
	<u>Planned Maintenance Works</u>					
1 a)	Mechanical Services (Including Air Conditioning) - Works up to c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
1 b)	Mechanical Services (Including Air Conditioning) - Works greater than c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
2 a)	Electrical Services - Works up to c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
2 b)	Electrical Services - Works greater than c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
3 a)	Doors & Windows - Works up to c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
3 b)	Doors & Windows - Works greater than c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
4 a)	Roofing - Works up to c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
	<u>Planned Maintenance Works</u>					
4 b)	Roofing - Works greater than c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC area based Contracting Parties only	Multiple

			- As required		Call off Contracts - BHCC only	
5 a)	Building Works Generally (Including Kitchens - Refurbishment and renewals) - Works up to c.£100,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
5 b)	Building Works Generally (Including Kitchens - Refurbishment and renewals) - Works c.£100,000 to c£500,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC area based Contracting Parties only Call off Contracts - BHCC only	Multiple
5 c)	Building Works Generally (Including Kitchens - Refurbishment and renewals) - Works greater than c.£500,000	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC/SCC/South East area based Contracting Parties only Call off Contracts - BHCC only	Multiple
	<u>Planned, Cyclical & Responsive Works</u>					
6	Passenger & Goods Lifts / Escalators	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
7	Hoist / Care Equipment	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC/SCC/South East area based Contracting Parties only Call off Contracts - BHCC only	Multiple
	<u>Cyclical & Responsive Works</u>					
8	Doors & Windows / Door entry systems / Fire doors / Internal / External doors / Industrial Doors	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
9	Asbestos Removal Works (Responsive)	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC/SCC/South East area based Contracting Parties only Call off Contracts - BHCC only	Multiple
	<u>Cyclical & Responsive Works</u>					
10	Mechanical Services (Including	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single

	Air Conditioning)					
11	Electrical Services	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
12	Kitchens - Appliances	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
13	Fabric / Roofing / Building Lots	Term Contract (NEC) or Framework	Up to 7 years	BHCC	BHCC only	Single / Multiple
14	Legionella Reports (Cyclical) including Low Value Legionella Responsive Works	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
15	Asbestos Reports (Cyclical)	Term Contract (NEC)	Up to 7 years	BHCC	BHCC only	Single
	<u>Certification</u>					
16	Display Energy Certificates (DEC) and Energy Performance Certificates (EPC)	Framework (JCT) Call off Contracts (JCT/NEC)	Framework - Up to 4 years Call off Contracts - As required	Framework - SCC Call off Contracts - BHCC	Framework - BHCC/ESCC/SCC/South East area based Contracting Parties only Call off Contracts - BHCC only	Single

**Subject: EDUCATION CAPITAL RESOURCES AND CAPITAL
INVESTMENT PROGRAMME 2018/2019**

Date of Meeting: 5 March 2018

Report of: Executive Director of Children's Services

Contact Officer: Name: Pinaki Ghoshal Tel: 01273 290446

E-mail: pinaki.ghoshal@brighton-hove.gcsx.gov.uk

Wards Affected: All

FOR GENERAL RELEASE

Action Required of Council:

To receive the item referred from the Children Young People & Skills Committee.

Recommendations:

- (1) That the agreed allocation be recommended to Policy & Resources and Growth Committee on 29 March 2018 for inclusion within the council's Capital Investment Programme 2018/19.
- (3) That the Committee recommend to Policy & Resources and Growth 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.

BRIGHTON & HOVE CITY COUNCIL

CHILDREN YOUNG PEOPLE & SKILLS COMMITTEE

4.00pm 5 MARCH 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present:

Councillors: Chapman (Chair), Brown (Opposition Spokesperson), Phillips (Group Spokesperson), Cattell, Daniel, Knight, Miller, Hamilton, O'Quinn, Penn, Platts and Taylor

Voting Co-Optees: Bernadette Connor, Amanda Mortensen, Lesley Hurst and Martin Jones

Non-Voting Co-Optees: Adam Muirhead, Josh Cliff

PART ONE

65 EDUCATION CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2018/2019

- 65.1 Richard Barker, Head of School Organisation, presented the Education Capital Resources and Capital Investment Programme 2018/19. He corrected two errors in the report.
- 65.2 Councillor Vanessa Brown stated she was pleased that all D1 issues were addressed along with many of the D2 issues, she emphasised the need for the refurbishment of school toilets. She enquired what plans had been made to use the unspent Section 106 monies and what was the reason for the expected drop of money for the Service Schools Buy Back option which had previously generated £600000. She further enquired what the specific uses for the £500000 from the Department of Education would be. Clarification on school accommodation problems was requested, specifically if classrooms from Brunswick and West Blatchington would be moved to Varndean.
- 65.3 Richard Barker stated that in regards to the Buy Back arrangements, the modelling for next year takes in to account the increasing pressures on schools. He further clarified that extra funding could be used to address more D2 issues. He stated that consultation with various groups such as the Parent and Carers Council was paramount to clarify how SEND funding by the Department of Education will be spent. It was clarified that Varndean was able to accommodate additional children without additional accommodation required.
- 65.4 Councillor Vanessa Brown further enquired as to the possibility of further refurbishing school toilets in relation to the Section 106 money.
- 65.5 Richard Barker confirmed that Section 106 money would continue to be spent over the next 5 years, he further noted that addressing D2 issues early on was integral to managing the BHCC estate effectively.
- 65.6 Councillor Andrew Wealls requested clarification on the status of funding of SEN Capital funding for the last 2 financial years.

- 65.7 Richard Barker confirmed that there was no change in terms of resources; he further noted that this was a re-profiling of the money that had been identified over the last two financial years.
- 65.8 Adam Muirhead enquired if there was a contingency for Section 106 underspend.
- 65.9 Richard Barker stated that the Section 106 money had a specific remit for educational provision.
- 65.10 Martin Jones referred to the possible sale of buildings and enquired if the money identified had to be used for the building works or if it could be used for SEN.
- 65.11 Pinaki Ghoshal stated that this wasn't just relevant to education buildings, he further clarified that there was a specific process in place that involved other committees in regards to ring-fenced funding.

RESOLVED: That the Committee agreed –

- (1) That the level of available capital resources totalling £6.487 million for investment relating to education buildings financed from capital grant be noted.
- (2) That the Committee agree the allocation of funding as shown in Appendices 3 and 4 and recommend this to Policy Resources and Growth Committee on 29 March 2018 for inclusion within the council's Capital Investment Programme 2018/19.
- (3) That the Committee agree to recommend to Policy & Resources and Growth 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

Subject:	Education Capital Resources and Capital Investment Programme 2018/2019		
Date of Meeting:	29 March 2018 Children, Young People & Skills Committee - 5 March 2018		
Report of:	Executive Director of Children's Services		
Contact Officer:	Name:	Richard Barker	Tel: 290732
	Email:	richard.barker@brighton-hove.gov.uk	
Ward(s) affected:	All		

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 2018/19.
- 1.2 The purpose of the report is to inform the Committee of the level of available capital resources allocated to this service for 2018/19 and to recommend a Capital Investment Programme for 2018/19.
- 1.3 To allocate funding available in the capital programme under Pupil Places and Condition investment for 2018/19.
- 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 S106 contributions and expenditure for the 2017 / 2018 year.

2. RECOMMENDATIONS:

- 2.1 That the level of available capital resources totalling £6.487 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 and Growth Committee on 29 March 2018 for inclusion within the council's Capital Investment Programme 2018/19.
- 2.3 That Committee agree to recommend to Policy & Resources and Growth 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 and Growth Committee on 8 February 2018 and Budget Council on 22 February 2018.

Capital Finance Settlement

- 3.2 The capital finance settlement from central government includes Basic Need, Capital Maintenance, Devolved Formula Capital (for community schools and Voluntary Aided (VA) schools) and Locally Coordinated Voluntary Aided Programme (LCVAP) for capital maintenance in VA schools. 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 Education and Skills Funding Agency.
- 3.3 The table below shows the allocations of capital grant funding announced for 2018/19 only and not 2017/18 grant forecast to be re-profiled into 2018/19 including those approvals in the Targeted Budget Management 2017/18 Month 9 report to Policy Resources and Growth Committee on 8 February 2018.

	2018/19 Settlement £m
Capital Maintenance Grant	4.816
Locally Coordinated Voluntary Aided Programme (LCVAP)*	0.982
Basic Need Funding	0
LA Devolved Formula Capital Grant* (To be confirmed)	0.529
VA Devolved Formula Capital Grant* (To be confirmed)	0.160
Sub Totals	6.487

- 3.4 In October 2017 the Government announced that they would be rolling forward their existing funding approach for the financial year 2018/19 in respect of capital maintenance with no changes to the methodology used in 2017 2018. The reason was to provide stability for schools while they reviewed their approach for 2019/20 and beyond. This means that the settlement amount for condition works for Brighton & Hove in the 2018/19 financial year will be £4,815,658.
- 3.5 The approach will be the same for LCVAP which is building condition funding for the VA schools in the city. The provisional allocation for 2018/19 will be £981,962.
- 3.6 Appendix 2 shows how the LCVAP funding was allocated last year. This includes some commitments for the 2018/2019 year to cover retentions on contract sums.

- 3.7 The approach will be the same for Devolved Formula Capital (DFC) grant. The provisional allocation for LA schools is £529,244 and for VA schools is £160,089. The final sums will be notified shortly, once the pupil numbers are confirmed.
- 3.8 LCVAP and DFC grants are passed directly to schools / Diocese and therefore are not available for the Local Authority to spend.
- 3.9 On 6 October 2016 the Government announced a further one-year settlement for the education Basic Need capital allocation for the 2018/19 financial year. The result of this settlement is that Brighton & Hove will receive no additional funding for Basic Need in the 2018/19 financial year.
- 3.10 In addition to the funding from central Government there is now a Services to Schools buy back option for the strategic property function. This was available for the first time in 2017/18 and generated an income of £600,000. It is anticipated that this will generate £475,000 for the 2018/19 financial year.

Capital Finance settlement	£4.816m
Services to Schools Income	£0.475m
Total	£5.266m

- 3.11 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 2018/19 including existing approved schemes, new schemes and future year commitments.
- 3.13 Capital re-profiling and any further slippage arising from the 2017/2018 capital programme will be incorporated into the 2018 /2019 programme when the capital accounts are closed in April 2018.

Capital Commitments

- 3.14 An overall summary of expenditure for 2018/19 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 (£5.266m) 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 – 3.24 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 £28.2m.
- 3.17 It is recommended that £4.116 from capital maintenance plus £0.475m from Services to Schools (a total of £4.591m) from the total funding available is allocated to carry out structural maintenance works in the 2018/19 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 In the current year the total D1 priority work identified is approximately £1.,055m including fees. By allocating £4.566m from the Capital Maintenance Grant 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 £0.150m each be allocated to legionella and asbestos work.
- 3.23 It is recommended that £0.150m is allocated for works identified by the Fire Risk Assessments that are the responsibility of the Local Authority.
- 3.24 It is also recommended that £0.050m is allocated to carry on with the rolling programme of surveys of school premises, £0.050m is allocated for advanced design of future projects, and £0.150m is allocated for adaptations to schools to accommodate pupils with special mobility or sensory needs.
- 3.25 The above allocations identified in paragraphs 3.17 – 3.24 totals £5.266m which leaves no contingency for matters that may arise later in the year. 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.
- 3.26 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.

- 3.27 In the event that we receive more than £0.475m from the Services to Schools buy-back option we will use the additional funding to address the next most urgent priorities.
- 3.28 In 2017/18 we identified 125 individual projects to undertake throughout the year at an estimated cost of £4.68million (inc fees). To date we have undertaken 108 of these (some of this number are still ongoing) and 6 will be undertaken in 2018/19, the cost of this work has been re-profiled at TBM9. The remaining 11 projects are not now going to progress as after further investigation the works were either better undertaken as part of a larger job, or no feasible, affordable option could be found. The funding allocated to these projects was either used to support other projects in the programme where the actual costs were higher than estimated or to address other urgent priorities that arose during the year.

Basic Need funding

- 3.29 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.
- 3.30 Despite receiving no new Basic Need allocation for 2018 /2019 the council has a total capital resource of £33.434m. This has arisen from unspent allocations from previous years.
- 3.31 A review of provision for children and young people with special educational needs and disability is currently underway which will result in changes to special school provision within the city. An allocation of £2.5 million was included in 2016/17 financial year together with a similar allocation indicated for 2017/18. However the complexity of aspects of special school re-organisation means that delivery of these projects will take place over a period of time up to 2020. It is now recommended that an allocation of £7.5m is made from the 2018/19 Basic Need allocation to meet the cost of any changes to the special school provision. It is likely however that this allocation will actually be spent over the next three financial years as the individual projects come forward.
- 3.32 As part of the SEND review it is possible that some buildings will be declared surplus and could be sold. Subject to completion of a satisfactory business case and agreement by Policy Resources & Growth Committee the funding raised by the sale of these buildings could also be used to meet the costs of changes to the remaining special school buildings.
- 3.33 The DfE announced the Special Provision Fund in March 2017 and at that time made available the amounts that Local Authorities would receive. Brighton & Hove has been allocated £500,000 over three years which equates to £166,600 per year for the three years of the fund. The Council is required to consult and publish its plan to spend the funding this will be published by mid-March. Over the three year period the Council is required to update the plan to show progress and maintain the dialogue with parents and carers.

- 3.34 An allocation of £0.5m was included in last year's capital programme to allow the LA to meet any costs arising from projects procured by third parties. This money was not spent and it is recommended that this amount should be carried forward to 2018/19.
- 3.35 Following determination of admission arrangements by the Children Young People & Skills Committee in January 2018 there will be an extra class at both Varndean and Dorothy Stringer Schools in 2019 and 2020. Additional accommodation will be required for both schools to admit additional pupils and this will involve expenditure in the 2018/19 financial year and costs will be met from the Basic Need funding.
- 3.36 The Council is currently scoping the works required to allow both schools to accommodate the additional pupils, following the determination of arrangements.

Section 106 funding

- 3.37 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.
- 3.38 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
- 3.39 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 3.38 above. Seeking contributions in areas where there are sufficient school places would not meet the government tests requirements of the bullet points.
- 3.40 Since 2007 we have secured approximately £2.4million of contributions from 28 developments (Appendix 5 shows the contributions received as at January 2018).
- 3.41 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.

3.42 No S106 funding was used in 2017/2018 since there were no suitable schemes adjacent to sites which had yielded S106 funding.

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 Investment 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 2018/19 as approved at Budget Council on 22 February 2018. The report also includes re-profiled budgets that were approved at Policy, Resources and Growth Committee on 8 February 2018 as part of the Targeted Budget Management 2017/18 Month 9 report. The schedule of investment for basic need includes the purchase of a site for an additional secondary school. The capital resources will meet ongoing capital maintenance requirements as well as addressing bulge classes, refurbishments and to implement outcomes resulting directly from the SEND review. The capital resources include income estimated at £0.475m for 2018/19 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.

7.2 Developer contributions (Section 106 contributions) received and the spend to date are 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: 20/02/17

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.

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 allocations 2017-18
3. Summary of capital resources and capital investment programme
4. Condition related works 2018-19
5. Section 106 funding

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.

