

STRATEGY, FINANCE & CITY REGENERATION COMMITTEE ADDENDUM 2

4.00PM, THURSDAY, 7 DECEMBER 2023

COUNCIL CHAMBER, HOVE TOWN HALL

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ADDENDUM

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BRIGHTON & HOVE CITY COUNCIL
STRATEGY, FINANCE & CITY REGENERATION COMMITTEE

4.00pm 5 OCTOBER 2023

COUNCIL CHAMBER, HOVE TWON HALL

MINUTES

Present: Councillor Sankey (Chair) Taylor (Deputy Chair), Shanks (Opposition Spokesperson), Cattell, McNair, Muten, Pumm, Robins, Rowkins and Williams

PART ONE

56 PROCEDURAL BUSINESS

a Declarations of substitutes

56.1 There were no substitutes

b Declarations of interests

56.2 There were none

c Exclusion of the press and public

56.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

56.4 **RESOLVED** - That the public are excluded from the meeting from items listed on Part 2 of the agenda.

57 MINUTES

57.1 **RESOLVED** – That the minutes of the previous meetings held on 13 July 2023 and 4 August 2023 be approved and signed as the correct record.

58 CHAIR'S COMMUNICATIONS

58.1 The Chair gave the following communication:

Good afternoon everybody and welcome to Brighton and Hove City Council's Strategy, Finance and City Regeneration Committee.

Today is an auspicious day as it is the first time in Brighton & Hove Albion Football's Clubs history that they are playing away in a European League. We wish the boys well in Marseille this evening and I am hoping that our Committee session can keep things focussed enough that we catch some of the game ourselves tonight.

Today we have several important papers and reports. I'll start with the highlights:

Human Resources

We are bringing forward a number of changes to HR policies including on fixed term contracts and redeployment to improve the way staff are treated and to ensure we give better job security to our staff. We have done this in consultation with both recognised unions, UNISON & GMB.

Our People Strategy has been developed with input of staff at all levels and sets out our strategic priorities for recruitment, progression and retention. We also currently have a staff survey open which I would encourage all staff to complete – it's completely confidential and anonymous.

I met this lunchtime our BME workers forum for global majority staff. I am acutely aware that global majority staff are not yet adequately represented at senior levels in the Council nor in all departments and teams. I want us to do the necessary strategic work, including using the positive action section of the Equality Act to ensure that career progression and retention is a reality for our global majority staff.

Constitutional Review

We are bringing forward a paper on constitutional reform following feedback after the first Full Council of our Administration in July. The time allocated for asking questions of Council, Committees and sub-committees would be extended from 15 mins to 30 mins, and priority would be given to those who had not asked a question in the past six months to widen democratic participation.

Property

We are also pleased to see the lease end handback of 71-73 Grand Parade, although we are concerned about the poor state of the property under the management of Southern Housing Group. We are also pleased to be proposing a new long lease for 7 Crowhurst Road, the capital receipt of which would go to new capital investment plans.

TB5 and external auditors report

In less good news, TBM 5 still shows that we are not yet on course to balance our budget for this financial year. While the size of the black hole has reduced due to the decisive actions we've taken, we have a lot further to go to bring the gap between expenditure and income to zero. And bring it to zero we must, because the mismanagement of the finances by the previous Green Administration meant we

overspent by over £3 million last year and now have next-to-no wriggle room in our reserves.

The recent external auditors report which is also before us today, The recently published auditor report makes clear the big reductions in central government funding for councils over the last 10 or more years, and the pressures this is putting councils under right across the country.

We've already started the process of budget planning for next year. We will be engaging staff at all levels of the organisation to hear their ideas for income generation and efficiency savings and we are having regular meetings with our recognised TUs to discuss next year's budget. Our focus is on protecting front-line services that people most rely on, as well as delivering the priorities set out in our Council Plan.

Item 72 'Corporate Systems Review' was included on the agenda with the report listed as 'to follow'. However, this report will not now be considered at this meeting.

