



Brighton & Hove
City Council

Policy, Resources & Growth Committee

Title:	Policy, Resources & Growth Committee
Date:	24 January 2019
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: Yates (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Daniel, Mitchell, Peltzer Dunn, Sykes and Wealls
Contact:	Lisa Johnson Democratic Services Manager 01273 291228 lisa.johnson@brighton-hove.gov.uk
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AGENDA

PROCEDURAL MATTERS

101 PROCEDURAL BUSINESS

(a) Declaration of Substitutes: Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

(b) Declarations of Interest:

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public: To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

NOTE: *Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.

102 MINUTES

To consider the minutes of the meeting held on 6 December 2018 (copy attached).

POLICY, RESOURCES & GROWTH COMMITTEE

103 CHAIR'S COMMUNICATIONS

104 CALL OVER

- (a) Items (107- 116) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

GENERAL MATTERS

105 PUBLIC INVOLVEMENT

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

Petitions: to receive any petitions presented to the full council or

- (a) at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 18 January 2019;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 18 January 2019.

106 MEMBER INVOLVEMENT

33 - 36

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.
 - (i) Climate and Biodiversity Emergencies (copy attached)

FINANCIAL MATTERS

107 BUSINESS RATES RETENTION FORECAST 2019/20

37 - 50

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

Contact Officer: Heather Bentley

Tel: 01273 291244

Ward Affected: All Wards

POLICY, RESOURCES & GROWTH COMMITTEE

- 108 CORPORATE DEBT POLICY** **51 - 100**
Report of the Executive Director Finance & Resources (copy attached)
Contact Officer: *Graham Bourne* *Tel: 01273 291800*
Ward Affected: *All Wards*
- 109 COUNCIL TAX BASE 2019/20** **101 - 112**
Report of the Executive Director Finance & Resources (copy attached)
Contact Officer: *Heather Bentley* *Tel: 01273 291244*
Ward Affected: *All Wards*
- 110 LIFE EVENTS PROPOSED FEES AND CHARGES FOR 2019/20** **113 - 124**
Report of the Executive Lead Strategy Governance & Law (copy attached)
Contact Officer: *Paul Holloway* *Tel: 01273 292005*
Ward Affected: *All Wards*
- 111 SUPPORT SERVICE FOR PEOPLE IN TEMPORARY ACCOMMODATION** **125 - 128**
Report of the Executive Director Neighbourhoods, Communities & Housing (copy attached)
Contact Officer: *Jerry Aldous* *Tel: 01273 296949*
Ward Affected: *All Wards*
- REGENERATION & PROPERTY MATTERS**
- 112 HOME PURCHASE POLICY OPPORTUNITY - DISPOSAL OF 84 COOMBE ROAD** **129 - 142**
Report of the Executive Director Economy Environment & Culture (copy attached)
Contact Officer: *Diane Hughes* *Tel: 01273 293159*
Ward Affected: *Moulsecoomb & Bevendean*
- 113 HOMELESS MOVE ON ACCOMMODATION** **143 - 154**
Report of the Executive Director Neighbourhoods, Communities & Housing (copy attached)
Contact Officer: *Martin Reid* *Tel: 01273 293321*
Ward Affected: *Patcham*

POLICY, RESOURCES & GROWTH COMMITTEE

114 KING ALFRED DEVELOPMENT - UPDATE 155 - 178

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

Contact Officer: Max Woodford

Ward Affected: All Wards

CONTRACTUAL MATTERS

115 BUS & TAXI SHELTER ADVERTISING CONCESSION 179 - 186

Report of The Executive Director Economy Environment & Culture (copy attached)

Contact Officer: Owen McElroy

Tel: 01273 290368

Ward Affected: All Wards

GENERAL MATTERS

116 NOMINATION OF A REPRESENTATIVE TO THE FIRE AUTHORITY

To approve the appointment of Councillor Platts to the East Sussex Fire Authority following the resignation of Councillor Penn.

Contact Officer: Mark Wall

Tel: 01273 291006

Ward(s) Affected: All Wards

117 ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 31 January 2019 Council meeting for information.

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

PART TWO

REGENERATION & PROPERTY MATTERS

118 KING ALFRED DEVELOPMENT AGREEMENT (EXEMPT CATEGORY 3) 187 - 328

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

POLICY, RESOURCES & GROWTH COMMITTEE

Contact Officer: Lisa Johnson
Ward Affected: Central Hove

Tel: 01273 291228

119 PART TWO PROCEEDINGS

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

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

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

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Electronic agendas can also be accessed through our meetings app available through www.moderngov.co.uk

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

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FURTHER INFORMATION

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

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Date of Publication - Wednesday, 16 January 2019

BRIGHTON & HOVE CITY COUNCIL
POLICY, RESOURCES & GROWTH COMMITTEE

4.00pm 6 DECEMBER 2018

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

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

PART ONE

72 PROCEDURAL BUSINESS

72(a) Declarations of Substitutes

72.1 Councillor Meadows was attending as a substitute for Councillor Daniel

72(b) Declarations of Interest

72.2 There were none.

72(c) Exclusion of Press and Public

72.3 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.

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

73 MINUTES

73.1 **RESOLVED:** That the Minutes of the meeting held on 11 October 2018 be agreed and signed as a correct record.

74 CHAIR'S COMMUNICATIONS

74.1 The Chair gave the following communication:

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

The Chair said that in consultation with the other Group Leaders, it had been decided to defer Item 85 'Attendance Support Policy and Procedures' to a future meeting of this committee. Contact had been received from both Trade Unions on this matter, and it was felt appropriate that some time was allowed for the Toolkit to be developed further, so that members could have a full view of how proposals would affect staff and be implemented.

75 CALL OVER

75.1 The following items were reserved for discussion:

- Item 78 Targeted Budget Management 2018/9 – Month 7
- Item 80 Council Tax Reduction 2019
- Item 81 Draft Revenue Budget and Capital Strategy 2019/20
- Item 83 Progress Update Corporate Key Performance Indicators Q2
- Item 86 Women in Local Government
- Item 87 Waterfront
- Item 89 King Alfred Development
- Item 92 Review of Members Allowances Scheme
- Item 93 EU Withdrawal: Response to Full Council Notice of Motion
- Item 94 Review of the Constitution
- Item 97 i360 Loan Restructure

76 PUBLIC INVOLVEMENT

76(a) Petitions

76.1 There were none.

76(b) Written Questions

76.2 Four written questions were received.

76.3 (1) Ms N Brennan asked the following question:

The BHCC website refers to "Council Tax Single Person Discount Review 2015" and states that "The Council is currently conducting a review of customers in receipt of a single person discount." It would appear that this "review" is still 'live' in 2018.

Has the Committee, or Committee Chairperson been informed of the work of "Capacitygrid", a private limited company, that contacts residents in receipt of a Single Person Discount demanding proof of their status and stating if a response is not received within 14 days the SPD will be removed?

76.4 The Chair gave the following response:

The council annually reviews its Single Person Discounts to ensure the awards are being correctly applied. We need to ensure that only those customers who receive the discount are entitled to it as circumstances change over time and customers do not always inform us of changes. Last year's review resulted in 1,535 discounts being

removed, effectively resulting in an extra £580,000 Council Tax being collected by the council. Ultimately exercises of this type ensure that the council can fund the range of services that it operates

Currently around 44,000 of 130,000 domestic properties in Brighton (around one third) attract Single Person Discounts to the value of nearly £17m. Approximately 5,500 customers were sent a review letter this year. The letter offers customers the option of going online or calling a free phone number, if they are unable to go online or need assistance. In addition we now ensure that any potentially vulnerable customers identified are removed from any future review. Customers are given 21 days to respond before a reminder is sent giving a further 2 weeks.

The 2018 review of the discounts is currently in progress. It is being conducted by Capacitygrid on behalf of the Council. Many authorities use private companies to do this work because it is cost effective against a backdrop of ongoing budget reductions, including within the Revenues & Benefits service.

The value of the Capacitygrid contract is below £25,000. Only contracts to the value of £500,000 require Committee approval. Members have been made aware of the approach through briefings (dating back to October 2017) and as a result of responding to a small number of queries from residents. In addition updates have been posted by the Communications team on social media.

The current information pages of the Council's website relating to Single Person Discounts are up to date, however thanks to Ms Brennan's question, we have discovered that a search engine enquiry did produce a result that links to an outdated information statement from 2015. We have removed the link to avoid any future confusion.

76.5 Ms Brennan asked the following supplementary question:

Do Capacitygrid have the authority to withdraw benefits as that was putting fear into people? People are being asked to show their bank statements, and asked if it was right to show that to a private company as they had been linked to marketing companies.

76.6 The Executive Director Finance & Resources gave the following response:

Any decision on benefits would not be taken by the company but by the Council. The company are used to obtain information, and they will ask for proof of income etc. With regard to marketing I am 90% sure that contractually they can only use the information obtained for the purposes the Council requested from them, but I will confirm in writing.

Note – after the meeting the Executive Director provided the following information:

The Executive Director, Finance & Resources can confirm that CapacityGrid is contractually obliged to safeguard the personal data of residents, and not use it for any other purposes than contracted. In addition the company is bound by the General Data Protection Regulation (GDPR) and other legislation that covers personal data, including the Data Protection Act. As such data cannot be used for the purposes of marketing.

76.7 (2) Mr J Deans asked the following question:

Due to failure to build the supported accommodation project in Moulsecoomb (YMCA/Y-CUBE) along with other rumours of housing developments falling through (King Alfred) or removing accommodation (Windsor Court) to vulnerable Adults, would this committee consider a short term project presented by Sussex Homeless Support to build up to 200 SUPPORTED/EMERGENCY removable prefabricated units across the city this project would be started immediately with no funding requirement from council, requiring only 5 year leases and planning exemption both are sanction-able by this council. Would this committee support and take it forward to save lives.

76.8 The Chair gave the following response:

Thank you for your question and I can clarify that there are currently no plans to remove Windsor court as temporary accommodation. The Y:Cube project was delayed due to a change in the relationship with the YMCA and Y:Cube manufacturer. The project is now being delivered by the local YMCA Downslink Group - they have appointed a project manager who is now progressing modular options for the Eastergate Road site.

In relation to your specific offer to build accommodation, we would be very interested to hear what land you have to build these homes and what discussions you have had in relation to the cost of building, provision of utilities, repairs and maintenance costs and planning. If you were looking for the council to support this proposal, we would need to consider regulatory matters, procurement, financial and legal matters and see a business case to ensure the scheme is viable. I am happy to ask officers to assist you with your report which can be considered at a future meeting of the housing and new homes committee.

76.9 Mr Deans asked the following supplementary question:

Yesterday there were media reports of the King Alfred issues costing tax payers as much as £4m. Will the committee note that £4m is the budget required to 200 of the self-contained units which would be a better use of public funds.

76.10 The Executive Director Economy Environment & Culture gave the following response:

I have not seen the reports you refer to, but I can say that the costs spent to date are significantly less than £4m.

76.11 (3) Ms V Paynter asked the following question:

Should either BHCC or the Crest Nicholson/Starr Trust developers be finally defeated by viability issues, forcing an end to the current redevelopment attempt of the King Alfred/RNR site, can the Council agree that a very serious rethink of the 15 years old (basically) Planning Brief has to inform the way forward?

76.12 The Chair gave the following response:

The Council remains committed to delivery of a new Sports Centre in Hove. Should it

prove not to be possible to continue with the current scheme in partnership with Crest Nicholson, the Council will undertake a thorough review, in light of experience, and changed economic conditions, of alternative development options, and this will of course include full consideration of the relevant planning policy framework and any associated guidance.

76.13 Ms Paynter asked the following supplementary question:

Would the Council consider selling the site?

76.14 The Chair gave the following response:

That would be a decision for either Policy Resources & Growth Committee or Full Council in the future, but it would have to be part of the delivery the requirements the Council had either currently or in the future. I can't say at the moment as the proposals are not about selling the site.

76.15 (4) Mr D Spafford asked the following question:

The retail shopping in St James' Street is identified in the Draft City Plan (Stage 2) as prime retail space, but there is nothing in the plan for developing or improvements for this district.

During the consultation for the development of the Edward Street Quarter a commitment was made to the development of the roads, George Street and Dorset Gardens, to make an attractive 'funnel' for footfall into St James Street from the new developments.

What plans do the City Council have in train to regenerate and promote growth in the St James' Street district.

76.16 The Chair gave the following response:

St James Street is identified in the City Plan Part 1 as one of the city's three District Centres. Policy CP4 Retail Provision in the adopted City Plan Part 1 seeks to maintain and enhance these identified shopping centres through encouraging a range of appropriate facilities and uses and ensuring that these shopping centres remain the focus for new retail development appropriate to their function.

Policy SA6 Sustainable Neighbourhoods in the City Plan Part One also supports a good balance and mix of uses in local shopping centres and highlights the need for development proposals to contribute to local facilities and for access and sustainable transport improvements.

City Planning regularly undertakes 'health checks' of the retail centres to monitor their vitality and viability. The draft City Plan Part 2 sets out detailed retail frontage policies in order to assist in safeguarding and managing retail uses to help ensure vitality.

The City Plan Part 1 Development Area Policy DA5 Eastern Road and Edward Street does require development proposals for key development sites such as the Edward Street Quarter strategic allocations to contribute to townscape, public realm and linkage improvements to St James Street and Dorset Gardens.

The Section 106 Agreement dated 25/10/2018 for supporting infrastructure to the former Amex Headquarters site Edward Street has secured a £176,426 Sustainable Transport developer contribution. A proportion of that contribution is to provide highways improvements to improve cycle access and cycling infrastructure between the site and the seafront. That route will cross St James's Street. That contribution will also provide a pedestrian crossing on Edward Street that will improve access to local facilities that may be found on St James's Street. That 106 Agreement has also secured a £314,091 Recreation Contribution that is to be primarily spent improving recreation facilities in Dorset Gardens park together with public realm improvements to access those facilities though the upgrade of the adjacent junction of Dorset Gardens and Edward Street. Those contributions will be paid upon commencement of that development.

Since 2006, the city centre has benefitted from a Business Improvement District and local businesses have invested nearly £3m worth of additional services to improve the trading environment and attract more shoppers and visitors to the area. Retail businesses including St James's Street were canvassed in 2016 to gauge interest in creating more Business Improvement Districts however 55.3% of responses from St James's Street businesses did not support a BID.

76.17 Mr D Spafford asked the following supplementary question:

In this year's budget the Chancellor announced the setting up of a £675 million "Future High Streets fund". Will the City Council be applying to this fund for Brighton and Hove, but particularly St James' Street and district.

76.18 The Chair gave the following response:

Brighton & Hove welcomes the Chancellor's announcement of a new 'Future High Streets fund' to support improvements to town centres. The full prospectus for the fund has not yet been published however the government has indicated that the fund will focus on three main areas. Support to local areas to prepare long-term strategies for high streets and town centres, including a High Street Taskforces to provide expertise. Co-funded (with the private sector), investment in local areas, including physical infrastructure and investment in land assembly; and, support for the regeneration of heritage high streets.

Retail in Brighton & Hove accounts for around 16,000 jobs and is an important part of our local economy serving both residents and visitors. The full prospectus for the fund is expected later this year alongside the launch of the High Streets Taskforces in early 2019 to support local leadership.

The government has indicated that the process will be competitive starting with a call for Stage One Expressions of Interest in Spring 2019 followed by Stage Two Application and local areas working up detailed business cases in Summer 2019.

We look forward to the launch of this new fund and will be making the case for investment in our local high streets, including st James Street. The fund will require co-investment with the private sector we will therefore be consulting with city businesses with a view to submitting co-financed proposals at the earliest opportunity.

76(c) **Deputations**

76.19 Ms McNamara presented the following deputation:

1. Save Whitehawk Hill Local Nature Reserve –

“Joint Venture Project” for a high rise estate in the middle of the Whitehawk Hill Local Nature Reserve and the Race Ground recreational common. Whitehawk Hill is Brighton's senior and most important public Downland site. It is a statutory Local Nature Reserve, and was voted for inclusion in the new South Downs National Park by full council in 2002. Its status as a common, now known as 'The Race Ground', is perhaps a thousand years old. It is mostly statutory Access Land. It has the earliest statutory Scheduled Ancient Monument in Sussex protecting one of the ten best Neolithic Causewayed Camps in Britain. Its wildlife includes many rare or scarce animals and plants and rare ecosystems such as species-rich chalk grassland and furze field. The Joint Venture proposal for a new high-rise estate of 217 properties in five blocks with 110 parking spaces on the Hill will smash our Local Nature Reserve and this treasured landscape in two. It comes in addition to 103 recent new homes in the Valley and a planned 38 more on Swanborough Drive playground, and will hugely cram the already crowded north end of the Whitehawk Valley. The site is a sacrosanct public space, the local infrastructure and amenities are already at breaking point, and the needs of local residents have not been properly considered. The Council is not even attempting to use the resources that are available to build houses for Social Rent.

We call upon Brighton and Hove City Council to put an end to this development and find other sites for much needed social housing, preferably council housing at social rents. The signatories to this deputation represent communities from throughout the City and in particular Whitehawk and East Brighton. We include community groups working for a better quality of life for the people of our City, for the conservation of the natural environment, for benefit to the health and wellbeing of all and for housing that is truly affordable and secure.

76.20 The Chair gave the following response:

Homes for Brighton & Hove is a partnership between Brighton & Hove City Council and a Housing Association (the Hyde Group) aiming to build 1000 new low cost homes across the city for local working households on low incomes. Half of the new homes will be available for rent to people on the council's joint housing register, with the other half available to buy as shared ownership homes for local households. This will include people working in essential public services who are struggling to afford to stay within the city.

The Whitehawk site is one of the first three council-owned sites the partnership is considering for development. The city is urgently in need of more low cost homes. Brighton & Hove is a growing city with high housing prices, low incomes, an ageing population and a significant proportion of households with support needs. There are currently nearly 12,500 households on the city's joint housing register, over 1,800 households in temporary accommodation and rising homelessness. Social housing

makes up a small proportion of the overall housing in the city with 9.8% of homes owned by the council and 5.1% by housing associations.

The Homes for Brighton & Hove partnership is one of a number of ways the council is looking increase the supply of lower cost homes in the city including the New Homes for Neighbourhoods, Hidden Homes and Buy-Back programmes which are focused on increasing the supply of council homes.

The council and Hyde have entered in to this agreement with the aim of developing 100% affordable housing with rents linked to the minimum wage. These are well below the 80% market rents generally associated with affordable rented housing developments.

When the council was developing the City Plan, the national Planning Inspectorate instructed us to identify more sites for residential development to ensure that the need for additional housing was met. It included a specific instruction to carry out a more rigorous assessment of the city's urban fringe sites. In response, the council assessed a number of urban fringe sites and, following detailed ecological landscape, and heritage studies, this site (along with a number of others in the city) was identified as suitable for residential development.

