

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 12 OCTOBER 2017

COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 4AH

MINUTES

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

PART ONE

37 PROCEDURAL BUSINESS

37(a) Declarations of Substitutes

37.1 There were none.

37(b) Declarations of Interest

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

37(c) Exclusion of Press and Public

37.3 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.

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

38 MINUTES

38.1 In reference to minute item 9.2, Councillor Sykes stated that the working balance figure should read "£10.5 million" instead of "£7.5 million".

38.2 **RESOLVED-** That the minutes of the previous meeting held on 13 July 2017 be approved and signed as the correct record subject to the above correction.

39 CHAIR'S COMMUNICATIONS

37.1 The Chair provided the following Communications:

“First of all I would like to pay tribute to David Marks the architect, along with his partner Julia Barfield, of the British Airways i360 who died last week. Over the past decade, David was instrumental in changing the skyline of this city, as he had done in London with the London Eye. Despite our differences over the project, David was always friendly, courteous and human in his dealings with me and it was an honour to speak at the opening of the British Airways i360 after him last year. As was said of Christopher Wren: ‘if you seek his monument, look around you’. Of David Marks, we need only to look up.

I would like to place on record thanks to Nick Hibberd and all the officers involved in the recent charrette visit and workshop with senior civil servants from the Department for Communities and Local Government and the Department for Business, Energy, & Industrial Strategy on the 28th and 29th of September. It was a success for the city and for the Greater Brighton economic region and I’d like to signal my appreciation to colleagues from the Economic Board, from Ricardo, the Digital Catapult, British Airways i360 and the University of Brighton Advanced Engineering Centre for hosting the two day event. The input from all involved will, I’m sure, lead to investment in the City Region and a better future for the city, for Greater Brighton and the Southern Accelerator.

Thanks to Visit Brighton and the team at the Royal Pavilion Museum for securing a 6% increase to the Pavilion and an amazing 27% increase at Brighton Museum. Alongside the works at the Pavilion Estate, our plans for a new Trust and the work on the seafront, our heritage is being preserved, promoted and invested in at the same time we have new attractions to add to our already rich tourist and visitor offer.

Continuing thanks, I’d like to thank all of the local business, residents and others who have pledged support to the Madeira Terraces crowdfunding campaign so far and thanks to The Argus for their wholehearted backing this week. There are a dedicated band of local residents who have set up a raffle with over 200 prizes to be won. The Terraces are owned by the council but belong to Brighton & Hove and I’d urge anyone who values this iconic part of our local heritage to pledge today at www.savemadeiraterrace.org before the 30th November. We’ve some way to go before we hit the target but I know this city and its residents can get us there.

Our best wishes to Richard Bradley who has moved on to a new challenge at Scarborough Borough Council. Richard made a considerable contribution in his time here as evidenced by the improved recycling figures announced this week.

And finally, the Small Business Saturday Bus will be returning to Ship Street in Brighton on 24 November 2017 between 10am – 2pm and will mark 5 years since the campaign was launched. The ‘Small Business Saturday Blue Sofa’ is a new addition where interviews and exclusive Q&A sessions with local small businesses and experts will be streamed via Facebook Live. There will be mentoring sessions offering free support and advice and Inspire workshops that cover accountancy, social media and online marketing. A number of local small businesses have been invited to have a stall alongside the bus”.

40 CALL OVER

- 40.1 All items on the agenda were reserved for discussion.

41 PUBLIC INVOLVEMENT

b) WRITTEN QUESTIONS

(i) Living Wage Joint Venture Business Plan

41.1 Ian Bailey put the following question:

“The rent levels indicated within the LWJV business plan and associated documentation indicate a percentage level of 37.5% of gross income from the living wage. When considering this as a percentage of net income it is significantly higher at 57%. Accepting this is still just below housing benefit levels and taking into account rising living costs including energy, council tax, transport and consumer goods how is this considered to be genuinely affordable to both residents and the council?”

41.2 The Chair provided the following reply:

“The rent levels for the new homes have been carefully considered to make them affordable to lower income working households within the city as well as providing a balanced business plan. The 57% figure quoted is not correct and when the calculation of net income taking into account current tax and national insurance allowances for working households, the rents are between 39% and 41% of net income (excluding service charges) and around 43% of net income (including service charges). The report demonstrates that the rents set out in the joint venture business plan are significantly lower than those charged for private rent and affordable rent tenancies. They are therefore amongst the lowest on offer in the city and compared to equivalent market rents range between 54% of market rent for a 3 Bed flat and 68% for a studio apartment. If the joint venture were to adopt a policy of social rents the business plan would become unviable and the project would not be able to proceed. High sustainability standards for the new homes will mean that households will also benefit from significantly reduced energy bills”.

41.3 Ian Bailey asked the following supplementary question:

“Are you able to indicate what level of sustainability that might be perhaps in relation to the old code for sustainable homes levels or something along those lines that benchmarks it?”