59 CALL OVER

59.1 The following items on the agenda were reserved for discussion:

- Item 62: Targeted Budget Management 2023/24: Month 5 (August)
- Item 63 Constitution Review
- Item 64 Amendment to Redeployment Policy
- Item 65 New and Amended HR Policies
- Item 66 Our People Strategy 2023 to 2027
- Item 68 7 Crowhurst Road
- Item 69 Concessionary Fares 2023-24
- Item 70 Lease End Handback 71-73 Grand Parade, Brighton
- Item 71 External Auditors Annual Report

59.2 The Democratic Services Officer confirmed that the items listed above had been reserved for discussion and that the following reports on the agenda with the recommendations therein had been approved and adopted:

- Item 67 Collaborative Procurement of Hard Facilities Management Contracts – Planned Building Maintenance

60 PUBLIC INVOLVEMENT

60.1 The Chair, reported that 1 written question had been received from members of the public and invited Daniel Harris to come forward and address the committee.

60.2 Daniel Harris asked the following question; "There has been no consultation with the residents prior to this report which is a real shame. Considering the years of disrepair issues and the breach of the lease agreement by Southern/Optivo, which has had a significant impact on our living conditions and energy efficiency and uninhabitable conditions. For the record I have reported this to directors going back to Larissa Reed. It seems residents have been left to bear the consequences of these breaches without

input into the resolution process. How will the council ensure meaningful resident involvement moving forward?”

- 60.3 The Chair replied; “The report to Committee sets out the provisions for lease end hand back of 71-73 Grand Parade from Southern Housing Group to the Council. As outlined in the report, there is no ability for the Council to prevent the hand back of the property. The lease has expired and there is no provision to enable the Council to require the lease to continue. Given this there is no formal resident consultation requirement as would usually be the case in a stock transfer situation. The occupiers of this property are currently tenants of Southern Housing Group and not the Council. On hand back the current tenants will become secure tenants of the Council.

The Council have recognised that, unfortunately, the property is in poor repair. This led to the refusal of the Council to accept hand back in December 2022, when the lease came to an end. This has been followed by a period of negotiation and review during which the registered provider has undertaken some Decent Homes and fire safety work to the property.

In the period leading up to hand back, the Council will work closely with SHG to enable as smooth a tenancy transfer process as possible, including encouraging them to communicate with their tenants and communications on the hand back plan.”

- 60.4 Daniel Harris asked a supplementary question; “Given the extensive disrepair issues, including incorrect EPC certificates, lack of balcony maintenance, and energy inefficiency. This is a listed building and Southern / Optivo should be ashamed how they have left this place in a state of serious disrepair, only doing works recently. Measures need to be taken to guarantee quality like-for-like replacements and a fair financial settlement, including compensation for residents who have endured years of substandard conditions due to the lease agreement breach. How can we ensure that the resolution process prioritises the well-being and rights of the affected residents and does not shortchange / pressure a council already in financial trouble?”
- 60.5 The Chair replied; “The report seeks authority for the Executive Director Housing, Neighbourhoods and Communities to negotiate a dilapidations settlement with Southern Housing Group with the aim of reflecting the costs of the works required at Grand Parade on hand back to the Council.

However, there is a risk that following the negotiations, the value of compensation agreed will not cover the cost of the dilapidation works required. Should this situation occur the Housing Revenue Account will be required to fund this gap by using HRA borrowing.

We will seek to address the wellbeing and rights of the affected residents through the tenant communications and hand back plan proposed in the report.”

61 MEMBER INVOLVEMENT

- 61.1 There were none.

62 TARGETED BUDGET MANAGEMENT (TBM) 2023/24: MONTH 5 (AUGUST)

62.1 The Committee considered the report of the Chief Finance Officer.

62.2 RESOLVED:

- 1) That the Committee noted the forecast risk position for the General Fund, which indicates a potential forecast overspend risk of £8.971m. This includes an overspend of £0.235m on the council's share of the NHS managed Section 75 services.
- 2) That the Committee noted the escalated recruitment and spending controls summarised in Section 12 that have been applied from 5 July to assist in mitigating the overspend forecast over the remaining months of the financial year.
- 3) That the Committee noted the forecast for the Housing Revenue Account (HRA), which is currently a break-even position.
- 4) That the Committee noted the forecast position for the Dedicated Schools Grant which is currently an overspend of £0.680m.
- 5) That the Committee noted the forecast outturn position on the capital programme which is a forecast overspend of £0.412m and approve the variations and slippage in Appendix 6 and new schemes as set out in Appendix 7.
- 6) That the Committee noted the Treasury Management Update as set out in Appendix 8.