Appendix 2

LCVAP allocations 2017/18			
<u>Establishment</u>	<u>Project Description</u>	LCVAP Allocation 2017/18 £	LCVAP Allocation 2018/19 £
Various Schools	Retention payments from 2016/17 Schemes	24,951.50	
St Joseph's RC Primary School	Multi-play theatre	18,716.40	
Our Lady of Lourdes RC School	Classroom enlargement	104,021.10	2,628.90
Our Lady of Lourdes RC School	Outdoor surfacing	64,800.00	
St Bernadette's RC Primary School	External Alterations	34,749.00	891.00
Cottesmore St Mary's RC Primary School	Structural repairs	162,793.80	4,174.20
St Mary's Catholic Primary School	Site security	32,749.37	839.74
Cardinal Newman Catholic School	Site security/Fire Alarm	84,766.50	2,173.50
St Nicolas CofE Primary School	Roof skylights	43,875.00	1,125.00
St Bartholomew's CofE Primary School	Reception/internal remodelling	307,125.00	7,875.00
St John the Baptist RC School	Toilet refurbishment	44,936.10	1,152.38
St Bernadette's Catholic Primary School	Boiler replacement	27,127.38	
St Mary Magdalen's RC Primary School	Repairs to rendering southern stair well & other areas	24,543.32	629.32
St Martin's CofE Primary School	Remedial roof works following flooding	6,807.54	
TOTAL		981,962.01	21,489.04

	CAPITAL EXPENDITURE	
	2017/18	2018/19
CAPITAL MAINTENANCE		
2017/18	£4,816,000	
2018/19 (Para 3.4)		£4,816,000
School contributions (Para 3.10)		£475,000
Unallocated from previous years	£138,255	
Total	£4,954,255	£5,291,000
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	£150,000	£0
Condition works proposed by committee in March (Para 3.17)	£3,980,000	£4,562,405
Advanced design on future schemes (Para 3.24)	£150,000	£50,000
Surveys (condition gas etc) (Para 3.24)	£100,000	£50,000
Individual Pupil needs (Para 3.24)	£150,000	£150,000
	£4,980,000	£5,262,405
BASIC NEED		
2017/18	£11,445,000	
2018/19 (para 3.30)		£0
Unallocated from previous years (para 3.30)	£22,919,697	£33,434,697
SEND Capital (Para 3.33)		£167,000
Total	£34,364,697	£33,601,697
Bulge Classes		
Relocation of mobiles currently on West Blatchington and Brunswick primary school sites	£150,000	
Refurbishment of mobile at Dorothy Stringer School	£80,000	
<i>Funding switched to capital maintenance</i>	£700,000	
<i>Additional secondary provision</i>		£15,000,000
<i>Costs arising from projects undertaken by third parties (Para 3.34)</i>		£1,000,000
<i>To implement outcomes from the SEND review (Para 3.31)</i>		£7,500,000
TOTAL COMMITMENTS	£930,000	£23,500,000
Outstanding balance	£33,434,697	£10,101,697

Notes

Figures in italics are indicative at the present time

Appendix 4 Condition Related Works

School	Works	Priority	Budget Allocation
General			£559,500.00
Downs Junior School	Coping stone & masonry repairs, to flat roof perimeter, Includes replacement of flat roof.	D1	
Patcham Infant School	Replacement asbestos ceilings to classrooms. Includes replacement of lighting and wiring.	D1	
Bevendean Primary School	Repointing and crack repairs to Hall (Final phase)	D2	
Blatchington Mill School	Wall tie, lintel replacement & repointing (Final phase)	D2	
Downs Junior School	Repointing and masonry repairs to corner of North West elevation	D2	
Downs Junior School	Re-pointing and masonry works to library elevation, inc. acco drain. See item 99	D2	
Fairlight Primary School	Repointing & wall tie replacement to East elevation	D2	
Hangleton Primary School	Repointing, wall tie replacement & concrete repairs to North elevation - Former Infant site (final phase)	D2	
Hove Park Upper School	Wall tie replacement & repointing to East elevation and high level brickwork to Gym	D2	
Patcham Junior School	Wall tie replacement (phase 1)	D2	
Rudyard Kipling Primary School	Repointing/wall tie replacement final phase	D2	
Woodingdean Primary School	Repointing, wall tie replacement & damp-proofing works to South & East elevations	D2	
St Luke's Primary School	Specialist masonry repairs & repointing to Caretaker's house (phase 1)	D2	
Benfield Junior School	Drainage renewal works	D2	
Hove Park Upper School	Replace external lighting	D2	
Stanford Junior School	Repair corroded steel and undertake fire proofing to service duct	D2	
Mile Oak Primary School	Replacement of asbestos ceiling - includes lighting & wiring (Phase 3)	D2	
Roofing Works			£1,336,500.00
Bevendean Primary School	Renewal of flat roofs above rooms 0/070 to 0/072 & 0/078 to 0/090.	D1	
Carden Primary School	Replacement of flat roof above Swimming Pool	D1	
Coldean Primary School	Recover flat roofs (final phase)	D1	
Coombe Road School	Replacement flat roofs above corridors & Infant toilet areas	D1	

Patcham Infant School	Replacement of pitched roof covering to Hall & Kitchen & removal of asbestos fascias & soffits (phase 1)	D1	
Patcham Infant School	Replacement of flat roof to reception classroom & link corridors	D1	
Rudyard Kipling Primary School	Replacement of flat roof to Dining Hall & kitchen (phase 3)	D1	
Blatchington Mill School	Replacement of flat roofing above classrooms & corridors	D1	
Downs Junior School	Replacement of flat roof adjacent to chimney	D1	
Downs Junior School	Replacement of lead roof to bay window	D1	
Downs View School	Replacement of flat roofing (final phase)	D2	
Hangleton Primary School	Replacement of flat roofing (final phase)	D2	
Hove Park Lower School	Replacement of pitched roofing to two storey area	D2	
St Luke's Primary School	Replacement of flat roof to Toilet Block	D2	
Hove Junior School (school road)	Replacement of pitched roof covering to main building (phase 4)	D2	
Woodingdean Primary School	Replacement of flat roofing (Final phase)	D2	
Resurfacing			£107,000.00
Balfour Primary School (Infant site)	Resurfacing to steps and entrance path adjacent to Infants play area	D2	
Balfour Primary School (Junior)	Resurfacing of Infant Playground	D2	
Blatchington Mill School	Resurfacing of road adjacent to Kitchen	D2	
Blatchington Mill School	Resurfacing of access road/path to rear of site (final phase)	D2	
Carlton Hill Primary School	Renew paved path and improve drainage (area 49T on grounds plan)	D2	
Coldean Primary School	Removal of timber canopy, asbestos containing soffit/fascia boards to enable drainage works & resurfacing to lower part of main playground	D2	
Hove Park Upper School	Resurface tennis courts	D2	
Toilet works			£765,000.00
Benfield Junior School	Toilet refurbishment works (Junior Girls and Boys Toilets)	D2	
Bevendean Primary School	Toilet refurbishment to rooms 0/017, 0/022 & 0/026	D2	
Carden Primary School	Toilet refurbishment - Nursery	D2	

Downs Junior School	Toilet refurbishment and damp-proofing works to boys toilets	D2	
Fairlight Primary School	Toilet refurbishment 2nd floor girls/boys	D2	
Hangleton Primary School	Refurbishment of boys and girls junior (KS2) toilets	D2	
Hertford Infant School	Toilet Refurbishment	D2	
Mile Oak Primary School	Toilet refurbishment to rooms 0/069 & 0/070	D2	
Patcham Junior School	Toilet refurbishment - girls and boys - dining hall end	D2	
Stanford Infant School	Toilet refurbishment to boys lower ground floor	D3	
Stanford Junior School	Toilet refurbishment girls toilets in basement	D2	
West Hove Infant School	Refurbish reception (boys) toilet phase 1	D2	
Mechanical Works			£1,379,641.00
Coombe Road School	Replace incoming lead water main	D1	
Balfour Primary School (Infant site)	Replace heating system	D2	
Benfield Junior School	Replace fan coil unit heaters in Dinning Hall with radiant panels	D2	
Blatchington Mill School	Replace East wing main boilers & convert to gas	D2	
Blatchington Mill School	Replace boiler to mobile classroom & convert to gas	D2	
Blatchington Mill School	Replace 6th Form Block boiler and convert to gas	D2	
Brunswick School (infant site)	Replace boilers (Davigdor site)	D2	
Connected Hub	Replace boiler and heating system	D2	
Goldstone Primary School	Replace heating/hot & cold water distribution systems	D2	
Hove Park Upper School	Replacement of heating controls	D2	
Middle Street Primary School	Replace hot & cold water services	D2	
Moulsecoomb School	Replace hot & cold water services	D2	
St Luke's Primary School	Replace main boilers	D2	
Stanford Infant School	Replace fan coil units	D2	
	D1 Total	Excl Fees	£958,000.00
	D2 Total	Excl Fees	£3,134,641.00
	D3 Total	Excl Fees	<u>£55,000.00</u>
			£4,147,641.00
		fees @10%	£414,764.10
	<u>TOTAL</u>		<u>£4,562,405.10</u>

Appendix 5 Section 106 funding

RECEIPT OF SECTION 106 CONTRIBUTIONS TO EDUCATION		date received	Sums received	Spent to date
Brighton Marina Outer Harbour	Education Facilities (Phase 1)	04/07/2016	£ 67,447.31	
06/1124 signed 4/7/06				
yr 06/07				
Ocean Hotel, Saltdean	Education Facilities	30/01/2007	£ 110,683.20	
04/3555 signed 12/4/06				
yr 06/07				(110,683.20)
4-8 Somerhill Avenue	Education - Somerhill/Davigdor	26/07/2007	£ 30,139.68	
				(25,309.68)
04/2722 signed 29/9/05	spend Somerhill cycling improvements			(4,830.00)
yr 05/06				
Freshfield/Pankhurst Reservoir	Education	03/08/2007	£ 42,064.00	
				(42,064.00)
06/3882 signed 1/3/07				
yr 06/07				
Toomeys Roedale Road	Education (for Secondary provision)	21/08/2007	£ 66,686.00	
06/3206 signed 22/12/06				(66,686.00)
yr 06/07				
ex Westbourne Hosp 50-52 New Church Rd Hove	Education	18/04/2008	£ 37,525.00	
07/2930 signed 11/3/08				
yr 07/08				(37,525.00)
Dresden House, Medina/Albany	Education	17/10/2008	£ 79,324.00	

Villas				
08/0210 signed 13/5/08				
yr 08/09				(79,324.00)
Ebenezer Chapel, Richmond Parade	Education (Primary)	19/12/2008	£ 24,374.19	
	Education (Secondary)		£ 33,535.00	(33,535.00)
07/1591 signed 31/3/08				
yr 07/08				(24,374.19)
Btn Station Blocks E/F NEQ	Education (Primary)	10/09/2009	£ 50,000.00	
	Education (Secondary)		£ 50,000.00	
06/1761 signed 27/09/07				
yr 07/08				
Roedale (Pioneer House) Burstead Close Brighton	Education	29/05/2010	£ 35,512.00	
09/02911 signed 11/3/10				(35,512.00)
yr 09/10				
Coast ex Nuffield New Church Road	Education	18/08/2010	£ 109,000.00	
05/2267 signed 12/4/06				
yr 06/07				(109,000.00)
Land at Pankhurst (ex Brighton General Nurses Accommodation)			£ 135,796.00	
10/01054 signed 9/8/10				
yr 10/11 (DoV see Yr 12/13)				
Ainsworth House Wellington Road Brighton	Education (Primary)	07/09/2011	£ 16,777.00	
	Education (Secondary)		£ 22,859.00	
10/03994 signed 8/4/11				

yr 11/12				
Gala Bingo, Portland Road Hove	Education	30/08/2013	£ 55,679.79	
Btn Station Site J NEQ	Education	20/06/2012	£ 199,884.00	
10/03999 signed 9/12/11				
yr 11/12				
former Royal Alex Hospital Dyke Road Brighton	Education	24/04/2013	£ 177,646.92	
				-£ 74,612.00
10/03379 dated 19/7/11				
yr 11/12				
Vega ex Caffyns 331 Kingsway Hove	Education - for improving (both) Primary & Secondary provision	25/04/2013	£ 78,744.00	
				-£ 33,072.00
09/01340 signed 13/9/10				
yr 10/11				
Former Esso site, Hollingdean Road, Brighton	Education (Primary)	17/06/2013	£ 17,243.00	
	Education (Secondary)		£ 22,854.00	
10/00498 signed 19/10/10				
yr 10/11				
1 Manor Road, Brighton (former convent site)	Education (within B&H As Consequence of Development)	14/02/2014	£ 107,743.00	
12/03364 signed 27/11/13				
yr 13/14				

land at Redhill Close Brighton	Education contribution (index linked)	01/08/2014	£ 164,715.57	
				-£ 69,300.00
10/00692 signed 13/7/11				
yr 11/12				
former Infinity Foods Franklin Road Portslade	Education	31/03/2015	£ 79,000.00	
13/01278 signed 20/11/13 (s278 17/7/14)				
yr 13/14				
Park House (One Hove Park) Old Shoreham Road Hove	Education (Primary,Secondary And 6th Form)	27/03/2015	£ 139,000.00	
12/00114 signed 18/4/12				
yr 12/13				
former Whitehawk Library, Findon Road, Brighton	Education	01/04/2016	£ 116,348.00	
15/02941 signed 12/11/15				
yr 15/16				
Robert Lodge, Manor Place, Whitehawk Brighton	Education	01/04/2016	£ 10,092.00	
14/02417 signed 12/12/14				
yr 14/15				
25/28 St James's Street, Brighton	Education	12/02/2016	£ 46,080.00	

10/02012 signed 24/8/11				
yr 11/12				
121/123 Davigdor Road, Hove	Education	09/11/2016	£ 77,332.28	
15/02917 signed 5/2/16				
yr 15/16				
70 and Site of Chrome Productions Limited Goldstone Lane Hove	Education	19/11/2016	£ 136,162.04	
14/03605 signed 24/5/16				
yr 16/17				
Land adj Wellesbourne Health Centre, 179 Whitehawk Road, Brighton	Education	20/3/207	£ 54,421.00	
16/01438 signed 13/9/2016				
yr 16/17				
4-7, 9 & 15-20 Kensington Street Brighton	Education	01/12/2017	£ 8,063.00	
2016/01020 signed 24/11/2017				
yr 16/17				
Former Texaco site	Education	12/01/2018	£	

Kingsway/Victoria Terrace Hove			67,971.10	
16/02756 signed 16/8/17				
yr 17/18				
TOTAL			£ 2,470,702.08	(745,827.07)

Subject: Purchase of Properties with Restrictive Covenant
Date of Meeting: 29 March 2018
Report of: Executive Director Neighbourhoods, Communities & Housing
Contact Officer: Name: **Caroline De Marco** Tel: **29-1063**
E-mail: Caroline.demarco@brighton-hove.gov.uk
Wards Affected: Queens Park

FOR GENERAL RELEASE

Action Required of the Committee:

To receive the item referred from the Housing & New Homes Committee for approval:

Recommendation: That the following be referred to the Committee for consideration:

That Housing & New Homes Committee recommend to Policy, Resources & Growth Committee that:

- 2.1 The council purchase and refurbish the two properties at in Queens Park ward, Brighton to provide 15 units of accommodation for future use by the council as temporary accommodation.
- 2.2 A budget of £2.040m for the purchase and refurbishment of these two properties is approved, which includes a purchase price of £1.200m.

BRIGHTON & HOVE CITY COUNCIL**HOUSING & NEW HOMES COMMITTEE****14 MARCH 2018****COUNCIL CHAMBER, HOVE TOWN HALL**

Present: Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Councillor Mears (Opposition Spokesperson), Councillor Gibson (Group Spokesperson), Councillors Atkinson, Bell, Druitt, Lewry, Moonan and Wares.

DRAFT MINUTE**PART ONE****80 PURCHASE OF PROPERTIES WITH RESTRICTIVE COVENANT**

- 80.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which informed members that at Housing & New Homes Committee on 15 March 2017, it was agreed to explore the possibility of purchasing and refurbishing two properties where a restrictive covenant was in place. The covenant provided an opportunity for the council as it lowered the purchase value of the properties. Since March 2017 viability modelling of the proposal had been undertaken and negotiations had been ongoing with a final purchase price now being agreed with Orbit Housing Association (the Registered Provider (RP) as vendor. The report was presented by the Empty Property Officer.
- 80.2 In answer to questions put by Councillor Gibson officers confirmed that the use of the building was discussed at the Estate Regeneration Members' Board. The model used for the rental income was the standard model used by financial services in setting viability. This was at the Local Housing Allowance Rate and would normally include the service charge.
- 80.3 The Director for Neighbourhoods, Communities & Housing explained that there had been discussions with Adult Social Care colleagues, where there was an Accommodation Board. The main reason why these properties were being put forward as temporary accommodation and not supported accommodation was that the council did not currently have a supported accommodation strategy. As a result, officers recommended that the best use of the buildings was as temporary accommodation. The Chair confirmed that the Estate Regeneration Board had discussed and agreed that these properties should be used a temporary accommodation.
- 80.4 The Head of Housing Strategy, Property & Investment stated that the modelling included all the costs for the scheme. This would include all service charges.