41.4 The Chair provided the following reply:

“We’ll provide you that in a written answer”

(ii) Living Wage Joint Venture Business Plan

41.5 Peter Clarke was unable to attend the meeting therefore his nominated representative, Ian Bailey, put the following question on his behalf:

“Two of the sites identified within the LWJV business plan would be considered as ‘difficult’ to develop due to steep terrain and potential geotechnical considerations. If the value of the LWJV scheme is set at ~£120M and the number of homes to be delivered is 1000 this equates to ~£120k per unit including the cost of land, it is not clear if this is a viable benchmark against recent developments in the city. Given the additional costs with developing ‘difficult’ sites what protection is there to the rent levels in the event of escalating construction costs?”

41.6 The Chair provided the following reply:

“Extensive due diligence checks have been undertaken on the strategic financial model to ensure that the joint venture can deliver homes at living wage rent and that these rent level are protected. The new homes will be funded by sales receipts from the shared ownership properties in addition to the £59.8 million investment from each party. The business plan therefore has a total of £186 million to develop the new homes, which is significantly higher than the investment figure of £119.6 million. The financial model also includes an allowance for site purchase and abnormal costs. Abnormal costs have also been considered by the independent valuer and are therefore reflected in their site valuations.

As part of the due diligence process a number of scenarios have also been modelled including construction costs increase by 10%, drop in sales by 10%, and increase in land cost by 50%. The three sensitivities were also combined to show the impact of all three occurring simultaneously, the Business Plan would still be balanced. The living wage rents are set out in the business plan and any change to these would therefore need to be referred back to the council a reserved matter. Each project will be agreed by the joint venture board and the Development Manager will need to demonstrate that it is viable and in line with the parameters within the business plan to proceed. The business plan has also been reviewed by the independent Project Monitor who is satisfied with the assumptions used and found it to present ‘a viable business proposition’”

41.7 Ian Bailey asked the following supplementary question:

“In the event of profits being made from the Living Wage Joint Venture due to the expected average construction costs being met, what assurances can the limited liability partnership make regarding any profits being fed directly into the development of more affordable housing stock for Brighton & Hove through similar schemes and perhaps with the Brighton & Hove Community led housing opportunities and the Community Land Trust that have larger community benefits across the city”.

41.8 On behalf of the Chair, the Executive Director, Economy, Environment & Culture Chair provided the following reply:

“If additional surpluses were made, they would go back equally to each party. Clearly Hyde has charitable objectives to develop affordable housing and any surpluses that would come back to the city council would be subject to decisions by committee as to how those surpluses could be used. I would refer the questioner to the amendment that was agreed at Housing & New Homes Committee in terms of the commitments that were made by that committee to look at how the city council can support community land trust groups and other community housing providers to bring forward the development of sites and there was a commitment by that committee to bring a report back to a future meeting on that subject”.

(iii) Living Wage Joint Venture Business Plan

41.9 Caroline Bailey was unable to attend the meeting therefore his nominated representative, Ian Bailey, put the following question on his behalf:

“One of the biggest concerns for residents of Coldean, Moulsecoomb & Bevendean are that family homes are over-extended, turned into HMOs then filled with students, pricing out families & making streets unpleasant to live in; what steps are being taken to protect LWJV developments across the city from this now or in the future?”

41.10 The Chair provided the following reply:

“The primary purpose of this joint venture proposal is to provide lower cost rental and sale homes for low income working households in Brighton & Hove and the council will retain control over the allocation of the homes through membership of the joint venture board. The letting of homes will be in-line with the council’s allocations policy and the joint venture will continue to have full control over the sale, letting and management of the homes. Through our 50% stake in the joint venture the council will be able to ensure that sub-letting is not allowed and prevent the use of the homes as HMOs. As with rent levels, the tenure of the new homes is set out in the business plan and any changes would therefore be considered a reserved matter and need to be referred back to the council”.

41.11 Ian Bailey asked the following supplementary question:

“Given that universities are seeking to increase their numbers gradually in the coming years, how is the council looking to use planning policy to generally safeguard communities against overall incremental HMO increases for instance, enabling or expecting universities to provide student accommodation on campus to cope with both the existing and expected numbers of students rather than hoping that the city’s housing stock will soak up their needs?”

41.12 The Chair provided the following reply:

“That’s probably a question that should be addressed to the Tourism, Development & Culture Committee which handles planning policy but I would say we’ve just got Preston Barracks through Planning Committee and obviously there’s the development at Falmer at the University of Sussex site so more purpose-built student accommodation is coming on stream. I think the question on whether student numbers will expand is not one I’d necessarily agree with and not one we can answer here. We’ll provide you with a relevant policy response on that”

42 MEMBER INVOLVEMENT

(a) WRITTEN QUESTIONS

(i) Contract Management- Councillor Sykes

42.1 Councillor Sykes asked the following question:

“With respect to the Council’s expanding Contract Management team, can I please be informed of the team’s target and expected cashable savings across the breadth of Council activities, for the current financial year and the 18-19 financial year?”

