

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 11 OCTOBER 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

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

PART ONE

47 PROCEDURAL BUSINESS

47(a) Declarations of Substitutes

47.1 There were no substitutes

47(b) Declarations of Interest

1.2 Councillor Hamilton referred to Item 60 (Portslade Sports Centre–Replacement 3G Pitch Project), and said that he was the Vice Chair of Mile Oak Football Club who did use the site, but he was not involved with the Mile Oak Wanderers who were referred in the report, and so he would declare a personal and non-prejudicial in that item.

47(c) Exclusion of Press and Public

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

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

48 MINUTES

48.1 **RESOLVED:** That the Minutes of the meeting held on 12 July 2018 be agreed and signed as a correct record.

49 CHAIR'S COMMUNICATIONS

49.1 The Chair reminded those present that the meeting was being webcast and would be capable of repeated viewing.

50 CALL OVER

50.1 The following items in Part One of the agenda were reserved for discussion:

Item 53	Targeted Budget Management (TBM) 2018/19: Month 5
Item 58	Options for Future Delivery of Housing Repairs, Planned Maintenance and Capital Works
Item 59	New Home for Neighbourhoods – Rotherfield Crescent
Item 61	Public Conveniences
Item 62	Disposal of Belmont Street and Adjacent Land – Disposal Update
Item 64	Home to School Transport for Pupils with Special Needs and Other Social Care Transport Contract
Item 66	Royal Pavilion

51 PUBLIC INVOLVEMENT**51(a) Petitions**

5.1 There were none

51 (b) Written Questions

51.2 Ms V Paynter asked the following question:

King Alfred

At the last Full Council meeting I enquired after the status of the King Alfred redevelopment and so was expecting this PRG meeting to carry a King Alfred item since I was given to understand formal public consultations would begin this autumn. What further information on timings can you give us please?

51.3 The Chair gave the following response:

At the time of the February 2018 announcement of our successful £15.2m bid to the Housing Infrastructure Fund (HIF), Homes England indicated that the formal offer of grant funding would be issued by July 2018. That timetable was subsequently extended, and the Council received formal confirmation of HIF funding, together with the contractual arrangements that come with it, on 11th September 2018. The Council and Crest Nicholson (the partners) are working with Homes England to finalise arrangements, and in parallel with this the partners are seeking to conclude the Development Agreement that is in itself partly informed by the HIF funding agreement. It is hoped that this work will be concluded shortly and that this will enable a report to the Council's Policy Resources & Growth Committee this winter.

Subject to committee approval, Crest would then commence the detailed design and consultation work early in the New Year

51.4 Ms V Paynter asked the following supplementary question:

Do you have any specific dates?

51.5 The Chair gave the following response:

Last week officers wrote to Crest Nicholson asking for some formal confirmation of their commitment of their willingness to enter into a development agreement by the end of this year, and to promptly progress their planning application in accordance with programme requirements as set by Home England and the Council. Officers requested that the confirmation was at board level and was returned to the Council by 24 October.

51 (c) **Deputations**

51.6 There were two deputations:

- (i) Mass Balloon Release
- (ii) Discretionary Fund

51.7 (i) Mass Balloon Release

The Chair stated that this had been presented at Full Council on 19 July 2018 by Ms T Fowler, and gave the following statement:

I would like to again thank Ms Fowler and supporters for bringing this Deputation to Council, and highlighting an important issue. Whilst the mass release of sky lanterns and helium balloons may look striking, it can leave a permanent hazard, particularly on marine life, but also on land. In addition, sky lanterns pose an avoidable fire risk.

According to the Marine Conservation Society, more than 70 councils in the UK have already introduced a ban on mass balloon and/or sky lantern release. I think it is important that Brighton & Hove City Council also addresses this issue and takes action.

I will ask officers to bring a report to a future Committee meeting, setting out a proposed policy on banning the mass release of balloons and sky lanterns on council owned land.

51.8 Councillor Janio asked which Committee it would be referred to, and was advised it would be the Environment Transport and Sustainability Committee, and a report would come in late spring or early summer.

51.9 **Resolved:** The Committee agreed to note the Deputation

51.10 (ii) Discretionary Fund

The Chair asked Mr J Deans to present his deputation.

51.11 Mr Deans stated the following:

Given that free meals and wheels are no longer delivered to vulnerable malnourished people whilst the new charging system is prohibitive and given also that the discretionary fund can support nutritional needs (but currently does not fund meals on wheels) and ARCH (Morely St), Just Life and Occupational therapists have identified a small number of people experiencing malnutrition of whom it is estimated around 10 would benefit greatly from free meals on wheels. Given also that the discretionary fund has been underutilised, it is requested that, as a matter of urgency, a report is commissioned from officers exploring implications and costs of a policy of using discretionary payments to fund meals on wheels for homeless people that need them who are living in Emergency and Temporary Accommodation.

51.12 The Chair gave the following response:

The Revenues and Benefits service is responsible for the administration of three discretionary funds:

Discretionary Housing Payment (DHP). This fund is used to help vulnerable people who need extra help with housing costs, often this is to help cover a shortfall between housing benefit and rent but is also used to help with moving costs, deposits and rent in advance. A person must have an entitlement to Housing Benefit or Universal Credit Discretionary Council Tax Reduction (DCTR). This fund is used to help vulnerable people who need extra help with their Council Tax; this is normally in the case where a person's standard Council Tax Reduction does not cover their full Council Tax. A person must have an entitlement to CTR to be able to claim DCTR. Local Discretionary Social Fund (LDSF). This fund is used to help vulnerable people in an emergency access food, utility costs and other urgent items. It also can help with essential household items like beds and cookers. If there is any resident (be they in their own accommodation, vulnerably housed or homeless) that has food and nutrition needs we would urge them or any friend, family, voluntary or community service to make contact through Access Point so a full assessment of Community their eligible needs can be made to ensure that the council is meeting its statutory responsibilities. The Health and Wellbeing Board has recently received a report about Food and Food Poverty. Following this report it was agreed that a further report will come back to the Health and Wellbeing Board looking at malnutrition in the city. At this point in the financial year, £0.566 million of a total budget of £1.242 million remains unallocated, however the full year forecast is that the budget will be fully utilised. Third Sector grants are provided to a range of charities in the city including £166,598 from the council's third sector commission to food and homelessness charities in 2017/18 and 2018/19.