- 80.5 Councillor Moonan thanked officers and the Chair for the report and was pleased to see that the recommendations would lead to 15 new units of much needed temporary accommodation within the city at affordable rent levels. The whole project cost about £136,000 per unit which was good value for money.
- 80.6 Councillor Gibson made the following points:
- He supported buying and bringing these properties back into council ownership.
 - He expressed concern that the council were in the position of having to buy back properties that had been sold by the council 20 years ago to a housing association.
 - He expressed concern at the proposed rent levels. There had been a 30% increase, including service charge, since 2015.
 - The council should buy properties from the private sector where the council can offer a rent reduction on those properties.
 - The report did not properly discuss the other options, which could have included general needs housing.
 - The council should not delay in buying these properties, not least that the council would be using up some of the borrowing that it had unused. Concern was expressed that the council had at the beginning of this year £34m unused borrowing. It was predicted that at the end of the year there would still be £28m unused borrowing.
- 80.7 Councillor Mears stated that the properties were sold in 1999, and it should be borne in mind that property prices in the city had risen dramatically since then. Councillor Mears was happy to support the purchase of properties that were already built. She considered this a positive way forward.
- 80.8 Councillor Druitt expressed concern that the properties had previously been sold by the council and requested that there should be agreement that the council should not sell council owned properties. Councillor Gibson stated that he had just carried out a property search on Rightmove for studio and one bedroom flats for less than £100,000 and had found 10 within Brighton & Hove, four in Newhaven and five or six in Shoreham. It was therefore possible to buy properties from the private sector.
- 80.9 The Chair stated that the council could not stop Right to Buy, which was a government initiative.

80.10 **RESOLVED:-**

That Housing & New Homes Committee recommend to Policy, Resources & Growth Committee that:

- (1) The council purchase and refurbish the two properties at in Queens Park ward, Brighton to provide 15 units of accommodation for future use by the council as temporary accommodation.
- (2) A budget of £2.040m for the purchase and refurbishment of these two properties is approved, which includes a purchase price of £1.200m.

Subject:	Purchase of Properties with Restrictive Covenant		
Date of Meeting:	29 March 2018 14 March 2018 Housing & New Homes Committee		
Report of:	Executive Director Neighbourhoods, Communities and Housing		
Contact Officer:	Name:	Emma Kumar	Tel: 01273 293297
	Email:	emma.kumar@brighton-hove.gov.uk	
Ward(s) affected:	Queens Park		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 At Housing & New Homes Committee on 15 March 2017 it was agreed to explore the possibility of purchasing and refurbishing two properties where a restrictive covenant was in place. The covenant provided an opportunity for the council as it lowered the purchase value of the properties.
- 1.2 Further it was agreed that if a viable scheme (for the purchase and refurbishment of the properties) was identified then a further report would be brought to Housing & New Homes Committee for consideration before seeking budget approval at Policy, Resources & Growth Committee.
- 1.3 Since March 2017 viability modelling of the proposal has been undertaken and negotiations have been ongoing with a final purchase price now being agreed with Orbit Housing Association (the Registered Provider (RP)) as vendor.

2. RECOMMENDATIONS

That Housing & New Homes Committee recommend to Policy, Resources & Growth Committee that:

- 2.1 The council purchase and refurbish the two properties at in Queens Park ward, Brighton to provide 15 units of accommodation for future use by the council as temporary accommodation.
- 2.2 A budget of £2.040m for the purchase and refurbishment of these two properties is approved, which includes a purchase price of £1.200m.

3. CONTEXT / BACKGROUND INFORMATION

- 3.1 The properties comprising 15 units of accommodation are in a cul-de-sac of terraced properties situated in the Queens Park area of the city. The properties are formed of

- Property 1: A large former villa currently converted as 12 flats (9 x 1 bed and 3 x studio) and a ground floor office room. It has a large garden area that wraps around both buildings at the rear and runs along behind the other properties in the row. The 'front' area of this garden is quite large, contained by a possibly historic flint wall.
 - Property 2: This is a smaller building, in poor condition internally and currently forming three self contained flats (1 x 1 bed and 2 x studios).
- 3.2 These properties were sold to local RP partner Orbit in 1999 on the basis that the accommodation within the buildings should be used as 15 flats let on affordable rents. This is the restrictive covenant referred to in this report. Orbit refurbished the buildings after purchase and they were used for supported housing accommodation until 2015.
- 3.3 At that time they decided that a further upgrade of the buildings was needed but was not financially viable and approached the council to seek removal of the restrictive covenant to enable it to sell the buildings on the open market in order to maximise the sale price based on an unfettered open market value.
- 3.4 Orbit has accepted that the properties could only be sold on this basis if the council is prepared to release the covenant, and that it would be reasonable for the council to seek payment in compensation for so doing. Orbit has therefore agreed to the alternative option put forward by the council, namely that the council itself purchases the properties.

Valuation and negotiation of price

- 3.5 A valuation by an independent valuer was commissioned jointly by BHCC and Orbit dated 08 July 2016 which included valuations based on the social housing covenant remaining and the value if sold at open market value. This highlighted the opportunity presented by the covenant being in place and formed the basis of the original committee report. Following the committee decision the valuer was appointed to negotiate on the council's behalf. The valuation undertaken in July 2016 gave an open market value of £2.330m and a value with the social housing covenant of £0.418m.
- 3.6 Orbit's position is that it would not consider a valuation based on social housing value, only one based upon unfettered market value. This reflected the fact that, although the council's current and foreseeable intention is to retain the buildings for affordable rent purposes, there is a possibility that at some point in the future, the council could seek to sell the buildings on the open market without use restrictions. Orbit also took legal advice which suggested that an application could be made to the Courts to have the user covenant modified or released in its entirety. These matters informed the negotiation.
- 3.7 BHCC surveyors have provided an estimate of works costs needed to bring the properties back into use based on refurbishing the existing 15 units (10 x one bed and 5 x studio). This estimate of works cost was later increased to reflect additional works for fireproofing and a recent uplift of 4% was also proposed to reflect build cost increases. Any potential for additional units will be explored after purchase.

- 3.8 The proposed scheme was not viable using social rent levels so modelling based on affordable rent levels and a revised affordable rent valuation of £0.978m was applied and an initial offer of £0.950m was made which was rejected by Orbit.
- 3.9 Orbit has stated their sale price based on both an unfettered market basis and a lower price including a requirement that they would then receive a share of the increase in a future sales value. Depending on future market movement and the basis of sale, this could be a significant sum of money.
- 3.10 The valuer considers that the price of £1.200m to sell the freehold unfettered is an acceptable price as the council will be acquiring an unfettered freehold and have complete freedom as to how it wishes to use the properties.
- 3.11 If purchased the accommodation would be used for temporary accommodation held within the HRA.
This purchase provides an opportunity to accelerate delivery of council provided temporary accommodation through the development and acquisition of suitable settled high quality temporary accommodation in the city to:
- Enable the council to meet its statutory homelessness obligations, meeting the needs of vulnerable households to whom we owe a housing duty;
 - Support Housing General Fund budget pressures and the council's temporary accommodation reduction plan;
 - Reduce the use of / replace more expensive emergency and / or other temporary accommodation.
- 3.12 Whilst the properties are proposed to be used for temporary accommodation continued use of the building as Supported Housing was discussed. Supported housing needs are now reviewed and assessed through the council's Strategic Accommodation Board before commissioning decisions are made.

4. ANALYSIS & CONSIDERATION OF ANY OPTIONS

	Option	Benefits	Risks
Option 1 (preferred option)	Purchase the two properties providing 15 units of accommodation	Increase supply of council-owned affordable housing Pressing housing needs are met Takes advantage of the opportunity presented by the covenant providing a good value purchase that meets a housing need	The projected building costs increase
Option 2	The council agrees to remove the covenant and receive compensation	Compensation payable to the council for releasing the covenant Monies to be used for the provision of alternative affordable housing elsewhere in the city	Not taking advantage of opportunities to improve the supply of affordable housing Not meeting housing needs identified in the city Loss of affordable housing provision in the city

Option 3	Seek an alternative registered provider to purchase the properties with council nominations	<p>No capital outlay for the council</p> <p>Keeps accommodation as affordable housing</p> <p>Council nominations to the accommodation therefore meeting housing need</p>	<p>Would require the landowner, Orbit to agree to this option.</p> <p>Not taking advantage of opportunities to provide council owned temporary accommodation</p> <p>No interest due to risks around borrowing to provide homes for rent, small scale of the scheme and recent experience of RPs disposing of miscellaneous properties as part of their asset reviews</p>
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4.1 The following table provides details of the estimated cost and funding requirement for the purchase of 15 units as well as the surplus generated over a 60 year period. The 60 year viability model was used for this proposal; with standard assumptions being made about management, maintenance, repairs and voids costs to ensure that future associated costs associated to the property are accounted for.

	Tilbury Place For HRA - owned TA use
No. of units	15
Rent option	LHA
	£'m
Total cost (Purchase and works)	2.040
Funded by:	
HRA Borrowing	(2.040)
Cost per unit	0.136
NPV of 60 year cash flows [Subsidy /(Surplus)]	(0.118)

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Estate Regeneration Members Board considered this report on 26 February 2018.

5.2 Should the purchase proceed we will engage with local residents with regard to major works or any planning permissions needed.

6. CONCLUSION

6.1 The covenant included in this transfer document offers an opportunity to provide

much needed affordable housing in the city. The purchase by the council of additional affordable homes will help meet the council's strategic objectives to increase housing supply as set out in the council's Housing Strategy.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

The financial viability modelling sets out to show whether a given scheme can pay for itself by using the new rental stream only (net of service charges and management and maintenance costs) over 60 years. If the rental stream is insufficient to meet the costs, then a subsidy is required by the HRA. For this proposal the modelling shows a surplus.

Refurbishment costs within the model are based on the estimates provided by BHCC surveyors from late 2016. An increase of 4% for build cost inflation has since been added to the costs, to account for the potential increase in costs over that period of time. .

Rental income of £135 per week has been used in the model, this being the amount that can be claimed in Housing Benefit for a temporary accommodation unit.

There is cross-party support to develop council owned temporary accommodation. The temporary accommodation budget is a critical budget and the council developing its own accommodation could reduce pressure on this budget. It is calculated that the delivery of these 15 units could reduce costs by up to £2,250 a week (up to £117,000 a year).

Right to Buy receipts cannot be utilised for the purchase of these buildings due to restrictions being placed on the use of receipts. Pooling guidance stipulates that where the units are already being used as social / affordable housing receipts cannot be used to fund any of the purchase cost or refurbishment works. It is proposed that HRA Borrowing will be used to fund the purchase and works cost for this proposal. The viability modelling indicates that this loan can be financed by the rental income stream.

Option 2 in section 4 of the main report is for the release of the covenant and payment of compensation to the council. This was assessed as providing a one off payment of £1.000m. If this option was to be pursued this receipt could be used to contribute to funding additional housing across the city. However considering the rising cost of housing across the city it would still require significant investment from the HRA to purchase 15 properties.

Finance Officer Consulted: Monica Brooks

Date: 02/03/18

Legal Implications:

With reference to the recommendation at 2.1, section 120 of the Local Government Act 1972 [the 'Act'] enables a local authority to acquire by agreement any land for the purposes of its functions. Once acquired the

intention is to use the property for temporary accommodation which satisfies the requirement of the Act.

Lawyer Consulted: Name Joanne Dougnaglo

Date: 21/02/18

Equalities Implications:

A purchase would support delivery of the city's Housing Strategy and an increase in housing supply will extend opportunities to accommodate households on the Housing Register who are on housing need including vulnerable groups.

Sustainability Implications:

Improvement and full occupancy of these homes would increase housing supply and improve the condition of the city's housing stock and the local neighbourhood thereby improving sustainability. Purchased properties will be required to meet the Brighton & Hove Standard and seek to be energy efficient, minimise carbon emissions and reduce water usage.

Any Other Significant Implications:

Public Health

Poor housing conditions impact negatively on health. Improvements to housing quality and neighbourhoods will have a positive health impact on residents.

Crime & Disorder Implications:

Improvement and full occupancy of these homes would reduce their vulnerability to anti-social behaviour.

Risk and Opportunity Management Implications:

This purchase will increase affordable housing within the city and the council's overall housing stock.

Corporate / Citywide Implications:

Retaining the properties as affordable housing is in line with stated aims in the Housing Strategy.

SUPPORTING DOCUMENTATION

Appendices

None

Documents in the members' room

None

Background documents

None

Subject: Request to Purchase a Piece of Housing Revenue Account Land on Mile Oak Road, Portslade

Date of Meeting: 29 March 2018

Report of: Executive Director Neighbourhoods, Communities & Housing

Contact Officer: Name: **Caroline De Marco** Tel: **29-1063**

E-mail: Caroline.demarco@brighton-hove.gov.uk

Wards Affected: Portslade North

FOR GENERAL RELEASE

Action Required of the Committee:

To receive the item referred from the Housing & New Homes Committee for approval:

Recommendation: That the following be referred to the Committee for consideration:

- 2.1 That the Policy, Resources and Growth Committee approves the disposal of the freehold of the land adjacent to 336 Mile Oak Road, as indicated in the attached plan, for £27,000.
- 2.2 That the Policy, Resources and Growth Committee agree that the capital receipt arising from the sale of the freehold of the land adjacent to 336 Mile Oak Road be used to support the HRA Capital Programme.

BRIGHTON & HOVE CITY COUNCIL**HOUSING & NEW HOMES COMMITTEE****14 MARCH 2018****COUNCIL CHAMBER, HOVE TOWN HALL**

Present: Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Councillor Mears (Opposition Spokesperson), Councillor Gibson (Group Spokesperson), Councillors Atkinson, Bell, Druitt, Lewry, Moonan and Wares.

DRAFT MINUTE**PART ONE****79 REQUEST TO PURCHASE A PIECE OF HRA LAND ON MILE OAK ROAD**

- 79.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing concerning a request to purchase a piece of Housing Revenue Account land, adjacent to 336 Mile Oak Road, Portslade, for the sum of £27,000 with an additional offer of £500 towards legal costs. The HRA site was currently a small hardstanding and garage. Prior to 2015 the land was used for informal off-street parking by local residents which had prompted local residents to formally ask if they could purchase the plot for off-street parking. The proposal provided the council with an opportunity to release an unviable asset and invest the capital receipt to meet key strategic priorities as outlined in the HRA Asset Management Strategy. The report was presented by the Housing Stock Review Manager.
- 79.2 Councillor Mears asked when the policy not to sell HRA housing land was rescinded. It was explained that the general presumption was not the disposal of HRA sites per se, but cases had been brought to the committee before where small parcels of land could be disposed of with committee agreement. These were small sites which were not of use to the HRA or were not considered valuable for the New Homes for Neighbourhood Programme. Councillor Mears stated that it would be helpful for the wording of the policy to be reviewed to provide clarity.
- 79.3 Councillor Moonan asked officers to confirm that the land did not provide enough space to build a house; that there was a covenant on the land so that it could only be used for parking in the future; and that any application to build was unlikely to be granted planning approval. Officers confirmed that there were restrictive covenants that blocked the purchaser from developing the land. It could only be used for storage or car parking.
- 79.4 Councillor Bell asked how much the Clutton's report had cost to produce and which budget had been used to pay the fee. The Head of Housing Strategy, Property and Investment informed members that the Clutton's valuation costs would be sent to all

members. The use of the receipt would go back into the HRA Capital Programme for investment. The evaluation costs came out of the Property & Investment budget.

- 79.5 Councillor Gibson referred to paragraph 3.3 on page 28 which stated that in 2015 offers had been invited from the open market. However the council could not proceed with the final bidder. Councillor Gibson asked what happened with the final bidder. He further asked if anyone had talked to the Community Land Trust to see if the land was suitable for a less conventional approach. The Head of Housing Strategy, Property and Investment explained that officers would confirm to members why the previous bidder did not proceed. This might be confidential information. A report on Community Land Trusts would be discussed later on the agenda, however he confirmed that this site was not suitable for residential development.
- 79.6 The Chair asked for clarification that the purchaser had to pay costs of all the works that had been carried out. It was explained that the purchaser had to pay £500 legal costs.
- 79.7 Councillor Gibson suggested that that it was good practice to talk to the CLT and others who may be able to develop difficult sites. The Head of Housing Strategy, Property & Investment explained that this was the pathway outlined in the Community Led Housing report.
- 79.8 The Chair noted that the site was next to an electricity sub-station which would be another reason to deter people from developing this land.
- 79.9 **RESOLVED:-**
- (1) That Housing and New Homes Committee recommend to Policy, Resources and Growth Committee that the council sell the freehold interest of the subject land adjacent to 336 Mile Oak Road as detailed in the attached plan.
 - (2) That the Housing and New Homes Committee recommend to Policy, Resources and Growth Committee that the capital receipt is used to support the HRA Capital Programme.