42.2 The Chair provided the following response:

“The council expects to save up to £0.5 million during the current financial year as a result of work by new staff deployed to support the work of the procurement team, with an emphasis on contract management. The target figure for 2018/19 is being worked up as part of the ongoing budget process, and reported to the Policy, Resources & Growth Committee on 30 November. The finalised figure will be reported to Budget Council in February 2018. At this stage it is expected to be approximately £1 million, however an element for both years may not be immediately cashable, given that social care markets are seeing significant inflation”

- 42.3 Councillor Sykes thanked the Chair for his response noting that the issue related to the Green Group amendment passed at Budget Council and he was pleased to hear that had led to an improved financial position for the council.

43 TARGETED BUDGET MANAGEMENT (TBM) 2017/18: MONTH 5

- 43.1 The Committee considered a report of the Executive Director, Finance & Resources in relation to Targeted Budget Management (TBM) 2017/18 Month 5. The report set out an early indication of forecast risks as at Month 5 on the council's revenue and capital budgets for the financial year 2017/18.

- 43.2 Councillor Sykes expressed his concern regarding the rise in unachieved savings of £1m since TBM 4 and asked for assurance that the Finance & Resources and Environment & Economy directorates would not be asked to meet the pressures from demand led services. Referring to paragraph 3.8, Councillor Sykes noted that there was a forecast overspend on Temporary Accommodation of £0.170m and expressed his concern that changes in approach toward anti-social behaviour by the council's private contractor for the service may have been a contributory factor in the rise. Councillor Sykes asked for clarification on the figures at paragraph 3.20 on the Collection Fund. Whilst a surplus of £2.35m was welcomed, there had been a reduction in Council Tax Reduction (CTR) awards and an increased in Severely Mentally Impaired (SMI) awards and asked for assurance that one was not simply balancing out the other.

- 43.3 The Executive Director, Finance & Resources replied that there was a very detailed savings plan and some of those savings were proving difficult to achieve, particularly with the demand led services. Where those savings were not being achieved, recovery plans were in place. The savings made in the Environment & Economy and Finance & Resource directorates were good news and he could provide assurance that they would not be used to compensate overspends in other areas. The Executive Director, Finance & Resources stated that the overspend in Temporary Accommodation and any contributing factors would be looked at in detail. The Executive Director, Neighbourhoods, Communities & Housing added that the council was currently in the process of appointing Welfare Support Officers to work with those in Temporary Accommodation with a focus on maintaining tenancies. The Head of Finance stated that SMI awards had increased and were projected to continue to with portion of that rise attributable to a concentrated awareness campaign and assured councillor Sykes that there was no cross subsidy between that SMI awards and CTR awards.

- 43.4 Councillor Sykes asked if for the status of the council's various Discretionary Funds. Referring to page 47 of the report, Councillor Sykes stated that he would query whether

the movement of £50,000 and £60,000 should be interpreted as minor and he hoped more detail on that movement could be provided in future reports. Furthermore, Councillor Sykes asked for confirmation that the Library Service savings were on track as reports to the Modernisation Board had suggest they were not.

- 43.5 The Executive Director, Finance & Resources replied that a status report on the council's Discretionary Funds could be provided to all three political groups, that the more detail on budget movements could be provided in future reports and the reporting threshold lowered. The Executive Director, Finance & Resources clarified that the Library Service savings were on track and the report to the Modernisation Board related to a specific capital project.
- 43.6 Councillor Wealls stated that he was mindful of the TBM 2 report considered by the committee at its previous meeting where his Group had proposed a motion setting aside a £640,000 contingency fund for any overspend and the committee were now discussing an overspend £280,000 in excess of risk provision. Councillor Wealls requested a vote be taken on recommendation 2.2 as he did not believe sufficient information had been provided to support the allocation of one-off funding. Councillor Wealls stated that no information had been provided in relation to the progress made toward Cityclean meeting competitor budgets and the roll out of communal refuse collection had been intended to reduce rather than increase costs.
- 43.7 Councillor Mitchell stated that the one-off funding detailed at recommendation 2.2 was to staff a third communal refuse vehicle and was entirely justified. Councillor Mitchell stated that the city's population was growing placing a greater pressure on core services and it was the council's duty to provide a good, reliable service to its residents.
- 43.8 Referring to page 34 of the agenda, Councillor Hamilton noted that in each of the previous three years, the forecast overspend had reduced through the year and there was no reason to believe that would not be case this financial year.
- 43.9 Councillor Wealls stated that he hoped any anticipated growth would be taken into account during budget setting to ensure financial prudence. In response to the point made by Councillor Hamilton, Councillor Wealls stated that similar arguments had been made ahead of financial crashes.
- 43.10 In reference to recommendation 2.2, Councillor Sykes stated that the sum was minor relative to the benefit it would be bring and he would be agreeing to the request. Councillor Sykes noted that together with the details mentioned in his earlier written question and the information detailed on page 60 and page 67 of the agenda, his Group had protected £2.25m of services in this and the previous financial year.
- 43.11 Councillor Yates noted that whilst the Green Group had moved various motions at Budget Council, they had ultimately voted against the wider budget for 2017/18. Councillor Yates added that he was aware that Councillor Wealls had made several public complaints about the standard of refuse collection so he was surprised that he did not welcome increased investment.
- 43.12 Councillor Janio stated that previous years demonstrated that a budget overspend declined as the year progressed and he was very concerned that overspend had

increased from TBM Month 2 to TBM Month 5. Councillor Janio added that having prudent financial reserve, as his Group had proposed, was the sensible approach.