Whilst the proposed development site is not within a site of special scientific interest or within the Whitehawk Camp archaeological notification area, we are conscious of the environmental sensitivities around the site, and Homes for Brighton & Hove has commissioned ecological studies to inform the proposal. Homes for Brighton & Hove is currently reviewing the feedback received from the first round of consultation in October, as well as looking further at technical and viability issues on the site, and will provide further updates on the proposals next year.

77 MEMBER INVOLVEMENT

77(a) Petitions

77.1 There were none

77(b) Written Questions

77.2 Councillor Sykes had submitted a question on residential and nursing bed spaces. Unfortunately it was not possible to provide a response at the meeting, and it was later agreed that it would be more appropriate for the question to be put to the Health & Wellbeing Board. The question will now be asked at the Health & Wellbeing Board at its meeting on 29 January 2019.

77 (c) Letters

77.3 There were none

77 (d) Notices of Motion

77.4 A Notice of Motion on 'Brighton and Hove Brexit Update' was referred to the Policy Resources & Growth Committee from Council held on 18 October 2018. The Chair referred the Committee to Item 93 on the agenda, which had been written in response to the Notice of Motion.

77.5 **RESOLVED:** That the Notice of Motion be noted.

78 TARGETED BUDGET MANAGEMENT (TBM) 2018/19: MONTH 7

78.1 The Committee considered the report of the Executive Director Finance & Resources which set out an indication of forecast risks as at Month 7 on the Council's revenue and capital budgets for the financial year 2018/19.

78.2 Councillor Sykes referred to temporary accommodation and community care. He noted that the cost of temporary accommodation in December 2014 was £1.4m, but was now £3.4m, and the cost of community care in December 2015 was £41m and it was now £61m. He said that there was both demand and unit cost pressure, and accepted that demand couldn't be controlled but cost could and asked for comments on that. He referred to housing services and temporary accommodation, and said that with the measures in place the impression given was that costs should be coming down, but there was a continued increase. He referred to Section 75 overspend, and asked if we were getting a good deal. He said that waste disposal costs had increased, and asked how that could happen when there was a fixed contract. He referred to fostering and adoption, and asked about the possibility of golden handshakes to agency suppliers. He said that there had been a 55% increase in unit costs for community care and asked if that was the reason for the overspend.

78.3 The Executive Director Finance & Resources said that the level of demand for temporary accommodation within community care was difficult to influence. With regard to the unit costs, the markets were changing but the council had set up the Sustainable Social Care Project, and a number of measures had been suggested particularly with the Social Care Budget. The 55% increase in costs was something the Council were looking at and something we needed to understand better. The Executive Director Economy Environment & Culture said that the waste disposal costs were known and fixed, but the cost was higher than projected as the tonnage collected was higher than expected. The costs of the service have been reviewed, and that was reported to ETS Committee in October 2018. That committee agreed to introduce a focused dedicated service, which was now being implemented. The Executive Director Families Children & Learning referred to foster carers and confirmed that the Council did not offer golden handshakes. He said 61% of placements were within in-house foster carers, and it was hoped that that would increase to 65% by April 2019. There was no evidence locally of agencies using golden handshakes to attract some of our foster carers, and there was actually an increase of carers coming to the Council from agencies. From speaking to those carers, they moved to the Council because of the level of support offered, rather than for financial reasons. The Executive Director Health & Adult Social Care said that demand for adult social care was increasing and that was due to an ageing population and the complexity of people who needed more care. With regard to S75 overspend, was due to people with complex issues who needed additional care.

78.3 Councillor Wealls said that Cityclean had overspent by £973k which was more than expected. The Executive Director Economy Environment & Culture said that the budget was being closely looked at, but a lot of work had been done on as part of the city environment modernisation programme, and that had been reported to both this and the ETS Committee. A lot of work had been undertaken with the new Assistant Director, and was confident that were manage the budget more accurately in the future.

78.4 RESOLVED: That the Committee –

- (i) Noted the forecast risk position for the General Fund which indicates a budget pressure of £1.487m. This includes an overspend of £1.130m 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 £0.500m.
- (iv) Noted the forecast position for the Dedicated Schools Grant, which is an underspend of £0.235m.
- (v) Noted the forecast outturn position on the capital programme and approved the variations and slippage in Appendix 5 and the new schemes as set out in Appendix 6.
- (vi) Accepted the grant awarded for the South East Museum Development Programme as set out in paragraph 6.3.

79 TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 - MID YEAR REVIEW

79.1 RESOLVED: That the Committee -

- (i) Noted the key actions taken during the first half of 2018/19 to meet the TMSS and the investment strategy as set out in this report.
- (ii) Noted the reported compliance with the AIS for the period under review.
- (iii) Noted that the approved maximum indicator for investment risk of 0.05% has been adhered to and the authorised borrowing limit and operational boundary have not been exceeded.

80 COUNCIL TAX REDUCTION 2019

80.1 The Committee considered the report of the Executive Director Finance & Resources regarding the Council Tax Reduction Scheme for 2019.

80.2 Councillor Sykes noted that the report would also be considered at Full Council on 13 December 2018, and asked for confirmation that it would be possible to debate the report and bring an amendment to that meeting. The Revenues and Benefits Manager

said that a general discussion could be had on the issues which were part of the consultation, but any amendment could only be on what had actually been consulted on. The Chair added that there had been discussion with Group Leaders on what technical parts of the scheme should be consulted on and so there was a restriction on what could be amended, if not it would be necessary to undertake the consultation again. The Executive Director Finance & Resources said that there were technical implementation issues with the software the Council used, and if there were radical changes it would be difficult to implement them before the Council Tax bills were due to be despatched.

80.3 Councillor Janio said the reason the Council Tax Reduction Scheme was being reviewed was that Universal Credit (UC) was being introduced, and asked if officers could bring a report on how the impact of UC could be softened for new claimants. The Revenues and Benefits Manager said that within the bounds of the consultation that may be possible, but officers would need more information about what that could entail. He said that only around 15-18% of changes to council tax would be affected by the proposals. The Executive Director Finance & Resources said that there wasn't much time before the meeting of Full Council, and suggested that officers could put together a briefing for Leaders that would set out the parameters of changes which could be achievable in the technical sense, and the number of people who would be affected by the changes and what that impact may be. Councillor Janio agreed that that would be useful.

80.4 RESOLVED: That the Committee –

- (i) Noted that the council undertook formal consultation as a part of this review and that as part of the formal consultation a draft scheme was published which contained possible changes.
- (ii) Noted the outcome of that consultation (**Appendix 3**) which has been summarised in paragraphs 5.1-5.4.
- (iii) Considered the proposed changes set out in paragraphs 3.8 – 3.14.
- (iv) Noted that an Equalities Impact Assessment (EIA) (**Appendix 2**) had been undertaken based on the proposed. The Committee should further note that, to meet their Public Sector Equality Duty, it must give conscientious consideration to the findings of this assessment when making a decision set out at paragraph 2.3. The actions which will be undertaken as a result of this EIA are set out in paragraphs 7.9-7.11.
- (v) Approved £150,000 funding for the discretionary fund in 2019/20; this would require additional one-off funding of £140,000.
- (vi) Noted that the Executive Director of Finance & Resources will, prior to 1st April 2019, exercise delegated powers to increase the appropriate calculative elements of the scheme to give effect to national changes.

That the Committee recommends to Council:

- (vii) That the council approves the making of a revised Council Tax Reduction Scheme incorporating the changes at paragraphs 3.8 to 3.14 of the report.
- (viii) That the Executive Director of Finance & Resources be authorised to amend the Council's Council Tax Reduction Scheme (Persons who are not Pensioners) (Brighton & Hove City Council) 2013 to reflect the changes at 3.8 to 3.14 below, and to take all steps necessary and incidental to the introduction of the revised scheme.

81 DRAFT REVENUE BUDGET AND CAPITAL STRATEGY 2019/20

- 81.1 The Committee considered the report of the Executive Director Finance & Resources which presented the draft revenue budget and capital budget proposals for the final year of the four-year planning framework introduced in 2016/17, which was aligned with the current central government spending review period and four-year funding deal.
- 81.2 Councillor Wealls referred to 'residential, respite and short breaks' and asked how the saving proposal of £140k would be achieved, and asked for confirmation that that would not negatively impact on the quantity or quality of respite provision. The Executive Director Families Children & Learning said the savings were not in relation to provision for children, but were about managing things in different ways, for example some contracts had been reviewed and it had been able to reduce costs, there had been changing staffing levels etc. Overall the budget was going up not down.
- 81.3 Councillor Sykes asked if there had been stress testing for critical areas of the budget? He was concerned about one off use of contingency funds to cover the budget gap, and asked what the risks of doing that were. He referred to the 60% reduction in funding for initiatives, and asked for an explanation of what those initiatives were. He noted that year on year there were cuts to services such as Environmental Health and Environment Protection etc, and asked how they were able to continue to provide the relevant services, and was concerned about the cuts to community safety. The Executive Director Finance & Resources said the budgets were managed on a risk basis. He said that next year the Finance Team would look at a new four year plan, and look at all variables which could affect the budget and that would be a form of stress testing. With regard to the one-off use of contingency funds, it could be used to ensure that there weren't cuts to services whilst waiting to know of changes to local government funding. The Executive Director Neighbourhoods, Communities & Housing said that there had been cuts to Environmental Health and Environmental Protection last year, but that was to reduce management and officers were now looking at working more efficiently and ensuring that staff were at the right level doing the right job. With regard to community safety, Field Officers had been appointed and there had been changes to the way that anti-social behaviour was dealt with. With regard to the Initiatives Budgets, the Director said that she didn't have examples with her but would provide them after the meeting. The following examples were later provided:
- Social value training for procurement, commissioners and CVS
 - Signlive – BSL video relay trial at Barts customer service centre
 - Grantfinder license
 - Evaluation of third sector commission
 - Taking account 4 – social and economic audit of the CVS
 - Additional networking sessions in the community hub areas

- Red Box set up
- Neighbourhood action plan development in areas outside of the community hubs
- Research into barriers into employment for disabled people
- Research on race equality in employment and skills in B&H – this was citywide and all sectors – not to be confused with GHPO

- 81.4 Councillor Janio noted that the net expenditure had increased this year, and said it would be useful if next year the report could set out what the actual total expenditure was, and also asked if all the grants received could be listed. He referred to paragraph 5.1 of the report which showed the breakdown of the current budget, and asked for clarity on how those figures were arrived at as it wasn't clear. He said that last year the Conservative Group had had a deal with the Labour Group on aspects of the budget, but this year that would not happen as this budget showed no imagination to take the city forward, and said that when austerity ended he wanted the other parties to spend wisely and liaise with each other.
- 81.5 The Chair referred to Councillor Janio's comments that the budget showed 'no imagination', and said that officers and councillors had been incredibly imaginative in delivering £30m of investment to deliver £70m of recurrent savings. He said that the budget book, which was an innovation to bring to life the budget for people, listed the grants received. The Executive Director Finance & Resources accepted that the budget papers could be hard to understand, but the budget book was provided to address that. He referred to paragraph 5.1, and said that officers would try and provide the information in a different format for the papers being considered at Budget Council.
- 81.6 Councillor Mac Cafferty said that budgets for Adult Social Care and Young People were not adhered to last year, and asked if this year savings would cost us more than they would save us or if there had been a temptation to just get things off the books as quickly as possible. He referred to the Capital Strategy and said that there was the opportunity-costs for capital and then the real cost, and asked if that had been captured. He referred to Housing Options saving, and understood that that was an area under stress due to the new Housing Regulations, and asked as that was a 'red' risk what would happen. With regard to children and young people asked if a gateway process was being used for assessing referrals, and asked about the cost of using agency staff. With regard to adult social care asked if the Council were using home carers to try to bring down the costs and whether there was concern over consultant's fees.
- 81.7 The Director Finance & Resources referred to the savings in Adult Social Care and Young People and said that the modernisation fund was designed to ensure that savings were really challenged. The Capital Strategy was still under construction and said that the authority had been able to invest using capital receipts to make ongoing savings, but decisions would have to be made going forward and be selective in future investments. The Executive Director Neighbourhoods Communities & Housing said that Housing Options saving was a 'red' risk, but this saving had been put forward a number a years ago, before the changes to legislation and it would be wrong to take it out and not show that it was a saving that was expected to be achieved. The Executive Director Families Children & Learning said the number of young people being looked after had reduced and the savings identified last year had been achieved. A gateway process was used for assessing asylum seekers. No agency social workers had been used for around a year, and there was no spend on agency workers within the Directorate. The

Executive Director Health & Adult Social Care referred to the Social Care Programme and said that departments were working together to look at opportunities to make additional savings, and home carers was something being looked at closely. He confirmed that at present consultant's fees were not a concern.

81.8 RESOLVED: That the Committee –

- (i) Noted the updated forecasts for resources and expenditure and an estimated budget gap for 2019/20 based on a 2.99% Council Tax increase.
- (ii) Noted the refreshed 4 year Integrated Service & Financial Plans (ISFPs) including draft savings proposals for 2019/20.
- (iii) Noted that the format of the 2019/20 Budget Book will replicate the revised 2018/19 Budget Book format as per paragraph 6.1 and Appendix 5.
- (iv) Directed that the draft savings proposals identified at Appendix 2 be subject to further consultation and engagement with relevant stakeholders and across the council and partners, meeting all statutory consultation requirements.
- (v) Noted the update on Schools and HRA budget setting set out in section 7.
- (vi) Noted the Capital Strategy update set out in paragraphs 4.10 to 4.13.
- (vii) Received and noted the draft Equality Impact Assessments undertaken in relation to the draft budget proposals.
- (viii) Noted that subsequent decisions and information from central government regarding the Local Government Financial Settlement (LGFS) may impact on the proposals in this report.

82 EMPTY HOMES COUNCIL TAX PREMIUM

82.1 RESOLVED: That the Committee recommends that Council –

- (i) Approves that the Empty Home Premium is increased to the maximum levels as set out in table 1 at paragraph 3.2 after two years of the dwelling remaining empty.
- (ii) Makes the formal determinations for the financial year commencing on 1 April 2019 and subsequent financial years as set out in Appendix 3.
- (iii) Grants delegated authority to the Executive Director of Finance & Resources to take all appropriate steps to implement and administer the recommendations in (i) and (ii), including the publishing of any related data or information in accordance with statutory requirements.

83 PROGRESS UPDATE CORPORATE KEY PERFORMANCE INDICATORS Q2 2018-19

- 83.1 The Committee considered the report of the Executive Lead Officer, Strategy Governance & Law, which set out the performance progress for the period 1 April 2018 to 30 September 2018 in relation to Corporate Key Performance Indicators. The report was introduced by the Chief Executive.
- 83.2 Councillor Sykes said that recycling rates had increased and asked how much of that was dry recycling. He noted that some waste went to anaerobic digestion, and asked for more information on that. He noted that there had been some issues with missed collections and one of the reasons given was that the fleet was too large to access some narrow streets, and felt that the Council should know the width of the city's streets. He referred to Purchase Orders and was concerned that the performance was declining, and that the Council was taking longer to pay suppliers and asked if that was a concern. The Executive Director Economy Environment & Culture responded to the issues of refuse collection and said that there had been some problems with access to some roads, and that was being addressed with the use of smaller vehicles. He added that since September 2018 the collection rates had improved. With regard to the increase in residual waste, dry recycling and anaerobic digestion he said that he didn't have that information and would need to get back to Councillor Sykes after the meeting. The Executive Director Finance & Resources responded to the issue of Purchase Orders and said that prompt payment had dipped slightly but that it was still at 92.61%, and so was not a concern.
- 83.3 Councillor Wealls referred to the performance of the Planning Department and noted that the speed of determining applications for non-major developments had reduced, which was a result of a number of factors one of which was that two Principal Planning Officer posts were vacant and said that the issues with staff recruitment seemed to be on-going. The Chief Executive said that there was an issue of pay and retaining staff, and as budgets had reduced so had the number of people working within Planning. He said the Council did pay a market supplement, but it was now necessary to review pay across the board and a decision would need to be made on that and discussions had with trade unions. If salaries were increased it would have a knock on impact on the number of staff overall. The Executive Director Economy Environment & Culture said that although the rate for determining applications for non-major developments had reduced, it was currently at 77.01% which was above the Government target of 70%.
- 83.4 Councillor Janio referred to the level of missed refuse collections, and noted that a new Assistant Director was in place and hoped that the level would improve. He referred to the reduction of the number of children in care, and thanked the Director for Families, Children & Learning and his team for their work.
- 83.5 Councillor Mitchell said that recycling levels had gone above 30%, which was the highest percentage in the Council's history. With regard to missed collections, the Committee were reminded that Cityclean undertook 45,000 collections per week, and only 94 were missed.

83.6 Councillor Meadows said that there was a small team working on empty properties, and was pleased to note that 150 houses had been brought back into use.

83.7 **RESOLVED:** That the Committee reviewed progress in relation to Corporate KPIs, particularly the corrective measures outlined for 'red' and 'amber' indicators and provide ongoing support and challenge to lead officers to bring performance back on track.

84 A NEW ECONOMIC STRATEGY FOR BRIGHTON & HOVE

84.1 **RESOLVED:** That the Committee -

- (i) Recommends the Economic Strategy to Full Council for adoption, with the additional pillar as follows: A sustainable City: A City which looks to the future, focusing its economy on sustainable solutions to future challenges in order to protect and enhance the health and wellbeing of its' residents and act as a leader in developing a robust response to climate change.

85 ATTENDANCE SUPPORT POLICY AND PROCEDURE

85.1 This item was withdrawn, and would be considered at a future meeting of the Committee.

86 WOMEN IN LOCAL GOVERNMENT

86.1 The Committee considered the report of the Executive Lead Strategy Governance & Law, in response to the Notice of Motion. The report set out the actions that had already been taken, and provided further details on matters which required further discussion.

86.2 Councillor Mitchell thanked officers for the report and was pleased with the recommendations and with the commitment to take the matters forward, and was proud of Brighton & Hove City Council for the percentage of women councillors. Councillor Mitchell said that when she first became a councillor her children were aged 9 and 11, and it had been difficult to balance their needs and that of being a councillor but both officers and fellow councillors had been great and had supported her.

86.3 Councillor Mac Cafferty agreed that the report was very interesting, and including the report from the LGIU and the Fawcett Society was useful. He said noted that the papers provided for the pre-meet included the full table of proposals and actions, and said it would have been useful if it had been kept in this report. The Executive Lead Strategy Governance & Law said that it had been omitted as many of those issues related to central government, and officers had wanted to focus on areas which the council had control over. Anything outstanding from this paper would be referred to the Member Groups.

86.4 Councillor Mac Cafferty said that members with young children were always concerned about the timing of meetings, and suggested that that should be looked at.

86.5 Councillor Meadows said that when she first became a councillor she was pregnant and had another young child, and had to take her children to some meetings. At that time officers had not thought that that was appropriate, but thankfully attitudes had now changed. Childcare had been available, but it had been challenging and the allowance provided had not covered the cost of the care and that should be taken into consideration during the review.