Subject: Land sale	Request to purchase a piece of Housing Revenue Account land on Mile Oak Road, Portslade
Date of Meeting:	14 March 2018 - Housing & New Homes Committee 29 March 2018 - Policy, Resources & Growth Committee
Report of:	Larissa Reed Executive Director Neighbourhoods, Communities & Housing
Contact Officer: Name:	Scott Lunn Tel: 01273 290282
Email:	Scott.lunn@brighton-hove.gov.uk
Ward(s) affected:	Portslade North

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 A request has been made to purchase a piece Housing Revenue Account (HRA) land, adjacent to 336 Mile Oak Road, Portslade, BN41 2RA for the sum of £27,000 with an additional offer of £500 towards legal costs.
- 1.2 Restrictive covenants over the land would not allow the purchaser to develop the site for Housing. It is not viable for the council to develop this site for housing itself due to the cost of relocating the electrical substation. The remaining area would not be large enough to build a home on even if the electrical substation were removed.
- 1.3 The Housing & New Homes Committee and Policy, Resources & Growth Committee are required to consider the recommendations in this report as the value of the land exceeds £25,000 (which exceeds the Executive Director's delegated power).

2. RECOMMENDATIONS:

- 2.1 That Housing and New Homes Committee recommend to Policy, Resources and Growth Committee that the council sell the freehold interest of the subject land adjacent to 336 Mile Oak Road as detailed in the attached plan.
- 2.2 That the Housing and New Homes Committee recommend to Policy, Resources and Growth Committee that the capital receipt is used to support the HRA Capital Programme.
- 2.3 That the Policy, Resources and Growth Committee approves the disposal of the freehold of the land adjacent to 336 Mile Oak Road, as indicated in the attached plan, for £27,000.

- 2.4 That the Policy, Resources and Growth Committee agree that the capital receipt arising from the sale of the freehold of the land adjacent to 336 Mile Oak Road be used to support the HRA Capital Programme.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The HRA owns a small hard-standing and garage next to 336 Mile Oak Road held for the purposes of Part II of the Housing Act 1985.
- 3.2 Prior to 2015 the land was used for informal off-street parking by local residents which prompted the local residents to formally ask if they could purchase the plot for off-street parking.
- 3.3 We do not consider there is any development potential for additional council housing on this site owing to the constraint imposed by the electrical substation. The existing garage is empty and, owing to its condition, is not able to be let by the council and would require significant investment to bring back into service. There have been two rounds of marketing to realise best consideration for the site. In 2015 offers were invited from the open market. However the council could not proceed with the final bidder. In 2017 the site was re-marketed. The bidding process was restricted to the immediate neighbours, who could be argued to have a 'unique' interest in this piece of land. Should disposal be agreed, the council could then approve the highest bidder, subject to contract and maintain the existing restrictive covenants which do not allow development of the site beyond its current use.
- 3.4 An external valuation has been prepared in accordance with the Valuation Standards, Guidance Notes and Appendices contained in the RICS UK Valuation – Global Standards July 2017 – “The Red Book”. The conclusion from this report is that the £0.027m purchase price represents best consideration for the council.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Consideration has been given to alternative options outlined below both of which would result in a subsidy requirement from the HRA.
- 4.2 Option 1 is to repair the existing garage and rent out with decreased void loss alongside two additional parking bays. Over a 5 year period this would generate rental income of £0.004m. When compared to the expenditure of £0.013m to repair the garage and create the additional parking spaces it results in a £0.009m subsidy requirement. Over a 30 year period the rental income would total £0.024m, compared to expenditure of £0.046m. Therefore there would be a subsidy requirement of £0.022m.
- 4.3 Option 2 is to demolish the existing garage and convert the space into three parking bays. Over a 5 year period this would generate rental income of £0.002m. When compared to the expenditure of £0.017m to demolish the garage and create the parking spaces it results in a £0.015m subsidy requirement. Over a 30 year period the rental income would total £0.012m, compared to expenditure of £0.036m. Therefore there would be a subsidy requirement of £0.024m.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Both current and previous ward councillors have been consulted and indicate support for the disposal of this land. Consultation with neighbouring residents is detailed in the report.

6. CONCLUSION

- 6.1 This proposal provides the council with an opportunity to release an unviable asset and invest the capital receipt to meet key strategic priorities as outlined in our HRA Asset Management Strategy.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 This report proposes that the Housing Revenue Account (HRA) receives an estimated £0.027m as a capital receipt from the sale of land adjacent to 336 Mile Oak Road. There would also be an additional sum to contribute to the legal fees associated with the sale. The £0.027m receipt has been confirmed by external valuers as best consideration, after considering the number of restrictions at the site.
- 7.2 The receipt is above the £10,000 de-minimus level for the sale of land and as a result will be recorded as a capital receipt. The permitted use of capital receipts is for it to be ring-fenced for re-investment into the HRA Capital Investment Programme. Making use of the receipts in this manner will reduce the need for borrowing..
- 7.3 The financial test carried out indicates that both options would result in a net cost over thirty years ranging from £0.022m and £0.024m, whilst the estimated income, as mentioned in paragraphs 4.2 and 4.3 of the main report, does not match the level of capital receipt for either the 5 or 30 year period. The option to sell the freehold of the land therefore represents best value to the HRA.

Finance Officer Consulted: Craig Garoghan

Date: 08/01/2018

Legal Implications:

- 7.4 With reference to the recommendation that the Council sells the freehold interest in land adjacent to 336 Mile Oak Road, the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013 permits a local authority to dispose of vacant land provided the sale price reflects its market value. "Vacant", in relation to land means land on which no dwelling-houses have been built or where dwelling-houses have been built, such dwelling-houses have been demolished or are no longer capable of human habitation and are due to be demolished.

Lawyer Consulted:

Name Joanne Dougnaglo

Date: 30/11/2017

Equalities Implications:

- 7.5 There are no equalities implications arising directly from this report. Our HRA Budget Investment Programme and Asset Management Strategy are subject to Equalities Impact Assessment.

Sustainability Implications:

- 7.6 There are no sustainability implications arising directly from this report.

Any Other Significant Implications:

- 7.7 These are outlined in the body of the report.

SUPPORTING DOCUMENTATION

Appendices:

- Plan of site is attached.
1.

Documents in Members' Rooms

There are no documents in Members room.

Background Documents

There are no background documents

Appendix 1

Crime & Disorder Implications:

- 1.1 There are no crime and disorder implications arising directly from this report.

Risk and Opportunity Management Implications:

- 1.2 These are outlined in the body of the report.

Public Health Implications:

- 1.3 There are no Public Health implications arising directly from this report. Our HRA Budget Investment Programme and Asset Management Strategy align to our overall Housing Strategy which has been subject to consultation with Public Health colleagues as well as other key stakeholders.

Corporate / Citywide Implications:

1.4 There are no Corporate or citywide implications arising directly from this report. Our HRA Budget Investment Programme and Asset Management Strategy align to our overall Housing Strategy approved by Council and Brighton & Hove Connected.

Mr Scott Lunn
Property and Investment
Brighton & Hove City Council
The Housing Centre
Unit 1 Fairway Trading Estate
Eastergate Road
Brighton
BN2 4QL

9 February 2018

Dear Scott,

Land adjacent to 336 Mile Oak Road, Portslade, BN41 2RA

Instructions

In accordance with your instructions we have inspected the above mentioned freehold land, owned by Brighton & Hove City Council ("the Council"), in order to advise you as to our opinion of Market Rental Value (IMRV) subject to full vacant possession based on the following investigations, limitations, and assumptions.

We have valued the property based on certain information provided. We have not been provided with any Report on Title. Further comments on specific information provided is detailed within.

A copy of your Purchase Order ref BHC0578550/0 confirming the instruction is attached, along with our Standard Valuation Assumptions & Bases of Valuation.

Purpose of valuation

We understand that our market rent valuation is required to assist the Council in considering alternative options to the sale of the land and garage.

This report has been prepared in accordance with the Valuation Standards, Guidance Notes and Appendices contained in the RICS UK Valuation - Global Standards July 2017 - "The Red Book". The firm may be considered to be an external valuer as defined in the RICS Valuation Standards and we have not had any previous material involvement with the land or a connected party, save for undertaking a marketing exercise to sell the land, including negotiating and agreeing sale terms with prospective purchasers.

The valuation has been undertaken by William Shipley BSc FRICS a partner and RICS Registered Valuer who has the knowledge, skills and understanding to undertake the valuation competently.

Inspection

The land has not been inspected for the purposes of this valuation as it is well known to us due to the marketing process undertaken over the past twelve months.

Location

The site is located towards the northern end of Portslade, East Sussex. The area of Mile Oak is predominately residential, consisting mainly of semi-detached dwellings dating back to the 1950s.

There is a small parade of shops, including a convenience store and takeaway, and a pub approximately 500m northwards.

There are no parking restrictions in this part of the city and there is free on-street parking available along Mile Oak Road. Several residents in the immediate area have private forecourts for parking, including the adjoining neighbours. Various bus services are available in the locality, providing connections across the city and beyond.

A plan of the site, outlined in red, is attached.

Description

The site comprises a small sloping plot of land, mainly surfaced in concrete with a small, derelict garage to the rear. The area is overgrown and generally in poor condition. The overall plot size is 74.4 sqm (801 sq ft).

The garage is of a pre-fabricated concrete build under what appears to be an asbestos roof and is visually in poor condition externally. The garage is located to the rear of the site in a small and narrow section. Whilst we have not had access to the garage, we believe the existing gross internal floorspace to be approximately 11 sqm (118 sqft). This is not suitable to accommodate a modern sized car.

The site is immediately adjacent to an electric sub-station (not included within the site) and is bounded by the residential properties and gardens at 334 and 336 Mile Oak Road.

Market Rent Valuation Commentary

Our market rent valuation has been undertaken on the basis of the existing land and dilapidated garage.

We have based our valuation upon comparable evidence with B&HCC's housing portfolio of garages and parking spaces.

The following evidence is available within Portslade:

Address	Description	Rent
Graham Avenue, Portslade, BN41 2WT	Car parking spaces	£4.73 per week
Graham Avenue, Portslade, BN41 2WT	Modern sized garages	£17.70 per week
Wickhurst Close, Portslade, BN41 2TG	Modern sized garages	£17.70 per week
Valley Road, Portslade, BN41 2TH	Modern sized garages	£17.70 per week

The above garages all comprise purpose-built facilities, capable of accommodating a modern sized vehicle or a standard storage requirement. The garage located on the subject site is not suitable for such a purpose and given its dilapidated nature may not be suitable for dry storage.

Freehold and leasehold garages are generally used for a variety of purposes besides parking and in particular are often utilised for storage. However, the garage on the land is dilapidated and may not

be wind and watertight, and so usable for very basis storage only. The remainder of the site is suitable for parking a motor vehicle.

Accordingly, in our opinion, and assuming the land is let as per its current condition, we would assess the market rent based upon a rate of £10 per week, plus vat, providing a market rent of £520 plus vat.

Market Rent

In our opinion, the Market Rental Value of the land and garage adjacent to 336 Mile Oak Road, Portslade is:

£520.00 per annum exclusive of VAT

(Five Hundred and Twenty Pounds exclusive of VAT)

This valuation has been carried out in accordance with our Standard Valuation Assumptions and Bases of Valuation.

Sale Price

A sale of the garage and land has been agreed with the adjoining owner of 336 Mile Oak Road for £27,500, following a marketing campaign. Based upon our market rent this reflects a gross yield of 1.89%. Unless any letting was short term only, allowing for early repossession, the investment yield would be considerably higher. At a yield of, say, 5% the capital value would equate to £10,400.

Accordingly, in our opinion the sale price agreed represents best consideration, and also a special purchaser premium.

Confidentiality and Disclosure

Our valuation is confidential to the addressees for the specific purpose to which the report refers and no responsibility is accepted to any third party for the whole or any part of its contents.

If our opinion of value is disclosed to persons other than the addressees of this report, the basis of valuation should be stated. Before the certificate or any part of it is reproduced, or referred to in any document, circular or statement, and before its contents or the contents of any part of it are disclosed verbally to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained.

William Shipley

Colin Brades

Prepared by _____

Reviewed by _____

**William Shipley BSc FRICS
(RICS Registered Valuer)**

**Colin Brades DipVEM, MRICS
(RICS Registered Valuer)**

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For and on behalf of
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1.0 STANDARD VALUATION ASSUMPTIONS AND BASES OF VALUATION

All valuations and appraisals have been carried out in accordance with **The RICS UK Valuation – Global Standards July 2017) - "The Red Book"**. Compliance with The Red Book is mandatory for Chartered Surveyors in the interests of maintaining high standards of service and for the protection of clients.

Please note that our valuation may not be relied upon for the stated or any other purposes until such time as our fee account has been paid in full.

Unless agreed otherwise in writing, or stated otherwise in our Valuation Report, the following Standard Conditions of Engagement shall apply:

General Comment

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

1.1 Assumptions: In preparing the Valuation and Report, we have made the following general assumptions:

- i) We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.
- ii) We rely upon information provided to us, by the sources listed, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our

- report. We assume that this information is up-to-date, complete and correct and may be safely relied on.
- iii) That all information provided as to ownership (e.g. tenure, lease terms, tenant's improvements, development expenditure, etc.) is up to date, complete and correct. Also, that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoing or conditions, likely to have an adverse effect upon the value of the property, attaching to the relevant interest in the property of which we have not been made aware and that a good and marketable title to the relevant interest is held.
 - iv) Where we have read leases, no reliance should be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved. We assume that all covenants in any head leases have been complied with and that there are no disputes with the lessors or notices received from the lessors or lessees which would adversely affect the valuation. Information regarding tenure and tenancies must be checked by your legal advisers.
 - v) That, unless we have been informed otherwise, each property complies with all relevant Statutory Requirements (including, but not limited to, Fire Regulations, Bye-Laws, Disability Access, Asbestos, Radon Gas and Health and Safety at Work).
 - vi) That each property has been constructed, and is occupied, in accordance with valid Town Planning Consents and Building Regulations Approvals, and that it complies with any other relevant Statutory and Bye-Law requirements and that there are no outstanding Statutory or other notices in connection with the property or its current use.
 - vii) That, unless we have been notified otherwise, the presence of high alumina cement, calcium chloride additive, blue asbestos or any other deleterious, harmful or hazardous material has not been determined and our valuation assumes that these materials have not been used in the construction of any of the buildings or subsequently added.
 - viii) With regard to development properties, we have assumed, except where notified otherwise, that there are no leases, underleases, tenancies, licences or other agreements under which any person has or will have any right to possession, occupation or use of the property or any part thereof and that vacant possession for development is obtainable.