43.13 RESOLVED-

- 1) That the Committee note the forecast risk position for the General Fund, which indicates a budget pressure of £1.678m. This includes a forecast overspend of £0.088m on the council's share of the NHS managed Section 75 services.
- 2) That the committee approve one-off funding of the additional cost of Communal Bin rounds of £0.050m detailed in Appendix 3 under City Environmental Services from the council's available risk provision of £1.500m.
- 3) That the Committee note, subject to approval of recommendation 2.2 above, that total recurrent and one-off risk provisions of £1.450m are available to mitigate the forecast General Fund risk if the risks cannot be completely eliminated by year-end.
- 4) That the Committee note the forecast for the Housing Revenue Account (HRA), which is an underspend of £0.490m.
- 5) That the Committee note the forecast risk position for the Dedicated Schools Grant which is an overspend of £0.422m.
- 6) That the Committee note the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 5.
- 7) That the Committee agree to release the 2018/19 contingency of £0.079m within the Welfare Reform Reserve to support the Local Discretionary Social Fund in 2017/18 if required (para 6.3).

44 REVALUATION DISCRETIONARY RATE RELIEF FOR BUSINESS RATE PAYERS

- 44.1 The Committee considered a report of the Executive Director, Finance & Resources that set out the proposed Discretionary Rate Relief scheme.
- 44.2 Councillor Sykes stated that the council needed to make the best use of the funding available but there was no breakdown detailed in the report of the calculation made to maximise use of the funding without overspending. Councillor Sykes stated that he welcomed the results of the consultation that had materially changed the criteria that provided greater capacity to support local businesses.
- 44.3 The Revenues & Benefits Manager clarified that the bulk of applications would be completed by December that would allow time to be spent on the more complex cases. The Revenues & Benefits Manager explained that the business rates caseload had been profiled with real cases to see how scheme would work in practice and officers were assured on maximising the funding available without risk of overspend.
- 44.4 Councillor Wealls asked how multi-national companies and national companies would be defined and asked for assurance that the definition wouldn't be open to challenge.

- 44.5 The Revenues & Benefits Manager stated that there would be a case by case review against a multitude of factors. They would include the number of properties in the area, information on the business website and the status of the company.
- 44.6 Councillor Yates noted that the council could grant 100% discretionary relief for a property if it was occupied by an organisation that is not established or conducted for profit. Referring to The Bevy pub in Moulsecomb, Councillor Yates stated that The Bevy had been refused discretionary relief as did not accord with a set of limited criteria even though it was a community interest company. Councillor Yates added that the criteria that judgement had been assessed upon had been agreed in 2011 and was now out of date. Councillor Yates asked for assurance that policy would be updated, particularly to include different types of businesses that operated for community and social benefit and not simply charities.
- 44.7 The Executive Director, Finance & Resources stated that whilst the council was currently adhering to its set criteria, the case of The Bevy provided opportunity to reassess that criteria, although it was essential to retain a consistent framework.
- 44.8 Councillor Janio enquired whether there would be a right of appeal if businesses were automatically enrolled for rate relief.
- 44.9 The Revenues & Benefits Manager stated that the determining system was very factual and evidence based and businesses would be matched against very detailed criteria. The Executive Director, Finance & Resources added that dialogue with the Revenue & Benefits team would be encouraged however; a long appeal process was not desirable as the rate relief assessment was very factually based.
- 44.10 Councillor Peltzer Dunn stated his concern that a number of local, county based businesses could be denied rate relief using the number of known properties outside of Brighton & Hove as a determining assessment. Referring to paragraph 3.18, Councillor Peltzer Dunn stated that “premises they occupy” should replace “ratepayers” as ratepayers did not have a rateable value.
- 44.11 The Revenues & Benefits Manager clarified that no one factor would be determinative to give discretion in cases such as the one raised by Councillor Peltzer Dunn.
- 44.12 Councillor Peltzer Dunn stated that in using a case by case judgement against set criteria, businesses would be unclear about why they had not been successful, particularly with no right of appeal.
- 44.13 The Executive Director, Finance & Resources stated that he believed that a categorisation be established once application began to be processed and he assured the committee that Members would be kept apprised of the schemes progress.
- 44.14 The Committee agreed to the proposal by Councillor Peltzer Dunn to correct the terminology in paragraph 3.18 of the report as set out in minute item 44.10.
- 44.15 **RESOLVED-** That Policy, Resource & Growth Committee approves the proposed 2017/18 Discretionary Rate Relief Scheme.