86.6 Councillor Janio said the councillors represented the residents of the city and it would be good to have 50/50 split of male and female councillors. He referred to Councillor Mac Cafferty's comments on the time of meetings, and said that it was important to balance the needs of councillors with that of residents, and if meetings were held for example in the early afternoon it may impact on their ability to observe or attend meetings.

86.7 RESOLVED: That the Committee –

- (i) Noted the action that has been taken by the Chief Executive in writing to the Secretary of State for Housing, Communities and Local Government (as set out in paragraphs 3.5-3.7 of this report).
- (ii) Noted that a report will be taken to the Audit & Standards Committee regarding suggested changes to the Code of Conduct for Members (as set out in paragraphs 3.8-3.9 of the report).
- (iii) Resolved for the matters set out in paragraphs 3.10-3.29 to be discussed by a Working Group consisting of Whips and for recommendations to be brought back to this Committee for approval.
- (iv) Noted the achievements and progress that has already taken place as set out in paragraphs 3.30-3.46 of this report.

87 WATERFRONT

87.1 The Committee considered the report of the Executive Director Economy Environment & Culture which sought Members agreement to enter into a Conditional Land Acquisition Agreement (CLAA), between Brighton & Hove City Council and a trust owned by Aberdeen Standard Investment (ASI).

87.2 Councillor Janio thanked officers for the briefings he had had, and said that this was a complicated matter and was therefore pleased that there would be a cross-party Member Working Group established to oversee the next stages of the project. He was excited with the prospect of there being a ten thousand seat venue, but was concerned that the development of Valley Gardens (Phase 3) would impact on people being able to travel to and from the new venue, and therefore the proposals for Valley Gardens should be reviewed. The Executive Director Economy Environment & Culture said the transport strategy for the Waterfront project would follow the agreement of the CLAA, and a professional team would be appointed and they would work with all departments to ensure any strategy would join up with all projects the Council was progressing.

87.3 Councillor Sykes was pleased that the project was coming together. He said he had had some concerns over transport, but the Executive Director Economy Environment &

Culture had already addressed that issue. However, his group also had some concerns over sustainability, and in a flagship development of this nature the Council should be at the forefront of building sustainability both in construction and operation. He referred to paragraph 7.11 in the report and noted that the Council would be entering into a 'design and build' contract which would give value for money and cost certainty, and said that whilst some money may be saved that could be at the cost of sustainability.

- 87.4 Councillor Sykes proposed the following Green Group amendment to the recommendations:

*To amend recommendation 2.8 in **bold italics** as shown below:*

*2.8 Note that PR & G Committee will be asked to confirm project proposals **including the options for housing development** on both the Black Rock site and Brighton Central site at a future meeting (at the stage referred to as Condition 4).*

He noted that retail businesses were currently suffering and given the long period of time before the project would be completed, it was not known what the situation would be with retail then and how it may impact on this project, and so it would be sensible to have some flexibility to include some housing in the development. The proposed amendment raised the profile of the balance between retail and housing.

- 87.5 Councillor Mac Cafferty formally seconded the amendment. He said that when the project was first considered the retail sector was much stronger, and by including housing as an option it would be a way of getting additional value from the land.
- 87.6 Councillor Wealls noted that Housing was one of the options for the development and therefore asked whether the amendment was necessary. Councillor Mac Cafferty said that the original scheme was much heavier on retail, and the amendment was a way of underlining the fact that housing could be incorporated into the scheme.
- 87.7 The Executive Director Economy Environment & Culture said that sustainability would be considered in the construction and operation of the project through the agreed development strategy at Condition 4, and that would come back to committee in due course. With regard to the amendment he said the project could include both retail and housing. There were significant retail challenges nationally, but Brighton had been trading well, and the best retail destinations were those that had received investment.
- 87.8 Councillor Bell asked if the amendment were agreed whether it would constrain the project. The Executive Director Economy Environment & Culture said that it would mean that all options for housing development would be included, but added that it was always going to be part of the project.
- 87.9 The Chair noted that Mr Daykin, a representative from Aberdeen Standard Investment was in the public gallery and asked if he wanted to comment on the proposed amendment. Mr Daykin said he had not seen a written copy of the amendment, but from what he had heard it would not materially affect the commercial nature of the agreement or the legal obligations, and so was comfortable with the proposed amendment.

87.10 Councillor Sykes thanked the Executive Director Economy Environment & Culture for his assurances re sustainability. However, he said that in the papers there was a presumption that 'design and build' would focus on cost and value over time and quality. The Head of Commercial Law said that in a 'design and build' contract it was still possible to achieve time and quality, but it would need to be a carefully worded contract.

87.11 The Committee then voted on the amendment, and it was agreed.

87.12 Councillor Mac Cafferty asked how the income from the sale of the Brighton Centre and the income from business rates had been assessed. The Executive Director Economy Environment & Culture said that a valuation brief had been developed with our specialist advisers GVA and both parties. The Head of Finance said that business rates was based on the business space, and the assumption was that 50% of those rates would be used to fund borrowing of up to £77m over twenty years.

87.13 Councillor Peltzer Dunn referred to Risk 22, and asked when the impact of any known transport strategy would take effect on the potential viability of the scheme. The Executive Director Economy Environment & Culture said that the transport strategy was a risk, and the key was to look at the whole city and not just the two sites, and that would done at the start of the process.

87.14 The Chair said that a new arena and extended shopping centre would reinvigorate the city, and so it was important that to ensure that it could be delivered.

87.15 **RESOLVED:** That the Committee -

- (i) Authorised the Executive Director for Economy Environment & Culture, in consultation with the Executive Lead – Strategy, Governance & Law and the Director of Finance, to enter into the Conditional Land Acquisition Agreement with JTC Fund Solutions (Jersey) Ltd and SG Kleinwort Hambros Trust Company (CI) Ltd₁ as summarised in Appendix 1.
- (ii) Authorised the Executive Director for Economy Environment and Culture and the Executive Lead Strategy, Governance & Law, following consultation with the Group Leaders, to make any final minor amendments to the CLAA.
- (iii) As previously agreed by P&R committee in April 2016, to confirm ongoing authorisation for officers to retain the current conference subvention budget of £1m per annum in order to ensure necessary support for conferencing in the city during any future closure period *and* to attract conferences to the new venue once opened.
- (iv) Agreed that construction of the new venue will be funded by the capital receipt generated from the sale of the Brighton Centre site, rent from the appointed venue operator, net savings achieved on the current Brighton Centre operational budgets and up to 50% of the forecast additional future business rates income stream, set out in the funding table in the financial implications of this report.

- (v) Agreed that the successful Local Growth Fund bid (Round 3) of £12.1m be utilised to begin a package of Early Works to prepare the Black Rock site for development.
- (vi) Agreed that the Brighton Centre Redevelopment Reserve, currently at a value of £2.8m, will continue to be used to fund internal project development costs incurred by the council on the Central and Black Rock sites as set out in paragraph 4.13 for a period of up to 8 years.
- (vii) Agreed that the Venue Operator Procurement Strategy be considered by a future meeting of PR&G at the 3rd Condition date, with a view to selection of a Venue Operator by the 4th Condition date.
- (viii) Noted that PR&G Committee will be asked to confirm project proposals including the options for housing development on both the Black Rock site and Brighton Central site at a future meeting (at the stage referred to as Condition 4).
- (ix) Noted that a future PR&G Committee will be asked to confirm arrangements to enter into the terms of the building contract (as per Condition 6) and also the Venue Operator Agreement (at the stage referred to as Condition 3).
- (x) Agreed that a future PR&G committee will make any decisions in relation to land assembly on either of the two sites, in relation to Condition 6.
- (xi) Agreed to establish a cross-party Member Working Group, consisting of 1 Member from each Group, to oversee the next stages of the project and that the Executive Director of Economy, Environment & Culture and the Executive Lead Strategy, Governance & Law be granted delegated authority to agree the terms of reference for the Working Group following consultation with Group Leaders.

88 NEW HOMES FOR NEIGHBOURHOODS - SCHEME APPROVAL VICTORIA ROAD

88.1 RESOLVED: That the Committee –

- (i) Approved the site within the redline boundary (see Appendix 1) to be appropriated to the HRA from the General Fund for a capital receipt of £1.454m for planning purposes;
- (ii) Delegated authority to the Executive Director of Environment, Economy and Culture to appropriate for housing purposes once the development is complete;
- (iii) Approved a budget of £12.914m financed by HRA borrowing, right to buy receipts and Government Land Release funding to form part of the HRA capital programme for 2019/20 – 2021/22.

89 KING ALFRED DEVELOPMENT

- 89.1 The Committee considered the report of the Executive Director Economy Environment & Culture which advised the Committee on the developments made since the appointment

of Crest Nicholson in partnership with the Starr Trust as the preferred developer of the King Alfred site.

89.2 The Chair noted that an amendment had been submitted from the Green Group and asked Councillor Mac Cafferty to propose the amendment.

89.3 Councillor Mac Cafferty proposed the following amendment to Recommendation 2.2:

*2.2 Notes the draft Affordable Housing Provisions included at Appendix 1, and that these are subject to ongoing negotiations, and notes **with grave concern** that this is an amendment to Crest's Final Tender;*

Councillor Mac Cafferty said that the original amendment had additional elements, but they had been withdrawn on legal advice. He said that he was very concerned with delay, and with the comment from Crest that the viability of the scheme was challenging because of the high cost of meeting the Council's requirement to build the leisure centre on the site, due to the cost of having to provide basement parking and the requirement for 20% affordable housing on the site.

89.4 Councillor Wealls said that the Conservative Group shared the Green Groups anger, and given the length of time which asked if Crest had been serious about the development, and was frustrated that the matter had not been pushed along.

89.5 The Chair agreed that the matter was incredibly frustrating, and there always one more thing which was raised to delay the process, which was why the final Recommendation was to explore alternatives if the development agreement was not agreed by the end of January 2019.

89.6 The Executive Director Economy Environment & Culture said that officers were pushing things along as much as they could. He accepted that the Council were asking a lot from the site, and noted the slowdown in the residential sales market, and increase in construction costs were factors, and the Council would look closely at Crest's latest proposals.

89.7 Councillor Janio said the city needed a new sports centre and additional housing, and said the current administration had not dealt with this seriously, and said that if the Conservatives were in administration after the elections and nothing happened in three years he would resign.

89.8 The Chair said he hoped that this would not turn into a political football, and the important thing was to get the right development for the city.

89.9 Councillor Bell referred to the Development Agreement in the agenda, and was concerned that paragraph 4.39 said that affordable housing would be 20% of the total number of residential units, unless that was modified by the planning authority. He said the Council were the planning authority, and therefore were they asking for a reduction of the 20% before they continue with the development? The lawyer advised that the Council were going into the development as land owner rather than the planning authority.

89.10 The Chair said that for the public record, any members on this Committee who were also on the Planning Committee weren't taking any decisions made here in prejudice of their independence on the Planning Committee. Councillor Mac Cafferty said that the Planning Committee would make decision based on the information before them.

89.11 Councillor Peltzer Dunn referred to paragraph 2.1 and asked if there was sufficient time for officers to negotiate a Development Agreement with Crest Nicholson before the end of January 2019. He noted that the recommendations only said with a 'view' to entering into an agreement rather than signing an agreement, and they were therefore rather feeble. The Chair said they were conditional rather than feeble, and would allow us to get to a point where an agreement could be made by this committee.

89.12 The committee voted on the amendment and they were agreed.

89.13 RESOLVED: That the Committee –

- (i) Agreed that officers should continue to negotiate a final Development Agreement with Crest Nicholson with a view to entering into the Development Agreement before the end of January 2019;
- (ii) Noted the draft Affordable Housing Provisions included at Appendix 1, and that these are subject to ongoing negotiations, and noted with grave concern that this was an amendment to Crest's Final Tender;
- (iii) Noted the intention for officers to prepare and issue a 'standstill letter' advising Bouygeus Development of the change, in line with procurement regulations;
- (iv) Noted that there would be a further report brought to the Committee in January 2019 to agree the final Development Agreement;
- (v) Agreed to explore alternative options for the delivery of the redevelopment of the King Alfred site, including delivery of a Sport & Leisure complex for Hove, if the development agreement is not agreed by the end of January 2019.

90 NEW HOMES FOR NEIGHBOURHOODS: BUCKLEY CLOSE

90.1 **RESOLVED:** That the Committee agreed to appropriate the Buckley Close former garages site (Buckley Close, Hangleton, Hove BN3 8EU) for planning purposes and delegate authority to the Executive Director of Environment, Economy and Culture to appropriate for housing once the development was complete.

91 CORPORATE PROCUREMENT OF THE COUNCIL'S NON HALF-HOURLY ELECTRICITY SUPPLIES

91.1 **RESOLVED:** That the Committee granted delegated authority to the Assistant Director of Property to procure and award a contract for a maximum period of 18 months for the Council's Non-Half-Hourly (sub 50,000kWh per annum) electricity supplies through a framework agreement with fixed pricing. This would enable

the Council to align its contract dates for all metered energy supplies across the council and with our Orbis partners.

92 REVIEW OF THE MEMBERS ALLOWANCES SCHEME

- 92.1 The Committee considered the report of the Executive Lead for Strategy Governance & Law, regarding the review of Members Allowances Scheme 2019-23. Mr K Childerhouse (Chair of the Independent Remuneration Panel) attended the meeting to speak on the report.
- 92.2 The Chair thanked Mr Childerhouse and the Independent Remuneration Panel (IRP) for their work in preparing the report.
- 92.3 The Chair noted that an amendment had been submitted by the Conservative Group, and asked Councillor Bell to propose the amendment.
- 92.3 Councillor Bell thanked everyone for the report and the work undertaken by the IRP. He said that whilst he accepted the comments about the Chairs of the Planning and Licensing Committees, it was felt that it didn't take account of the amount of work which went into chairing the policy committees, and therefore it would be appropriate to treat all chairs the same. He said the Mayor was the first citizen of the city, who undertook many duties and dedicated most of the year to the mayoralty, and it was therefore felt that the reduction in their allowance was too much. He proposed the following amendment:

That the recommendations of the Independent Remuneration Panel be amended to reflect a change in the Special Responsibility Allowances listed in the Panel's report at paragraph 5.3 (including the table of SRA's) and paragraphs 6.35 and 13.3 and in the table listed in appendix 2 as detailed below:

- (1) *By reducing the percentage qualification of the Leader's SRA for the Chairs of the Planning and Licensing Committees down to 30% rather than 35%; thereby equating them to the Chairs of Policy Committees and an SRA of £9,752; and*
- (2) *By increasing the Mayor's and Deputy Mayor's allowances to £12,352 and £2,600 respectively; these equating to 38% and 8% of the Leader's SRA.*

Note: The saving of £3,250 by reducing the SRA's for the Chairs of Planning and Licensing Committees is then redistributed to the Mayor's and Deputy Mayor's Allowances; thereby being cost neutral for the overall Scheme of Allowances.

- 92.4 Councillor Wealls seconded the proposed amendment.
- 92.5 Councillor Peltzer Dunn said that the formal title of the Mayor was The Right Worshipful The Mayor of the City of Brighton and Hove. The Mayor had an ambassadorial role for the city, represented the public face of the city, and was the figurehead of the Council. The mayoral influence was incalculable and to say it was worth a percentage of the Leader's Allowance was not appropriate. The proposed allowance covered all the mayor's personal expenses, which for a female mayor would be more costly. As the IRP

accepted, the allowance for the Mayor was not part of their remit, and he did not agree with their suggestion to reduce their allowance.

92.6 Councillor Sykes noted that the IRP's decision had been unanimous, and agreed that the workload of the Chair of the Planning and Licensing Committees was heavy, and so the Green Group would not support the amendment.

92.7 Councillor Mitchell thanked the IRP for their work, and said that it was an important principle that an independent body review the allowances. The IRP had looked at all aspects of councillors roles, and their recommendations should be abided by, and therefore the Labour Group would not support the amendment.

92.8 The Chair said that rather than proposing an amendment it may have been more appropriate to have referred the matter back to the IRP.

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

92.10 RESOLVED: That the Committee –

- (i) That the Independent Remuneration Panel's report as detailed in appendix 1 be received and endorsed;
- (ii) That the allowance payable to each of the members of the Independent Remuneration Panel be increased by 2% in line with the public sector pay award with effect from the date of the Annual Council meeting in May 2019, in recognition of the time commitment and the role of the Panel;
- (iii) That the recommendations in the report of the IRP be recommended to the full Council for approval;

Full Council

- (iv) That the full Council be recommended to adopt the new Members Allowances Scheme for the payment of allowances in 2019/20 with effect from the Annual Council Meeting in May 2019; subject to the implementation of the Basic Allowance from the 6th May 2019 as detailed in the IRP's report and the Scheme in appendix 7 to the report;
- (v) That the Chief Executive be authorised to issue the Brighton & Hove Members' Allowances Scheme for 2019-23 in accordance with the regulations following Council approval and subject to any additional recommendations of the Panel approved by the Council prior to the 2019 May elections;
- (vi) That the Monitoring Officer be authorised to amend the Constitution to reflect the new Members Allowances Scheme accordingly;
- (vii) That where there are any changes to any role listed as attracting a Special Responsibility Allowance under the Scheme, and the revised role is substantially the same as the previous role in terms of the nature or level of responsibility; the

Special Responsibility Allowance shall continue to apply to the new role. This is subject to the Independent Remuneration Panel being consulted and agreeing that it is substantially the same role.

93 EU WITHDRAWAL: RESPONSE TO FULL COUNCIL NOTICE OF MOTION

93.1 The Committee considered the report of the Executive Lead Strategy Governance & Law which provided an oversight of the potential risks attached to the UK's withdrawal from the EU for Brighton & Hove City Council. The report had been prepared in response to a Notice of Motion at the October 2019 Full Council meeting.

93.2 Councillor Sykes thanked officers for the useful report.

93.3 Councillor Mac Cafferty said he disagreed with the Monitoring Officer as there could not be another election for members of the European Parliament, as the UK's seats had already been reallocated.

93.4 **RESOLVED:** That the Committee -

(i) Noted the contents of this report and appendices.

(ii) Requested that the Executive Director, Finance & Resources investigate the advantages, disadvantages, and associated costs and benefits, in advance of any potential impact of the UK's withdrawal from the European Union on council finances, of accepting income from fees, charges and council tax denominated in Euros to protect this city's income stream and services, and reports his findings back to the January 2019 PR&G meeting.

(iii) Agreed to the formation of a Member Working Group (with one Member from Each Group) to maintain Member oversight of the potential impacts of Brexit on Brighton & Hove and coordinate relations with city stakeholders and communities where potential impact has been identified.

(iv) Noted that an Officer Group with representatives from relevant departments would monitor potential impacts of legislative change linked to the UK's withdrawal from the EU and co-ordinate the council's planning and report.

