





**Brighton & Hove  
City Council**

# Cabinet Meeting

Title:	<b>Cabinet</b>
Date:	<b>16 October 2008</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall</b>
Members:	<p><b>Councillors:</b> Mears (Chairman)</p> <p>Mrs Brown, Caulfield, Fallon-Khan, Kemble, K Norman, Simson, Smith, G Theobald and Young</p>
Contact:	<p><b>Martin Warren</b> Senior Democratic Services Officer 01273 291058 martin.warren@brighton-hove.gov.uk</p>

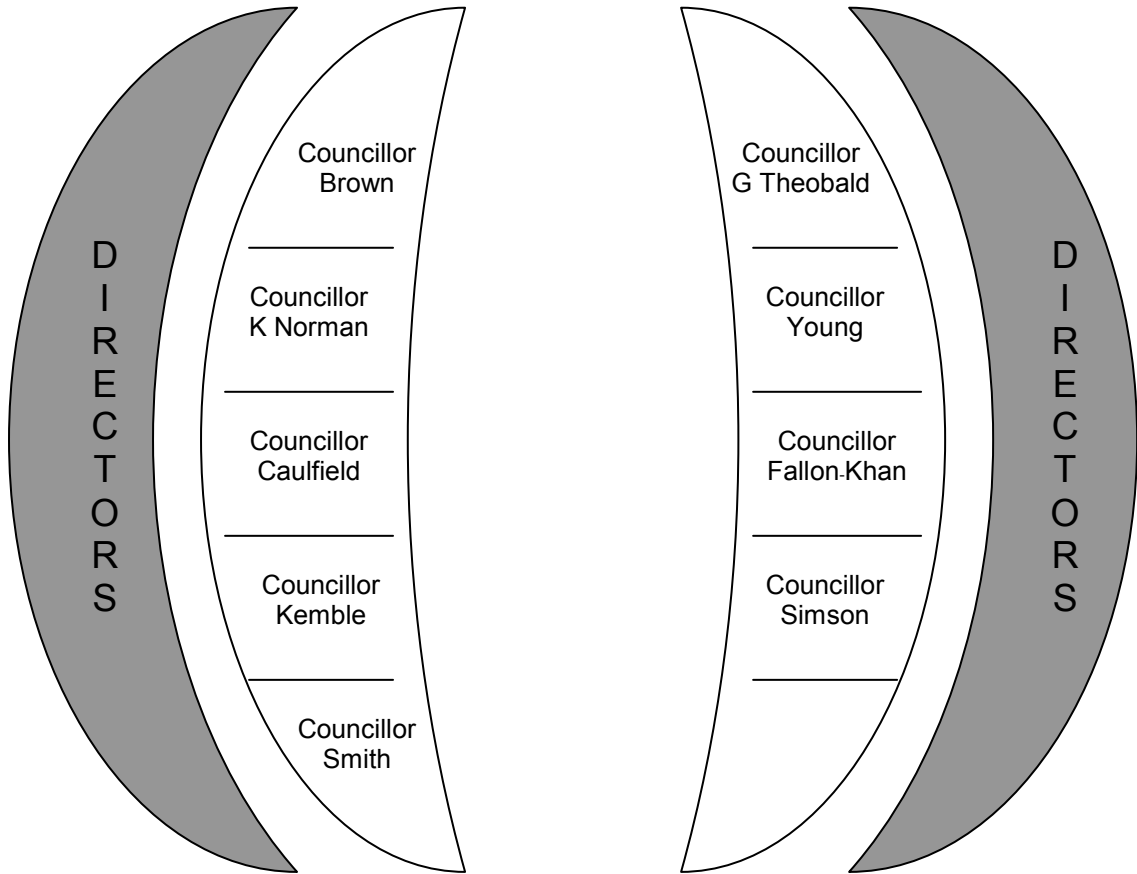
	The Town Hall has facilities for wheelchair users, including lifts and toilets
	An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter and infra red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.
	<p><b>FIRE / EMERGENCY EVACUATION PROCEDURE</b></p> <p>If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:</p> <ul style="list-style-type: none"> <li>• You should proceed calmly; do not run and do not use the lifts;</li> <li>• Do not stop to collect personal belongings;</li> <li>• Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions; and</li> <li>• Do not re-enter the building until told that it is safe to do so.</li> </ul>

# Democratic Services: Meeting Layout

Director of Strategy & Governance    Councillor Mears    Chief Executive    Democratic Services Officer

OFFICERS

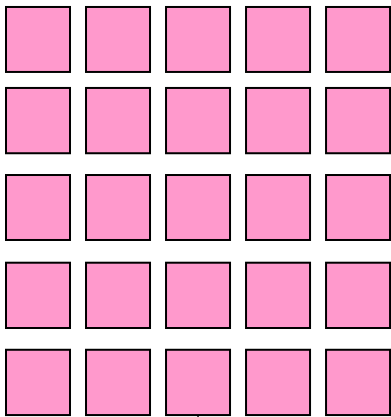
MEMBERS



OFFICERS

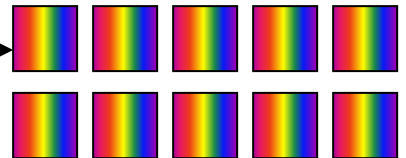
MEMBERS

Speaker          Leader of the Opposition



Public Seating

Members in Attendance



Press



## AGENDA

### 75. PROCEDURAL BUSINESS

- (a) Declarations of Interest by all Members present of any personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- (b) 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 2 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.*

### 76. CHAIRMAN'S COMMUNICATIONS

### 77. MINUTES OF THE PREVIOUS MEETING

1 - 14

Minutes of the meeting held on the 18<sup>th</sup> September (copy attached)

### 78. MINUTES OF THE SPECIAL CABINET MEETING

15 - 18

Minutes of the Special Cabinet Meeting held on the 24<sup>th</sup> September (copy attached)

### 79. ITEMS RESERVED FOR DISCUSSION

- (a) Items reserved by the Cabinet Member
- (b) Items reserved by the Opposition Spokesperson
- (c) Items reserved by Members, with the agreement of the Cabinet Member.

### 80. PUBLIC QUESTIONS

(the closing date for receipt of public questions is 12 noon on 9<sup>th</sup> October)

## **CABINET**

### **81. WRITTEN QUESTIONS FROM COUNCILLORS**

(the closing date for receipt of written questions from Councillors is 10.00am on 6<sup>th</sup> October)

### **82. PETITIONS**

### **83. DEPUTATIONS**

(the closing date for receipt of deputations is 12 noon on 9<sup>th</sup> October)

### **84. LETTERS FROM COUNCILLORS**

No letters have been received.

### **85. NOTICES OF MOTIONS REFERRED FROM COUNCIL**

No Notices of Motion have been received.

### **86. MATTERS REFERRED FOR RECONSIDERATION**

No matters have been referred.

### **87. REPORTS FROM OVERVIEW & SCRUTINY COMMITTEES**

No reports have been received.

## **STRATEGIC ISSUES**

### **88. SECRETARY OF STATE'S PROPOSED MODIFICATIONS TO THE DRAFT SOUTH EAST PLAN 19 - 36**

Report of the Director of Environment (copy attached)

*Contact Officer: Mike Holford Tel: 292501*

*Ward Affected: All Wards*

### **89. ASSET MANAGEMENT PLAN & CORPORATE PROPERTY STRATEGY 2008-11 37 - 116**

Report of the Interim Director of Finance & Resources (copy attached)

*Contact Officer: Angela Dymott Tel: 291450*

*Ward Affected: All Wards*

### **90. UPDATE AND OUTCOME OF THE FORMAL CONSULTATION STAGE FOR THE PROPOSED FALMER ACADEMY -**

Report of the Director of Children's Services (copy to follow)

*Contact Officer: Lorraine O'Reilly Tel: 292446*

*Ward Affected: All Wards*

## CABINET

- 91. CORPORATE ENFORCEMENT POLICY** **117 - 128**
- Report of the Director of Environment (copy attached)
- Contact Officer: John Peerless Tel: 292486*  
*Ward Affected: All Wards*
- 92. SURVEILLANCE POLICY** **129 - 154**
- Report of the Director of Environment (copy attached)
- Contact Officer: John Peerless Tel: 292486*  
*Ward Affected: All Wards*
- 93. ACCEPTANCE OF CIVITAS FUNDING AND STAGE ONE RESEARCH** **-**
- Report of the Director of Environment (copy to follow)
- Contact Officer: Tom Campbell Tel: 293328*  
*Ward Affected: All Wards*
- PROPERTY & PROCUREMENT ISSUES**
- 94. PATCHAM COURT FARM – UPDATE ON DISPOSAL** **155 - 164**
- Report of the Interim Director of Finance & Resources (copy attached)
- Contact Officer: Angela Dymott Tel: 291450*  
*Ward Affected: All Wards*
- 95. AGENCY CONTRACT FOR TEMPORARY STAFFING** **165 - 170**
- Report of the Director of Strategy & Governance (copy attached)
- Contact Officer: Lance Richard Tel: 295925*  
*Ward Affected: All Wards*
- 96. WAIVER OF CONTRACT STANDING ORDERS: ANNUAL REPORT** **171 - 178**
- Report of the Director of Strategy & Governance (copy attached)
- Contact Officer: Claire Jones Tel: 291480*  
*Ward Affected: All Wards*

**PART TWO**

**97. COASTAL PROTECTION SCHEME: LITIGATION**

**179 -  
184**

Joint report of the Director of Strategy & Governance and the Director of Environment (copy attached)

*Contact Officer:* Lousie Hanrahan                      *Tel:* 291297  
*Ward Affected:* All Wards

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

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

Agendas and minutes are published on the council's website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk). Agendas are available to view five working days prior to the meeting date.

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

**WEB CASTING NOTICE**

This meeting may be filmed for live or subsequent broadcast via the Council's web site. At the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act 1988. Data collected during this web cast will be retained in accordance with the Council's published policy (Guidance for Employees' on the BHCC website).

Therefore by entering the meeting room and using the seats around the meeting tables, you are deemed to be consenting to being filmed and to the possible use of those images and sound recordings for the purpose of web casting and/or Member training. If members of the public do not wish to have their image captured they should sit in the public gallery area.

If you have any queries regarding this, please contact the Head of Democratic Services or the designated Democratic Services Officer listed on the agenda.

For further details and general enquiries about this meeting contact Martin Warren, (01273 291058, email [martin.warren@brighton-hove.gov.uk](mailto:martin.warren@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

Date of Publication - Wednesday, 8 October 2008

BRIGHTON & HOVE CITY COUNCIL

CABINET

4.00pm 18 SEPTEMBER 2008

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

**Present:** Councillors Mears (Chairman), Mrs Brown, Caulfield, Fallon-Khan, K Norman, Simson, G Theobald and Young

**Also in attendance:** Councillor

**Other Members present:** Councillors Kitcat, Watkins, Allen and Mrs Cobb

PART ONE

**50. PROCEDURAL BUSINESS**

**50a Declarations of Interests**

50a.1 Councillor Mitchell declared a personal interest in Item 71 (Future Ownership Options for Edward Street Quarter Site) as a relative worked for the associated company.

**50b Exclusion of Press and Public**

50b.1 The Cabinet considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in Schedule 12A, Part 5A, Section 100A(4) or 100 1 of the Local Government Act 1972 (as amended).

50b.2 **RESOLVED** - That the press and public be excluded from the meeting during consideration of items 70 onward.

**51. CHAIRMAN'S COMMUNICATIONS**

51.1 The Chairman informed the meeting that a report concerning the King Alfred development would be brought to both the October and November Cabinet.

51.2 The funders for the present scheme, ING, had declared that they would no longer be funding the project. This meant that 'Karis', the local development company, were exploring opportunities for alternative funding. This arrangement would exist until November 9th. After this date, the council would no longer have a legal partnership with Karis/ING, the company set up to deliver the project.

51.3 The Chairman announced that there would be a special cabinet meeting on the 24th September to consider the 'Local Delivery Vehicle' proposed for Housing Management. The meeting would be subject to the same arrangements as the previous special meeting, in that the only issue considered will be the substantive report.

51.4 The Chairman explained that Item 72 (Future Ownership Options for Edward Street Quarter Site) had not been included on the Forward Plan because the council did not want to fetter the discretion of Amex in dealing with their own internal communications before determining the issue. The legal implications of this were detailed in the report.

**52. MINUTES OF THE PREVIOUS MEETING**

52.1 **RESOLVED** – That the minutes of the meeting held on the 10<sup>th</sup> July be approved as a correct record.

**53. MINUTES OF THE SPECIAL MEETING HELD ON 31 JULY 2008**

53.1 **RESOLVED** – That the minutes of the special meeting held on the 31st July be approved as a correct record.

**54. ITEMS RESERVED FOR DISCUSSION**

54.1 **RESOLVED** – All items were reserved for discussion.

**55. PUBLIC QUESTIONS**

55.1 The Chairman noted that two public questions had been received and welcomed Mr. Chavasse and Valerie Paynter to the meeting. The Chairman invited Mr Chavasse to put his question.

55.2 Mr. Chavasse thanked the Chairman and asked the following question:

55.3 'Recalling strong advice given by the Conservation Advisory Group, as endorsed by English Heritage and ICOMOS, and given the absence, from the Report on Communal Bins, of recommended environmental impact assessments for the proposed Communal Bin positions - on what specific basis is it considered that the Council's Statutory Duties under Conservation, Listed Buildings and Highways legislation has been evidentially discharged and fairly recorded for democratic and public scrutiny as well as to underpin robust defence of exposure to



Ombudsman or Court processes and as a basis for assessment of contested deferred decisions and other changes in historic areas?’

55.4 The Chairman invited Councillor Theobald to respond. Councillor Theobald replied as follows:

55.5 ‘Proposed bin locations have been assessed on a site by site basis. An assessor has visited each individual site and identified the most suitable location taking into consideration site specific considerations to minimise their impact. Factors taken into consideration are:

- Containers need to be sited in safe locations.
- Containers need to be operationally accessible.
- Containers should, where possible, limit the loss of parking spaces.
- Containers, where possible, should not be sited directly outside of residents / businesses front doors or windows.
- Containers, where possible, are sited not to detract from views, vistas, important architecture etc.
- Container locations should be convenient for residents.
- Containers should not be sited over utility covers.

55.6 Using these criteria the most suitable bin locations are identified. We have consulted on all bin locations and where practicable have made changes.

55.7 Cityclean Officers have worked with the conservation team and will continue to do so regarding the siting of bins in sensitive areas to ensure the best possible bin locations are identified.

55.8 The guidelines above have been tailored to Brighton and Hove, and the excluded areas include the Terraces and Squares referred to ICOMOS. English Heritage is satisfied that the Council is taking a logical approach, in terms of balancing the need for an effective refuse collection system against the need to minimise the visual impact on key local views and public spaces.

55.9 The planning authority, when carrying out its planning functions in a conservation area, has a statutory duty to pay special attention to the desirability of preserving or enhancing the character or appearance of that area. However, the placing of communal bins does not require an application for express planning permission and therefore the council is not carrying out a “planning function” in this regard.

55.10 The Council has paid special attention to the architectural and historic significance of these areas and is aware of their sensitivity to change. In the light of the consultation responses and the success of the pilot project, it concludes that the environmental benefits will outweigh any harm to the character or appearance of conservation areas, and that any such harm can be mitigated by careful siting of containers and adjustment in their number.

55.11 The placing of the bins on the highway, using the criteria set out above is compliant with the relevant highways legislation.

55.12 The Chairman noted that Mr. Chavasse had the right to pose one supplementary question and invited him to put a further question.

55.13 Mr. Chavasse in an exchange with Councillor Theobald then posed two further questions and a number of additional points;;

- a) That Cabinet should conclusively determine, rather than re-consult areas proposed to be excluded from communal bins (Sussex Square, Lewes Crescent, Chichester Terrace and Arundel Terrace, Brunswick Square and Brunswick Terrace, Adelaide Crescent / Palmeira Square).
- b) That Cabinet should reconsider the change to the frequency of refuse collections in densely populated, central Hove locations, at least consulting with residents about such a change.

55.14 Councillor Theobald confirmed that the areas proposed to be excluded from communal bins (Sussex Square, Lewes Crescent, Chichester Terrace and Arundel Terrace, Brunswick Square and Brunswick Terrace, Adelaide Crescent / Palmeira Square) would indeed be excluded, rather than re-consulted.

55.15 Councillor Theobald concluded that the decision about the frequency of collections was not a Cabinet decision nor related to the report in question. The decision to alter the frequency of collections had been delegated to the Director of Environment and had been taken in consideration of to resource and operational issues.

55.16 The Chairman welcomed Valerie Paynter to the meeting and invited her to put her question.

55.17 Valerie asked:

55.18 'Item 19 on the P&R Agenda of 18 June 2003 concerning Leisure Facilities Management referred to "Greenwich who operate a Trust..." when comparing methods of service provision. It was clear this option was not favoured by BHCC at that time.

55.19 Since then I understand Greenwich have distinguished themselves by using their Trust template to also run the Leisure facilities of several other boroughs for them. Should this option now be revisited by BHCC, alongside others that do not involve demolitions and developers as a way forward?'

55.20 The Chairman replied as follows:

55.21 'We routinely review best practice in relation to the provision of leisure services in order to obtain value for money for local council taxpayers. We will continue to do so in the future'

55.22 The Chairman noted that Valerie had the right to pose one supplementary question and invited her to put a further question.

55.23 Valerie asked:

'In the light of current and dramatically deteriorating world financial stability which will take many years to calm, remaining a hostage to profit-driven private enterprise is moment nearly kamikaze. Can the council agree that the Sports Forum of stakeholder organisations, proposed

in the draft Sports Strategy, would provide a good opening opportunity for discussion of the merits of Community Development Trust management for council leisure facilities?’

55.24 Councillor Mears replied that it was an interesting proposal and that reports submitted to Cabinet in October and November would take due consideration of the issue.

## **56. WRITTEN QUESTIONS FROM COUNCILLORS**

56.1 The Chairman noted that there was one written question from and asked Councillor Davis to put her question.

56.2 Councillor Davis asked:

‘The Council's consultation about installing communal bins in the roads around St Ann's Wells Gardens has produced a very negative response from a majority of local residents, particularly in Nizells Avenue. This is because these much loved and Green Flag award winning gardens are integral with Nizells Avenue. Residents are extremely concerned that these bins will be an eye sore and attract fly tippers to this beautiful and well used community open space. As the Seafront heritage squares and terraces are being taken out of the communal bins roll-out in recognition of their special status, could the Member of the Environment tell us if he is prepared to exempt Nizell's Avenue and these exceptional gardens for the same reason?’

56.3 Councillor Theobald replied:

‘The majority of respondents to the consultation on communal bins were in favour of the proposals. We have run successful trials with communal bins in many beautiful parts of the city where they have cleaned up the streets and proved very popular. The introduction to communal bins will mean an end to ripped open black sacks which blight much of the city centre.

We cannot roll services out on a street by street basis as this would prove to be inefficient, and practice has shown that streets without communal bins would in fact use the bins in other streets. I am therefore not able to exclude Nizells Avenue from the scheme.

I hope that, if Cabinet today decides to approve the scheme, residents in Nizells Avenue will realise the benefits of the scheme.’

56.4 The Chairman agreed to accept a second supplementary question from Councillor Mitchell.

56.5 Councillor Mitchell asked for the total number of parking spaces that would be lost in making the communal bins scheme.

56.6 Councillor Theobald offered a written response.

**57. PETITIONS**

57.1 The Cabinet received a petition presented by Councillor Mears, signed by 1000 people in respect of the A259 coast road bus lanes.

'We the undersigned request Brighton & Hove City Council to urgently review the bus lanes now being constructed on the A259 coast road between Longridge Avenue and Ovingdean roundabout before a serious or fatal accident occurs. The lanes are too narrow, the pedestrian crossing lights are not consistently operating, emergency vehicles are having to drive on the wrong side of the road at the Rottingdean traffic lights to get through the traffic queues and the white line is so confusing that a head-on vehicle collision is almost inevitable.'

57.2 **RESOLVED** – That the petition be noted and referred to the Environment Cabinet Member Meeting.

57.3 The Cabinet received a petition presented by Councillor Watkins, signed by seven people in opposition to communal bins in First Avenue.

57.4 'We the undersigned residents of First Avenue are opposed to the introduction of communal bins in our road.'

57.5 **RESOLVED** – That the petition be noted and referred to the Environment Cabinet Member Meeting.

**58. DEPUTATIONS**

There were none.

**59. LETTERS FROM COUNCILLORS**

There were none.

**60. NOTICES OF MOTIONS REFERRED FROM COUNCIL**

There were none.

**61. MATTERS REFERRED FOR RECONSIDERATION**

There were none.

**62. OUTCOME FROM THE ENVIRONMENT & COMMUNITY SAFETY OVERVIEW & SCRUTINY COMMITTEE 'CALL-IN' MEETING HELD ON 13TH AUGUST 2008 (IN RELATION TO THE ACCOMMODATION NEEDS OF TRAVELLERS)**

62.1 The Cabinet considered a report of the Director of Strategy & Governance that reported to the outcome of the 13<sup>th</sup> August 2008 Call-in meeting of the Environment and Community Safety Overview and Scrutiny Committee. The meeting was convened to determine a call-in request from Councillor Craig Turton relating to the 31st July 2008

Cabinet decision on meeting the accommodation needs of gypsies and travellers (for copy see minute book).

- 62.2 Councillor Mears noted that due process had been followed and that scrutiny of the issue had been undertaken in a timely and open way.
- 62.3 Councillor Mitchell noted the report. Referring to confidential items later in the agenda, she noted that there were no 'open' versions of the confidential reports and wondered why this was the case.
- 62.4 The Director of Strategy & Governance explained that, where possible 'public' versions of confidential reports could be included with agenda papers. In this instance the circumstances leading to the drafting of both items had not afforded the opportunity to do so.
- 62.5 **RESOLVED -**
- (1) That decision of the Environment and Community Safety Overview & Scrutiny Committee not to refer back the Cabinet decision in relation to the accommodation needs of gypsies and travellers be noted.
- (2) That the following two additional recommendations agreed by the Committee for referral to the Executive be approved.
- (A). That the rest of the process regarding the proposed permanent travellers site is progressed having regard to the need to keep Ward Councillors and residents informed and properly consulted.
- (B). That issues of custom and practice relating to Special Meetings be reviewed and clarified with regard to the Constitution.

### **63. TARGETED BUDGET MANAGEMENT (TBM) MONTH 4**

- 63.1 The Cabinet considered a report of the Director of Finance & Resources that set out the forecast outturn position on the revenue and capital budgets as at the end of July 2008 (month 4) (for copy see minute book).
- 63.2 In response to a series of questions from Councillor Mitchell the following information was provided.
- 63.3 Councillor Caulfield explained that the position in relation to the worsening situation for Housing Benefit (Corporate Critical Budgets) was related to the General Fund rather than the Housing Revenue Account.
- 63.4 Councillor Young noted that the position related to a predicted underspend of 600K when in fact the actual position spend had been 560K. The position was not as poor as has been predicted and officers were monitoring the budget.

- 63.5 Councillor Mears noted that the mid-term financial strategy was being monitored.
- 63.6 In response to queries from Councillor Mitchell as regards funding the restoration of the Bandstand, Councillor Theobald noted the following. That previous attempts to gain funding from English Heritage had failed and that the additional allocation of 70K to the project was for improved lighting in the area.
- 63.7 Responding to comments from Councillor Mitchell about the state of Madeira Drive, Councillor Theobald noted that funding for repairs to the Madeira Lift was being sought. He added that the Strategic Plan developed for such issues would assist in determining priorities and setting budgets.
- 63.8 Councillor Mitchell welcomed Government funding for Early Years and Childcare priorities and noted similar funding for the 'Cycle Demonstration Town', she asked for detail on how this funding was due to be allocated.
- 63.9 Councillor Theobald noted that detail would be provided at a future Environment Cabinet Member Meeting.
- 63.10 **RESOLVED –**
- (1) That the forecast outturn for the General Fund, Section 75 Partnerships and Housing Revenue Account (HRA) for 2008/09 as at month 4 be noted.
  - (2) That the financial recovery plans for managing directorate overspends be noted.
  - 3 That a contribution from HRA revenue reserves of £0.250 million to fund the increased energy costs pressure be approved.
  - 4 That the forecast outturn position on the capital budgets as at month 4 be noted.
  - 5 That the following changes to the capital programme be approved.
    - i) budget re-profiles as set out at appendix 3;
    - ii) budget variations as set out at appendix 4; and
    - iii) new schemes as set out at appendix 5.

#### **64. CORPORATE PROCUREMENT STRATEGY**

64.1 The Cabinet considered a report of the Director of Finance & Resources introducing the revised Corporate Procurement Strategy and setting out the council's strategic approach to purchasing goods, services and works. The strategy replaced the Corporate Procurement Strategy 2005 – 2007 (for copy see minute book).

64.2 Councillors Fallon-Khan and Young welcomed the report and commended the work of the report author in preparing it.

64.3 Speaking as Chairman of the Overview and Scrutiny Commission Councillor Mitchell thanked Councillor Fallon-Khan for his attendance and note the excellent work that had gone into preparing the strategy.

**64.4 RESOLVED -**

- (1) That the principles outlined within the revised strategy attached as Appendix 1 of the report be approved.
- (2) That the Corporate Procurement Strategy 2008-2011 be endorsed and approved.

**65. 2008 / 09 QUARTER ONE PERFORMANCE IMPROVEMENT REPORT - NEW PERFORMANCE MANAGEMENT ARRANGEMENTS**

- 65.1 The Cabinet considered a report of the Director of Strategy & Governance that introduced a new performance and monitoring framework in response to recent changes introduced by Government and in line with the priorities contained within the Corporate Plan (for copy see minute book).
- 65.2 Councillor Fallon-Khan welcomed the report and commended the work of the report authors in preparing it. The Chairman endorsed his comments.
- 65.3 Councillor Young welcomed the report, she was keen to include in future reports statistics on the prompt payment of invoices.
- 65.4 Councillor Norman noted that there were numerous issues of merit related to his portfolio for Adult Social Care. He noted that targets for the move toward 'Self Directed Care' were being met and praised the success of the 'Single Access Points' that had so far generated in excess of 2,500 contacts. Councillor Norman was keen to retain and improve on the three star rating currently enjoyed by the service.
- 65.5 Councillor Simson noted the need to improve on reaching the desired Equalities standard noting that this area was being monitored for improvement.
- 65.6 **RESOLVED** – That the new performance management approach and the quarterly frequency of reporting as noted in the report, be approved.

**66. INCLUSIVE COUNCIL POLICY**

- 65.7 The Cabinet considered a report of the Director of Strategy & Governance regarding the Council's Inclusive Council Policy 2004-2007. This set the policy framework and priorities for equalities work in the City Council and priorities for the next three years 2008-2011 (for copy see minute book).
- 65.8 Councillor Mitchell broadly welcomed the policy, noting that key to its success would be stringent implementation and monitoring. She was pleased to note the 'Buggy Healthwalks' and the consequences of the 'Count Me In Too' LGBT survey.
- 65.9 As Chairman of the Overview & Scrutiny Commission, Councillor Mitchell noted that the committee had considered the report and would be paying attention to the proposals for 'Dignity at Work'.

65.10 Councillor Fallon-Khan welcomed the report, noting that the coming months would see an emphasis on training and development of staff, building on the strong officer work already apparent.

65.11 **RESOLVED** - That the new Equalities & Inclusion Policy and Equality Scheme Action Plan be approved.

## 67. COMMUNAL BINS

67.1 The Cabinet considered a report of the Director of Environment that requested approval of an extension of the communal bin scheme in central parts of the city, following consultation with residents, ward councillors, and interested parties (for copy see minute book).

67.2 Councillor Theobald noted the petition presented earlier in the meeting in opposition to the proposals. He also noted letters of support from residents of Brunswick Square and requests from neighbouring areas for the introduction of communal bins. He had also received letters from persons initially against the proposal who were now in favour.

67.3 The Chairman noted that Councillor Kitcat had requested to speak to the item and invited him to address the meeting.

67.4 Councillor Kitcat was opposed to the introduction of communal bins for various reasons. He felt that consultation had been flawed, that the move toward communal bins was detrimental to the councils recycling programme and that the scheme was not sensitive to the locations proposed.

67.5 Councillor Theobald noted that there were no negative impacts on recycling in relation to the proposals and offered a written response to Councillor Kitcat detailing this. Councillor Theobald refuted that the consultation had been flawed noting the roughly equal amount of response for and against the proposals.

67.6 The Chairman noted that Councillor Watkins had requested to speak to the item and invited him to address the meeting.

67.7 Councillor Watkins noted that the Liberal Democrats did not oppose communal bins per se and noted their success in achieving cleaner streets. However he did feel that greater thought should be given the location and the impact of their presence on the street scene and for residents unfortunate enough to have one near their home.

67.8 Councillor Watkins noted the twice weekly refuse collection afforded residents in the most densely populated areas of central Hove. This had been offered in recognition of the sheer volume of refuse created in the locality. He was concerned that for those living in basement areas (where communal bin stores were located) the build up of refuse so near to their home, would be intolerable. He asked for more time for this to be considered and could not understand why this particular decision had been delegated to officers.



- 67.9 Councillor Theobald noted that that the change to the frequency of collections was not directly related to the proposals as regards communal bins. However, he noted that he did not feel it appropriate that some areas of the city should have twice weekly collections while other areas did not. He added that he was happy to speak with the Ward Councillors about the situation at any time.
- 67.10 The Chairman suggested that Councillor Theobald clarify the details as pertaining to the change to the frequency of collections with Councillor Watkins away from the meeting.
- 67.11 Councillor Mitchell was concerned that the majority of people affected by the proposal to place communal bins in their area were unaware it. She felt that the initial consultation exercise should have been followed up explaining the results of it and the conclusion that had been reached.
- 67.12 Councillor Theobald felt that there had been more than adequate publicity surrounding the proposals; this was evidenced by the correspondence that Members had received.
- 67.13 Councillor Mitchell suggested that any decision should be deferred until residents were fully aware of the proposals being made.
- 67.14 Councillor Theobald confirmed that Sussex Square, Lewes Crescent, Chichester Terrace, Arundel Terrace, Brunswick Square, Brunswick Terrace, Adelaide Crescent and Palmeria Square were excluded from the scheme.
- 67.15 Councillor Mitchell asked if would be possible to also exclude the listed properties at 160-163 Marine Parade.
- 67.16 Councillor Fallon-Khan noted the concerns of residents in Nizells Avenue and the contribution made by Councillor Davis on their behalf. He noted that there were differences of opinion in the area and felt that the positive impact of the proposals would outweigh the localised opposition.
- 67.17 Councillor Mitchell noted that that when the communal bins scheme had been initially considered for the city centre it had been tested and every household had been contacted. Consultation had continued during the trial and following the conclusions of the trail before full implementation. Councillor Mitchell stated that communal bins had only been placed in areas where they had been requested, whereas the current proposals offered a different approach.
- 67.18 Councillor Theobald recalled the initial resistance to the scheme and noted that many of those initially opposed had been convinced of the benefits following a period of adjustment. He commended officers for their extensive work in this area.

**67.19 RESOLVED -**

- (1) That the introduction of a communal bin scheme in the central areas of Brighton and Hove as defined in Annex 1 of the report be approved.
- (2) That it be noted that the following historic squares and terraces are excluded from the scheme:
  - (A) Sussex Square, Lewes Crescent, Chichester Terrace and Arundel Terrace
  - (B) Brunswick Square and Brunswick Terrace
  - (C) Adelaide Crescent / Palmeira Square

**68. REFURBISHMENT OF LONDON ROAD AND LANES CAR PARKS**

- 68.1 The Cabinet considered a report of the Director of Environment that sought funding and authority to appoint a works contractor to carry out these improvements to the Lanes and London Road car parks (for copy see minute book).
- 68.2 Councillor Mitchell supported the proposals but noted that the initial costs had almost doubled.
- 68.3 Councillor Theobald noted the extensive nature of the refurbishments and the increasing costs of raw materials.
- 68.4 **RESOLVED –**
  - (1) That the allocation of a further £1.01m additional funding for high quality improvements at The Lanes Car Park and minor improvements at London Road Car Park be approved.
  - (2) That the release of £0.300 million from the Car Parks Maintenance Reserve as a contribution towards the capital costs be approved.
  - (3) That the appointment of a works contractor by the Director of Environment be approved.

**69. VERNON GARDENS**

- 69.1 The Cabinet considered a report of the Director of Adult Social Care & Housing in regard of a capital grant of £1,000,000 awarded to the City Council from the Department of Health's 2008/10 Extra Care Housing Fund. The report set out the background to the successful bid and the decisions required in order to take the proposed scheme forward. The proposed site of the scheme was 3-5 Vernon Gardens, Brighton (for copy see minute book).
- 69.2 Councillor Mitchell welcomed the report, noting the success of a similar scheme at Knoll House.
- 69.3 Councillor Norman welcomed the funding that had been made available to progress the work.

**69.4 RESOLVED –**

- (1) That Guinness Housing Association will be the Council's approved partner to develop the extra care housing scheme.
- (2) That the transfer of the land known as 3-5 Vernon Gardens, Brighton, be approved on terms to be settled by the Director of Finance & Property, based on a 150 year lease to Guinness Housing Association.
- (3) That the receipt of the Department of Health grant be approved and the transfer of 3-5 Vernon Gardens at nil consideration to Guinness Housing Association under an agreement be approved, on terms to be settled by the Director of Adult Social Care and Housing, requiring Guinness Housing Association to develop an extra care housing scheme for disabled adults on the site.

## PART TWO

**70. FALMER ACADEMY RELEASED LAND**

Exempt categories 1, 3, 5 & 6.

70.1 The Cabinet considered a report of the Director of Cultural Services that advised on work undertaken to date and that sought approval for officers to lead a further investigation into the opportunities for the surplus land at Falmer, following the end of the exclusivity period on 5 September 2008 previously granted by the council to Brighton & Hove Albion Football Club (for copy see minute book).

70.2 Councillor Mitchell welcomed the report.

70.3 **RESOLVED** – That the recommendations be approved as per the report.

**71. FUTURE OWNERSHIP OPTIONS FOR EDWARD STREET QUARTER SITE**

Exempt category 3

71.1 The Cabinet considered a report of the Director of Cultural Services that sought authority to proceed to detailed negotiations with American Express for the potential sale of the city council's freehold interest in Amex House. This with 'in principle' support for sale to the existing long-leaseholders (for copy see minute book).

71.2 Councillor Mitchell declared a personal interest in the item as a relative worked for the associated company. She left the chamber for the duration of the debate.

71.3 The Chairman commended the work of officers in relation to the preparation of the report and the sensitive negotiation that it had required

71.4 **RESOLVED** -

(1) That the recommendations be approved as per the report.

**72. TO CONSIDER WHETHER OR NOT ANY OF THE ABOVE ITEMS AND THE DECISIONS THEREON SHOULD REMAIN FROM DISCLOSURE TO THE PRESS AND PUBLIC**

72.1 The Cabinet considered whether or not any of the above items should remain exempt from disclosure to the press and public.

72.2 **RESOLVED** – That items 70-71 inclusive, contained in Part Two of the agenda and the decisions thereon remain exempt from disclosure to the press and public.

The meeting concluded at 5.55pm

Signed

Chair

Dated this

day of

BRIGHTON & HOVE CITY COUNCIL

CABINET

5.00pm 24 SEPTEMBER 2008

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

**Present:** Councillors Mears (Chairman), Caulfield, Fallon-Khan, Kemble, K Norman and Young

**Also in attendance:** Councillor Simpson.

PART ONE

**73. PROCEDURAL BUSINESS**

**Declarations of Interest**

73.1 There were no declarations of interest.

**Exclusion of the Press and Public**

73.2 The Cabinet considered whether the press and public should be excluded from the meeting during the consideration of any items contained in the agenda, having regard to the nature of the business to be transacted and the nature of the proceedings and the likelihood as to whether, if members of the press and public were present, there would be disclosure to them of confidential or exempt information as defined in Schedule 12A, Part 5A, Section 100A(4) or 100 1 of the Local Government Act 1972 (as amended).

73.3 **RESOLVED:** That the press and public be not excluded from the meeting during the consideration of the items contained on the agenda.

**74. CHAIRMAN'S COMMUNICATIONS**

74.1 The Chairman reported that she had no communications.

**75. LOCAL DELIVERY VEHICLE**

75.1 The Cabinet considered a report of the Director of Adult Social Care & Housing, concerning the proposed creation of a housing Local Delivery Vehicle (LDV), to obtain best value for money from the Housing revenue Account (HRA) assets, requiring reinvestment and not occupied by secure tenants, without freehold transfer (for copy see minute book).

- 75.2 The Chairman noted that the report had been considered by the Housing Management Consultative Committee at its meeting on the 23<sup>rd</sup> September and the committee had agreed with the proposal and made a number of recommendations to the Cabinet. She drew the Cabinet's attention to the recommendations which had been circulated and stated that she was very happy to ensure that the recommendations were taken on board during the process of establishing an LDV. The Chairman also noted that there was a need to find the necessary resources to invest in the council's housing stock and enable it to meet the Decent Homes Standard, and the proposed creation of an LDV would provide that opportunity.
- 75.3 Councillor Caulfield, Cabinet Member for Housing introduced the report and stated that following the tenants' no vote for the transfer of housing stock, the Government had withdrawn funding options but still required the council's stock to meet the Decent Homes Standard. The proposed LDV was therefore felt to be the best mechanism to enable the necessary resources to be acquired and to enable the council to take forward an improvement programme. She stated that the Housing Management Consultative Committee had unanimously agreed to the proposed LDV and she fully supported the recommendations put forward the committee and would ensure that they were incorporated in to the process for the creation of an LDV.
- 75.4 Cabinet Members welcomed the report and queried whether the Secretary of State's consent to the transfer of leases to the LDV was expected to be forthcoming.
- 75.5 The Director of Adult Social Care & Housing stated that it was difficult to gauge whether the Secretary of State's approval would be given. However, officers were in discussions with government officials and these had been supportive. She also noted that aspects of the proposed LDV were included in the recent Green Paper on Housing and therefore she was hopeful that the proposed LDV and consents for the transfer of leases would be approved.
- 75.6 The Chairman welcomed Councillor Simpson as the Opposition Spokesperson to the meeting and invited her to comment or put any questions on the matter.
- 75.7 Councillor Simpson thanked the Chairman and stated that the Labour Group supported the proposal for an LDV in principal, but felt that there could have been a greater period of consultation with tenants. There was a lot of work to do and this had been recognised by the Housing Management Consultative Committee and meant that a number of aspects had yet to be answered. However, she felt that the recommendations circulated from the meeting reflected the views of the committee and she hoped that they would be taken on board. She also asked if there could be a regular report to the Housing Management Consultative Committee on the level of supply of social housing.
- 75.8 The Chairman thanked Councillor Simpson for her comments and stated that the level of affordable housing within the city was a key factor and a target for the Local Area Agreement. She was therefore happy for it to be monitored through the committee and by the Cabinet Member for Housing. She was also determined to ensure that tenants were fully consulted on the process and developments at each stage.

75.9 Councillor Caulfield stated that should Cabinet and Council agree to the recommendations contained in the report, it would enable officers to take matters forward and for regular reports to be made to tenants at area panels, the Housing Management Consultative Committee and her Cabinet Member Meetings.

75.10 The Chairman then put the recommendations as listed in the report to the Cabinet for approval.

75.11 **RESOLVED:**

1. That the setting up of the proposed Local Delivery Vehicle to deliver key strategic housing and corporate priorities and generate funding for investment in the HRA to improve council homes and assist the council in meeting the Decent Homes Standard be approved;
- 2(a) That the Local Delivery Vehicle (LDV) be incorporated as a Company Limited by Guarantee and charitable status be sought; and
- 2(b) That the LDV be established with a board of management of 12, comprising one third council nominees, one third BHCC tenants (selected by Area Housing Management Panels) and one third independents (appointed by the other board members of the company), and that board composition be reflected at company membership level, making the LDV independent of the council;
3. That the potential for two funding sources (namely private sector funding or via council borrowing) be noted, and that officers be instructed to undertake all actions necessary to put a private sector funding solution in place concurrently with further assessing the council borrowing option (including, if necessary, seeking any consents from the Secretary of State under sections 24 and 25 of the Local Government Act 1988). That officers be instructed to report back to a committee of the Cabinet comprising the Cabinet Members for Housing and Finance once all due diligence work is completed for determination of the funding option to be used, (it is anticipated that this will be completed by December 2008);
4. That the proposal to enter into a VAT shelter arrangement with the LDV (including a development agreement with it for the refurbishment of leased properties) be agreed and the Director of Adult Social Care and Housing be authorised to take all steps necessary for its establishment following legal advice;
5. That the Director of Adult Social Care and Housing be authorised, after consultation with Cabinet Member for Housing, to take all steps necessary or incidental to the formation of the LDV including but not limited to the granting of the leases and other steps necessary to implement the proposals in the report and to report back on progress when seeking the determination on funding solutions referred to in 2.3 above;
6. That use of up to £45 million generated from the leasing of HRA assets to the LDV for affordable housing and in particular for the carrying out of improvements to the council's retained HRA stock under the council's Decent Homes programme during the period from April 2009 to April 2016 be approved;

7. That Full Council be recommended to authorise the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession for a period of up to 125 years) the 106 Housing Revenue Account dwellings listed in the schedule contained in Part 2 of the agenda (exempt under paragraphs 1, 2 and 3 of schedule 12A to the Local Government Act 1972 (as amended)) under the requirements of s32 Housing Act 1985 and any additional application necessary or incidental to the granting of such leases or under any other relevant legislation; and
8. That Full Council be recommended to authorise the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession) for a period of up to 125 years such other Housing Revenue Account dwellings, in addition to those listed in the schedule above (up to a maximum of 499 in total, including those covered under 2.7 above, within a five year period) that satisfy the criteria referred to in paragraph 3.4.9 of the report; and for the avoidance of doubt Cabinet and Council delegate the power to make decisions on the inclusion of individual properties to the Director of Adult Social Care and Housing after consulting with the Cabinet Member for Housing.

The meeting concluded at 5.30pm

Signed

Chairman

Dated this

day of

2008



<b>Subject:</b>	<b>The Secretary of State's Proposed Changes to the South East Plan</b>		
<b>Date of Meeting:</b>	<b>16 October 2008</b>		
<b>Report of:</b>	<b>Director of Environment</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mike Holford</b>	<b>Tel:</b> 29-2501
		<b>Strategic Planning and Monitoring Manager</b>	
	<b>E-mail:</b>	<b>mike.holford@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB2392</b>	
<b>Wards Affected:</b>	<b>All</b>		

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

1.1 To inform the Cabinet on the Secretary of State's (SoS) Proposed Changes to the Draft South East Plan and to agree the City Council's response to those changes.