I can confirm that I have asked officers to look at the suggestions that you have made, and that a report will come first to the council's Leadership Board, with a view to making a proposal through the relevant committee or as part of the annual budget process.

51.13 **Resolved:** The Committee agreed to note the deputation

52 MEMBER INVOLVEMENT**52a Petitions**

52.1 There were none.

52b Written Questions

52.2 A written question had been submitted by Councillor Mac Cafferty

52.3 Councillor Mac Cafferty asked the following question:

The government's Brexit contingency plans to manage lorry traffic in Kent would take 14 days to implement and cost around 30m to facilitate for up to six months. The National Audit Office has slammed government departments for their inadequate planning for Brexit, warning that they have put at risk billions of pounds in exports and damage to key industries. According to the Open University 3 in 5 firms say that the UK's skill shortage worsened in the last year; more than half of businesses expect the situation to deteriorate. The Governor of the Bank of England has warned that a no-deal Brexit could be as bad as the 2008 financial crash. A survey from the British Chambers of Commerce reveals that nearly two-thirds of businesses have yet to do any risk assessments of a no-deal outcome. While the Chartered Institute of Procurement and Supply has said a no-deal Brexit would bankrupt 1 in 10 UK firms and David Rutley MP has been appointed to oversee the protection of food supplies.

Last year the European Union invested £17m to support 601 farmers around Brighton; it has invested over £100m to support research projects and £1m to create jobs. Our city still has had absolutely no clarity about where any of the EU funds will come from in the future.

Will the Chair of the Committee urgently write to the Chancellor of the Exchequer, Secretary of State for Housing, Communities and Local Government and Secretary of State for Exiting the European Union asking them to share with the City Council the assessments their departments have written about how the city and the region's economy will be affected by Brexit; what assurances their departments will give to residents that everything is being done by their departments and the government to mitigate risks to jobs and livelihoods; and that in the absence of such mitigation they will aid and compensate city residents whose income is lost through Brexit.

52.4 The Chair gave the following response:

It would be helpful to outline some things which are going on in and around the city to prepare ourselves for Brexit. Brexit was an important concern for those in the city.

- *The Leader plans to write to Ministers, potentially as part of a wider response from councils.*
- *The direction of travel is also to consider this across the functional economic area (i.e. through the Greater Brighton Economic Board and South East 7).*
- *The position on Brexit is obviously a concern, and it has been helpful to have the Green Group raise it at Audit & Standards and through this question.*

- *As it stands, the Administration has already commissioned a cross-council view which the Regeneration and Policy teams are leading on. A report will be submitted to forthcoming Audit & Standards and Policy, Resources & Growth Committees.*
- *The report will include the outcome of high level reviews from Finance and Procurement on potential economic impacts.*
- *The Greater Brighton Economic Board has commissioned and adopted a new Trade and Inward Investment Strategy that considers how the city region can best place itself to trade internationally in a post-Brexit environment*
- *The Emergencies & Resilience team is also working with neighbouring authorities in light of concerns first raised by Kent County Council (which has experience through Operation Stack) over the potential impact on the travel network and ports.*
- *Closer to March 2019, liaison with blue light services will focus more specifically on the immediate impact in the city.*

52.5 Councillor Mac Cafferty thanked the Chair for the response and did not have a supplementary.

52c Letters

52.6 There were none.

52d Notices of Motion

52.7 A Notice of Motion on 'Charter Against Modern Slavery' was referred to the Policy Resources & Growth Committee from Council held on 19 July 2018. The Notice of Motion stated:

This council resolves to ask for a report to the Policy, Resources & Growth Committee detailing:

- (1) *The implications of signing up to the Charter Against Modern Slavery, which will commit the council to 10 action points, including to:*
 - *Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.*
 - *Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery*
 - *Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*
- (2) *How to ensure staff are made aware and trained as appropriate in identifying possible instances of modern slavery.*

The Notice of Motion was proposed by Councillor Cattell and seconded by Councillor Daniel. The Notice of Motion was agreed unanimously by Full Council.

52.8 The Chair proposed requesting a report as detailed in the Notice of Motion.

RESOLVED: That the Committee agreed to request a report

53 TARGETED BUDGET MANAGEMENT (TBM) 2018/19: MONTH 5

- 53.1 The Committee considered the report of the Executive Director Finance & Resources, which set out an indication of forecast risks as at Month 5 on the Council's revenue and capital budgets for the financial year 2018/19.
- 53.2 Councillor Mac Cafferty said that West Sussex County Council had recently made some damaging decisions on their emergency housing provision, and asked if that had impacted on the number of rough sleepers in the city. The Executive Director Neighbourhoods, Communities & Housing said that the Council were not aware of an increase, but the situation would be monitored. The Executive Director Finance & Resources said that if the situation changed it would be built into the budget process.
- 53.3 Councillor Sykes noted that East Sussex County Council, Surrey County Council and West Sussex County Council were all in financial difficulties and asked if that would impact on both this authority and Orbis. He noted that the spend on temporary accommodation had increased by another £500k up to £3.2m, most of which went to private providers and asked if some of the provision could be brought in-house to save money. He said that there had previously been pressure on Children's Services, but there was now also pressure on IT & Digital and Adult Social Care. He said that whilst the Council had some control over IT spend, adult and children care were demand led, and some of the additional spend had been attributed to the recent hot weather, and asked if there had been any analysis of that as it was likely that there would be more hot weather in the future. He noted that there was more income from local land charges, and asked if there was room for further rises. He noted that £104k of pressure was due to money not being collected as a result of staff shortages within Revenues and Benefits, and asked that that be addressed.
- 53.4 The Executive Director Finance & Resources said that neighbouring councils did have some financial pressures, but did not think it would impact on this council or on Orbis. He agreed that there was some pressure on our IT & Digital services, but that was a result of needing to stabilise and improve services which started 18 months ago, and hoped that it would be in a stronger position in the new financial year. With regard to the ongoing high temperatures and the impact on adult care, any change in circumstances would need to be subject to annual planning and the impact on budget monitored, but there would be an additional £1.2m extra funding for adult social care. With regard to Revenues and Benefits there had been a recruitment problem but that had been addressed, and the collection rates should improve. The Executive Director Neighbourhoods, Communities & Housing referred to temporary accommodation and said that some of the provision from lower cost providers had come to an end, and more expensive accommodation was being used. A report would be going to the Housing and New Homes Committee on bringing some of the service in-house. The Executive Director Health & Adult Social Care referred to the increase in adult social care due to the hot weather, and said it was mostly due to dehydration which had led to an increase in hospital admissions, and joint work was being carried out with the NHS to look at the reasons why. The Executive Lead for Strategy & Governance referred to local land charges and said that under the Local Land Charges Act, fees should be set to cover costs. He said that although the level of income has been sustained the number of clients had gone down, and some had stopped using us. What was significant was that