-
- 1.2 **Special assumptions:** Where special assumptions are necessary in order to adequately provide the valuation(s) required, these will have been agreed and confirmed in writing before the Report is issued. Special Assumptions may only be made if they can be regarded as realistic, relevant and valid, in connection with the particular circumstances of the valuation.
 - 1.3 **Restricted information:** Where we have undertaken a Valuation on the basis of restricted information, the nature of the restriction and the impact upon the accuracy of the valuation has been referred to in our Report.
 - 1.4 **Revaluations:** Revaluations without re-inspections are made only on the assumption that the client has confirmed that no material changes to the physical attributes of the property and the area in which it is situated have occurred. (For residential properties only: Unless otherwise agreed, we will not undertake revaluations without re-inspections if the property was inspected more than 12 months previously because the condition of such property can materially change significantly during this period of time, especially when let.)
 - 1.5 **Structural condition:** No structural surveys have been carried out, nor have we tested any services or inspect roof voids, woodwork or any parts of the structures which are covered, unexposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order. Any obvious defects or items of disrepair have been taken into account, but we are not be able to give any assurance that any property is free from defect.
 - 1.6 **Plant and machinery:** Plant and machinery and trade fixtures and fittings have not been included in the valuation unless forming part of the structure or service installations and normally valued with the building.
 - 1.7 **Site history investigations and surveys:** We recommend that a site history investigation and survey is undertaken although this is usually commissioned by lawyers. We have not carried out or commissioned a site investigation or geographical or geophysical survey unless requested to do so and, therefore, we are not able to give any opinion or assurance or guarantee that the ground has sufficient load bearing strength to support any of the existing constructions or any other constructions that may be erected in the future. We also cannot give any opinion or assurance or guarantee that there are no underground mineral, other workings, or archaeological remains beneath the site or in its vicinity nor that there is any fault or disability underground which could or might affect the property or any construction thereon or that there is no abnormal risk of flooding.
 - 1.8 **Contamination:** We are not qualified to give specific advice on the nature or risk of contamination. If, during the course of our inspection and subsequent enquiries for

valuation purposes, or through our knowledge of the locality, we became aware of any matters which may indicate the likelihood or potential for contamination of the subject property, these are stated in our Report. If a Contamination Report is considered necessary, this should again be commissioned by lawyers as part of their due diligence process. Should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values set out in our Valuation Report and we must be notified immediately.

- 1.9 **Measurements:** All measurements have been carried out in accordance with the latest Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, unless stated otherwise in our Report.
- 1.10 **Planning/rating:** We have made informal oral enquiries of the relevant local planning and rating authorities together with publicly available electronic sources and we have taken into account the information received in the preparation of our Valuation Report. This verbal information is given to us and accepted by us on the basis that it should not be relied upon. Written enquiries can take several weeks for response and incur charges. No searches have been carried out and, therefore, unless we are specifically advised to the contrary, we have assumed that the property and its value are unaffected by any matters which would be revealed by a full Local Search. We recommend that formal written enquiries should be undertaken by your lawyers.
- 1.11 **Tenant covenant:** We have undertaken limited research into the strength of covenant offered by commercial tenants in order to form a view of the likely perception of their financial status from the standpoint of potential purchasers. We have assumed that their financial standing is satisfactory, unless our research indicated otherwise. Unless informed to the contrary, we have assumed in all cases that there are no significant arrears of payment and that all commercial tenants are capable of meeting their obligations under the terms of leases and agreements. You should be aware we have made no such checks on residential tenants.
- 1.12 **Taxation/costs of realisation:** No account has been taken of any liability for taxation, which may arise upon the disposal of the property, nor have we deducted the likely costs of such disposal. However, normal purchaser's costs are reflected in our valuations where necessary.
- 1.13 **Development properties:** For properties in course of development, we have reflected the stage reached in construction and the costs remaining to be spent at the date of valuation. We have had regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisors to the project. For recently completed developments, we have

taken no account of any retentions, nor have we made allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

- 1.14 **Build Cost Information:** Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that we are supplied with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you or your advisors. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If specialist build cost advice is subsequently obtained, we recommend that we are instructed to review our advice.
- 1.15 **Valuation date:** The date of our valuation is specified in the Valuation Report.
- 1.16 **Comparables:** Information quoted in our reports is often based upon our verbal enquiries and electronically available information and its accuracy cannot be assured. However, such information is only referred to where we have reason to believe its general accuracy, or where it is in accordance with our expectation. We have not inspected comparable properties.
- 1.17 **Publication:** Prior consent in writing is required for any reproduction or public reference to the valuation or Report.
- 1.18 **Reliance on the report:** The Valuation Report has been provided only for the purpose agreed with the instructing Client and is for the sole use of that Client. As such, it is confidential to the Client and his professional advisors to whom we accept responsibility that the Report has been prepared with the skill, care and diligence that can reasonably be expected of a competent Valuer. We accept no responsibility whatsoever to other parties that subsequently rely on this report, for the whole or any part of its contents.
- 1.19 **Loan security:** Where instructed to comment on the suitability of property as a loan security, we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.
- 1.20 **Complaints procedure:** In accordance with the requirements of the RICS, a copy of our complaints procedure is available on request.

1.21 **Valuation Bases:** Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in The Red Book. The basis of valuation will have been agreed in the letter covering the specific terms for the instruction.

1.22 The definitions of the various valuation bases are reproduced below as follows:

1. Market Value (MV)

Market Value is defined as:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

2. Market Rent (MR):

Market Rent is defined as:

The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3. Fair Value

There are three recognised definitions of Fair Value and the valuer needs to be make explicit which definition is being adopted.

For valuations for inclusion in financial statements prepared in accordance with UK GAAP, the Fair Value definition applicable under FRS 102 (UK GAAP) is :-

'The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.'

In our view, the adoption of the required Fair Value basis does not result in any material difference in the values now reported from the previously used definition of Market Value.

For valuations prepared in accordance with IFRS, the definition adopted by the International Accounting Standards Board in IFRS 13 is:

The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

This definition is also considered by RICS for most practical purposes to be the same as the Market Value.

The definition adopted by the IVSC in IVS Framework paragraph 38 is:

The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.

This definition is not the same as Market Value. For more information, valuers should refer to IVS Framework paragraphs 38-42.

4. Investment Value

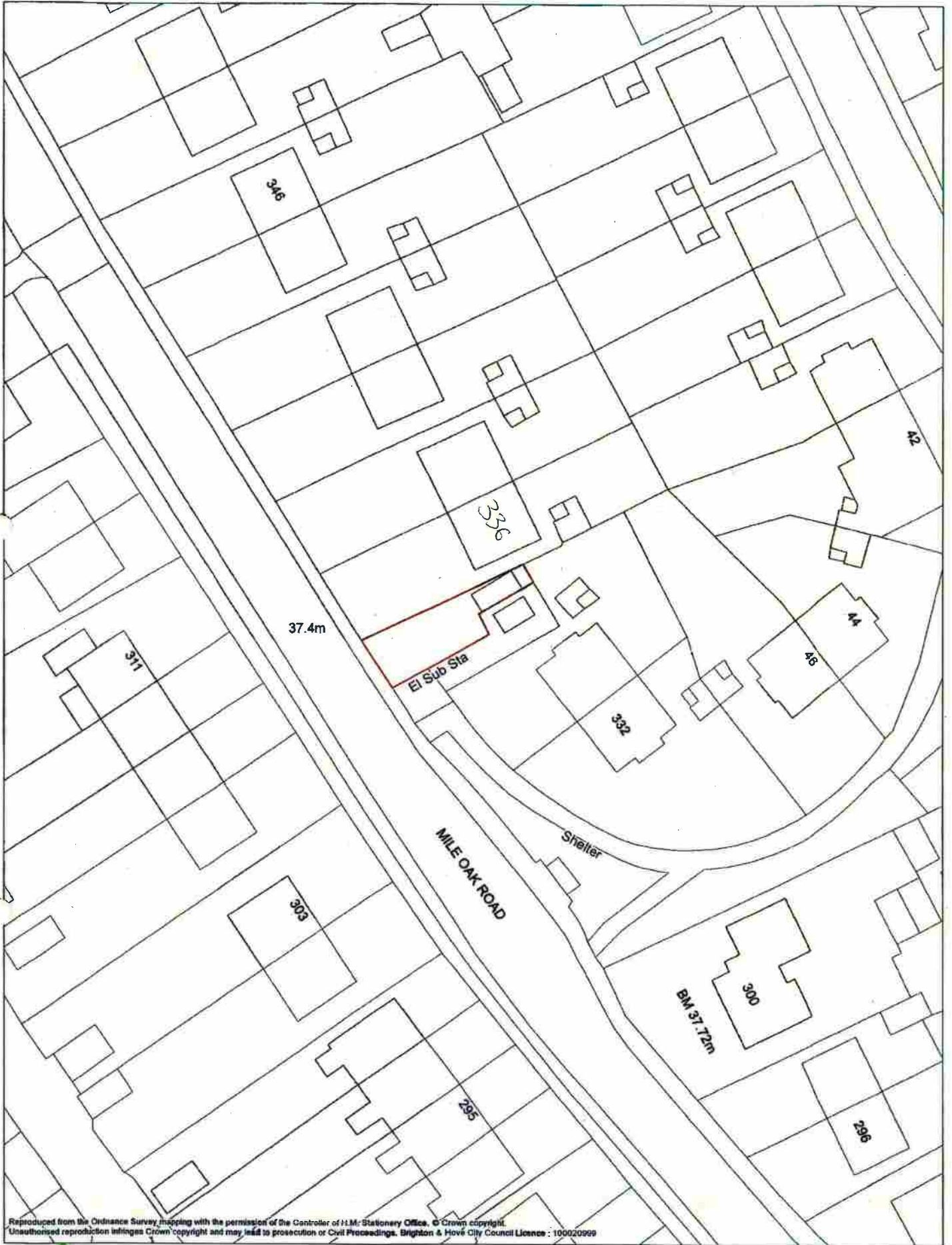
Investment Value (or Worth) is defined as:

Investment Value is the value of an asset to the owner or a prospective owner for individual investment or operational objectives.

5. Projected Market Value (PMV) of Residential Property only

Projected Market Value is designed to provide residential mortgage lenders with a simple numeric indication of the valuer's opinion of short-term market trends and is defined as:

The estimated amount for which an asset is expected to exchange at a date, after the valuation date and specified by the valuer, between a willing buyer and a willing seller, in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.



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Land Adjacent 336 Mile Oak Road

Scale 1:500



P

Subject: Procurement Programme for the Future Delivery of Housing Repairs, Planned Maintenance and Capital Works

Date of Meeting: 29 March 2018

Report of: Executive Director Neighbourhoods, Communities & Housing

Contact Officer: Name: **Caroline De Marco** Tel: **29-1063**

E-mail: Caroline.demarco@brighton-hove.gov.uk

Wards Affected: All Wards

FOR GENERAL RELEASE

Action Required of the Committee:

To receive the item referred from the Housing & New Homes Committee for noting:

Recommendation: That the following be referred to the Committee for consideration:

- 2.1 That committee notes the commencement of an options programme in relation to the future delivery of repairs, planned maintenance and capital works for the council's housing stock, as detailed in the body of this report.

BRIGHTON & HOVE CITY COUNCIL
HOUSING & NEW HOMES COMMITTEE
14 MARCH 2018
COUNCIL CHAMBER, HOVE TOWN HALL

Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Councillor Mears (Opposition Spokesperson), Councillor Gibson (Group Spokesperson), Councillors Atkinson, Bell, DrUITT, Lewry, Moonan and Wares.

DRAFT MINUTE

PART ONE

83 PROCUREMENT PROGRAMME FOR HOUSING REPAIRS, PLANNED MAINTENANCE AND CAPITAL WORKS

- 83.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which updated members on the commencement of an options programme in relation to the future delivery of repairs, planned maintenance and capital works for the council's housing stock. The Council currently operated a ten year partnering contract with Mears Limited under which the following services and works are provided for the council's housing stock:
- Responsive repairs and empty properties maintenance
 - Planned maintenance and improvement programmes
 - Major capital works projects
- 83.2 The Mears Limited contract expired on 31st March 2020 and therefore the options for the future delivery of the services and works that are currently covered under this contract now needed to be assessed. Officers were engaging with residents through the Area Panels, workshops and sessions with residents. The report was presented by The Business and Performance Manager and the Business and Performance Project Manager.
- 83.3 Councillor Moonan stated that the report was an outline of a process and had been well received by the Area Panels. The committee would be discussing this matter further on future agendas. Councillor Moonan considered that this was an opportunity to bring the service back in house and wanted this to be investigated as an option.
- 83.4 Councillor Atkinson referred to page 84, paragraph 3.4, relating to the programme board. He asked who would sit on the board. Officers explained that it was an officer board and included officers from Housing Services and other parts of the authority, including procurement, finance, legal and HR. Members governance was through the Members Procurement Advisory Board.

- 83.5 Councillor Mears welcomed the report and made the following points:
- It was an opportunity to move forward and look at what had happened in the past.
 - It was important to emphasise that the Mears contract was never “light touch”. The council were responsible for managing the contract.
 - The work being carried out was welcomed but it needed to be recognised that unless the contract was managed in the proper way, there could be problems in the future.
 - There needed to be clarity with regard to how the contract was let in the first place, and that the same mistakes were not made again.
- 83.6 The Executive Director of Neighbourhoods, Communities & Housing agreed that the management of the contract was a key consideration and would be a large part of the work being carried out. Officers had identified what tenants and leaseholders expected and would listen to their views. Tenants and leaseholders would also be asked to monitor the work and the Project Board would look at management arrangements.
- 83.7 Councillor Hill observed that it was a large contract and she hoped that the council could be open to having different parts of the service let to different contracts. This would give more power to tenants and leaseholders.
- 83.8 Councillor Bell stressed that leaseholders made up 20% of housing stock and their views were very important. He personally received more complaints from leaseholders than tenants. Officers confirmed that there was a working group with leaseholders reflecting the current provision. The process for consultation was outlined in the report. Officers would look to arrange workshops for feedback from both tenants and leaseholders. There was a multi stage consultation. There would be an initial consultation with leaseholders before the contract went out to tender.
- 83.9 Councillor Gibson stressed that it was important to ensure the consultation was meaningful. He believed that public provision was a better model because the council was not out to make a profit, and the council provided better conditions to its staff. The problems raised with the Mears contract would be more easily and openly resolved if the council ran the contract and bringing it back in house was desirable. Councillor Hill’s suggestion about breaking up the contract should be considered.
- 83.10 Councillor Wares made the point that there were many tenants who were not involved with Area Panels, workshops or associations. It was very important to reach all these people when carrying out the consultation. The Executive Director, Neighbourhoods, Communities & Housing concurred and stressed that this was probably the largest consultation in ten years. Officers would inform tenants through “Homing In”, and would work with ward councillors and tenants. The council were now able to use social media and there was a better digital platform. Officers would contact as many tenants as possible.
- 83.11 Councillor Wares stressed the importance of adequate management and checking of work carried out. There was a need to learn from past experience.
- 83.12 Councillor Druitt agreed with the idea of splitting the contract. He expressed concern that the report seemed an officer consultation led. The wording was not clear that it would be a resident led programme. He referred to paragraph 3.10 which stated that

there would be a number of workshop sessions. He would rather that the Project Board updated members on key decisions. Meanwhile, he was concerned about how much information was readily available during the decision making process, and asked how it compared to other contracts. How much background information would be considered?

83.13 The Executive Director stated that residents would be involved in the process but the decision makers were ultimately councillors. The performance report showed that Mears Ltd performance in responsive repairs was very good. There needed to be a balanced view about Mears performance. Tenants were largely satisfied with Mears responsive repairs programme. Officers knew that the management of the contract was now robust but that there had been times in the past when it had not been. The Executive Director was happy to have tenants and leaseholders involved in the process.

83.14 The Business and Performance Manager stated that there was also a formal process for engagement. In terms of access to information, the council held all the information which was needed. Although Mears were the main contractor, and had the lead IT system, every piece of information came into the council's own system so it had all historic information. All the performance information including the key performance indicators were controlled through the council. The process was at a very early stage. The Business and Performance Project Manager was working on a resident engagement plan which officers would be happy to share with Area Panels and members. Some of processes around engagement were governed by legal processes.

83.15 **RESOLVED:-**

- (1) That committee notes the commencement of an options programme in relation to the future delivery of repairs, planned maintenance and capital works for the council's housing stock, as detailed in the body of this report.

Subject:	Procurement programme for the future delivery of housing repairs, planned maintenance and capital works		
Date of Meeting:	14 th March 2018 – Housing & New Homes Committee 29 th March 2018 – Policy, Resources & Growth Committee		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Glyn Huelin Sharon Davies	Tel: 01273 293306 01273 291295
	Email:	glyn.huelin@brighton-hove.gov.uk sharon.davies@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report is intended to update members on the commencement of an options programme in relation to the future delivery of repairs, maintenance, improvements and capital works for the council's housing stock.
- 1.2 Brighton & Hove City Council (Housing) operates a ten year partnering contract with Mears Limited under which the following services and works are provided for the council's housing stock:
 - Responsive repairs and empty properties maintenance
 - Planned maintenance and improvement programmes
 - Major capital works projects
- 1.3 This contract expires on 31st March 2020 and therefore the options for the future delivery of the services and works that are currently covered under this contract now need to be assessed.
- 1.4 The spend under the current contract is approximately £28.00m per annum.