**2. RECOMMENDATIONS:**

2.1 That the Cabinet approves the following response to the South East Plan;

The City Council:-

i). Supports the need to demonstrate and employ best practice in design and construction for waste minimisation and recycling in Growth Points and Strategic Development Areas including Shoreham Harbour (policy W2).

ii). Welcomes the recognition that policy CC8 gives to the importance of green infrastructure, and the biodiversity, recreational, and cultural benefits it can help to deliver.

iii). Objects to policies RE2 and H2 as failing to give local authorities sufficient guidance in the preparation of their Local Development Documents.

iv). Objects to the housing provision figure for the City of 620 dwellings per annum as the Secretary of State has not demonstrated that this can be

accommodated in the City without adverse impact on the quality of life, the character of the urban environment and the economy. The high level of residential completions noted by the Secretary of State has been at the height of the housing market. Amongst other things, the City Council is looking to deliver housing that meets local needs, particularly family housing which is likely to reduce the number of units to be completed on relevant sites. The City Council asks the Secretary of State to take note of the findings Council's Strategic Housing Land Availability Assessment produced in-line with government guidance.

v). Is concerned that the emphasis on delivering housing numbers in the wider Shoreham Harbour Strategic Development Area could prejudice broader and longer term economic development objectives. The City Council believes that 10,000 units in the wider Harbour area is likely to be the absolute maximum achievable and that a more realistic figure is 5,000 to 6,000 dwellings to be able to develop a genuine mixed-use sustainable community. The City Council believes that the potential to deliver a significant number of jobs at the Harbour should be identified as part of the Strategic Development Area.

vi). Informs the Secretary of State that not all of the proposed Shoreham Harbour Strategic Development Area lies in Adur District, West Sussex but is also in Brighton & Hove and to provide the scale of development suggested by the Secretary of State will need to encompass a wider area than the operational port (see comments at point v). above).

vii). Requests that the City's housing provision figure is reduced to reflect that a significant proportion of the Shoreham Harbour Strategic Development Area lies within the City boundaries, as has been done for Adur District Council.

viii). Requests (in view of the points raised at iv to vii above) that the relevant housing provision figures are set at 10,400 (520 pa) for Brighton and Hove and a total of 6000 dwellings for the Shoreham Harbour Strategic Development Area.

ix). Requests that the Secretary of State clarifies that should the Shoreham Harbour Strategic Development Area not deliver the amount of housing ultimately indicated in the South East Plan, that the City Council and its partner authorities will not be required to make up this shortfall elsewhere.

x). Objects to policy W3. The methodology to apportion London's waste still does not adequately recognise the difficulties of providing sufficient landfill space to meeting's London need. For Brighton & Hove and East Sussex those difficulties mainly concern the large proportion of Areas of Outstanding Natural Beauty in the Plan area, the distance that waste would have to travel to reach any future landfill and the difficulty of moving that waste. These difficulties are reflected in that there is no historical disposal of London's waste in Brighton & Hove or East Sussex.

xi). Requests that should the Secretary of State not amend W3 in line with the City Council's objection (point ix. above), the City Council re-iterates the need for local testing of the apportionment on London's waste through Waste Development Frameworks to examine the practicalities of the approach.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS**

3.1 The South East England Regional Assembly prepared a draft South East Plan between 2003 and 2006. The Assembly submitted this draft to Government on 31<sup>st</sup> March 2006. This was followed by a period of consultation.

3.2 An Independent panel of planning inspectors examined the draft South East Plan and comments made at an Examination in Public (November 2006 to March 2007), testing it for soundness.

3.3 Following publication of the panel's report in August 2007 the Government is now in the process of finalising the Plan. Legislation requires that after the Examination in Public the Government must publish and consult on any "proposed changes" it intends to make to the draft Plan. The South East Plan is now at this stage and a twelve week consultation period on the proposed changes ends on Friday, 24 October. Comments can only be made at this stage on the Secretary of State's (SoS's) proposed changes.

3.4 A summary of the SoS's main changes affecting Brighton & Hove are in Appendix A. The main areas needing comment are the overall development strategy for the South East, the housing provision for the City, the identification of Shoreham Harbour as a Strategic Development Area and the disposal of London's waste.

3.5 The Council's Core Strategy currently under preparation will need to reflect the emerging South East Plan.

#### **Overall Development Strategy**

3.6 The general thrust of *Policy RE1 – Contributing to the UK's long term competitiveness* is for Local Development Documents to be sufficiently flexible to respond to challenges in the global economy. No further guidance is given as to what this means in practice. This draft policy gives no certainty to local communities, local planning authorities and developers alike, as to what form of development will be supported and where, contrary to the Government's aims of a plan lead system.

3.7 In a significant change to previous policy, housing requirement figures set out in the SE Plan are now minimum targets, whereas they were previously maximum figures. Furthermore, in *Policy H2 - Managing the Delivery of the Regional Housing Provision* local authorities are requested to test higher levels of provision through their Local Development Documents to “plan for an upward trajectory of housing completions”. This would appear to undermine the whole basis of the Government’s aims for the new planning system since if there is no specific target it would appear difficult, amongst a number of things, for infrastructure providers to accurately plan for the future.

3.8 Policies RE1 and H2 are therefore contrary to the Government’s own advice for the South East Plan to provide clear guidance for Local Development Documents.

## **Housing Numbers**

3.9 Two of the most significant changes to individual district housing provision figures proposed by the Secretary of State in the modifications to the South East Plan, concern Brighton & Hove. For a summary of the Secretary of State’s explanation for these changes see Appendix B.

i. 10,000 homes are proposed for a new Strategic Development Area (one of eight regionally) at Shoreham Harbour, which is identified as being in Adur District, West Sussex.

3.10 The proposed modifications make it clear that for Adur District any housing achieved above the quoted figure for Shoreham Harbour cannot be offset towards district figures elsewhere in the district. No such comment is made for Brighton and Hove. Importantly, the Secretary of State has reduced the housing provision for the rest of Adur District from 180 dwellings per annum to 105 per annum presumably as a result of the identification of Shoreham Harbour as a Strategic Development Area.

3.11 The Secretary of State should be asked to clarify that should Shoreham Harbour not deliver the number of homes ultimately identified in the South East Plan, the shortfall should not be required to be made up elsewhere.

ii. The overall housing provision for the City is increased to 620 dwellings per annum (dpa) or a total of 12,400 over the period 2006 - 2026. This represents an 8.8% increase over the Panel’s recommendation (12.7% over draft plan) of the housing figures for the City. The draft Plan figures were 550 dpa or a total of 11,000. The Panel recommended a modest increase of 20 dwellings per year (570 dpa or a total of 11,400).

3.12 The housing land supply factors quoted by the Secretary of State in favour of the increased provision are selective. For example, the Annual Monitoring Report 2006/07 housing trajectory figure of 875 dpa quoted is only for first 10 years of the plan period. Over 20 years the housing trajectory shows a more modest 660 dpa. However, this average of 660 dpa includes an allowance for 2000 dwellings at Shoreham Harbour. If these are removed the annual average becomes 560 dpa.

The housing trajectory figure also includes a significant allowance for unidentified or windfall sites. Revisions to Planning Policy Statement 3 - Housing, published in November 2006, require local authorities to provide robust evidence of genuine local circumstances that prevent specific sites being identified.

3.13 The Secretary of State quotes annual average residential completions for the City since 2001 of 698 dpa, This has been at the height of the housing boom. However, over the last 10 years the annual average is 598 dpa and in only three of the last 10 years has the City provided over 620 dwellings in one year. In the last year (2007/08) only 567 completions are recorded. In the next few years housing completions could be below even this figure.

3.14 Housing land supply figures in the revised preferred options Core Strategy do show projected annual average completions of 623 dpa. However, this figure is based on the interim findings of the Strategic Housing Land Availability Assessment (SHLAA) and cover only 15 years rather than the 20 years covered by the South East Plan. Revisions to the SHLAA now being finalised suggest an annual target in the region of 520 dpa to be an appropriate figure.

### **Shoreham Harbour**

3.15 Shoreham Harbour has been identified as one of eight Strategic Development Area (SDA)s in the South East. The Secretary of State says an interim figure of 10,000 dwellings for Shoreham Harbour will be subject to detailed studies and assistance from the agencies as part of the strategic regeneration of the port. In the case of Adur District a footnote indicates that the housing figure for Shoreham Harbour is additional to the district figure. No similar indication is given for Brighton and Hove.

3.16 The City Council has long recognised the importance of the regeneration of Shoreham Harbour and has investigated the unlocking of this potential. Deliverability has always been a key concern particularly regarding transport and port consolidation/reclamation. However, the City Council has a concern over deliverability which is still, as yet, unresolved by the work undertaken by the South East England Development Agency (SEEDA).

3.17 The recent award of non-statutory Growth Point status to the Harbour is a related consideration. Notwithstanding, the importance given to re-generating the port area the City Council is concerned that the emphasis on delivering housing numbers implied by the Strategic Development Area (and Growth Point status), far from helping to resolve issues could have the opposite affect by focussing attention on the early delivery of housing. Such an approach would appear to be contrary to the stated aim in the South East Plan for the Sussex Coast which is regeneration.

3.18 The City Council believes, on the information currently available that 10,000 dwellings is the maximum that could be achieved in the Strategic Development Area and this would require the inclusion of a wider area than just the Port and leave little room for other uses. The City Council believes a figure of between 5 and 6,000 dwellings would be more appropriate as this would allow a significant number of jobs to be provided in the re-development.

3.19 The Secretary of State's proposed modifications do not make it clear that a sizeable proportion of the proposed Strategic Development Area based on the port lies within the boundaries of Brighton and Hove

### **Waste Planning**

3.20 The Council has previously objected to policy *W3 - Regional Self-Sufficiency*, which includes a requirement to provide landfill capacity for an apportionment of London's waste. The Council objected on the basis that the approach did not adequately recognise the constraints of providing sufficient landfill space, and urged for greater self-sufficiency of London.

3.21 The Government has now proposed several modifications to *W3*. However, the Council should continue to object to this policy. The methodology to apportion London's waste still does not adequately recognise the difficulties of providing sufficient landfill space to meeting's London need. For Brighton & Hove and East Sussex those difficulties are mainly about the large proportion of Areas of Outstanding Natural Beauty in the Plan area, the distance that waste would have to travel to reach any future landfill and the difficulty of moving the waste. This is reflected in that there is no historical disposal of London's waste in Brighton & Hove or East Sussex.

3.22 The Examination Panel strongly supported the idea of the apportionment figures for London's waste being tested at the local level through Waste and Minerals Development Frameworks. The Government has not explicitly adopted this idea. The Council has commented on this issue at an earlier stage of the South East Plan and should re-iterate the need for local testing to examine the practicalities of the approach. This is especially so as the Government has accepted the advice of the Regional Assembly on the implications of the adoption of the Hampshire Minerals & Waste Core Strategy which identified that there were no suitable sites to

accommodate waste from London. Therefore, in the revised W3 the Government has removed Hampshire from the calculation of apportionment up to 2015 and re-allocated that volume to the remaining waste planning authorities, of which the Brighton & Hove and East Sussex proportion increases from 8.45% to 8.7% of London's exported waste for the period 2006-2015.

### **Policy CC8: Green Infrastructure**

3.23 Policy CC8 of the proposed modifications is a new policy about the provision of green infrastructure. CC8 is also supported by amended wording in NRM4 (a policy that the Council welcomed in its last response) which acknowledges the wider benefits of green infrastructure.

3.24 The Council should support the inclusion of this new cross-cutting policy. The Council recognises the importance of green networks in the city and sees them as a valuable asset as illustrated by the preparation of the Brighton & Hove Green Network study which seeks to define a continuous network through the city for implementation through the LDF. As such the Council welcomes the recognition that CC8 gives to the importance of green infrastructure, and the biodiversity, recreational, and cultural benefits it can help to deliver.

3.25 The reference in CC8 to the importance of Green infrastructure in Strategic Development Areas, of which Shoreham Harbour is one, is also welcomed as an indicator that Strategic Development Areas should be sustainable in the broader sense and not just be about delivering housing.

### **W2: Sustainable design, construction and demolition**

3.26 W2 has been amended to make specific reference to the need for Growth Points and Strategic Development Areas (Shoreham Harbour is both) to demonstrate and employ best practice in design and construction for waste minimisation and recycling.

3.27 It is recommended that the Council supports the amends to W2. The Council has previously objected to the weakness of policy references to sustainable construction in the South East Plan, so the amendment to W2 is particularly welcomed in the context of the high levels of housing development allocated for the City. Most development in the City will be on previously-developed sites so best practice in sustainable waste management at the demolition/construction stage, and designing buildings to facilitate re-use and recycling during operation, will both be significant in achieving the Council's sustainable waste management targets and wider policies for sustainable resource use.

#### **4. CONSULTATION**

Consultation with Economic Development, Housing Strategy and Transport has taken place and their comments incorporated in the report.

#### **FINANCIAL & OTHER IMPLICATIONS**

##### Financial Implications:

There are no direct financial implications arising from the recommendations contained within the report.

Financial Officer Consulted: Patrick Rice date 4 September 08

##### Legal Implications:

Local Development Framework and Local Development Documents have to reflect all these changes when confirmed.

Legal Officer Consulted: Ginika Ogidi date 9 September 08

##### Equalities Implications:

There are no direct equalities implications arising from the recommendations contained within the report.

##### Sustainability Implications:

A separate draft Sustainability Appraisal and Habitats Regulation Assessment report have been prepared as part of an ongoing technical process designed to inform the preparation of the South East Plan

##### Crime and Disorder Implications:

There are no direct crime and disorder implications arising from the recommendations contained within the report.

##### Risk and Opportunity Management Implications:

The Council's Local Development Framework Core Strategy must be in general conformity with the South East Plan once adopted or risk being found "unsound" by a planning inspector.



### Corporate / Citywide Implications:

The South East Plan indicates the framework for overall development strategy for the City

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The alternative would be to accept the SoS recommendations which officers believe would have a detrimental impact on the City and conflict with the City Council's priorities

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 See 6.1 above

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

A – Significant Changes to draft South East Plan proposed by the Secretary of State.

B - Identified Role of Brighton & Hove in the draft South East Plan and in relation to Shoreham Harbour/Housing numbers.

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

None

### **Background Documents**

Government Office for the South East – The South East Plan – The Secretary of State's proposed Changes to the Draft Regional Spatial Strategy for the South East of England – Schedule of Changes and Reasoned Justification.

Government Office for the South East - The South East Plan – The Secretary of State's Proposed Changes to the draft Regional Spatial Strategy for the South East of England – Companion Document.

The South East Plan - Secretary of State's Proposed Changes – Summary prepared by the South East England Regional Assembly – July 2008

### **Significant Changes to the draft South East Plan proposed by the Secretary of State**

#### **Strategy**

A new policy has been added to provide the focus within the 9 sub regions as growth and/or regeneration. Brighton & Hove is in the Sussex Coast sub-region where the focus is defined as regeneration.

Policy SP2 addresses the 22 Regional Hubs including Brighton & Hove. In addition to the roles for hubs identified in the draft SE Plan, the Secretary of State (SoS) is proposing to add:

Focusing new housing development and economic activity in locations close to or accessible by public transport to hubs; and

Delivering long term development as identified in Strategic Development Areas.

Eight Strategic Development Areas (SDAs) are also identified. Shoreham Harbour is identified as one of three new SDAs as the Government considers that the 3 areas may have capacity for levels of development in excess of 5,000 dwellings.

#### **Cross-Cutting Policies**

The Panel's recommendation that the policy on sustainable design and construction should encourage new housing development to seek the highest possible Code for Sustainability rating has not been accepted in the light of the Government's own national timetable for zero carbon homes.

The conditional approach (growth only taking place once infrastructure has been put in place) to development has been deleted. The new policy promotes a more proactive approach to funding including joint working, and the agreement of forward funding mechanisms between regional bodies and Government

A new policy on Green Infrastructure focuses on the provision of networks of multi-functional green space, particularly in regional hubs, special development areas and in area close to sites of international ecological importance.

## **Sustainable Economic Development**

The SoS recommends a new policy to ensure that the regional economy contributes fully to the UK's long term competitiveness, and that local planning authorities will ensure that local development documents will be sufficiently flexible to respond positively to changes in the global economy and the changing economic needs of the region. This responds to the Panel's recommendation to include a stronger reference to the need to encourage and support international business activity.

## **Housing**

Policy H1 sets out Regional Housing Provision 2006 – 2026. Local authorities are to facilitate delivery of at least 662,500 homes, or an average of 33,125 a year between 2006 to 2026. This compares to 640,000 (32,000 per year) in the Panel Report and 578,000 (28,900 per year) in the draft South East Plan. The increases are 4% above the Panel's recommendations and nearly 15% above the draft Plan.

Housing figures are minima. Local authorities are required to test the scope for maximising/accelerating the pace of development at strategic locations, identify additional sources of supply, test higher levels of provision through local development documents and plan for an upward trajectory of completions.

Most of the Panel's recommendations for individual districts have been accepted. Two of the most significant differences between the Proposed Changes and the Panel Report concern Brighton & Hove and are as follows:

10,000 homes at a new strategic Development Area at Shoreham Harbour which is identified as being in Adur District, West Sussex.

An 8.8% increase over Panel's recommendation (12.7% over plan) of the housing figures for the city.

Affordable housing targets are as set out in the draft Plan Policy H4 (25% social rented housing; 10% other forms of affordable housing). The proposed changes pick up the Panel's recommendation that a reference to lower site size thresholds be included in the policy.

The overall regional density target remains 40 dwellings per hectare.

There is a stronger emphasis on collaborative local authority working throughout the Housing Chapter, including in relation to Strategic Housing Market Assessment and sub-regional working.

## **Transport**

In line with the Panel's recommendations, policy T3 particularly encourages the consideration of road charging in regional hubs. The supporting text indicates that Government now wishes to lead the debate on national road charging and is exploring technology for any future widespread system of road pricing.

## **Natural Resource Management**

The SoS proposes amendments to policy NRM1 "water resources" including the replacement of the draft policy clause requiring high standards of water efficiency with a new clause stating that Local Development Documents should identify any circumstances where new development will need to have higher standards than Building Regulations. Another new clause directs development to areas where water supply can be guaranteed and calls for development to be phased with provision of supply.

Energy policies have been incorporated within the Natural Resources Chapter, updated to reflect PPS1 and a target of 10% of energy demand to be met from renewables for major developments has been included.

## **Waste and Minerals**

The Panel's recommendation to update the sub-regional percentage apportionment figures for London waste imports in policy W3 "Regional Self Sufficiency" has been accepted.

## **Sussex Coast**

A new clause is proposed for policy SCT1 "Core Strategy" providing for urban extensions in Arun, Chichester, Rother and Wealden Districts. Additional text has been added requiring the use of previously developed land (PDL) to be optimised, particularly in Brighton and Hove. Policy SCT2 remains unchanged.

Policy SCT3 "Management of Existing Employment Sites and Premises" now identifies strategic sites for employment development. In addition, a new clause is added to protect employment land in rural areas from other uses.

Policy SCT4 "Employment Priority in Land Allocations" now includes an emphasis on accessibility by rail. Clause (ii) has been deleted in line with the Panels recommendations and reference included to new employment allocations being included in sustainable urban extensions. Policy SCT5 "Education and Skills has been deleted.

Proposed policy SCT5 (was SCT7) focuses on housing distribution. The proposed housing level for the sub-region is 70,300, an increase of 18.4% on the figure recommended by the Panel. This reflects an increased allocation in Mid Sussex, Brighton & Hove and the inclusion of the Shoreham Harbour SDA (10,000 dwellings). The SoS recognises that studies have not yet been completed, and that this figure may be subject to change before the final RSS is published. However, the proposed changes are clear that if the development at the SDA exceeds 10,000 dwellings, this should not be offset against district requirements elsewhere.

Policy on “affordable Housing” (now SCT6) retains the 40% affordability target but removes the 15 dwelling threshold.

Draft policy SCT6 “Co-ordination, Leadership and Promotion of the Sub-Region” (now SCT7) is retained with minor amendments.

Policy SCT9 “infrastructure” is deleted and supporting text on Implementation and Delivery is proposed in its place. This identifies the key issues as being:

Waste water treatment  
Making better use of the rail network  
Mitigation of tidal flood risk; and  
Improving workforce skills.

**Identified Role of Brighton & Hove in the SE Plan and in relation to Shoreham Harbour/Housing numbers.**

In the overall regional spatial strategy Brighton is identified as a regional hub by reason of it being a “primary regional centre” and “diamond for growth”.

**Regional Hubs:** The SE Plan states that local policies should support the development of regional hubs

by:

Giving priority to measures that increase the level of accessibility by public transport, walking and cycling;

Encouraging higher density land uses and/or mixed land uses that require a high level of accessibility so as to create “living centres”;

Giving priority to the development of high quality interchange facilities between all modes of transport;

Focussing new housing development and economic activity in locations close to or accessible by public transport to hubs;

Delivering long term development at identified Strategic Development Areas.

**Shoreham Harbour:** Shoreham Harbour is now identified as one of eight Strategic Development Areas.

The reasons given for identifying Shoreham Harbour as a Strategic Development Area are:

It is a unique regeneration opportunity within the Sussex Coast sub-region and has the potential to make a significant contribution to economic growth, regeneration and housing ambitions of a wider area;

It falls within the functioning economic area/travel to work area of Brighton and Hove that is recognised as a “diamond of (sic) growth” and a regional hub in both RES and draft RSS and, therefore, has the potential to both contribute to and to benefit from the significant economic growth potential of the Brighton & Hove diamond;

It provides a rare opportunity to diversify the economy of Adur and to provide high value jobs and employment opportunities that are less dependent on declining sectors thus increasing the long-term sustainability of its economy.

Realisation of the potential of this broad location depends on an intensive form of development and a critical mass where housing is allowed to play its full role in ensuring the economic viability of the development area.

It provides a unique opportunity for increasing the housing offer to meet the housing need and demand in the Sussex Coast area

### **Increased Housing Numbers:**

The reasons given for increasing the housing numbers for Brighton & Hove are:

Brighton is the largest urban area in Sussex in population terms and is a Regional Economic Strategy economic diamond, a regional hub and a primary town centre.

As the Panel has recognised Brighton as a designated regional hub is a focus for investment in transport infrastructure. The Secretary of State wants to ensure that the strategy for Brighton and the surrounding area also take better account of the capacity of the existing rail network.

As one of only 8 regional economic diamonds there will also be focused action on promoting economic growth. SEEDA employment projections submitted during the EIP estimates a job growth of 910 per year over the first 10 years of the plan. Brighton's own Employment Land study that was carried out in 2005 estimates an annual job growth of 1130 for the same period. More significantly, it forecasts a strong upward trend in jobs growth and a much stronger growth in the second half of the plan period leading to an estimated 1,810 additional job pa.

The high demand for housing and the strength of the market and capacity of the district to respond positively to the challenge is emphasised by the housing completions that were nearly 150% of the Structure Plan requirement (averaging 698 for 2001/02 to 2006/2007). Moreover, the districts own housing trajectory projects a rate of 875 dpa for the 10 years to 2016.

The Secretary of State is of the view that a substantial reduction in the current level of housing provision will be a negative response to the vibrant housing market and the economy in the area. Unlike many parts of the sub-region, Brighton's demographic pressures would continue even without any net in-migration and that means an inadequate provision of housing would exacerbate the significant housing need problems in the area including the need to address the substantial backlog of housing as recognised by the Panel.

The Secretary of State considers that the recent announcement on Thames Link on B&H rapid transit schemes (sic) have added further impetus to the need for additional growth and the capacity of the area to support additional dwellings.



## **Glossary**

Secretary of State - The Secretary of State for Communities and Local Government. The Government Minister responsible for publishing the modifications to the South East Plan on behalf of Central Government.

Growth Point - Government designation for areas proposing increased house building above previously agreed rates for which additional funds are available.

Strategic Development Area - Eight areas identified in the South East Plan for delivering long term housing development.

Local Development Documents - Collective term for a local authorities planning policy documents.

Core Strategy – A council’s key policy document setting out the long term vision for development in an area.

Housing Trajectory – Graph showing predicted house building over the next twenty years.

Annual Monitoring Report – Document produced by all local planning authorities covering the previous financial year.

Unidentified/Windfall Sites – Sites which when receiving planning permission for housing have not already been identified in a planning policy document.



<b>Subject:</b>	<b>Asset Management Plan &amp; Corporate Property Strategy 2008-2011</b>		
<b>Date of Meeting:</b>	<b>16<sup>th</sup> October 2008</b>		
<b>Report of:</b>	<b>Interim Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 29-1450</b>
		<b>Assistant Director, Property Design</b>	
	<b>E-mail:</b>	<b>angela.dymott@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB 2205</b>	
<b>Wards Affected:</b>	<b>All</b>		

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

- 1.1 To seek approval for the updated Asset Management Plan & Corporate Property Strategy (AMP & CPS) 2008-11. This document updates the current AMP & CPS 2006-09 and provides a strategic overview of Brighton & Hove City Council's property assets and the systems, processes and policies in place to manage and maintain them over the next three years.

**2. RECOMMENDATIONS:**

- 2.1 That the Cabinet approve the Asset Management Plan & Corporate Property Strategy (AMP & CPS) 2008-2011 as set out in Appendix 1 of the report.
- 2.2 That the Cabinet note that the views of the Overview and Scrutiny Commission of the 9<sup>th</sup> September 2008 have been sought and comments as minuted in Appendix 2 have been covered in the report and included in the AMP & CPS 2008-11.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The council first published its Asset Management Plan (AMP) in 2002 which together with the Capital Strategy were submitted to the government for assessment. The AMP received a “good” assessment (the highest category) thus freeing the council from having to submit further annual AMPs. The AMP 2002 set out the council’s asset management process that covered three years, 2002-05. Over this period there was an annual requirement for all council’s to submit annual core performance data based on the five national property performance indicators.
- 3.2 The AMP has been developed and updated and in 2006 the council’s corporate property strategy was combined into the document and published the approved Asset Management Plan & Corporate Property Strategy 2006-09. This set out the property context for the City and the council’s property function within the council’s priorities and strategic goals.
- 3.3 The document has been progressed and refreshed to incorporate corporate priorities, legislation where appropriate and new national policies.
- 3.4 The Asset Management Plan & Corporate Property Strategy 2008-11 provides a strategic overview of the council’s property assets, a framework for challenge and continual review and explains the systems and policies in place to manage and maintain the portfolio. It demonstrates how the council uses its property assets to the best advantage, striking a balance between income and capital receipts to deliver value for money, improve service delivery and support the well being and regeneration of the City.
- 3.5 The council annually publishes the results of our property performance indicators that are based on national property performance indicators, NaPPMIs (national property performance management initiative) including benchmarking information. We also have local property performance indicators that are monitored and reviewed annually.

### **4. ASSET MANAGEMENT PLAN & CORPORATE PROPERTY STRATEGY 2008-11**

#### **Summary**

- 4.1 The council has a large property and land portfolio valued at £1.7b (2008 balance sheet) and is also fortunate to have a substantial investment portfolio, valued at approximately £200m, that produces an annual income of £8.5m, contributes to the medium term financial strategy and helps to keep the council tax down.

- 4.2 It is important for all Local Authorities as major landowners and occupiers to justify their holdings. The Asset Management Plan & Corporate Property Strategy 2008-11 is intended to be used as a tool to help maximise the deployment and use of its property assets. It clearly demonstrates the rationale for continuing to hold property assets and how they link to the council's corporate priorities and property objectives to support and improve performance, service delivery and facilities for the City.
- 4.3 The Corporate Property Strategy sets the context for the City and Brighton & Hove City Council and explains how the council's property assets fit into the golden thread of our corporate planning framework. It introduces our 6 property objectives and shows how they relate to our corporate priorities through live examples. It gives overviews of the various asset management strategies relating to the different specific portfolios – operational, non-operational (commercial and agricultural), housing, schools and highways – and other related strategies that impact on our property assets. It identifies major external influences and pressures and sets out the council's response, particularly to statutory legislation, community assets, property related Health & Safety and the construction and property market.
- 4.4 The Asset Management Plan is the delivery arm that details our data management systems, property performance information and performance indicators. It describes the delivery of our key services and accommodation strategy, value for money transformation agenda, future accommodation needs and joint working arrangements. It demonstrates how we review and challenge our operational and non-operational portfolios to identify alternative uses, investment requirements and disposal opportunities. It outlines our funding streams to maintain and improve our property assets and our property related procurement areas, demonstrating efficiency gains and value for money. Our Action Plan summarises our main targets that are monitored bi-annually, linking them to our property objectives.
- Main changes**
- 4.5 Changes have been made to the structure of the document that splits it into Part A Strategy – the Corporate Property Strategy – showing how we link our property objectives to the corporate priorities and Part B Delivery – the Asset Management Plan - showing how we intend to deliver on the strategy.

- 4.6 We have condensed our property asset priorities into 6 corporate property objectives:
- 1 Optimise the contribution property assets make to the council's strategic & service objectives
  - 2 Prioritise investment into our operational property assets to meet service objectives
  - 3 Seek innovative value for money solutions to our procurement and staff accommodation needs through our value for money transformation programmes.
  - 4 Ensure the maximum return from our investment portfolios
  - 5 Reduce the environmental impact of our operational property assets
  - 6 Use our property assets to pump prime new developments, re-developments and regeneration
- 4.7 We have shown how the 6 property objectives link into the council's priorities with examples of case studies and how we are measuring success through targets linked to the corporate planning process.
- 4.8 We have amended the document to reflect the new Leader and Cabinet system. An overview of the Housing, Education and Highways Asset Management Plans have been incorporated to show the links to the corporate AMP and the document has been updated with the latest council's strategies and policies within the corporate planning framework again demonstrating the golden thread and links.
- 4.9 In essence, the document is outcome focussed demonstrating how we deliver on our corporate property strategy, property objectives and council's corporate priorities to achieve value for money and improve performance, services and facilities for the City.

## **5. CONSULTATION**

- 5.1 The document has been consulted on across the council with our partners and externally with our property Agents, partners and other interested parties.
- 5.2 The Overview and Scrutiny commission comments are set out in the minutes at Appendix 2 and the responses follow as ordered in the OSC Minutes.

- 5.3 Item 37.3. The AMP & CPS 2008-11 document (para 3.5.2) has been clarified on the housing asset management plan integrated approach and the AMP will promote closer working between departments.  
Item 37.4. The Value For Money process is to be captured in the budget strategy and service department reviews.  
Item 37.5, 37.6 and 37.7 Local groups will be given greater support to help regenerate local Neighbourhood shops and parades through the present Demonstration Project with the Development Trust Association and the development of the Community Asset Transfer Strategy. It will also further investigate the Community Land Trust process. Officer support has been given to the Bevendean neighbourhood shops.

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

### Financial Implications:

- 6.1 The council's property portfolio has an estimated value of £1.7b and the management and maintenance of these assets plays an integral part in managing the council's financial position and performance. The capital and revenue costs of maintaining and running these assets are a significant part of the council's expenditure across all direct orates and therefore achieving maximum benefit from the asset base is a key principle in the council's Medium Term Financial Strategy. The AMP & CPS will ensure the council is receiving Value for Money from its property assets, asset management is integrated with business planning and the council has effective financial management in making decisions relating to its property assets.

*James Hengeveld*

*21<sup>st</sup> August 2008*

### Legal Implications:

- 6.2 There are no adverse legal implications arising from the contents of this report.

*Anna Mackenzie*

*20<sup>th</sup> August 2008*

### Equalities Implications:

- 6.3 The document sets out ways to support and improve access for all to services and in developments. Equalities Impact Assessment screening has identified 4 main areas of impact - accommodation, community assets, commercial portfolio and building maintenance with the first two of these requiring further action and assessment.

Sustainability Implications:

- 5.4 The document provides support through regeneration of the City, enabling sustainable development, energy efficiency improvements to council buildings, improving access to the Downlands and encouraging apprenticeships in construction contracts and the use of sustainable materials and construction practices.

Crime & Disorder Implications:

- 5.5 The document supports the reduction of vandalism through investment and maintenance of property assets.

Risk and Opportunity Management Implications:

- 5.6 Risks are highlighted in the Appendix 1 documents particularly in terms of the current unstable property market and global financial situation.

Corporate / Citywide Implications:

- 5.7 This report compliments the key deliverables in the corporate plan and provides the strategic property overview for the council's other and related plan

## **7. EVALUATION OF ANY ALTERNATIVE OPTION**

- 7.1 The document is a statutory requirement and set out accordingly. All Local Authorities Asset Management Plans are structured to a prescriptive form as specified under the Royal Institution of Chartered Surveyors (RICS) guidance notes and endorsed by the Institute of Public Finance (IPF) and the Department of Communities & Local Government (DCLG).

## **8. REASONS FOR REPORT RECOMMENDATIONS**

- 8.1 The council needs an overarching property strategy and asset management plan to ensure that it is making best use of its property asset base and achieving value for money. It needs to demonstrate the rationale for continuing to hold property assets and show how the property objectives link to the council's corporate priorities, improve performance, service delivery and facilities for the City.
- 8.2 The decision is required to endorse the adoption of the refreshed AMP & CPS 2008-11 and enables the council to fulfil its commitment to deliver the targets and asset management action plan.



## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. The Corporate Property Strategy & Asset Management Plan 2008-11
2. Overview and Scrutiny Commission minutes 9<sup>th</sup> September 2008  
Agenda item 37.



# Brighton & Hove City Council Asset Management Plan & Corporate Property Strategy 2008 to 2011



**VERSION NINETEEN  
3<sup>rd</sup> OCTOBER 2008**

Brighton & Hove City Council  
Kings House  
Grand Avenue  
Hove BN3 2SR

[www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk)

# Brighton & Hove City Council Asset Management Plan & Corporate Property Strategy 2008 to 2011

## **Prepared By**

The Corporate Asset Management Team,  
Property & Design, Finance & Resources Directorate

## **Authors**

Assistant Director (Property and Design) – Corporate Property Officer  
The Corporate Asset Management Team

## **In Consultation With**

Leader of the Council  
Cabinet Member for Central Services  
Chief Executive & The Management Team  
Director of Finance & Resources  
Director of Adult Social Care & Housing  
Director of Cultural Services  
Director of Children & Young People's Trust  
Director of Environment  
Director of Strategy & Governance

## ***Brighton & Hove City Council***

Kings House  
Grand Avenue  
Hove  
East Sussex  
BN3 2SR

(01273) 290000

[www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk)

**(Version 19: 3<sup>rd</sup> October 2008)**

## TABLE OF CONTENTS

Executive Summary	iv
-------------------	----

### 1.0 Introduction & Context 1

1.1	Introduction & Foreword	<u>1</u>
1.2	The City Of Brighton & Hove	<u>2</u>
1.3	Brighton & Hove City Council	<u>3</u>

### PART A: CORPORATE PROPERTY STRATEGY 4

### 2.0 Corporate Plans & Priorities 4

2.1	The Corporate Planning Framework	<u>4</u>
2.2	The Sustainable Community Strategy (SCS)	<u>4</u>
2.3	The Local Area Agreement (LAA)	<u>4</u>
2.4	The Local Development Framework (LDF)	<u>4</u>
2.5	The Corporate Plan	<u>5</u>
2.6	The Medium Term Financial Strategy	<u>5</u>
2.7	Directorate & Service Priorities & Objectives	<u>5</u>
2.8	Corporate Property Objectives:	<u>6</u>
	A – To optimise the contribution property makes to our objectives	<u>8</u>
	B – To prioritise investment in our property assets to meet service needs	<u>11</u>
	C – To seek innovative value for money solutions to our procurement and accommodation needs	<u>13</u>
	D – To ensure the maximum return from our investment assets	<u>16</u>
	E – To reduce the environmental impact of our operational assets	<u>18</u>
	F – To use our assets to pump prime new development opportunities	<u>20</u>

### 3.0 Asset Management Strategy in Brighton & Hove 22

3.1	Organisational Arrangements For Asset Management	<u>22</u>
3.2	Operational Property Strategy	<u>23</u>
3.3	Non Operational Commercial Property Strategy	<u>24</u>
3.4	Non Operational Agricultural Property Strategy	<u>27</u>
3.5	Housing Management Property Strategy	<u>30</u>
3.6	Education Property Strategy	<u>33</u>
3.7	Highways Strategy	<u>33</u>
3.8	Related Strategies	<u>34</u>

### 4.0 The External Environment & Its Influence On Our Assets 37

4.1	The Quirke Report & Community Asset Transfers	<u>37</u>
4.2	National Policy & Statutory Responsibilities	<u>38</u>
4.3	Construction & Property in Brighton & Hove	<u>39</u>
4.4	The External Market For Property Consultancy Services	<u>40</u>
4.5	The External Market For Accommodation	<u>41</u>
4.6	E-Government	<u>41</u>

<b>PART B: ASSET MANAGEMENT PLAN (DELIVERY)</b>		<b><u>42</u></b>
<b>5.0</b>	<b>Data Management &amp; Performance Indicators</b>	<b><u>42</u></b>
5.1	Data Management Systems	<u>42</u>
5.2	Property Performance Indicators	<u>43</u>
<b>6.0</b>	<b>Service Delivery &amp; Accommodation Needs</b>	<b><u>45</u></b>
6.1	Core Accommodation Overview	<u>45</u>
6.2	Accommodating Changing Council Services	<u>45</u>
6.3	Pilot Accommodation Schemes	<u>45</u>
6.4	Our Value For Money Transformation Agenda	<u>45</u>
6.5	Future Accommodation Needs	<u>47</u>
6.6	Joint Working Initiatives	<u>47</u>
<b>7.0</b>	<b>Reviewing &amp; Challenging The Operational Property Portfolio</b>	<b><u>49</u></b>
7.1	Property Performance Reviews (PPRs) – An Introduction	<u>49</u>
7.2	Condition Surveys	<u>49</u>
7.3	Suitability Surveys	<u>50</u>
7.4	Sufficiency Surveys	<u>50</u>
7.5	PPR Programme	<u>50</u>
7.6	Gap Analysis & Strategic Options	<u>50</u>
7.7	Options Appraisal	<u>51</u>
<b>8.0</b>	<b>Reviewing &amp; Challenging The Non Operational Property Portfolio</b>	<b><u>53</u></b>
8.1	Reviewing Our Investment Portfolio	<u>53</u>
8.2	The Property Disposal & Acquisition Process	<u>53</u>
<b>9.0</b>	<b>Financing The Asset Management Plan</b>	<b><u>56</u></b>
9.1	Capital Programme	<u>56</u>
9.2	Revenue Programme	<u>57</u>
9.3	Procurement of Works	<u>57</u>
9.4	Procurement of Supplies & Services	<u>58</u>
<b>10.0</b>	<b>Our Asset Management Action Plan 2008 to 2011</b>	<b><u>59</u></b>
<b>Glossary</b>		<b><u>61</u></b>
<b>Appendices</b>		<b><u>62</u></b>
A	Summary of Core Property Data and Property Performance Indicator (PPI) Results - updated annually	<u>62</u>
B	Bibliography	<u>62</u>
C	Summary of Brighton & Hove City Council's Property Portfolios	<u>63</u>

## **EXECUTIVE SUMMARY**

The council has a large property and land portfolio valued at £1.73 billion (2008 balance sheet). The operational portfolio consists of 12,322 house / flat units and in excess of 500 non-housing properties. The non-operational portfolio consists of approximately 600 properties, is valued at £200m, produces an annual income of £8.5m, contributes to the medium term financial strategy and helps to keep council tax down.

It is important for all local authorities, as major owners and occupiers of land and buildings, to justify their holdings. The Corporate Property Officer has overall responsibility for managing the council's property portfolio and producing the Asset Management Plan & Corporate Property Strategy. This provides a strategic overview of the council's property assets and the systems, processes and policies in place or being progressed to manage and maintain them. It also provides a framework for challenging and reviewing the reasons for continuing to hold these assets covering the period 2008-11.

The Asset Management Plan & Corporate Property Strategy sets the property context for the City and the council's property function within its corporate priorities and strategic goals. It will ensure that the council's focus is on actions and outcomes that will maximise income whilst effectively supporting improved service delivery and customer satisfaction. The corporate property objectives will:

- Optimise the contribution our property assets make to the Council's strategic and service objectives,
- Prioritise investment in our operational assets to meet service delivery needs,
- Seek innovative value for money solutions to our procurement and staff accommodation needs through our vfm transformation programmes,
- Ensure the maximum return from our investment property and land holdings,
- Reduce the environmental impact of our operational property assets and
- Use our assets to pump prime new developments, re-developments and urban regeneration.

Through the strategic use of its property assets the council aims to achieve value for money, cost effectiveness and efficiency leading to improved customer and stakeholder satisfaction, improved affordability, compliance with related statutory and regulatory codes, improved corporate management, environmental improvements and enhanced joint and partnership working arrangements.

The document sets out how the council intends to achieve its corporate property objectives and expected outcomes through an overview of how we respond to external and internal pressures: new legislation and statutory requirements, national policies, property and construction activity in the City, the procurement route for consultancy and construction services, e-government property related issues and how we gather and review our property data. It clarifies our accommodation strategy, our data management systems, the quality of our operational and non-operational holdings and our property performance targets and indicators.

It demonstrates the processes we have in place to review and challenge our operational holdings through property performance reviews and our non-operational properties through the development of specific commercial and agricultural portfolio strategies. It shows how this AMP links to our other corporate strategies, including the medium term financial strategy through the capital and revenue budgets and programmes and illustrates our asset management targets and expected outcomes through to 2011.

The Asset Management & Corporate Property Strategy has been consulted on across the council, with our partners, through the Management Team and Leadership democratic process culminating at Cabinet in October 2008.

## 1.0 INTRODUCTION & CONTEXT

### 1.1 Introduction & Foreword

Welcome to Brighton & Hove City Council's Asset Management Plan & Corporate Property Strategy (AMP) covering the period 2008 to 2011.

The AMP provides a strategic overview of the City Council's property and land assets and the systems, processes and policies already in place or being progressed to manage and maintain them. The AMP is intended to be used as a tool to help maximise the deployment and use of land, buildings and other assets to support service delivery and deliver on our corporate priorities and objectives.

In particular the AMP focuses on the following themes:

Strategy:

- How we will use our property and land assets to support the Council's objectives (**Section 2.0**)
- Asset management planning and strategy in Brighton & Hove City Council (**Section 3.0**)
- The potential effect of the external environment on the management of our property portfolio and our response (**Section 4.0**)

Delivery:

- Data management and performance measurement (**Section 5.0**)
- The delivery of the Council's key services and their changing property asset needs (**Section 6.0**)
- Reviewing and challenging the Council's property assets (**Sections 7.0 & 8.0**)
- Decision making, plan development, implementation and funding sources (**Section 9.0**)
- Our Asset Management Action Plan summarising our targets (**Section 10.0**)

It is important for all local authorities, as major owners and occupiers of land and buildings, to justify our holdings. The AMP provides a framework for challenging the reasons for continuing to hold each of the council's property and land assets and to clearly demonstrate how these reasons link to corporate objectives and priorities.