63 CONSTITUTION REVIEW

63.1 The Committee considered the report of the Executive Director Governance People & Resources regarding the review of the council's constitution.

63.2 The Committee welcomed the proposed changes and expressed that the extension from 15 to 30 minutes for public questions at Council, its Committees and Sub Committees, with priority within the 30 minute period for public questions given to members of the public wishing to ask a question of full Council who have not asked a question at a full Council meeting in the previous six months was a positive step for public engagement in the city.

63.3 A member proposed that the reduction of Notice of Motions (NoMs) from 2 to 1 per group restricted debate and reduced residents say. They emphasised the importance of debate in a majority led authority and felt that consideration should be given to discontinuing or limiting amendments to NoMs. Further that, the timeframe for written responses should be specified.

63.4 The Executive Director Governance People & Resources advised that the current proposal of 1 NoM per Group would still be higher than a number of authorities across the country. He stated that as it was expected that responses would be issued as soon as reasonably practicable after the meeting it was not felt necessary to specify a timeframe for written responses.

63.5 RESOLVED:

That the Committee -

- 1) Recommends to full Council that it approves the proposed changes set out in paragraphs 3 and 4 below and reflected in Appendices 1, 1A & 2 and authorises the Chief Executive and Monitoring Officer to take all steps necessary or incidental to implement the changes and re-publish the Council's updated constitutional documents.
- 2) Approved the setting up of a Task & Finish Sub-Committee to make decisions in relation to the charity known as the Penny Gobby House School as set out in paragraph 5 in the report.

64 AMENDMENT TO REDEPLOYMENT POLICY

64.1 The Committee considered the report of the Executive Director Governance People & Resources.

64.2 RESOLVED:

- 1) That Committee agreed to change the qualifying service requirement in the redeployment policy as follows (proposed changed wording in bold):

Employees will be entitled to go onto the redeployment register if their continued employment is at risk due to redundancy if they have over 2 years service, **or if they have under 2 years service but are on an employment contract that is due to be at least two years' duration.**

- 2) That Committee agreed the draft amended Redeployment Policy at Appendix 2.

65 NEW AND AMENDED HUMAN RESOURCES POLICIES

65.1 The Committee considered the report of the Executive Director Governance People & Resources.

65.2 RESOLVED:

- 1) That Committee agreed the amended policies on Secondments, Additional Payments and Recruitment.
- 2) That Committee agreed the new Policy on the Use of Fixed Term Contracts.

66 OUR PEOPLE STRATEGY 2023 TO 2027

66.1 The Committee considered the report of the Executive Director Governance People & Resources.

66.2 RESOLVED:

- 1) That Committee agreed Our People Strategy as described in the report and set out at Appendix 2.

67 COLLABORATIVE PROCUREMENT OF HARD FACILITIES MANAGEMENT CONTRACTS - PLANNED BUILDING MAINTENANCE**RESOLVED:**

- 1) That Strategy, Finance & City Regeneration Committee grants delegated authority to the Executive Director of Economy, Environment & Culture to procure a planned maintenance work framework agreement as detailed in Appendix 1 and to let call-off contracts for works in accordance with that framework agreement. Call off contracts shall be awarded via mini competition under the framework agreement for a duration of up to four years subject to satisfactory performance. Paragraph 3.1.5 sets out the approximate spends for the two sovereign authorities.

68 7 CROWHURST ROAD

68.1 The Committee considered the report of the Executive Director Economy, Environment & Culture.

68.2 Councillor Taylor moved an amendment to recommendation 2.2 in the report to read as follows:

“2.2 That Committee agrees to grant a new 250-year lease and delegates authority to the Executive Director Economy, Environment and Culture and the Assistant Director Legal and Democratic Services ***in consultation with the Chair and Deputy Chair of Strategy, Finance & City Regeneration Committee***, to approve terms and take any necessary steps to facilitate this recommendation.