the Government had passed legislation to transfer local land charges to HM Land Registry. That would be done in phases, and those with the highest charges would be targeted first.

- 53.5 Councillor Wealls referred to the pressure on adult social care funding and asked what initiatives and long term strategies were being taken to address the increase. The Executive Director Finance & Resources said that data was used to identify what funding was required, but accepted that that amount was under for most financial years. A project had been set up to be more transparent about all the different initiatives in place to manage the numbers which made up the majority of the financial risk, and both the Executive Director Families Children & Learning, and the Executive Director Health & Adult Social Care were involved in that project. The results would be reported corporately, and presented to members and would provide a more transparent picture of the current situation.
- 53.6 Councillor Janio asked if the expansion of the Royal Sussex Hospital, and potential increased provision, had been had been modelled into the adult social care provision for the future. Executive Director Health & Adult Social Care said that it hadn't been modelled in, but there were ongoing discussions with all parties.
- 53.7 The Chair noted that an amendment had been submitted from the Green Group and asked Councillor Sykes to propose the amendment.
- 53.8 Councillor Sykes proposed the following amendment:
- To add the following recommendation -
- That the Committee create a ring-fenced reserve of £1.094m within the HRA reserves to support the future development of housing in the city for 27.5% Living Wage rent or social rent.*
- Councillor Sykes said that there was a housing crisis in the city, and this amendment would allow a ring-fenced reserve of £1.094m to be used to underwrite the financial case for new rental homes to be developed by the Council, which would support the development of 26 homes at living wage or 11 homes at social rent.
- 53.9 Councillor Mac Cafferty seconded the amendment.
- 53.10 Councillor Daniel agreed with the sentiments, but said that the whole budget needed to be looked at and consider all options on how the HRA money was spent. The appropriate committee to consider this would be the Housing and New Homes Committee.
- 53.11 Councillor Hamilton agreed that it was not appropriate for this committee to agree a policy for Housing and New Homes Committee.
- 53.12 Councillor Janio suggested that it was an amendment by guilt, in that they were going to support a later item which would bring the housing repairs, planned maintenance and capital works back in house which would cost over a £1m, which was money which could be spent on housing.

53.13 Councillor Sykes said the amendment was not inspired by guilt, but asking for money to ring fenced was more a statement of intent.

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

53.15 RESOLVED: That the Committee agreed:

- (i) Noted the forecast risk position for the General Fund which indicates a budget pressure of £3.078m. This includes an overspend of £1.148m on the council's share of the NHS managed Section 75 services.
- (ii) Noted that the one-off financial risk safety net of £1.500m is available to mitigate the forecast risk if the risks cannot be completely eliminated by the year-end.
- (iii) Noted the forecast for the Housing Revenue Account (HRA), which is currently an underspend of £0.480m.
- (iv) Noted the forecast position for the Dedicated Schools Grant, which is an underspend of £0.150m.
- (v) Agreed to create a Sports and Events Strategy Reserve as set out in paragraph 6.2.
- (vi) Noted the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 5 and the new schemes as set out in Appendix 6.

54 THE ALLOCATION OF BASIC NEED FUNDING TO THE CITY'S SECONDARY SCHOOLS

54.1 RESOLVED: That the Committee –

- (i) Agreed to the methodology and allocation of £16.3m of capital funding to the city's secondary schools as detailed in paragraph 3.51 in this report be included within the Council's Capital Investment Programme 2018/19.
- (ii) Agreed to the council working with the governing body of each school to identify and reach agreement on how the capital funding will be used.
- (iii) Agreed to recommend to Policy & Resources and Growth Committee that they grant delegated authority to the Assistant Director of Property & Design to procure the works, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

55 I360 LOAN RESTRUCTURING UPDATE**55.1 RESOLVED:** That the Committee –

- (i) Noted the progress made to date in appointing the team who are working on negotiating the restructure of the loan to the i360.
- (ii) Noted the provisional list of potential options that the advisors have put forward.

56 REVIEW OF WARD BUDGET SCHEME**56.1 RESOLVED:**

- (i) That the information as detailed in the report and appendix 1 be noted;
- (ii) That consideration be given to recommending to the Policy, Resources & Growth Committee that a similar ward budget scheme be funded and included in the budget setting process for 2019/20 and future years.

57 CHARGING PROPOSALS FOR EMPTY HOMES**57.1 RESOLVED:** That the Committee –

- (i) Noted the background and context to the new regulations on Empty Homes;
- (ii) Agreed to recommend to Council to apply the charges permitted under the new regulations to the owners of empty domestic properties in Brighton & Hove once legislation is in place.