The AMP explains how the Property & Design division of the Finance & Resources directorate, as the City Council's landlord, assess the condition, suitability and sufficiency of the Authority's property portfolio and how this links in with service delivery and achieving value for money, cost effectiveness and efficiency across all directorates. Additional and specific asset management plans are also published separately for the Council's schools, highways and residential housing stock.

The Asset Management Team welcomes feedback on the content of this AMP and would ask for comments to be forwarded to [amp@brighton-hove.gov.uk](mailto:amp@brighton-hove.gov.uk).



**Councillor Mary Mears**  
Leader of the Council



**Councillor Ayas Fallon-Khan**  
Cabinet Member for Central Services



## 1.2 The City of Brighton & Hove

The City of Brighton & Hove is a thriving “city by the sea” and the largest urban centre on the south coast lying approximately 50 miles south of London (see **Figure 1a** below) and attracting in excess of 8 million visitors a year. The City has a total population of 251,000 and a working age population of just under 168,000.



**Figure 1a: South East England**

The City is a popular base for London commuters and benefits from excellent communication links east/west via the A27/M27, north to London via the A23/M23 as well as direct rail links and internationally via Gatwick airport which lies 25 miles to the north.

Brighton & Hove covers an area of 83 km<sup>2</sup> but is bordered by the English Channel to the south, the South Downs Area of Natural Outstanding Beauty to the north and neighbouring authorities to the east and west restricting the opportunities for expansion.

Brighton & Hove is a city of contrasts. Whilst it's economic prosperity is thriving

demonstrated by the number of vat registered businesses increasing by 39% between 1994 and 2007 (the national trend was 22%) and a steep rise in house prices (a mean average increase of 51% in five years compared with the south-east average of 41%), it has high levels of homelessness and a shortage of affordable housing. Nationally the City ranks within the 25% most deprived areas in terms of the Average Index of Multiple Deprivation and has identifiable deprivation hotspots particularly in the east of the City. At £29,000, the average annual household income in the City is marginally lower than the national average but an estimated 15% of households in the City have incomes below £10,000 per year and 6% have incomes of less than £5,000.

The City has two universities with 32,000 students and 7,000 graduates a year, many of whom stay to live in the City post graduation. As a result Brighton & Hove has a young, well educated working age population with more than one third of residents aged 25 to 44 and 38% of adult residents holding an HND or higher qualification. In contrast it is estimated that over 15,000 adult residents (9.3%) do not hold any qualifications. The City has a strong service sector economy with public services, education & health and financial & business services being rich sources of local employment. There is also a thriving creative industries sector and a well established new media cluster. The City is a major tourist, leisure and conference destination and hosts a year round calendar of festivals and events, the largest being the annual Brighton Festival in May. Tourism contributes more than £407m to the local economy and supports nearly 12% of the City's FTE jobs. Unemployment in the City is 6.4% which exceeds both the national figure of 5.2% and the 4.2% average in the south-east. The City has a strong entrepreneurial culture with 12.6% of working residents being self employed compared with a national average of 9.3%.

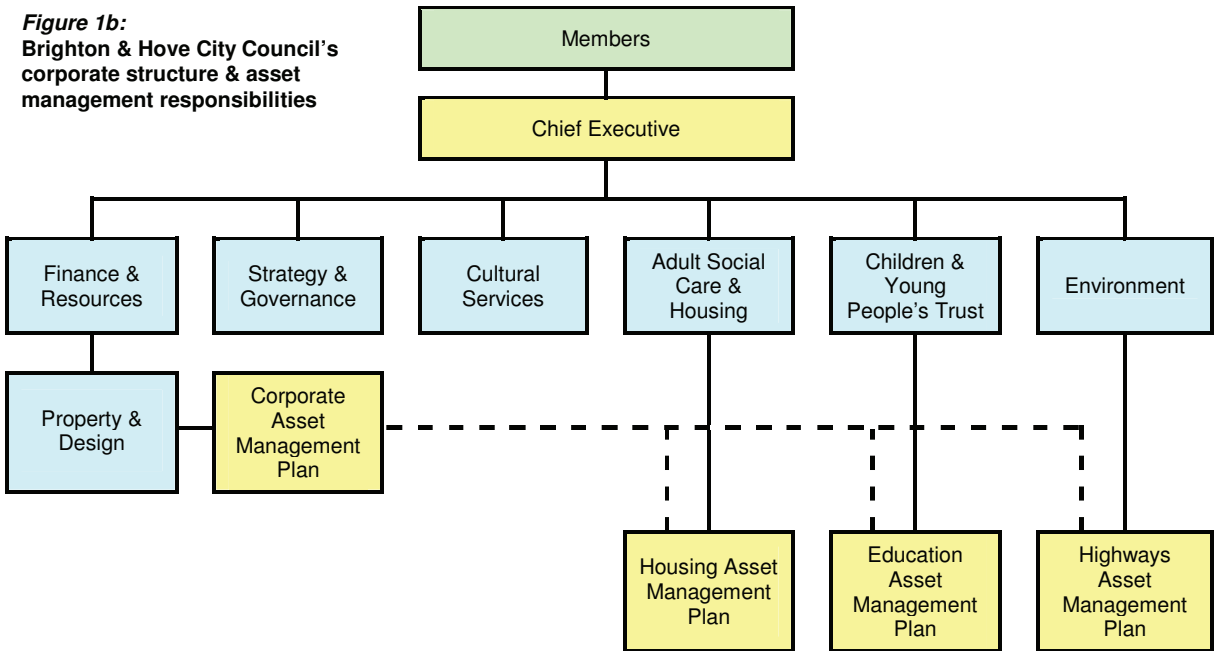
Being restricted by the sea to the south and the Downs to the north, it is important that the City's development opportunities arising from the limited number of available sites are maximised and that brownfield sites are brought into use. The City Council is working collaboratively with partners on an ambitious programme master-planning areas of the City to identify sites for mixed development. This includes the Brighton Station and New England Quarter, the London / Lewes Road area and the Edward Street / Circus Street Quarter. Recent major investment projects have included the refurbishment of both the Dome Theatre and Brighton Museum & Art Gallery and the creation of the Jubilee Library. Forthcoming major development projects include an international arena at Black Rock, the redevelopment of the Brighton Centre site and the creation of the Brighton i360. Brighton & Hove has a strong cultural background attracting a diverse range of communities in terms of religion, culture, ethnicity and sexual orientation giving the City much of its world renowned 'buzz' and creative energy.

### 1.3 Brighton & Hove City Council

Brighton & Hove City Council was formed in 1997 and is represented by three Members of Parliament and 54 Councillors serving 21 wards and is the largest employer in the area with over 7,650 FTE posts. The council currently has a conservative administration with no overall control. It adopted a new leader and cabinet system in 2008 replacing the committee system. The Leader is elected by the whole council and appoints a cabinet of up to nine councillors who will be in charge of different areas of the council's work, e.g. children's services, finance, housing, etc.

The Council is facing a number of financial and service challenges particularly as it has continually received a poor grant settlement. These range from on-going budget pressures in social care, waste collection & homelessness to the meeting of new challenges to improve customer care and focus, value for money efficiencies and access to services under the e-government and the Gershon efficiency agendas.

The Council's Capital Strategy and Asset Management Plans are important vehicles to enable it to strategically plan and prioritise the use of its resources and assets balanced against service pressures, opportunity costs and value for money considerations. Recognising the importance of these links the authority has brought together the corporate finance and property functions into a single directorate as indicated in **Figure 1b** below.



The formation of the City's Directorate of Finance and Property in 2004-05 brought together the service functions of Strategic Finance, Financial Services, Audit, Procurement and Property & Design under the umbrella of a single director with the vision of ensuring value for money for the council taxpayer. The directorate was subsequently extended to include Customer Services and ICT during 2007 to form the Finance & Resources directorate (F&R). The F&R Directorate Development Plan (DDP) aims to capitalise on the advantages that such joined up working can bring in order to achieve the corporate priorities either directly, for example by acting as the Council's property landlord and City Architect or indirectly, for example by setting up corporate frameworks, providing specialist advice, facilitating change and ensuring that value for money is achieved.

The Property & Design division of the directorate provides a strategic lead for the council's property portfolio and has corporate responsibility for the Asset Management Plan. In addition Property & Design manage and maintain the Council's non-housing operational property assets including schools, adult social care, environment, civic buildings and the commercial and agricultural portfolios. The Corporate Property Officer is also the City Architect leading multi-disciplinary professional property teams offering consultancy design and architecture, building surveying, building services, estate, facilities and energy management advice.

## A. CORPORATE PROPERTY STRATEGY

### 2.0 CORPORATE PLANS & PRIORITIES

#### 2.1 The Corporate Planning Framework

The Corporate planning framework comprises an integrated suite of strategies and plans as set out in **Figure 2c** and described in more detail below. A golden thread of linked priorities, objectives and targets runs throughout our planning framework providing clear and demonstrable links between the over-arching Community Strategy, the Local Area Agreement, the Corporate Plan, Medium Term Financial Strategy and our Asset Management Plan & Corporate Property Strategy. The specific links between our corporate and property objectives are further discussed in **Section 2.8** below.

#### 2.2 The Sustainable Community Strategy

The external context for the AMP is set by our 2020 Sustainable Community Strategy (SCS) that shapes the way in which we collaborate with other public, private, voluntary and community organisations through the Local Strategic Partnership (LSP) to enhance the quality of life across our area and to contribute to sustainable development. The SCS provides an overarching framework within which the LSP and other more specific partnerships and their strategies operate. The sustainable community strategy sets the context from a local perspective for the Local Area Agreement (delivery) and the Local Development Framework (strategic).

Our SCS, *Creating the City of Opportunities*, sets out a vision for Brighton & Hove of a dynamic City that improves and protects the environment, meets social needs and promotes sustainable economic success in an inclusive, just and harmonious way. The approach is for a sustainable community where every person, regardless of background, has the opportunity to succeed based on high quality education and training and is able to live in attractive and safe neighbourhoods, with excellent public services and infrastructure and the opportunity to involve themselves in a civil society with a robust safety net in place to ensure the well-being of vulnerable people.

Eight priority themes within the SCS interlink with the Council's priorities and the corporate asset objectives through regeneration and the major infrastructure projects, maximising access to and enjoyment of the South Downs, ensuring school facilities are "fit for purpose", improving the special needs services, building more Children's Centres across the City to provide child care and early years services, developing the cultural sector and making the City the cultural leader in the region - building on the success of the Jubilee Library PFI.

#### 2.3 The Local Area Agreement

The Local Area Agreement (LAA) is a three year agreement between our Local Strategic Partnership (LSP) and central government and sets out how our local priorities will be met by applying local solutions. The Council act as lead partner with the statutory duty to negotiate and prepare the LAA which is the delivery plan for the Sustainable Community Strategy. The LSP will be measured nationally on 35 performance indicators selected from the national set together with a suite of local performance indicators. Our current LAA covers the period 2008-11.

#### 2.4 The Local Development Framework

The Local Development Framework (LDF) is a set of planning documents due to published in 2009 that will replace the current Brighton & Hove Local Plan and collectively provide the new statutory planning policy framework for the City. The LDF is under-pinned by the Core Strategy which provides the overall strategic planning vision for the future of Brighton & Hove through to 2026 as set out in the SCS.

The Core Strategy will identify the broad locations, scale and type of development and supporting infrastructure that will be needed in the City and sets out how this will be accommodated in the limited space available whilst being environmentally friendly and sustainable. The strategy will direct future development into seven areas identified within the LDF where there are potential opportunities for change or regeneration.

## 2.5 The Corporate Plan

The current Corporate Plan forms the Council’s strategic umbrella under which all other strategic plans sit. It sets out the high level corporate priorities together with a list of key deliverables which are considered to be the “must do’s” for the period 2008 to 2011. The Council has committed to focusing on five main priorities within the Corporate Plan which are listed in **Section 2.8**.

## 2.6 The Medium Term Financial Strategy

The Council’s Medium Term Financial Strategy (MTFS) is a complementary document to the Corporate Plan and covers the period 2008-09 to 2011-12. The MTFS provides the financial framework to support the delivery of the City’s priorities and sets out the resources that will be available to meet them.

The national grant settlements for 2008-11 were set in January 2008. Our Council continues to remain at the grant floor over this period and will receive inflationary increases of only 2%, 1.75% and 1.5% over the next three years providing a projected budget as shown in **Figure 2a** below:

**Figure 2a: Budget projections from the MTFS**

	2008-09	2009-10	2010-11
Formula Government Grant	£105m	£108m	£109
Council Tax Revenue	£111m	£115m	£119
<b>Net Council Budget</b>	<b>£216m</b>	<b>£223m</b>	<b>£228m</b>

One of the key objectives of the MTFS is to deliver savings by making best use of our asset base. Our current capital budget allocation for this period is set out in **Section 9.0**.

## 2.7 Directorate & Service Priorities & Objectives

The high level objectives and priorities set out in the SCS and Corporate Plan are translated into service specific actions and targets through the Council’s Service Business Planning framework with the over-arching Directorate Development Plans pulling the individual strands together. This planning framework ensures that each Service Business Plan links back, and is directly related to the corporate priorities as shown in **Figures 2b & 2c** below.

The Finance & Resources (F&R) Directorate undertakes the Council’s long term financial and asset management planning as well as considering how good procurement and investment in technology can transform service delivery with a vision of promoting and achieving “Value for Money and Customer Focus”. The current F&R Directorate Development Plan (DDP) details the directorate’s priorities for the period to December 2009.

Supporting the F&R DDP are individual Service Business Plans. The Property & Design Business Plan sets out our annual targets in order to achieve the objectives identified in the DDP and Corporate Plan. Our business plan is the final section in the golden thread linking our Asset Management Plan and Property Strategy to the Corporate Plan and MTFS.

## 2.8 Corporate Property Objectives

The Corporate AMP brings together all the strands of the Corporate Property Strategy to ensure that the council's focus is on actions that will maximise income whilst effectively supporting improved service delivery and customer satisfaction. The high-level corporate asset objectives are designed to continue the golden thread linking back, through our directorate delivery plans and service business plans, to the corporate priorities set out in the Corporate Plan as indicated in **Figure 2c** below.

Our corporate property objectives are listed below and discussed in greater detail over the following pages.

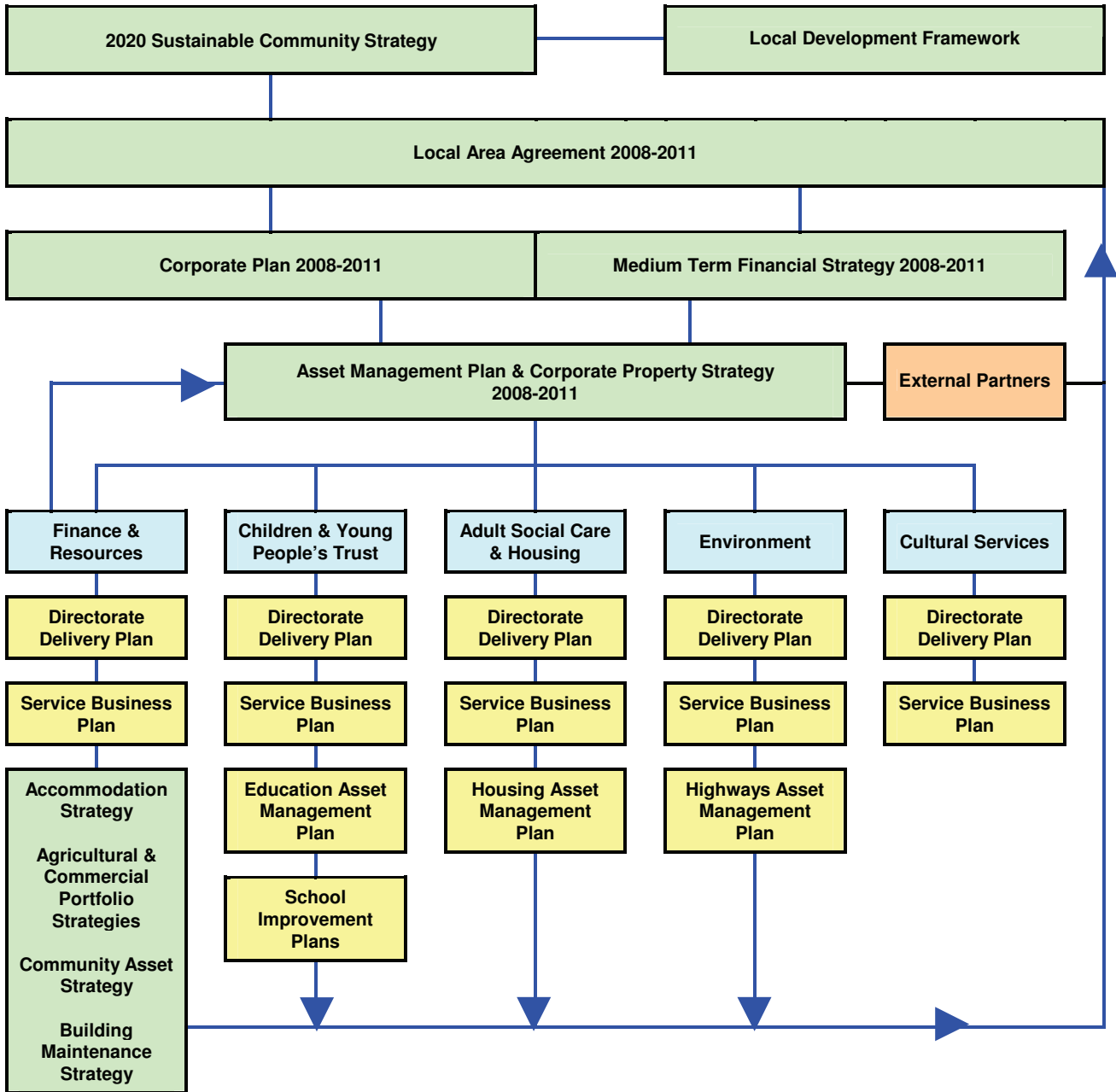
- A.** Optimise the contribution property makes to the Council's strategic and service objectives
- B.** Prioritise investment in our operational assets to meet service delivery needs
- C.** Seek innovative value for money solutions to our procurement and staff accommodation needs through our vfm transformation programmes
- D.** Ensure the maximum return from our investment property and land holdings
- E.** Reduce the environmental impact of our operational property assets
- F.** Use our assets to pump prime new development, re-development and urban regeneration

**Figure 2b: The relationship between our corporate priorities and property objectives**

Brighton & Hove City Council Priorities:	Corporate Property Objectives (see above):					
	A.	B.	C.	D.	E.	F.
<b>CP1</b> Protect the environment while growing the economy	✓	✓	✓	✓	✓	✓
<b>CP2</b> Better use of public money	✓	✓	✓	✓	✓	✓
<b>CP3</b> Reduce inequality by increasing opportunity	✓	✓	✓	✓		✓
<b>CP4</b> Fair enforcement of the law		✓				
<b>CP5</b> Open & effective city leadership	✓		✓	✓	✓	✓

The AMP seeks to explain, in practical terms, how the authority will work towards meeting the corporate property objectives over the next three years. The detailed relationship between these objectives, our directorate and service priorities and our corporate plan are explored further in **Figures 2b** above & **2c** below.

Figure 2c: The links between our corporate and asset management plans



## Property Objective A

### Optimise the contribution property makes to the Council's strategic and service objectives

#### Why is this important?

It is vital that our assets are working hard for us and contributing to our overall corporate objectives. Our operational assets need to match or exceed our service requirements in terms of location, accessibility, capacity and fitness for purpose as well as condition. Property is an integral part of any service review within the Council and Property & Design are represented on the change project boards to advise on the availability of suitable accommodation, buildings and sites.

#### How are we achieving this objective?

This objective links to the following corporate priorities (CP):

- CP1.** Supporting and investing in our existing industrial starter units as a means to encourage and nurture small businesses thereby contributing to the local economy.

#### Case Study: New England House

This is an eight storey 1960's building originally multi-tenanted by light industrial and engineering companies which has more recently been let to small often start up businesses dominated by the fashion, arts and media sectors. The Council has refurbished some areas of the building to encourage this use and offers flexible lease terms initially for a period of three years but with month by month break clauses facilitating an "easy in, easy out" approach.

- CP2.** Rationalising our operational assets to retain only the most suitable and service efficient buildings reduces our overall property running costs. Reviewing our investment portfolio allows us to identify poorly performing, low return assets which may have scope for either a capital receipt, change of use or an opportunity to increase rental income.

#### Case Study: Vernon Gardens Resource Centre

A Property Performance Review (PPR) of this combined residential care home and day centre for older people identified a high level of required maintenance and property running costs relative to our other resource centres. This was combined with a relatively low suitability assessment indicating the need to consider either a change of use or disposal. Similar PPRs undertaken for the other resource centres indicated a higher level of suitability but a need for continued planned maintenance. Working closely with the service department, alternative accommodation was identified for the service users allowing Vernon Gardens to close and its existing maintenance budget to be transferred to the remaining resource centres. A bid for funding for the conversion of Vernon Gardens to extra care flats has been successful with a proposed start on site in September 2009 and the transfer of council property & land to the Guinness Housing Trust will enable the business case and development.

- CP3.** Every opportunity is taken to secure external funding to improve our assets for front-line service delivery.

#### Case Study: Coldean Library

The original library building had been identified as being in poor condition but the Council was unable to fund the necessary improvement works itself. However the Council was able to offer a long lease of the site at a peppercorn to a housing association who have constructed a new library building plus six extra care flats (for which the Council has nomination rights) on the site. The new library opened in June 2008 and includes a free ICT suite, meeting rooms and a dedicated children's area.

Property & Design also work closely with service departments to ensure that our property assets meet service requirements.

**Case Study: Children & Young People's Trust**

Recent organisational changes within the Children & Young People's Trust has resulted in an area based service being established with the corresponding need to identify suitable assets within our existing stock. This has included the need for new Children's Centres to be set up including two new buildings designed by our in-house architects. Our in-house architectural team are also currently seeking planning consent and undertaking design work for the expansion of Longhill Secondary, Balfour Junior and Davigdor Infant Schools to allow an extra form of entry following a review of capacity at each school.

- CP5.** Regular reviews of our property portfolio allows us to identify land or buildings that may be more suitable for the voluntary sector or our partner organisations or will allow more efficient service delivery to the City allowing the Council to take a strategic lead.

**Case Study: Extra Care Accommodation at Patching Lodge**

Work is currently on site on a new complex of 76 flats in the Kemp Town area of Brighton to provide much needed extra care accommodation for older and vulnerable people in partnership with Hanover Housing Association. The complex replaces the original council owned block of 36 studio flats with shared bathroom facilities. The development is due to open in the spring of 2009.

**Case Study: Hollingdean Waste Transfer Site**

The Council has worked in partnership with East Sussex County Council on the PFI contract for a new waste transfer facility in the City on the site of a redundant Council owned industrial estate. This scheme - due for completion in 2008 - will reduce the volume of waste vehicle journeys in and around the City and, by combining functions from the adjacent Hollingdean Depot site, has facilitated the rationalisation and master-planning of the Depot.

**How are we monitoring our progress?**

- Our overall annual performance is measured within NaPPMI PI 3 which provides an assessment of the suitability of our buildings and their impact (positive or negative) on service delivery (see **Section 5.2** for more details). This is compared with our results for previous years and benchmarked against other local authorities on a comparable basis. Our latest results are shown in **Appendix A** to this document.
- We are undertaking regular Property Performance Reviews of our operational property to assess their overall fitness for purpose and condition. This includes regular suitability questionnaires to service departments to ensure that assets continue to meet service and corporate objectives. Areas of concern are prioritised within our maintenance budget or considered for alternative use in consultation with the service department (see also **Section 7.0**).
- Property is an integral element of service reviews and its impact on service delivery is assessed through the review and any changes evaluated through post project reviews.



### What are we hoping to achieve?

Our three year targets are:

- To complete the first round of property performance reviews on our operational property and establish a three year programme of subsequent reviews in order to identify poorly performing buildings (Corporate Plan target).
- To develop a capital programme for the rebuilding and refurbishment of primary and secondary schools in the City (Corporate Plan target).
- To continue to develop the network of Children's Centres around the City supporting the CYPT in identifying and acquiring or converting suitable properties (Corporate Plan target).
- To continue to assist service departments during their value for money transformation programmes (DDP target).
- Developing service compacts to improve the transparency of property support to service departments (DDP target).
- To increase the number of Extra Care Units available in the City by 76 in Patching Lodge and a further 10 at Vernon Gardens.

### When will we achieve our desired outcomes?

We will have succeeded if, by 2011:

- We have identified poorly performing operational assets and have a plan in place to address these (Corporate Plan target).
- Our NaPPMI property performance indicators in respect of suitability and accessibility show a year-on-year improvement - see **Appendix A** for our annually updated PI targets.

## Property Objective B

### Prioritise investment in our operational assets to meet service delivery needs

#### Why is this important?

The Council only has finite resources and is often forced to make difficult decisions where to spend its maintenance and improvement budgets. Our objective is to set out a clear method for allocating our scarce maintenance resources ensuring that funding is made available to those properties where a clear service benefit is obtained and that value for money is achieved.

#### How are we achieving this objective?

By targeting our capital and revenue expenditure where it is most needed we can ensure that we achieve the maximum value for money and improve service delivery from our assets. This objective links to the following corporate priorities (CP):

- CP1.** Having a transparent process for allocating funding allows budget holders to plan maintenance and improvement works in advance allowing alternative procurement methods to be employed including the use of local labour thereby adding to the local economy. All aspects of the scheme can then be considered in advance including sustainability options.

#### Case Study: Council Housing "Decent Homes" Standard

The nationally set Decent Homes Standard provides a range of minimum requirements that local authority housing stock must meet by 2010. These include that each home must be fit to live in, in a reasonable state of repair, have reasonably modern facilities and have a reasonable degree of thermal comfort. The Council have undertaken stock condition surveys to assess the level of investment required to meet this standard and have identified a £200m investment funding gap in the first five years of its business plan. The options for closing this gap are currently being considered and are discussed in **Section 3.5**.

- CP2.** Targeted spend ensures that our maintenance and repair budgets are spent with the maximum benefit to service delivery and in a timely manner reducing the need to undertake costly replacement by aiming for preventative maintenance. Advance planning of maintenance work allows us to procure the works in the most cost effective way.

#### Case Study: Building Maintenance Strategy

We are developing our Building Maintenance Strategy as a framework for the prioritisation of maintenance and improvement works as discussed in **Section 3.8.1**. This will ensure that available budgets are targeted at reducing our maintenance backlog to the buildings that contribute most to service delivery.

- CP3.** Our service users will benefit from well placed, well maintained properties particularly in the case of vulnerable people. Staff and visitors are happier in a welcoming environment. By regularly reviewing the service needs we will be able to maintain flexibility in the allocation of capital resources:

#### Case Study: Schools Maintenance Budget

Our building maintenance consultancy service contract for schools and social care buildings requires an annual visit by building surveyors and, where appropriate, mechanical & electrical engineers to each school to review and update the existing condition survey data. This will include an interview with the head teacher and / or caretaker to capture any recent condition changes or new service priorities. The consultant will then report and provide recommendations on any necessary changes to the prioritised works for the following summer's maintenance programme.

- CP4.** Maintenance investment extends to statutory compliance in areas such as the management of asbestos materials, fire safety risk assessment, control of Legionella in water supplies and the Disability Discrimination Act. See **Section 4.2** for further details.

**Case Study: The Asset Management Fund**

For 2008/9 onwards, Property & Design have set up the Asset Management Fund (AMF) providing a capital budget of £1.0m per annum. The fund is a flexible budget source covering service specific improvement works including accommodation refurbishment or alteration, DDA and statutory Health and Safety compliance. Service departments may bid for money from the fund by providing a brief business case for the need relating this to service delivery objectives.

**How are we monitoring our progress?**

Our overall annual performance is measured within NaPPMI PI 1 (see **Section 5.2** for more details) providing details on our required maintenance costs over the next five years. This is compared with our results for previous years and benchmarked against other local authorities on a comparable per m<sup>2</sup> of floor area basis. Our latest results are shown in **Appendix A** to this document.

**What are we hoping to achieve?**

Our three year targets are:

- Create new high quality educational buildings by investing in our schools (Corporate Plan target).
- To improve the quality and availability of social housing (Corporate Plan target).
- To complete the stonework restoration at the Royal Pavilion as part of our heritage investment programme (Corporate Plan target).
- To continue to develop plans for compliance with statutory and health and safety legislation including fire safety, water hygiene and asbestos management. Property & Design and the Corporate H&S Team will facilitate the identification of action plan solutions and seek funding for resource gaps (DDP target).
- To deliver the identified DDA compliance works programme with a target of 70% of relevant buildings accessible by the April 2009 (DDP target).

**When will we achieve our desired outcomes?**

We will have succeeded if, by 2011:

- More council houses are classified as “decent” (Corporate Plan target).
- 80% of all council owned operational buildings with public access are accessible (DDP target).
- All core operational service properties, as identified in our Building Maintenance Strategy, have an overall condition rating of either “A” (good) or “B” (satisfactory) as defined by NaPPMI PI 1A – see **Sections 3.8.1 & 5.2** for more details.

## Property Objective C

**Seek innovative value for money solutions to our procurement and staff accommodation needs**

### Why is this important?

Achieving value for money is a key corporate priority and the cornerstone of the Finance & Resources Directorate Development Plan. Our objective within the AMP is to concentrate on two specific areas where increased value for money can be achieved.

- **Procurement** - Securing better value for money from our construction procurement processes is an essential element of the housing management strategy in order to reduce the existing maintenance funding gap discussed in **Section 3.5**.
- **Staff Accommodation** is part of the Finance & Resources directorate's value for money transformation programme. Accommodation must be sufficient in capacity and located in the right place to meet our service delivery needs and to suit our service users. However, offices are expensive to maintain and our objective is to achieve the greatest efficiency we can from our existing space. New technology allows scope for a far more flexible use of space including hot-desking, home and remote working and the Council is keen to take advantage of these developments to reduce its office needs and especially to reduce its reliance on leased office buildings which are inflexible and expensive.

### How are we achieving this objective?

This objective links to the following corporate priorities (CP):

- CP1.** Sustainable procurement is a key strand to our Procurement Strategy with the aim of generating benefits to both the Council and the local economy whilst minimising the impact on the environment.

#### **Case Study: Sustainable Procurement / SME Concordat**

The Council's commitment to economic, social and environmental sustainability is shown within our Sustainability Strategy and Procurement Code of Practice. We recognise that procurement is an important enabler for the council to pro-actively engage with social enterprises, voluntary organisations and small businesses and are looking to support the development and promotion of sustainable procurement models with these partners. Examples include recent procurement initiatives for the waste and recycling contract for operational buildings and the Local Involvement Network (LINKs) initiative details of which are included in our Procurement Strategy.

- CP2.** Introducing innovative methods in the procurement of construction related works can result in cashable savings to the authority. As at August 2008 the Council is about to enter its second five year "Strategic Construction Partnership" as discussed in **Section 9.4.1** and further partnership options are being explored in respect of the City's housing stock:

#### **Case Study: Housing Procurement Strategy**

Procurement is seen as a key method to deliver savings in the housing management repairs and maintenance programme. Housing management is currently (August 2008) considering an options paper listing the alternative means by which the Council can procure its repairs and capital investment programmes in the most efficient manner. A working group of key staff has been formed to drive this forward with a commencement date of April 2010. Options currently being considered include a ten year contract with one or two contractors through a partnership agreement. This would allow the Council to offer larger scale contracts which will attract greater commitment and investment from contractors with resulting savings from economies of scale and improved supply chain management.

Office accommodation is expensive. By forward planning we can identify opportunities to vacate existing leased premises where this would offer value for money to the Council. Reducing our reliance on leased properties and increasing the efficiency of space that we do own will free up funding for service delivery and other projects.

**Case Study: Priory House Civic Office**

Priory House is a centrally placed civic office used by the Council to accommodate approximately 300 staff. The building is leased from a private landlord and the Council is keen to invoke a forth-coming break clause as the building is both expensive to lease and maintain. Early actions have been identified which will ensure that we are ready to vacate the building without a loss of service. This has included alternative arrangements of the existing cashiers' service which was implemented in early 2008 and various feasibility design studies including infilling under-croft areas of existing freehold offices to provide alternative accommodation.

- CP3.** Our accommodation strategy aims to ensure that the public can access services in the right place at the right time. This is particularly important for our vulnerable service users where the accommodation of area based teams needs to be readily accessible and welcoming. The Finance & Resources directorate have also approved a programme of works under their value for money transformation review which includes implementation of the corporate Access Vision for Citizens Services which will have a knock-on effect to our accommodation requirements. Further details are provided in **Section 6.4**.
- CP5.** One of the Council's corporate plan targets is to reduce carbon emissions within the City. An essential first step is to lead by example and reduce the travel distances undertaken by staff in their duties by, for example, promoting home and remote working. We are developing our ten year accommodation strategy and introducing further staff home, mobile working and hot-desking initiatives to reduce our dependency on office accommodation. See also **Section 6.0**.

**Case Studies: Kings House & Hove Town Hall Civic Offices**

**Kings House** - Our civic office in Hove has been the subject of various accommodation initiatives including the refurbishment of the north section of the 2<sup>nd</sup> floor in 2007 to create an open plan area with meeting pods to increase the numbers of staff and the conversion of basement storage areas to form new meeting rooms. Funding has now been identified to carry out the refurbishment of the 3<sup>rd</sup> floor in late 2008 to create further space allowing staff to move in from Edward House, a poorly performing leased building which can now be released. Partial funding for the project was achieved through the sale of 24 Windlesham Road - a CYPT patch office which was identified as under-used and in poor condition through the Property Performance Review process. The staff originally based at Windlesham Road have been relocated to other area offices and the property sold to the YMCA.

**Hove Town Hall** - PI results showed that this building was our least efficient administrative centre with only 44% of net internal area available for office use compared with our average of 67%. Works are now being planned to open up some of the unused space in our development control teams.

### How are we monitoring our progress?

Our overall performance is measured annually within NaPPMI PI 5 (see **Section 5.2** for more details) providing details on the efficiency and capacity of our main civic buildings. This is compared with our results for previous years and benchmarked against other local authorities on a comparable per m<sup>2</sup> of floor area basis. Our latest results are shown in **Appendix A** to this document.

In addition post reviews of major accommodation initiatives are undertaken to assess the impact the changes have made to the staff and service delivery.

### What are we hoping to achieve?

Our three year targets are:

- To introduce further staff home and mobile working and hot-desking to reduce our dependency on office accommodation (Corporate Plan target).
- To develop our ten year accommodation strategy (DDP target).

### When will we achieve our desired outcomes?

We will have succeeded if, by 2011:

- We have achieved an overall 10% reduction in the current m<sup>2</sup> floor space per full-time equivalent member of staff (Corporate Plan target).
- We have achieved an annual 5% increase in the number of staff working from home.

## Property Objective D

### Ensure the maximum return from our investment property and land holdings

#### Why is this important?

The Council's investment portfolio – urban and agricultural - has a value of approximately £200m and provides an annual rental income in excess of £8½m per annum (as of 2008). The urban portfolio consists of largely prime retail, office and industrial interests. The agricultural portfolio includes ownership of about 11,000 acres of Downland farmland. The Property & Design Estates team manage the investment portfolios both directly and indirectly through two externalised five year specialised consultancy contracts to ensure that the council's financial, community, economic and social regeneration aims and objectives are achieved and that the portfolios' performance demonstrates justification for their retention. The urban portfolio rental income is maximised and the optimum benefit is obtained from surplus property or potential redevelopment sites either through a capital receipt on disposal or by seeking the most appropriate alternative use which may include community transfer or regeneration of site areas through comprehensive site assembly.

#### How are we achieving this objective?

We undertake regular reviews of our investment portfolio to challenge our continued ownership, seek increased income opportunities or consider disposal or transfer (see also **Section 8.0** for more details). This objective links to the following corporate priorities (CP):

- CP1.** Investment property income helps in keeping council tax and business rates down especially benefiting small, local businesses. The investment portfolio income stream also contributes significantly to the Council's Medium Term Financial Strategy allowing the Council greater spending power and to initiate projects within the local economy.

#### **Case Study: The Lanes & North Laine Cultural Quarter**

This retail location offers a wide cosmopolitan mix of smaller shops, restaurants and cafes and is a key ingredient in the City's attractiveness as a unique shopping destination. We actively work to retain its vibrant and unique character with a policy that encourages smaller new businesses and diversity with little appeal to multi national trading organisations. This is achieved through targeted marketing and lettings and flexible leasing arrangements. Voids are proactively minimised through early identification and marketing with examples including 40/40a North Street and Meeting House Lane. Performance improvement is demonstrated by the Regent Street development opportunity next to the new Jubilee Library site with potential for retail at ground level and three storeys of residential above.

- CP2.** Regular reviews of the investment portfolio allow the Council to consider where disposal with a capital receipt may be of more benefit than a low or irregular income or where a site / property has become surplus to requirement. This ensures the maximum return to the Council and a better use of public owned assets.

#### **Case Study: Patcham Court Farm Development Site Disposal**

This site was previously part of the wider landholding of Patcham Court Farm and falls within the Sussex Downs AONB. It is identified in the Local Plan as suitable for high tech business or general office use and the planning brief has been recently widened to potential homecare / medical, industrial, hotel. This broadens the marketing potential as the site represents a major employment development opportunity.

#### **Case Study: Queens Square Ice Rink Disposal**

The former ice rink building, together with an adjacent council office building, has been identified for a mixed use development. There is potential for a ground floor leisure facility plus office with residential use above to include a percentage of affordable units. To enable the marketing of the site the existing educational council service is to be relocated.

- CP3.** Our agricultural estate has been reviewed to secure more sustainable management of the Downland surrounding the City. Our Downland Initiative strategy aims to “reconnect the people of Brighton & Hove to a more diverse Downland with better education, improved access and better sense of connection to the land”.

**Case Study: Acquisition of Farmland**

The Council has seized the opportunity to further the aims of the Downland Initiative by the acquisition of farmland under Agricultural Act tenancies following separate approaches from two tenant farmers wishing to retire. These two acquisitions are considerably increasing the amount of access land available for all and further connecting the urban area with the countryside. There are on-going improved links including “easy access” routes, a dedicated route for people with disabilities and routes catering for the needs of cyclists and horse riders. The projects are self financing either through non-core asset disposals or new farm business tenancies.

- CP5.** We are demonstrating leadership by working in partnership with the Environment Agency, Southern Water and the South Downs Joint Committee to protect the City’s water supply.

**Case Study: Protection of the City’s Water Supply**

The Council is currently seeking to identify a pilot project / farm on the agricultural estate to explore land management practices to improve water quality and biodiversity.

**How are we monitoring our progress?**

Annual strategic reviews are produced of our investment portfolios by our respective external consultants that identify opportunities to maximise income and capital receipts. Key performance indicators (KPIs) are included within our commercial and agricultural portfolio strategies in order to monitor our overall performance and specifically to ensure that our investment assets are working to their full potential. The KPI results are reviewed quarterly against previously agreed targets and currently include the percentage of voids, targets for rent collection, accuracy of disposal sale price estimates and lease renewal timescales.

**What are we hoping to achieve?**

Our three year targets are:

- To identify sites that are under-used or surplus and make plans to redevelop or dispose of them including to have completed the disposal process on the Queens Square ice rink and Patcham Court Farm at best consideration (Corporate Plan target).
- To have completed the review of our non-operational assets to identify sections of our investment portfolio with additional income potential.
- To have delivered greater social, economic and environmental benefits to both local people and visitors through the Downland Initiative and Leader Programme (See **Section 3.4** for more details).

**When will we achieve our desired outcomes?**

We will have succeeded if, by 2011:

- We have achieved a minimum of £1m in capital receipts per annum by the targeted disposal of under-performing assets (Corporate Plan target).
- We have achieved a minimum 1% year on year increase in income in targeted areas of our commercial and agricultural portfolios.
- We have increased access and diversification on the farmland estate by 5%.



**Property Objective E Reduce the environmental impact of our operational property assets**

**Why is this important?**

The rising cost of energy is imposing a severe pressure on service budgets that are already stretched. At the same time the need to reduce our carbon footprint has led to our commitment to reduce energy consumption throughout our operational property portfolio with a consequent reduction in both cost and CO<sub>2</sub> emissions. New and improved technology has provided the opportunity for cost effective sustainable energy generation and we are committed to providing this where practicable and cost effective.

**How are we achieving this objective?**

We are committed to seeking more efficient use of energy within our property portfolios and have made the following achievements to date. This objective links to the following corporate priorities (CP):

- CP1.** Our commitment to purchasing 100% green energy through our electricity supply contract reduces the Council's overall CO<sub>2</sub> emissions from our operational portfolio with a consequent reduction in our impact on the environment. Our corporate electricity supply contract has been based on the use of 100% renewable energy since 2005. Our in-house design teams are committed to reducing the carbon footprint of all of our new build and improvement schemes.

**Case Study: Energy Efficiency Design**

Our architectural and building surveying teams design sustainable buildings that include energy efficient measures such as sedum roofs, condensing boilers and grey water re-cycling. Our architectural design team have a commitment to investigate the potential use of wind turbines or other suitable sustainable energy generation source in all of our in-house designed new build schemes. Wind turbines have been installed on suitable sites including the Downs Link College site and to the Varndean High School extension and these are subject to on-going evaluation both locally and nationally. We continue to explore other innovative methods of improving our energy efficiency.

We have appointed an energy consultant, Team Q, to monitor and advise on energy usage across our operational property portfolio and high rise blocks of flats with the aim of maximising opportunities for economies of scale and to highlight areas of disproportionately high use for remedial action.

- CP2.** Reducing our energy usage wherever possible will reduce our corporate costs and help to insulate us from the current trend of rapidly rising energy costs.

**Case Study: Remote Electricity Meter Monitoring**

To provide a more accurate assessment of our performance in reducing energy use, the Council is investing in remote monitoring equipment initially to our properties with the highest consumption as part of our energy strategy including our high rise residential blocks of flats. This will allow us to target the most environmentally damaging properties and to accurately monitor and assess the success of future energy efficiency initiatives on subsequent use. Initially this equipment is being installed in all of our buildings with an annual energy consumption exceeding 100kW with a further 200 sub 100kW buildings following during 2008-09.

- CP5.** We lead by example on energy efficient measures and actively promote sustainable energy production within our in-house designed schemes. The Council has signed up to the participate in the Carbon Trust Management Programme and have appointed an in-house energy manager to work across the Council on the programme to raise awareness, identify further possible savings in energy use and greenhouse gas emissions thereby contributing to our Climate Action Plan.

**Case Study: The Carbon Management Programme**

Through the Carbon Management Programme we have achieved improved efficiency of buildings through renewable energy efficiency measures including wind turbines, ground source heat pumps and solar panels, particularly through our education capital programmes. We have also installed low energy lighting to our main car park and commenced a programme of improved heating and ventilation controls and replacement of existing oil fired boilers with new, more efficient gas boilers.