94 REVIEW OF THE CONSTITUTION - DECEMBER 2018

94.1 The Committee considered the report of the Executive Lead for Strategy Governance & Law which proposed changes to the Council's Constitution.

94.2 The Executive Lead for Strategy Governance & Law advised the Committee that there were three minor changes to the published report. Recommendation 2.5, should refer to recommendation 2.3 rather than 2.2, Recommendation 2.7 should refer to recommendation 2.3 rather than 2.2 and Recommendation 2.8 should refer to recommendation to 2.4 rather than 2.3.

- 94.3 Councillor Mac Cafferty was concerned that members of the public could not ask the same question multiple times within a six month period, particularly as residents did not always know the right forum to put a question. The Executive Lead for Strategy Governance & Law said that if a member of the public submitted a question to wrong committee they would be directed to the correct one, rather than it being flatly refused. With regard to the same question being asked a number of times, he said that some people were flooding committees with numerous questions and the amendments were being proposed to address that. Councillor Meadows said that Housing & New Homes Committee regularly received twenty plus questions for each meeting, and when they related to the work of another committee they would be forwarded on to ensure that they received a correct response both to the substantive and the supplementary question.
- 94.4 Councillor Sykes said he was concerned that if a number of different people wanted to ask questions on the same matter but from a different angle, that the Chair could decide to only allow one of those to be asked at a committee.
- 94.5 Councillor Janio said that some of the changes could be taken as eroding democracy, but said that he had attended a Housing & New Homes Committee and it wasn't democracy to flood a meeting with a series of questions on the same matter. He suggested that the matter be reviewed, but asked that it be done after the PR&G Committee in June 2019 as there would then be a new council in place. The Executive Lead for Strategy Governance & Law said that the Cross Party Working Group met every two to three months, and would continue to review. The Chair agreed that it would be sensible to review after the new council was in place next year.
- 94.6 The Chair noted the amendments to the recommendations as outlined by the Executive Lead for Strategy Governance & Law.
- 94.7 RESOLVED:** That the Committee –
- (i) Noted the proposals set out in paragraphs 4.1-4.3 of the report for officers to undertake a review of Committee delegations in relation to homelessness and housing matters and report back to a future PR&G Committee;
 - (ii) Noted the proposals set out in paragraph 4.4 and Appendix 1 of the report for officers to undertake a review of Member Working Groups and agree to discontinue those task and finish Groups that have completed their work and to report back to a future PR&G Committee to seek agreement to the continuance of specific Member Working Groups;
 - (iii) Recommends to full Council the proposed changes to the Council's Constitution set out at paragraphs 4.5-4.8 (Council Procedure Rules – Public Questions) and 4.9-4.10 (Scheme of Delegations to Committees – corporate policy and budgetary implications);
 - (iv) Approved the recommendation set out at paragraph 4.11- 4.12 (Scheme of Officer Delegations - litigated claims handling).

Full Council

- (v) That the proposed changes to the Council's Constitution recommended in paragraph 2. 3 above be approved and adopted.

Both Policy, Resources & Growth Committee and Full Council

- (vi) That the Chief Executive and Monitoring Officer be authorised to take all steps necessary or incidental to the implementation of the changes agreed by the Policy, Resources & Growth Committee and by Council, and that the Monitoring Officer be authorised to amend and re-publish the Council's constitutional documents to incorporate the changes.
- (vii) That the changes proposed in paragraph 2.3 come into force immediately following their adoption at full Council.
- (viii) That proposed changes set out in paragraph 2.4 come into force immediately

95 PARTIAL REVIEW OF POLLING DISTRICT AND POLLING PLACES 2018**95.1 RESOLVED:** That the Committee -

- (i) Agreed that St Mary Magdalen Church Hall be used as a polling place for GU district in Hollingdean & Stanmer ward.
- (ii) Agreed that a temporary polling place at the junction of Carden Hill and Lyminster Avenue be used as a polling place for HZ district in Patcham ward – if Hollingbury Library is unavailable.
- (iii) Agreed that the OX polling district in Hove Park is split into two new smaller polling districts across Hove Park and the junction of Nevill Road and Nevill Avenue – named OX and OW.
- (iv) Agreed that Brighton & Hove Cricket Pavilion, Nevill Sport Ground is used as the polling place for the new OW district in Hove Park ward.
- (v) Agreed that Bishop Hannington Youth & Community Hall is used as the polling place for the revised OX district in Hove Park ward.
- (vi) Agreed that Hove Town Hall be used as a polling place for UY district in Central Hove ward.

96 TIME TABLE OF MEETINGS 2019/20

- 96.1 **RESOLVED:** That the Committee agreed that the proposed timetable of meetings for the 2019-20 municipal year be agreed; subject to any necessary amendments following changes to the Constitution and/or committees' requirements.

97 I360 LOAN RESTRUCTURE

- 97.1 The Committee considered the report of the Executive Director Economy, Environment & Culture which set out the professional advice the Council had received regarding the restructure of the Council's loan to the i360, and sought agreement for a preferred way ahead.
- 97.2 Councillor Bell said he was disappointed that there was no representative from the i360 present at the meeting. The Chair said that that had been his decision rather than theirs, as he didn't feel it was appropriate for them as a debtor to the Council to sit through the meeting waiting to hear the Committee's decision. Councillor Bell asked what assurances the Council had that the i360 would adopt recommendations made by the Committee. The Executive Director Economy, Environment & Culture said that officers had been engaging with the directors and they had agreed to accept and embrace the recommendations, and said that the Board would be happy to meet with Councillors.
- 97.3 Councillor Wealls said the Council were relying heavily on Mr Sharp to get the i360 to work. He asked if officers had had sight of employment contracts of him and other staff, and whether there were incentives linked to the performance of the attraction. The Executive Director Economy, Environment & Culture said that officers had not had sight of the contracts, but worth clarifying that some staff were board members and therefore did not have a contract. With regard to the content of any contracts, that could be subject to GDPR and therefore could not be shared.
- 97.4 Councillor Mac Cafferty noted the proposed steps the i360 were taking and complimented them on some things such as Pride, but was also concerned that other ideas such as working with other tourist attractions had not been done before.
- 97.5 Councillor Hamilton said that twice a year the Council should receive two payments, £922k towards the Public Loans Board debt and £570k as a 'bonus'. In June 2018 the £922k was paid, but in December 2018 they were only expecting to pay £612K, and asked if the 'bonus' money had been put into a separate account and if it would be used to make up the difference in the loan payment. The Head of Finance said the money paid to the Council had gone into a reserve, and some has been spent on works on the seafront etc. The shortfall will impact on the Council's shortfall, but the money would be received in the future.
- 97.6 The Chair noted that the Conservative Group had an amendment, and asked Councillor Janio to propose the amendment.
- 97.7 Councillor Janio said that the Conservative Group wanted the i360 to succeed, and in general terms supported the recommendations in the report. He proposed the following amendments to the report:
- 2.1 *That the Committee notes the advice of GVA contained in Appendix 1. ~~and~~*
- 2.2 *The Committee agrees to defer the consideration of a formal restructure of the loan to the i360 until its meeting in October 2019.*

- 2.3 *That, during the period of the deferral of the restructure, the Committee agrees to the city council also deferring interest and repayment instalments necessary to ensure the sustainable operation of the i360, whilst ensuring that all available cash-flow after operating expenses is available to the service the Council's loan.*
- 2.4 *That the Committee agrees, subject to the performance tests referred to in recommendation 2.5, not to take default action at this stage in relation to the failure to hit the financial ratios set out in the loan agreement.*
- 2.5 *That the Committee agrees to defer £880,304.25 of the total payment due on 31 December 2018 (£1,492,304.25).*
- 2.6 *That the Committee ~~delegates authority to~~ requests the Executive Director, Economy, Environment and Culture and the Executive Director Finance and Resources to bring this matter to a PR&G Committee meeting in June 2019 ~~in consultation with Group Leaders to determine the amount of the deferral in June 2019 and take all of the steps necessary to determine the amount of deferral at the end of June 2019.~~*
- 2.7 *That the Committee agrees to officers monitoring key performance indicators, and that if these fall below the levels set out at section 3.17 then officers may, in consultation with the leaders of the party groups, opt to bring a report to an urgency PR&G Sub Committee, to consider further action including (but not limited to) any of the options set-out by GVA in their work to date.*
- 2.8 *That a comprehensive marketing strategy is developed and published prior to the June 2019 urgency meeting of the PR&G committee*

The amendment to Recommendation 2.1 had been separated to make it clear that it was the administration, rather than the GVA, who were suggesting a deferral of the formal restructure of the loan until October 2019. Recommendation 2.6 (was 2.5) was proposed as it was not felt that it was fair to put the onus on one officer, and that it needed to come to this Committee. With regard to Recommendation 2.8, the word 'urgency' could be removed as it was a typo, and the matter would be considered by the Committee. He asked that the marketing strategy be reviewed by this Committee at its meeting in June 2019.

97.8 Councillor Wealls seconded the proposed amendment.

97.9 The Chair accepted that the proposed amendments were designed help.

97.10 The Committee voted on the proposed amendment and they were agreed.

97.11 RESOLVED: It was agreed -

- (i) That the Committee noted the advice of GVA contained in Appendix 1.
- (ii) That the Committee agreed to defer the consideration of a formal restructure of the loan to the i360 until its meeting in October 2019.

- (iii) That, during the period of the deferral of the restructure, the Committee agreed to the City Council also deferring interest and repayment instalments necessary to ensure the sustainable operation of the i360, whilst ensuring that all available cash-flow after operating expenses is available to the service the Council's loan.
- (iv) That the Committee agreed, subject to the performance tests referred to in recommendation 2.5, not to take default action at this stage in relation to the failure to hit the financial ratios set out in the loan agreement.
- (v) That the Committee agrees to defer £880,304.25 of the total payment due on 31 December 2018 (£1,492,304.25).
- (vi) That the Committee requested the Executive Director, Economy, Environment and Culture and the Executive Director Finance and Resources to bring this matter to a PR&G Committee meeting in June 2019 to determine the amount of deferral at the end of June 2019.
- (vii) That the Committee agreed to officers monitoring key performance indicators, and that if these fell below the levels set out at section 3.17 then officers may, in consultation with the leaders of the party groups, opt to bring a report to an urgency PR&G Sub Committee, to consider further action including (but not limited to) any of the options set-out by GVA in their work to date.
- (viii) That a comprehensive marketing strategy is developed and published prior to the June 2019 meeting of the PR&G committee.

98 ITEMS REFERRED FOR COUNCIL

98.1 No items were referred to the 13 December 2018 Council meeting.

99 PART TWO MINUTES

99.1 The Part Two Minutes of the meeting held on 11 October 2018 be agreed and signed as a correct record.

100 PART TWO PROCEEDINGS

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

The meeting concluded at 9.00pm

Signed

Chair

Dated this

day of

Subject:	Climate and Biodiversity Emergencies: Extract from the proceedings of the Council Meeting held on the 13 December 2018	
Date of Meeting:	24 January 2019	
Report of:	Executive Lead Officer for Strategy, Governance & Law	
Contact Officer:	Name: Mark Wall	Tel: 01273 291006
	E-mail:	mark.wall@brighton-hove.gov.uk
Wards Affected:	All	

FOR GENERAL RELEASE

Action Required of the Housing & New Homes Committee

To receive the notice of motion referred from the Council for consideration.

Recommendations: That the Policy, Resources & Growth Committee be requested to:

- undertake a short review of BHCC governance policies and progress aimed at addressing locally these twin threats of global climate and biodiversity emergencies and to report on findings;
- consider a target date of 2030 for whole city carbon neutrality;
- consider how the Council can strengthen local protection and enhancement of species, habitats and ecosystems services under available powers.

BRIGHTON & HOVE CITY COUNCIL

COUNCIL

4.30pm 13 DECEMBER 2018

COUNCIL CHAMBER - HOVE TOWN HALL

MINUTES

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

PART ONE

55. (1) CLIMATE AND BIODIVERSITY EMERGENCIES

55.1 The Notice of Motion as listed in the agenda was proposed by Councillor Sykes on behalf of the Green Group and seconded by Councillor Greenbaum.

55.2 Following a debate on the matter in which councillors Mitchell, Janio, Gibson, Hill, Morris, O'Quinn and Sykes spoke, the Mayor then put the following motion to the vote:

“This Council notes with concern the recent Intergovernmental Panel on Climate Change (IPCC) report on global climate change impacts and the recent Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports on global species and habitat loss. Council notes also that our coastal city on the edge of the South Downs is affected by these threats, which are projected to intensify.

Further to this, Council:

(1) Declares its recognition of global climate and biodiversity emergencies;

(2) Requests the Policy, Resources & Growth Committee to:

- undertake a short review of BHCC governance policies and progress aimed at addressing locally these twin threats and to report on findings;
- consider a target date of 2030 for whole city carbon neutrality;
- consider how the Council can strengthen local protection and enhancement of species, habitats and ecosystems services under available powers;

- (3) Request the Chief Executive to write to the Chancellor of the Exchequer stating the concern of the Council with respect to the above, the likely national impact on the economy and on the wellbeing of citizens, and requesting government funding be made available to implement swift appropriate actions in response.

55.3 The Mayor confirmed that the motion had been agreed unanimously.

Subject: Business Rates Retention Forecast 2019/20
Date of Meeting: 24 January 2019
Report of: Executive Director of Finance & Resources
Contact Officer: Name: James Hengeveld Tel: 29-1242
Email: James.hengeveld@brighton-hove.gov.uk
Ward(s) affected: All

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 There is a statutory requirement placed on all business rates collection authorities to calculate how much business rates income each authority is likely to receive for the coming year. Members will be aware there is considerable volatility in business rates income which makes it difficult to forecast, and the council is highly reliant on the data and decisions of the Valuation Office Agency (VOA).
- 1.2 The Ministry for Housing, Communities and Local Government ('MHCLG') issued the NNDR1 2019/20 form on 17 December 2018, which gathers and reports the estimated business rates expected to be collected by the council next year. The NNDR1 form must be submitted to CLG and the Fire Authority by 31 January 2019. To accommodate any updated information becoming available ahead of the deadline, delegated authority to the Executive Director of Finance & Resources following consultation with the Chair is requested in order to agree the final form. Any amendments to the final NNDR1 form will be reflected in the budget report to this committee in February.

2. RECOMMENDATIONS:

That Policy, Resources & Growth Committee:

- 2.1 Notes that the amount forecast to be received by the council in 2019/20 from its share of local business rates and section 31 Local Government Act 2003 compensation grants is £64.897m, based on the latest data. This is £0.403m above the forecast used in the December Draft Revenue Budget proposals report.
- 2.2 Delegates the agreement of the final business rates forecast and the NNDR1 2019/20 form to the Executive Director of Finance & Resources following consultation with the Chair of this Committee for the reasons given in paragraph 1.2.
- 2.3 Approves the proposed Retail Relief Scheme for two years from 2019/20 as outlined at paragraph 3.13.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Business rates are a property tax based on the rateable value (RV) of each non-domestic property which is determined by the Valuation Office Agency (VOA). At 19 December 2018 the RV for Brighton and Hove on the 2017 rating list was £310.719m.
- 3.2 As with previous rating lists the 2017 list is subject to an appeals process and a judgement is made on the level of successful appeals that are estimated to reduce the council's business rates income.
- 3.3 To calculate the bill for each property on the rating list, a multiplier is applied to the RV. There are two multipliers set nationally: the small business non-domestic multiplier which is used for properties with a RV below £51,000; and the non-domestic multiplier due on properties above this level. The provisional small business non-domestic multiplier for 2019/20 is 49.1p in the pound and the provisional non-domestic multiplier is 50.4p.
- 3.4 Certain categories of occupation are entitled to relief against their business rates bill, for example small businesses and charities receive mandatory relief. Local authorities may also provide relief on a discretionary basis for particular types of occupier.
- 3.5 There are certain reductions in business rates income resulting from government announcements on reliefs and multiplier caps. Local authorities will continue to be refunded for the loss in receipts as a result of these announcements through section 31 compensation grants. Therefore, the overall resources generated through business rates retention is a combination of business rates income and section 31 grants.
- 3.6 The business rates retention scheme allows the council to keep 49% of the net amount raised locally with a further 1% going to East Sussex Fire Authority and the remaining 50% being paid to the government.

Business Rates Collection Fund latest position 2018/19

- 3.7 The monitoring of business rates income during 2018/19 is reported to this committee through the Targeted Budget Management (TBM) reports. The last forecast at TBM month 7 was a deficit of £3.957m at year-end (last year was similar at £3.951m) of which the council's 49% share is £1.939m and after allowing for the impact of timing differences to Section 31 grant this reduces to £1.602m. The council has set aside £1.214m from the Royal Pavilion refund to offset the council's 49% share of the deficit from the refund as the council was the beneficiary. Therefore, the net unfunded deficit for the council is £0.388m. This will be updated ahead of the 31 January deadline to take into account the most up to date information available in order that the relevant section of the NNDR1 form can be completed. This will be reported to this committee in both the TBM month 9 and budget reports.

Business Rates estimate for 2019/20

- 3.8 The business rates multipliers have been increased by September CPI at 2.4% rather than September RPI of 3.3% following an announcement in the Autumn Budget statement in 2017. This reduces the level of business rates income to the

authority however government compensate for this loss of income through the section 31 grant for the multiplier cap.

- 3.9 The most significant factor in determining forecasts of future business rates income is the level of successful appeals. Other factors taken into account are additions and deletions to the rating list and any significant changes to mandatory and discretionary reliefs. As such business rates income can be volatile.

Gross rates payable

- 3.10 Based on the 2017 rating list at 19 December 2018, the gross rates payable for 2019/20 are £152.563m. An allowance is made for a change in the gross rates payable to reflect the forecast change in liability from new properties, deleted properties and other changes to rateable value (excluding appeals). It is estimated there will growth of £1.696m in 2019/20 due to new developments, identification of additional rateable value from improvements made to properties and any missing properties from the rating list. Developments in the growth forecast include the Brinell Office building, a hotel at Queens Square and various shops and property units in the North Street / Hannington Lane area.

Transitional Arrangements

- 3.11 As part of the 2017 revaluation and in line with previous revaluations there are transitional arrangements to smooth out the impact of major changes to business rates bills. The NNDR1 forecasts ratepayers receiving transitional relief of £2.665m and paying a transitional surcharge of £0.184m in 2019/20. The net cost of the transitional arrangements of £2.481m in Brighton and Hove is funded entirely by government.

Small Business Rates Relief (SBRR)

- 3.12 The government revised the methodology for calculating the level of section 31 grant funding due to authorities to compensate for the loss of income resulting from threshold changes implemented in 2017/18 to SBRR. The proposed methodology results in a higher section 31 grant than had been assumed for threshold changes by £0.210m. The NNDR1 form now includes full compensation for the SBRR changes (permanent doubling of SBRR and threshold changes) and the council is forecast to receive section 31 grant of £4.005m for SBRR.