58 OPTIONS FOR FUTURE DELIVERY OF HOUSING REPAIRS, PLANNED MAINTENANCE AND CAPITAL WORKS

58.1 The Committee considered the report of the Executive Director Neighbourhoods, Communities & Housing which set out the recommendations for the future delivery of responsive repairs and empty property refurbishments, planned maintenance and improvement programmes and major capital projects, to council housing stock following the expiry of the current contractual arrangements in March 2020.

58.2 The Chair noted that three amendments had been submitted, and asked Councillor Bell to propose the first amendment.

58.3 Councillor Bell proposed the following amendment:

That in view of the importance of the issue, the matter should be considered by all 54 Members of the Authority and therefore the recommendations of the Housing & New Homes Committee as detailed in the extract from the meeting on the 26th September together with the report be referred directly to full Council for consideration and decision and that, subject to the Mayor's agreement, this be taken at its meeting on the 18th October.

Councillor Bell said that the Housing Revenue Account (HRA) was an important part of the budget, and it was tenant's money which went into that account from their rents, and councillors were therefore responsible for how their money was spent. All councillors had tenants within their wards and, although the report had already been considered by the Housing and New Homes Committee, not all Councillors had had the opportunity to speak on the matter, and therefore the Conservative Group would like to refer the report for decision making to Full Council on 18 October, (with the Mayor's agreement).

- 58.4 Councillor Wealls seconded the amendment.
- 58.5 Councillor Mitchell said that the proposals had been extensively consulted on, councillors had been involved at all stages, and the report had been considered by the Housing and New Homes Committee. The proper democratic process had been followed, and it was right that this Committee now made a decision.
- 58.6 Councillor Mac Cafferty said that the Green Group would not support the amendment, and was concerned that the Conservative Group were proposing moving the decision to Full Council only because they believed they would have a better chance of getting amendments to the report agreed there. The report had been fully discussed at a special meeting of the Housing and New Homes Committee, and to delay the matter further would impact on staff who needed some certainty.
- 58.7 Councillor Janio said that being considered at Full Council, would only delay a decision by a week. Moving this to Full Council would allow all 54 councillors to speak and vote on this important matter.
- 58.8 Councillor Wealls said that Full Council was the correct forum to make the decision on such a significant matter.
- 58.9 Councillor Peltzer Dunn said that every Councillor had tenants and leaseholders in their ward, and it was important to have a full debate where everyone had the chance to put their views.
- 58.10 Councillor Daniel said that there was a constitution which everyone agreed with, but some councillors wanted to change the way decisions were made just because they were unhappy with a potential decision. The proposals had been fully consulted, had been through Area Panels twice, councillor workshops and every group had had the opportunity to raise their concerns.
- 58.11 Councillor Peltzer Dunn asked if the Conservative Group amendment was in accordance with the Constitution. The Legal Adviser confirmed that it was.
- 58.12 The Chair said that councillors and tenants had had the opportunity to fully consider the proposals. If the other councillors had wanted to be involved in the decision making process they could have asked to address the committee, submit a question or petition etc but none had. He noted that there were only two councillors in the public gallery, and therefore it suggested that the others were content for this committee to make a decision.

- 58.13 Councillor Bell said that the amendment was simply to allow all councillors the opportunity to take part in the debate and decision for this important matter.
- 58.14 The Committee voted on the amendment, and it was not agreed.
- 58.15 The Chair asked Councillor Wealls to propose the second Conservative Group amendment.
- 58.16 Councillor Wealls proposed the following amendment:

Customer Service and Quality Assurance

(1) Agrees that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;

Responsive repairs and empty property refurbishments

~~(2) Agrees that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;~~ **Approves the procurement of one contract for the provision of responsive repairs and empty property refurbishment works to council housing stock with a term of five years and the option to extend for up to a further two years.**

~~(3) Approves a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;~~ **That funds (£1.094m) previously earmarked for set up and mobilisation of an in-house service are spent on purchasing or developing additional council housing stock to be rented at social or living rent levels in the financial year 2019/20. And that the ongoing revenue savings of £0.618m by taking the decision at (2) are spent year on year on increasing the Estates Development Budget and the proposed in-house clerk of works and surveyor service so the team has sufficient capacity to check the work undertaken.**

Planned maintenance and improvement programmes

(4) Approves the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;

Major capital projects

(5) Approves the procurement of a multi-contractor framework agreement for major capital projects with a term of four years;

Specialist works

(6) Notes that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to procure and award such contracts if required in accordance with the council's Constitution;

Delegation

(7) Grants delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:

- (i) commence the procurements and award the contracts required to implement the recommendations;
- (ii) use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;
- (iii) award call-off contracts under the major capital projects framework agreement; and
- (iv) take any other steps necessary to implement the recommendations in this report.

Councillor Wealls thanked officers for the excellent report and for the work which had been carried out by all parties. He said that there were many risks to bringing the service back in-house. The set up costs would be £1m, with ongoing costs of at least £600k and therefore the in-house offer was at least 7.7% more expensive than contracting out. There were no clear tangible reasons why it was necessary. The Council would also need to arrange fleet vehicles, supply chains, IT etc. which would cost at least £4.1m. The report set out all potential risks of bringing the service in-house. There was no evidence that bringing the service in-house would bring social value, and felt that the proposals were being made for political reasons and not value for money.

58.17 Councillor Bell seconded the amendment.

58.18 Councillor Sykes agreed with Councillor Wealls' comments on the quality of the report. He said that proposals were a mixed model of in-house provision and outside contractors. He said that he had worked with contractors and suppliers and sometimes the provision was good and sometimes not, but the quality of service provided would be down to staff, and it seemed that the Conservative Group were fundamentally opposed to bringing services in-house rather than on the quality of the provision.

58.19 Councillor Janio referred to the report and noted that different figures had been given for the number of staff needed to bring the service in-house; paragraph 3.47 in the report said that 58 operatives and 34 managers would be needed, but report from Savills suggested that 43 staff were needed. The Executive Director Neighbourhoods, Communities & Housing said that the main report included both staff who were already employed by the Council and the possibility of call centre staff, but the report from Savills did not. Whether call centre were brought in house was still being considered.