Further details are contained within the Director of Finance and Resources report to P&R Committee dated 3<sup>rd</sup> April 2008 providing an update on projects completed and in progress.

**Case Study: Energy Efficiencies in Housing**

In recent years the council has implemented a wide range of energy efficiency programmes that have improved the efficiency of the heating and insulation in the majority of the city's council housing to a high standard - well above the national average. Nevertheless the council recognises that some properties remain that are in need of further energy efficiency improvements. Whilst current limitations on the availability of capital funding have made it impossible to maintain the rate of progress that has been achieved in the past, the council is fully committed to achieving high standards of energy efficiency so as to provide warm homes to all its tenants and to further reduce CO<sub>2</sub> emissions from council housing.

**How are we monitoring our progress?**

Our overall performance is measured within NaPPMI PI 2 (see **Section 5.2** for more details) which is benchmarked against other local authorities on a comparable per m<sup>2</sup> of floor area basis. Our latest results are shown in **Appendix A** to this document. More detailed, building specific information is collated by our Energy Manager undertaking energy audits of our major operational building stock.

**What are we hoping to achieve?**

Our three year targets are:

- To continue to investigate and implement sustainable solutions within our new-build and maintenance programmes of work including energy efficiency measures and re-cycling of materials (Corporate Plan target).
- To reduce carbon emissions and deliver energy and financial savings through our carbon management programme (Corporate Plan target).
- To continue to implement energy efficiencies through increased staff awareness and energy audits of buildings (DDP target).
- To achieve remote electricity meter monitoring in all of our 100kW+ sites and 200 of our sub 100kW operational buildings by the end of 2008-09.

**When will we achieve our desired outcomes?**

We will have succeeded if, by 2011:

- We have achieved overall energy efficiency savings of 5% per annum (Corporate Plan target).
- CO<sub>2</sub> emissions from Council activities have reduced (Corporate Plan target).
- Sustainable energy production is incorporated in to all new build schemes where practicable and cost effective (DDP target).
- All new in-house designed school extensions to achieve BREEAM "Very Good" assessments.
- Each new in-house designed extension project to include at least one renewable energy technology and include water use reduction technology.

**Property Objective F**

**Use our assets to pump prime new development, redevelopment and urban regeneration in the City**

**Why is this important?**

The Council recognises that major infrastructure & projects and comprehensive land assemblies that regenerate key sectors of the City and provide quality facilities can only be achieved through innovative partnerships with local businesses, community, voluntary, public and private sector partners. Brighton & Hove have few options for expansion being constrained by the South Downs to the north, the sea to the south and other authorities east and west. It is therefore vital that every opportunity is taken to facilitate redevelopment and urban improvement plans identified within our Local Development Framework. Our objective is to support, through site provision and / or property & design advice, such major infrastructure projects throughout the City.

**How are we achieving this objective?**

The Council is currently supporting the following major development projects in the City through a combination of site provision, contributory funding and property advice. This objective links to the following corporate priorities (CP):

- CP1.** Many of these developments are key to successful regeneration and growth in the economy of specific areas of the City.

**Case Study: Jubilee Library**  
The new Jubilee Library PFI site has redeveloped an area of the City by the transfer of a derelict council site. It has revitalised the cultural quarter through public / private partnership working to achieve the award winning Jubilee Library, associated public square and extensive new retail, hotel, office and residential accommodation. Since the completion of the library the increased footfall to this area has attracted many additional businesses further improving the economy of the North Laines.

- CP2.** Supporting development opportunities in this way means that the Council can obtain demonstrable returns on its land and property assets making better use of public money.

**Case Study: Relocation of the Wholesale Market to Hollingbury Industrial Estate**  
This project involved the development of part of the Crowhurst corner site at the Council's Hollingbury Industrial Estate for bespoke units to relocate the wholesale market traders. The remainder of the site is being developed in phases with corresponding capital receipts to accommodate the St Johns Ambulance HQ, a new police station and further business units. This has freed up the former wholesale market site in the centre of the City working with the University of Brighton for a mixed use zero carbon development of residential, employment space (including some creative industry workspace), a new University library and a dance studio.

- CP3.** The proposed development of an academy on the Falmer High School site will improve the educational opportunities for pupils drawn from the adjacent wards that show high levels of deprivation and contribute to improved community facilities and cohesion.

**Case Study: Falmer Academy**  
A new modern facility funded by the DCFS in conjunction with a private sponsor and Brighton & Sussex Universities for approximately 1100 pupils aged 11 to 16 to replace the existing sub-standard accommodation. It will provide 21<sup>st</sup> century facilities focusing on a business and enterprise curriculum. The buildings will be based on an exemplar design which will enable flexible multi purpose teaching areas in a sustainable environment. It will include provision for special needs pupils and have an adjacent sports hall available for community use.

- CP5. By supporting and pump-priming new developments identified within the LDF, the Council is providing strong and effective leadership in the continuing regeneration of the City.

#### Case Study: The Brighton Centre Redevelopment

The Brighton Centre is a council owned conference and public entertainment facility which opened in 1977 but is rapidly becoming outdated. Our primary objective is to secure a replacement with a new state of the art convention facility, reinforcing the City's reputation as a leading conference destination to ensure the future health of the City's conference, tourism and service economy. The mixed use development will provide retail, the convention centre and hotel facilities linking the main retail offer at Churchill Square to this seafront site. We are working in partnership with the adjacent landowners to facilitate the comprehensive land assembly and much needed facilities for the City.

#### Case Study: Other Major Infrastructure Projects

- **Community Stadium, Falmer** - a mixed development comprising a football stadium, conference suites, sports training, offices and learning centres situated largely on the council's agricultural holdings.
- **Preston Barracks** - a former MOD site acquired by the council enabling regeneration of part of the academic corridor. There is a proposal for a major employment focused mixed use scheme incorporating high quality office space, private and affordable housing, retail units and a public square.
- **Black Rock Site** - the council have provided a long disused site on the seafront and adjacent to the Brighton Marina complex to the east of the city. The proposed development includes for a multi-purpose events arena with Olympic ice pads and incorporating a health centre, private and affordable housing and retail units.
- **Open Market** - the redevelopment of the existing market to provide a covered market, workshops and mixed tenure housing.

#### How are we monitoring our progress?

Progress on the various schemes is monitored through project boards. Property & Design are represented on all major project boards to provide advise on property and land aspects of the developments.

#### What are we hoping to achieve?

Our three year targets are:

- To continue to identify suitable sites with redevelopment opportunities (Corporate Plan target).
- To continue to work with our partners and provide property support to major infrastructure projects within the City (DDP target).
- To redevelop the identified sites and deliver first class facilities for the City and increased affordable residential accommodation.

#### When will we achieve our desired outcomes?

We will have succeeded if, by 2011:

- There are fewer derelict plots of land in the City (Corporate Plan target).
- Key milestones on a new Brighton Centre have been achieved (Corporate Plan target).

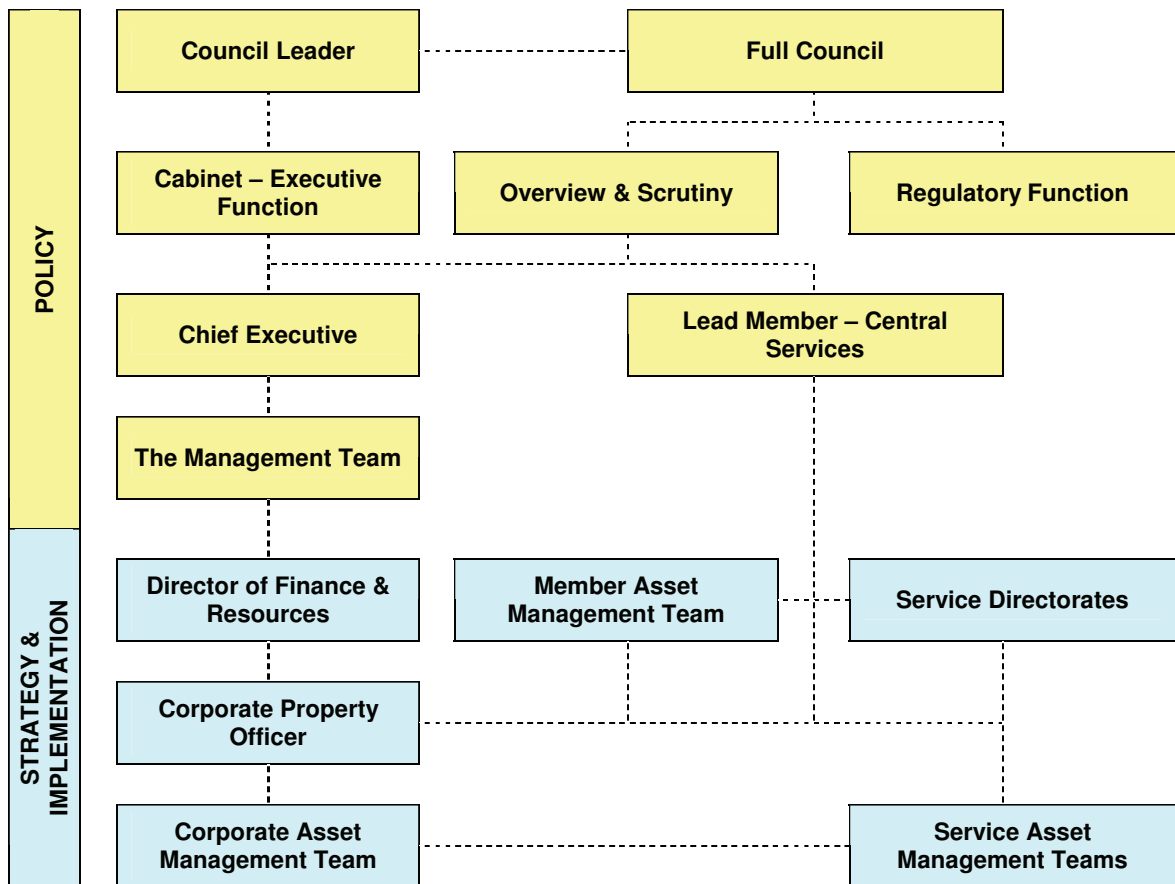
### 3.0 Asset Management In Brighton & Hove

#### 3.1 Organisational Arrangements for Asset Management

The Corporate Property Officer (CPO) is responsible for the contribution that the council's assets, as a corporate resource, make to support the delivery of the corporate objectives and strategic priorities. Business and service aims are set out in the Departmental Development Plans (DDPs) and divisional business plans. The CPO attends Directorate Management Team meetings (DMTs) to discuss and challenge property issues and problems and is a member of the major infrastructure project boards. The CPO also works in partnership with other public bodies to maximise these benefits in respect of the property and land asset base, e.g. Health (leading the Joint Estates Strategy Group) and Procurement and Building Work Streams (a member of the South-East Centre of Excellence (SECE) collaborative working group with Hampshire, West Sussex and East Sussex County Councils).

The CPO works across the Council and Directorates giving corporate property advice and support. The CPO reports on property and asset related matters to the Director of Finance and Resources and The Management Team (TMT) – consisting of the Chief Executive and Corporate and Service Directors - as indicated in **Figure 3a** below. The CPO reports directly to the Cabinet Lead Member for Central Services and to Cabinet. Brighton & Hove City Council is currently in no overall control but has had a conservative administration since 2007. The CPO has regular meetings with both the Cabinet Lead Member and the Member Asset Management Team. The CPO and members of the Corporate Asset Management Team regularly attend DMTs of other directorates to advise on programmes of work and property resource issues as well as to receive feedback on maintenance and accommodation issues.

Figure 3a: Organisational arrangements for corporate asset management planning



## 3.2 Operational Property Strategy

**3.2.1** Property & Design are responsible for the maintenance and improvement of non-housing operational property assets including social care premises, schools and civic buildings as discussed in **Section 3.2.2**. Our strategy is to prioritise investment to our key assets taking into account service needs, levels of maintenance required, energy efficiency, health & safety issues and accessibility. Our operational property strategy provides a framework for achieving four of our six property objectives discussed in **Section 2.8**:

- A. *Optimise the contribution property makes to the Council's strategic and service objectives*  
Through regular Property Performance Reviews (PPR) we aim to link service delivery aims to our property assets ensuring that our buildings are in the best possible condition, in the right location and are fit for purpose. The PPR process is described in detail in **Section 7.0**.
- B. *Prioritise investment in our operational assets to meet service delivery needs*  
Our Building Maintenance Strategy, described in **Section 3.8.1**, ensures that available funding is targeted towards improving overall service delivery and that value for money is achieved on our work programmes.
- C. *Seek innovative value for money solutions to our procurement and staff accommodation needs*  
Accommodation is a key element of our corporate transformation programme and will be embodied in our developing ten year accommodation strategy (described in **Section 6.0**). We are seeking further savings on our maintenance and improvement programmes through the continued use of innovative procurement methods.
- D. *Reduce the environmental impact of our operational property assets*  
The Council recognise the impact that our properties have on the environment in terms of energy use and carbon emissions as well as on our budget in terms of the current rapid increase in energy costs. The Council has appointed an Energy Manager whose role includes active participation in the Carbon Management Programme as well as raising awareness and seeking innovative solutions to energy efficiency.

### 3.2.2 Property Services - Client Directorates

**a. Environment, Cultural Services, Strategy & Governance and Finance & Resources**

Property & Design provide term and planned maintenance property services through the corporate Planned Maintenance Budget (PMB) to these directorates. This includes civic offices, historic, operational and commercial buildings and libraries. Members approve the programme of works that are informed by the Asset Management Plan and building maintenance strategy on an annual basis. These Client Directorates in turn provide their respective services from the properties and are responsible for their day to day management - holding budgets for running costs, (rates, utilities, cleaning security, etc) and day to day reactive maintenance.

**b. Children & Young People's Trust, Adult Social Care & Housing and Environment**

Property & Design are the Client Agent for Children Services and Social Care Client Directorates and manage the out-sourced building surveying consultancy contract (currently held by NPS Property Services Ltd to 2010). The contract provides for term and planned maintenance services for approx 80 schools and 45 social care buildings. The NPS contract also supplies day to day reactive maintenance services under a term contract for non-school education related and social care premises. Schools have their own devolved budgets for reactive maintenance and running costs. Property & Design also manage a reactive maintenance budget for environmental buildings (parks kiosks and pavilions). All of the respective Client Directorates hold budgets for the running costs.

**c. Central Administration Buildings**

Property & Design are the Client and manage the central office buildings providing full property services in terms of estate management, term contract, planned, cyclical and reactive maintenance.

### 3.2.3 Fitness for Purpose – Property Performance Reviews

The Asset Management Planning process helps identify those operational buildings that are not fit for purpose through our Property Performance Review (PPR) process described in detail in **Section 7.0**. Partly this is caused by backlog maintenance and the area that probably suffered most from underinvestment was social care because when the budgets were managed locally in service departments, social care buildings were not given a particularly high priority in the context of the other service pressures. There has been increasing centralisation of property functions over the last few years and as part of that an additional £500,000 per annum has been put into social care buildings. Buildings also become unfit for purpose because their usage changes over time as we modernise our services. We may have different staff groups placed in them or different customers using them.

There has been substantial new legislation in recent years that has also affected our definitions of fit for purpose buildings. Probably the most significant are the Disability Discrimination Act, 1995 and The Fire Safety Regulatory Reform (Fire Safety) Order, 1995 that came into effect in October 2006. These mean that many buildings require substantial investment to meet legal requirements and in certain cases that investment may not be considered to be worthwhile for the outcomes and benefits it would generate in comparison to the investment being made elsewhere. It should be recognised too that we have a high level of historic and Listed Buildings that require a large amount of specialised maintenance. These buildings are particularly challenging to convert or alter for legislative and/or service needs and regularly require a large share of the maintenance and investment budgets.

Through the PPR programme Property & Design have started to identify a small group of buildings that have been assessed as not 'fit for purpose' both in terms of remedial repairs and the property related Health & Safety legislation and access requirements. The amount of investment needed to bring these properties back up to standard does not appear to represent value for money and may not be commensurate to the need and use of the facility and alternative service options are being evaluated.

It is not possible to generalise about how operational buildings have become unfit for purpose as the circumstances will be different for each. However this will usually be driven by us wanting to deliver modern accessible services from buildings that were never designed for that purpose. We can be faced with expensive solutions to try and make the buildings adequate or we can choose to say that the buildings are sub-standard and look for alternative uses and ways to provide the service.

Operational properties declared surplus to requirements following assessment by the relevant service department revert back centrally through Property & Design for option appraisal on alternative uses or for disposal as described in **Section 8.2**.

## 3.3 Non Operational Commercial Property Strategy

The City Council's urban portfolio is substantial and contains a mix of property types ranging from shops, industrial premises and offices through to amenity facilities such as sports pavilions, the majority of the portfolio being made up of secondary and tertiary properties. The urban portfolio produces an annual income in excess of £8.0m that helps to reduce council tax payments. It is managed by Cluttons through a five year consultancy contract to 2010 that was tendered through OJEU during 2004-05. We work jointly with Cluttons to ensure that the council's financial, community, economic and social regeneration aims and objectives are achieved and that the portfolio's performance demonstrates justification for its retention.

Financial objectives – the maximisation of financial returns to achieve value for money, minimisation of expenditure and limitation of financial risk – are balanced against community ambitions – provision of community facilities, alternative uses to benefit the community whilst retaining the character of specific areas – and economic and social regeneration benefits – provision of sites for redevelopment projects and the promotion of sustainable development and environmental good practice.

Cluttons produce an Annual Strategic report reviewing both general strategies for achieving maximum performance from the commercial portfolio as well as specific strategies relating to individual properties and clusters of property.

Their view for 2008/09 generally is that after several years of good performance, the outlook for property deteriorated during the latter half of 2007 due in part to the financial turmoil arising over the US sub prime mortgage crisis. Yields have risen as a result and returns are therefore falling. The market has failed to show signs of recovery since that time and the future remains unstable with continuing projections of falling capital values across the commercial sector particularly affecting the secondary and tertiary markets. The housing market outlook is also challenging.

As far as the council's urban portfolio is concerned, capital values will have fallen in line with the market across all sectors. Occupational demand is also trending weaker as trading conditions for retailers toughen and there is a possibility of more voids occurring than in recent past years.

Rental levels are unlikely to fall significantly but growth is likely to be modest even for the prime buildings. The issue of voids is thrown into sharp focus as a result of the national abolition of empty rate relief from April 2008 so that full level rates will be levied on vacant buildings after a short period of grace which will increase budgetary pressures on the Council as landlord. Under these current market conditions sales of fully let prime and secondary properties are not recommended, however given the rate liability on vacant properties sales of tertiary premises should be considered where future potential is limited and tenants are facing problems.

The portfolio amounts to over 600 tenancies (excluding easements, access and garden rights) which have been categorised under the following headings and a strategy established for each covering the short and long term objectives:

- **Primary & Secondary Investments**

These amount to 18% of the total number of tenancies but contribute to 75% of the rental income. Prime properties are located in the best locations within the City and let to financially strong tenants thus attracting the lowest income risk but the highest potential capital value. An example would be the shops at the eastern end of Western Road in Brighton. Secondary properties are in recognised locations for their use but not on the prime sites and let to not quite blue chip but nevertheless recognised traders. An example would be the North Laine area of Brighton. Their risk level is therefore higher and with lower capital values.

Our strategy is generally to retain these units in the long term as they represent secure income and are likely to see the greatest rental and capital growth. In the short to medium term the Council will seek to maximise income during rent reviews and identify any other future opportunities for improving performance or achieving windfall receipts over and above market value.

- **Tertiary Investments**

These are located away from the normally recognised locations for their use and are often let at low rents to local traders on relatively short leases. They are frequently in poor repair, examples would be the shops in Oxford Street and Ditchling Road. Average rents are low and the properties are management intensive and high risk.

Our strategy will be to continue to monitor performance on a unit by unit basis to identify potential problems before they become critical and potential voids so that future options can be fully investigated and implemented. We will also investigate the potential use of any future voids for community use or in the provision of our services.

- **Neighbourhood Shops**

This category refers to parades of shops on residential estates outside the City – i.e. Woodingdean, Bevendean and Hollingbury. These would normally be classed as tertiary property with the same risks and challenges but are also held for their community benefit to serve the local population and are often let to local small businesses thereby aiding the local economy.

Our strategy is therefore to retain existing businesses encouraging as diverse a selection of goods and services as possible whilst minimising the council's financial liabilities.



- **New England House**

This is an eight storey 1960's building located opposite the new Brighton Station development site which is nearing completion. The building was originally multi-tenanted by light industrial and engineering companies but has more recently being let to small, often start up businesses dominated by the fashion, arts and media sectors. The Council has refurbished some areas of the building to encourage this use however the building fabric has deteriorated to an extent that the Council can no longer adequately maintain the building and are considering future options available on the site.

**Case Studies: New England House**

New England House forms a significant part of the Council's urban portfolio and is managed by the council's agents Cluttons. It consists of mainly business starter units on flexible leases, is about 55% full and is well used by the creative industries sector. A report commissioned by the council in 2004 indicated that the building was in a poor state and would last approximately another 10 years as it requires a large amount of investment to bring it up to modern standards. The Council recognises the function this building fulfils in supporting social enterprises and the need to encourage small businesses and employment use on the whole site. A number of major developers have expressed interest in redeveloping the building and site and any possible future redevelopment would therefore be subject to "best consideration" under section 123 of the Local Government Act 1972.

- **Commercial Ground Leases**

These have arisen as the result of the sale of a long leasehold interest in land for development, mainly industrial development in the 1960s and 1970s that resulted in the establishment of a number of industrial estates in the City. An example is the Hollingbury Industrial Estate in Brighton. A number of the resultant factory units are now nearing the end of their useful life and the residue of the leases are often acquired by developers for regeneration opportunities who then require a new lease to attract funding with a resulting capital receipt to the Council. For example Crowhurst Corner site, Hollingbury (see **Section 2.8 Property Objective F** for case study).

Our strategy is to monitor our ground leases to identify any future regeneration opportunities. Freeholds are to be retained and long leases negotiated when appropriate to ensure the Council as freeholder retains a degree of control. We will explore lease structuring negotiations to incorporate overage provisions when appropriate and consider potential alternative uses for City centre and small ground lease properties

- **Community Facilities**

This sector covers a wide range of different properties and uses from sports facilities through to health centre and kiosks/restaurants in parks. These buildings will help deliver the Council's corporate priority, reducing inequality by increasing opportunity demonstrated by the development of the Doctor's surgeries at 3-4 Old Steine in conjunction with our PCT Health partners.

Our strategy is to retain these properties for the benefit of the community as a whole and consider change only for other community uses or specific sections of the City. We will explore opportunities in these groups of buildings as part of our developing Community Asset Strategy.

A number of general portfolio policies have also been developed on sustainability, customer satisfaction, repair and maintenance and rent arrears, along with a number of site specific and individual property strategies such as Patcham Court Farm, Queens Square Ice Rink and for specific quarters within the City where the Council's land and property ownership allows it to influence the nature and development of the area. See **Section 2.8 Property Objective D** for case studies.

The justification for maintaining the large non-operational portfolio is tested through the asset management process and the property performance information and indicators. It is based on a considered customer focused approach that balances financial, economic, social and well-being objectives to achieve outcomes that fit into the corporate priorities and resident's needs.

### 3.4 Non Operational Agricultural Property Strategy

- 3.4.1 The council's agricultural estate extends to 11,000 acres comprising 40 agricultural tenancies, 10 residential property agreements, 6 commercial property agreements and 19 miscellaneous agreements. The annual rent roll in 2007 was £556k compared with £505k the year before of which just over 80% derives from the agricultural tenancies. The agricultural property portfolio is managed by agricultural specialist consultants Smiths Gore through a five year consultancy contract to 2010 that was tendered through OJEU during 2004-05.

We work jointly with Smiths Gore to formulate strategies for the agricultural and rural estates. Smiths Gore produce a strategic report annually that sets out both general strategies for achieving maximum performance from the portfolio as well as specific strategies relating to individual properties and sites. Through ownership of the agricultural estate the Council, in addition to considering the estate as part of their overall property investment portfolio are also presented with the opportunity to deliver on conservation and social well-being issues as encapsulated by the Downland Initiative.

Returns from let land have continued to remain strong and has retained tenanted farmland as a top performing asset over three, five and ten years. The main driver for this performance has been the increase in capital values which have continued to rise ahead of agricultural profitability. The average price of agricultural land increased by 15% during 2006 to a high of £3,160 / acre for arable land. However, the strong reliance on agricultural rents exposes the estate's rent roll to the effects of anticipated reductions in agricultural profitability. To address this, new and increased income streams are being sought to mitigate the current strong reliance on agricultural rents.

To counter the pressure for reducing farm incomes and rents, the Council and their tenants are seeking to increase income from both agricultural and non agricultural related sources to enable rental income streams to be maintained at their current levels and for the tenant farming businesses to survive in a form that we recognise today. This process has already started with tenants mitigating falling income by identifying new income sources from sub-letting of surplus property assets (cottages and agricultural buildings) and from other "diversification" activities. This non farm income has helped to maintain farm incomes and in turn the level of farm rents currently being achieved, e.g. Housedean Farm where a barn was converted to an architects office and at Mile Oak Farm to a farm shop. Much of the sub-letting that takes place on the estate relates to surplus residential cottages. These dwellings are a significant asset which the Council is seeking to manage to their full potential.

The Council recognises that in addition to providing an income stream, the rural estate can also deliver on environmental and social well-being related issues. It is difficult to quantify these aspects in monetary terms but both environmental and social well-being related issues feature strongly in the Council's current policy for managing the estate through the Downland Initiative.

#### **Case Study: The Downland Initiative**

This initiative brought together Brighton & Hove City Council, the Countryside Agency (now Natural England) and the South Downs Joint Committee to examine the feasibility of securing more sustainable management of the South Downland surrounding the city so that it delivers greater social and environmental benefits. The overarching aim of the study is to "reconnect the people of Brighton & Hove to a more bio-diverse Downland with better education, improved access and a better sense of connection to the land." The council is now working in partnership with Natural England, South Downs Joint Committee, East Sussex County Council and others to develop an action plan and secure funding where appropriate for implementing these recommendations.

In addition the Council is involved in the Leader Programme which has been described as the “Downland Initiative Plus”.

#### Case Study: The Leader Programme

Partners in the Sussex Downs and Low Weald, including Brighton & Hove City Council, have made a successful bid for money to support a range of activities to develop the rural economy and support rural communities over 2008-13. The money would come from the European Union through the Leader Programme. The Sussex Downs and Low Weald Leader area includes the rural area around Brighton & Hove within the Sussex Downs Area of Outstanding Natural Beauty (AONB). A Local Action Group (LAG) has been formed to take this forward, which includes representatives from public sector organisations like local councils and Natural England, local colleges, the voluntary and community sector, local businesses and business networks, all with an interest in supporting the rural economy. This is an exciting opportunity which will accelerate and possibly fund the implementation of the Downland Initiative across the Council’s farm holdings and beyond.

### 3.4.2 General Policy for the Agricultural Estate

The Council and their consultants are seeking to identify and dispose of under performing assets whilst retaining the social related benefits of land ownership and mitigating any reduction in rental income.

To achieve this the Council has reviewed all of its property assets within the Agricultural Portfolio identifying ‘core’ (for a long term retention) and ‘non-core’ (available for disposal) property assets for which separate investment, disinvestment and reinvestment strategies can be developed as indicated in **Figure 3b** below.

**Core assets** are defined as those that should be retained by the Council long term because they fulfil a number of strategic objectives such as:

- They are a strong financially performing asset.
- They provide social and environmental benefits to the City.
- They are of cultural importance to the integrity and historic make-up of the estate.
- They comprise land over which the Council wishes to retain strategic control.

**Non-core assets** are those which could be considered “tradable” and could be disposed of (subject to meeting appropriate criteria) because they do not fulfil the criteria of a “core asset”.

Having identified the core and non core assets, appropriate policies or strategies have then been agreed and applied to their future management as described below. Having determined these policies the Council aim to strike an appropriate balance between maximising revenues maintaining capital value and supporting sustainable and social related issues in accordance with the objectives of the Downland Initiative.

### 3.4.3 Investment Strategy

The Council is not actively seeking to enlarge the Agricultural Estate but will consider acquisition where there is a strategic estate management reasons in doing so and/or improving access to the Downs. For example Home Farm, Stanmer where the council has made dramatic leaps forward in opening up access from the City to the Downs through an opportunity to negotiate with the tenant farmer, an Agricultural Holdings Act tenant who wished to retire. The farm consists of approximately 700 acres and the deal has enabled the council to designate Home Farm and part of High Park Farm as “open access”, this opens up a total of 691 acres to the public. The new access land includes five previously proposed footpaths known as “missing links” and accessible gates are being installed to allow “access for all” and an “easy access” route is proposed plus more routes for riding and cycling.

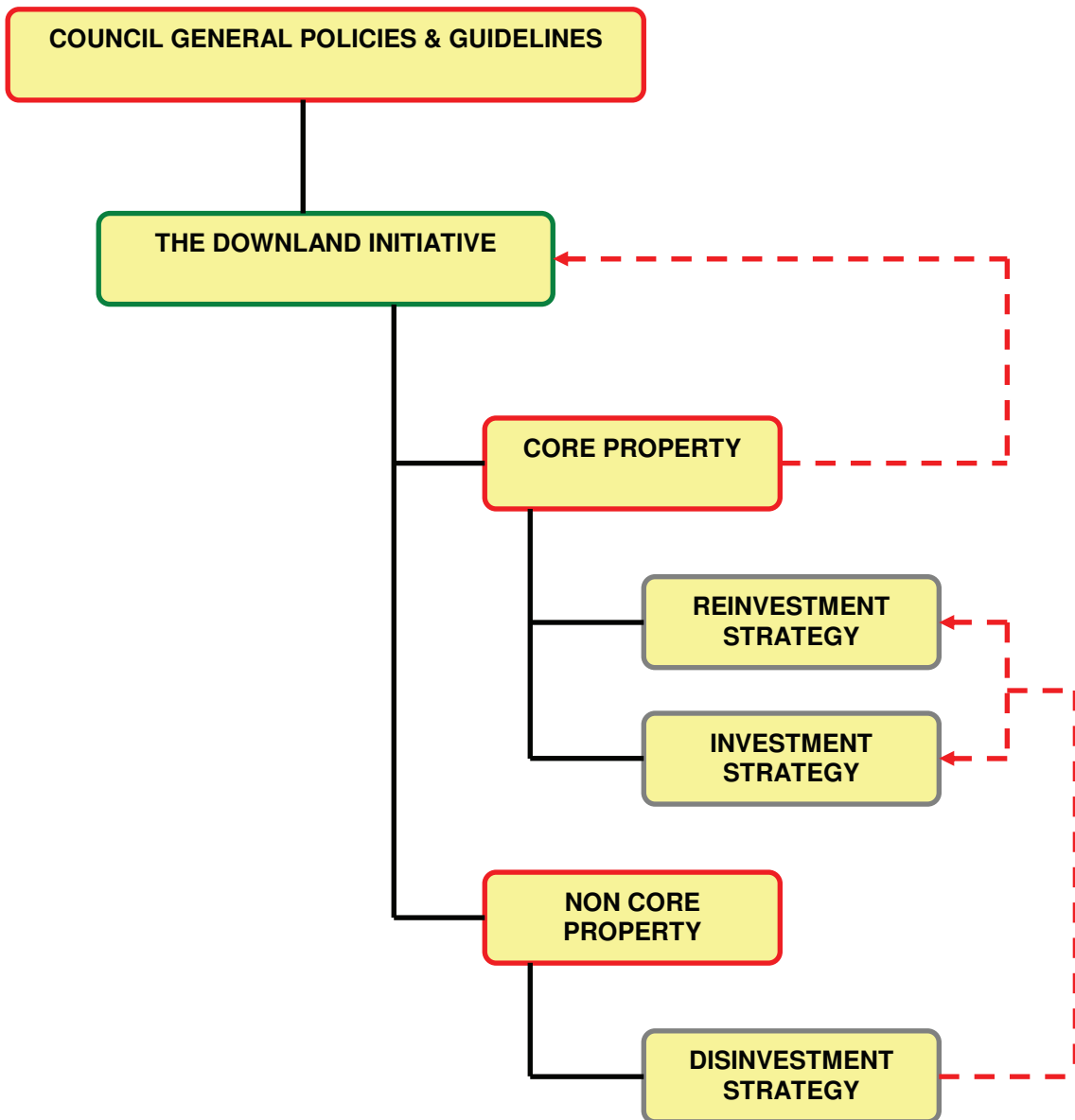
**3.4.4 Disinvestment Strategy**

The Council will review on an annual basis its non core property assets with a view to considering disposal of that asset having regard to timing, future development opportunity, tenure, current performance of asset, expected future performance of asset and the current market conditions. Since 2004 the Council has been negotiating with the tenant farmer at Court Farm, Falmer regarding his proposal to acquire part of the farm's non-core mainly residential buildings. The deal will reduce the council's maintenance liabilities regarding the Tithe Barn and could enable the council to benefit further when some of these buildings (including the tithe barn) are redeveloped in the future.

**3.4.5 Reinvestment in the Retained Estate**

The Council will seek to identify opportunities on the Estate to invest where such investment will help to underpin, maintain and increase future rental income or provide social benefits in accordance with their Downland Initiative and The Space to Be Initiative. The Council will endeavour but not exclusively to fund investment through their disinvestment strategy together with any external support that may be available at that time. The disposal of part of Court Farm, Falmer will further benefit the council as the main part of the proceeds are ring-fenced to support "diversification" and "access" on the farmlands estate.

Figure 3b: Flow chart for the Agricultural Portfolio Strategy



### 3.5 Housing Management Asset Management Plan

3.5.1 The housing service of the Council owns over 12,000 council dwellings as detailed in **Figure 3c** below together with a number of car parking spaces, garage sites, commercial properties and the freehold of approximately 2,200 leasehold properties.

**Figure 3c: Breakdown of rented housing stock by building type (at 2008)**

PROPERTY TYPE	DWELLINGS	PROPERTY TYPE	DWELLINGS
<b>Houses – Traditional</b>		<b>Flats</b>	
Pre 1945	2,144	Pre 1945 low rise	363
1945 to 1964	1,024	Post 1945 low rise	1,467
1965 to 1974	62	Post 1945 medium rise	4,028
Post 1974	774	Post 1945 high rise	1,969
<b>Houses – Non-Traditional</b>			
All	294	<i>Low rise = 1 or 2 storey</i>	
<b>Bungalows</b>		<i>Medium rise = 3 to 5 storey</i>	
All	257	<i>High rise = 6+ storey</i>	
<b>Total Houses &amp; Bungalows:</b>	<b>4,555</b>	<b>Total Flats:</b>	<b>7,827</b>
<b>GRAND TOTAL DWELLING UNITS</b>		<b>12,382</b>	

Following a transfer ballot in 2007 where tenants voted for the housing stock to remain under Council management, the Housing Revenue Account (HRA) is left with a projected investment gap of £199.7m over the first 5 years of its business plan. The main option to reduce this gap is to develop a more effective procurement strategy which in part will require the council to look at further optimising the utilisation of all council assets in terms of service benefits and financial return in keeping with the housing strategy for the city. Clear alignment to corporate priorities (Sustainable Community Strategy, LAA, Corporate Plan priorities, citywide housing strategy, corporate procurement, LDF, Reducing Inequalities Review) and the corporate planning process is also required.

The Council, through consultation with its tenants, has committed to retaining the housing stock. In line with national requirements, the Council has estimated income and expenditure streams over the next thirty years in order to ensure that the housing stock can be fully maintained. The resulting business plan has identified that there is an estimated shortfall in resources to meet the investment needs of the stock of £44 million per annum over both five and thirty years.

#### 3.5.2 Housing Asset Management Strategy

Strategic asset management takes a long-term view to ensure that the opportunity cost of financial resources tied up in land and buildings is minimised, and that capital and revenue expenditure on the portfolio is directed efficiently and effectively to provide value for money.

It is also concerned with the wider Departmental management issues and with the following principles:

- An integrated approach between departments, sections and teams
- Explicit authority wide objectives for holding property
- Changes to the portfolio consistent with the business plan
- A performance measurement system
- Sufficient data to analyse the performance of the portfolio and to make strategic decisions

The aim is to look at the strategic asset management of the entire HRA portfolio of land and buildings through the following steps:

- Auditing and review
- Identifying objectives
- Preparing an asset management plan (AMP)
- Preparing asset delivery plans (ADPs)
- Implementing the plan and programmes of work
- Continuous review

The Asset management Strategy comprises the following three existing work-streams:

- Housing Green Paper – Local Delivery Vehicle options
- Stock viability study
- Strategic Review of HRA assets

The housing management Asset Management Strategy will integrate this on-going work to examine in detail the range of options and opportunities offered in the Housing Green Paper to lever in additional investment and meet the Council's strategic priorities without freehold transfer.

The Strategy will also include ongoing feed back from residents and stakeholders on the future use of the council's assets with the aim of creating a publicly acceptable asset development plan

### 3.5.3 Housing Asset Management Plans

From the intelligence gathered as part of the Asset Management Strategy from the three work-streams noted above the HRA will then look to develop its asset management planning which is a systematic preparation of plans to optimise the utilisation of assets in terms of service benefits and financial return. Possession of a comprehensive and up-to-date Asset Management Plan should be seen as a key element of good practice in Housing Management's planning and operational asset management function.

The principle aim of the AMP is the systematic preparation of plans to optimise the utilisation of assets in terms of service benefits and financial return. An AMP should be thought of as a tool that can assist the pursuit of the above aim by:

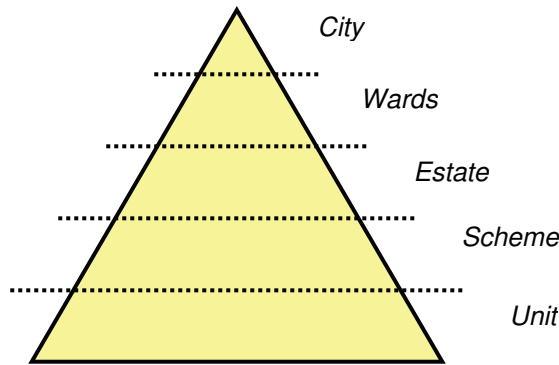
- Meeting key strategic priorities – LAA, Corporate Plan
- Helping to prioritise local decisions on spending.
- Integrating property decision-making into the corporate planning process.
- Ensuring that property decisions are consistent with service requirements.
- Identifying opportunities for innovation.
- Providing a context for evaluating capital projects.
- Providing a basis for developing partnerships.
- Identifying assets suitable for investment or disposal.
- Identifying opportunities to increase income generation or reduce expenditure.
- Investment in existing HRA assets.
- Levering in additional investment through Housing Green Paper options.
- Identification of assets against which additional investment can be sought (for example HRA stock currently used as Temporary Accommodation).

### 3.5.4 Hierarchy of Housing AMPs

Asset Management Plans will be developed for the whole HRA property and land portfolio in a hierarchical structure indicated in **Figure 3d** below.

At City level a single asset management plan will be developed outlining the strategic framework and performance benchmarks for the whole of the HRA property portfolio. At each lower level different performance benchmarks may be applicable. Where the lower levels all perform to their respective benchmarks, the city performance benchmarks will be met.

**Figure 3d: Housing management AMP hierarchy**



The city level plan is developed into estate plans. Estates will be identified using a number of factors, including:

- Properties within a similar demand characteristic area
- Properties requiring similar management responses
- Properties with a clear physical definition on site.

An estate may also include a group of street properties within a locality.

Beneath the estate plans a scheme level plan is developed. A scheme is a group of properties that require management as a single entity. This may be a reflection of the physical location or management characteristics. In the case of small estates, the scheme level and estate level will be the same properties. This is the lowest level of reporting in the Asset Management Plan.

Beneath the scheme level unit information could be collected. The Asset Management strategy is scalable to the appropriate level depending on risk.

### **3.5.5 Housing Stock Viability Model**

In order to reduce the investment gap and produce fully developed AMPs, it is a key objective for the Council to identify some stock which might benefit from alternative options to the Council's normal management practice. Alternative solutions for some stock might include:

- Promotion of Right To Buy
- Promotion of freehold purchase by leaseholders
- Reinvestment in assets to meet strategic priorities
- Leasing of stock to a Local Delivery Vehicle
- No works to properties with a short lifespan
- No works to properties with a high investment requirement.

In order to identify those properties which might benefit from alternative solutions, the Council has developed a Housing Stock Value and Financial Performance Model (stock viability model).

The Council's stock viability model provides a thirty year period review of the income and expenditure streams of individual dwellings categorised into various stock groupings. The model does not include any car parking or garage sites which are part of a separate review. The information provides an initial, high level view in support of the process required to consider alternative options for housing properties.

The review data used focuses solely on variable income and expenditure costs which can be directly attributable to the property and which would no longer be required if alternative solutions were available. These include: revenue cyclical and responsive repairs costs, capital investment costs and fees, rental income and subsidy (management and maintenance allowances, Major Repairs Allowances and notional rental income). The values, assumptions and inflation levels used within this model mirror those used within the 30 year Business Plan.

To assess the real value of the income and expenditure streams of each dwelling (i.e. the value in current terms), the sum of the income and expenditure for each year has been presently been discounted (at 6%) using the net present value method (NPV) in order to accommodate interest costs. This for example attempts to place a value for future income and expenditure streams in today's terms.

This model therefore provides details of whether each property returns a surplus or deficit to the Business over each year or sum of up to 30 years. The model has been developed internally and runs as a program on the front end of APEX (Asset Management System). The model is also able to report on each individual input allowing a further analysis of the data, for example investment costs only for each unit.

### **3.6 Education Asset Management Plan**

The asset management strategy for the Council's school buildings is set out in the Education Asset Management Plan. The current version, dated December 2003, covers the period 2003 to 2008.

The main aim of the document is to provide an agreed basis for determining priorities for the use of available capital resources to ensure that the learning environment contributes to raising educational standards. This is the framework within which schools may apply their devolved capital funds, the LEA can make decisions in a fair and transparent manner on priorities for development, partnerships can be developed and the most efficient and effective use can be made of available funding.

The Education AMP provides for the collection of data on the condition, suitability and sufficiency of school buildings as a means to identify where funding should be prioritised including:

- Modernising accommodation to help raise standards
- Addressing surplus places and over-crowding issues where they exist
- Identifying solutions to condition issues
- Ensuring that schools are accessible

B&HCC, as local education authority, lead in the development of the AMP linking the AMP objectives to the corporate priorities particularly in respect of Corporate Priority 2 – better use of public money - by targeting capital resources to meet the educational objectives and Priority 3 – reducing inequality - by ensuring that our schools offer the best possible environment for learning to all of our children.