Discretionary Reliefs funded through section 31 grants

- 3.13 A new business rates retail relief scheme giving a one third discount on the rates bill for occupied retail properties with a rateable value of less than £51,000 was announced in the 2018 Autumn Budget. The scheme will operate for two years starting in 2019/20 and authorities will be compensated for the reduced business rates income from awarding this relief by section 31 grant funding. The relevant software update has not been released to calculate this retail relief and therefore the NNDR1 has been based on a manual exercise to estimate the value of retail relief to be awarded. This will be updated in the final NNDR1 if the software update is available by the submission date.

- 3.14 The retail relief forecast to be awarded to eligible ratepayers in 2019/20 is £5.305m and the council's share of reduced business rates income from this relief is £2.684m. Government will compensate the council in full for the reduction through a section 31 grant.
- 3.15 There are two other business rates relief schemes, introduced in a previous Spring Budget, to deal with the impact of revaluation. These will continue in 2019/20 which is the third year of the discretionary fund and supports small businesses by placing a limit on increases. The council is compensated for its share of reduced business rates income from awarding this relief by section 31 grant funding, estimated at £0.199m.

Appeals

- 3.16 The council needs to make a judgement on the level of successful appeals against the 2017 rating list as this reduces business rates income the council will receive in 2019/20. At this stage the new appeals process implemented for the 2017 list only provides limited information on which to gauge the level of successful appeals. The estimate of reduced liability from successful appeals for 2019/20 has therefore been based on national assumptions. The methodology for the appeals provision will be amended in future year's dependant on the level of appeals lodged.

Overall business rates forecast for 2019/20

- 3.17 The following tables summarises the components of the business rates retention income due to the council:

Brighton & Hove City Council share of business rates	£ million
Brighton & Hove City Council 49% share of non-domestic rating income (Part 1B line 15 on NNDR1 form)	-57.244
Section 31 compensation grants from government (Part 1C line 40 on NNDR1 form)	-9.083
Tariff Payment (includes section 31 impact from the multiplier cap of £0.038m)	+1.203
Levy payment	+0.137
Total of business rates income retained by the council	-64.987

- 3.18 The business rates income of £64.987m exceeds the forecast made in the Draft Revenue Budget proposals 2019/20 report to this committee on 6 December 2018 by £0.403m. The main reasons for this change are increased rateable values identified as missing from the 2017 list and the increased SBRR threshold section 31 grant that is referenced at paragraph 3.12.

Future changes to the business rates retention scheme

- 3.19 From 2020/21 the business rates retained locally will increase from 50% to 75% and government aim to implement reforms to the business rates retention system at the same time. The most recent consultation, issued in December 2018, is seeking views on continuing to provide a strong incentive for local authorities to grow their business rates base, mitigating the volatility of business rates appeals on income, reducing complexity in the business rates system. A further consultation will follow in Summer / Autumn 2019 to include details of

implementation and transition. This should assist in quantifying the potential change in business rates income from 2020/21 as this remains uncertain at present.

- 3.20 In December 2018 there were 15 areas announced as successful in their bid to pilot 75% business rates retention in 2019/20, alongside Devolution Deal areas and London who had already been announced as pilot areas. Although Brighton & Hove is not involved as a pilot, the council will be monitoring progress, and through Orbis, will have access to first-hand experience from East Sussex County Council.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The completion of the NNDR1 form is prescribed in the completion guidance notes from MHCLG.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council has a duty to consult representatives of business ratepayers on the council's overall budget and this consultation will take place before the February Policy, Resources & Growth Committee.

6. CONCLUSION

- 6.1 The council has a statutory duty to agree a business rates forecast, set out a forecast surplus or deficit for 2018/19 and submit an NNDR1 form by the 31 January 2019.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The forecast business rates income, including section 31 business rates grants, is £0.403m above the forecast used in the Draft Revenue Budget proposals report to this committee on 6 December 2018. This will be incorporated into the budget report to this committee in February subject to any changes made to the final NNDR1 form. The council's share of the business rates collection fund deficit will also be included within the budget forecast for 2019/20.
- 7.2 The overall increase in business rates income compared to 2018/19, including CPI increases and changes to reliefs, tariffs and levies, is £3.501m, an increase of 5.7%.

Finance Officer Consulted: James Hengeveld

Date: 14/1/19

Legal Implications:

- 7.3 Under Part 2 of the Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452), the Council must determine specified information relating to its business rates forecast and notify the Secretary of State and relevant precepting authorities of the amounts. In respect of the year commencing 1 April 2019, these amounts must be determined by 31 January 2019.

- 7.4 This is not a function reserved to Full Council by legislation or local agreement and it is therefore appropriate for this matter to be decided by Policy, Resources & Growth Committee as the calculation of business rates is within its terms of reference.

Lawyer Consulted: Elizabeth Culbert

Date: 11/01/19

Equalities Implications:

- 7.5 None specific to this report.

Sustainability Implications:

- 7.6 The changes to business rates reliefs and thresholds could have a beneficial impact on the economic health of the city.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.7 Business rates income is volatile and difficult to predict so therefore needs close monitoring. The system allows councils to spread the volatility risks with other councils by pooling. Brighton & Hove is not particularly reliant on business rates income from a small number of large businesses or any particular type of business so the risks here are relatively lower. However, the council may wish to consider the merits of pooling in future years.

Corporate / Citywide Implications:

- 7.8 The council has a significant incentive to maintain and grow the business rates income generated by the city and needs to take this into consideration when making all relevant decisions.

SUPPORTING DOCUMENTATION

Appendices:

1. Draft National Non-Domestic Rates Return - NNDR1 2019/20

Documents in Members' Rooms:

None.

Background Documents:

1. Files held with Finance and Revenues.

Draft of NNDR1 form 2019/20 – Parts 1, 2 and 3

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**2019-20**

Please e-mail to: ndr.statistics@communities.gov.uk by no later than 31 January 2019.
In addition, a certified copy of the form should be returned by no later than **31 January 2019** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Select your local authority's name from this list:

Brent
Brentwood
Brighton and Hove UA
Bristol UA
Broadland
Bromley

Authority Name
E-code
Local authority contact name
Local authority contact number
Local authority e-mail address

Brighton and Hove UA
E1401
Heather Bentley
01273 291244
heather.bentley@brighton-hove.gov.uk

Ver 1.0

PART 1A: NON-DOMESTIC RATING INCOME**COLLECTIBLE RATES**

£

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

114,789,023

TRANSITIONAL PROTECTION PAYMENTS

2. Sums due to the authority

2,480,908

3. Sums due from the authority

0

COST OF COLLECTION (See Note A)

4. Cost of collection formula

444,785

5. Legal costs

0

6. Allowance for cost of collection

444,785

SPECIAL AUTHORITY DEDUCTIONS

7. City of London Offset : Not applicable for your authority

0

DISREGARDED AMOUNTS

8. Amounts retained in respect of Designated Areas

0

9. Amounts retained in respect of Renewable Energy Schemes
(See Note B)

0

of which:

10. sums retained by billing authority

0

11. sums retained by major precepting authority

0

12. Amounts retained in respect of Shale Gas Schemes (see Note C)

0

NON-DOMESTIC RATING INCOME

13. Line 1 plus line 2, minus lines 3, 6 - 9 and 12

116,825,146

PART 1B: PAYMENTS**This page is for information only; please do not amend any of the figures**The payments to be made, during the course of **2019-20** to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 Brighton and Hove UA	Column 3	Column 4 East Sussex Fire Authority	Column 5 Total
Retained NDR shares	£	£	£	£	£
14. % of non-domestic rating income to be allocated to each authority in 2019-20	50%	49%	0%	1%	100%
Non-Domestic Rating Income for 2019-20					
15. Non-domestic rating income from rates retention scheme	58,412,573	57,244,322	0	1,168,251	116,825,146
16.(less) deductions from central share	0	0	0	0	0
17 TOTAL:	58,412,573	57,244,322	0	1,168,251	116,825,146
Other Income for 2019-20					
18. add: cost of collection allowance		444,785			444,785
19. add: amounts retained in respect of Designated Areas		0			0
20. add: amounts retained in respect of renewable energy schemes		0	0		0
21. add: amounts retained in respect of shale gas schemes		0	0	0	0
22. add: qualifying relief in Designated Areas		0	0	0	0
23. add: City of London Offset		0			0
24. add: additional retained Growth in Pilot Areas		0	0	0	0
25. add: in respect of Port of Bristol hereditament		0			0
Estimated Surplus/Deficit on Collection Fund	£	£	£	£	£
<u>Percentages to be used to distribute the collection fund surplus deficit</u>					
26. % for distribution of "in-year" surplus/deficit (ie 2018-19)	50%	49%	0%	1%	100%
26a. "In-year surplus (positive) /deficit (negative)	0	0	0	0	0
27. % for distribution of "prior-year" surplus/deficit (ie 2017-18)	50%	49%	0%	1%	100%
27a. "Prior-year" surplus (positive) / deficit (negative)	0	0	0	0	0
28. Estimated Surplus/Deficit at end of 2018-19	0	0	0	0	0
TOTAL FOR THE YEAR	£	£	£	£	£
29. Total amount due to authorities	58,412,573	57,689,107	0	1,168,251	117,269,931

PART 1C: SECTION 31 GRANT (See Note D)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements and 2017 (March and November) & 2018 (October) Budgets

	Column 2 Brighton and Hove UA	Column 3	Column 4 East Sussex Fire Authority	Column 5 Total
	£	£	£	£
Multiplier Cap				
30. Cost of cap on 2014-15, 2015-16 and post-2018-19 small business rates multipliers	1,865,395	0	38,069	1,903,464
Small Business Rate Relief				
31. Cost of doubling SBRR & threshold changes for 2019-20	4,004,697	0	81,728	4,086,425
31a. Additional compensation for loss of supplementary multiplier income	326,948	0	6,672	333,620
32. Cost to authorities of maintaining relief on "first" property	2,852	0	58	2,910
Rural Rate Relief				
33. Cost to authorities of providing 100% rural rate relief	0	0	0	0
Local Newspaper Temporary Relief				
34. Cost to authorities of providing relief	0	0	0	0
Supporting Small Businesses Relief				
35. Cost to authorities of providing relief	85,411	0	1,743	87,154
Discretionary Scheme				
36. Cost to authorities of providing relief	113,680	0	2,320	116,000
Designated Areas qualifying relief in 100% pilot areas				
37. Cost to authorities of providing relief	0	0	0	0
Telecoms Relief				
38. Cost to authorities of providing relief	0	0	0	0
Retail discount				
39. Cost to authorities of providing relief	2,684,359	0	54,783	2,739,142
TOTAL FOR THE YEAR				
40. Amount of Section 31 grant due to authorities to compensate for reliefs	9,083,342	0	185,373	9,268,715

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 40, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 40)

Certificate of Chief Financial Officer / Section 151 Officer

NNDR1 2019-20

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer
or Section 151 Officer : _____

Signature : _____

Date : _____

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

Please check the Validation tab and answer the validation queries that need to be answered

Ver 1.0

Local Authority : Brighton and Hove UA

PART 2: NET RATES PAYABLE

You should complete column 1 only

GROSS RATES PAYABLE

(All data should be entered as +ve unless specified otherwise) - see Note E

	Column 1 BA Area (exc. Designated areas) Complete this column	Column 2 Designated areas Do not complete this column	Column 3 TOTAL (All BA Area) Do not complete this column
	£	£	£
1. Rateable Value at <input type="text" value="19/12/2018"/>	<input type="text" value="310,718,796"/>	<input type="text" value="0"/>	<input type="text" value="310,718,796"/>
2. Small business rating multiplier <input type="text" value="49.1"/> for 2019-20 (pence)			
3. Gross rates 2019-20 (RV x multiplier)	<input type="text" value="152,562,929"/>	<input type="text" value="0"/>	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="1,696,061"/>	<input type="text" value="0"/>	
5. Forecast gross rates payable in 2019-20	<input type="text" value="154,258,990"/>	<input type="text" value="0"/>	<input type="text" value="154,258,990"/>
TRANSITIONAL ARRANGEMENTS (See Note F)			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="-2,665,445"/>	<input type="text" value="0"/>	<input type="text" value="-2,665,445"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="184,537"/>	<input type="text" value="0"/>	<input type="text" value="184,537"/>
8. Net cost of transitional arrangements	<input type="text" value="-2,480,908"/>	<input type="text" value="0"/>	
9. Changes as a result of estimated growth/ decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text" value="0"/>	
10. Forecast net cost of transitional arrangements	<input type="text" value="-2,480,908"/>	<input type="text" value="0"/>	<input type="text" value="-2,480,908"/>
TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))			
11. Sum due to/(from) authority	<input type="text" value="2,480,908"/>	<input type="text" value="0"/>	<input type="text" value="2,480,908"/>

MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)**Small Business Rate Relief**

12. Forecast of relief to be provided in 2019-20	-11,296,549	0	-11,296,549
13. of which: relief on existing properties where a 2nd property is occupied	-5,637	0	-5,637
14. Additional yield from the small business supplement (Show as +ve)	2,816,949	0	2,816,949
15. Net cost of small business rate relief (line 12 + line 14)	-8,479,600	0	-8,479,600

Charitable occupation

16. Forecast of relief to be provided in 2019-20	-11,902,423	0	-11,902,423
--	-------------	---	-------------

Community Amateur Sports Clubs (CASCs)

17. Forecast of relief to be provided in 2019-20	-54,775	0	-54,775
--	---------	---	---------

Rural rate relief

18. Forecast of relief to be provided in 2019-20	0	0	0
--	---	---	---

19. Forecast of mandatory reliefs to be provided in 2019-20 (Sum of lines 15 to 18)

-20,436,798

0

20. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)

22,049

0

21. Total forecast mandatory reliefs to be provided in 2019-20

-20,414,749

0

-20,414,749

UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)**Partially occupied hereditaments**

22. Forecast of 'relief' to be provided in 2019-20	0	0	0
--	---	---	---

Empty premises

23. Forecast of 'relief' to be provided in 2019-20	-2,975,665	0	-2,975,665
--	------------	---	------------

24. Forecast of unoccupied property 'relief' to be provided in 2019-20 (Line 22 + line 23)

-2,975,665

0

25. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)

0

0

26. Total forecast unoccupied property 'relief' to be provided in 2019-20

-2,975,665

0

-2,975,665

DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)

Charitable occupation

27. Forecast of relief to be provided in 2019-20	-35,751	0	-35,751
--	---------	---	---------

Non-profit making bodies

28. Forecast of relief to be provided in 2019-20	-35,597	0	-35,597
--	---------	---	---------

Community Amateur Sports Clubs (CASCs)

29. Forecast of relief to be provided in 2019-20	-2,404	0	-2,404
--	--------	---	--------

Rural shops etc

30. Forecast of relief to be provided in 2019-20	0	0	0
--	---	---	---

Small rural businesses

31. Forecast of relief to be provided in 2019-20	0	0	0
--	---	---	---

Other ratepayers

32. Forecast of relief to be provided in 2019-20	0	0	0
--	---	---	---

33. Relief given to Case A hereditaments	<i>of which:</i>	<i>of which:</i>	0
--	------------------	------------------	---

34. Relief given to Case B hereditaments	0		
--	---	--	--

35. Forecast of discretionary relief to be provided in 2019-20 (Sum of lines 27 to 32)	-73,752	0	-73,752
--	---------	---	---------

36. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	0	0	
---	---	---	--

37. Total forecast discretionary relief to be provided in 2019-20	-73,752	0	-73,752
--	----------------	----------	----------------

DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT
(See Note K) (All data should be entered as -ve unless specified otherwise)

Rural Rate Relief

38. Forecast of relief to be provided in 2019-20

Local Newspaper Relief

39. Forecast of relief to be provided in 2019-20

Supporting Small Businesses Relief

40. Forecast of relief to be provided in 2019-20

Discretionary Scheme

41. Forecast of relief to be provided in 2019-20

Telecoms Relief (see Note L)

42. Forecast of relief to be provided in 2019-20

Retail Discount

43. Forecast of relief to be provided in 2019-20

44. Forecast of discretionary reliefs funded through S31 grant to be provided in 2019-20 (Sum of lines 38 to 43)

45. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)

46. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2019-20

NET RATES PAYABLE

47. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs

Checked by Chief Financial / Section 151 Officer :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

Please check the Validation tab and answer the validation queries that need to be answered

Ver 1.0

Local Authority : Brighton and Hove UA

PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS

You should complete column 1 only

	Column 1	Column 2	Column 3
	BA Area (exc. Designated areas) Complete this column	Designated Areas Do not complete this column	TOTAL (All BA Area) Do not complete this column
	£	£	£
NET RATES PAYABLE			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	122,615,031	0	122,615,031
(LESS) LOSSES			
2. Estimated bad debts in respect of 2019-20 rates payable	-1,226,150	0	-1,226,150
3. Estimated repayments in respect of 2019-20 rates payable	-6,599,858	0	-6,599,858
COLLECTABLE RATES			
4. Net Rates payable less losses	114,789,023	0	114,789,023

Subject:	Corporate Debt Policy		
Date of Meeting:	24 January 2019		
Report of:	Executive Director Finance & Resources		
Contact Officer:	Name:	Graham Bourne	Tel: 01273 291800
		Julie Nichols	Tel: 01273 291656
	Email:	graham.bourne@brighton-hove.gov.uk	
		julie.nichols@brighton-hove.gov.uk	
Ward(s) affected:	(All Wards)		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report seeks the approval of a revised and updated Corporate Debt Policy to replace the current policy written in 2013.
- 1.2 The new policy reflects the progression made in ensuring debt collection balances the dual responsibility of collecting income and debt to pay for essential services, and doing so in a manner responsive to the specific circumstances of individual households/businesses which may impact upon their capacity to pay what is due within required timeframes.

2. RECOMMENDATIONS

That the Policy, Resources & Growth Committee:

- 2.1 Notes the key changes in practice and approach from the existing policy.
- 2.2 Approves the new policy for adoption with immediate effect.
- 2.3 Notes that under Standard Financial Procedures implementation and agreement of arrangements for the management and recovery of debts are delegated to the Executive Director Finance & Resources.
- 2.4 Recommends that the Constitution Working Group considers the inclusion of a specific reference to the Corporate Debt Policy within the delegations to the Executive Director Finance & Resources.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The council is collecting approximately £445m in 2018/19 for fees, charges, rents (including the Housing Revenue Account), council tax and business rates of which £363m is to support council services and the remaining £82m is collected on behalf of the government, police and fire authorities.
- 3.2 The policy details how the council structures its income and debt collection activities within services to ensure collection is efficient and practices are

consistent, while also carefully assessing vulnerability and taking action to recover debt without placing families in hardship. The council is always focused on best practice and does not want to cause undue alarm to residents, particularly the vulnerable.