58.20 Councillor Janio said that if external contractors were used and something went wrong the risk was with them, but if the service were in-house and there were problems then it would be the tenants and leaseholders who would suffer. Councillor Mac Cafferty said he only had one word to say in response, and that was 'Carillion'.

58.21 Councillor Bell said that 89% of tenants were happy with the current provider, and the report provided a long list of potential risks of bringing the service in house. It would be HRA money which would be used, and so the Council should be assuring them that they were providing the best quality service.

58.22 Councillor Wealls said that there was evidence in the report that the proposals were being taken for political reasons, and there was no evidence that bringing the service in-house would not be more expensive or that there would be any social value.

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

58.24 The Chair asked Councillor Sykes to propose the third amendment.

58.25 Councillor Sykes proposed the following amendment:

To add the following recommendation –

2.8 Affirms its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

Councillor Sykes said the amendment would allow the Council to review the provision of services which could be brought in-house.

58.26 Councillor Mac Cafferty seconded the amendment.

58.27 Councillor Mitchell said that the Labour Group would be happy to support the amendment.

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

58.29 Councillor Janio noted that at the Housing and New Homes Committee the Chair took individual votes, and asked why the Chair asked for a show of hands. The Chair said it was his discretion on how the vote was taken, and asked the Legal Adviser for advice. The Legal Adviser confirmed the vote was taken in accordance with the constitution.

58.30 RESOLVED: That the Committee -

- Customer service and quality assurance

(i) Agreed that the customer service and quality assurance services are brought in-house and delivered by the council following the expiry of the current contractual arrangements;
- Responsive repairs and empty property refurbishments

(ii) Agreed that responsive repairs and empty property refurbishments works to council housing stock are brought in-house and delivered by the council following the expiry of the current contractual arrangements;
- (iii) Approved a 'set-up and mobilisation' budget of £0.112m for 2018/19 funded by an in-year virement transferring this budget from the capital financing costs budget in the Housing Revenue Account (HRA) and the creation of an earmarked 'set up and mobilisation' reserve of £0.982m for use in 2019/20 funded from HRA general reserves;

- Planned maintenance and improvement programmes
- (iv) Approved the procurement of at least one contract for the provision of planned maintenance and improvement programmes to council housing stock with a term of five years with the option to extend for up to a further two years;
- Major capital projects
- (v) Approved the procurement of a multi- contractor framework agreement for major capital projects with a term of four years;
- Specialist works
- (vi) Noted that the specialist works will continue to be delivered through individual contracts, with reports coming back to committee for authority to procure and award such contracts if required in accordance with the council's Constitution;
- Delegation
- (vii) Granted delegated authority to the Executive Director Neighbourhoods, Communities & Housing to:
- (1) Commence the procurements and award the contracts required to implement the recommendations;
 - (2) Use the 'set-up and mobilisation' budget to create and appoint to new roles to enable these recommendations to be delivered;
 - (3) Award call-off contracts under the major capital projects framework agreement;
 - (4) Take any other steps necessary to implement the recommendations in this report.
- (viii) Affirmed its intention to review whether further elements of the services and works may be brought in-house in such a way that any timescales would ensure thorough preparation and a smooth transition.

59 NEW HOME FOR NEIGHBOURHOODS - ROTHERFIELD CRESCENT

- 59.1 The Committee considered the report of the Executive Director Economy, Environment and Culture which set out the five options for consideration by members. It identified a preferred option (Option 1) and recommended that this be taken forward to the detailed design stage.
- 59.2 Councillor Sykes said he wanted to recognise his fellow Councillor who was a member of the Housing and New Homes Committee, who had pushed for more affordable rent in this scheme, and it was important to continue to look for ways of increasing the affordable rent element in other projects. He fully supported the paper.
- 59.3 The Chair congratulated everyone involved in this scheme.
- 59.4 **RESOLVED:** That the Committee agreed to appropriate the Rotherfield Crescent former garages site for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development is complete.

60 PORTSLADE SPORTS CENTRE - REPLACEMENT 3G PITCH PROJECT**60.1 RESOLVED:** That the Committee –

- (i) Approved the submission of a bid by the council to the Football Foundation for at least £0.250m funding for the delivery of the replacement 3G pitch project at Portslade Sport Centre, and subject to the award of that funding;
- (ii) Approved the delivery of the replacement 3G pitch project at Portslade Sport Centre;
- (iii) Approved a capital budget for this project of £203,000 based on the overview in paragraph 3.10 including the allocation of identified Section 106 funds and direct revenue funding from existing budgets;
- (iv) Granted delegated authority to the Executive Director for Economy, Environment & Culture to enter into any contracts necessary to deliver the replacement 3G pitch project.
- (v) Approved the establishment of a reserve of £25,000 per annum to support the long term sustainability and future replacement costs of major components of the 3G pitch.

61 PUBLIC CONVENIENCES

- 61.1 The Committee considered the report of the Executive Director for Economy, Environment & Culture which sought approval to introduce charging within 11 of the 37 public conveniences in the city. The income generated through charging would be shared between the Council and the contractor. The report also sought approval to access the Capital Investment Programme funding to proceed with the much needed refurbishment programme.
- 61.2 Councillor Mitchell said that the comments made at the last Policy Resources & Growth (PR&G) Committee had been taken on board, and additional information on both the contract and previous decisions on this matter had been included in the report. Income generated from the charges would enable public conveniences to be improved, with the toilets in the Pavilion Gardens the first to be refurbished. If the recommendations were not agreed there would be an impact on the budget.
- 61.3 Councillor Peltzer Dunn referred to paragraph 3.15 which said that income generated for the Council could be as much as £70k in the first year, but in paragraph 3.21 it said that Healthmatic would be allocated the first £75k income per annum, with the remainder split between 70/30 in favour of the Council. He asked if the £75k for Healthmatic would come directly from the income, or from profit after costs had been accounted for. The Executive Director for Economy, Environment & Culture said he didn't have a copy of the contract with him but his understanding was that the money for Healthmatic, and the split, would be based on the income collected from those toilets. Councillor Peltzer Dunn

asked if the Council were paying Healthmatic for their services, and was advised that there was a contract fee which covered cleaning and maintenance.