Individual schools are required to produce and maintain School Improvement Plans for the delivery of devolved capital works using the framework detailed in the over-arching Education AMP.

### **3.7 Highways Asset Management Plan**

#### **3.7.1 Highways Maintenance Plan**

The Council is currently (June 2008) developing a register of our highway assets including carriageways, footways, verges, gullies and street furniture. Condition surveys will then be undertaken of the assets and initial valuations undertaken based on gross replacement costs but these will be updated to produce net book valuations when the condition data is available.

Maintaining the City's highway infrastructure in a safe condition is integral to achieving many of the Council's economic and social objectives. The Council have a well developed Highway's Maintenance Plan the purpose of which is to target resources in the most effective manner and by doing so provide a safe highway environment commensurate with the Council's vision and minimise the risk of accidents on the highway. The plan includes guidance on inspection frequencies of the various assets.

The implementation of the Highway Maintenance Plan will enable the Council as Highway Authority to discharge its statutory duty under the Highways Act 1980 in maintaining the highway to an appropriate standard. The plan sits within a framework of highways policies, contracts and good practice design guidance all of which are designed to work together to ensure that quality services are delivered in an effective and efficient manner.



### 3.7.2 Local Transport Plan

The current Local Transport Plan covers the period 2006 to 2011 and sets out the Council's vision for a successful transport system. The City Council is recognised as a leading authority in the UK on transport matters and the awards from our peers reflect the high quality and success of the schemes delivered in recent years, culminating in winning the National Transport Authority of the year in 2005. The key aim of the plan is to assist in delivering the central and local government shared priorities for transport:

- Reducing congestion
- Improving road safety
- Improving air quality and
- Providing greater accessibility.

In recent years the transport situation in Brighton & Hove has bucked national trends by reducing car use while increasing public transport patronage, walking and cycling levels. The plan aims to build on this success and to address a wide range of issues related to quality of life including health, personal security, neighbourhood renewal, climate change and quality of public spaces and streetscapes.

## 3.8 Related Strategies

### 3.8.1 Building Maintenance Strategy – Operational Buildings

This document aims to set a strategic framework within which to identify, prioritise, plan, manage and monitor the maintenance of the Council's non-housing operational property portfolio. Reactive maintenance - where a previously unforeseen repair is required - can be both expensive and disruptive. Our aim is to restrict these works to a maximum of 30% of our total maintenance budget in accordance with Audit Commission guidelines and good practice. By continuing to survey each of our assets on a rolling five year programme we aim to develop five year programmes of preventative works which have been prioritised on a consistent basis. This will allow us to more accurately predict future funding requirements and ensure that available funds are targeted to the right buildings allowing us to control further increases in our reported required maintenance.

Our Building Maintenance Targets as set out in the Strategy are:

- All Council owned and managed operational properties are to surveyed within a five year rolling programme
- Three new property related Compliance Officers are to be appointed to ensure the Council continues to meet its statutory responsibilities in respect of asbestos management, control of Legionella bacteria in water systems and fire safety in buildings.
- All Council owned and managed operational properties are to be allocated a Property Rating by January 2009.
- By April 2009 all planned maintenance to operational buildings will be prioritised using the matrices.
- All operational properties rated as "essential to service delivery" are to have an overall property rating of A or B by 2011.

These targets will be reviewed annually by the Corporate Asset Management Team and updated as required.

### 3.8.2 Disability Discrimination Act (DDA) Strategy 2008 / 2009

This strategy sets out our corporate approach to compliance with the DDA, defining our buildings that are included within the scope of the Act and how we have completed access audits to all of these. The strategy explains how building work is prioritised and funded and sets out our compliance targets up until 2011.

### 3.8.3 Citizen Service Strategy – Our Access Vision

Finance & Resources are leading on the development of a Citizen Service Strategy which will set out our ten year vision for transforming the model of access to public services in the City. The strategy will be guided by the following principles:

- All users of our public services will be seen as citizens rather than customers allowing the strategy to be under-pinned by notions of individuals having responsibilities as well as rights, a culture of self-help and a joint commitment to the success of the City.
- There will be multiple access channels to public services including walk in facilities, home visits, telephone, e-mail, internet and SMS / mobile technology.
- We will aim for a “one and done” approach to maximise the number of interactions between us and our citizens that are resolved on first contact and minimise the number between citizens and multiple public agencies on a single issue.

We have identified the initial key steps required to realise our vision to include sourcing information on our citizens that will help us design our services, developing a methodology to balance the citizen experience with the cost to serve, defining the processes and workflows needed to reach our vision and building a high performing workforce that can drive the vision through.

### 3.8.4 Accommodation Strategy – Core Administration Buildings (see also Section 6.0)

In accordance with Property Objective C (see **Section 2.8**), Property & Design are developing an accommodation standard that sets out the baseline position on accommodation expectations for all staff and service managers. It will cover full and part-time working, job share, hot desking, mobile, flexible and home working. The standard will detail space requirements, equipment storage, meeting areas, car parking, wc and kitchen facilities and will link into the corporate developments such as HR and ICT policies, EDRM and service needs.

The accommodation strategy is being closely aligned to the Citizens Service Strategy described in **Section 3.8.3** as this will have a major impact on our future accommodation needs. Our progress to date is discussed in more detail in **Section 6.0**. The strategy centres around our main administrative buildings and our progress to date is summarised below:

**2003:** Council staff vacated Ovest House and Royal York Buildings generating savings of £350k in 2004/5 rising to £690k per annum following the sale of Royal York Buildings.

#### Case Study: Royal York Buildings

Phase one of our accommodation strategy was achieved in 2003 when the Council vacated Royal York Buildings and transferred 180 staff to other existing civic offices through a space rationalisation and refurbishment project to improve staff facilities, particularly at Bartholomew House. Royal York Buildings was marketed and sold in 2005 for a capital receipt of £2m that contributed to the resources available to the Council and helped support improvements to the adjacent Pool Valley bus station.

**2004:** A full accommodation review was undertaken of our central administrative buildings which identified that there were little further opportunities for “budge up” in the existing offices and that certain key public access points must be retained. The review included investigating other options including:

- Encouraging new ways of working (including home and mobile working) to reduce our reliance on our civic buildings combined with improving the working environment.
- Identifying any existing council owned sites that may be suitable for new purpose built accommodation.
- Investigating new build options to our existing civic offices including infilling the under-croft area of Kings House with additional office space and developing the car park area to form a new mixed use office / residential block.

Additional leased buildings were considered but are generally considered to represent poor value for money due to high rental charges.

**2005-07:** Phased refurbishment of Kings House “pilot” scheme led to greater space efficiency, improved working environment and an increase in the number of meeting rooms available. A set of accommodation standards were presented to TMT for approval. Our new ten year Access Vision was proposed (see **Section 3.8.3**). Our Joint Estates Strategy with our NHS partners was published (see **Section 6.6.2**).

**2008+** On-going work to enable the release of the lease at Priory House in 2011. Continued phased alterations and refurbishment of Kings House and Hove Town Hall. Our value for money transformation programme began (see **Section 6.4**).

### **3.8.5 Corporate Procurement Strategy**

The Corporate Procurement Strategy outlines the role of procurement in delivering the Council’s local objective to support the local economy as one of the largest investors across the city and its national objectives in meeting the targets outlined in the 2007 Comprehensive Spending Review. Value for Money should embody all procurement activities undertaken by the authority to ensure that our citizens receive the right service at the right time for the right cost.

Proactive procurement is critical to ensure that all factors, risks and options are considered from the outset. The development of cross-directorate relations to drive through these efficiencies is of strategic importance and the strategy document outlines ways to support this greater focus on collaborative working both within and outside of the council.

A core element of the strategy is the council’s commitment to Sustainable Procurement and examples of this commitment are outlined in the document. In the current economic climate with continued escalating costs for scarce natural resources, alternative supply solutions should be considered.

A balance needs to be struck between delivering efficiencies both cashable and non-cashable under the Value for Money remit and ensuring that there is engagement with local and regional suppliers to grow the local economy. All procurement solutions must minimise their environmental and social impact and encourage opportunities for all.

The Council’s procurement strategy is currently being consulted upon and will be presented to cabinet for approval in September 2008.

### **3.8.6 Brighton & Hove Social Enterprise Strategy**

This strategy is currently in consultation (as at August 2008) and has been developed by the Council, the Business Community Partnership and the University of Brighton with the vision of developing a city-wide culture which supports the growth of social enterprise – defined as businesses trading for a clear social or environmental purpose. Property & Design are working closely with the Council’s economic development and voluntary sector teams to ensure that every opportunity is taken to support this strategy particularly when considering the transfer of assets.

## 4.0 THE EXTERNAL ENVIRONMENT & ITS INFLUENCE ON OUR ASSET STRATEGY

### 4.1 The Quirke Report & Community Asset Transfer

The Quirke Report was published in May 2007 based on a review focusing on how to optimise the community benefit of publicly owned assets by considering options for greater transfer of asset ownership and management to community groups. The Quirke Report sets out various recommendations to stimulate and facilitate this vision. B&HCC have long supported the principle of community asset transfer wherever appropriate but recognise that entering a formal contract with a large corporate body can be off-putting to small community groups. We have therefore developed a Community Transfer Lease which is a simplified form of agreement clearly setting out the rights and responsibilities of the parties in plain English. This has encouraged several community groups to take over the management of our community centres to the benefit of the local areas.

The following case study relating to work that Brighton & Hove City Council is currently supporting at the Open Market in London Road in Brighton is included as an example of good practice in the Quirke Report.

#### Case Study: The Open Market Site Development

The Open Market is owned by B&HCC but the market and the surrounding area has shown a steady decline since the 1960s. The Open Market Traders Association came together to propose a redevelopment plan to include a new covered market promoting fresh, healthy produce, affordable housing and an arts and craft hub run on a not-for-profit basis. This would provide a community benefit as well as kick-starting redevelopment of the wider area. Although B&HCC does not have the funding to provide the necessary investment in the market, they are prepared to transferring a long leasehold interest in the site (plus some adjacent property) to a not-for-profit trust set up by the traders for a peppercorn rent. The Council is also employing an officer to advise and oversee the respective partners.

Property & Design are working closely with our internal Voluntary Sector Unit and the Development Trust Association (DTA) through its demonstration project initiative, to develop our Community Asset Transfer Strategy. An initial cross-sector workshop, facilitated by the DTA with our voluntary sector colleagues took place in August 2008 to explore some of the issues and opportunities around the transfer of assets to feed into the strategy development. The strategy will be run in conjunction with our new Social Enterprise Strategy described in **Section 3.8.6**.

#### Case Study: Community Asset Transfer Demonstration Project Success

The Council has been successful in its application for support under this scheme to transfer two previously identified sites - the Open Market (see previous case study) and the Bristol Estate Studios (see below) - as well as to pull together a long term strategy for the community transfer of assets. The first scoping meeting with the Development Trust Association (DTA) was held in August 2008 and further meetings are planned to drive these projects forward. The Bristol Estate project provided for the conversion of a number of disused drying areas underneath council housing flats into low cost creative workspaces. Seven units have been completed to date and transferred to the local community association on a 20 year peppercorn lease. Six of these have already been let providing the association with an independent income. Further funding streams to convert more areas are being explored with the DTA.

B&HCC has also been selected as one of the eighteen Community Empowerment Champions and is keen to explore issues around the transfer of assets to communities as identified in the Community Empowerment Action Plan.

## 4.2 National Policy & Statutory Responsibilities

### 4.2.1 National Policy

Property & Design and the Asset Management Team provide property related support and advice to client departments reacting to changing national policy. Examples are noted below:

#### a. Partnership Working

Property & Design fully participate in the Joint Estates Strategy Group (JESG) which includes representatives from the local NHS Trusts together with the local PCT. The Council and South Downs NHS Trust continue to work in partnership including making their accommodation available for integrated service delivery through a Section 75 agreement.

#### b. Children and Young People's Trust (CYPT)

Using the council's asset register and information collected to support the AMP, Property & Design worked closely with the CYPT to source suitable property for use by the new Trust to fulfil its ambitions of area based teams. Property & Design are facilitating the development of the accommodation plan for area based Council services and have played a large part in the creation of the first round of Children's Centres in the City, e.g. the design of the North Portslade, Tarner and Whitehawk Centres.

#### c. Reduction in our Carbon Footprint (see Section 2.8 Property Objective E)

The Council is committed to seeking more efficient use of energy within its property portfolio and a consequent reduction in greenhouse gas emissions. The following has been achieved to date:

- Continuing to procure electricity supplies based on the use of 100% renewable energy to reduce CO<sub>2</sub> emissions from electricity usage to zero (since 2005/06).
- A commitment to investigate the use of low or zero carbon technologies where appropriate in new build and / or refurbishment schemes.
- The Council have signed up to participate in the Carbon Trust Management Programme and have appointed an Energy Manager to work across the council on the Programme focusing on council property to identify further possible savings in energy use and greenhouse gas emissions thereby contributing to the council's Climate Action Plan.
- Property & Design's architectural and building surveying consultancies design sustainable buildings that include energy efficient measures incorporating sedum roofs, condensing boilers, grey water re-cycling and wind turbines.

### 4.2.2 Statutory Responsibilities Relating To Property

The Council works closely with the Corporate Health & Safety Team and ensures continuing compliance with property related statutory responsibilities by taking a corporate approach co-ordinated by Property & Design. Examples are noted below:

#### a. Regulatory Reform (Fire Safety) Order 2005

The Corporate Health & Safety Team, Property & Design and service departments have developed the Corporate Fire Safety Policy in February 2008 which defines the roles and responsibilities within the council for fire safety compliance. The initial round of Fire Risk Assessments were undertaken by external consultants but the Council has subsequently appointed a fire safety compliance officer to carry out future assessments and to corporately manage continuing compliance.

#### b. The Control of Asbestos Regulations 2006

The Asset Management Team maintain a web-based corporate asbestos register detailing the location, nature and potential risk of asbestos based materials within the Council's operational property stock. An annual re-inspection also takes place using a licensed consultant to re-assess the risk and update the register. Materials that are flagged up as increasing in risk are prioritised for removal within the relevant planned maintenance programmes.

c. **Control of Legionella Approved Code of Practice and Guidance from the HSE (L8)**

Under the corporate policy for the control of Legionella bacteria in water services, Property & Design coordinate and manage the process of L8 risk assessment to their operational property portfolio and the provision of monthly servicing of hot and cold water services. Resulting works from the risk assessment and servicing programme are prioritised for remedial work within the relevant planned maintenance programmes.

**Case Study: Safety On-Line**

We have therefore invested in "Safety On-Line" - a web based safety management system hosted by Frontline Data Ltd with three modules covering asbestos management, control of Legionella bacteria in water systems and fire safety. The Council is working with Frontline to influence the design of the product including an e-learning package for Council staff. It allows us to maintain and monitor a single record of all related inspections, risk assessments, service visits, costs and priorities. The Council can monitor its compliance with its various statutory duties, through e-mail alerts where priority works are not complete within the allocated timescales and budget setting and monitoring has improved by linking work programmes with the inbuilt schedule of rates.

d. **Disability Discrimination Act (DDA) 1995**

Property & Design completed access audits to all council owned operational buildings with public access in phases commencing 2004 through an external specialist access consultant. Remedial works have been prioritised in annual rolling programmes in consultation with the directors of client departments and funded through an annual dedicated capital fund and individual planned maintenance budgets. The Council reports quarterly on the percentage of its operational buildings open to the public in which all public areas are suitable for, and accessible to, disabled people through Best Value Performance Indicator (BVPI) 156. During the financial year 2007/08 the Council achieved a total of 65.45%, exceeding its target of 65.0%. Our target for 2008/09 and 2009/10 is for 70% and 75% compliance respectively.

e. **Care Standards Act 2000**

The Care Standards Inspectorate (CSCI) monitors social care residential buildings which fall across two council directorates. Property & Design monitor the inspector's reports and coordinate any remedial works required. A proportion of the annual social care planned maintenance fund is set aside to ensure compliance with existing or changing CSCI requirements.

## 4.3 Construction & Property in Brighton & Hove

### 4.3.1. Construction Generally

Throughout the South-East region there has been considerable concern about the recruitment difficulties in the construction industry. It is estimated that the value of major projects in the Brighton & Hove area will exceed £2 billion over the next ten years and the local pool of skilled construction labour is unlikely to cope with demand. To help address this potential imbalance, the City Council has been a partner in founding the Constructing Futures initiative – a local construction skills agency which has been created to meet the needs of local employers for a skilled workforce and provides advice support and training. Allied to this is the First Footings construction skills centre based at the City College in East Brighton. First Footings provides pre-apprenticeship and pre-employment construction skills training aimed at 16 to 25 year olds and older people who are long-term unemployed. Property & Design negotiated the lease arrangements with City College to enable this service at the COMART site.

#### 4.3.2 Housing

Residential property prices have increased rapidly in the City in recent years making it difficult for first time buyers to purchase homes whilst high rents in the private sector have resulted in significant gaps between the local housing benefit and average market rents. As a result many younger workers choose to live in cheaper outlying areas such as Worthing and Eastbourne which increases commuter traffic, is difficult to sustain environmentally and adversely affects many peoples work life balance. Property & Design work closely with our colleagues in the Council's Housing Strategy Unit and with Housing Association partners to identify affordable housing sites and to negotiate site disposals to enable the provision of key worker accommodation and 40% affordable housing schemes. Added pressure is applied to the housing market with the City having a high proportion of single person households (38% as opposed to the national average of 30%).

#### 4.3.3 Redevelopment Sites

The demands for capital development in the City are high and driven by the need to build on the City's cultural and heritage tradition whilst improving the quality of life for its citizens. This means that traditional approaches to capital investment will not meet demand and the City Council and its partners need to pursue innovative solutions. Over the next ten years the scale of planned development in Brighton & Hove is estimated to exceed £2 billion (*source: City Futures*) including the examples discussed in **Section 2.8 Objective F** above.

#### 4.3.4 Property Market Trends

The collapse of the US sub-prime mortgage market in 2007 caused widespread dislocation in world financial and credit markets. The contraction in investor demand was accompanied by a sharp fall in commercial property investment values affecting all sectors of the UK market. Forecasts now indicate the UK will experience a sharp slowdown in growth to below its trend rate over the next two years. In the near term, inflationary pressures from higher energy and food prices will add to this situation.

The credit crunch has lead to significant funding constraints on property development activity and its wider consequences in the real economy are creating less favourable occupational market conditions. Construction costs are suffering from inflation, institutional investors are reluctant to commit resources speculatively and all this impacts negatively on development land values. Residential development activity is being affected by both mortgage conditions and reduced availability of finance for development.

As a consequence, the limitation of new commercial and residential schemes in the short term will be substantially reduced. Property implications for the council:

- Proposed developments will be re-assessed financially, shelved or may proceed provided there is the surety of a pre-let. Financial viability needs to be scrutinised through rigorous testing of funding arrangements and business cases.
- Caution is to be exercised over marketing of sites to ensure potential capital receipts present value for money; it may still be prudent to market test.
- Rental values are unlikely to fall significantly but growth will be limited. Income streams are to be monitored closely to identify potential voids to enable early warning contingency plans
- Operational properties that are potentially declared surplus to requirement are to be re-assessed and challenged to find alternative service delivery models.
- Potential sites / properties are to be considered for community asset transfer under our developing Community Asset Transfer Strategy as discussed in **Section 4.1** above.

### 4.4 The External Market For Property Consultancy Services

#### 4.4.1 Consultancy Services

The Property & Design division of the Council procure its design, contract administration and project management services for its maintenance, refurbishment and new build projects through two routes:

- *Internal Consultancy Services:*  
Property & Design provide architectural, building surveying and estate management services to a variety of internal council clients and partner organisations.

- *External Consultancy Services:*  
Consultancy services for the commercial and agricultural portfolios and planned and reactive elements of the social care portfolio and the planned element of the education portfolio have been out-sourced to external consultants. Property & Design also use external consultants from the approved list for specialist services or to provide flexibility during busy periods.

#### 4.4.2. Quantitative Benchmarking

Property & Design benchmark their own technical fee levels against our current out-sourced external consultants together with other external architectural and building surveying companies when Property & Design commission work on behalf of internal clients in order to demonstrate a value for money service. Our Architectural & Design Team won the open competition for the Whitehawk Children's Centre beating three other short-listed private firms.

#### 4.4.3 Qualitative Benchmarking

Qualitative assessment is undertaken through Client Satisfaction Questionnaires sent to clients at the completion of significant projects. In addition we undertake random interviews to ensure customer satisfaction and to identify where performance improvements can be made. The Council is also exploring the use of the COPROP consultancy performance indicators as a further means of comparing internal and external performance against national benchmarks. These indicators are in their infancy and one of our consultants - NPS Property Consultants Ltd – are currently trialling their use, with monthly reports, to assess their usefulness

### 4.5 The External Market For Accommodation

The Council's general policy is to use their own freehold properties for operational services. This policy allows the maximum flexibility of use within the portfolio by avoiding landlord's obligations and potentially high maintenance and rental charges that can be difficult to predict from year to year. Social Care services in particular have a relatively high reliance on leasehold properties for some of their area based functions which Brighton & Hove City Council inherited from East Sussex County Council following the award of unitary status in 1997. Consideration is always given to vacating these properties, in conjunction with the service department, whenever the leases on these properties come up for renewal. The Property & Design Estates Team hold an "early warning" list advising directorates when leases are due for renewal or a break option occurs to allow time for a decision to be taken on their continuing use.

Individual services and directorates can prepare business cases to seek leasehold premises where no suitable accommodation or space is already held by the Council. In these circumstances the directorate must make clear the sources of both capital and revenue funding available to finance the property. Where a business case is upheld to enter into a lease with a private landlord the Council will always negotiate regular break clauses to enable the lease to be terminated in the event of changing circumstances where it is our best interests to do so.

### 4.6 E-Government

Brighton & Hove City Council actively support the E-Government agenda and view our asset management database (see **Section 5.1**) as a vital step in working towards the E-Government target of using IT systems to reduce duplication and effort in systems and to achieve a joined up approach to service delivery.

The Council has a strategic ICT fund of £750k per annum to allow it to invest in development and maintain the infrastructure necessary to continue to take up and use e-government channels.

Following planned property rationalisation and with shared ICT and health services there will be a more efficient use of existing space to enable the introduction of flexible working, hot desking and the use of wireless technology and laptops.

The Council's City Stats project combines information from the Council and partner organisations such as the Fire, Police and Health services in an award winning geographical information system.



## B. ASSET MANAGEMENT PLAN (DELIVERY)

### 5.0 DATA MANAGEMENT & PERFORMANCE INDICATORS

#### 5.1 Data Management Systems

##### 5.1.1 Property Terrier Database

In 2007 the Council invested in a new estate management software system – *CAPS Solutions* - which will assist all property related staff in the identification of the Council's property assets and to track all disposals, acquisitions, etc. The *CAPS Solutions* system offers the Council a fully integrated, live property terrier which is available to all registered users throughout the Council and lies at the heart of our estate management process. Within the system each property is given a unique property reference number (UPRN) based on the Council's central property gazetteer which is fully compliant with BS7666. This ensures that no confusion can exist across the Council when discussing a particular piece of land or property. All updated information is available to all staff immediately with the following components:

- **Property Terrier** - Our definitive record of land and property assets owned or leased in by the Council.
- **Estates Management** - The database holds all acquisition and disposal information together with historic & future leases & assignments which will be entered in as they occur to ensure that users are provided with up to date and accurate information on all of our assets.
- **Valuations** - Property valuations are fed into the database and are reviewed on a five year rolling programme.
- **Geographical Information System (GIS)** - CAPS contains a GIS capability linking each asset record to a mapping system ensuring that both textual and graphical data accurately relate to each other. Layers within the GIS system allow users to view a colour coded record of what the Council owns, leases or has sold overlaid onto the OS map.

##### 5.1.2 Property Performance Database

In addition Property & Design have developed in-house a complementary database for our property performance records with each entry linked to the CAPS Solutions database using the UPRN. This system offers the following additional components:

- **Property Information** - General property information held will include the service directorate, responsible client officer, GIA data, property age, current use and general description.
- **Condition and Suitability** - Data from the rolling programme of condition and suitability surveys is entered into the database to provide up to date information which will be used to inform the NaPPMI performance indicators and future planned maintenance programmes.
- **Performance Reviews** - The system automatically undertakes Property Performance Reviews (see **Section 7.1**) and updates the results as new condition and suitability data is fed in to it. The system also allows us to view "live" updates on the NaPPMI property performance indicator results (see **Section 5.2**) both at individual property level as well as by property category and overall.

##### 5.1.3 Property Safety Management Database

The Council has invested in "*Safety On-Line*", a web-based safety management system which provides a database of our health and safety compliance inspections and surveys currently covering the management of asbestos, fire safety and water hygiene. The database is linked and referenced to our library of CAD floor plans. (See **Section 4.2.2**)

*Safety On-Line* allows any building manager across the Council to view the health and safety records for their property through an internet link on a read-only basis. New surveys are undertaken using PDAs or Ultra Mobile PCs allowing immediate up-load to the database through a USB modem device.

#### 5.1.4 Housing Management Systems

The Adult Social Care & Housing directorate hold their Housing Revenue Account residential property management data in *OHMS* – the Open Housing Management System - which is an integrated database system including property details, tenancy details, rent accounting and property repairs and maintenance ordering system. Housing management have also invested in *APEX*, a business planning and modelling tool designed specifically for the asset management of social housing allowing the council to model financial projections and maintenance strategies across groups of stock. Under the new housing procurement arrangements the Council proposes to make full use of the proposed contractors' information system expertise.

#### 5.1.5 Financial Information System

A new Financial Information System was purchased by the Council in 2006 comprising a web based ordering system (Authority Purchasing) and a financial management system (Authority Financials) both supplied by Civica Financial Systems Ltd. The former system meets e-government requirements particularly in relation to e-procurement and provides improved controls on the raising and authorisation of purchase orders. The latter provides a better, more flexible management and reporting tool for finance staff and budget holders.

### 5.2 Property Performance Indicators

#### 5.2.1 National Property Performance Management Initiative (NaPPMI)

For the 2006-07 financial year onwards the Council is adopting the new NaPPMI Property Performance Indicators as the Asset Management Team consider these provide a more useful measure of the Council's asset performance than the original five national performance indicators introduced in 2002 by the Office of the Deputy Prime Minister. The NaPPMI indicators cover the areas detailed in **Figure 5a** below in respect of the Council's operational assets:

**Figure 5a: NaPPMI Property Performance Indicators**

NaPPMI Performance Indicator			
<b>1A</b>	Current property condition rating assessment (rated A to D)	<b>4</b>	Accessibility audits (rated 1 to 4)
<b>1B</b>	Required maintenance (in £ / m <sup>2</sup> )	<b>5A</b>	Office sufficiency (various measures)
<b>1D</b>	Historic spend on reactive & planned works (ratio)	<b>5B</b>	Average office floor space per employee (m <sup>2</sup> / full time equivalent post)
<b>2A &amp; C</b>	Energy consumption, cost and CO <sub>2</sub> emissions (kWh, £ and tonnes / m <sup>2</sup> )	<b>6</b>	Property running costs (£ / m <sup>2</sup> )
<b>2B</b>	Water consumption and cost (m <sup>3</sup> and £ / m <sup>2</sup> )	<b>7A</b>	Project time predictability (% within + 5% of original estimate)
<b>3</b>	Suitability data (overall rating)	<b>7B</b>	Project cost predictability (% within +/-5% of original estimate)

### 5.2.2 Local Performance Indicators

In addition to the NaPPMI PPIs, the Council also collects data for local PPIs including:

- Comparison of costs between Property & Design's in-house architectural and building surveying services and external consultants.
- Performance of the Council's commercial non-operational portfolio, i.e. retail, industrial and agricultural.
- Local PIs for our five year strategic construction partnership, estate management and building consultancy services contracts.

### 5.2.3 Performance Indicator Results

Both the national and local property performance indicators are reviewed and reported on annually and retrospectively once all annual data has been collected. Comparisons year on year are analysed to establish trends and to target additional resources where appropriate. **Appendix A** to this AMP contains the latest PPI data and commentary. Headline NaPPMI results from 2006/07 are provided in **Figure 5b** below:

*Figure 5b: Headline NaPPMI results from 2006/07*

2006/7 NaPPMI Performance Indicator Results	
1	81% of our operational properties are in good or satisfactory condition compared with a bench-marked average of 77% for other LAs. Our overall required maintenance over the next five years has been assessed at £85.00/m <sup>2</sup> compared with a bench-marked average of £109.00/m <sup>2</sup> .
2A	Our annual energy usage and costs equate to 153kWh and £7.36/m <sup>2</sup> compared with a bench-marked average of 210kWh and £9.92/m <sup>2</sup> .
2A	Our annual CO <sub>2</sub> emissions of 0.024 tonnes/m <sup>2</sup> compares favourably to the bench-marked average of 0.090 tonnes/m <sup>2</sup> .
3	74% of respondents to our suitability questionnaire consider their building to be good or satisfactory compared with a bench-marked average of 60%.
4	100% of applicable operational buildings have been the subject of an access audit.
5	Recent accommodation initiatives have reduced our average space per fte employee in our civic offices to 11m <sup>2</sup> compared with a bench-marked average of 12.5m <sup>2</sup> .

### 5.2.4 Performance Indicator Results Bench-Marking

B&HCC subscribe to the Institute of Public Finance (IPF) Asset Management Network which provides regular updates on local authority asset management issues, seminars on burning topics and a bench-marking club. All members of the network submit their NaPPMI results to IPF who provide a statistical analysis of the data including mean average and upper / lower quartile information. Our annually published PI results include our relative performance to other authorities using this data. We are also members of the South-East Council Asset Management Planning network (SECAMP) where representatives of all of the south-east county councils together with Brighton & Hove share best practice and bench-marking data.

### 5.2.5 Performance Indicator Targets

Targets for our performance indicators are reviewed and reported along with our NaPPMI results on an annual basis. See **Appendix A** to this document for the latest results.

## 6.0 SERVICE DELIVERY & ACCOMMODATION NEEDS

### 6.1 Core Accommodation Overview

The Council's core administration buildings comprise three town halls (Brighton, Hove and Portslade) and three civic offices (Kings House, Bartholomew House and Priory House). Phase One of our accommodation strategy was achieved in 2003 when the Council vacated Royal York Buildings (another civic office) and transferred 180 staff mainly to Bartholomew House through a space rationalisation and refurbishment project to improve staff facilities. Royal York Buildings was marketed and sold in 2005 for a capital receipt of over £2m that contributed to the resources available through the Strategic Investment Fund (SIF). The building re-opened in 2008 as a boutique hotel following extensive refurbishment.

We are currently working on an accommodation strategy summarised in **Section 3.8.4**. The existing lease of Priory House – one of our most expensive to operate administration buildings - expires in the near future and various proposals are being studied to relocate the staff elsewhere. These have included building new accommodation within the Council's freehold Kings House car park or infilling the existing under-croft and extensions to Bartholomew House & Hove Town Hall.

### 6.2 Accommodating Changing Council Services

In addition to the issues noted above, further accommodation pressures have arisen due to some major service delivery changes affecting the Council within the life of this AMP. These include:

- The newly formed Children & Young People's Trust (CYPT) have substantial aspirations to consolidate staff into area based teams to achieve true integration with health colleagues. We are working closely with the CYPT to capture their area based visions and to seek solutions within the existing property portfolios held by both the City and the local health trusts.
- The recent (2006) health service re-organisation in Sussex and Section 75 integration within the City of Brighton & Hove has offered the opportunity to develop a city wide estates strategy with our health trust partners with particular emphasis on the City's learning disability and mental health accommodation.

### 6.3 Pilot Accommodation Schemes

A "pilot" project was undertaken during 2005 on the 2<sup>nd</sup> floor of Kings House to reconfigure the existing large open plan area including the provision of hot desks and shared meeting pods. This new working arrangement has been largely welcomed by staff and has allowed scope for further utilisation increases of the floor space. In the meantime and due to the success of the pilot we are undertaking a further scheme during 2008 for a similar re-design of the 3<sup>rd</sup> floor offices in Kings House as well as layout alterations in Hove Town Hall incorporating our space standards and designs for new ways of working.

Imaginative alternative use of space has also resulted in several storage rooms in the basement of Kings House to be converted into training and meeting rooms during 2007 and consolidating the originally dispersed corporate post room service into one building.

### 6.4 Our Value for Money Transformation Agenda

The Council undertook a value for money (vfm) review of all services and directorates during 2007/8 under the guidance of PricewaterhouseCoopers. This has resulted in the introduction of a corporate wide transformation agenda many strands of which support our asset management strategy:

#### 6.4.1 Corporate Service Directorates

The central service directorates of Finance & Resources and Strategy & Governance aim to provide high quality, responsive corporate services in innovative and cost effective ways to ensure that high standards are maintained. The vfm review resulted in agreement on a fundamental transformation agenda to achieve this aim under the following guiding principles:

- That all services will move beyond technical competence and process to ensure innovative and cost effective delivery.
- We will invest in and look to technology to undertake as much of the process work as possible
- All services will benchmark their activities on the grounds of cost, scope and quality and react to lessons learned
- We will ensure that all support given to service areas will take account of impacts on the whole council and not work in isolation

We recognise that focusing our efforts on certain specific areas will bring the greatest benefits and have therefore selected the following areas as priorities:

- **Accommodation:** This is linked to our asset management strategy as discussed in **Sections 3.0 & 6.0** and aims to deliver savings through rationalising our office accommodation. This project will link to the AMP targets of reducing the amount of office space required per person with an increase in home and mobile working.
- **Service Compacts:** Defining the services that central services offer and the respective roles and responsibilities of the centre and service departments.
- **Shared Solution:** Working across the Council, central support services aim to lead in the development of corporate solutions to value for money issues including EDRM, e-procurement, e-creditors and increasing direct debit take up for payments.
- **Intranet Development:** The aim is to support greater self service by using our intranet as a valuable business tool rather than as a library for old documents. Initially this will focus on finance, HR and procurement but may also prove useful and cost effective for property and land asset information.

#### 6.4.2 Other Directorates

Asset related value for money transformation agendas from the other service directorates include the potential re-development of library sites at Woodingdean, Whitehawk and Moulsecomb (Cultural Services), a review of older people's day centres across the City together with establishing a single access point for customer contact (Adult Social Care & Housing), a review considering a more efficient use of school premises (CYPT) and a peer review of waste and car parking (Environment).

##### **Case Study: Car Parking – a Value for Money Review**

A condition survey of the council's car parks was undertaken in 2005 revealing significant levels of required maintenance. A spend to save proposal was approved to invest £1m on two of the car parks to address the maintenance backlog, enhance the physical environment, increase public safety and protect revenue income and it is hoped that this work will commence in October 2008. A value for money review also identified a potential for five other car parks, currently leased to a private operator, to be managed in-house allowing us to carry out essential repair and improvement works and realise a substantial annual saving to the Council. The car parks are expected to revert to Council management in September 2008.

## 6.5 Future Accommodation Needs

Key to our understanding of future accommodation needs is our Citizen Service Strategy discussed in **Section 3.8.3**. This will create a blueprint for how our customers will access our services in the future and our accommodation strategy will need to reflect this. This work is on-going and will be further developed during the life of this AMP.

It is recognised that assessing and meeting current office accommodation needs in respect of service delivery is not solely a property issue but needs to be assessed in the round with other stakeholders including the service directorate, human resources, ICT and finance.

The Council is aware that it needs to consider how increased use of mobile and home working and a more flexible use of hot-desk space could help improve the utilisation of our core office accommodation but recognises the constraints imposed in achieving this in terms of ICT, HR issues and capital costs. The first step in achieving this is the Council's flexible working policy which has been introduced and whose impact is currently being evaluated.

## 6.6 Joint Working Initiatives

### 6.6.1 Section 75 Arrangements

Under the CYPT Section 75 Agreement, properties will be made available for use by all organisations to promote integrated services. Each party will be required to consult with the others before disposing of any properties. The Council has also entered into a Section 75 Agreement with the Southdowns Health NHS Trust for the transfer of the Learning Disability service which took effect from 1<sup>st</sup> April 2006.

### 6.6.2 City-Wide Estates Strategy for Health & Social Care

The Council is working with health and social care providers within the City (including the PCT, the various NHS trusts, the ambulance trust and the City Council) on the development and delivery of this strategy which sets out plans to develop the City's health estate to deliver the vision for primary and community health service provision. The strategy was published for consultation in November 2006 and adopted by the Council and our health partners in March 2007. The main aim is to develop the physical capacity to deliver more care closer to people's homes in modern, fit for purpose premises. This supports the transfer of services from the acute sector and helps to take forward the proposals set out in the Government White Paper – *Our Care, Our Health Our Say* – and within our joint Local Area Agreement.

The strategy also recognises the impact of proposed major developments within the City on these services and the need to provide sufficient and accessible care. The opportunities to incorporate health premises in the major developments continue to be actively pursued. The following four work streams were identified as priorities within the strategy and project boards were set up during 2007 including City Council representation to support their delivery:

1. Brighton General Hospital Site Redevelopment – a master-planning exercise was completed during 2007 for a mixed use development of housing (including key worker accommodation), a polyclinic and a GP surgery to replace 3 existing surgeries in the area.
2. Expansion of the existing Hove Polyclinic in Nevill Avenue to facilitate the transfer of services from the acute sector and development plans for a new GP surgery on the site.
3. Primary care developments including nine new GP surgeries across the City where capacity and suitability gaps have been identified.
4. A space utilisation project group to review current use within the various estates, identify vacant space and seek new and innovative ways of working.

- 6.6.3** The Council continues to work with the various estates teams of the Brighton & Hove Primary Care Trust, Brighton & Sussex University Hospital, The Sussex Partnership and South Downs NHS Trusts on joint accommodation issues through the Joint Estates Strategy Group. The aims of the group are to provide an early communication on arising needs to make maximum use of our joint estates with some notable successes to date:

**Case Study: Carden Medical Centre**

The Council identified surplus land in a corner of the Carden Primary School playing fields which the PCT were keen to utilise for a new medical centre combining two local GP practices previously located in unsuitable buildings together with dentistry and district nurses services plus a new pharmacy. The Joint Estates Strategy Group facilitated the acquisition of the site by the PCT and work commenced on site in 2007. The new centre is due for completion in 2008.

**Case Study: Old Steine GP Surgery**

The Council worked closely with the PCT and the PCT's developer to facilitate the relocation of an existing GP surgery within an unsuitable Council owned adjacent property into a new development providing a modern City centre medical centre in addition to residential units. The development was completed in 2007.

- 6.6.4** The Council also works in partnership with design consortiums and developers on major comprehensive infrastructure projects for the City (e.g. Black Rock, Preston Barracks, Circus Street and the Brighton Centre) and with RSLs on service related projects, e.g.

**Case Study: Westbourne Hospital Site Development**

The Council has contributed a number of sites to an RSL for this development opportunity including the previously surplus Westbourne Hospital site in Hove. This will include a new centre for respite care to replace an existing inefficient building on the outskirts of the City to provide long-term accommodation for people with Learning Disabilities which will be managed by the Council together with affordable housing key worker units.

## 7.0 REVIEWING & CHALLENGING THE OPERATIONAL PROPERTY PORTFOLIO

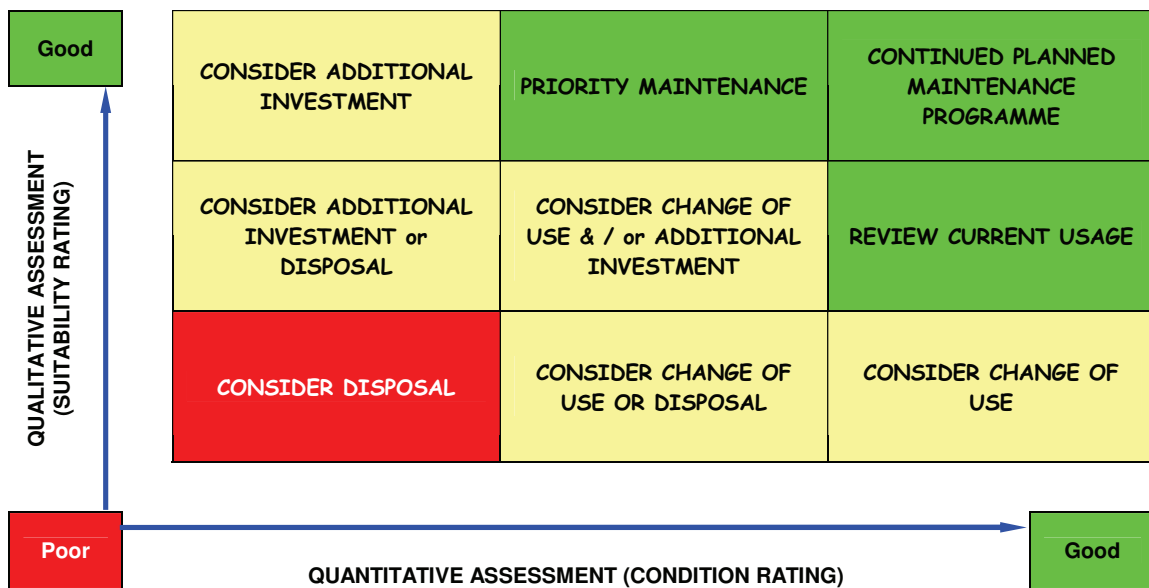
### 7.1 Property Performance Reviews (PPRs) – An Introduction

All operational property where the council has a repairing obligation will be the subject of a rolling programme of Property Performance Reviews (PPRs) which commenced in 2006.

The aim of the PPR process is to inform the Council’s Corporate Property Strategy by assessing the value for money offered by the retention of each asset and its fitness for purpose to the current occupier. The methodology for this is described below and results in each property being awarded a relative score for both condition and suitability.

The asset management team is aware that a building in poor condition may still represent a suitable building to the service department and vice versa and so a decision made on the basis of either condition or suitability in isolation may not necessarily be correct. The team have therefore developed the Decision Matrix which is shown in **Figure 7a** below. This plots the results of each building’s PPR in two dimensions – condition and suitability, thereby allowing decisions to be taken on an overall picture.

Figure 7a - The Property Performance Review (PPR) decision matrix



As indicated above, a property that rates poorly for condition and suitability will be identified for possible disposal, a property that is unsuitable for the current users but in reasonable condition will be identified for possible change of use and a property that is considered suitable but in poor condition will be identified for possible additional investment. A property that is both suitable and in reasonable condition will be identified for continued priority maintenance.

### 7.2 Condition Surveys

The entire operational property portfolio has now been surveyed and a condition report produced to include the overall condition rating (A to D) together with a schedule of prioritised and costed maintenance requirements. This information was used to inform subsequent asset management plans and feeds into the NaPPMI required maintenance performance indicators. The Council continue to carry out an annual 20% rolling programme of re-surveys to ensure that the condition of every property is assessed at least every five years.