2. RECOMMENDATIONS:

- 2.1 That committee notes the commencement of an options programme in relation to the future delivery of repairs, planned maintenance and capital works for the council's housing stock, as detailed in the body of this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The council entered into a ten year partnering contract with Mears Limited in March 2010. The contract covers the majority of repairs, planned maintenance and capital works undertaken to the council owned housing stock.
- 3.2 The expiry of the current contract provides an opportunity to deliver substantial change in relation to these services and works for our residents, stakeholders and the council as a whole.
- 3.3 At this stage decisions have not been made about how the services and works will be delivered following the expiry of the contract. Over the coming months officers will work with residents and members to shape options for the future delivery of these important services. Proposals will then move forward through the council's governance process including Housing Area Panels and the appropriate committees.
- 3.4 The options programme will be managed by a programme board led by the Executive Director for Neighbourhoods, Community and Housing. Regular update reporting will be delivered to the Procurement Advisory Board (with Housing lead members in attendance).
- 3.5 Reports will be presented to committees in line with the table at paragraph 3.7. Regular briefing will be delivered to members and other stakeholders alongside the progression of the options programme.
- 3.6 Specialist consultants have been engaged to deliver an initial options and market research report for consideration by the programme board. This will provide an indication of the options available for the delivery of the services and works and the associated risks and opportunities.
- 3.7 The indicative timetable below indicates the high level process for this programme and committee reporting to Housing and New Homes Committee and Policy, Resources and Growth Committee. Consultation with the Housing Area Panels is also integral to this process:

Date	Actions
February 2018	Initial briefing to Area Panels
March 2018	Initial report to Housing & New Homes Committee
April 2018	Start of resident engagement activities
April – August 2018	Continued development of procurement/other options strategy and specification with residents, members and officers.
June – October 2018	Approval of preferred options, delivery scope and any authority to tender required through Housing & New Homes Committee and Policy, Resources and

	Growth Committee
November 2018 – May 2019	Tender process and evaluation
June – July 2019	Award reports through committees and contract award
July 2019 – April 2020	Mobilisation phase
April 2020	Programme complete

- 3.8 Alongside committee reporting, members, residents and staff will receive regular updates on key decisions and progress.
- 3.9 The programme board will develop a communication plan that uses a range of methods to provide information for residents. This may include briefings to Area Panels, updates in “Homing In”, mail-outs and social media updates.
- 3.10 In addition, officers anticipate there will be a number of workshop sessions with members, residents and staff to develop options proposals.
- 3.11 In order for the council to effectively deliver and implement an effective future solution it is essential that the programme board collects residents’ views and feedback on the options for the service moving forward. The programme board proposes to engage with a wide range of residents (both tenants and leaseholders) to inform this process. This will be supported by a member of the programme team and will include a number of workshops for residents, surveys, consultation and work with existing resident groups. Officers anticipate providing a number of ways for residents to share their experience of the current service and what they would like to see in the future.
- 3.12 Alongside resident engagement in the programme the council will undertake any required statutory consultation with leaseholders.
- 3.13 The following high level risks are of note for the options programme. A detailed risk management plan and register will be maintained throughout the programme.
- Other large procurement activity for various Housing ICT systems taking place during programme period and the ICT solutions could have an impact on cost and delivery models
 - National economic, environmental, health and safety and political agenda to have impact on delivery of social housing
 - Potential cost increases as a result of changing delivery models and economic changes since the previous procurement exercise
- 3.14 For context it is worth noting that as well as its partnering contract with Mears Limited, the council also directly operates a number of separate contracts for delivery of works and services to the council’s social housing stock as set out below:

- K&T Heating – Gas servicing, maintenance, repairs, installations to communal and domestic properties.
- Liftec – Lifts, stair lifts and mobility hoists. Repairs, maintenance, servicing and installation
- Knightguard – Door entry systems and CCTV. Repairs and installation.
- Hertel – Legionella checks and monitoring through risk assessment.
- Allied – Fire alarms. Repair, maintain, service and installation.
- Abbamechatronics – Warden call in older persons accommodation. Repair, maintain, service and installation.
- SCCI – Digital communal aerials. Repair, maintain, service and installation.
- ONYX – Ventilation. Repair, maintain, service and installation.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 No alternative options to the establishment of the options programme are available. The provision of repairs and maintenance to council owned housing stock is a core landlord responsibility under housing legislation.
- 4.2 All options for the future delivery of the services and works established as within the scope of this programme will be considered. The options will be presented in a future report to committee as set out in paragraph 3.7.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Initial engagement with residents has been through the Housing Area Panels. This item was considered at the following meetings:

- 20th February – West Area Panel
- 21st February – Central Area Panel
- 26th February – East Area Panel
- 1st March – North Area Panel (meeting cancelled due to weather)

- 5.2 In addition officers have provided initial information on the programme to residents at the Home Service Improvement Group meeting on the 6th March 2018.

- 5.3 Feedback from Area Panels has included:

- General questions about process and procurement
- Importance of ensuring the council is delivering value for money
- The programme should consider who has responsibility for diagnosing repairs
- Request to share resident engagement process
- Engagement with ward councillors at key times
- Acknowledgement that there is a local election within the timeline of this programme.
- The council should consider how to incentivise repairs rather than replacing individual components. An example was given of where a tap was replaced

rather than repaired. It was noted that this was a balance and that sometimes replacement is better value for money.

- Committee papers should be shared with residents as well as members.
- The programme should consider the use of a price per property model for responsive repairs.
- Invitation to attend the next tenants City Conference in September 2018 to update on the programme.
- Engage with residents from early stages of programme and build resident understanding

5.4 As set out in paragraph 3.11 the programme will be supported by broad engagement of residents (both tenants and leaseholders) across the city.

6. CONCLUSION

6.1 The programme will cover the options for future delivery of a significant proportion of the council's investment in its housing stock. Future reports to committee will enable members to make decisions on the options and delivery strategy for 2020 onwards.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The Housing Revenue Account (HRA) budget for 2017/18 includes £0.150m for the preparation of the future delivery of housing repairs, planned maintenance and capital works once the current contract with Mears Limited ends in March 2020. The proposed HRA budget for 2018/19 includes a further 0.100m for this purpose

Finance Officer Consulted: Monica Brooks

Date: 19/02/18

Legal Implications:

7.2 There are no direct legal implications arising out of this report which sets out a recommendation for noting.

Lawyer Consulted: Isabella Sidoli

Date: 19/02/18

Equalities Implications:

7.3 An equalities impact assessment has not been carried out for this programme at this stage. Assessments are in place for any work carried out under the current contract arrangements. It is anticipated that a similar process will be appropriate here.

7.4 It is possible that options identified as a result of this programme will involve transfer of staff from the existing contractor.

Sustainability Implications:

- 7.5 The work carried out under the existing contract arrangements in this area contribute significantly to the council owned stocks energy performance. Future arrangements will need to assess any potential providers ability to deliver services in a sustainable and energy efficient manner in line with the council's HRA energy strategy.

Any Other Significant Implications:

- 7.6 Risk and opportunity management implications

These are set out in brief in the body of the report (paragraph 3.13). A detailed risk management plan and register will be maintained throughout the programme.

- 7.7 Corporate/Citywide implications:

There are a number of Corporate, Citywide and Housing strategies that are relevant to this programme.

Key priorities within these strategies which will need to be taken into account as part of the options programme set out in this report are detailed below:

The Housing Strategy

This strategy details the vision and priorities for the housing service across the council.

- Priority 2 - Improving Housing Quality
Continue to improve council housing sustainability standards.

The Housing Asset Management Strategy

This strategy details how we ensure that we align our assets with the current and future needs of residents.

- Priority 1 – Investing in Homes and Neighbourhoods
Commitment to a high quality and affordable Repairs and Maintenance Service
Ensuring health and safety for residents, visitors and staff
Commitment to improving energy efficiency, health and wellbeing
Adapting homes to help enable residents to continue to enjoy them
Achieving value for money and social value
Reviewing assets to ensure long term viability

The HRA Energy Strategy

This strategy details our commitment to improving energy efficiency, health and wellbeing for residents and staff.

SUPPORTING DOCUMENTATION

Appendices

None

Documents in Members' Rooms

None

Background Documents

None

Subject:	South East Regional Adoption Agency		
Date of Meeting:	29th March 2018		
Report of:	Pinaki Ghoshal		
Contact Officer:	Name:	Karen Devine	Tel: 01273 295546
	Email:	Karen.devine@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report provides the Policy Resources & Growth Committee with the background and local context for national changes to Adoption Services as a result of the publication of the Department for Education document: 'Adoption – A Vision for Change' March 2016.
- 1.2 Specifically this report will detail;
- The current governance arrangements
 - The application for funding process
 - Summary of progress by the project group
 - The priority tasks for the project group for 18/19
 - Information on the preferred model of delivery

2. RECOMMENDATIONS:

- 2.1 That Policy Resources & Growth Committee note the report and in particular background information.
- 2.2 That the Committee agree in principle to the development of 'Adoption South East' Regional Adoption Agency in order to comply with Department for Education 'Adoption – A Vision for Change' agenda.
- 2.3 That the Committee agree in principle to aligned budgets for the formation of Adoption South East.
- 2.4 That the Committee agree for a more detailed report to be presented following approval on government funding.

3. CONTEXT/ BACKGROUND INFORMATION

Government Legislation

- 3.1 The Department for Education published 'Adoption - A Vision for Change' in March 2016 setting out reforms designed to address delay in the adoption process for children by requiring all local authorities to become part of a Regional

Adoption Agency (RAA) by 1st April 2020. This will mean that from 2020 Brighton and Hove City Council Adoption Service will need to join with other local authorities to become a Regional Adoption Agency and cease operating as a sole Agency.

Local Context

3.2 Brighton and Hove City Council, East Sussex County Council, West Sussex County Council and Surrey County Council have worked closely together for many years, as part of Adoption South Central Consortium. This consortium comprised of 9 Adoption Agencies and 2 Voluntary Adoption Agencies, The geographical spread of this consortium was considered too large to develop into one Regional Agency and hence the 4 Local Authorities collaborated to form 'Adoption South East'.

Current Governance Arrangements

3.3 Directors and Assistant Directors of Children Services from the 4 Local Authorities met in 2016 to discuss Government proposals and the implications. The conclusion from the initial meeting was to form 2 groups;

- An Executive Board - made up of the Director of Children Services for each authority and relevant Assistant Directors. At the first meeting it was agreed that this group would be chaired by Stuart Gallimore, Director of Children Services in East Sussex and that Pinaki Ghoshal, Executive Director for Brighton and Hove will be vice-chair. This group was charged with setting the direction and allocating resources to the project
- A Project board - made up of leads for Adoption Services from each authority. This group was tasked with developing the operational detail that will inform the development of the Regional Adoption Agency. The project board is currently chaired by Suzanne Chambers, Adoption Service Manager for Surrey County Council.

3.4 A more detailed report will need to be presented at a future meeting of the Policy, Resources & Growth Committee for final decision making. Full sign off will be required by elected members in each of the 4 Local Authorities in order for Adoption South East Regional Adoption Agency (ASE) to go live in April 2020.

Preferred Model

3.5 The current preferred model of delivery draws parallels with Orbis Public Law and is explored in more detail in section 4 below.

3.6 Adoption South East has looked at learning from other areas. The project team have benefited from generous support provided to date from Adopt Thames Valley and Aspire. As part of the next phase learning from other areas will also be sought.

Application for funding

3.5 In July 2017 the Department for Education invited Local Authorities to an event in London to discuss the requirement for all agencies to be formally signed up to a RAA by 2020. All Local Authorities were strongly encouraged to either develop or

join an existing RAA project. The 4 Local Authorities attended this meeting and reported on the work undertaken over the previous year to prepare the ground for a formal application for funding to develop Adoption South East Regional Adoption Agency.

The Chair of the Executive Board subsequently wrote to the Department for Education on behalf of the 4 Local Authorities, formally expressing interest in forming Adoption South East Regional Adoption Agency and intent to apply for development funding. A funding application was made in December 2017. A decision is anticipated shortly. Funds agreed will be made available in April 2018.

- 3.6 The Department for Education also used the event to confirm that all Regional Adoption Agencies will need to include working with a Voluntary Adoption Agency as part of their application. Adoption South East has started discussions with potential partners.

Progress of Project Group

- 3.7 The project board was charged with progressing actions that bring together the adoption practice for the 4 authorities and provide regular updates to the executive board.

- Recruitment
- Family Finding and Matching
- Adoption Support
- Adoption Panels

In order to develop key support work streams in Finance, Legal and Performance, East Sussex has provided leads, supported by representative colleagues from each member agency.

Priority Tasks of Project Group for 18/19

- 3.8 Department for Education funding will enable the appointment of a Programme Manager, and an Operational Project Lead to drive ASE forward in accordance with Department for Education timescales. The Programme Plan will focus initially on:

- Appointment of Project team (Programme Manager, & Operational Lead)
- Identification of delivery model and governance structure
- Service design and financial modelling (aligned budgets)
- ICT
- Role of Voluntary Adoption Agencies (VAA)

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The 4 Local Authorities all have strong records of service delivery, working with a large number of children in care and adopted children. The success of the 4 local authorities directed the executive board to consider a partnership approach rather than 1 authority managing and leading Adoption Services for the region. Pilot projects experienced a number of financial problems when trying to create a

new VAA or to outsource to an existing VAA, this added further motivation to a Partnership model.

4.2 Given the authorities involved, the obvious parallel project was with Orbis Public Law, where staff from the 4 local authorities come together in partnership under a joint management structure to deliver services across the region. This allows for the development of the RAA whilst maintaining ownership and sovereign terms and conditions for staff within each Local Authority.

4.3 **Orbis Public Law**

At this stage the executive group favour a delivery model where staff from all 4 local authorities come together under a single management structure to deliver adoption services across the region, but where sovereignty of staff is maintained. This is the model currently being implemented in our Orbis Public Law public sector partnership. Orbis Public Law is a single service partnership under the management of a Joint Committee. It is a fundamental premise that the high standard of service currently provided to each Council will be maintained. Members still have control over arrangements and staff remain employed by their existing Council. In addition, given the significant involvement of legal staff across Orbis Public Law in the four Authorities with adoption proceedings it felt appropriate to align Adoption SE with Orbis Public Law.

5. **COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 Adoption South East has begun discussions with PACT (Parents and Children Together) to explore working in partnership. Discussions are at a very early stage and will be progressed as a priority in 2018.

5.2 Early discussions have taken place to create a communication strategy and include all key stakeholders. This will be developed following the result of government funding application.

5.3 Staff within each Local Authority have been updated as to progress and have contributed to work streams for Adopter Recruitment, Adoption Support, Family Finding & Matching.

6. **CONCLUSION**

6.1 The recommendations and supporting information will take forward the development of Adoption South East Regional Adoption Agency, bringing together Brighton & Hove, East Sussex, West Sussex and Surrey Adoption Services.

6.2 The Policy Resources & Growth Committee will need to consider these proposals in the context of Department for Education policy document: 'Adoption – Vision for Change' and recognise that the new model will need to be developed to be compliant with these requirements.

6.3 The relationship between the 4 local authorities has started from a good position and continues to get stronger as the project progresses. Governance arrangements are well established.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 None applicable at present.

Legal Implications:

7.2 It is a requirement for all adoption agencies to be formally signed up to a RAA by 2020. The government envisages that by moving to a regionalised adoption system, adopter recruitment, matching and adoption support will be delivered on an efficient and effective scale at consistent quality. Currently the preferred model for governance is to emulate Orbis Public law whereby there is an agreement to work in partnership under a joint management structure, but which allows each partner to retain sovereignty over the terms and conditions of staff. The vehicle and governance to deliver this will be developed with the assistance of Orbis Public Law.