- 3.3 The policy states the legal basis for collection activities which vary considerably, particularly in terms of recovery action.
- 3.4 Under Financial Regulations, the Executive Director Finance & Resources is required, “to agree arrangements and promote best practice for the collection of all income due to the council.” The policy describes how this responsibility is supported by an officer Corporate Debt Board, which provides an oversight role in driving best practice across income and debt collection services. The Corporate Debt Board comprises representatives from all of the council’s collection teams, namely Council Tax, Business Rates, Housing Benefits Overpayments, Parking, Corporate Collection Team, Housing Temporary Accommodation and Housing Income Management.
- 3.5 The policy identifies the best practices that the council already incorporates or intends to adopt to ensure collection is efficient and individual household circumstances are appropriately considered. It also states the training requirements to ensure staff have the skills to deliver the best practice.
- 3.6 The policy states the council’s approach to fraud, evasion, complaints and disputes in relation to debt collection.
- 3.7 While not specifically mentioned in the policy because it is still in development, the intention is to introduce digital technology to enable customers to have better access to service and debt information, so they can manage their own affairs and repayment levels. The same data will also provide officers with the intelligence to respond to debt situations in a holistic manner. The Corporate Debt Board will ensure the policy continues to align with these developments.
- 3.8 The policy was developed through the Corporate Debt Board taking into account representation from all of the council’s income and debt collection services, and government and voluntary sector best practice.
- 3.9 Overall, the policy is a comprehensive update of the current version produced in 2013. Specifically, it introduces for the first time:
 - an overarching structure to ensure consistent best practice across all of the council’s debt collection activities;
 - commitment to ensuring welfare considerations are uppermost in debt collection practice;
 - a commitment to train officers so they can apply and maintain best practice; and
 - implications arising from an Equalities Impact Assessment.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The policy was developed taking into account best practice. This includes the initiatives being taken by other councils that likewise endorse the ethical

principles of early intervention in cases of hardship and the drive to reduce the number of enforcement actions ultimately taken. All aspects of the policy were fully considered by the Corporate Debt Board with appropriate financial, legal and equality advice.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 In developing the policy, no direct community engagement or consultation was carried out.
- 5.2 The integration of best practice from the voluntary sector, the council's ongoing work with, eg. the Citizens' Advice Bureau and Money Advice, and reference to the findings of the Fairness Commission, all of which were built upon direct customer experience, were considered as an appropriate, informed response to the requirements of citizens and local business. A range of data and learning from the council's Welfare Reform programme and the rollout of Universal Credit, best practice from other local authorities and developments nationally, eg. with the Cabinet Office, have also informed the policy.
- 5.3 In practice, income maximisation, budgeting advice, holistic solutions and identification of vulnerability are already embedded in many existing processes, particularly in accessing housing, benefit administration and Welfare Reform support. Within the Welfare Reform support, the Welfare Rights Team provides expertise in benefits maximisation and appeals, while the Local Social Fund Team mitigates emergency situations. However, the policy formalises the council's commitment to provide this support and ensure it is available and effective across all income and debt collecting services.

6. CONCLUSION

- 6.1 The policy has been written on the basis of introducing current best practice into the council's strategy and processes.

7. FINANCIAL & OTHER IMPLICATIONS

7.1 Financial Implications:

There are no direct financial implications from the approval of the Corporate Debt Policy. However, the use of a consistent and proactive debt management policy is expected to support improvements in the level of debt collected and reduce the incidence of arrears, thereby reducing bad debt provisions and debt write off. Any improved income collection will be reflected through Targeted Budget Management (TBM) reports to this committee, as well as future years' budget setting.

Finance Officer Consulted: James Hengeveld

Date: 06/12/18

7.2 Legal Implications:

- 7.2.1 Councils are required to comply with "proper practices" and to make suitable arrangements for the proper administration of their financial affairs. Taking

enforcement action, where necessary and appropriate in order to recover the council's debts, falls within these arrangements.

- 7.2.2 The council has delegated to the Executive Director Finance & Resources the power to take such steps as are necessary for the proper administration of the financial affairs of the council, including such steps as are necessary to ensure budgetary control. Responsibility for the implementation and oversight of this policy will sit with the Executive Director Finance & Resources, who will ensure that overall control is exercised by the Corporate Debt Board as part of his financial management responsibilities.
- 7.2.3 The processes to be followed by the council when collecting debts incurred under different statutory provisions vary. For example, Council Tax arrears have a specified statutory process which is not the same as enforcement of other civil debts, such as non-payment of fees or fines. The council's legal team will continue to help the Board develop specific processes for different workstreams. Those processes will need to ensure that wherever court proceedings are issued, or officers attend court to represent the council, those officers are formally authorised by the Executive Lead Officer for Strategy, Governance & Law, in accordance with the Scheme of Officer Delegations set out in the council's constitution. Similar safeguards will be required where additional steps need to be taken before enforcement proceedings may be commenced. This will be built into the processes which sit under the policy, so as to ensure that the council's approach is compliant.

Lawyer Consulted:

Simon Court

Date: 06/12/18

8. EQUALITIES IMPLICATIONS

- 8.1 The Equality Impact Assessment (EIA) attached as Appendix 2 identifies potentially disproportionate impacts upon people sharing protected characteristics and a number of specific actions to mitigate these. The approach of the Corporate Debt Policy and the authority's strategic response to Welfare Reform is to consider vulnerability, risk factors and barriers for individuals and households, to work to prevent debt and/or stop it escalating where possible, to signpost to and offer support, and to have a consistent and fair approach to debt collection.
- 8.2 There is increasing consistency between services (in, for example, training, responsiveness to specific circumstances and prioritisation of multiple debt) and (where permitted) sharing of data between services to identify vulnerability. There are also strengthening links with the voluntary and community sector, and increasing use of their experience, skills, reach and best practice to inform and complement the council's approach. In addition, the recommendations of the Fairness Commission in relation to corporate debt approaches have all been implemented or are being implemented.

9. SUSTAINABILITY IMPLICATIONS

- 9.1 There are no environmental sustainability issues raised by this report. The issues of sustainable and affordable repayment of debt are addressed in the policy.

SUPPORTING DOCUMENTATION

Appendices

1. Corporate Debt Policy
2. Corporate Debt Policy EIA

Documents in Members' Rooms

Not applicable.

Background Documents

Not applicable.

Corporate Debt Policy



**Brighton & Hove
City Council**

Updated 2018

Contents

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2. Policy objectives	1
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4. Function of the Corporate Debt Board	3
5. Links to corporate objectives	4
6. Best practice debt collection	4
7. Training	5
8. Enforcement agents	6
9. Fraud and evasion	6
10. Complaints and disputes	7
11. Use of data	7
12. Equalities Impact Assessment	7

1. Introduction

- 1.1 This policy details the council’s corporate approach to income collection and debt recovery. The delivery of this policy is overseen by the Corporate Debt Board, which has representatives from all income and debt collection services in the council.
- 1.2 The policy is aimed primarily at individual/household debtors (‘Personal Debt’) but wherever possible and where legislation allows, the principles and objectives of this policy will also be applied to businesses from all sectors (‘Business Debt’).

2. Policy objectives

- 2.1 The council has a duty to ensure that it collects income and recovers debt efficiently and effectively to ensure it fulfils its financial responsibilities to its citizens and maximises its capacity to provide local services.
- 2.2 The council also has legislative requirements in respect of income collection and an obligation to collect on behalf of other organisations. The Police and Fire Authorities have dependency upon Council Tax collection, and Central Government and the Fire Authority retain a proportion of Business Rates income.
- 2.3 In collecting income and recovering debt, the council is committed to adhering to good practice. This good practice includes the recognition of fairness principles that collection arrangements should be manageable and sustainable in the context of both the council’s duty to collect and a household’s individual circumstances.
- 2.4 Where possible, the council will act to prevent debt arising or escalating, and will seek to inform citizens so they are aware of their obligations to the council and are in a position to make good decisions that avoid additional costs and pressures. However, ultimately the council will, where appropriate, escalate recovery actions to recover hard to collect debt. When it does so, it will maintain its fairness principles while applying the correct legal options.

3. Structure of income collection and debt recovery

- 3.1 There are seven collection hubs in the council and table A below shows those hubs and the legislation that determines their income collection, debt recovery and enforcement activities. The legislation listed is not necessarily exhaustive and the council will use any appropriate legal means to collect income or debt:

TABLE A : Collection hubs and legislation

Hub	Function	Type of debt	Main Legislation
Council Tax	Council Tax income collection and associated court costs	Personal	The Council Tax (Administration and Enforcement) Regulations (1992)
Business Rates	National Non-Domestic Rates collection and associated court costs	Business	The Local Government Finance Act (1988)
Benefits Overpayments	Housing Benefit Overpayments	Personal	Housing Benefit Regulations (2006) Social Security Administration Act (1992) Social Security (Overpayment and Recovery) Regulations (2013) Welfare Reform Act (2012)

Corporate Collection Team	All service income and debt not collected by other hubs. Includes: Commercial property rents Adult Social Care charges Life Events charges Library service charges Planning and Building Control fees License fees Highways fees and fines (excludes Parking) Leaseholder, garage and other service charges Royal Pavillion, Museums and other venues charges Trading Standards and Environmental Health charges Educational facilities and lettings charges	Personal and business	Generally recovery is determined by the Local Government (Miscellaneous Provisions) Act (1976). Some debt is also covered by specific legislation as stated below Commercial Rent and Arrears Recovery Act (2007) Care Act (2014) Licencing Gambling Act (2005) Fixed Penalty Notices Section 444 of the Education Act (1996) or Section 106 of the Education Inspections Act (2006) - school fines
Housing Temporary Accommodation	Rental income collection and recharge debts	Personal	Rent Collection - Landlord and Tenant Act (1985)/ Protection of Eviction Act (1977) Removal & storage - Sections 211/212, Part VII of Housing Act (1996)
Housing Management	Rental income, service charge collection and recharge debt	Personal	Housing Act (1985) - tbc Arrears & Escalation - Housing Act (1985 & 1986) complemented by Ministry of Justice Pre-Action Protocol for Social Landlords
Parking	Parking fine collection and associated court costs	Personal and business	Traffic Management Act (2004) - tbc

3.2 Positioned over these hubs is a Corporate Debt Team. The function of this team is to provide the analysis and support to the seven hubs to enable them to deliver maximum performance and best practice. Additionally, it oversees the management of hard to collect debt, and co-ordinates the management of the debt portfolio and relationships with outside agencies and legal advisory services. Work prioritisation is overseen by the Corporate Debt Board. Table B below shows the debt escalated to the Corporate Debt Team:

TABLE B : Debt escalation to the Corporate Debt Team

Source	Escalated function	Type of debt	Main Legislation
Council Tax	Outstanding debt post liability order with no arrangement in place Absconded debt at any stage of collection	Personal	As stated in Table A, plus Taking Control of Goods Regulations (2013)
Business Rates	Outstanding debt post liability order with no arrangement in place Absconded debt at any stage of collection Debt avoidance	Business	
Benefits Overpayments	Absconded debt at any stage of collection Fruadulent and/or large debt	Personal	
Corporate Collection Team	Absconded debt Historical debt over 180 days	Personal and business	
Housing Temporary Accommodtion	Former tenant debt	Personal	
Housing Management	Selective former tenant debt	Personal	
Parking	Selective in-area escalated debt	Personal and business	

The reference to debt in the above table is inclusive of any additional charges or court costs.

4. Function of the Corporate Debt Board

4.1 The Corporate Debt Board consists of senior representatives from all of the collection hubs and ensures a consistent approach to debt collection across the council. It delivers in line with four key principles, namely to:

- establish a proportionate, fair and effective end to end approach to debt management;
- use analytics to understand the debt portfolio and drive best practice for debt management;
- instil an ethos of fairness, built upon principles that recognise the impact debt collection has upon the vulnerable; and
- have a proportionate enforcement response to those who do not pay on time.

These principles are designed to ensure that while there is a financial imperative in debt collection, there is also a public sector responsibility to consider the whole picture and impact upon our citizens.

4.2 While the direct management of the hubs remains within services, the Corporate Debt Board has the primary requirement to:

- prioritise the work of the Corporate Debt Team;
- develop, deliver and monitor a corporate approach to income collection enforcement;

- ensure a corporate training standard for staff undertaking debt recovery;
- oversee a cycle of continuous improvement reviews across debt recovery areas;
- embed demand management principles across debt recovery areas; and
- ensure the development a digital framework that allows the continued improvement of corporate debt collection.

4.3 Additionally, the Corporate Debt Board ensures:

- services are responsible for their own financial management and have procedures to minimise debt caused by delayed administration or error;
- collection hubs operate workflows and procedures that maximise collection with proportionate, appropriate consideration and adjustment to account for individual circumstances of hardship;
- collection hubs work collaboratively in managing multiple debt; they have a holistic view of debt collection that considers the correct prioritisation of multiple debt, so that the council does not pursue collection to the detriment of its holistic aims in providing services to that household;*
- the Corporate Debt Team pursues evasion and avoidance of debt with appropriate but proportionate vigour;
- debt recovery performance is under constant review to identify opportunities to achieve efficiencies through improvements such as sharing best practice, policy changes, process improvement, digital development, training and consolidating debt recovery functions;
- the priorities of the Corporate Debt Team align to strategic priorities;
- adherence to the General Data Protection Regulation (GDPR) requirements for data sharing and information security across all income collection and debt recovery functions;
- all aspects of collection activity are compliant with the Equalities Act; and
- the welfare framework is effective in providing support for those in hardship or who are vulnerable.

*Parking debt/fixed penalty notices/debt incurred by way of fine is normally collected outside of this consideration where it relates to a legal penalty.

4.4 The Corporate Debt Board will review the Corporate Debt Policy annually to ensure it remains aligned to strategic priorities.

5. Scheme of Delegation

5.1 Application of the Corporate Debt Policy will be in line with the delegated functions set out in the council's Scheme of Delegation.

6. Best practice debt collection

6.1 This policy aims to adopt fair debt collection and recovery practices including the aspirations to:

- ensure each stage of debt collection or intervention is delivered at the earliest point to prevent the accumulation of arrears;
- ensure customers receive reminders and messages to keep them informed of their current debt status, and that these interventions are as effective as digital development allows;
- ensure that all debt is valid, accurate and only generated where due;
- ensure that bills are accurate, timely and clear, indicating available payment methods and customer support;
- provide appropriate and easy payment methods with good customer access and services to help prevent the incidence of arrears;
- provide access to contextual information so customers are clear on their responsibilities to make payment, the required timeframes to make payment, the consequences of not making a payment within

the timeframe and what action to take if they have a difficulty in making a payment or dispute the amount being requested;

- make it easy for households or businesses who do fall into arrears to contact the council and agree to payment arrangements appropriate to their circumstances;
- build in mechanisms within debt collection workflows to ensure that hardship or vulnerability is identified at the earliest possible stage and as a consequence, the customer has access to appropriate support and advice regarding benefit entitlement, budget management and welfare/health support;
- filter, segment and prioritise escalated debt so appropriate action or support is put in place;
- have a programme of training for all staff dealing with debt and income collection to ensure they understand the council's strategic approach, its fairness principles, have the skills to negotiate debt recovery, the understanding to recognise vulnerability and the knowledge to provide appropriate support or signpost for appropriate support;
- oversee the whole debt portfolio to ensure that residual debt is actively managed, actions are proportionate and cost effective, and where appropriate, uncollectable debt is written off;
- ensure any agencies acting on the council's behalf commit and adhere to the council's debt collection principles;
- where specific and specialised legal action is required (bankruptcy, avoidance, charging orders), there is a structured approach to risk manage individual cases with a recognised framework of legal support and for this legal support to be developed in-house (Orbis Public Law) to minimise costs; and
- where appropriate, commit the council to national standards of best practice.

6.2 The council is committed to maintaining best practice. To this end, the Corporate Debt Board will monitor the development of good practice in the field of income collection and debt recovery, and incorporate improvements into its strategies and procedures.

6.3 Specifically, the council is working with central government regarding the delivery of their Cross-government Debt Strategy and the input from its Fairness Sub-group. By aligning with a universal approach to public sector debt, the council will be providing a consistent approach to residents and businesses, and operating in a manner that is commensurate with an expansive model of debt collection, if that opportunity arises in the future.

6.4 The council will seek to comply with all nationally approved debt recovery pre-action protocols and where complementary to this policy, also seek to comply with best practice protocols. This will include the following (the list is not exhaustive):

- Collection of Council Tax Arrears Good Practice Protocol (Published by Citizens Advice, June 2017);
- National Standards for Enforcement Agents (Published by Ministry of Justice, April 2014);
- Civil Enforcement Association (CIVEA) Code of Conduct and Good Practice Guide (2012) and
- Taking Control of Goods Regulations (2014).

7. Training

7.1 The council is committed to training staff with the necessary skills to deliver this policy.

7.2 The council will seek to adopt or incorporate any programme of training that reflects any nationally approved debt recovery pre-action protocol or recognised best practice protocols, particularly in relation to the application of fairness and the recognition of vulnerability and hardship.

7.3 The Corporate Debt Board will set the programme of training.

7.4 The training programme will include cyclical refresher training to ensure standards are maintained.

7.5 The programme will include training in:

- negotiation;
- recognition of vulnerability and mental health issues;
- customer service;
- equalities;
- best practice;
- personal safety for outside officers;
- personal resilience; and
- qualification based training for enforcement agents.

8. Enforcement agents

8.1 By employing best practice, it is the intention of the policy to progressively minimise the number of debts referred to enforcement agents.

8.2 Every effort will be made to identify vulnerability at the earliest possible stage in the collection/recovery process. However, this filtration cannot be 100% guaranteed and where vulnerability is identified by enforcement agents, mechanisms will be in place to ensure that support is made available and where appropriate, the approach to the debt modified.

8.3 The Corporate Debt Board oversees the council's activities in pursuing hard to collect debt. The Corporate Debt Team manages the portfolio of enforcement agent debt and is responsible for ensuring the portfolio is managed in accordance with the requirements of this policy.

8.4 The council uses both internal and external enforcement agents. Service level agreements/contracts are set for the external enforcement agents used by the council. Both internal and external agents are equally required to adhere to the standards of this policy. So the required standards are maintained, all agents/agencies must:

- follow the CIVEA Code of Practice;
- Ministry of Justice National Standards; and
- have the appropriate certification under the Taking Control of Goods Regulations (2014).

9. Fraud and evasion

9.1 The unlawful evasion of charges, taxation or fines reduces the financial resources available to the council and has a direct impact upon all residents, businesses and other organisations that rely upon council services.

9.2 Unlawful evasion or fraud to avoid payment will not be tolerated and where this is identified, the council will, in addition to taking action to enforce payment, seek to impose further penalties or sanctions. This may include prosecution for such offences.

9.3 Where this activity impacts upon other public bodies, such as HM Revenues & Customs and other authorities, the council will work with those organisations to seek legal remedy.

9.4 Where debts arise through evasion or fraud, the council will seek to recover payment in full as quickly as the law regarding the nature of the debt allows.