### 7.3 Suitability Surveys

Property & Design coordinate the collection of suitability data on behalf of the various service teams and directorates. The Asset Management Team elected to use a simple questionnaire format based on a range of suitability themes including location, accessibility, environment, safety & security, space, facilities, appearance and current & future service delivery needs.

Within each theme the building manager is asked to gauge their agreement to a series of positive statements about their current accommodation. Their response to each question is marked on a range between 1 (complete disagreement) to 5 (complete agreement). The scoring process is adjusted to avoid skewing results between property types. Where a question does not have any relevance to the property type the score is 0 for not applicable and the total available score is reduced by the total marks allocated for that question. In order to take account of the relative importance of some factors over others, some marks are weighted to increase their importance (e.g. accessibility, impact on service delivery and physical location are all rated x3).

The resultant score is converted to a % of the total marks available and plotted onto the decision matrix giving a "traffic light" warning system.

For minor buildings such as public conveniences and parks stores where many of the suitability factors will be irrelevant, service managers are asked instead to rate the building against a set of definition statements providing an overall assessment of their suitability.

### 7.4 Sufficiency Surveys

Whilst the uniform approach described in **Section 7.3** above will be applied throughout all operational portfolios, certain services may require additional information to be collected where a specific property need is to be assessed.

In these instances additional questionnaires will be used in order to obtain the required detail to inform decisions, e.g. for the adult social care portfolio a further questionnaire was issued to gauge sufficiency data in terms of the number and types of rooms available for use.

### 7.5 PPR Programme

During the period covered by this AMP our target is to complete PPRs to all operational buildings where the Council retain maintenance and repair obligations. Further PPR reviews will then be undertaken on a rolling programme.

### 7.6 Gap Analysis & Strategic Options

In order to highlight deficiencies within any particular property type, the fitness for purpose (suitability) scores for each building within each category are also plotted onto a graph together with a comparison against the average (mean) score and a calculation of the upper and lower quartile scores.

Properties falling within the lower quartile are the subject of further analysis with the service department to identify the problems and possible options for rectification.

#### **Case Study: 251 / 253 Preston Road, Brighton**

This building is currently occupied by the Child Protection and the Fostering & Adoption Unit of the CYPT. The PPR identified a high level of required maintenance with a relatively low suitability score due mainly to a lack of available space for both staff accommodation and contact rooms. The results were relayed to the CYPT and a feasibility study is currently (2008) being undertaken for alternative space as part of our accommodation strategy.

**Case Study: 3 Palace Place / 62 Old Steine**

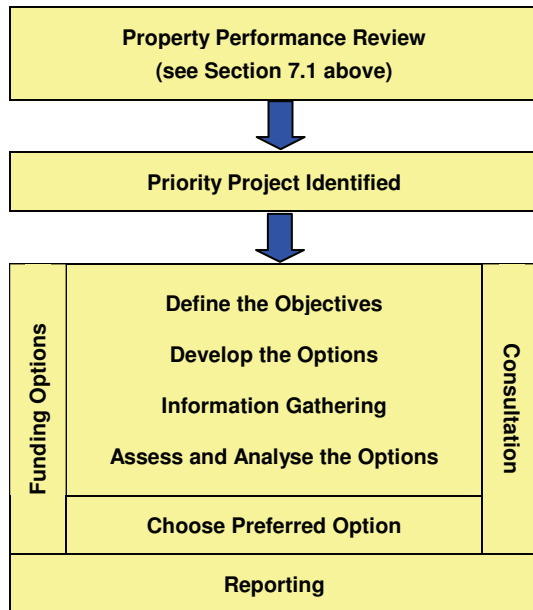
Until 2008, these adjoining council owned offices were used by the Learning Disability (LD) team. However a PPR identified a high level of required maintenance, low suitability for the team and non-DDA compliance. As a result the LD team have been centralised into their main Hove office following a joint funding initiative between the local NHS Trust and the Council. The Corporate Asset Management Team then considered other options for the vacated buildings including for a CYPT team currently located in Queens Square which would have facilitated the redevelopment of the Queens Square ice rink redevelopment. However the property was finally offered to the Council's Housing Needs & Social Inclusion team for a Rough Sleepers initiative which has successfully attracted government funding of £½m to address the property's required maintenance and accessibility issues whilst providing a much needed service to the City.

## 7.7 Options Appraisal

### 7.7.1 The Options Appraisal Process

The principle of Options Appraisal as illustrated in **Figure 7b** below will apply to all projects arising from the AMP although the scope of the options identified and the level of analysis required will vary dependent on the size and complexity of the scheme.

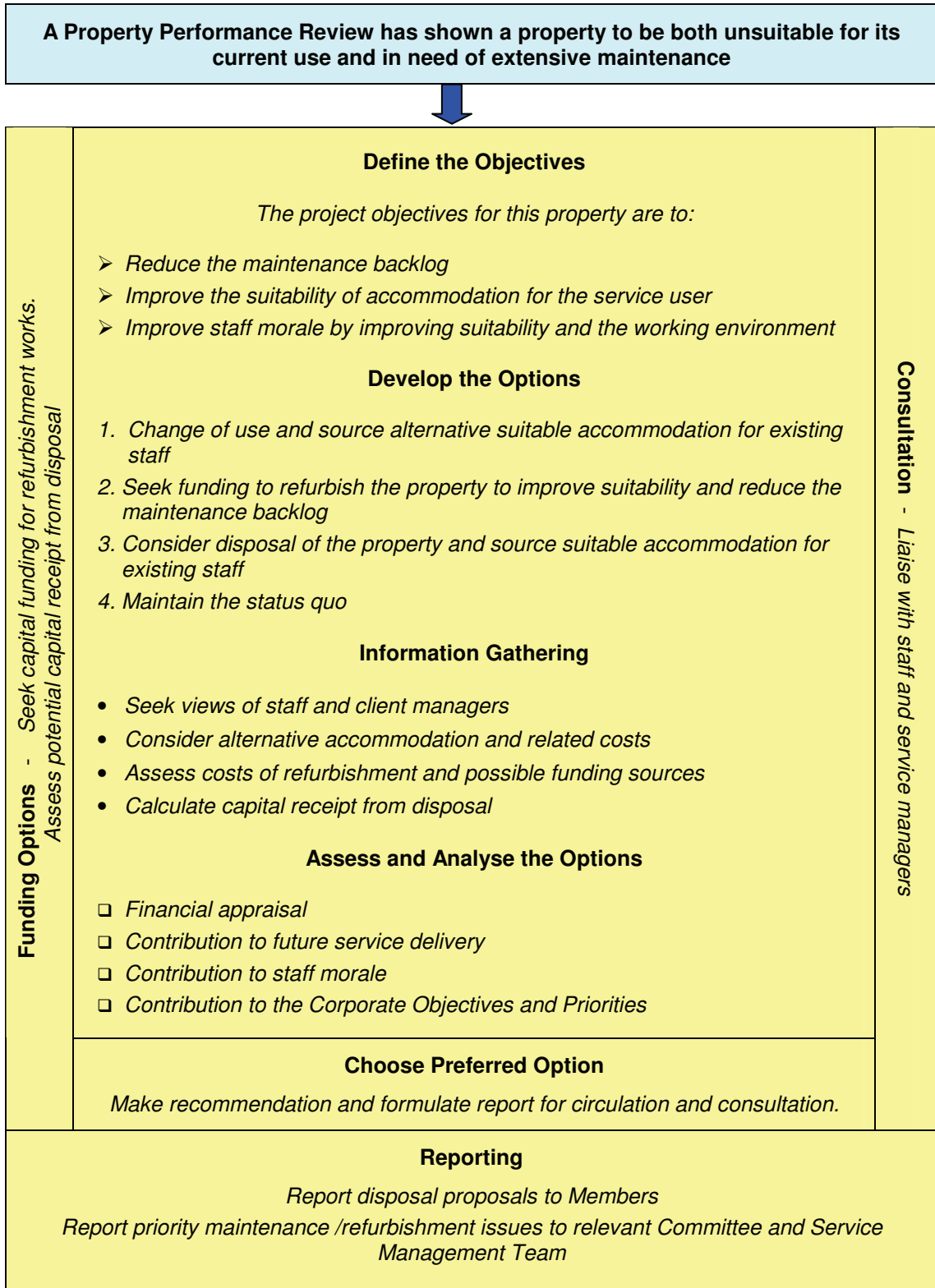
**Figure 7b – The Options Appraisal process**



Putting this principle into context, a typical options appraisal for a property highlighted as deficient through the Property Review Process (see **Section 7.1** above) is detailed in **Figure 7c** below.

The Council carry out full options appraisal for all of the major projects planned within the City and has adopted the principles relating to the Gateway Process. In addition all property and land disposals are the subject of an options appraisal (see **Section 8.2**) prior to reporting to Members. Options appraisals are also completed for individual projects such as the Council's accommodation strategy and the development of the ex Westbourne Hospital site for use by the Learning Disability service.

Figure 7c – An example of the Options Appraisal process



## 8.0 REVIEWING & CHALLENGING THE NON OPERATIONAL PROPERTY PORTFOLIO

### 8.1 Reviewing Our Investment Portfolio

Through our consultancy service contracts for the commercial and agricultural portfolios and our related strategies discussed in **Sections 3.3 & 3.4** the Council aim to identify under-performing and non-core assets which may be considered for disposal or change of use.

### 8.2 The Property Disposal & Acquisition Process

#### 8.2.1 Operational Property Disposals – see *Figure 8a* below

For operational properties age and changing service and legislative requirements are significant determining factors regarding the continued use of property. Once a property becomes surplus in terms of service need the building falls under the management of the Corporate Property Officer and will be subject to the AMP process reviewing its condition, suitability and capacity as detailed in **Section 7.0**. A detailed option appraisal will be undertaken when the property is declared surplus to requirements and a range of alternatives will be explored to include possible transfer to community groups or disposal. In addition opportunities for development may occur within the operational portfolio either because we have identified the potential or an outside requirement arises e.g. the need for a new medical centre, Carden Medical Centre for the Primary Care Trust.

#### 8.2.2 Non-Operational Disposals – see *Figure 8a* below

The non-operational portfolio is the subject of annual Strategic Reviews in consultation with our external agents. Whilst the majority of the properties are income producing we remain vigilant for development opportunities that can address some of the City's needs in terms of housing and improved facilities – i.e. leisure, commercial, retail and industrial. These may arise when occupiers or developers seek to modernise their facilities, replace outmoded buildings and require a new long lease as security for funding. The existing lease is then surrendered in exchange for a new negotiated long lease from the Council and a further premium payment. It is therefore of strategic benefit for the council to seek disposals through long leaseholds rather than freeholds so we can exert our influence and future opportunities can be capitalised on and maximised.

The central objective in maintaining the investment portfolio is to improve revenue income whilst identifying and taking advantage of disposal opportunities to generate capital. These objectives also need to be balanced against the social and environmental development opportunities and corporate council priorities. Generally speaking it has been possible to balance these competing objectives by careful selection of properties for disposal that ensure the required outcomes are met.

A recent review of the investment portfolio has been undertaken to try to identify any further properties for disposal. Whilst some properties can be regarded as secondary or tertiary investments, often detached from the main areas of the portfolio, they continue to earn income without undue management expenditure. In addition, although not obvious strategic holdings, experience has demonstrated that it is often better to hold assets and take advantage of situations that arise, possibly when adjoining properties become ripe for redevelopment to enable a comprehensive land assembly that could achieve far more for the City. Accordingly, it is considered preferable to monitor the portfolio and explore potential opportunities annually rather than adopt an arbitrary list for disposal where timing and opportunity might not be right.

#### 8.2.3 Economic Situation

Whilst the process of disposal is ongoing, economic circumstances are a major influence on the buoyancy of the property market and the speed at which transactions proceed. Virtually every major transaction is completely reliant upon external funding. Early in 2007/08 there were signs of an economic slowdown and a number of banks were becoming cautious because of concerns about the impact of the sub prime lending situation. This combined with increasing building costs considerably lowered market confidence as the value of schemes fell and costs rose.

Against this background, whilst discussions are continuing on a number of schemes, we are assessing the options on any transactions which have stalled or sites yet to be marketed.

Whilst the market remains uncertain a number of more entrepreneurial investors are taking opportunities to pick up bargains, but these are mainly properties/sites valued in the region of £1m and below. Against this there are fears about the onset of inflation which would dictate interest rate rises and more difficult development conditions. As a prudent property owner the Council proposes to continue to discuss active transactions and take stock before offering new properties and we continue to work with consultants exploring all options very carefully.

#### **8.2.4 Disposals Activity During 2007/08**

A number of transactions were at an advanced stage at the beginning of 2007/08 plus a number of others where discussions are ongoing or about to start. It will be readily apparent that some transactions can take a very long time to reach a conclusion often because of the need to resolve problems with the property or because changes in the economic climate affect the availability and developer confidence. The present economic uncertainty will tend to add to these difficulties.

#### **8.2.5 Significant Site Disposals**

The Council's control of a number of employment sites and other major properties (such as the Brighton Centre) means that opportunities arise both from council initiatives and as a result of market interest. Such proposals are usually significant, entail comprehensive land assemblies with various parties and can take time to come to fruition. Discussions are continuing on a number of commercial development sites and major projects.

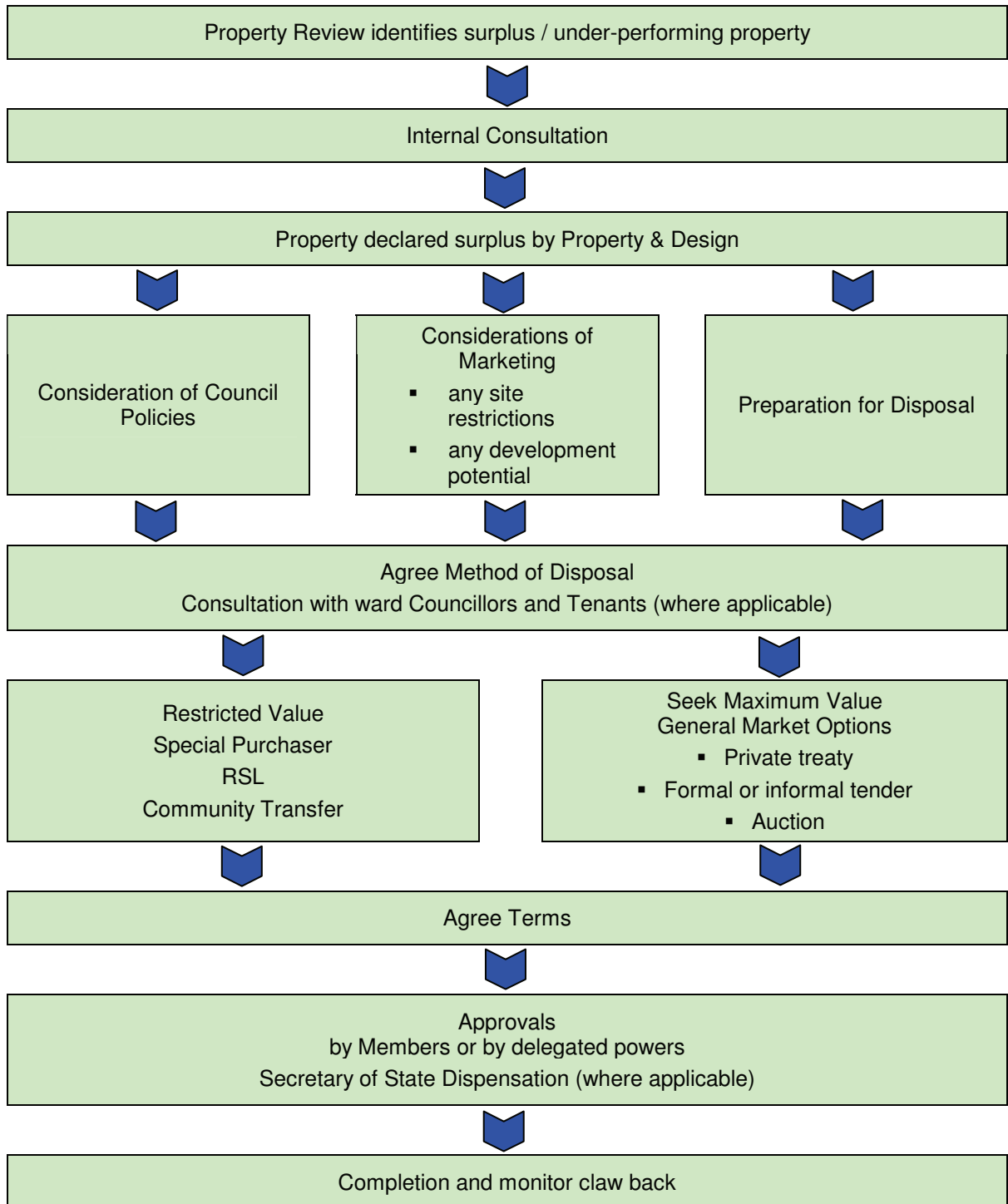
#### **8.2.6 Identification of Future Disposal Opportunities**

Property & Design are currently working up a list of sites that have been identified for potential development. This process is at an early stage and will have to go through consultations with all relevant parties and need to be assessed for risks and other implications. At the moment these properties are largely drawn from the non-operational portfolio although the PPR process is beginning to identify additional possibilities from within the operational portfolio. The identification of operational properties where buildings are outmoded by virtue of suitability - function, age or design, will continue as a priority in order to "recycle" buildings or dispose of them to achieve capital receipts and avoid escalating expenditure on inadequate buildings.

As with other disposal cases, redundant operational properties will be subject to a series of steps to ensure that no opportunities are overlooked to obtain "best consideration" whilst avoiding possible last minute problems. The legal background of each property will be checked before embarking on disposal and ideally the title will be registered to ease the legal process at disposal. In addition, planning enquiries will be made to establish the potential for alternative use to maximise sale value and where appropriate planning permission will be sought to secure the most beneficial market use for the property. The alternative use value will be assessed at that stage. If not covered by an existing disposal consent approval will be sought for the disposal of the property which will then be marketed by the most appropriate method. Prior to being offered on the open market, ward Councillors will be advised together with relevant officers in the Council.

In some instances, following on from the Quirk Review, properties occupied by community organisations, voluntary groups or charities will need to be considered for possible disposal. Other properties might be considered suitable to be transferred to the community groups. In such instances both the Council and the applicant will need to prepare a clear business case identifying the reasons, risks, benefits and sustainability issues associated with the transfer of the property from the Council to the applicant. Property & Design are currently working with the internal Voluntary Sector Unit to include community and voluntary sector groups in exploring the implications of transferring assets into the community and are developing a community asset transfer strategy as discussed in **Section 4.1**.

Figure 8a: The Corporate Property Disposal process



## 9.0 FINANCING THE ASSET MANAGEMENT PLAN

### 9.1 Capital Programme

#### 9.1.1 Brighton & Hove City Council's Capital Investment Strategy 2008-09 to 2010-11

The Medium Term Financial Strategy links to the Asset Management Plan and Corporate Property Strategy through the capital and revenue budgets and programme of work. Future year allocations will need to be reviewed in line with capital receipts projections. An element of the estimated resources is contingent on planned disposals of surplus assets part of which is generated through Right to Buy receipts from the sale of council housing – see **Figures 9a** and **9b** below.

**Figure 9a: Proposed capital resources 2008-11 (source: B&HCC MTFS)**

	2008-09	2009-10	2010-11
Borrowing	£ 14.9m	£ 10.6m	£ 9.6m
Grants	£ 13.2m	£ 18.4m	£ 24.9m
Sale of Assets	£ 6.9m	£ 5.0m	£ 3.3m
Capital Reserves	£ 5.5m	£ 0.1m	£ 0.2m
Revenue Contributions	£ 14.1m	£ 13.9m	£ 13.9m
Grants from External Bodies	£ 0.2m	> £0.1m	-
<b>Total Capital Resources</b>	<b>£ 54.8m</b>	<b>£ 48.1m</b>	<b>£ 51.9m</b>

**Figure 9b: Proposed capital spending 2008-11 (source: B&HCC MTFS)**

	2008-09	2009-10	2010-11
Investment in Schools	£ 8.4m	£ 13.1m	£ 19.4m
Local Transport Plan	£ 7.5m	£ 6.2m	£ 6.6m
Investment in Car Parks	£ 3.0m	-	-
Investment in Waste & Recycling	£ 2.2m	£ 2.2m	£ 1.9m
Housing	£ 23.9m	£ 19.3m	£ 17.6m
Adult & Children's Social Care	£ 2.8m	£ 3.2m	£ 2.6m
Investment in Regeneration Projects	£ 1.8m	£ 1.1m	£ 1.0m
Planned Maintenance & Improvement	£ 3.4m	£ 2.3m	£ 2.0m
Libraries, Museums & Historic Records	£ 0.1m	-	-
Computer Infrastructure	£ 1.7m	£ 0.7m	£ 0.8m
<b>Total Capital Resources</b>	<b>£ 54.8m</b>	<b>£ 48.1m</b>	<b>£ 51.9m</b>

The main areas for new investment during 2008-09 are:

- £24.1m for the housing stock capital programme.
- £10.5m for highways, transport and parking schemes.
- £8.5m investment in schools.
- £2.2m strategic investment fund (SIF).
- £1.7m for investment in early years childcare provision through children's centres and extended schools.
- £0.5m for social care building planned maintenance managed by Property & Design.
- Other improvements including to community and leisure buildings, museums and civic buildings.

Further details of the summary information can be found in the report of the Director of Finance & Resources to the Policy & Resources Committee dated 7<sup>th</sup> February 2008.

### 9.1.2 Asset Management Fund (AMF)

The AMF has been established for the first time for 2008-09 and provides £1.0m per annum in an integrated fund to join up expenditure on a range of predominantly operational properties covering DDA responsibilities and Health & Safety compliance as well as general improvement works. The AMF is managed by Property & Design through a process of annual bids with set evaluation criteria including justification for need, the business case, benefits and links to the Council's strategic priorities and fulfilment of statutory obligations. During 2008-09 the AMF will support compliance issues including asbestos re-surveys, legionella control and fire precautionary works as well as installation of wind turbines and energy efficiency improvements under the Carbon Management programme, improvements to sports pavilions and the relocation of the Visitor Information Centre.

## 9.2 Revenue Programme

Property & Design manage the Council's £3.6m (for 2008-9) annual corporate planned maintenance budget (PMB) for operational properties managed under the Environment, Cultural and Finance & Resources directorates (but excluding council housing, educational and social care buildings which are maintained from separate budgets). These include civic offices, historic buildings, leisure facilities, park buildings, farmlands, car parks and commercial properties where the Council retain a repairing obligation. Property & Design also manage separate revenue budgets for term servicing and maintenance to the social care and education portfolios (e.g. boiler maintenance, electrical testing, etc.). Our process for prioritising expenditure is detailed in our Building Maintenance Strategy summarised in **Section 3.8.1**.

## 9.3 Procurement of Works

### 9.3.1 Strategic Construction Partnership

Property & Design pioneered a five year strategic partnership in 2003 with a local constructor including quantity surveying and structural engineering consultancy services procured through the Egan principles outlined in the Rethinking Construction initiative. As a result the Council was cited on the DTI website as an example of best practice. Since 2003 projects to a value of £12.6m have been procured through the partnership mainly for education new-build projects but also including civic office refurbishment works. Performance of the partnership has been monitored through contract performance indicators including customer satisfaction surveys to demonstrate continuing value for money. Due to its success and value for money a further five year strategic partnership has been tendered following EU regulations that is just commencing (August 2008) for contracts worth approximately £20-25m. A value for money analysis has been completed to compare both procurement exercises and this demonstrates that continuous improvement has been achieved with a projected saving of circa £190k over the five years.

### 9.3.2 Framework Agreements

Property & Design are currently (July 2008) undertaking a feasibility study on future procurement options for our annual planned maintenance programme across corporate buildings, schools and social care with a view to introducing framework agreements from 2009-10. This will reduce reliance on our existing Approved Lists, reduce the pre-contract programming stages, reduce transactional costs (i.e. tendering) and allow us to explore further supply chain economies and improvements. We are also exploring the option of using the national *Constructionline* database.

### 9.3.3 SME Concordat

The Council are working with local contractors through the Small and Medium Sized Enterprise (SME) Concordat to encourage effective trade between the Council and small businesses.



#### 9.3.4 South East Centre for Excellence (SECE)

SECE is one of nine regional centres of excellence established by the Office of the Deputy Prime Minister (ODPM) to support the implementation of the National Procurement Strategy and the delivery of efficiency targets. One of the SECE work streams, being led by Hampshire County Council, is the introduction of framework agreements for the procurement of construction projects between £100k and £30m+ in value that each of the participating authorities within the SECE area can use. B&HCC are represented on both the collaborative working project board and the delivery group. This work has resulted in the successful commencement of a Tier 1 framework agreement for works between £1m and £30m. Tender evaluations are currently (June 2008) on-going for the Tiers 2 and 3 for projects in excess of £500k and £100k respectively.

#### 9.3.5 Constructing Futures Apprenticeships and Other Initiatives

In order to promote sustainability of the construction industry within Brighton & Hove the Council is also fully committed to the following initiatives working with City College and the Constructing Futures Forum to develop and deliver:

- Specifications for construction companies to provide apprenticeship training.
- Apprenticeship schemes within agreements for major projects.
- Procurement carried out under OJEU regulations to include tender evaluation models that encourage and support apprenticeships, skills training and development.

### 9.4 Procurement of Supplies and Services

#### 9.4.1 Energy Procurement

Property & Design undertake corporate procurement of the council's energy supplies for electricity (100Kw and sub-100Kw portfolio), gas and oil for all council buildings. This capitalises on the council's large buying power, achieving value for money and enabling us to secure our total electricity supplies from renewable sources minimising the council's CO<sub>2</sub> emissions and helping to reduce our carbon footprint. We are currently re-tendering the gas contract worth £1.7m per annum and looking at ways to achieve value for money by minimising the volatile global energy market and large increases in gas costs. We have investigated OGC frameworks and cross council solutions and are exploring options such as dual fuel, fixed rate over 12, 24 and / or 36 months with room to negotiate more flexible purchase options such as trigger product – index linked enabling the council to buy at set triggers each month. We are also looking at e-invoicing solutions and a rollout of automated meter reading to reduce staff time and resources and enable more accurate energy data to inform energy efficiency solutions.

#### 9.4.2 Building Cleaning

Property & Design are currently managing the last year of the 5 year corporate building cleaning contract covering our main public buildings, civic offices, schools, sheltered housing and adult social care establishments, in two packages – one main and one smaller cleaning contract. In reviewing the future delivery of the general building cleaning services to ensure deliverability, quality, economies of scale the packages offered will be designed to benefit both smaller enterprises and larger national cleaning firms.

#### 9.4.3 Commercial Waste & Recycling to Council Owned Buildings

Property & Design have successfully tendered and awarded a 5 year corporate commercial waste and recycling contract for the council's core operational buildings. This is a first for Local Authorities and has created significant savings by bringing together the disparate waste collection and disposal contracts for separate buildings into one larger contract that is managed centrally. This has enabled a larger commercial recycling contract to help minimise waste going to landfill and encourage recycling of different materials in particular paper and cardboard. By choosing the same contractor to run both waste and recycling contracts the council is calculated to save approximately 50% and 22% respectively, excluding the additional cost of landfill tax, thus achieving value for money and efficiencies. As landfill tax is rising annually at a steep rate recycling is encouraged and we are working with the contractor to increase the take up. Schools across the City can also benefit from this service through a framework agreement that allows schools and other educational establishments to 'opt-in' to the agreement for refuse and recycling services, dependant on the prices quoted for each individual site.

## 10.0 Our Asset Management Action Plan 2008 to 2011

**Figure 10a** below summarises the targets identified within the AMP for completion between 2008 and 2011. Future AMP updates will report on our progress against each of these targets.

**Figure 10a: Asset Management Action Plan 2008-2011**

AMP Target	AMP Section
To complete the first round of property performance reviews on our operational property and establish a three year programme of subsequent reviews in order to identify poorly performing buildings.	<b>Section 2.8 Property Objective A</b>
To develop a capital programme for the rebuilding and refurbishment of primary and secondary schools in the City.	
To continue to develop the network of Children's Centres around the City supporting the CYPT in identifying and acquiring or converting suitable properties.	
To continue to assist service departments during their value for money transformation programmes.	
Developing service compacts to improve the transparency of property support to service departments.	
Create new high quality educational buildings by investing in our schools.	<b>Section 2.8 Property Objective B</b>
To improve the quality and availability of social housing.	
To complete the stonework restoration at the Royal Pavilion as part of our heritage investment programme.	
To continue to develop plans for compliance with statutory and health and safety legislation including fire safety, water hygiene and asbestos management. Property & Design and the Corporate H&S Team will facilitate the identification of action plan solutions and seek funding for resource gaps.	
To deliver the identified DDA compliance works programme with a target of 70% of relevant buildings accessible by the April 2009.	
To introduce further staff home and mobile working and hot-desking to reduce our dependency on office accommodation.	<b>Section 2.8 Property Objective C</b>
To develop our ten year accommodation strategy.	
To identify sites that are under-used or surplus and make plans to redevelop or dispose of them including to have completed the disposal process on the Queens Square ice rink and Patcham Court Farm at best consideration.	<b>Section 2.8 Property Objective D</b>
To have completed the review of our non-operational assets to identify sections of our investment portfolio with additional income potential.	
To continue to investigate and implement sustainable solutions within our new-build and maintenance programmes of work including energy efficiency measures and re-cycling of materials.	<b>Section 2.8 Property Objective E</b>
To reduce carbon emissions and deliver energy and financial savings through our carbon management programme.	
To continue to implement energy efficiencies through increased staff awareness and energy audits of buildings.	
To achieve remote electricity meter monitoring in all of our 100kW+ sites and 200 of our sub 100kW operational buildings by the end of 2008-09.	
To continue to identify suitable sites with redevelopment opportunities.	<b>Section 2.8 Property Objective F</b>
To continue to provide property support to major infrastructure projects within the City.	

Figure 10a: Asset Management Action Plan 2008-2011 (continued...)

AMP Target	AMP Section
Condition surveys are to be completed on all Council owned and managed properties within a five year rolling cycle.	<p><b>Section 3.8.1</b> Building Maintenance Strategy</p>
Three new Compliance Officers are to be appointed to ensure the Council meets its statutory responsibilities in respect of asbestos management, control of <i>Legionella</i> bacteria in water systems and fire safety in buildings.	
All Council owned and managed properties are to be allocated a Property Rating by the end of 2009.	
By April 2010 all planned maintenance works will be prioritised using the matrices described in our Building Maintenance Strategy.	
All operational properties rated as “essential to service delivery” are to have an overall property rating of A or B by 2011.	
Our targets for 2008/09 and 2009/10 are for 70% and 75% DDA compliance to applicable public buildings.	<p><b>Section 4.2.2</b></p>
Targets for our NaPPMI performance indicators are reviewed and reported on an annual basis. See <b>Appendix A</b> to this document for the latest targets and results.	<p><b>Section 5.2 &amp; Appendix A</b></p>

## GLOSSARY

### Glossary of abbreviations used within the Asset Management Plan:

<i>AMP</i>	The Asset Management Plan and Corporate Property Strategy (this document)
<i>AMT</i>	Brighton & Hove City Council's Asset Management Team
<i>B&amp;HCC</i>	Brighton & Hove City Council
<i>COPROP</i>	Association of Chief Corporate Property Officers in Local Government
<i>CBS</i>	Consolidated Balance Sheet
<i>CAA</i>	Comprehensive Area Assessment
<i>CPO</i>	Corporate Property Officer
<i>DCLG</i>	Department for Communities and Local Government
<i>CYPT</i>	Children & Young People's Trust
<i>DDP</i>	Directorate Development Plan
<i>DCFS</i>	Department for Children, Families & Schools
<i>DMT</i>	Departmental Management Team
<i>FAQ</i>	Frequently Asked Questions
<i>F&amp;R</i>	Directorate of Finance & Resources
<i>FTE</i>	Full time equivalent (posts)
<i>GIA</i>	Gross Internal Area (in m <sup>2</sup> )
<i>GIS</i>	Geographical Information System
<i>ASC&amp;H</i>	Directorate of Adult Social Care & Housing
<i>HRA</i>	Housing Revenue Account
<i>HSE</i>	Health & Safety Executive
<i>IPF</i>	Institute of Public Finance
<i>IRR</i>	Internal Rate of Return
<i>JESG</i>	Joint Estates Strategy Group
<i>LDF</i>	Local Development Framework
<i>LSP</i>	Local Strategic Partnership
<i>PCT</i>	Primary Care NHS Trust
<i>PFI</i>	Public Finance Initiative
<i>PIF</i>	Property Improvement Fund
<i>PMB</i>	Planned Maintenance Programme (for operational buildings)
<i>PPI</i>	Property Performance Indicator
<i>PPR</i>	Property Performance Reviews
<i>RICS</i>	Royal Institution of Chartered Surveyors
<i>RSL</i>	Registered Social Landlord
<i>SCS</i>	Sustainable Community Strategy
<i>SDNHST</i>	South Downs Health NHS Trust
<i>SECE</i>	South-East Centre of Excellence
<i>SIF</i>	Strategic Investment Fund
<i>SME</i>	Small & Medium Sized Enterprises
<i>TMT</i>	The Management Team
<i>UPRN</i>	Unique Property Reference Number

## APPENDICES

### **Appendix A: Core Property Data & PPI Results**

- Information and analysis of Brighton & Hove City Council's fixed assets (based on the consolidated balance sheet and updated annually).
- Annual update and commentary on Brighton & Hove City Council's property performance indicators.

See separate **Appendix A** document updated annually

### **Appendix B: Bibliography** (documents referred to and used as a source in the AMP)

AMP Sect	Document	Date	Author	Source
All	RICS Public Sector Asset Management Guidelines	Jan 2008	RICS	www.rics.org
All	Evaluation of Corporate Capital & Asset Planning in Local Authorities	Nov 2007	York Consulting	www.communities.gov.uk
1.2	Brighton & Hove Economic Strategy	2005-08	B&HCC	www.brighton-hove.gov.uk
1.2	City Stats website	Jun 2008	Partnership	www.citystats.org
2.2	2020 Community Strategy Creating the City of Opportunities	Updated June 2006	B&HCC	www.brighton-hove.gov.uk
2.3	Local Area Agreement	2008-11	B&HCC	www.brighton-hove.gov.uk
2.4	Local Development Framework Consultation		B&HCC	www.brighton-hove.gov.uk
2.5	The Corporate Plan	2008-11	B&HCC	www.brighton-hove.gov.uk
2.6	Medium Term Financial Strategy	2008-11	B&HCC	www.brighton-hove.gov.uk
2.7	Finance & Resources Directorate Development Plan	2008-09	B&HCC	Director of F&R
3.3	Commercial Property Management Strategy	Jan 2008	Cluttons	Director of F&R
3.4	Agricultural Property Management Strategy	Nov 2007	Smiths Gore	Director of F&R
3.5	Housing AMP	2008	B&HCC	Director of SC&H
3.6	Asset Management Plan for Schools 2003-08	Dec 03	B&HCC	Director of Children & Young People's Trust
3.7	Highway Maintenance Plan		B&HCC	Director Environment
3.7	Local Transport Plan	2006-11	B&HCC	www.brighton-hove.gov.uk
3.8	Corporate Building Maintenance Strategy	2008	B&HCC	Director of F&R
3.8	DDA Strategy 2008/09	Mar 2008	B&HCC	Director of F&R
3.8	B&H Social Enterprise Strategy	June 2008	B&HCC & Partners	
3.8	Corporate Procurement Strategy	2008-11	B&HCC	Director of F&R
4.1	Quirke Report	2007	DCLG	HMSO
5.2	NaPPMI Property Performance Indicators	2007	COPROP & IPF	www.coprop.gov.uk www.ipfproperty.net
6.0	Flexible Working Policy	Mar 2006	B&HCC	Director of Strategy & Governance
6.6	Brighton & Hove City Wide Estates Strategy	2007	B&HCC & NHS Partners	Director of F&R
7.3	Suitability Survey Questionnaire	2006	B&HCC	Director of F&R
9.1	Capital Resources & Capital Investment Programme for 2008/09	Feb 2008	B&HCC	Director of F&R
9.4	SME Concordat	Mar 2006	B&HCC	Director of F&R
App C	Consolidated Balance Sheet	Mar 2008	B&HCC	Director of F&R

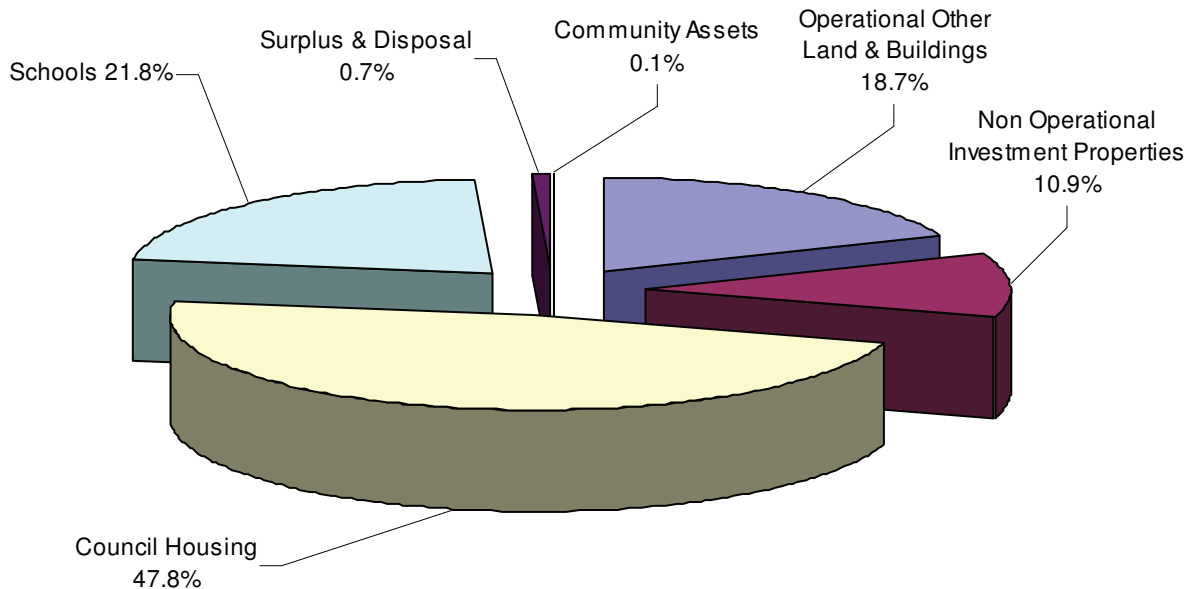
**Appendix C: Overview of Our Land & Property Portfolio**

Brighton & Hove City Council has a diverse land and property asset portfolio valued at just over £1.73 billion in 2008 including a commercial property portfolio of approximately £190m and a housing portfolio of a little over £830m. A summary is shown in **Figures C1** to **C2** below:

**Figure C1: Summary of land & property holdings as at 31.03.08 based on the Consolidated Balance Sheet (CBS)**

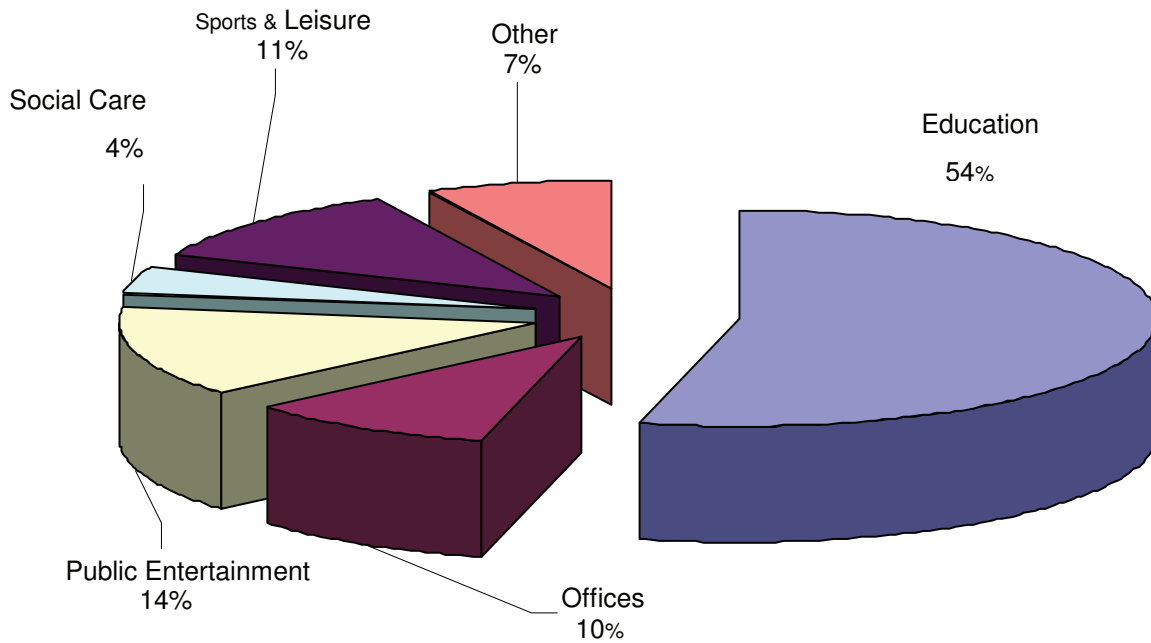
Portfolio	Category	Valuation from CBS as of 31.03.08	% of total
Operational	Residential council housing	£ 830,282,311	47.8 %
	Schools and associated	£ 377,818,662	21.8 %
	Other land & buildings	£ 323,948,584	18.7 %
	Parkland community assets	£ 2,143,398	0.1 %
Non-Operational	Investment properties	£ 189,127,991	10.9 %
	Surplus and disposal	£ 13,162,650	0.7 %
<b>Totals:</b>		<b>£ 1,736,483,596</b>	<b>100.0 %</b>

**Figure C2: Property & land assets by value as at 31.03.08**

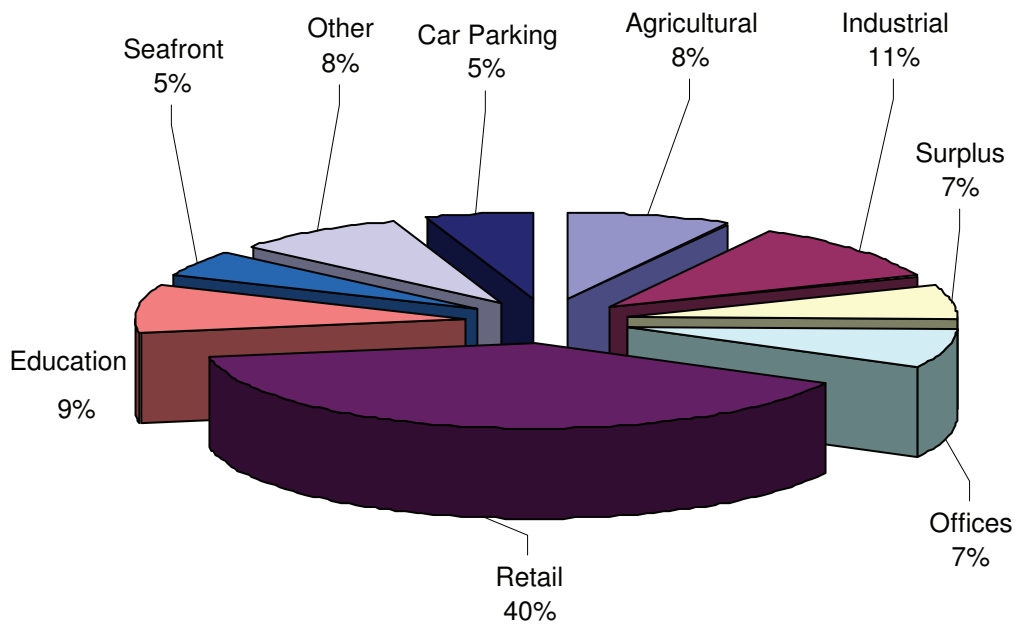


The range of properties within the operational and the non-operational portfolios are indicated in **Figures C3** and **C4** below:

**Figure C3: Operational property assets by value as at 31.03.08**



**Figure C4: Non operational property assets by value as at 31.03.08**







OVERVIEW AND SCRUTINY COMMISSION MEETING

9<sup>th</sup> September 2008.