- 61.4 Councillor Peltzer Dunn noted that if the recommendations were agreed, that the contract would commence in 2020, and asked if there would be a budget impact before that. The Executive Director for Economy, Environment & Culture said he didn't have that information to hand but would provide out of the meeting.
- 61.5 Councillor Peltzer Dunn asked for confirmation that toilet paper would not be provided through a vending machine, and was assured that it would not.
- 61.6 Councillor Janio said that when the contract with Healthmatic was signed, the Committee should have been informed that the investment of £600k was dependent on the agreement to charge for the public conveniences, and added that he had not seen the contract despite asking to. Councillor Mitchell said that charging to use toilets had always been part of the business plan, and referred to the report PR&G considered at its meeting in October 2016 which set out the potential to charge for using public conveniences. Councillor Mitchell was sorry that he had not seen a copy of the contract, and if he had asked her she would have provided one.
- 61.7 Councillor Bell referred to the Financial Implications section and noted that it said '...the recommendation to charge for all toilets', and asked for confirmation that it only meant the 'twelve' toilets. The Executive Director for Economy, Environment & Culture said that it did. Councillor Bell said that the Financial Implications said that there was a risk that the income levels required may not be achieved which could impact on other budget savings, and asked for more information. The Executive Director for Economy, Environment & Culture said that there would be savings through income generated, and if the necessary levels weren't achieved savings would need to be made elsewhere in the city.
- 61.8 Councillor Janio said that if it had been clear that the capital investment of £602k was reliant on charging for twelve sites, the earlier decision by PR&G to delegate power to officers to sign the contract may have been different. He was concerned that the tender was not put forward to a series of contractors, and if it wasn't he could not agree with the process and would speak to the Chair of the Audit & Standards Committee. The Executive Director for Economy, Environment & Culture referred to paragraph 3.3 which set out what the Invitation to Tender required the contractors to undertake. At the point that PR&G agreed for officers to procure that contract, the report did outline that income generation would help upgrade and safeguard current provision. Councillor Janio said that when delegating to officers, councillors should have been given the full facts. Councillor Mitchell said that the contract had been considered by the cross party members group.
- 61.9 Councillor Wealls asked if the 70/30 split was agreed before or after Healthmatic were appointed. The Executive Director for Economy, Environment & Culture said that was part of the bid and was made prior to the contractor being appointed.
- 61.10 Councillor Mac Cafferty asked if there had been consideration to bringing the service back in-house, and whether there had been any liaison with homeless charities to allow some people to have free access to the toilets. The Executive Director for Economy,

Environment & Culture said that all sites would be subject to Equality Impact Assessments and that radar keys would be available to all those who needed them. With regard to bringing the service back in-house, that had been one of the options when the matter was previously considered by this committee in 2016.

61.11 Councillor Peltzer Dunn asked if the toilets identified for upgrade would provide improved provision for ladies, as there was often a queue for female toilets. The Executive Director for Economy, Environment & Culture said that all toilets would be subject to an Equalities Impact Assessment to ensure suitable provision for all.

61.12 Councillor Daniel said that all councillors had been aware that there would have to be a charge if toilets were to be upgraded, and if the recommendations were not agreed the toilets would fall into disrepair.

61.13 RESOLVED: That the Committee agreed to –

- (i) The introduction of a 30p charge at 11 public convenience sites detailed in section 3.12;
- (ii) City Environmental Management accessing £550,000 from the Capital Investment Programme in order to refurbish 12 public toilet sites;
- (iii) Grant delegated authority to the Executive Director for Economy, Environment & Culture to profile the capital funding across each of the 12 public toilet sites and manage the refurbishment programme through an internal project team;
- (iv) The establishment of a reserve fund in which to ring fence surplus income for the refurbishment of additional public convenience sites in the future.

62 DISPOSAL OF 43 BELMONT STREET AND ADJACENT LAND - DISPOSAL UPDATE

62.1 The Committee considered the report of the Executive Director of Economy, Environment & Culture, which provided further information on the disposal of 43 Belmont Street and adjacent land to provide a capital receipt for reinvestment in the Council's urban investment portfolio.

62.2 Councillor Sykes referred to the social impact of the two bidders, and said that the social interaction of Bidder B was phenomenal and was concerned that that could be lost. The Executive Director of Economy, Environment & Culture said the report set out the provision for relocating the existing tenants, and therefore the provision would not be lost but would continue to be delivered from a different location. Councillor Sykes said that there was a difference in the financial bids, but by not going with Bidder B there was a danger of losing people who worked with disabled children etc, and said that if that interaction was lost there would be a cost to the city. He said that he would therefore be putting forward an amendment to the recommendations. The Chair said that he would continue with questions on the report and take the amendment after that.

- 62.3 Councillor Mac Cafferty said that at the last Committee meeting it was agreed to delay making a decision to allow a review of the social impact of the two bidders. This report set out the social interaction, and he believed that the possibility of losing people from Bidder B would impact on everyone in the city.
- 62.4 Councillor Hamilton said he would be agreeing with the officer recommendations, but if he felt that it would be the end of Samesky etc he would think differently. He said that if Bidder A were successful the current tenants would still have protected occupation for a minimum of two years, and alternative accommodation had been offered at New England House. He said going with Bidder A would allow 31 new flats to be built, 12 of which would be affordable housing together with a S106 agreement.
- 62.5 Councillor Peltzer Dunn requested that the Committee move to Part Two. The Committee agreed and moved to Part Two.
- 62.6 The Committee returned to Part One.
- 62.7 Councillor Sykes asked if he could propose a late amendment to the recommendations. The Chair agreed, and asked Councillor Sykes to propose the amendment.
- 62.8 Councillor Sykes proposed the following amendment:

To amend paragraph 2.1 and add an additional recommendation at 2.3, with changes in italics -

- 2.1 That the committee authorises the freehold disposal of Belmont Street Annexe and 26 and 27 St Peter's Street to ~~the adjacent owner~~ Bidder B and the surrender of rights to use the adjacent garage, and that delegated powers be given to the Executive Director of Economy, Environment and Culture and Executive Lead Strategy, Governance and Law to agree terms and take any necessary steps to facilitate this recommendation.
- 2.2 That the committee authorises the retention of the net capital receipt to be used with capital receipts from previous disposals approved by Policy, Resources & Growth committee, to add to the "investment capital pot" that is accumulating to acquire commercial investment property or properties, in support of the asset investment rebalancing strategy in accordance with the council's Asset Management Plan and budget strategy.
- 2.3 *That the Committee considers option B delivers a better environmental and social wellbeing benefit for the area.*

Councillor Sykes appreciated the generous offer from Bidder A for the current tenants to remain in the property, but was concerned that the current social interaction would be diminished or lost after a period of time.

- 62.9 Councillor Mac Cafferty seconded the amendment.
- 62.10 The Committee voted on the amendment, and it was not agreed.

62.11 RESOLVED: That the Committee –

- (i) Authorised the freehold disposal of Belmont Street Annexe and 26 and 27 St Peter's Street to the adjacent owner and the surrender of rights to use the adjacent garage, and that delegated powers be given to the Executive Director of Economy, Environment and Culture and Executive Lead Strategy, Governance and Law to agree terms and take any necessary steps to facilitate this recommendation;
- (ii) Authorised the retention of the net capital receipt to be used with capital receipts from previous disposals approved by Policy, Resources & Growth Committee, to add to the "investment capital pot" that is accumulating to acquire commercial investment property or properties, in support of the asset investment rebalancing strategy in accordance with the council's Asset Management Plan and budget strategy.

63 DELIVERY OF NEW INTEGRATED PRIMARY CARE CENTRE AT OXFORD STREET**63.1 RESOLVED:** That the Committee –

- (i) Authorised the sale of the Oxford Court Car Park shown edged red on the attached plan by way of a 999 year lease and grants delegated authority to the Executive Director for Economy, Environment & Culture, Executive Lead Officer, Strategy Governance and Law to negotiate the detailed terms of this disposal, and enter into the agreement for lease, the lease and undertake all necessary steps to secure the delivery of a new primary healthcare centre;
- (ii) Noted that the council continues to work closely with public sector partners to ensure best use of public sector assets.

64 HOME TO SCHOOL TRANSPORT FOR PUPILS WITH SPECIAL NEEDS AND OTHER SOCIAL CARE TRANSPORT CONTRACT

64.1 The Committee considered the report of the Executive Director Families Children & Learning which sought approval for the procurement of a contract to provide for home to school transport to pupils with special educational needs, and other hired transport for vulnerable children and adults on behalf of social care teams.

64.2 Councillor Wealls asked if the specification had been drawn up, and was advised by the Head of School Organisation that it was still in draft form, and whilst the time scales may be delayed slightly the contract would be in place by September 2019. Councillor Wealls noted that the engagement with interested parties would take place after the Invitations to Tender had gone out, and suggested it would be preferable to engage with interested parties beforehand. The Head of School Organisation said that there had been engagement and regular contact with interested parties about the current arrangements, and confirmed that the specification would be assessed before going to tender. Councillor Wealls said it would have been useful to see the dialogue with interested parties in the report, and hoped that any feedback would be reflected in the contract.

The Executive Director Families Children & Learning apologised that it was not in the report, but confirmed that there had and would be dialogue with interested parties.

64.3 Councillor Sykes noted the cost was approximately £2.45m per year for 370 students and asked why it was so high. The Executive Director Families Children & Learning said that Brighton & Hove City Council were not a high-spend authority per child, but it did have to provide some very specialist transport which was expensive and that increased the cost.

64.4 RESOLVED: That the Committee –

- (i) Approved the procurement of a contract for home to school transport for pupils with special educational needs and other transport for vulnerable children and adults on behalf of social care teams, for a term of four years from 1 September 2019 to 31 August 2023;
- (ii) Granted delegated authority to the Executive Director of Families, Children & Learning to carry out the procurement and award of the contract referred to in Paragraph 2.1 above including the award and letting of the framework agreement.

65 DEPARTMENTAL TRANSPORT SERVICE - A REPORT ON MANAGEMENT ACTIONS

65.1 RESOLVED: That the Committee noted the actions being undertaken in regards to the Department Transport Service.

66 ROYAL PAVILION & MUSEUMS SERVICE OPTIONS

66.1 The Committee considered the report of the Executive Director Economy, Environment & Culture which recommended moving the Royal Pavilion & Museums to a single purpose trust.

66.2 The Chair noted that an amendment to the recommendations had been submitted by the Conservative Group, and asked Councillor Janio to propose the amendment.

66.3 Councillor Janio proposed the following amendment:

2.1 That Policy, Resources & Growth Committee:-

2.1.1 notes the contents of the Options Phase One Report prepared by the independent expert attached as Appendix One to this report;

~~2.1.2. approves the steps required to improve and modernise the service and the associated timescale as set out in Appendix Two (Service Improvement Plan);~~
Agrees to present for consideration at the next Tourism, Development and Culture Committee a timetable of moving the Royal Pavilion & Museums (RPM) Service following a ballot of all staff with the option to
a) move to a 'Shadow Trust' in April 2019, enabling the necessary arrangements to be made to move to a 'Full Trust' in 2020; or

b) revert to the timetable outlined in Appendix Two (Service Improvement Plan).