9.5 Where appropriate, the council will refer matters to the Police for criminal investigation. The council is also committed to fully supporting any investigation initiated by the Police, either in response to a referral or independently.

10. Complaints and disputes

- 10.1 Any disputes raised regarding the application of this policy should, in the first instance, be raised with the relevant council service. In the event that the dispute cannot be resolved, then it shall be dealt with in accordance with the council's Complaints Procedure.
- 10.2 Any dispute regarding an individual debt will be dealt with in compliance to the legal requirement of the collection of that individual debt. Any such dispute will only stop the continuation of the recovery process or legal mechanism if it is appropriate in the context of the specific legislation.

11. Use of data

- 11.1 The council will collect and store personal data for the purposes of the effective billing, collection and recovery of sums due. Data retained for this purpose will be processed in accordance with the Data Protection Act 2018 and stored securely at all times. Data will be shared with agents or contractors appointed by the council for the purposes of the billing, collection and recovery of sums due. Data may also be shared within the council or with external organisations where the law allows and in particular, where it is in the interests of the debtor or where it will prevent fraud or the unlawful evasion of payment of sums due. Further details can be found on the [council's website](#).

12. Equality Impact Assessment

- 12.1 The council has conducted an Equality Impact Assessment (EIA) in relation to the Corporate Debt Policy.
- 12.2 The EIA will be refreshed as part of the annual review of the Corporate Debt Policy.

Equality Impact and Outcome Assessment (EIA) Template - 2018

EIAs make services better for everyone and support value for money by getting services right first time.

EIAs enable us to consider all the information about a service, policy or strategy from an equalities perspective and then action plan to get the best outcomes for staff and service-users¹. They analyse how all our work as a council might impact differently on different groups². They help us make good decisions and evidence how we have reached these decisions³.

See end notes for full guidance. Either hover the mouse over the end note link (eg: Age¹³) or use the hyperlinks ('Ctrl' key and left click).

For further support or advice please contact:

- **BHCC: Communities, Equality and Third Sector Team on ext 2301**
- **CCG: Engagement and Equalities team (Jane Lodge/Meg Lewis)**

1. Equality Impact and Outcomes Assessment (EIA) Template

First, consider whether you need to complete an EIA, or if there is another way to evidence assessment of impacts, or that an EIA is not needed⁴.

Title of EIA⁵	Corporate Debt Policy	ID No.⁶	
Team/Department⁷	Corporate Debt Team, Business Operations		
Focus of EIA⁸	<p>The Corporate Debt Policy defines the council approach to collecting debt. The policy applies to the activities of all the services that have income or debt collecting function. The council has the dual responsibility to collect income to pay for services and to have appropriate regard for every household/business in terms of affordability, sustainability, vulnerability and hardship. This is particularly important in the context of the impact that welfare reforms have had in this city.</p> <p>This assessment is not a duplication of the EIAs that separately exist in some of the service areas or in relation to some of the mitigations that the council delivers (such as discretionary payments). It concentrates on the specific debt collection activities and considerations stated in the revised 2019 Policy, particularly in relation to protected groups.</p>		

The Corporate Debt Board meets regularly to bring together representatives from all the relevant service areas to ensure the principles of the policy are effectively maintained. There are escalation routes in the council to access support for households struggling with their debt repayment responsibilities. The main provision of this support sits within the 'Welfare Framework', a network of internal and voluntary sector services that combine to provide a comprehensive range of support. This structure is overseen by the Corporate Welfare Reform Board and includes, Welfare Rights, Benefit Cap Team, Discretionary Housing Payment, Discretionary Council Tax reduction and Local Discretionary Social Fund. There are strong links to the Debt Prevention Team in Revenues & Benefits and a similar offer within Housing Services. Increasingly, the emphasis is on Universal Credit. Externally, there is direct commissioning of budgeting advice in the third sector both in respect of Welfare Reform and Housing Services. The overall effectiveness of the combined efforts of the council and voluntary sector is managed through attendance of the Advice Services Network and Advice Partnership meetings.

This assessment breaks down debt into two types: Household Debt and Business Debt. This assessment primarily concentrates on the former. There is less consideration of Business Debt because expenditure is normally considered as something that should be anticipated in a business model.

Because households/businesses move out of the area, debts are incurred by households/businesses that are outside the area. Also, some businesses have central offices outside the area. The council conducts a considerable amount of debt collection activity across the country and sometimes beyond. Where this is the case, the debt impacts are less measurable and the mitigations available are limited. However, the principles within the policy, particularly in relation to affordability, still apply.

2. Update on previous EIA and outcomes of previous actions⁹

What actions did you plan last time? (List them from the previous EIA)	What improved as a result? What outcomes have these actions achieved?	What <u>further</u> actions do you need to take? (add these to the Action plan below)
There is no previous EIA.		

3. Review of information, equality analysis and potential actions

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Age ¹⁴	<p>Brighton & Hove has an unusual age demographic. The average age of is lower than the national average with a noticeable peak in population in the range 20-44.</p> <ul style="list-style-type: none"> • 16 per cent (45,009) were estimated to be aged under 16 in 2011 • 70 per cent (193,632) were estimated to be aged between 16 & 64 • 13 per cent (36,684) were estimated to be aged 65 or more • In terms housing tenants the data for 2016/17 indicates that tenants aged 16-24 are at a higher risk of arrears. This group makes up 1% of tenants but accrues 3% of arrears. • 49% of tenants are aged 55 and over but this group collectively make up only 21% of outstanding arrears. • 51% of tenants aged 16-54 account for 79% of total arrears. 	<ul style="list-style-type: none"> • Staff report that welfare reforms are impacting in terms of debt most significantly on the younger working age population. • For the older pensioner population the fear is accessibility, exclusion and fixed incomes. • For those with children the problem is finding sustainable work and complimentary childcare as a solution to welfare reform impact/ debt. • Older housing tenants can be more distressed by letters about rent arrears. 	<ul style="list-style-type: none"> • Tenants of pensionable age are less affected by any of the government's welfare reforms. • Financial exclusion increases with age and older people of working age are more likely to be digitally excluded and be facing issues of debt, food and fuel poverty • Older people of working age are less likely to be able to find work or increase their hours, which would otherwise exempt them from the impact of welfare reform or address outstanding debt. • Young people are less likely to be aware of, or seek the help of support services or discretions. • Young people are more likely to be over-indebted than older age groups and less likely to seek advice. • Older people over pensionable age tend to be on fixed incomes with very limited capacity to increase their income. • Older people over pensionable age are less 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigations are applied in addition:</p> <ul style="list-style-type: none"> • Focus digital inclusion on people of working age • Gather information on the age of those referred to MACS through the Housing Financial Inclusion and Universal Credit contracts • Engage with services that support working age people to ensure sure DHP literature is available to them • Engage with services that support young people to ensure DHP literature is available to them

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>capable of adjusting their expenditure on food or heating without compromising their health.</p> <ul style="list-style-type: none"> • Older people over pensionable age are more likely to have a disability or a long term health problem • Single people under 35 affected by the welfare reforms have seen large reductions in their entitlement to housing benefit. • Single people under the age of 25 will be living on the lowest out-of-work income and so will be impacted more adversely than older people as shortfalls in Council Tax and Rent will be proportionately more of their total income. 	<ul style="list-style-type: none"> • To promote the single apprenticeship pathway to assist young people into work. • Ensure services that support and engage with people over pensionable age promote energy efficiency grants. • Housing Income Advisors to continue to provide support and advice to vulnerable housing tenants who need additional help to engage. • Support younger housing tenants through the Better Start Guide. • Apply for Alternative Payment Arrangements with the DWP where vulnerable housing tenants are on Universal Credit.
Disability¹⁵	<p>9,012 known households (in receipt of HB or CTR) with at least one member of the household receiving Disability Living Allowance, PIP or Attendance Allowance.</p> <p>A further 2,197 Households are known to be in receipt of ESA. 7,469 households in total with one member in receipt of ESA.</p>	<ul style="list-style-type: none"> • Information gathered by the welfare reform team indicates that there are several welfare reform changes that have potentially significant impact on disabled households. • Research suggests that the cumulative impacts of Welfare Reform will have a disproportionately larger impact on disabled people 	<ul style="list-style-type: none"> • Higher cost of living for Disabled people and parents of disabled children means that the increased shortfalls created by the Welfare Reforms could see these families disproportionately impacted. • Some disabled people and parents of disabled children will receive extra premiums in housing 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help households address their budgeting</p>

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
	<ul style="list-style-type: none"> • In 2016/17 48% of council tenants were recorded as having a disability or long term health condition. 39% of rent arrears were incurred by tenants with a disability or health problem and they were issued 36% of all Notices of Seeking Possession. • In the same year 61% of the total arrears and 64% of the Notices of Seeking Possession were attributed to the 52% of tenants with no recorded disability or long term health condition. • This indicates that people with a disability are slightly less likely to be in arrears and issued a Notice of Seeking Possession than people with no known disability. 	<p>(and carers) and their families than others¹⁶.</p> <ul style="list-style-type: none"> • The B&H Child Poverty Needs Assessment identified that families with a child or parent with a disability have a higher risk of living in poverty and less capacity to repay debt • Information suggests people with a learning disability find the most helpful way to communicate is face to face. This isn't always easily accessible, particularly in relation to UC. 	<p>benefit which might increase the level of their award.</p> <ul style="list-style-type: none"> • Physical access issues to some advice services and financial products that would enable them to address debts. • Accessibility issues to online services, such as UC, may create income difficulties. It also inhibits access to lower cost products available via the internet. • Disabled non-dependents do not exempt a household from the Benefit Cap. This means that a claimant may be unable to work due to their care commitments within the household and so would be affected by the Benefit Cap. Anyone under the benefit cap has extremely limited capacity to address debt. • There are potential risks associated with vulnerable disabled people taking in a lodger to help pay for rent shortfalls caused by the Welfare Reforms. • In relation to higher likelihood of needing help with housing costs: 28% of disabled people are likely 	<p>pressures.</p> <p>The following mitigations are applied in addition:</p> <ul style="list-style-type: none"> • We will maintain a face to face service, including home visits, to support people with DHP applications where appropriate. • Where possible working with agencies, social services and NHS to monitor and feedback the impact to disabled people • When council is procuring advice contracts make sure that accessibility issues and outreach issues are included in contract specification. • Reorganisation of NHS services should make it easier for people with common Mental Health issues such as anxiety and depression to receive help. • We will look to identifying those in receipt of DLA who are also eligible for Adult Social Care services and link with care management • People affected by any of these new benefit policies,

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>to be low paid (on less than £7/hour), compared with 19% of non-disabled people.</p> <ul style="list-style-type: none"> • Those households who fail reassessment over to PIP may then bring the household into the benefit cap, where previously they were exempt • Because of debt issues there is a risk of disabled people, or parents of disabled children, being faced with moving from a property that meets their need. There is a national shortage of accessible properties and so people in these situations may not be able to find a more affordable option that meets their needs. • A lack of affordable alternative housing may compound debt as well as impact upon the length of hospital admissions due to reduced availability of accommodation to discharge into. • Households with disabled children under the age of 5 will have caring commitments preventing them from work, but it is difficult to successfully 	<p>and who also contribute to the cost of social care services, can apply for a reassessment of their charges which may then be reduced.</p> <ul style="list-style-type: none"> • Apply for Alternative Payment Arrangements with the DWP where vulnerable housing tenants are on Universal Credit. • The Welfare Rights and Welfare Reform teams support households with issues of disability and long term ill health to access appropriate disability benefits, supporting with both the application process and through the appeals process. They will also support households with Non Dependents in receipt of disability benefits claim Carers Allowance, to exempt them from the Benefit Cap.

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>apply for DLA because of the burden of proof. Therefore they may be required to job seek and/or not qualify for exemptions from certain Welfare Reforms.</p> <p>Learning Disabilities:</p> <ul style="list-style-type: none"> • People with learning disabilities are commonly in receipt of low rate DLA care. As there is no low rate under PIP Daily Living element, they could lose their entitlement to disability benefit when this transition comes in, hence reducing their ability to make up their rental shortfall • People with a Learning Disability may face more barriers in seeking advice, in budgeting, understanding Welfare Reforms and managing debt. • People with learning disability often have a representative to help them manage their financial affairs. E.g. An Appointee for benefits <p>Mental Health</p> <ul style="list-style-type: none"> • Being in debt may exacerbate anxiety and stress for some people 	

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<ul style="list-style-type: none"> • People with mental health issues are commonly in receipt of low rate DLA care. As such they may be affected by the transition to PIP. This may mean they would be less able to manage any rent shortfalls or other debt. • Potential increase in demand for (already stretched) Mental Health Services. • National studies suggest that people with mental health issues may face disadvantage in terms of diagnosis by non-specialist staff and in relation to non-compliance with reassessment. This may, at least in the short term, lead to additional financial pressure. • People with mental health issues may face more barriers in seeking advice, in budgeting, understanding Welfare Reforms and managing debt. • Maintaining a claim of both ESA and UC require continued engagement and prompt communication management. Some people with anxiety and 	

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			mental health issues struggle to read or respond to communication, leaving them more open to sanction or ending of their entitlement.	
Gender reassignment¹⁷	<ul style="list-style-type: none"> Brighton & Hove's State of the City report estimated that at least 14% (38,000 of the 2011 census population) of Brighton & Hove's adult residents are lesbian, gay, bisexual or transgender 0.3% of housing tenants identified as transgender. 	<ul style="list-style-type: none"> There is limited feedback around transgender issues because of the relatively low numbers. Issues of debt, benefits and access to appropriate housing, employment, advice and financial products are proportionately higher amongst this diversity group. 	Trans people face significant barriers to employment and may face discrimination in the workplace, therefore are more likely to be on lower incomes and be reliant on benefits. This may mean they are less able to meet shortfalls between benefit and rent or other debt.	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigations are applied in addition:</p> <ul style="list-style-type: none"> Share DHP/DCTR info with organisations that specifically support people for the transgender community through the Advice Services Network Where a persons assigned gender differs from their birth gender the Revenue and Benefits service are legally able to reflect this in decisions about housing benefit.

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
Pregnancy and maternity¹⁸	<p>There were 2704 births in Brighton 7 Hove in 2017. A fertility rate of 1.26%, the third lowest in England and Wales. The national rate was 1.76%</p> <p>All 3rd and subsequent children born to households after 6th April 2017 are not eligible for further Child Tax Credit or UC child element payments.</p>	<p>The period around the birth of a child is one of financial pressure as well as emotional pressure and may be accompanied by difficult decisions in relation to accommodation, work and budgets.</p>	<ul style="list-style-type: none"> • Women who are pregnant and those with very young children will be less able to seek or increase their working hours, reducing their ability to self-mitigate in light of the reduced income caused by Welfare Reform. • With very young children couples adjust their working hours to account for their childcare arrangements. • A baby does not count in terms of family size until it is born. A family with a pregnant person in it who moves to accommodation of a size which takes into account the expected baby will not receive a level of housing benefit which pays for that property until the baby is born leaving a period of occupation where there will be a shortfall. 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The addition of a child may mean accommodation changes for the household that may conflict with timing of benefit awards. In these circumstances DHP/DCTR is considered to address shortfalls.</p>
Race/ethnicity¹⁹ Including migrants, refugees and asylum seekers	<ul style="list-style-type: none"> • Equalities data including details of ethnicity are requested on each housing benefit application and DHP form. Unfortunately, the completion rate for these sections is poor and as such the total data held is 	<p>Customers who do not consider English as their first language have expressed that they find it easier to overcome language barriers when discussing issues face to face.</p>	<ul style="list-style-type: none"> • Some groups (particularly Pakistani and Bangladeshi) are less likely to have bank accounts. This will create a barrier to financial inclusion under Welfare Reform, particularly once Universal Credit is 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides</p>

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
	<p>not reliable. The below figures are extrapolated from total data for the city compiled in the 2011 Census.</p> <ul style="list-style-type: none"> • The 2011 census reveals that one out of five Brighton & Hove residents are from a BME background, whilst one in twelve residents do not consider English to be their first or preferred language. • The main languages spoken in Brighton & Hove other than English are Arabic, Polish, Chinese, Spanish and French. • For 2016/17, housing tenants who identified as Black or Black British made up 3% of the total tenant group but were responsible for 4% of total arrears and 4% of all Notices of Seeking Possession issued. • Housing tenants who identified as Asian or Asian British made up 3% of the total tenant group. They were responsible for only 1% of total arrears but 2% of all Notices of Seeking Possession issued, indicating that the 		<p>introduced, and ability to repay debt using some of our standard methods. Without a bank account a household will not be able to set up direct debits. They may, therefore be more at risk at not maintaining repayments.*</p> <ul style="list-style-type: none"> • While every attempt is made to produce plain English documents the language around debt can be specialised and difficult to understand particularly if English is not a first language.* • In relation to higher likelihood of needing help with housing costs: nearly half of Bangladeshi and Pakistani employees are likely to be low paid (on less than £8.21/hour), compared with 25% of White British people (2013 DHP EIA figures extrapolated). • Gypsies and Travellers inability to access financial products and advice services as well as being affected by fuel poverty in light of reduced incomes. • Language barriers may prevent some households from understanding the 	<p>specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigations are applied in addition:</p> <ul style="list-style-type: none"> • To improve the monitor and data on this diversity group making applications to DHP • To monitor the ethnicity data on those affected by the Benefit Cap. • To provide interpretation services for persons wishing to make an application for DHP who cannot do so using English language forms • Work with traveller liaison team to understand if their clients are affected.