MINUTES.

**37 ASSET MANAGEMENT PLAN AND CORPORATE PROPERTY STRATEGY  
2008 – 2011**

- 37.1 The Assistant Director, Finance and Resources, introduced the report on the Asset Management Plan and Corporate Property Strategy 2008 – 2011. This would be presented to Cabinet for approval on 16 October.
- 37.2 Members were pleased with the headline national performance indicator results as set out in table 5b. The Assistant Director answered a number of questions in detail. Further queries were raised for consideration as follows:
- 37.3 Can the meaning be clarified in the final document, regarding the integrated approach and separate responsibilities? Also is there scope for greater joined-up working between Departments (Paragraph 3.5.2)
- 37.4 Where can the Value For Money Process be viewed? (para 6.4)
- 37.5 Can local cooperatives be given greater support to help regenerate local vacant shops?
- 37.6 What plans are there for the Bevendean neighbourhood shops and can officer support be given to a recently-established resident working group? (para 3.3)
- 37.7 Can the Community Land Trust process be investigated further? (para 4.3.4)
- 37.8 Both the Chairman and Councillor Fallon-Khan complimented the officers on their work and the layout and content of the report.

**RESOLVED:** That the above remarks as minuted from 37.3 to 37.7 are taken into consideration in finalising the report to Cabinet.



# CABINET MEETING

## Agenda Item 91

Brighton & Hove City Council

<b>Subject:</b>	<b>Corporate Enforcement Policy</b>		
<b>Date of Meeting:</b>	<b>16 October 2008</b>		
<b>Report of:</b>	<b>Director of Environment</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>John Peerless</b>	<b>Tel:</b> 292486
	<b>E-mail:</b>	<b>John.peerless@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB2379</b>	
<b>Wards Affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE.

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to apprise Cabinet of the outcome of consultation with businesses, the public and other stakeholders on the draft Corporate Enforcement Policy which was presented to Policy & Resources committee in February this year.
- 1.2 To seek approval for the amended Policy to be published and endorse its implementation by all sections with an enforcement role in the Council.
- 1.3 In line with the Council's priority of fair enforcement of the law this policy would commit the Council to best enforcement practice and procedures by setting out what can be expected from its enforcement teams and their officers.

#### 2. RECOMMENDATIONS:

- 2.1 That the Cabinet approve the revised Corporate Enforcement Policy and authorise its implementation by all enforcement sections in the Council.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS.

- 3.1 The Council has always prided itself on its record for taking a fair and consistent approach in any enforcement action taken against individuals or businesses who have transgressed relevant legislation that we administer.
- 3.2 We were one of the first Council's to sign up to Enforcement Concordat, but whilst most of our regulators have developed their own Enforcement or Prosecution Policy or procedures there has never been a Corporate Enforcement Policy that has been endorsed by members.
- 3.3 Fair and consistent enforcement is a key priority for this administration and it is felt that it is time that officers are given clear direction on this issue. Furthermore on 6 April 2008 the statutory Regulators' Compliance Code for specified functions, including Trading Standards and Environmental Health, came into force.

- 3.4 This code asks regulators to perform their duties in a business-friendly way, by planning regulatory activity in a way that causes least disruption to the economy.
- 3.5 The Code was drafted in response to the Hampton Review of the UK's regulatory system, which proposed the principles of better regulation based on a risk-based approach and proportionality to regulatory enforcement.
- 3.6 Whilst specifically aimed at Trading Standards and Environmental Health the guiding principles of the Code are applicable to all of our regulators because they promote openness, fairness, proportionality and consistency.
- 3.7 A draft Policy was presented to Policy & Resources in February this year. The Committee endorsed the introduction of a Corporate Policy and agreed to its implementation following wider consultation with businesses, the public and other stakeholders.

#### **4. CONSULTATION**

- 4.1 The following stakeholders have been consulted
- All 'enforcement sections' in the council
  - Local business associations and individual businesses
  - The public (via the website)
  - Other enforcement agencies including Sussex Police and neighbouring authorities.
- 4.2 There were only a few responses which related to
- Concerns over the use of the term 'corporate' as the businesses felt it could be seen that the policy was only aimed at corporate entities.
  - Clarification that enforcement action would be taken against individual members of the public.
  - Concerns that enforcement agencies appear to target less serious matters because they are easier to deal with.
  - The lack of a response times for acknowledging enquiries, and the reporting of the progress of subsequent investigations.
  - Lack of consistency between different sections when taking enforcement action.
- 4.3 Individual responses have been made where requested and the above concerns taken into account in the revision of the document.

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

### Financial Implications:

- 5.1 There are no direct financial implications from approving the revised Corporate Enforcement Policy

*Finance Officer Consulted: Patrick Rice      Date: 12 September 2008*

### Legal Implications:

- 5.2 If implemented, the Enforcement Policy will assist the Council in meeting its duty under section 6 of the Human Rights Act 1988 not to act in a way which is incompatible with a Convention Right..

*Lawyer Consulted: Liz Woodley      Date: 12 September 2008*

### Equalities Implications:

- 5.3 A Rapid Impact Assessment has been carried out and identified that proper implementation of the principles of this policy would have a positive impact. There may be a perception of certain communities that enforcement activity is disproportionately targeted at them. This perception can be mitigated through consistent application, monitoring and regular review of enforcement activities.

### Sustainability Implications:

- 5.4 There are no sustainability implications.

### Crime & Disorder Implications:

- 5.5 The policy directs regulators to consider targeted and proportionate action against those that persistently breach the legislation so should assist in the prevention of crime and disorder.

### Risk & Opportunity Management Implications:

- 5.6 The Policy can be used as a tool to assist in risk assessments.

### Corporate / Citywide Implications:

- 5.7 Regulators that actively promote economic progress and prosperity through a light touch approach will enhance the reputation of the city.

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Consideration was given to the maintaining the status quo but such action could lead to an inconsistent approach to enforcement activity.
- 6.2 Environmental Health and Trading Standards could be asked to develop, publish and implement a service specific policy as required by the Compliance Code. However this could also lead to inconsistencies and this approach lacks openness and transparency.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The proper implementation of the Policy will help the Council achieve its objective to have fair law enforcement across all regulatory services.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

- 1. Revised Corporate Policy
- 2. Draft Policy

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

- 1. Policy & Resources Committee Report 7 February 2008

#### **Background Documents**

- 1. The Regulators Compliance Code
- 2. Cabinet Office Enforcement Concordat
- 3. Hampton Review
- 4. Macrory Report (Penalties & Sanctions)

## **Brighton and Hove City Council**

### **Corporate Enforcement Policy**

#### **1. Introduction**

- 1.1 Fair and effective enforcement is essential to protect the economic interests and health and safety of the public, businesses, the environment and the public purse.
- 1.2 This Policy sets out what businesses and individuals that are either the subject of, or benefit from enforcement action can expect from Enforcement teams and their officers.
- 1.3 This policy commits the Council to good enforcement practice and procedures and is supplemented by service specific policies.

#### **2. Status**

- 2.1 This Policy was approved by Cabinet on 16 October 2008.

#### **3. Scope**

- 3.1 This Policy applies to any enforcement activity taken against members of the public who make fraudulent claims to the Council as well as person who is required to comply with the legislation applicable to the running of a business.
- 3.2 Enforcement includes any action taken by officers aimed at ensuring that both the public and/or businesses comply with the law. This is not limited to formal enforcement action such as prosecution but also includes the inspection of premises, investigations and other intervention activity designed to reduce crime and disorder and improve the quality of life in our communities.

#### **4. Aims**

- 4.1 The aim of this policy is to ensure that:
  - All those who live and work in the City have a clear understanding of the Corporate Policy and the enforcement functions.
  - All statutory notices issued by the Council are checked by an experienced officer for legal validity, content and technical information.

- Any information given, whether written or verbal, clearly identifies these requirements that are mandatory and those that are advisory.
- Any enforcement activity is proportionate to the seriousness of the breach and risks involved, and officers follow a consistent approach.

## 5. Legal Provisions

5.1 The following legislation and guidance will be taken into account in the enforcement activities of the council.

- The Compliance Code introduced by the Legislative & Regulatory Reform Act 2006
- Cabinet Office Enforcement Concordat
- Regulation of Investigatory Powers Act 2000
- Police & Criminal Evidence Act 1984
- Criminal Proceedings and Investigations Act 1996
- Freedom of information Act 2000
- Human Rights Act 1998
- Data Protection Act 1998
- Local Government Acts
- Race Relations Acts
- Crime & Disorder Act 1998
- Other relevant legislation such as the Public Health Acts, Anti Social Behaviour Act 2003, Criminal Justice & Public Order Act 1994, Clean Neighbourhoods & Environment act 2005
- The Code for Crown Prosecutors
- Home Office Guidance on the use of Simple Cautions
- Local Service Plans
- Other relevant guidance or professional advice

## 6. General Principles

6.1 Enforcement actions and the determination of sanctions and penalties should be carried out in an **open, transparent and timely manner**.

6.2 Regulators should be **accountable** for the efficiency and effectiveness of their activities whilst remaining independent in their decision-making.

6.3 Any enforcement action must be **proportionate** to the seriousness of any breach and to the risk to the public and businesses and should

- Aim to change the behaviour of the offender.
- Aim to eliminate any financial gain or benefit from offending.
- Be responsive and take account of what is appropriate for the particular offender.
- Deter further offending.



- 6.4 All duties must be carried out in a fair, equitable and **consistent** manner.
- 6.5 All activities are implemented through the use of comprehensive risk assessment and an intelligence led approach to ensure that resources are **targeted** at cases where protection is needed.

## 7. Service Standards

7.1 For people subject to enforcement action, we will aim to provide

- Targeted information and education programmes, where this is appropriate to achieve compliance.
- Information about the actions that can be taken on finding a breach of relevant legislation and the timescales involved.
- Clear advice on how to remedy the breach, distinguishing between legal advice and good practice.
- Advice on the planned level and frequency of any inspection regime, where premises are subject to regulatory controls.
- Arrangements for inspecting businesses at suitable times and an explanation why appointments may not be possible for all activities.
- Coordination of the activities of different Council Services and outside agencies to minimise the burden on businesses from multiple visits.
- Clear standards of response to complaints about the way in which enforcement activities are carried out.
- Arrangements for communicating with people in a manner most appropriate to their needs.
- Arrangements for ensuring that any commercially sensitive information obtained in the course of the enforcement action is protected.
- Consistency of enforcement for businesses that undertake similar activities, where appropriate.

7.2 For people who benefit from enforcement action, we will aim to provide

- Clear information about how we will respond their enquiry and the timescale involved.
- Arrangements for visiting complainants to investigate their problem where it is happening.
- Standards for keeping people informed of the status and progress of any subsequent investigation.
- Arrangements for communicating with complainants in a manner most appropriate to their needs.
- Standards for responding to complaints from people who are dissatisfied with the action taken on their behalf.
- Clear explanation of the limitations, or non availability of powers to deal with particular matters.

## **8. Officers Powers**

- 8.1 Enforcement officers have a wide variety of duties and have to act as investigators. In order to act effectively certain legislation provides strong powers of entry, seizure and inspection. If individuals or companies obstruct officers or refuse to provide information the law also imposes punishments. Officers use these powers with discretion but to be effective the Council will uphold and support them.
- 8.2 Officers will use their powers of entry only when necessary to effect an inspection of premises or in the process of an investigation. The Council will always support officers who act in good faith, including prosecuting those individuals who obstruct or assault officers during investigations or inspections.
- 8.3 Where the legislation allows, officers may examine premises and articles, remove articles, label samples, require information, issue enforcement notices and may in some instances be accompanied by other persons. In some cases a Justice's warrant may be obtained to obtain entry to specified premises.
- 8.4 An officer must be able to explain the legal basis and justify any individual action taken in the performance of their duties.

## **9. Appointment of officers and identification**

- 9.1 All enforcement will be authorised to act under relevant legislation enforced or administered by the service in which they are employed. Their authorisation will follow the scheme of delegations procedure adopted by the council and will be known as their Warrant. This must be produced if requested.
- 9.2 All officers are issued with an identification card bearing their photograph. This identification must also be produced on request.

## **10. Shared Enforcement Role**

- 10.1 Enforcement officers investigating breaches of the law must consider whether there is a shared or wider enforcement role. In many instances effective action can only occur if officers actively work with other sections within the Council, the Police, Fire & Rescue Services and other similar enforcement agencies.
- 10.2 The Council also has a duty to inform certain government bodies of statutory notifications, e.g. reporting appropriate accidents, occupational diseases outbreaks to the Health & Safety Executive, Notices of Intended Proceedings to the Office of Fair Trading, or the

issue of Suspension Notices to the Department of Business & Regulatory Reform.

- 10.3 If another agency or authority is the enforcing authority for a particular activity, officers will inform them of any contraventions they observe during the performance of their duties, e.g. officers must consult the Fire Authority before serving a statutory notice to provide or improve means of escape in a house of multiple occupation. When appropriate, enforcement issues may be referred to other agencies including:
- East Sussex Fire & Rescue Service (Petroleum Licensing)
  - East Sussex County Council (Animal Health)
  - Health and Safety Executive
  - Environment Agency
  - Emergency Services
  - Adjoining local authorities
  - Government Departments

## **11. Formal Action**

- 11.1 Compliance should normally be achieved through informal actions such as

- Educational Courses and training
- Advice provision
- Compliance check
- Warning letters
- Consideration Notices
- Undertakings

- 11.2 Where this does not result in compliance or in more serious cases, formal action may be considered, this includes

- Notice of intention
- Works notice
- Abatement Notices
- Demotion Orders
- Improvement Notices
- Works in default
- Prohibition Notices
- Suspension Notices
- Control Orders
- Closure Orders
- Seizure and detention, forfeiture
- Simple Cautions
- Enforcement notices and other notices under the Town & County Planning Acts
- Injunctions
- Enforcement Orders
- License Reviews
- Fixed Penalty Notices
- Anti Social Behaviour Orders

- Criminal Anti-Social Behaviour Orders
- Prosecution

11.3 The Proceeds of Crime Act 2002 was introduced to provide a mechanism to ensure that persons committing crime should not benefit from that activity. Financial Investigations should therefore be considered in appropriate cases.

## **12 Decision - making**

12.1 The relevant enforcement officer can make the decision for less serious infringements. These decisions must be based on professional judgement, legal guidelines, statutory codes of practice and the priorities set by the Council and / or Central Government.

12.2 For more serious breaches, where the nature of the offence points towards prosecution, the offer of a simple caution, the issuing of an Enforcement Notice, or an application to the courts for injunctive action the decision will be made by the Team Manager, Head of Service or relevant Assistant Director. These decisions should be taken in conjunction Legal Services and reflect national guidance and best practice, in particular the criteria found within the Code for Crown Prosecutors.

## **13. Monitoring & Review**

13.1 All officers must adhere to this policy. Senior managers are required to monitor its implementation and make any necessary suggestions or recommendations for improvement.

13.2 Any variance from the policy should be reported to the appropriate Head of Service who will ensure that the issue is addressed and necessary training given if applicable.

13.3 The policy will be reviewed when there is any significant change in legislation or other circumstances that affect its effectiveness and validity.

## **14 Equalities**

14.1 The Council is committed to delivering all its operational activities in accordance with our Equalities and Diversity policies and will embed the principles in its approach to its enforcement and regulatory functions

## **15 Appeals, Complaints & Comments**

15.1 The Council has published its Complaints Procedure which can be found on the Councils website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk). Copies of this Policy can also be found. In addition, most legislation has inbuilt

appeals procedures whenever formal enforcement action is taken. Complaints may also be made to the Local Government Ombudsman.



# CABINET MEETING

## Agenda Item 92

Brighton & Hove City Council

<b>Subject:</b>	<b>Surveillance Policy</b>		
<b>Date of Meeting:</b>	<b>16 October 2008</b>		
<b>Report of:</b>	<b>Director of Environment</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>John Peerless</b>	<b>Tel:</b> 292486
	<b>E-mail:</b>	<b>John.peerless@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB2381</b>	
<b>Wards Affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to apprise the Cabinet of the activities that have been undertaken utilising the powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and confirm that these activities were authorised in line with the necessity and proportionality rules and the Council's priority of fair enforcement of the law.
- 1.2 To provide an update on the revisions made to the original Policy to reflect recommendations made by the Surveillance and Interception Commissioner's and legislative changes.

#### 2. RECOMMENDATIONS:

- 2.1 That the Cabinet approves the continued use of covert surveillance and the accessing of communications data as an enforcement tool to prevent and detect all crime and disorder investigated by its officers providing the necessity and proportionality rules are stringently applied.
- 2.2 That the Cabinet approve the implementation of an Annual Review relating to the use of RIPA powers.
- 2.3 That the Cabinet agree to the use of the National Anti Fraud Network as the Single Point of Contact for accessing communications data and that the Head of Trading Standards and Head of Operations are identified as the 'Designated persons' as required by the legislation.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Human Rights Act 1998 requires the City Council to respect the private and family life of citizens. This is a qualified right and in certain circumstances, the City Council may interfere in an individual's right, providing that interference is in accordance with the law.

- 3.2 The Regulation of Investigatory Powers Act 2000 (RIPA) is the statutory mechanism for authorising covert surveillance, and accessing communications data. It seeks to ensure that any interference with an individual's right is both necessary and proportionate. An explanation of the meaning of these terms is included in the Policy document.
- 3.3 To ensure consistency the government created the Office of the Surveillance Commissioner and the Office of the Interception Commissioner. Inspectors from these offices have a responsibility for auditing the activity of all public authorities in respect of these powers.
- 3.4 The Council has been audited on three occasions regarding 'covert surveillance' and once in respect of 'access to communications data'. The first audit recommended the development of a Corporate Policy which received approval by Policy & Resources Committee in 2005. The policy has been the subject of amendment to reflect the recommendations of the Commissioners and changes to the legislation. These include
- **The addition of a procedure to enable access to communications data**
  - **Changes to the list of Authorising Officers**
  - **A more explicit explanation of the meaning of necessary and proportionate**
  - **Change to the Application Forms to include guidance on the above terms**
  - **Changes to the Application Form to make it more logical and less confusing**
  - **A separation of the application form and authorisation form and the inclusion of a risk assessment paragraph to reflect best practice.**
- 3.5 Covert surveillance has to be authorised by two relevant managers from the same Department. The regime is slightly different for 'accessing communications data' as the legislation requires that there is a Single Point of Contact (SPOC) who liaises with the service providers. This role is shared by the Head of Trading Standards and the Head of Operations, Public Safety, who are accredited by the Home Office.
- 3.6 The Commissioners have indicated that we operate a thorough and well informed RIPA regime and that there was effective quality control. They comment, though, that there appears to be some confusion regarding the terms necessary and proportionate. To remedy this, they recommended the introduction of cross service training and guidance on the meaning of each term.
- 3.7 The Inspectors have also raised concern regarding the capacity of the authority to maintain control of the regime in the absence of the Head of Trading Standards. This is not seen as an issue by the current post-holder in respect of 'covert surveillance', but the administrative requirements of the 'access to communications data' regime is a burden.



- 3.8 A solution to this problem would be to consider the transfer the SPOC duties to the National Anti Fraud Network (NAFN) who have secured funding from the Home Office to provide such a service to local authorities, with the Head of Trading Standards and Head of Operations remaining as the 'designated persons'.
- 3.9 It was always intended that councils should use these powers to prevent or detect crime, such as fly tipping, rogue traders and those that defraud the council tax or housing benefit system. Recently local authorities have been criticised for using the powers for perceived trivial matters, such as dog fouling or littering. The LGA has therefore called on the council to review existing permissions and satisfy itself that the relevant tests are being met. Furthermore they suggest that each authority should give consideration to implementing an annual review by an appropriate committee or panel. They have also stated that in their opinion the powers should not be used for trivial matters.
- 3.10 The Leader of the Council took personal responsibility for establishing the current process relating to the use of these powers and met with Sir Simon Milton (the author of the communication from the LGA) and formally responded to him to confirm their discussions. A copy of the LGA communication and our response are attached as appendices to this report.
- 3.11 A review of the Central Registers shows that the majority of covert surveillance activity relates to Housing Benefit fraud, disorder and harassment issues reported to Housing Management, and incidents of fly-tipping and Graffiti. Applications for accessing communications data are predominantly made by Trading Standards relating to incidents of 'rogue trading' including doorstep crime, illegal money lending, counterfeiting internet scams. A breakdown of the activities is detailed in the appendix to this report.
- 3.12 The council is unique as it is the only authority in the country that requires two signatories on an authorisation. The review found that the signatories on most authorisations were Heads of Service and Assistant Directors. The only exception to this rule is in Housing Benefits where authorisation is given by the team managers and their immediate line manager.

#### **4. CONSULTATION**

- 4.1 There has been no consultation in the compilation of this report.

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

### Financial Implications:

- 5.1 There are no direct financial implications arising from the recommendations in the report. There is no cost involved in using the National Anti Fraud Network as the single point of contact for accessing communications data.

*Finance Officer Consulted: Patrick Rice      Date: 12 September 2008*

### Legal Implications:

- 5.2 The legal implications are addressed in the body of the report.

*Lawyer Consulted: Liz Woodley      Date: 12 September 2008*

### Equalities Implications:

- 5.3 A Rapid Impact assessment will be carried out. In the meantime the proper and consistent application of the RIPA powers should ensure that a persons basic human rights are not interfered without justification. Each application is assessed by two senior managers for necessity and proportionality, and the 'authorisations' reviewed by a third manager who has responsibility for maintaining a central register. This process should identify any inconsistencies or disproportionate targeting of minority groups and enable action to be taken to remedy any perceived inequality..

### Sustainability Implications:

- 5.4 There are no sustainability implications.

### Crime & Disorder Implications:

- 5.5 If use appropriately the activities described in the report should enhance our capacity to tackle crime and disorder.

### Risk & Opportunity Management Implications:

- 5.6 Any failure to comply with the provisions of the legislation could render any evidence obtained as inadmissible, resulting in a failed prosecution, and have a detrimental impact on the council's reputation.

### Corporate / Citywide Implications:

- 5.7 Proper application of the powers will help to achieve the 'fair enforcement of the law' objective and help to protect the environment and the public from rogue trading.

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Consideration was given to recommending that Cabinet stipulate those crimes that were trivial and therefore the powers referred to in the report should never be used. This approach is not considered necessary given the level at which authorisations are made.
- 6.2 A review of 'surveillance activities' could be the subject of the normal scrutiny process and this option has equal merit.
- 6.3 The status quo could be maintained in respect of the 'access to communications data' process but moving the SPOC service to NAFN would be more effective and an efficient use of resources.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The introduction of the Corporate Enforcement Policy should help to ensure that identified breaches of the law are dealt with in the most appropriate manner. However it is essential that officers are able to use the RIPA powers for all crimes regardless of how trivial some may be perceived, but only after exhausting all other methods of enforcement. As authorisation is generally given at Head of Service level and above it is unlikely that these powers will be abused.
- 7.2 The implementation of an Annual Review would make the whole process transparent and demonstrate to the public that the correct procedures are followed.
- 7.3 The 'access to communications' process would be more effective, efficient and objective if it single point of contact service was carried out by the National Anti Fraud Network

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- 1. Breakdown of activities by year.
- 2. Surveillance Policy & Procedure

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

None.

### **Background Documents**

None



Appendix									
Directed Surveillance Authorisations									
Year		2001	2002	2003	2004	2005	2006	2007	2008
	Activity								
	Mileage fraud		1						
	Doorstep Fraud			1					1
Trading Standards	Racing tipster fraud							1	
	Counterfeits			1		1			
	Mock Auction	1	1						
	Under age sales of Alcohol		2	1	1				
Housing Benefits	Benefit Fraud	38	23	14	8	6	3	7	4
Housing Management	Criminal Damage						3		
Housing Management	ASB			2		3	1		
Housing Management	Harassment			7	6		1	11	3
eb4u	ASB			11	17			4	
eb4u	Harassment	1	2	4		1			
City Clean	Fly tipping				1	2	1	4	
City Clean	Graffiti							4	1
Cultural Services	Criminal Damage						1		
Cultural Services	Theft from premises							1	
Adult Services	Protection Issue				1				
Children Services	Protection issue							1	1
					2004	2005	2006	2007	
Access to Communications Data Notices									
Trading Standards	Rogue trading				18	5	21	14	6
Taxi Licensing	Unlicensed taxi operation						11		
CityClean	Graffiti						2	2	
Housing Benefits	Benefit Fraud							1	



# **Brighton & Hove City Council**

Corporate Policy & Procedures Document

On

The Regulation of Investigatory Powers Act 2000

(RIPA)

**John Peerless**

**Head of Trading Standards**

**Telephone: 01273 292486**

**Fax: 01273 292524**

**E-mail: [john.peerless@brighton-hove.gov.uk](mailto:john.peerless@brighton-hove.gov.uk)**

**Version: June 2007**

## **Contents Page**

**Introduction**

**Corporate Policy Statement**

**Effective date of operation and Authorised Officers Responsibilities**

**General Information**

**What RIPA does and does not do**

**Types of Surveillance**

**Conduct and Use of a Covert Human Intelligence Source (CHIS)**

**Authorisation Procedures**

**Other Agencies**

**Records**

**Appendix 1 – List of Authorised Officer Posts**

**Appendix 2 – Process Flowcharts**

**Appendix 3 – Directed Surveillance Forms** (available from John Peerless)

**Appendix 4 – CHIS Forms** (available from John Peerless)

**Appendix 5 – Access to Communications Data forms** (available from John Peerless)

<p>The Regulation of Regulatory Powers Act 2000 refers to 'Designated Officers'. For ease of understanding and application this document refers to 'Authorised Officers'.</p>
---



## Introduction

This document is based on the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Home Office's Code of Practices for Directed Surveillance and Covert Human Intelligence Sources (CHIS) and Accessing Communications data.

The authoritative position on RIPA is the Act itself and any Officer who is unsure about any aspect of this document should contact the Head of Trading Standards or the Head of Law, for advice and assistance.

This document has been approved by the Policy & Resources Committee and is on 'The Wave'.

The Head of Trading Standards will maintain the Central Register of all authorisations, reviews, renewals, cancellations and rejections. It is the responsibility of the relevant Authorised Officer to ensure that relevant form is submitted within 1 week of its completion.

This document will be subject to a 6 monthly review by the Head of Trading Standards.

In terms of monitoring e-mails and internet usage, it is important to recognise the interplay and overlap with the Council's Information Technology policies and guidance, the Telecommunications (Lawful Business Practice)(Interception of Communications) Regulations 2000, the Data Protection Act 1998 and its draft Code Of Practice. RIPA forms should only be used where **relevant** and they will only be **relevant** where the **criteria** listed are fully met.

## Policy Statement

The Council takes its statutory responsibilities seriously and will at all times act in accordance with the law and takes necessary and proportionate action in these types of matters. In that regard the Head of Trading Standards is duly authorised to keep this document up to date and amend, delete, add or substitute relevant provisions, as necessary. For administrative and operational effectiveness, the Head of Trading Standards is authorised to add or substitute Authorised Officers with the agreement of the relevant Director.

It is this Council's Policy that

- All covert surveillance exercises conducted by the Council should comply with the requirements of RIPA
- An Authorisation will only be valid if signed by two designated officers.
- Authorising 'Access to Communications data' will be restricted to the Head of Trading Standards and the Head of Operations, Public Safety

## Authorised Officers Responsibilities

It is essential that Senior Managers and Authorised Officers take personal responsibility for the effective and efficient operation of this document.

Relevant Directors should ensure that sufficient numbers of Authorised Officers receive suitable training on RIPA and this document, and that they are competent.

It will be the responsibility of those Authorised Officers to ensure that relevant members of staff are also suitably trained as 'Applicants'.

An authorisation must not be approved until the Authorised Officer is satisfied that the activity proposed is necessary and proportionate.

- **Necessary** in this context includes consideration as to whether the information sought could be obtained by other less invasive means, and that those methods have been explored and been unsuccessful or could have compromised the investigation,
- Deciding whether the activity is **proportionate** includes balancing the right to privacy against the seriousness of the offence being investigated. Consideration must be given as to whether the activity could be seen as excessive,

Authorised Officers must pay particular attention to Health & Safety issues that may be raised by any proposed surveillance activity. Approval must not be given until such time as any health and safety issue has been addressed and/or the risks identified are minimised.

Authorised Officers must ensure that staff who report to them follow this document and do not undertake any form of surveillance, or access communications data, without first obtaining the relevant authorisation in compliance with this document.

Authorised Officers must ensure when sending copies of any forms to the Head of Trading Standards for inclusion in the Central Register, that they are sent in **sealed** envelopes and marked **Strictly Private & Confidential**.

## General Information on RIPA

The Human Rights Act 1998 (which brought much of the European Convention on Human Rights and Fundamental Freedoms 1950 into UK domestic law) requires the City Council, and organisations working on its behalf, to respect the private and family life of citizens, his home and his correspondence.

The European Convention did not make this an absolute right, but a qualified right. Therefore, in certain circumstances, the City Council may interfere in an individual's right as mentioned above, if that interference is:-

- (a) **In accordance with the law;**
- (b) **Necessary;** and
- (c) **Proportionate.**

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a statutory mechanism (i.e. 'in accordance with the law') for authorising **covert surveillance** and the use of a '**covert human intelligence source**' ('**CHIS**') – e.g. undercover agents, and **Accessing Communications data**. It seeks to ensure that any interference with an individual's right under Article 8 of the European Convention is necessary and proportionate. In doing so, the RIPA seeks to ensure both the public interest and the human rights of individuals are suitably balanced.

Directly employed Council staff and external agencies working for the City Council are covered by the Act for the time they are working for the City Council. All external agencies must, therefore, comply with RIPA and the work carried out by agencies on the Council's behalf must be properly authorised by two Authorised Officers.

A list of officers who may authorise Directed Surveillance is kept by the Head of Trading Standards. For the purposes of Accessing Communications Data the Designated Persons are the Head of Trading Standards and Head of Operations, Public Safety.

If the correct procedures are not followed, evidence may be dis-allowed by the courts, a complaint of mal-administration could be made to the Ombudsman, and/or the Council could be ordered to pay compensation. Such action would not, of course, promote the good reputation of the City Council and will, undoubtedly, be the subject of adverse press and media interest.

A flowchart of the procedures to be followed appears at **Appendix 1**.

## **What RIPA Does and Does Not Do**

### **RIPA does:**

- Requires prior authorisation of directed surveillance
- Prohibits the Council from carrying out intrusive surveillance
- Requires authorisation of the conduct and use of a CHIS
- Require safeguards for the conduct and use of a CHIS
- Requires proper authorisation to obtain communication data
- Prohibits the Council from accessing 'traffic data'

### **RIPA does not:**

- Make unlawful conduct which is otherwise lawful
- Prejudice or dis-apply any existing powers available to the City Council to obtain information by any means not involving conduct that may be authorised under this Act. For example, it does not affect the Council's current powers to obtain information via the DVLA or to get information from the Land Registry as to the ownership of a property.

If the Authorised Officer or any Applicant is in any doubt, they should ask the Head of Trading Standards before any directed surveillance, CHIS, or Access to Communications is authorised, renewed, cancelled or rejected.

## **Types of Surveillance**

'**Surveillance**' includes

- Monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications.
- Recording anything mentioned above in the course of authorised surveillance
- Surveillance, by or with, the assistance of appropriate surveillance device(s).

**Surveillance can be overt or covert.**

### **Overt Surveillance**

Most surveillance activity will be done overtly, that is, there will be nothing secretive, clandestine or hidden about it. In many cases, Officers will be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases), and/or will be going about Council business openly (e.g. a Neighbourhood Warden walking through the estate).

Similarly, surveillance will be overt if the subject has been told it will happen (e.g. where a noisemaker is warned (preferably in writing) that noise will be recorded if the noise continues, or where an entertainment licence is issued subject to conditions, and the licensee is told that officers may visit without notice or identifying themselves to the owner/proprietor to check that the conditions are being met.

### **Covert Surveillance**

Covert Surveillance is carried out in a manner calculated to ensure that the person subject to the surveillance is unaware of it taking place.

RIPA regulates two types of covert surveillance, (Directed Surveillance and Intrusive Surveillance) and the use of Covert Human Intelligence Sources (CHIS).

### **Directed Surveillance**

Directed Surveillance is surveillance which: -

- Is covert; and
- Is not intrusive surveillance;
- Is not carried out in an immediate response to events which would otherwise make seeking authorisation under the Act unreasonable, e.g. spotting something suspicious and continuing to observe it; and
- It is undertaken for the purpose of a **specific investigation or operation** in a manner **likely to obtain private information** about an individual (whether or not that person is specifically targeted for purposes of an investigation).

Private information in relation to a person includes any information relating to his private and family life, his home and his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others that s/he comes into contact, or associates, with.

Similarly, although overt town centre CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others.

For the avoidance of doubt, only those Officers designated as 'Authorised Officers' for the purpose of RIPA can authorise 'Directed Surveillance' IF, AND ONLY IF, the RIPA authorisation procedures detailed in this Document, from 1 January 2004, are followed.

### **Intrusive Surveillance**

This is when it: -

- Is covert;
- Relates to residential premises and private vehicles; and
- Involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

Only police and other law enforcement agencies can carry out this form of surveillance.

**Council Officers must not carry out intrusive surveillance.**

## Examples of different types of Surveillance

Type of Surveillance	Examples
<u>Overt</u>	<ul style="list-style-type: none"> <li>▪ Police Officer or Parks Warden on patrol</li> <li>▪ Sign-posted Town Centre CCTV cameras (in normal use)</li> <li>▪ Recording noise coming from outside the premises after the occupier has been warned that this will occur if the noise persists.</li> <li>▪ Most test purchases (where the officer behaves no differently from a normal member of the public).</li> </ul>
<u>Covert</u> but not requiring prior authorisation	<ul style="list-style-type: none"> <li>▪ CCTV cameras providing general traffic, crime or public safety information.</li> </ul>
<u>Directed</u> (must be RIPA authorised)	<ul style="list-style-type: none"> <li>▪ Officers follow an individual or individuals over a period, to establish whether s/he is working when claiming benefit or off long term sick from employment.</li> <li>▪ Test purchases where the officer has a hidden camera or other recording device to record information that might include information about the private life of a shop-owner, e.g. where s/he is suspected of running his business in an unlawful manner.</li> </ul>
<u>Intrusive</u>	<ul style="list-style-type: none"> <li>▪ Planting a listening or other device (bug) in a person's home or in their private vehicle.</li> </ul>

### Conduct and Use of a Covert Human Intelligence Source (CHIS)

#### Who is a CHIS?

A Covert Human Intelligence Source (CHIS) is someone who establishes or maintains a personal or other relationship for the covert purpose of helping the covert use of the relationship to obtain Information.

A member of the public who volunteers information to the City Council as part of their normal civic duties, or to contact numbers set up to receive information is not a CHIS.

#### What must be authorised?

The Conduct or Use of a CHIS require prior authorisation.

- **Conduct** of a CHIS = Establishing or maintaining a personal or other relationship with a person for the covert purpose of (or is incidental to) obtaining and passing on information.
- **Use** of a CHIS = Actions inducing, asking or assisting a person to act as a CHIS and the decision to use a CHIS in the first place.

### **Juvenile Sources**

Special safeguards apply to the use or conduct of juvenile sources (i.e. under 18 year olds). On no occasion can a child under 16 years of age be authorised to give information against his or her parents. Only the Chief Executive or their Deputy may authorise the use of Juvenile Sources.

### **Vulnerable Individuals**

A Vulnerable Individual is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself or herself, or unable to protect himself or herself against significant harm or exploitation.

A Vulnerable Individual will only be authorised to act as a source in the most exceptional of circumstances. Only the Chief Executive or their Deputy may authorise the use of Vulnerable Individuals.

### **Test Purchases**

Carrying out test purchases will not require the purchaser to establish a relationship with the supplier with the covert purpose of obtaining information and, therefore, the purchaser will not normally be a CHIS. For example, authorisation would not normally be required for test purchases carried out in the ordinary course of business (e.g. walking into a shop and purchasing a product over the counter).

By contrast, developing a relationship with a person in the shop, to obtain information about the seller's suppliers of an illegal product (e.g. illegally imported products) will require authorisation as a CHIS. Similarly, using mobile hidden recording devices or CCTV cameras to record what is going on in the shop will require authorisation as directed surveillance. A combined authorisation can be given for a CHIS and also directed surveillance.

### **Anti-social behaviour activities (e.g. noise, violence, racial harassment etc)**

Persons who complain about anti-social behaviour, and are asked to keep a diary, will not normally be a CHIS, as they are not required to establish or maintain a relationship for a covert purpose. Recording the level of noise (e.g. the decibel level) will not normally capture private information and, therefore, does not require authorisation.

Recording sound (with a DAT recorder) on private premises could constitute intrusive surveillance, unless it is done overtly. For example, it will be possible to record if the noisemaker is warned that this will occur if the level of noise continues.

Placing a covert stationary or mobile video camera outside a building to record anti social behaviour on residential estates will require prior authorisation.

## Accessing Communications Data

Local authority employees (except Housing Benefit Officers) will no longer be able to use their powers under relevant legislation and the exemption under the Data Protection Act 1998. The disclosure of communications data by Communication service providers will now only be permitted if a Notice to obtain and disclose (or in certain circumstances an Authorisation for an Officer to obtain it themselves) has been issued by the 'Designated person'.

Authorities are required to nominate Single Point of Contacts and that person(s) must have undertaken accredited training.

'Designated Persons' should hold a position within the local authority equivalent to or above Assistant Chief Officer, Head of Service or Service Manager.

Local authorities may only access to Customer Data or Service Data. **They cannot access 'traffic data'.**

### Customer data (Subscriber)

Customer data is the most basic information about users of communication services.

It includes:-

- The name of the customer
- Addresses for billing, etc.
- Contact telephone numbers
- Abstract personal records provided by the customer (e.g. demographic information or sign up data)
- Account information (bill payment arrangements, bank or credit/debit card details)
- Services subscribed to.

### Service Data (Service user)

This relates to the use of the Service Provider services by the customer, and includes:-

- Periods during which the customer used the service
- Information about the provision and use of forwarding and re-direction services
- Itemised records of telephone calls, internet connections, etc
- Connection, disconnect and re-connection
- Provision of conference calls, messaging services, etc
- Records of postal items, etc
- Top-up details for pre-pay mobile phones.

### Traffic Data

This is data about the communication. It relates to data generated or acquired by the Service Provider in delivering or fulfilling the service. **Local authorities do not have access to this data.**

### Authorisation Procedures

Directed surveillance and the use of a CHIS can only be lawfully carried out if properly authorised, and in strict accordance with the terms of the authorisation.

### Authorised Officers

Authorisations under RIPA are separate from delegated authority to act under the Council's Scheme of Delegation and internal departmental Schemes of Management.



RIPA authorisations are for specific investigations only, and must be renewed or cancelled once the specific surveillance is complete or about to expire.

**The authorisations do not lapse with time!**

### **Authorised Officers–Access to Communications data**

The Head of Trading Standards and Head of Operations, Public Safety are the 'Designated persons' permitted to authorise the obtaining and disclosing of communications data. The Head of Trading Standards also acts as the Single Point of Contact. Where an application is made from within Trading Standards, the Designated Person will always be the Head of Operations

### **Training Records**

A certificate of attendance will be given to anyone undertaking training. Training will be recorded on their individual learning and development plan.

Single Points of Contact under Part 1 are required to undertake accredited training. A record will be kept of this training and any updating.

### **Grounds for Authorisation**

Directed Surveillance or the Conduct and Use of the CHIS and Access to Communications Data can be authorised by the City Council only on one of the following grounds

- For the prevention or detection of crime or disorder

### **Assessing the Application Form**

Before an Authorised Officer signs a Form, **they must**

Be mindful of this Corporate Policy & Procedures Document

Satisfy themselves that the RIPA authorisation is **in accordance with the law, is Necessary, and Proportionate**

This means that they must establish whether other less invasive methods to obtain the information has been considered and balance the right of privacy against the seriousness of the offence under investigation.

Take account of the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (**Collateral Intrusion**).

Ensure that measures are taken wherever practicable to avoid or minimise collateral intrusion.

Set a date for review of the authorisation and review on only that date.

Allocate a Unique Reference Number (URN) for the application.

Maintain a Departmental Register, and copy the relevant form (and any review/cancellation of the same) is forwarded to the Head of Trading Standards within 1 week of the relevant authorisation, review, renewal, cancellation or rejection.

## **Additional Safeguards when Authorising a CHIS**

When authorising the conduct or use of a CHIS, the Authorised Officer **must also**

Be satisfied that the **conduct** and/or **use** of the CHIS is proportionate to what is sought to be achieved;

Be satisfied that **appropriate arrangements** are in place for the management and oversight of the CHIS and this must address health and safety issues through a risk assessment;

Consider the likely degree of intrusion of all those potentially affected;

Consider any adverse impact on community confidence that may result from the use or conduct or the information obtained; and

Ensure **records** contain particulars and are not available except on a need to know basis

### **Urgent Authorisations**

In exceptional circumstances urgent authorisations may be given orally if the time that would elapse before a written authorisation can be granted would be likely to endanger life or jeopardise the investigation or operation for which the authorisation was being given.

It will not be urgent where the need for authorisation has been neglected or is of the officer's own making.

It is policy that two officers authorise directed surveillance, however when an authorisation meets the above criteria then it is permissible for one officer to give oral authorisation. The authorising officer must make a record of the authorisation.