45 SOCIAL CARE IT SYSTEM PROCUREMENT

45.1 The Committee considered a report of the Executive Director, Finance & Resources that sought approval to conduct a procurement process and award a new social work case management IT system with a term of 5 years with an option to extend the term by 2 years and to access to funding to procure a new system.

45.2 Councillor Sykes stated that he was surprised there was no mention of the Procurement Advisory Board (PAB) in the report as there had been lengthy consideration of the issues at one of their recent meeting. Councillor Sykes asked what notice was given of new capital programmes given the amount requested and noted the excellent internal consultation undertaken and reported to PAB including lessons learned from other authorities that he hoped could be taken into account in awarding of the contract.

45.3 The Executive Director, Finance & Resources apologised for the omission of PAB that should have been referenced in the report and overall was adding value and giving committee assurance on decisions. The Executive Director, Finance & Resources stated there was a relative urgent need to invest in the council's Social Care IT systems as its current systems had been in place since 1999 albeit with updates since then.

45.4 RESOLVED-

- 1) That the Executive Director for Finance & Resources be granted delegated authority to:
 - (i) Carry out the procurement and award of a new social work case management IT system contract for children's and adult services for an initial term of 5 years;
 - (ii) Agree an extension to the contract referred to in 2.1(i) above of up to 2 years; and
 - (iii) Approve the allocation of £2.5m for the contract referred to in 2.1(i) above from unallocated capital resources and include within the capital investment programme.
 - (iv) Note that the figure set out in 2.1 (iii) above is an estimate based on current information. A more detailed breakdown of costs is being worked on and will be submitted in a full business case on the project. An update report will be presented to Policy, Resources & Growth Committee based on this full business case.

46 FORMER PETER PAN SITE, MADEIRA DRIVE - SEA LANES

46.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture that set out the decision made using Officer Urgency Powers to amend the agreement between the council and Sea Lanes relating to the proposed development of the former Peter Pan site on Madeira Terraces approved by a Special Policy & Resources Committee in 2016.

46.2 Councillor Wealls asked if there would be a clause in the contract that compelled the company to clear the site should the lease be terminated after five years and whether the council had contingency to clear the site in the event the company went into administration.

- 46.3 The Executive Director, Economy, Environment & Culture confirmed that there was a clause compelling the company to clear the site in the event the lease was terminated. In the event the company went into administration, the council would negotiate with the appointed company administrators to recover its costs.
- 46.4 Referring to paragraph 3.5 of the report, Councillor Peltzer Dunn stated that he did not believe the Council's Valuer could make a judgement that the terms of the lease would represent best value in 150 years.
- 46.5 The Executive Director, Economy, Environment & Culture replied that at the current position and based on current rents and how rents would rise, officers were confident that best consideration would be achieved.
- 46.6 Councillor Peltzer Dunn enquired as to what point within the initial 5 year lease the option of a 150 year lease could be taken up.
- 46.7 The Executive Director, Economy, Environment & Culture replied that specific information was not available to hand and would be confirmed in writing after the meeting.
- 46.8 Councillor Mac Cafferty asked if there were provisions established in the event there were complications or continued uncertain regarding the future of Madeira Terraces.
- 46.9 The Executive Director, Economy, Environment & Culture stated the delay to refurbishment of Madeira Terraces was the only reason for the request for a 5 year lease. The Executive Director, Economy, Environment & Culture added that redevelopment of the former Peter Pan site was seen as a method to attract investment to the area and would assist with the investment case for Madeira Terraces. The Executive Director, Economy, Environment & Culture stated that whilst it was hoped the crowdfunding would be a success there were other opportunities to renovate Madeira Terraces including devolved funding bids.
- 46.10 **RESOLVED-** That the Policy Resources and Growth Committee notes the decision made using Officer urgency powers (7 (2) in Part 6 Scheme of delegation to Officers) in consultation with the Council Leader, to grant an agreement for lease for a 5 year lease with an option to take an agreement for lease for a 150 year lease at the end of the term, subject to planning approval.

47 REVIEW OF THE CONSTITUTION - OCTOBER 2017

- 47.1 The Committee considered a report of the Executive Lead Officer for Strategy, Governance & Law in relation to Review of the Constitution. The report proposed changes to the Council's Constitution for approval by the Committee and Council. The issues set out in the report had been considered by the cross party Constitutional Working Group (CWG).
- 47.2 Referring to page 140 of the agenda, Councillor Wealls noted that social impact bonds were wide ranging and therefore covered several directorates and he was concerned that the mechanism might not work in practice if delegated to the Neighbourhoods, Inclusion Communities & Equalities (NICE) Committee alone.