Lawyer Consulted: Natasha Watson

Date: 24.01.18

Equalities Implications:

7.3 None applicable.

Subject:	Data Protection Officer designation required by the General Data Protection Regulation		
Date of Meetings:	Audit & Standards Committee: 27th March 2018 Policy, Resources & Growth Committee: 29 th March 2018		
Report of:	Head of Law and Monitoring Officer		
Contact Officer:	Name:	Abraham Ghebre-Ghiorghis	Tel: 29-1500
	Email:	Abraham.ghebre-ghiorghis@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report is referred to this Committee as well as to the Council's Policy Resources and Growth Committee, this in light of the existence of concurrent delegations in relation to the oversight of the Council's information governance arrangements.

2. RECOMMENDATIONS*Audit & Standards Committee:*

- 2.1 That in response to the requirements of the General Data Protection Regulation, the Committee approve in principle this Council's designation of a statutory Data Protection Officer which Brighton & Hove City Council shares with its fellow founding Orbis partner authorities: East Sussex County Council and Surrey County Council.
- 2.2 That the Committee recommend to Policy, Resources and Growth Committee that the Executive Director – Finance & Resources be given delegated authority to take all steps necessary or incidental to appoint to the above role.
- 2.3 That the Committee recommend that Policy Resources and Growth Committee grant to the Monitoring Officer delegated authority to amend the Council's Constitution so as to include provision in the Scheme of Delegations to Officers for the new statutory Data Protection Officer role.
- 2.4 That in addition, the Committee recommend to Policy Resources and Growth Committee that responsibility for acting as the Council's Senior Information Risk Owner be delegated to the Executive Director – Finance & Resources and that this be reflected in the Scheme of Delegations to Officers.

Policy, Resources & Growth Committee:

- 2.5 That in response to the requirements of the General Data Protection Regulation, the Committee approve in principle this Council's designation of a statutory Data Protection Officer which Brighton & Hove City Council shares with its fellow founding Orbis partner authorities: East Sussex County Council and Surrey County Council.
- 2.6 That Policy, Resources and Growth Committee approve that the Executive Director – Finance & Resources be given delegated authority to take all steps necessary or incidental to appoint to the above role.
- 2.7 That Policy Resources and Growth Committee grant to the Monitoring Officer delegated authority to amend the Council's Constitution so as to include provision in the Scheme of Delegations to Officers for the new statutory Data Protection Officer role.
- 2.8 That Policy Resources and Growth Committee approve that responsibility for acting as the Council's Senior Information Risk Owner be delegated to the Executive Director – Finance & Resources and that this be reflected in the Scheme of Delegations to Officers.

3. CONTEXT & BACKGROUND INFORMATION

- 3.1 On 30th November 2017, Policy Resources & Growth Committee received a written report on the Council's response to the requirements of the General Data Protection Regulation. This detailed a number of proposals for steps to be taken to ensure compliance with a changing and significantly more robust data protection regime and sought capital and revenue budget funding for the range of measures considered necessary to achieve compliance.
- 3.2 The above Committee agreed the recommendations and approved the funding bid, giving delegated authority to the Executive Director – Finance and Resources to take all steps necessary to implement the GDPR strategy. The proposed vision indicated during discussion of the proposals was that the Audit & Standards Committee (which holds concurrent delegations in relation to the Council's information governance arrangements) would scrutinise compliance in this area.
- 3.3 The afore-mentioned report noted the requirement that public authorities designate a statutory Data Protection Officer but did not make specific recommendations in this regard. This was because different options were at that point still being explored.

4. DESIGNATION OF A DATA PROTECTION OFFICER FOR BRIGHTON & HOVE CITY COUNCIL

- 4.1 Article 38 of the General Data Protection Regulation (which is directly applicable in the UK) imposes a mandatory requirement that all public authorities designate a Data Protection Officer ('the DPO'). It provides that 'the data protection officer shall be designated on the basis of professional qualities and, in particular, expert

knowledge of data protection law and practices and the ability to fulfil the tasks referred to in Article 39’.

- 4.2 The DPO’s details must be published, and – although they may be an employee or contractor – they must be supported in carrying out their roles and responsibilities, which are to be executed with independence. The DPO may not be dismissed or penalised for carrying out his or her tasks and must report to the highest management level regarding the detailed range of tasks indicated in article 39. These include providing advice on the lawful performance of the Council’s obligations and monitoring its compliance as well as assisting in the assignment of responsibilities and in relation to data protection impact assessments and acting as contact point with the Information Commissioner’s Office (‘the ICO’).
- 4.3 The term ‘Data Protection Officer’ has been in currency in local government for some term and has historically been used to describe those officers who deal with subject access requests made under the Data Protection Act 1988. However this statutory role is a new requirement for local authorities (and indeed most organisations) and is to be distinguished from that.
- 4.4 Article 38 of the GDPR specifically permits a single Data Protection Officer to be designated for several public bodies or authorities. This has been actively explored as an option by this Council in discussion at officer level with its fellow Orbis partners, Surrey County Council and East Sussex County Council. The increasing alignment of relevant support services including Audit – an alignment which is obviously a key feature of the Orbis project - has informed these proposals. They will offer this Council access to an individual with dedicated expertise and seniority, this via a model which as well as satisfying a key GDPR requirement offers the potential to positively influence the work done by the sovereign Information Governance function, including meeting the need to ensure compliance in terms of our arrangements across Orbis for sharing information.
- 4.5 It is proposed the funding for the joint DPO appointment will be agreed by the Joint Management Board and will reflect an appropriate methodology which is governed by the relative information maturity of the three authorities. There is no bid for funding additional to that which has already been agreed.
- 4.6 This proposal is considered to offer a solution which complies with the requirements of the GDPR in such a way as to inform and benefit this authority’s approach to its information governance arrangements. The shared DPO’s independence will be reinforced by the basis on which they are appointed (ie across the three authorities) and they will moreover be well-placed amongst other things to identify opportunities for any joint work streams which arise while ensuring that their main focus is on deploying their skills, experience and seniority to discharge their statutory functions.

5. THE COUNCIL’S SENIOR INFORMATION RISK OFFICER

5.1 It is considered by the ICO to be good practice for councils to appoint a Senior Information Risk Owner (SIRO) to ensure accountability and effective risk management in relation to information held across the range of the authority's functions. Although this is a non-statutory role, it is considered to be key to ensuring that one of the Council's Chief Officers retains responsibility for maintaining oversight of the Council's ongoing (and continually evolving) use of technology to deliver its functions.

5.2 Currently the SIRO role is fulfilled by this Council's Chief Executive. While it is proposed that the role continue to exist, it is considered that the more logical Chief Officer – as the Executive Director with responsibility for relevant service areas – is the Executive Director – Finance and Resources.

6. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

6.1 Compliance with the requirements of the General Data Protection Regulation is mandatory and – while different models exist for ensuring compliance with the requirement to designate a DPO – the proposals outlined here are recommended.

7. COMMUNITY ENGAGEMENT & CONSULTATION

7.1 No need to consult with the local community has been identified.

8. CONCLUSION

8.1 Members are asked to note the contents of this Report and to review the recommendations which are proposed as a means of ensuring compliance.

9. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

9.1 The Policy Resources and Growth committee meeting on the 30th November 2017 approved funding to support GDPR and the costs associated with the Data Protection Officer will be met from this allocation

Finance Officer Consulted: James Hengeveld

Date: 08/03/2018

Legal Implications:

9.2 These are covered in the body of the Report.

Lawyer Consulted: Victoria Simpson

Date: 26/02/18

Equalities Implications:

9.3 There are no equalities implications arising from this Report

Sustainability Implications:

9.4 There are no sustainability implications arising from this Report

Any Other Significant Implications:

9.5 None

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms:

None

Background Documents:

None

Subject:	Survivors Network Pledge		
Date of Meeting:	29 March 2018		
Report of:	Executive Director Neighbourhoods, Communities and Housing Executive Director Finance and Resources		
Contact Officer:	Name:	Larissa Reed	Tel: 01273 294286
	Email:	larissa.reed@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To seek permission to sign the Survivors' Network Pledge and apply for the Over to you Kite Mark

2. RECOMMENDATIONS:

- 2.1 That Brighton and Hove City Council signs the Survivors Network Pledge and signs up for the Over to you Kite mark.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 On International Women's Day 2018 the sexual violence charity Survivors Network launched the 'Over to You Kitemark'. This has developed from the #MeToo movement and aims to drive real and lasting change in organisations. The Survivors Network has created a pledge for local businesses and organisations to sign up to in order to demonstrate the active work they are undertaking to challenge sexual harassment and violence in the workplace.

The pledge says

We, the undersigned, recognise that we are in a significant historical moment regarding sexual harassment. We wish to harness this cultural shift to create lasting change, turning the initial important conversations into actions that will help us to build a better, safer and kinder city. We support the new Over to You Kite mark, launched by Survivors' Network here in Brighton & Hove, that calls on all local businesses and organisations to take the necessary steps to protect their staff and customers.

3.2 Brighton and Hove City Council will be awarded the Kitemark if we sign a five-point pledge that lays out practical ways that we would address sexual harassment.

The points are:

- Maintain a healthy and respectful environment free from discrimination based on gender to include all employees, customers, clients and others.
- Not tolerate any form of sexual harassment or sexual violence including images or sayings which may objectify or degrade a group of people within the workplace or at any company-sponsored events.
- Immediately and respectfully respond to every claim of sexual harassment or sexual violence by an employee or client regardless of the victim's gender or previous claims of harassment or violence.
- Maintain and actively review a sexual harassment/sexual violence policy for employees, and provide a copy of this to Survivors' Network.
- Regularly discuss protocols for reporting sexual harassment/sexual violence with employees.

3.3 If Brighton and Hove Council signs the pledge. There will be an expectation that we renew our signature of the pledge annually, providing evidence of any changes made to our policies. Brighton and Hove Council will also be added to list businesses and organisations certified with the kite mark which will be displayed on the Survivors' Network website.

3.4 The council already meets most of the requirements for the kite mark, however work would be required to ensure that the protocol for reporting sexual harassment/sexual violence was regularly discussed with employees. In addition, we do not currently have a separate sexual harassment/sexual violence policy, so work would be required to complete this.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Ensuring that staff have a safe and secure environment to work in has always been a priority of the council. Signing this pledge and obtaining the kite mark will demonstrate that commitment

4.2 While the kite mark does not guarantee no sexual harassment will take occur in the work place, it ensures better safeguards will be in place and, hopefully, that staff will be better prepared to believe and support survivors.

5 COMMUNITY ENGAGEMENT & CONSULTATION

5.1 There has been no community engagement; however the proposal has been shared with the council's Women's Network group. We would look to consult with

relevant parties in developing new policies in this area

6. CONCLUSION

- 6.1 By signing the pledge and obtaining the kite mark, the Council will be committing to undertaking work which will ensure there are robust safeguards in place to support any victims of sexual harassment. Signing the pledge will also send a clear message to our workforce that Brighton and Hove City Council believe there is no place for sexual harassment within our council.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Any costs arising from meeting the requirements of the Kite Mark – such as drafting the new sexual harassment/ Sexual violence policy - will be met from current budgets.

Finance Officer Consulted: Monica Brooks

Date: 16/03/18

Legal Implications:

- 7.2 There are no direct legal implications arising from the recommendation in the report. The proposed new policy and protocol will need to be developed in accordance with the Council's existing Human Resources procedures, including appropriate consultation and Trade Union engagement.

Lawyer Consulted: Elizabeth Culbert

Date: 19th March 2018

Equalities Implications:

- 7.3 Currently women are more likely to be victims of sexual harassment or sexual violence. This piece of work will increase the chances of victims of sexual harassment or sexual violence being able to speak out have issues tackled appropriately.

SUPPORTING DOCUMENTATION

Appendices

None

Documents in Members' Rooms

None

Background Documents

Survivors Network I'Over to You Kitemark'.

Subject:	Authority to Enter into a Sub-lease for a Medium Support Service for H&ASC Clients		
Date of Meeting:	29 March 2018		
Report of:	Rob Persey, Executive Director of Health & Adult Social Care		
Contact Officer:	Name:	Emily Ashmore/Jenny Knight	Tel: 01273 292520 / 293081
	Email:	Emily.ashmore@brighton-hove.gov.uk Jenny.knight@brighton-hove.gov.uk	
Ward(s) affected:	St. Peter's and North Laine		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The report requests authority to enter into a sub-lease for an identified ten unit block of flats between Brighton & Hove City Council and Brighton YMCA ("BYMCA")
- 1.2 The granting of the lease will allow the establishment of a ten bed unit for use as a medium supported accommodation service for clients placed by Health & Adult Social Care in discharge of accommodation duties owed under the Care Act 2014.

2. RECOMMENDATIONS:

- 2.1 That authority is granted for a sub-lease between Brighton & Hove City Council and BYMCA in accordance with the attached Heads of Terms.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In the last four years there has been a significant increase in homelessness which has resulted in an increase in;
 - Referrals to supported housing, causing increased waiting times and difficulties for service users in accessing this declining resource.
 - Increased numbers of patients unable to leave hospital when they are medically fit due to a lack of appropriate accommodation.
 - Numbers of clients in residential accommodation who are ready to step down to lower support but are unable to access suitable alternative accommodation.
 - Referrals to Health & Adult Social Care by Housing services using s213 of the Housing Act 1996, this section of the Housing Act requires Social Care

partners to assist with the discharge of housing duties under the Housing and Homelessness Acts. The increase in these referrals has led to an increase in H&ASC making placements into private bed and breakfast accommodation.

- Increase of referrals from Housing to ASC where a client is not owed a housing duty but has needs that meet the threshold for accommodation under the Care Act 2014. This has also led to an increase in ASC making placements into private bed and breakfast accommodation.

These issues have resulted in increased costs to the Community Care budget and clients being placed or remaining in accommodation unsuitable for their needs.

- 3.2 Within this cohort of service users (primarily in high cost private bed and breakfasts) we have a small but significant group who are hard to place with no current accommodation available which suits their needs. These service users needs cannot be met in emergency or temporary accommodation provided by Housing. They are not eligible for residential care and they are not suitable for mainstream supported housing. These clients regularly fall out of accommodation resulting in crisis management and multiple high cost short term placements.
- 3.3 In September 2017 Housing Acquisitions leased a ten flat block of housing from Sanctuary Housing. This block was previously used as supported housing and has ten self-contained flats and an office. The weekly rent on each unit is £172.00. The maximum housing benefit available to Brighton & Hove City Council on these flats is £150 per week. This is not sufficient to meet the rental costs and housing management costs of the property.
- 3.4 Health & Adult Social Care Commissioning propose to sub-lease the building to Brighton YMCA who can claim enhanced rates of housing benefit making the provision of ten self-contained medium support units financially viable.
- 3.5 The sub-lease will extend until the end of the Brighton YMCA medium supported accommodation contract which is in place until September 2021. There will be a break clause in the lease should either party wish to end the agreement.
- 3.6 The repair duties under the terms of the lease are to be agreed but Brighton YMCA will be expected to have responsibility for internal repairs.
- 3.7 Health & Adult Social Care will fund the support provided by Brighton YMCA creating a budget saving of approximately £60,000 on the current spot placement arrangements.

- 3.8 Brighton YMCA currently provide a range of services for homeless adults with support needs in Brighton & Hove. They have recently been awarded contracts for high and medium supported accommodation within the city following a competitive tender process. The provision of this 10 unit medium supported accommodation service will be added to their existing contract with Health & Adult Social Care in line with procurement regulations.
- 3.9 The delivery of this supported accommodation service will be monitored by Health & Adult Social Care Commissioning to ensure the delivery of a support service which is well managed, delivers good outcomes and meets the needs of service users.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 There are no other accommodation options available to this cohort other than the current high cost spot purchase bed and breakfast placements.
- 4.2 Maintaining the current arrangement of bed and breakfast placements is not considered appropriate. The current arrangement does not represent value for money, and does not provide adequate and good quality support to vulnerable service users.
- 4.3 Provision of this service will result in a budget saving of approximately £60,000 per annum compared to the current arrangements.
- 4.4 Provision of this service will offer improved outcomes for this cohort offering support from a known provider and self-contained accommodation of good quality.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Community Engagement has taken place with various groups during the development of the service.
- 5.2 External partners engaged include;
- Housing Association partners in the area
 - Healthcare providers in the area
 - Local residents have had a briefing provided to their local community newsletter
- 5.3 Internal partners engaged include;
- H&ASC teams who provided information on gaps in provision and the level of support they could offer and feedback on the draft service specification.
 - Community Safety Team who fed back on the location
 - Local Councillors for the ward who have expressed support

6. CONCLUSION

- 6.1 That Committee grant permission for BHCC to enter into a sub-lease with Brighton YMCA for this ten unit block of accommodation within St Peter's and North Laine Ward.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Entering into a sub-lease as outlined in the report would create a saving to the Council through reduced rent costs compared to the current provision. Any additional care packages required would need to be considered alongside this and will impact on the savings made.