~~2.1.3. agrees that, following a period of service improvement, the Royal Pavilion and Museums service should be transferred to a charitable trust whose sole purpose is to deliver the council's museums and heritage services;~~

~~2.1.4. agrees the timetable and notes that this timetable will allow the single purpose charitable trust to apply for funding in the next Arts Council England funding application round (covering 2022+);~~

2.1.5.3. delegates authority to the Executive Director, Economy Environment & Culture to enter into negotiations with the Royal Pavilion & Museums Foundation to resolve matters outlined in 4.23 below;

~~2.1.6 delegates authority to the Executive Director, Economy Environment & Culture, to determine when the due diligence carried out during the initiation phase has been successfully concluded and the issues set out in 4.11 have been satisfactorily resolved such that the council should move to the Implementation Phase;~~

~~2.1.7. delegates authority to the Executive Director, Economy Environment & Culture in liaison with the Executive Lead Officer for Strategy, Governance and Law to take all necessary steps to implement the recommendation at 2.1.3, reserving those decisions relating to the governance of the charity for a future decision at the Tourism, Development & Culture Committee and the Policy, Resources & Growth Committee referred to in 2.1.8 below;~~

~~2.1.8. notes that during the Implementation Phase, a further report will be presented to the Tourism, Development & Culture Committee and the Policy Resources & Growth Committee to update on progress, seek approval to establish the charitable entity and seek delegated authority to conclude the legal arrangements between the council and such related parties.~~

Councillor Janio said that the amendment was being proposed as the Group felt that there was a strong future for the Royal Pavilion and Museums, and moving to a trust earlier would remove uncertainty for the staff. The consultant's report was very good and did detail the risks of moving to a trust early, but there was little information on the risks of not moving early, such as not being able to receive Gift Aid, Arts Council funding or other funding which may be available. There was concern that the consultant had little faith in the workforce being able to take this forward earlier, but it was thought that the staff would prefer to move the matter forward and if the staff were balloted it would take the uncertainty away. The unions have agreed to move to a single trust. The Royal Pavilion and Museums would not have to suffer, and moving to a shadow trust in April 2019 would take away any doubt for staff on their jobs.

66.4 Councillor Bell seconded the amendment.

66.5 The Executive Director Economy, Environment & Culture said everyone wanted the service to flourish, and setting up a new trust would take time and it was important that it was done correctly. The transfer to a charity would need a new board of trustees to be

appointed, and the trustees would need to be content with the service, and there were some improvements which needed to be made such as setting a budget baseline, improvements to cash handling etc. The Arts Council had identified some gaps in the current leadership structure which needed to be addressed. It was important that the Trust was set up correctly, and if it could be undertaken quicker it would.

- 66.6 Councillor Daniel asked for clarification on two points. Firstly there was a rumour that the Arts Council wanted a move to a trust in April, and secondly was there a mechanism for balloting staff. The Executive Director Economy, Environment & Culture said the Arts Council were concerned that there wasn't a delay in establishing the governance arrangements, but at the same time they wanted the Council to set the trust up correctly. The Monitoring Officer said that there was a mechanism under the Trade Union and Labour Relations Act to ballot staff, but the ballot suggested in the amendment would be an informal way of establishing the view of staff and would not be binding. He added that the amendment was asking that the matter be referred to the Tourism Development & Culture Committee, but as the decision would have corporate policy and corporate budget implications it would not be able to make a decision and so would need to come back to this committee.
- 66.7 Councillor Sykes said whilst he understood the Conservative Groups frustration in the delay, he was concerned that the ballot may cause more confusion, and as acceleration was built into the recommendations he could not support the amendment.
- 66.8 Councillor Bell thanked unions for conducting a ballot of their members and for supporting the move to a single trust. The amendment proposed was for all staff, as those who were not in a union had not had an opportunity to express their views. This was a big decision to make, and it was important to trust the staff.
- 66.9 The Chair said the report allowed the process to be accelerated, but it was important to ensure that everyone was ready. If the matter was considered by the Tourism Development & Culture Committee it would still need to come back to this committee.
- 66.10 Councillor Janio said that the process could take up to three years. The amendment would allow the workforce to have a say.
- 66.11 The Committee voted on the amendment, and it was not agreed.
- 66.12 RESOLVED:** That the Committee –
- (i) Noted the contents of the Options Phase One Report prepared by the independent expert attached as Appendix One to this report;
 - (ii) Approved the steps required to improve and modernise the service and the associated timescale as set out in Appendix Two (Service Improvement Plan);
 - (iii) Agreed that, following a period of service improvement, the Royal Pavilion and Museums service should be transferred to a charitable trust whose sole purpose is to deliver the council's museums and heritage services;

- (iv) Agreed the timetable set out at 4.20 below and notes that this timetable will allow the single purpose charitable trust to apply for funding in the next Arts Council England funding application round (covering 2022+);
- (v) Delegated authority to the Executive Director, Economy Environment & Culture to enter into negotiations with the Royal Pavilion & Museums Foundation to resolve matters outlined in 4.23 below;
- (vi) Delegated authority to the Executive Director, Economy Environment & Culture, to determine when the due diligence carried out during the initiation phase has been successfully concluded and the issues set out in 4.11 have been satisfactorily resolved such that the council should move to the Implementation Phase;
- (vii) Delegated authority to the Executive Director, Economy Environment & Culture in liaison with the Executive Lead Officer for Strategy, Governance and Law to take all necessary steps to implement the recommendation at 2.1.3, reserving those decisions relating to the governance of the charity for a future decision at the Tourism, Development & Culture Committee and the Policy, Resources & Growth Committee referred to in 2.1.8 below;
- (viii) Noted that during the Implementation Phase, a further report will be presented to the Tourism, Development & Culture Committee and the Policy Resources & Growth Committee to update on progress, seek approval to establish the charitable entity and seek delegated authority to conclude the legal arrangements between the council and such related parties.

67 ITEMS REFERRED FOR COUNCIL

- 67.1 **RESOLVED:** That Item 58 'Options for Future Delivery of Housing Repairs, Planned Maintenance and Capital Works', be referred to Council on 18 October 2018 for information.

The meeting concluded at 7.45pm

Signed

Chair

Dated this

day of