- 47.3 The Executive Lead Officer, Strategy, Governance & Law replied that it was intended that social impact bonds would operate within the remit of the NICE Committee. If it was found that this caused constraint in practice, the issue could be revisited.
- 47.4 Councillor Wealls enquired whether the paragraph should be amended to reflect a broader operation.
- 47.5 The Executive Lead Officer, Strategy, Governance & Law stated that the existing wording was likely to be sufficient in his view and officers could work to that understanding in practice.
- 47.6 Referring to paragraph 3.6, Councillor Sykes stated that the issue of delegation to officers in relation to property transaction thresholds had not been discussed by the Policy Panel. Furthermore, the Terms of Reference for the Asset Management Board (AMB) included a section to continually consider that delegated threshold.
- 47.7 The Executive Lead Officer, Strategy, Governance & Law stated that the CWG was of the view that the threshold should not change and apologised if the view of the AMB had been misrepresented. In the event that the AMB did want to vary the threshold, that could be considered by this committee.
- 47.8 Councillor Mitchell stated that as Chair of the Policy Review Panel, she understood there had been discussion but no firm view or decision made on delegated thresholds and the Panel had left it to the AMB to consider.
- 47.9 The Executive Lead Officer, Strategy, Governance & Law stated that the issue would be resubmitted to the CWG to consider.
- 47.10 Councillor Mac Cafferty stated that whilst he acknowledged that there had been consultation with the CWG and Leaders Group on amendments to the constitution, this was now the third or fourth time the committee had considered a review and that he felt a public consultation was necessary in order to prevent the council's rules and procedures becoming self-referential. Furthermore, Councillor Mac Cafferty believed it unreasonable that the recent LGA Peer Review had been continually referenced when it was not in the public domain and the findings had not been considered and all references to the Review should be excluded from reports until that had occurred.
- 47.11 The Executive Lead Officer, Strategy, Governance & Law stated that many of the changes to the Constitution related to the internal workings of the council and on that basis, it was not considered an appropriate use of resources to undertake a public consultation. In relation to the LGA Peer Review, the Executive Lead Officer, Strategy, Governance & Law clarified that this was not a confidential report and could be accessed under a Freedom of Information (FOI) request. An assessment on how to progress the findings was currently being undertaken.
- 47.12 Councillor Mac Cafferty stated that minor textual amendments over a period of three to four years could lead to major changes as a net effect and he hoped the CWG would consider public consultation in the future. The Executive Lead Officer, Strategy, Governance & Law agreed to raise this with the Constitutional Working Group.

- 47.13 Referring to paragraph 3.10 and page 133 of the report, that considered whether a councillor could request an application be considered by Planning Committee, Councillor Peltzer Dunn noted that he had often received requests from residents that applications be considered by committee on the basis of fulfilling democratic duty and not leaving the decision to delegated officer powers. Councillor Peltzer Dunn stated that the proposals would make that process much more difficult firstly because the councillor would be asked whether they were in support or opposed the application when often councillors might seek to be ambivalent about the application. Furthermore, Councillor Peltzer Dunn noted that section a) Appendix 3 requested of the public objections relating to material planning considerations yet section c) did not make such a request of Members and that appeared unfair.
- 47.14 The Executive Lead Officer, Strategy, Governance & Law noted that there was no proposal to amend section a). In relation to section c), the Executive Lead Officer, Strategy, Governance & Law stated that councillors represented the wider communities that elected them and it was democratic right for Members to articulate their concerns or wishes and on that basis, it was legitimate to give more weight to their views as community representatives. The Executive Lead Officer, Strategy, Governance & Law noted that there was a difficulty perceived in that a very high number of applications were being referred without explanation to Planning Committee that placed strain on the amount of business it had to transact and was slowing its decision making process. Therefore, it was proposed that when requesting an application be considered by the Committee, Members add a few sentences as to why. The proposal for that to be based on a support or objection to the application was to enable the case officer to decide whether to refer it to the committee as, if the outcome the Member is seeking is the same as the Officer's proposal, it would avoid the need to refer it to committee. The Executive Lead Officer, Strategy, Governance & Law added that a short letter from Members outlining reasons for referring any application to the committee that did not set out support or opposition to the application would, in his view, also be acceptable. The Executive Lead Officer, Strategy, Governance & Law noted that the request to make the proposed changed had come from the cross-party Planning Members Working Group based on their experience and he felt it would be better, if there are any changes, for the proposal to be considered by that Group first.
- 47.15 Councillor Peltzer Dunn thanked the Executive Lead Officer, Strategy, Governance & Law for his assurance that Members could write to ask applications be considered by the Planning Committee without the need to state their view, be that support or opposition. Councillor Peltzer Dunn reiterated that he believed that material planning considerations should also apply to Members.
- 47.16 The Executive Lead Officer, Strategy, Governance & Law replied that the issue would be referred to the cross-party Members Group for their consideration.
- 47.17 Councillor Janio stated his concern that increased delegation was being given the Executive Director, Neighbourhoods, Communities & Housing and there was a risk that the portfolio could become unmanageable. Councillor Janio stated that an amendment should be made to section 6 b) of Appendix 5 to read "To exercise the Council's functions in relation to social impact bonds *delivered by the community and voluntary sector*". Councillor Janio stated that this was to confirm that the NICE Committee could

oversee social impact bonds delivered by the community and voluntary sector but not those covering other areas such as health.