68.3 The amendment was formally seconded by Councillor McNair.

68.4 The Chair noted that an amendment to the recommendations had been moved and put to the vote which was carried.

68.5 The Chair, then put the recommendations as amended to the vote.

68.6 RESOLVED:

- 1) That Committee noted that the existing lease will be surrendered under officer delegations.
- 2) That Committee agreed to grant a new 250-year lease and delegates authority to the Executive Director Economy, Environment and Culture and the Assistant Director Legal and Democratic Services in consultation with the Chair and Deputy Chair of Strategy, Finance & City Regeneration Committee, to approve terms and take any necessary steps to facilitate this recommendation.
- 3) That the net capital receipt be invested into the council’s corporate capital investment strategy to support future corporate investment plans.

69 CONCESSIONARY FARES 2023-24

69.1 The Committee considered the report of the Executive Director Economy, Environment & Culture.

69.2 **RESOLVED:**

That the committee:

- 1) Approved a 1-year fixed deal with Brighton & Hove Bus & Coach Company on the basis of 90% of pre-covid payments for the period 1st April 2023 to 31st March 2024;
- 2) Approved a 1-year fixed deal with Stagecoach South on the basis of 90% of pre-covid payments for the period 1st April 2023 to 31st March 2024;
- 3) Granted delegated authority to the Executive Director Environment, Economy and Culture to take all steps necessary to conclude the 1 year fixed contracts for travel concession in line with recommendation 2.1.and 2.2

70 LEASE END HANDBACK 71-73 GRAND PARADE, BRIGHTON

70.1 The Committee considered the report of the Executive Director Housing, Neighbourhoods & Communities.

70.2 Councillor Robins moved an amendment to recommendation 2.1 in the report to read as follows:

“2.1 That Committee delegates authority to the Executive Director Housing, Neighbourhoods and Communities ***in consultation with the Chair of Housing and New Homes Committee***, to negotiate a dilapidations settlement with Southern Housing Group in relation to the lease end hand back of 71-73 Grand Parade and to carry out works associated with the hand back process such as tenancy transfers.”

70.3 The amendment was formally seconded by Councillor Taylor.

70.4 The Chair noted that an amendment to the recommendations had been moved and put to the vote which was carried.

70.5 The Chair, then put the recommendations as amended to the vote.

70.6 **RESOLVED:**

- 1) That Committee delegated authority to the Executive Director Housing, Neighbourhoods and Communities in consultation with the Chair of Housing and New Homes Committee, to negotiate a dilapidations settlement with Southern Housing Group in relation to the lease end hand back of 71-73 Grand Parade and to carry out works associated with the hand back process such as tenancy transfers.
- 2) That Committee agreed appropriation of 71-73 Grand Parade on its return to the Council from General Fund to the Housing Revenue Account at best consideration to be confirmed by an external valuer.

- 3) The Committee approved a capital budget up to the value outlined in the part 2 paper to be included in the HRA capital programme for 2023/24.

71 EXTERNAL AUDITORS ANNUAL REPORT 2022/23

71.1 The Committee considered the report of the External Auditors Grant Thornton.

71.2 RESOLVED:

- 1) That the Strategy, Finance & City Regeneration Committee noted the Auditor's Annual Report (Value For Money) for the financial year ending 31 March 2023.

72 CORPORATE SYSTEMS REVIEW

72.1 This item was withdrawn from the agenda.

73 7 CROWHURST ROAD (PART 2)

73.1 As detailed in the Part Two minutes.

74 CONCESSIONARY FARES 23/24 (PART TWO)

74.1 As detailed in the Part Two minutes.

75 71-73 GRAND PARADE - LEASE END HANDBACK PART 2 REPORT

75.1 As detailed in the Part Two minutes.

76 PART TWO PROCEEDINGS

76.1 **RESOLVED** – That the Part 2 Items remain exempt from disclosure from the press and public.

77 ITEMS REFERRED FOR FULL COUNCIL

77.1 **RESOLVED:** No items were referred to the next meeting of Full Council

The meeting concluded at 6.50pm

Signed

Chair

Dated this

day of