Finance Officer Consulted: Sophie Warburton

Date: 06/03/2018

Legal Implications:

- 7.2 The proposed lease of the property is for an annual rent of £89,401.52 and a term of 5 years. This exceeds the Part 6 delegations and Committee consent is therefore required to proceed.

Lawyer Consulted:

Name Oliver Asha

Date: 23/02/2018

Equalities Implications:

- 7.3 This service will provide improved support and accommodation for ten vulnerable individuals currently placed in accommodation which does not meet their needs.
- 7.4 An Equalities Impact Assessment has been carried out. HASC12 and no negative impact issues were identified

Sustainability Implications:

- 7.5 None

Any Other Significant Implications:

Crime & Disorder Implications:

- 7.6 There are no anticipated crime and disorder implications from the subleasing of this accommodation.

Public Health Implications:

- 7.7 This service links with a number of the cities priorities for health and wellbeing;
- Enable all children, young people and adults to maximise their capabilities and have control over their lives

- By providing vulnerable adults with effective support to meet their vulnerabilities, and engage effectively with services they will be enabled to increase their life chances.
- Create and develop healthy and sustainable places and communities
 - Providing secure sustainable accommodation to vulnerable adults where their support needs can be met will assist in the development of sustainable places and communities.
- Ensure healthy standard of living for all
 - Effective engagement with support and health and adult social care will improve clients' healthy standard of living.

Corporate / Citywide Implications:

7.8 This service links with a number of the cities corporate priorities;

- Health & wellbeing – the establishment of the service will enable us to better support and connect clients to health and wellbeing services. Provision of suitable good quality accommodation will improve the health and wellbeing of clients.
- Community safety & resilience - by improving the life outcomes of vulnerable clients, ensuring they live in suitably staffed and managed environments there will be an improvement to community safety and resilience.

SUPPORTING DOCUMENTATION

Appendices:

1. Heads of Terms

Documents in Members' Rooms

1. Equalities Impact Assessment HASC12

Background Documents

1. None

Orbis Public Law

NEW LETTING

Final Report on the terms, conditions and other matters following completion of negotiations by Instructing Department.

Owning department and point of contact	Housing Acquisitions
Terrier Packet / Sheet	N/A
Cost code and GL Code	HGW020.
Deed packet number	N/A
Freehold and Leasehold title numbers	N/A
Authority for transaction	Temporary Accommodation delegated authority
Who needs to be copied in on completion	Emily Ashmore Andrew Witham Alan Davis

1	Property Address	Bennett House, 7 North Street, Brighton
2	Name and Address of Landlord/Licensor	Brighton & Hove City Council
3	Name and Address of Tenant/Licensee Registered Office (if company) Contact Details	Brighton YMCA Mark Wainwright, Deputy CEO Steine House, 55 Old Steine, Brighton BN1 1NX

		Tel 01273 220900
4	Tenant's Solicitor Name Ref Address/ DX Telephone number Email address If the Tenant or Licensee is not represented please provide their email address	Roger Yates DMH Stallard Gainsborough House, Pegler Way, Crawley, West Sussex, RH11 7FZ
5	Tenant's Agent Name Ref Telephone number Email address	PLEASE COMPLETE (if known)
6	Guarantors details if applicable If guarantor is separately represented then please supply their solicitor details as well	n/a
7	Not used	Not Used
8	Property Description (Please include where applicable area, number of floors, common parts, car parking etc) If we hold a leasehold interest do we require our superior landlord's consent to sublet? On what terms?	Bennett House, 7 North Street, Brighton As per head lease.
9	Permitted use of Property Does the intended tenant require planning consent for change of use?	As per head lease
10	Plans If not already enclosed please confirm when they were requested.	As per head lease
11	Commencement date (please specify any back-dated rent commencement date)	1 January 2018 rent to commence 1 st

		February 2018
12	<p>Term</p> <p>What is the term of the lease?</p> <p>Is the Tenant already occupying the Property? If so on what basis? (please see tenancy at will in section 23)</p> <p>If Licence is on a rolling basis please specify</p>	<p>5 years</p> <p>No</p>
13	<p>Fees</p> <p>What is the contribution to our legal costs (please specify how much if unsure please contact Legal at the earliest opportunity)</p>	<p>Each party covers their own fees</p> <p>Landlord's fees for the licence to underlet (estimated at £1,000 plus VAT or so) covered by BHCC</p>
14	<p>Rent Provisions</p> <p>a. Rent</p> <p>b. Payment interval – annually, quarterly, monthly or weekly</p> <p>c. In advance or arrears –</p> <p>d. Is the rent/licence fee exclusive or inclusive of any other charges such as business rates, service charge, utilities (list which) (if so specify what payments and how much is included)</p> <p>e. Is there rental/licence deposit and if so how much?</p> <p>f. Rent free period:</p> <p>g. Is a separate business rates assessment required?</p>	<p>£ 89,401.52 per annum; £1,714.55 per week</p> <p>Monthly</p> <p>Arrears</p> <p>Exclusive</p> <p>No</p> <p>6 weeks from completion of lease</p> <p>No</p>
15	<p>Rent Review Provisions</p> <p>Rent review dates</p> <p>Provide further details if not Open Market review</p>	<p>No</p> <p>Let for the provision of supported accommodation tendered by Adult Social Care.</p>
16	Break Clause Provisions	

	<p>Rolling or fixed dates?</p> <p>Mutual or LL or T only break?</p> <p>What conditions on use of the break clause?</p> <p>Please specify the period of notice.</p> <p>Please specify when the Council can immediately terminate the lease/licence</p>	<p>Rolling</p> <p>Mutual</p> <p>Unconditional</p> <p>6 months</p> <p>If the funding changes adversely or decreases</p>
17	<p>Insurance</p> <p>please note that it is the Landlord's standard practice for Public Liability insurance to be £10m if you wish to deviate from this please speak to insurance team</p> <p>Landlord or tenant to insure?</p> <p>Tenant to reimburse premiums?</p>	<p>LL to insure. Premiums will not be recharged to the council.</p> <p>Council needs to take public indemnity policy (presumably £5m or £10m).</p> <p>Tenant</p> <p>No</p>
18	<p>Repairing obligations</p> <p>Full repairing and decorating, internal only or other (give details)?</p> <p>Is there a Schedule of Condition?</p>	<p>Obligations as per headlease</p> <p>No</p>
19	<p>Alterations</p> <p>If permitted please specify structural or non structural.</p> <p>Is lease conditional on works being carried out? If so supply details and timescale.</p> <p>What signage (if any) is permitted?</p>	<p>As per head-lease.</p> <p>No</p> <p>Only signage essential to the provision of the service.</p>
20	<p>Alienation</p> <p>Specify whether assignment or sub-</p>	<p>No further assignment. Subletting to</p>

	<p>letting/underletting of whole or part is permitted</p> <p>When would landlord like to be able to withhold consent?</p> <p>Is tenant charging of whole or part allowed ?(presumably not)</p> <p>Is inter company sharing allowed? If so on what basis?</p>	<p>occupiers only</p> <p>No</p> <p>No</p>
21	<p>Service charge provisions</p> <p>Provide details of any services provided to the property and what percentage of expenses the tenant will contribute</p> <p>Will the service charge include a contribution to a sinking fund?</p>	<p>As per current lease.</p> <p>No</p>
22	<p>Security of Tenure</p> <p>Is the lease to be excluded from sections 24 to 28 of the Landlord and Tenant Act 1954 i.e. the tenant has no right to renew the lease at expiry of the term?</p>	<p>Excluded</p>
23	<p>Timing</p> <p>Intended completion date.</p> <p>Is the letting conditional upon the tenant / landlord obtaining planning permission for works or change of use?</p> <p>NB – if tenant already at property please immediately issue a Tenancy at Will.</p>	<p>Once public consultation is complete</p> <p>No</p>
24	<p>Easements granted / reserved</p> <p>Any additional rights granted to the tenant in the lease (e.g. parking/ access)? Please list</p> <p>What rights will be reserved to the landlord over the leased area (e.g. access)? Please list</p>	<p>As per headlease</p> <p>None</p>
25	<p>Any other special conditions, terms or information</p>	<p>None</p>

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Date 21.11.2017	Signed Andrew Witham
Reference	

For Admin Use Only:

Client Code - BHCC	
Client Code- ESCC	
Client Code - SCC	
Client Code -WSCC	
Client Code - External	
Case Type	Choose a Case Type
Work Type	Choose a Work Type
Lexcel Code	Choose a Lexcel Code
Grade Complexity	Choose Complexity Level
FE Allocated to	
Is income expected on this file?	
If yes detail amount and date expected by	

Subject:	Tender for Transport Professional Services		
Date of Meeting:	29th March 2018		
Report of:	Director Economy Environment and Culture		
Contact Officer:	Name:	David Parker	Tel: 01273 22474
	Email:	david.parker@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 To enable the Transport Division to deliver a number of critical projects for the City that fulfil requirements of the Local Transport Plan and the Councils Corporate Plan, it needs access to a range of diverse and specialist services. The Council procures these services under a tendered framework agreement which it can draw upon as and when required. The Council needs to retender the existing framework contract in accordance with EU procurement regulations.
- 1.2 The current framework contract for Transport Professional Services and Modelling is ending this September (2018) and the three current suppliers on the framework are Peter Brett Associates, Project Centre and Mott McDonald. The framework provides essential consultancy services in highways, such as bridge inspections, structures, highways design, road safety audits, transport modelling and surface water management. The current framework is designed to complement and support the Councils own 'in-house' highways teams. The benefits of this arrangement allow the Council to draw on additional technical support as and when required.
- 1.3 The framework has been instrumental in helping to deliver our Local Transport Plan capital and revenue spending programme. The framework provides the facility to create a mini-competition between 3 experienced consultants with a wide range of expertise driving quality and value for money for the City Council. Projects that have been delivered using services from the framework include Seven Dials Improvements Scheme, Valley Gardens Phases 1 and 2, Traffic Modelling Review and the Lewes Road Corridors transport improvements.
- 1.4 The new framework contract for Transport Professional Services and Modelling will run for 4 years at a potential value of £2m to £5m. It will cover a wide range of technical and professional highways and transport related services and

includes the management, maintenance and application of the Council's transport model.

2. RECOMMENDATIONS:

2.1 That the Policy, Resources & Growth Committee:

2.1.1 approves the procurement of a new transport professional services and modelling framework contract;

2.1.2 grants delegated authority to the Executive Director of Economy, Environment & Culture to:

2.1.2.1 carry out the procurement of the framework contract referred to in 2.1.1 above;

2.1.2.2 agree the term of the framework contract;

2.1.2.3 award and let the framework contract; and

2.1.2.4 award and let call-off contracts under the framework contract.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The Council transport network has been valued at approximately £1.4 billion and under the Highways Act 1980 the Council has a duty to manage and maintain the network. The Council also needs to improve and maximise the efficiency of the network in accordance with the vision and objectives established under the Council's Local Transport Plan so that the city is able to provide sustainable transport solutions to accommodate future growth and enable the City to reach its full potential.

3.2 The Council currently has a core in-house team of transport planners and highways engineers to manage, maintain and improve the highway network. The Council also manages a framework contract for transport professional services and modelling to assist and support the existing in-house team, allowing the Council to draw in additional resources and skills as and when required.

3.3 The adoption of a transport professional services and modelling framework contract is standard industry practice that provides local authorities greater flexibility in delivering transport schemes and services that often require specific technical skills which the Council may not have available within its in-house teams. The skills that the Council needs to draw on can cover a range of disciplines within the highways sector such as highways design, bridges, asset management, transport modelling, safety audits, transport policy and planning advice. There are also some professional services that the Council only draws upon from time to time, such as traffic modelling, given the infrequent nature of this kind of work, an 'in-house' traffic modelling team could not be justified.

3.4 External funding from central government and the Local Enterprise Partnership (LEP) often comes with high expectations in terms of Innovation and timescales for delivery. The services called off from the framework contract can be used to

support the in-house team in successfully delivering externally-funded schemes on time and to budget. In order to meet expectations, it is important that the Council maintains its good reputation with central government as an exemplar council that can deliver as this will improve the Council's chances of securing future funding.

- 3.5 In order to provide even greater flexibility and value for money a framework contract will be adopted. This means that the Council will appoint a maximum of three external providers over the contract period to maintain a degree of competitive tendering for individual pieces of work whilst continuing to benefit from the consistency a longer-term professional services partnership approach offers.
- 3.6 Engagement of external providers does not preclude appointment of directly employed staff where appropriate. It allows partnership working and complementary skills to improve delivery of complex and multi-faceted projects. It also provides a suitable platform for long term relationships and an opportunity to learn to drive performance. A number of schemes have been recognised nationally and also worldwide to improve social, local and also economic values. Two of the best latest examples are the LSTF Bus and Cycle Corridor along Lewes Road and the reconfiguration of the Seven Dials roundabout. Both of these schemes are now promoted by the Department for Transport and Sustrans, national charity for Walking and Cycling as examples of best practice. Some of the recorded benefits generated by these two schemes already: encourage greater use of more sustainable forms of travel, improve bus journey time and general traffic during peak hours, reduce the speed and volume of traffic, reduce the severity and number of accidents, provide additional safe crossing places for pedestrians and cyclists, reduce queue length and pollution or improve the public realm and business turnover.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Instead of procuring a framework contract, the alternative option would be to procure separate contracts for professional services as and when needed. Each such separate procurement would take time and resources and, would impact upon the Council's ability to develop and implement transport schemes and perform its statutory duties. The proposed framework is not considered to be part of the Orbis remit as this moment in time. Officers will have discussions with Orbis partners on sharing and accessing professional service contracts in the future.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Community consultation is not required for this project. Internal consultation has been undertaken with Legal, Finance and Procurement.

6. CONCLUSION

The Council needs to draw on external professional services and expertise in order to deliver its transport projects and programmes. A professional service framework, in which the three suppliers tender for work, provides the best mechanism to achieve best value.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The value of the expenditure against this framework contract will be influenced by factors such as the size of the capital programme and the level of external and Government funding secured. However the current best estimate is that it is likely to be between £2m and £5m over the 4 year period.
- 7.2 Entering into the proposed framework contract will not commit the Council to funding external support. Each individual project will need to be costed and a budget identified from the relevant revenue or capital scheme before commissioning takes place. The value of commissions against successful contractors will be monitored over the life of the contract. All respective spend associated with revenue and capital budgets will be monitored and reported through the Targeted Budget Monitoring process.

Finance Officer Consulted: Rob Allen

Date: 19/03/18

Legal Implications:

- 7.3 Orbis Public Law lawyers will advise on the proposed framework contract and call-off contracts for transport professional services and modelling services during the procurement process to ensure that they comply with all relevant public procurement legislation as well as the Council's Contract Standing Orders (CSOs).

Lawyer Consulted:

David Fairfield

Date: 19/03/18

Equalities Implications:

- 7.4 Throughout the tender process prospective bidders will have to demonstrate compliance with the Equalities Act 2010 and supply information on policies relating to equal opportunities and discrimination.

Sustainability Implications:

- 7.5 Sustainability will play a key role in a decision on which external providers will be invited to join the framework. They will be asked to provide a detailed statement of their sustainability credentials, including examples of innovative ways in which truly sustainable solutions have been implemented into their working practices and solutions

Crime & Disorder Implications:

- 7.6 There are no implications for crime and disorder.

Risk and Opportunity Management Implications:

- 7.7 The contract will be designed to minimise risk to the Council.

Public Health Implications:

- 7.8 The main nature of the work will be promoting sustainable transport use which assists in promoting physical activity and active lifestyles.

Corporate / Citywide Implications:

- 7.9 Improving the transport network assists in improving access to employment and services.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. Brighton & Hove City Council's Local Transport Plan 2014

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