47.18 The Committee were in agreement with the change.

47.19 Councillor Yates noted that paragraph 3.19 and the related Rule 18 in Appendix 6 relating to substitution at meetings did not give any clarity on the formal process for how a substitute was appointed. Councillor Yates relayed several incidents from past meetings in demonstration of why he believed a mechanism was needed.

47.20 The Chair then put the recommendations, as amended, to the vote which was agreed.

47.21 RESOLVED-

- 1) That the Policy, Resources & Growth Committee approves the recommendations set out at paragraphs 3.2 to 3.11 (Scheme of Officer Delegations) and Appendices 1-3.

RESOLVED TO RECOMMEND-

- 2) That the Policy, Resources & Growth Committee recommends to full Council the proposed changes to the Council's constitution as set out at paragraphs 3.12 to 3.19 in the report and Appendices 4-6 as amended.

48 LOCAL HEALTH AND SOCIAL CARE INTEGRATION

48.1 The Committee considered a report of the Chief Executive that provided an update on the scope and interim governance arrangements for local health and social care integration and the roles of councillors and CCG Governing Body members during the shadow year of operation in 2018/19.

48.2 Councillor Sykes asked for clarification that the council's net budget for Primary Care Services was zero as detailed on page 155 of the agenda as he understood there was an allocated budget of £18m for Public Health.

48.3 The Executive Director, Finance & Resources stated that the collaboration was at a very early stage and the detail and presentation of budgets had some way to go. Increased clarity would be found as work on the joint arrangement continued.

48.4 Referring to the governance arrangement diagram on page 160 of the agenda, Councillor Mac Cafferty asked for clarification as it appeared that PR&G Committee, Full Council and Health, Overview & Scrutiny Committee (HOSC) had no relationship. Councillor Mac Cafferty stated that there was a lack of detail in the report on the disputes over acute budgets and no detail on how that would work in the shadow arrangement. Councillor Mac Cafferty added his concern regarding the proposal to allocate further responsibility to HOSC as it was currently overworked in a number of areas, did not have the capacity at officer level and was currently refusing to commission new work. Councillor Mac Cafferty expressed further concern in relation to the officer board and specifically how Members could hold the board to account.

- 48.5 The Chief Executive clarified that the governance arrangement diagram was a working document and continual refinements would be made adding that there was a strong relationship between all committees and Full Council and any requests for additional resources would have to be considered by PR&G Committee. In reference to disputes over acute budgets, the Chief Executive provided assurance that on a practical level, there was daily dialogue between hospital and social care staff and there was further work for the officer group on the economics of the arrangement and whether more efficiency could be achieved from the current system. With reference to HOSC, continued support would be provided to scrutinise issues of policy and practice with policy matters ratified by the Health & Wellbeing Board. The Chief Executive provided clarification that the officer board would not be making any significant decisions and matters of policy and finance would be considered by PR&G Committee and Health & Wellbeing Board.
- 48.6 Referring to recommendation 2.4, Councillor Wealls asked how oversight was defined and determined.
- 48.7 The Chief Executive clarified there would be a suite of reports detailing how money was being spent, similar to the TBM reports received by this committee.
- 48.8 Councillor Yates stated that the proposals related to the arrangements for the shadow year and there would be much more detail as integration progressed. Councillor Yates stated that increased transparency was vital demonstrated by the fact that the Health & Wellbeing Board did not currently receive any budgetary reporting from the CCG. Councillor Yates stated that oversight of the way the council and CCG budgets interacted was crucial to minimise disputes and create an improved spending framework to deliver better services.
- 48.9 Councillor Janio stated that he agreed with the comments made by Councillor Yates, adding that it was very important to have increased Member oversight on Adult Social Care services, something that was currently lacking.
- 48.10 RESOLVED-**
- 1) That the establishment of a shadow operational year commencing on 1st April 2018 during which officers from BHCC and the CCG will prepare for full integration in April 2019 be agreed;
 - 2) That the formation of a joint officer board (BHCC and CCG) that will be tasked with planning the smooth introduction of the new integrated services be noted;
 - 3) That the initial scope of the activities to be included from the outset of the shadow year, through which period the confirmed longer term scope will be identified and brought back for formal agreement (see para 3.10), be noted;
 - 4) That an interim governance arrangement for 18/19 that gives authority for HWB to have oversight of the integrated budget as set out in appendix 1, be agreed;
 - 5) That the design principles set out in para 3.18 which will guide the development of the partnership be agreed;

- 6) That authority be delegated to the Chief Executive, in consultation with the Chair and Deputy Chairs of the HWB, to take all steps necessary or incidental to progressing the project;
- 7) That it be noted the CCG Governing Body will delegate to the Chief Accountable Officer authority to take all steps necessary or incidental to progressing the project; and
- 8) That it be noted the proposals listed above do not change existing delegated powers or the constitution of either party.