**Urgent authorisations should last for no more than 72 hours.** They must be recorded in writing on the standard form as soon as practicable and include an explanation of why the authorisation was urgent.

### **Duration**

The Form **must be reviewed in the time stated and cancelled** once it is no longer needed. The 'authorisation' to conduct the surveillance lasts for a maximum of 3 months for Directed Surveillance and 12 months for a Covert Human Intelligence Source. In respect of a notice or authorisation to obtain communications data the period is one month.

Authorisations can be renewed in writing when the maximum period has expired. The Authorising Officer must consider the matter afresh, including taking into account the benefits of the surveillance to date, and any collateral intrusion that has occurred.

The renewal will begin on the day when the authorisation would have expired.

## **Working With Other Agencies**

If an officer wishes to utilise the CCTV system operated by the Police Directed Surveillance Authorisation must be obtained before an approach is made to the Control Room. If immediate action is required an Authorisation must be obtained within 72 hours of the request being made.

When some other agency has been instructed on behalf of the City Council to undertake any action under RIPA, this Document and the Forms in it must be used (as per normal procedure) and the agency advised or kept informed, as necessary, of the various requirements. They must be made aware explicitly what they are authorised to do.

When another Enforcement Agency (e.g. Police, Customs & Excise, Inland Revenue etc): -

Wish to use the City Council's resources (e.g. CCTV surveillance systems), that agency must use its own RIPA procedures. Before any Officer agrees to allow the City Council's resources to be used for the other agency's purposes, they must obtain a copy of that agency's RIPA form, or written confirmation that a Directed Surveillance Authorisation is in place.

Wish to use the City Council's premises for their own RIPA action, the Officer should, normally, co-operate with the same, unless there are security or other good operational or managerial reasons as to why the City Council's premises should not be used for the agency's activities. Suitable insurance or other appropriate indemnities may be sought, if necessary, from the other agency for the City Council's co-operation in the agent's RIPA operation. In such cases, however, the City Council's own RIPA forms should not be used as the City Council is only 'assisting' not being 'involved' in the RIPA activity of the external agency.

## **Record Management**

A Central Register of all Authorisation Forms will be maintained and monitored by the Head of Trading Standards.

### **Records maintained in the Department**

- A copy of the Forms together with any supplementary documentation and notification of the approval given by the Authorising Officer;
- A record of the period over which the surveillance has taken place;
- The frequency of reviews prescribed by the Authorised Officer;
- A record of the result of each review of the authorisation;
- A copy of any renewal of an authorisation, together with supporting
- Documentation submitted when the renewal was requested;
- The date and time when any instruction was given by the Authorised Officer;
- The Unique Reference Number for the authorisation (URN).

### **Central Register maintained by Trading Standards**

Authorised Officers must forward details of each Form to Trading Standards for the Central Register, **within 1 week of the authorisation, review, renewal, cancellation or rejection.**

Records will be retained records for three years from the ending of the authorisation. The Office of the Surveillance Commissioners (OSC) and the Interception Commissioner can audit/review the City Council's policies and procedures, and individual authorisations.

### **Concluding Remarks**

Where there is an interference with the right to respect for private life and family guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority for the interference, or if it is held not to be necessary or proportionate to the circumstances, the consequences of not obtaining or following the correct authorisation procedure may be that the action (and the evidence obtained), is held to be inadmissible by the Courts pursuant to Section 6 of the Human Rights Act 1998.

Obtaining an authorisation under RIPA and following this document will ensure, therefore, that the action is carried out in accordance with the law and subject to stringent safeguards against abuse of anyone's human rights.

Authorised Officers should be suitably competent and must exercise their minds every time they are asked to sign the request. They must never sign or rubber stamp Form(s) without thinking about their personal and the City Council's responsibilities.

Any boxes not needed on the Form(s) must be clearly marked as being 'NOT APPLICABLE', 'N/A' or a line put through the same. Great care must also be taken to ensure accurate information is used and is inserted in the correct boxes. Reasons for any refusal of an application must also be kept on the form and the form retained for future audits.

For further advice and assistance on RIPA, please contact the Head of Trading Standards. **(Extension 2486)**

## **DIRECTED SURVEILLANCE**

**Form A1** – Application for authorisation

**Form A2** – Authorisation

**Form A3** – Review

**Form A4** – Renewal

**Form A5** – Cancellation

## **Covert Human Intelligence Sources (CHIS)**

**Form B1** – Application for authorisation

**Form B2** – Renewal

**Form B3** – Review

**Form B4** – Cancellation

## **Access to Communications Data**

**Form C1** – Application to obtain communications data

**Form C2** – Cancellation

**Form C3** – SPOC Log Sheet

**Form C4** – SPOC Rejection Form

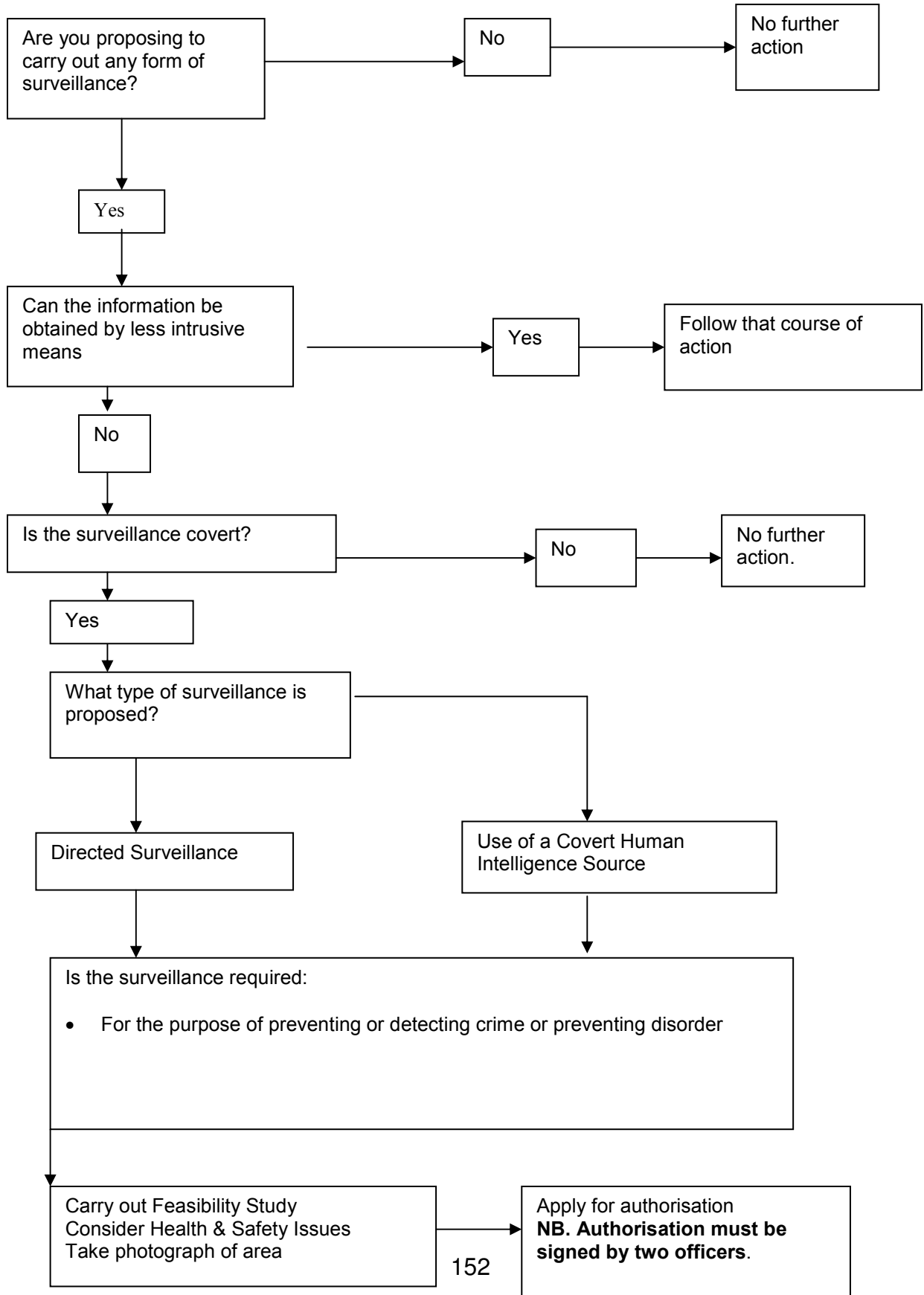
**Form C5** – SPOC report

**Form C6** – Designated Person Considerations

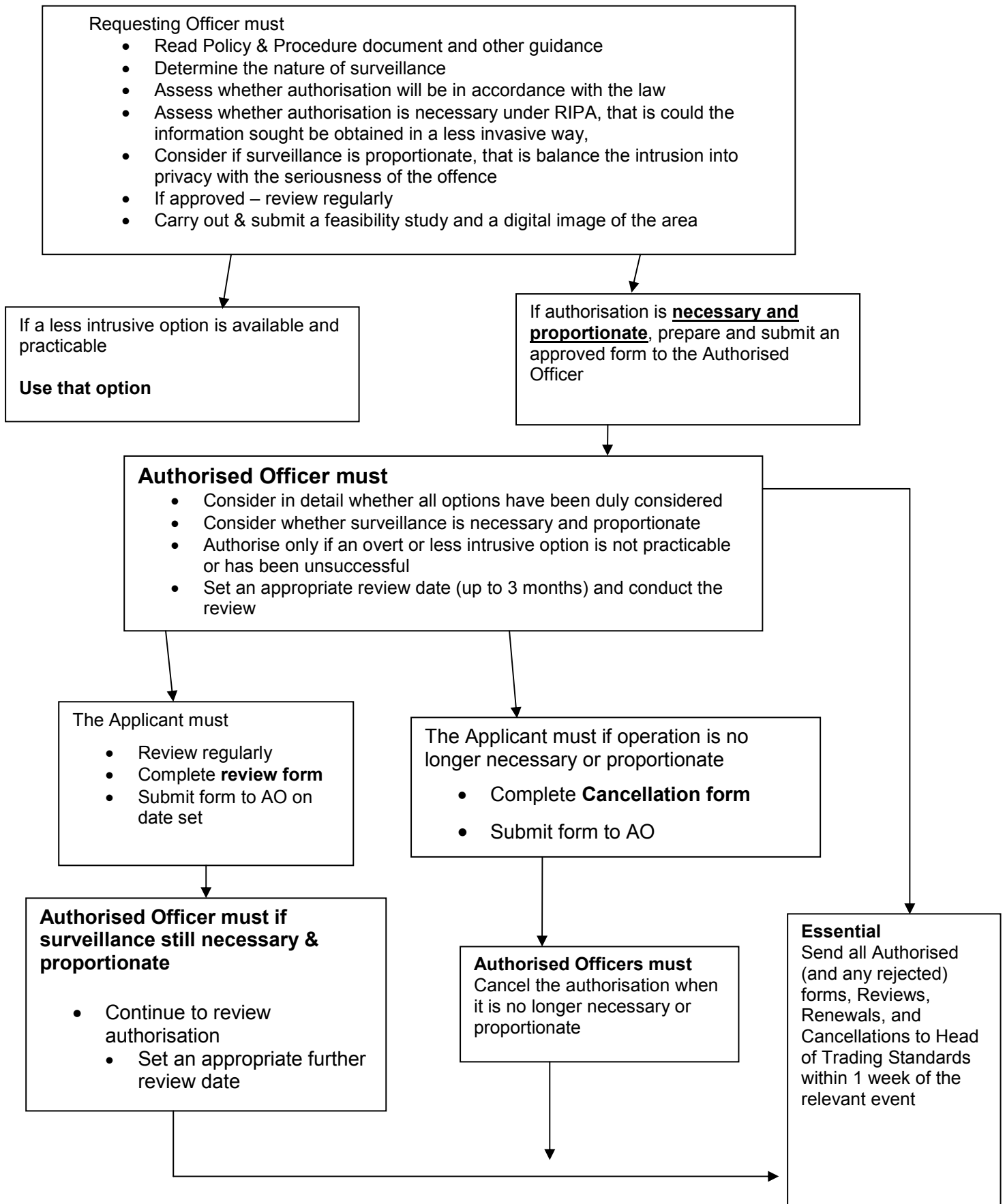
Forms can be obtained from the Head of Trading Standards or accessed via The Wave.

Appendix 1

### Surveillance Activity Decision Process



## Authorising Directed Surveillance Process Map







<b>Subject:</b>	<b>Patcham Court Farm - Update on Disposal</b>		
<b>Date of Meeting:</b>	<b>16<sup>th</sup> October 2008</b>		
<b>Report of:</b>	<b>Interim Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott,</b>	<b>Tel 291450</b>
		<b>Assistant Director,</b>	
		<b>Property &amp; Design</b>	
	<b>E-mail:</b>	<b>angela.dymott@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>Yes</b>	<b>CAB 2195</b>	
<b>Wards Affected:</b>	<b>Patcham</b>		

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

- 1.1 To advise Cabinet on the present position regarding the disposal of Patcham Court Farm Site and seek affirmation of the marketing approach in the current property market. November Policy & Resources Committee 2007 gave approval to the re-marketing of the site if negotiations with the recommended purchaser did not proceed. Negotiations broke down earlier this year following the emergence of the credit crunch and the Council, in discussion with its appointed Agents DTZ, Debenham Tie Leung Limited, has been considering options on the way forward.

**2. RECOMMENDATION:**

- 2.1 That the Cabinet approve the re-marketing of the site with a broadened planning brief through the council's agents DTZ, by contacting potential interested parties to test the market now and following re-assessment of the market to re-launch the site in Spring 2009. This course is not to preclude consideration of disposal in the event that an appropriate prior bid emerges in line with the current planning criteria.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The site of 3.6 acres (1.4Ha) is located on the northern fringe of the City, just south of the A27 bypass and adjacent to the interchange of the A27 and A23. The site was previously part of the wider landholding Patcham Court Farm. The now derelict farm buildings were severed from the associated agricultural land when the bypass was constructed a decade and a half ago. The site falls within the southern fringe of the Sussex Downs Area of Outstanding Natural Beauty and adjoins Patcham Conservation Area. For avoidance of doubt the site does not include the adjoining allotments or houses and is shown by bold outline in the attached plan.

#### **Planning**

- 3.2 Planning policy EM2 in the Brighton & Hove Local Plan adopted in July 2005 identifies the site for high- tech business uses or general office uses within classes B1(a) and (b). An updated informal planning brief was developed for the marketing of the site by the Council's appointed Agents DTZ in November 2006 that confirmed the main office use identified in the Local Plan and other possible employment generating uses that complied with relevant planning policies. The site would not therefore be considered for housing by the planners as this would be contrary to the Local Plan and the emphasis on providing employment on this site.
- 3.3 The emerging Local Development Framework - Core Strategy - Revised Preferred Options identifies Patcham Court Farm as a Strategic Employment Site to be safeguarded and promoted for office and high-tech business use. The suggestion of possible Community Land Trust involvement could run counter to the established employment use and planning policy for the site. Generally Community Land Trusts engage in developing affordable housing, providing community facilities, managing green spaces and developing land for workspace/retail use. With the exception of workspace which is consistent with a major office scheme, these activities would not fit with the strong employment theme identified for this high profile site. In addition, retail facilities have in the past been identified as inappropriate for this site.

#### **Recent planning consultations**

- 3.4 Property & Design and DTZ have been working with the planning team since May 2008 on widening the planning brief to help broaden the potential market interest. The planners original brief assumed a development of 70,000 sq.ft. for B1 (a ) offices and B1 (b) research & development and have been consulted on opening out the range of possible uses on the site. Potential additional or alternative uses which were discussed include care home /medical, trade counter and small industrial, hotel/ancillary (e.g. restaurant) and an Ambulance "Make Ready" station. The planning team would be flexible with regard to a mixed use development but are constrained by the Local Plan and employment requirements so any departure from these would have to be justified.

- 3.5 Since November 2007 and more recently during June to September 2008 Property & Design have had discussions with the South East Coast Ambulance Service (SECAM). They have been looking for possible sites for one of their "Make Ready" stations which would include offices and associated facilities where proximity to the main A27 is essential. However after looking into their precise requirements more deeply their proposed main planning use is of an industrial nature which would not be supported on this particular site and so they are exploring other more suitable locations within the City.

### **Progress**

- 3.6 In March 2007 Policy & Resources Committee approved the sale of the site to Akeler with Lloyds TSB as occupiers. Lease terms were agreed and documents ready to be signed but Lloyds TSB pulled out over concerns about meeting a very tight timetable for the occupation of the new building as their existing Landlord would not extend their tenancy. Our Agents DTZ approached the under bidders for revised bids and in Nov 2007 Policy & Resources Committee agreed to dispose of the Patcham Court Farm to the highest under bidder Rok.
- 3.7 Following the emergence of the credit crunch ROK approached the Council in Feb 08 explaining that they would be withdrawing from the development market but would be prepared to continue with Patcham Court Farm as their last project and reduced their financial bid by almost half. Following consultations with our Agents Debenham Tie Lung, DTZ, in March it was felt that this figure did not represent value for money and the Council asked DTZ for an options report on the way forward. This was reviewed in April 2008 and although DTZ advised that the property market would continue to be difficult they confirmed that the preferred course of action would still be to re-market the site to test its current value. In May discussions and consultations began with the planning team to broaden the brief as outlined at paragraph 3.4 and 3.5.
- 3.8 In June 2008 one of the original short listed parties, submitted an offer for the whole site and the Council asked its Agents to try and improve on the offer. During this period the property market deteriorated further and this party decided not to proceed having re-evaluated their business model and figures in the declining market.
- 3.9 From June to September DTZ has been looking at further options and the Council has been in discussions with the South East Coast Ambulance Service (SECAM) regarding their potential interest in the site. DTZ advise that the re-marketing of the site with a potential pre-let would be beneficial in the current unstable property market. Following more in depth discussions with SECAM and the planning and property teams it became clear that this site would not be suitable for SECAM's main operational requirements and that a split site solution where some of their requirements may be accommodated partially on site would not fit their overall purposes. SECAM are therefore exploring alternative sites.

- 3.10 The primary market for the site remains the office sector despite its current difficulties as the fundamentals of a lack of large, quality, modern office buildings in the City remain. However the widened planning brief does present potential for a mixed use development based on employment generating uses. Our Agents DTZ have advised that the autumn market is slack and that the next window of opportunity to re-market the site is in the Spring of 2009. DTZ's overview is that 2008 will continue to be a tough year for the property sector and this will continue well into 2009, but that it would be advisable to test the market next Spring with the widened planning brief.

#### **4 CONSULTATION**

- 4.1 Consultations have been held with our appointed agent DTZ, the potential bidders, the planning team, SECAM and associated interested parties as outlined in Section 3.

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

##### Financial Implications:

- 5.1 The disposal on long leasehold will generate a significant capital receipt, less associated fees, in connection with the disposal of the site. The net capital receipt will be needed to support the corporate Strategic Investment Fund for future years. The value of the receipt will be dependant on the planning process with further negotiations yet to be undertaken. A S.106 and /or S.278 payment(s) are likely to be included within the agreement and this will be netted off from the gross receipt. There are no further direct revenue consequences associated with the site to be considered.

Finance Officer consulted : Mark Ireland

Date: 7/8/2008

##### Legal Implications:

- 5.2 S 123 of the Local Government Act 1972 enables the Council to sell this property provided it achieves the best consideration reasonably obtainable. It is not considered that any individual's Human Rights Act rights will be adversely affected by the recommendation in this report.

Lawyer Consulted: Anna Mackenzie

Date: 6/8/08

##### Equalities Implications:

- 5.3 The planners would require any development to incorporate improve access for all to include disabled access requirements, level and ramped access and cycle access.

## Sustainability Implications

- 5.4 The site is in a sensitive location, within the AONB and Patcham Village Conservation Area and is opposite 3 Listed Buildings, Patcham Court Farmhouse, The Village Barn and All Saints Church. The site is identified as being in a Green Corridor and is on a Greenway in the Local Plan, a green travel plan would be an essential part of the proposed scheme. The site is located above chalk aquifers and any developer would have to consult with Southern Water and the Environment Agency on the drainage proposals. This could be addressed by the implementation of a “Sustainable Urban Drainage System” (SUDS) which would slow down the release of rainwater into the drainage network or the ground

## Crime & Disorder Implications:

- 5.5 The site is occupied on a Tenancy at Will at a peppercorn to prevent unauthorised access and to maintain security. These will be continuing issues of concern whilst the site remains undeveloped.

## Risk & Opportunity Management Implications:

- 5.6 The risks are dependant on the wider economic climate, property market conditions, the timing of the disposal, not achieving ‘best consideration’, obtaining planning consent, withdrawal of the developer selected and the site remaining vacant.

## Corporate / Citywide Implications:

- 5.7 The disposal of properties is part of the corporate asset management process to ensure efficient and effective use of assets. This contributes to the regeneration of the City, the Council’s strategic priorities and the increased opportunities for employment.

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 An option analysis of alternatives was undertaken by our agents DTZ at the Council’s request. Six main options have been explored :
- a) *Sale to original bidders*: these options have been pursued by DTZ but the Developers are now unwilling to proceed.
  - b) *Encourage approaches from other parties for office development and other appropriate uses*: DTZ could contact the parties who did not make the short list and others who the agents consider might be interested. This approach may miss potential bidders and may not maximise value in current market conditions. Other uses such as an hotel would produce a lower price and again selected approaches to a limited number of parties would miss out other potential bidders.
  - c) *Re-market site*: This option would ensure that all potential bidders are made aware of the availability of the site and that a disposal achieves best consideration to comply with our legal obligations. The best time for marketing would be either Autumn or Spring. The Autumn market is

predicted to be slack and the timing may not be best before the Christmas break. Spring marketing will enable ample preparation and should be better in market terms.

- d) *Submit a Planning Application for the site*: this would remove some uncertainty for the successful developer but would not be appropriate for every party. There is the likelihood that a further planning application would be made varying the planning permission negating the time saved. The estimated cost for a full planning application with an Environmental Assessment is £100,000 which may not be fully recovered by any increase in the price.
- e) *Set up Joint Venture to deliver planning permission and potentially develop*: this would be undertaken by approaching selected parties of sufficient standing. It would involve a more complicated legal structure and documentation. There would be a share in the potential upside to compensate for a lower current price but the Council would not receive 100% of the uplift in land values if market conditions improve.
- f) *Wait until the economy improves before going to the market*: This may not be until 2009 /2010 and this option remains open if acceptable offers are not forthcoming in the Spring.

6.2 Our agents DTZ therefore recommend option 6.1 c) to re-market the site and test the market in Spring 2009.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 To test the market in accordance with option 6.1 c) and establish a value for the site in difficult economic conditions and obtain funds to meet the Council's objectives in the rest of the City. This approach will also enable us to test the market now and re-launch the property on the market in Spring 2009 in time for the anticipated market upturn. Subsequent evaluation of offers and negotiation will provide an opportunity to reappraise as (and if) the market improves, but this course does not preclude consideration of disposal in the event that an appropriate prior bid emerges in line with the current planning criteria.
- 7.2 To make best use of an existing asset and provide employment opportunities for the City.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- 1. Plan of site

### **Documents In Members' Rooms**

- 1. None

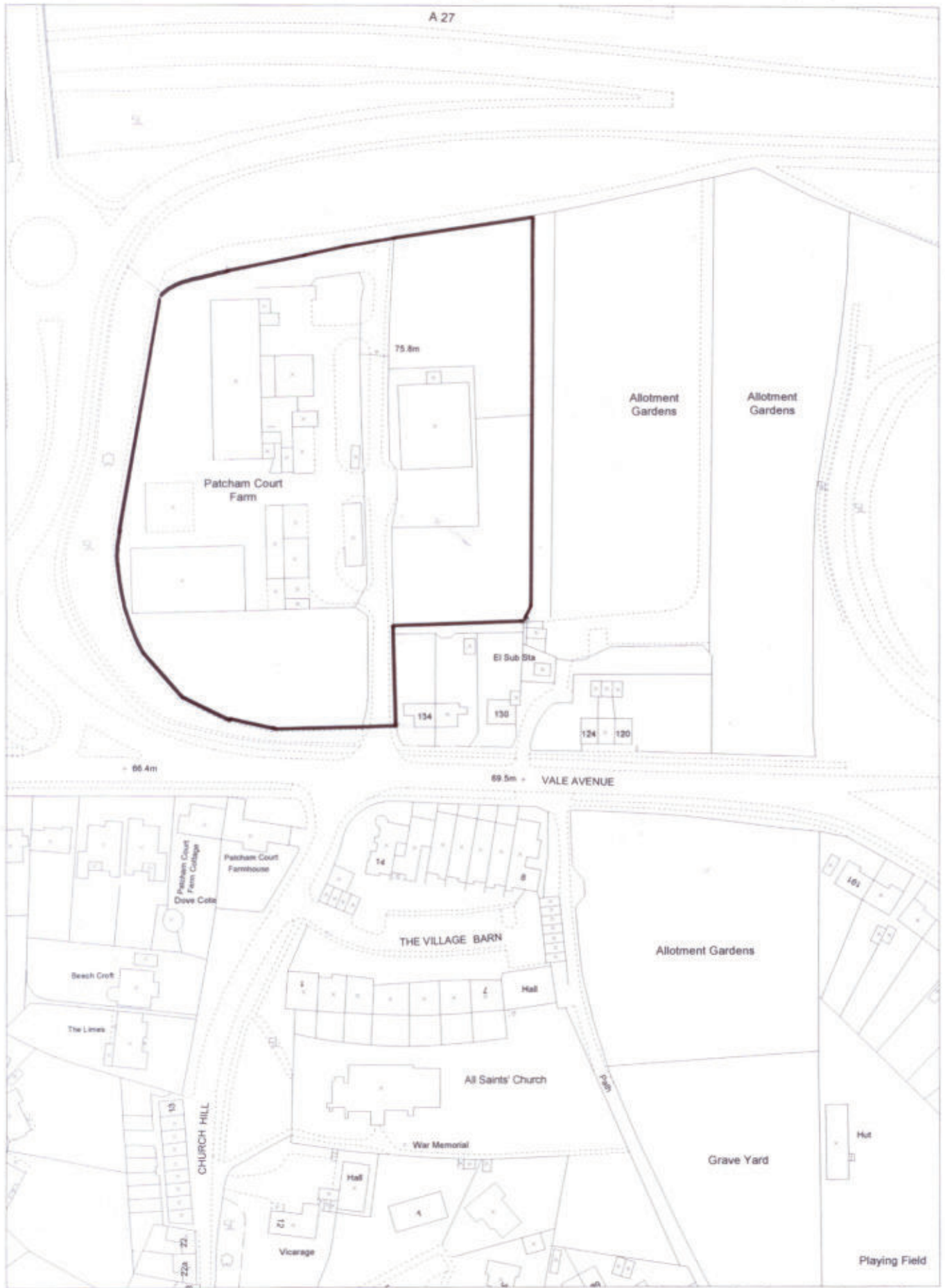
## **Background Documents**

1. None





# PATCHAM COURT FARM SITE-APPENDIX A



Reproduced from the Ordnance Survey mapping with the permission of the Controller of H.M. Stationery Office. © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or Civil Proceedings.  
Brighton & Hove City Council Licence: 100020986/(FormalDate)(Date)(, "N")



# CABINET MEETING

## Agenda Item 95

Brighton & Hove City Council

**Subject:** Agency Contract for Temporary Staffing  
**Date of Meeting:** 16<sup>th</sup> October 2008  
**Report of:** Director of Strategy & Governance  
Director of Environment  
**Contact Officer:** Name: Lance Richard Tel: 295925  
E-mail: lance.richard@brighton-hove.gov.uk  
**Key Decision:** Yes Forward Plan No. CAB 2912  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 To seek approval for Brighton & Hove City Council to let a new contract for the provision of agency staff for recycling, refuse collection and street cleansing services.

#### 2. RECOMMENDATIONS:

- 2.1 That Cabinet approve the award of the contract to Plan Personnel following the outcome of a tender submission and formal presentation.
- 2.2 That Cabinet approve that the contract start date is Monday 12th January 2009.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Hays Construction & Property provides the current agency staff for the refuse recycling and street cleansing service to CityClean. The current contract with Hays has been in operation for three years and is due to expire in January 09. The planned expenditure on agency personnel is currently £650,000 per annum.
- 3.2 Refuse collection, street cleansing agency staff are needed to:
- a) Cover for permanent staff who are on annual leave/ sick leave, and
  - b) Provide staff in response to seasonal requirements, e.g. beach cleaning and leaf clearance.

In 2007/8 sickness absence was 11.62 average days lost per head. Sickness levels continue to reduce from a figure of 16.61 days per head in 2004/5 to. Current levels are below the industry norm for heavy manual work undertaken in all weathers of 12.6 days for Local Government workers involved in manual work (CIPD Annual Survey Absence Management 2008).

- 3.3 Permanent staffing has not increased due to the current development of on-site recycling and waste transfer station now being built on site at Hollingdean Depot. There will continue to be a need for agency staffing providing a single efficient point of contact for good quality, suitably qualified and trained workers who are immediately available at short notice from 6.00am in the morning.
- 3.4 The strategy for temporary worker supply across the council is to have a single provider for all our requirements. The letting of this contract for a two year period will enable the council to tender for a single contractor at the end of our current contractual arrangements with Carlisle Managed Solutions in 2010. Following this the CityClean contract will be subsumed by the new contract arrangements.
- 3.5 The current Neutral Vendor arrangements with Carlisle Managed Solutions for agency workers apply to the remainder of the council and currently exclude CityClean. This has resulted in increased value for money as well as significant improvement in the number of workers provided. The detailed management information provided by our contractor has assisted Human Resources in initiating project work to reduce our reliance on agency workers through supported recruitment activity in areas of high reliance on agency workers. The awarding of this contract will enable these improvements to include the agency arrangements at CityClean as similar performance indicators have been included in the contract for CityClean.
- 3.6 To ensure value for money a procurement exercise was undertaken. Nine local providers were invited to submit tenders and they were evaluated using the following criteria

<b>Evaluation Criteria – Quality</b>	<b>Maximum Points 100</b>
Ability to provide staff	20
Experience	10
Account management	25
Environmental Issues	15
Innovation	5
Performance monitoring & Review	5
Induction & Training	20

The split between cost and quality was 50/50

3.7 Following an initial evaluation of the tenders the top 3 highest scoring bidders were invited to give a presentation to officers. These presentations were used to clarify points about the tenders and highlight the bidders' expertise. After the presentations the bidders' scores were adjusted accordingly

3.8 Following the evaluation the top three scores were as follows

Plan Personnel	79.48
Carlisle	78.18
Blue Arrow	77.75

As can be seen the highest score was Plan Personnel.

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

##### **4.1 Financial Implications:**

The budget provision for CityClean agency workers for 2008/09 is £652,020 and the risk of the resultant new contract causing budget pressure in 2009/10 has been assessed as low. It is projected that the level of agency staff will reduce to reflect the overall reduction in workforce numbers following the changes to the refuse and recycling service.

*Finance Officer Consulted: Patrick Rice.*

*Date: 2.9.08*

##### **4.2 Legal Implications:**

A contract providing this type of service falls under 'Part A' of the EU Procurement Directive and accompanying UK Regulations. As a result, the contract is subject to the full application of both the Directive and Regulations. The report refers to the contract notice being advertised in the OJEU, which complies with the relevant legislation, as does the remainder of the procurement process. Contracts over £75,000 must be prepared in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.

*Lawyer Consulted: Sonia Likhari*

*Date: 2.9.08*

##### **4.3 Equalities Implications:**

The contract will be drawn up and awarded to support the council's race equality scheme and its broader equalities duties. The performance indicators set for the diversity of workers supplied through the contractual arrangements mirror those of the council.

#### 4.4 Sustainability Implications:

The contract will be awarded to support the council's sustainability strategy.

#### 4.5 Crime & Disorder Implications:

The contractor will be responsible for carrying out all necessary checks prior to placing an individual worker. Under the terms of the contract this includes, appropriate health checks, references and right to work in the UK.

#### 4.6 Risk & Opportunity Management Implications:

The Key risks are:

- Failure to let the contract
- Failure to provide the service
- Failure to manage the contract effectively leading to complaints.

#### 4.7 Corporate / Citywide Implications

The letting of this contract contributes actively to a number of the councils priorities:

- Under the terms of the contract 90% of all workers provided will be residents of Brighton & Hove enabling opportunities for local employment. The contractor has signed up to a commitment to the councils Local Employment Plan giving opportunities to local people who are currently long term unemployed or living on benefits.
- The letting of this contract will contribute to the agenda of better use of public money. The decision to award the contract is based on a mechanism that considers both value for money and the quality of services provided.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

#### 6.1 Alternative options for the provision of workers to CityClean:

Consideration of an in-house bid has been reviewed in view of the payment complexities at CityClean and the salary costs this is not financially viable.

### **7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 Following a tender process in line with both EU and council regulations the contractor has shown through his tender submission and subsequent presentation that they are the company which has provided most evidence to support their ability to deliver on this contract.

7.2 The contract will support a number of the council's priorities in both better use of public money and increased opportunities for employment of local people contributing to the growth of the local economy.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Background Documents**

1. CIPD Annual Survey Absence Management 2008.





<b>Subject:</b>	<b>Waivers of Contract Standing Orders - Annual Report</b>		
<b>Date of Meeting:</b>	<b>16<sup>th</sup> October 2008</b>		
<b>Report of:</b>	<b>Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Claire Jones</b>	<b>Tel:</b> 291408
	<b>E-mail:</b>	<b>claire.t.jones@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>No</b>		
<b>Wards Affected:</b>	<b>All</b>		

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

- 1.1 Contract Standing Orders (CSOs) requires an annual report to be presented to the Cabinet, setting out all waivers authorised under CSO 18.2 & 18.3 covering the previous financial year. This report relates to financial year 2007/08 and associated CSOs.

**2. RECOMMENDATIONS:**

- 2.1 That Cabinet note the trends and statistics drawn from the information in Appendices A & B of the report.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 Prior to the changes to CSOs in May 2008, Under CSO 18, Chief Officers have delegated powers to waive CSOs in relation to contracts with an estimated contract value of less than £50,000 and over £50,000 following consultation with the Chair of the relevant Executive Committee and the Head of Procurement. In both cases the Heads of Internal Audit & Procurement have to be notified as soon as possible and in the latter case a formal report has to be compiled to include legal and financial comments and any future commitment that the contract may entail. CSO 18.6 states that a register of all waivers will be jointly maintained by Corporate Procurement and Property & Design and kept available for inspection by Councillors or members of the public during working hours.
- 3.2 After the introduction of the new Constitution in May 2008, the threshold has been changed to £75,000. All waivers in excess of £75,000 require consultation with the relevant cabinet member and the Procurement Strategy Manager

3.3 The statistical analysis of the waivers is included within Appendix A to this report. It can be seen that in 2007/08, 67 waivers were recorded to the value of £3,052,356. The number of waivers received has decreased by 16 or 19% compared to 2006/07 and a decrease in value of £1,612,919 or 35%. The summary of the waivers for financial years 04/05, 05/06, 06/07 and 07/08 in Appendix B of this report demonstrates that the reduction is concentrated in areas where contracts were awarded in previous years following negotiation mainly on the grounds of urgency or specialist works. Another reason is where contracts negotiated on an annual basis have been re-let for a longer-term, therefore, reducing the need for an annual waiver.

3.4 The analysis demonstrates that most waivers are for contracts under £50,000, representing 79.1% of all waivers recorded to a value of £922,239. The number of waivers represents an increase of 2% on last year although the value of these has decreased by approximately £160,462. The remaining 20.9% of waivers are for contracts over £50,000 representing £2,130,117 of the grand total. This is a 40.5% decrease from last year that represents £1,452,457 decreased spend. It demonstrates the same trend as seen in 2006/07 with most of the spend occurring in waivers over £50,000.

3.5 Analysis shows that the largest grouping of waivers by value i.e. £1,261,843 (41.3%) can be found in the “award with no tender process” category.

#### **4. CONSULTATION**

4.1 The Assistant Director of Property and Design, and the Head of Strategic Finance & Procurement have been consulted over the contents of this report.

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

##### Financial Implications:

5.1 There are no direct financial implications arising from this report. All the waivers have been actioned in accordance with Contract Standing Orders

Finance Officer Consulted:      Name: Mark Ireland      Date: 10/09/08

##### Legal Implications:

5.2 There are no direct legal implications arising from this report. Full legal implications would be required within each report supporting a waiver in respect of a contract estimated to be over £50,000 (pre-May 2008), now £75,000. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual’s Human Rights Act rights would be adversely affected by the recommendations in this report.

Lawyer Consulted:      Name: Alison Leitch      Date: 10/09/08

#### Equalities Implications:

- 5.3 There are no direct equalities implications in this report and it should be noted that full equalities implications would be required within each report supporting a waiver in respect of a contract estimated to be over £50,000.

#### Sustainability Implications:

- 5.4 There are no direct implications in this report and it should be noted that full sustainability implications would be required within each report supporting a waiver in respect of a contract estimated to be over £50,000.

#### Crime & Disorder Implications:

- 5.5 There are no direct implications in this report.

#### Risk and Opportunity Management Implications:

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

#### Corporate / Citywide Implications:

- 5.7 These are included in section 7 below.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 N/A

### **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The analysis does not suggest any failure to comply with CSOs. The decrease in the value of waivers is consistent with the streamlining of the waivers authorisation and notification processes. This demonstrates achievement of value for money and reflects the changing nature of procurement, including the move to greater use of partnership working and collaboration.
- 7.2 Corporate Procurement continues to increase the profile of procurement with officers seeking advice about tendering and the use of more innovative approaches to procurement, which are allowed for within CSOs without the need for a waiver for e.g. the increase in collaboration with neighbouring councils and the use of consortium contracts. The revised Corporate Procurement Strategy has also supported this profile raising and the need for best practice procurement.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A - Analysis by Reason and Directorate - For Period 1/4/07 to 31/3/08
2. Appendix B - Summary of Waivers for financial years 04/05, 05/06, 06/07 & 07/08 by Directorate

### **Documents In Members' Rooms**

N/A

### **Background Documents**

N/A

**Waivers to Contract Standing Orders**  
**Analysis by Reason and Directorate - For Period 01/04/07 to 31/03/08**

**APPENDIX A**

Reason (by Number of Waivers)	DIRECTORATE						TOTALS					
	Children & Young Peoples Trust	Finance & Resources	Cultural Services	Environment	Housing & City Support	Strategy & Governance	Total Waivers	Waivers Under £50K	Waivers Over £50k	Total Value of Waivers	% Waivers by Reason	
<b>Appointment of Tenderer</b>								£	£	£		
1 Insufficient no of tenders/did not accept lowest	0	2	0	1	0	0	3	44,045	50,000	94,045	3.1	
<b>Sub Totals</b>							<b>3</b>			<b>94,045</b>	<b>3.1</b>	
<b>Award with no tender process</b>												
2 Award with no tender process - consultant	0	1	3	1	1	0	6	81,606	135,000	216,606	7.1	
3 Award with no tender process - contractor	1	10	0	0	1	0	12	100240.78	72556	172,797	5.7	
4 Award with no tender process - supplier	2	6	1	3	2	3	17	336678.81	535,761	872,440	28.6	
<b>Sub Totals</b>							<b>35</b>			<b>1,261,843</b>	<b>41.3</b>	
<b>Specialist Works</b>												
5 Specialist	1	3	0	6	1	1	12	241360	377000	618,360	20.3	
<b>Sub Totals</b>							<b>12</b>			<b>618,360</b>	<b>20.3</b>	
<b>Urgent award</b>												
6 Urgent award with consultant	0	4	1	0	1	1	7	30276	151800	182,076.00	6.0	
7 Urgent award with contractor	2	4	0	0	1	0	7	59,032.00	0	59,032.00	1.9	
8 Urgent award with supplier	0	0	0	0	0	0	0	0	0	0	0.0	
<b>Sub Totals</b>							<b>14</b>			<b>241,108</b>	<b>7.9</b>	
<b>Other</b>												
9 Other	2	1	0	0	0	0	3	29,000	808,000	837,000	27.4	
<b>Sub Totals</b>							<b>3</b>			<b>837,000</b>	<b>27.4</b>	
<b>Total Number of Waivers by Dept</b>	<b>8</b>	<b>31</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>67</b>	<b>922239</b>	<b>2130117</b>	<b>£3,052,356</b>	<b>100.0</b>	
<b>Total % Waivers in each Dept</b>	<b>11.9</b>	<b>46.3</b>	<b>7.5</b>	<b>16.4</b>	<b>10.4</b>	<b>7.5</b>						

67 Waivers were recorded to the total value of £3,052,356

79.1 %of waivers recorded were for contracts under £50K at a total value of £922,239

20.9% of waivers recorded were for contracts over £50K at a total value of £2,130'117



Appendix B Under £50K

Directorate	Childrens & Young				Finance & Resources				Cultural Services				Environment				Housing & City				Strategy &			
	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08
<b>Appointment of Tenderer</b>																								
1 Insufficient no. of tenders/did not accept lowest					1				1							1	1							
<b>Award with no tender process</b>																								
2 Award with no tender process - consultant					1	1		1				3	1				2		1	1				
3 Award with no tender process - contractor		1		1	2	9	7	9					2	4	2		5			1				
4 Award with no tender process - supplier				1	7		2	5				1				2			2	1				2
<b>Specialist Works</b>																								
5 Specialist	7	2	1	1	15	14	11	2	1	2			9	3	3	4	6	6	7	1				1
<b>Urgent Award</b>																								
6 Urgent award with consultant		1	1			1	14	4				1					1	1						1
7 Urgent award with contractor		2	1	2	14	5	8	4	3					1			5		2	1				
8 Urgent award with supplier											1								1					
<b>Other</b>																								
9 Other								1																
<b>Total</b>	7	6	3	5	40	30	42	26	5	2	1	5	12	8	5	7	20	7	13	5	0	0	0	4

Appendix B over  
£50K

Directorate	Childrens & Young				Finance & Resources				Cultural Services				Environment				Housing & City				Strategy &			
Year	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08	04/05	05/06	06/07	07/08
<b>Appointment of Tenderer</b>										1			1											
1 Insufficient no. of tenders/did not accept lowest		1					1	1										2						
<b>Award with no tender process</b>																								
2 Award with no tender process - consultant			1							1			1			1			1					
3 Award with no tender process - contractor	2							1					4		3		2	1						
4 Award with no tender process - supplier				1				1		1						1	1		1	1				1
<b>Specialist Works</b>																								
5 Specialist	1				1			1					4		3	2	2		5					
<b>Urgent Award</b>																								
6 Urgent award with consultant															1					1				
7 Urgent award with contractor																	3	1						
8 Urgent award with supplier															1									
<b>Other</b>																								
9 Other				2																				
<b>Total</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>



Document is Restricted