49 HOME PURCHASE POLICY

- 49.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing that request approval of a policy framework for the purchase of homes by the council and associated budget approval.
- 49.2 Councillor Sykes welcomed the report adding that he was pleased his Group colleagues had received unanimous support for their amendment at the Housing & New Homes Committee that would increase funding for the initiative.
- 49.3 Councillor Bell welcomed the report that represented a good step forward and excellent demonstration of joint working.

49.4 RESOLVED-

- 1) That a budget of £2.000m within the HRA Capital Programme 2017/18 for the purpose of purchasing former council homes, to be funded from Right to Buy receipts (£0.600m) and HRA borrowing and/or reserves (£1.4m) be approved; and
- 2) That it be agreed that for the duration of the pilot scheme, the allocation should seek to provide 75% general needs accommodation unless the business case is not viable, then 25% to temporary accommodation, and will charge social rents up to living wage rents, subject to the business case model (appendix 2 shows that no subsidy is needed).

50 LIVING WAGE JOINT VENTURE BUSINESS PLAN

- 50.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture that sought approval of the Living Wage Joint Venture Business Plan and other associated matters.
- 50.2 The Chair thanked all officers involved in the Business Plan for their efforts over a two year period, Hyde Housing for their commitment to the project and members of all parties on Housing & New Homes Committee who had engaged in a very lengthy debate on the proposals but had made them better for it.
- 50.3 Councillor Sykes stated that he was very supportive of the proposals and similarly praised colleagues on Housing & New Homes Committee. Councillor Sykes added that he hoped the venture could get underway as quickly as

possible.

- 50.4 Councillor Bell stated his support for the proposal noting that his only concern was procedure and due diligence through the Joint Venture Board. Councillor Bell added that he hoped Hyde Housing land being offered in the near future.
- 50.5 The Executive Director, Economy, Environment & Culture replied that the business model allowed sites to be purchased be it from the council, on the open market or Hyde Housing and was an option available to the Joint Venture Board. With reference to due diligence, there would be representation on the Board by a member of each of the three political groups supported by officers and there were a number of reserved matters within the Terms of Reference for the Board where a decision would have be made thereon by PR&G Committee.
- 50.6 Councillor Yates enquired as to the process for re-appointment of Members to the Joint Venture Board.
- 50.7 The Executive Lead Officer, Strategy, Governance & Law clarified that the appointment was to an outside body so would follow the established constitutional process of appointment at either Annual Council or PR&G Committee outside that timeframe.
- 50.8 Councillor Yates moved a motion to amend recommendation 2.10 as shown in bold italics below:
- 2.10 Agree the appointment of the council's representatives on the Board of the Limited Liability Partnership (LLP) and the Design & Build subsidiary company ***to be Councillor Meadows, Councillor Gibson and Councillor Mears.***
- 50.9 The Chair formally seconded the motion.
- 50.10 The Chair put the motion to the vote which was agreed.
- 50.11 The Chair put the recommendations as amended to the vote that were agreed.
- 50.12 **RESOLVED-** That the Policy, Resources & Growth Committee:
- 1) Agree the Business Plan in Part 2 of the report and delegate authority to the Executive Director Economy, Environment and Culture to take all steps necessary to enable and facilitate the implementation of the Business Plan;
 - 2) Agree that the joint venture should seek, within the constraints of the agreed business plan, to maximise the use of photo voltaic and other energy saving measures and that plans to achieve this should be reported to Housing & New Homes committee
 - 3) Authorise the disposal of Former Belgrave Site Day (South Portslade Industrial Estate), Clarendon Place, Portslade (as shown in Appendix 1) by

way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;

- 4) Authorise the disposal of Land north of Varley Halls, Coldean Lane, Brighton (as shown in Appendix 2) by way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;
- 5) Authorise the disposal of Land north west of Whitehawk, Brighton (as shown in Appendix 3) by way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;
- 6) Note the value for the disposals will accord with the valuations for each of the sites assessed by Savills and set out in Part 2 of the report;
- 7) Agree the capital receipts from the disposal of these sites are used for the council's investment into the Living Wage Joint Venture;
- 8) Approve the inclusion of loans to the Living Wage Joint Venture within the Councils Capital Investment Programme in line with agreed drawdowns approved by the Living Wage Joint Venture Board;
- 9) Agree the appointment of the council's representatives on the Board of the Limited Liability Partnership (LLP) and the Design & Build subsidiary company to be Councillor Meadows, Councillor Gibson and Councillor Mears.
- 10) Agree that a review be undertaken by the board into the model levels of maintenance costs after year 10 in the business model, with the outcome of this review to be reported to Housing & New Homes committee.

51 ITEMS REFERRED FOR COUNCIL

- 51.1 No items were referred to Full Council for information.

52 PART TWO MINUTES

- 52.1 **RESOLVED-** That the Part Two minutes of the previous meeting held on 13 July be approved and signed as the correct record.

53 PART TWO PROCEEDINGS

- 53.1 **RESOLVED-** That the information contained in Part Two remain exempt from disclosure to the press and public.

The meeting concluded at 6.30pm

Signed

Chair

Dated this

day of