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
	<p>level of their arrears was higher than average.</p> <ul style="list-style-type: none"> • Housing tenants who identified as mixed ethnicity made up 1% of the total tenant group but were responsible for 2% of total arrears and 2% of all Notices of Seeking Possession issued. 		<p>information sent to them about the welfare reforms changes. This may result in them being less prepared than they need to be and not organised to prevent debt situations arising.</p> <ul style="list-style-type: none"> • Some different cultures will have different approaches to debt. • Potential for misinformation to be spread within a community, particularly in light of the shifting landscape of welfare reforms. • Employment patterns and earning levels are different for different ethnic groups which would affect the ability of some groups to self-mitigate in light of the reduction in their benefit income or as remedy for debt situations. • The reduction and capping of Local Housing Allowance has impacted disproportionately on black and minority ethnic communities as they are more likely to need larger accommodation due to family size. • Child poverty rates for 	

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>black and minority ethnic families in the UK are higher than the national average.</p> <ul style="list-style-type: none"> Increased conditionality for working-age claimants is more likely to impact on black and minority ethnic claimants as they are disproportionately represented among workless households 	
Religion or belief ²⁰	<p>According to the 2011 census, more than two out of five residents are Christian. Two out of five residents also stated they had no religion. The Muslim community is the largest none Christian faith group in the city (2.2%).</p>	<p>We have had no specific feedback in relation to religion and belief and recovery of debt.</p>	<ul style="list-style-type: none"> Some religious groups experience different levels of disadvantage. Different religious group /cultures have different approaches to debt. Potential for misinformation to be spread within a religious community, particularly in light of the shifting landscape of welfare reforms and how to respond to financial pressure. 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household and businesses address their budgeting pressures.</p>
Sex/Gender ²¹	<ul style="list-style-type: none"> Taken from 2012 CTB caseload: Among CTB claimants and their partners, 58% are female and 42% are male, compared with a city profile of residents aged over 16 where 49% are male and 51% are female. For the year 2016/17 59% 	<p>Information gathered by the welfare reform team indicate that there several welfare reform changes that have potentially significant impact on single parent households</p>	<ul style="list-style-type: none"> Women are far more likely to be a lone parent (94%) and therefore managing on less income. In such cases they are less likely to be available for work, due to childcare commitments and therefore are limited in their debt remedy options. 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the</p>

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
	<p>of housing tenants identified as female and 41% as male. These figures include the additional 0.3% of tenants who identified as transgender, depending on their gender identity.</p> <ul style="list-style-type: none"> • Tenants who identified as female were responsible for 64% of the total amount of rent arrears outstanding and of all the Notices of Seeking Possession issued. 		<ul style="list-style-type: none"> • In relation to higher likelihood of needing help with housing costs: 20% of women are likely to be low paid (on less than £8.21/hour), compared with 10% of men (2013 DHP EIA figures extrapolated). • High cost of childcare in the city poses a disproportionate barrier to women seeking work to avoid the impacts of welfare reform or address debt. • A third of women suffering Domestic Violence have no bank account – transactional / rent²² • Men have a higher risk of homelessness, alcohol and substance misuse and therefore being insecurely housed²³ 	<p>support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigation is applied in addition:</p> <ul style="list-style-type: none"> • To work with gender specific advice agencies (including through the CVS) and groups through the advice services network to ensure DHP is appropriately promoted to this group and there is access to debt advice.
Sexual orientation²⁴	<p>Brighton & Hove's State of the City report estimated that at least 14% (38,000 of the 2011 census population) of Brighton & Hove's adult residents are lesbian, gay, bisexual or transgender.</p>	<p>Count Me In Too Housing Report states that 22% of LGBT respondents had experienced homelessness at some point in their lives.</p>	<ul style="list-style-type: none"> • Stonewall survey of LGB people show that they are more likely to expect poorer treatment from public services including Social Housing, Criminal Justice and Health Services. • Issues of debt, benefits and access to appropriate housing, employment, advice and financial 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household</p>

Protected characteristics groups from the Equality Act 2010	What do you know ¹⁰ ? Summary of data about your service-users and/or staff	What do people tell you ¹¹ ? Summary of service-user and/or staff feedback	What does this mean ¹² ? Impacts identified from data and feedback (actual and potential)	What can you do ¹³ ? All potential actions to: • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>products are proportionately higher amongst sections of this group, particularly lesbians and disabled LGB people</p> <ul style="list-style-type: none"> • Single LGB people under 35 are more likely to be affected by the SRR change as many choose to live alone due to family breakdown or discrimination or harassment.²⁵ Therefore they are likely to have increased debt pressure. 	<p>address their budgeting pressures.</p> <p>The following mitigation is applied in addition:</p> <ul style="list-style-type: none"> • Share DHP/DCTR info with organisations that specifically support people for the LGBT community through the advice services network
Marriage and civil partnership²⁶	There are no known factors in debt and income collection that particularly relate to the marital status of a household	There can be issues relating to joint and several liability if a relationship ends	There are specific legislative requirements, depending on the type of debt, relating to liability or treatment of income and assets. Eg. care costs are individual, benefit assessments are household. However these do not discriminate between the marital status of the partnership.	
Community Cohesion²⁷	While debts are an individual household concern the setting of rent levels, council tax levels and business rate levels affect specific communities.	The levels of rent, council tax and business rates are too high and this affects their ability to repay debt.	Above inflation rises impact on household/businesses.	<ul style="list-style-type: none"> • Housing Services manage the specific relationship with their tenants through establish community liaison structures. • The budgeting processes that relate to Council Tax levels are fully and openly explained.

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
				<ul style="list-style-type: none"> • The national budgeting processes that relate to Business Rate levels are fully and openly explained. • The Economy, Environment and Culture Directorate manage the Council's relationship with the business community through established structures.
Other relevant groups²⁸ Households with children	48000 households have children in B&H. 37% of all households (extrapolated figures). 22% of children living in B&H live in poverty, equating to approximately 10,500 children (DHP EIA 2013). Of those, 72.8% live in a lone parent household and 77.5% are out-of-work families. Women make up 94% of single parent families in B&H.	Households with children with low income often face complex financial situations balancing benefit entitlement, work and childcare.	<ul style="list-style-type: none"> • Single parent families are approximately twice as likely as couples to be living on a low income and claiming a benefit. Lone parents in the UK have an employment rate of 59% (compared with 71% for women in two-parent households and 90% for men in two-parent households). • Single parent families with young children are less likely to be able to look for work without support, and therefore mitigate the main impacts of the welfare reforms or have capacity to respond to debt. • The increasing gap between local Private Sector Rent and LHA may result in families in this tenure choosing to occupy accommodation smaller 	The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures. The following mitigations are applied in addition: <ul style="list-style-type: none"> • To use information on affected families to share, as appropriate and within the law, with Children's Services to ensure that the families most affected are accessing support that is both holistic and

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>than they require in an attempt to reduce shortfalls in rent / arrears/debt. This will have an impact on the amount of space these children may have to develop, play, study, or on having age or gender appropriate bedroom allocation.</p> <ul style="list-style-type: none"> • As welfare reform shortfalls increase, families may use other benefits to meet their rent and as a result have less money for food, fuel and other essentials. • The B&H Child Poverty Needs Assessment identified that families with a child or parent with a disability, families with larger numbers of siblings and BME families have a higher risk of living in poverty • Due to the lack of larger family homes in the Social Rented Sector, families with a large number of children may be less able to be suitably accommodated in the social rented sector and therefore be more likely to have a large shortfall 	<p>appropriate</p> <ul style="list-style-type: none"> • Feed information into the Stronger Families Stronger Communities project • Continue to work with Housing Options and Children's Services as part of our Homeless Prevention work • Make sure information on DHPs and benefit changes are available in all Children's Centres through the Family Information Service. • Where appropriate briefings to be sent out to Schools in regards to benefit changes so that teachers can be aware of any financial difficulties a family may be facing and be able to offer them appropriate signposting. • Automatic referral for Stronger Families Stronger Communities families to any Financial Inclusion services agreed as part of the Financial Inclusion Commission.

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			between their rent and the reduced LHA. <ul style="list-style-type: none"> • Mental Health teams report that parents of children struggling with financial difficulties will inevitably see an impact on their mental health and their parenting. • There is a risk of children's education being disrupted if, due to debt issues, families must move mid-year outside of their school catchment area. 	
Carers	<p>1,768 households in receipt of Housing Benefit are also in receipt of Carers Allowance.</p> <p>Among all CTB caseload in 2012, approximately 4% of households have a person in receipt of Carer's Allowance.</p> <p>Approximately 25% of these live in the Private Sector under LHA rules, 25% in Housing Association properties and 46% in Council Housing.</p>		<ul style="list-style-type: none"> • Carers are struggling financially and significant numbers live in fuel and food poverty as a result of being in debt. • Young carers are likely to have reduced educational attainment and employment opportunities • Carers are less likely to seek access to advice services and financial products. • Carers of their partners, where there may be a medical or respite need for an additional bedroom, are affected by the SSSC and LHA rules which may place them into debt. • Carers affected by the Benefit Cap may be less 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigation is applied in addition:</p> <ul style="list-style-type: none"> • To continue to engage with the Carers' Service to appropriately promote DHP.

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			<p>able to find work that fits in with their caring role. If they cannot work, they cannot self-mitigate this impact.</p> <ul style="list-style-type: none"> • Research suggests that the cumulative impacts of Welfare Reform will have a disproportionately larger impact on disabled people (and carers) than others²⁹ • A high proportion of carers will also be experiencing some mental health difficulties. This will have an impact upon social care services if care relationships break down under additional stressors such as debt. 	
Domestic violence	We have no consistent data on this diversity group within the city's CTR or HB caseload.	The city completed a Domestic Violence Needs Assessment, undertaking as part of the Intelligent Commissioning Pilot 2010/11. This identified relevant issues, including the links between domestic violence, economic exclusion and work	<ul style="list-style-type: none"> • At the point of accessing a domestic violence service, up to a 1/3 of women who are victim/survivors have no bank account • Victim/survivors who flee domestic violence may not have access to ID (because they are unable to take it when they leave, or because the abuser has seized documents), making applications for benefits humiliating and difficult. • Due to the circumstances most people in this group 	<p>The best practice principles outlined in the Corporate Debt Policy are designed to ensure there is a structure for considering the appropriate actions to take to recover a debt without placing households in hardship. The welfare framework provides specific consideration for the support that can be put into place to help household address their budgeting pressures.</p> <p>The following mitigations are applied in addition:</p>

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			<p>will need support in order to manage any of the welfare reforms or make applications for benefits/crisis support. or address debt.</p> <ul style="list-style-type: none"> • Many victim/survivors will experience financial control and abuse, this can include control over their access to or use of benefits which increase their risk of economic exclusion and limit their ability to prevent debt situations arising or effectively address them. • Universal Credit is paid in full to one member of the household. This could limit a survivor's access to independent financial means that may enable them leaving the relationship. Requesting split payments may further endanger the survivor as this is not possible to do without alerting the partner to the change. • A significant number of those experiencing domestic violence (and other forms of violence against women and girl, including sexual violence) are likely to leave their 	<ul style="list-style-type: none"> • Specialist teams within Revenue and Benefits Services such as the Discretionary Help and Advice Team and the Special Accommodation Team will work closely with refuges in the city and the Council's own Crisis Intervention Team within Housing Options to ensure that those fleeing domestic violence and other forms of violence against women and girls (including sexual violence) are given access to all discretionary support available in the most consistent way and with a holistic approach. • Specialist teams have access to appropriate training around the identification and response to domestic violence and other forms of violence against women and girls (including sexual violence) • Engage with specialist services that support victim/survivors to ensure sure DHP/DCTR literature is available to them • We will continue to use all administrative discretion available to us to protect

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			<p>settled accommodation to escape it. This may create debt situations.</p> <ul style="list-style-type: none"> • Alternatively the abuser may leave or may be required to leave, which may reduce the resources available to the household and a possible unaffordable debt legacy. • If victim/survivors leave settled accommodation they may be 'hidden' because they spend time living with friends or relatives, or are sleeping rough. • Debts may escalate because they are a low priority in the context of the trauma being suffered. • Debts may escalate because the behaviour of the customer is effectively treated as avoidance in the absence of any information. • Debt problems may be difficult to address without compromising confidentiality. • Victim/survivors may not access services because they are not aware of what is available, their entitlements or are not able to do so. They may 	<p>the security of people affected by DV when making an application for Housing Benefit or DHP or addressing debt issues.</p> <ul style="list-style-type: none"> • To work with the Violence against Women and Girls Commissioner within relevant partnership structures to ensure the message is communicated as effectively as we can

Protected characteristics groups from the Equality Act 2010	What do you know¹⁰? Summary of data about your service-users and/or staff	What do people tell you¹¹? Summary of service-user and/or staff feedback	What does this mean¹²? Impacts identified from data and feedback (actual and potential)	What can you do¹³? All potential actions to: <ul style="list-style-type: none"> • advance equality of opportunity, • eliminate discrimination, and • foster good relations
			also have additional vulnerabilities (including mental health, substance use or immigration issues) <ul style="list-style-type: none"> • Victim/survivors may present at services, including those provided by the Council, in crisis or in distress. They may also make disclosures to Council Officers which need to be identified and responded to appropriately. 	
Cumulative impact³⁰	<ul style="list-style-type: none"> • Households 130,000 households • According to the Office of National Statistics British household debt is the highest level ever recorded • Businesses 10,000 businesses 	In the current economic and welfare reform environment both households and business are contacting the council because they are struggling to pay.	<ul style="list-style-type: none"> • We are making more long term arrangements to settle arrears. • This may mean it may take a longer period to address an individual debt and this may reflect in short term performance indicators. 	The Corporate Debt Policy specifically promotes best practice that incorporates a fairness in actions that is intended to incorporate the consideration of all protected characteristics. <ul style="list-style-type: none"> • Monitor application and take up of DHP/DCTR by protected characteristic, keep this under review and amend this assessment, and its mitigations as appropriate • The Revenues and Benefit and Housing services will continue to signpost customers affected by Housing Benefit shortfalls to appropriate channels of advice • Where the council has

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				information about a protected characteristic the council will take this into account when making a decision about DHP/DCTR. <ul style="list-style-type: none"> • The Revenues and Benefits team will continue to publicise and promote the DHP/DCTR scheme The Revenues & Benefits team will provide training and information to staff from other services who work with service users who may be able to claim DHP/DCTR. This may include staff working for the NHS who have direct or ongoing involvement with families.

Assessment of overall impacts and any further recommendations³¹

The Corporate Debt Policy specifically promotes best practice that incorporates a fairness in actions that is intended to incorporate the consideration of all protected characteristics. Collection of income and debt is an essential function to the council's financial health but the policy provides assurance that we recovery money with appropriate sensitivity to individual circumstances.

4. List detailed data and/or community feedback that informed your EIA

Title (of data, research or engagement)	Date	Gaps in data	Actions to fill these gaps: who else do you need to engage with? (add these to the Action Plan below, with a timeframe)
Financial Inclusion Strategy EIA: http://www.brighton-hove.gov.uk/downloads/bhcc/equalities/Financial_Inclusion_Strategy_EIA_Final.doc	2013	None	N/a
Council Tax Reduction Equality Impact Assessment	2018	None	N/a
http://raceequalityfoundation.org.uk/housing/new-research-on-the-impact-of-welfare-reforms/	2018	The EIA and these reports contain data sources from reports 2011 to date	Annually review the EIA with the most recent data available

Discretionary Housing Payment EIA	2013	None	N/a
Housing Income Management EIA	2018	None	N/a

5. Prioritised Action Plan³²

Impact identified and group(s) affected	Action planned	Expected outcome	Measure of success	Timeframe
NB: These actions must now be transferred to service or business plans and monitored to ensure they achieve the outcomes identified.				
All groups	Ensured the Corporate Debt Policy is fully applied across the council	Improved collection performance and improved consideration of individual circumstances in designing recovery making suitable recovery arrangements	No incident of found complaint relating to inequality in the collection of debt on behalf of the council	Continuous
All groups	Ensure the Corporate Welfare Reform Team continues to implement a strategy that best mitigates the impact of welfare reforms with the resources available		Remedy, support or advice for every customer approaching the council with welfare reform related debt issues	Continuous
People of pensionable age	Welfare Reform Team to coordinate services to ensure that they support and engage with people over pensionable age promote energy efficiency grants.	Take up of grants	Increased take up of grants	To be considered straight away

EIA sign-off: (for the EIA to be final an email must sent from the relevant people agreeing it or this section must be signed)

Staff member completing Equality Impact Assessment: Graham Bourne

Date: 12.12.18

Directorate Management Team rep or Head of Service/Commissioning: David Kuenssberg

Date: 12.12.18

CCG or BHCC Equality lead: Sarah Tighe-Ford

Date: 12.12.18

Guidance end-notes

¹ The following principles, drawn from case law, explain what we must do to fulfil our duties under the Equality Act:

- **Knowledge:** everyone working for the council must be aware of our equality duties and apply them appropriately in their work.
- **Timeliness:** the duty applies at the time of considering policy options and/or before a final decision is taken – not afterwards.
- **Real Consideration:** the duty must be an integral and rigorous part of your decision-making and influence the process.
- **Sufficient Information:** you must assess what information you have and what is needed to give proper consideration.
- **No delegation:** the council is responsible for ensuring that any contracted services which provide services on our behalf can comply with the duty, are required in contracts to comply with it, and do comply in practice. It is a duty that cannot be delegated.
- **Review:** the equality duty is a continuing duty. It applies when a policy is developed/agreed, and when it is implemented/reviewed.
- **Proper Record Keeping:** to show that we have fulfilled our duties we must keep records of the process and the impacts identified.

NB: Filling out this EIA in itself does not meet the requirements of the equality duty. All the requirements above must be fulfilled or the EIA (and any decision based on it) may be open to challenge. Properly used, an EIA can be a tool to help us comply with our equality duty and as a record that to demonstrate that we have done so.

² Our duties in the Equality Act 2010

As a public sector organisation, we have a legal duty (under the Equality Act 2010) to show that we have identified and considered the impact and potential impact of our activities on all people with 'protected characteristics' (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership).

This applies to policies, services (including commissioned services), and our employees. The level of detail of this consideration will depend on what you are assessing, who it might affect, those groups' vulnerability, and how serious any potential impacts might be. We use this EIA template to complete this process and evidence our consideration.

The following are the duties in the Act. You must give 'due regard' (pay conscious attention) to the need to:

- **avoid, reduce or minimise negative impact** (if you identify unlawful discrimination, including victimisation and harassment, you must stop the action and take advice immediately).
- **promote equality of opportunity.** This means the need to:
 - Remove or minimise disadvantages suffered by equality groups
 - Take steps to meet the needs of equality groups
 - Encourage equality groups to participate in public life or any other activity where participation is disproportionately low
 - Consider if there is a need to treat disabled people differently, including more favourable treatment where necessary
- **foster good relations between people who share a protected characteristic and those who do not.** This means:
 - Tackle prejudice
 - Promote understanding

³ EIAs are always proportionate to:

- The size of the service or scope of the policy/strategy
- The resources involved
- The numbers of people affected
- The size of the likely impact
- The vulnerability of the people affected

The greater the potential adverse impact of the proposed policy on a protected group (e.g. disabled people), the more vulnerable the group in the context being considered, the more thorough and demanding the process required by the Act will be.

⁴ **When to complete an EIA:**

- When planning or developing a new service, policy or strategy
- When reviewing an existing service, policy or strategy
- When ending or substantially changing a service, policy or strategy
- When there is an important change in the service, policy or strategy, or in the city (eg: a change in population), or at a national level (eg: a change of legislation)

Assessment of equality impact can be evidenced as part of the process of reviewing or needs assessment or strategy development or consultation or planning. It does not have to be on this template, but must be documented. Wherever possible, build the EIA into your usual planning/review processes.

Do you need to complete an EIA? Consider:

- Is the policy, decision or service likely to be relevant to any people because of their protected characteristics?
- How many people is it likely to affect?
- How significant are its impacts?
- Does it relate to an area where there are known inequalities?
- How vulnerable are the people (potentially) affected?

If there are potential impacts on people but you decide not to complete an EIA it is usually sensible to document why.

⁵ **Title of EIA:** This should clearly explain what service / policy / strategy / change you are assessing

⁶ **ID no:** The unique reference for this EIA. If in doubt contact your CCG or BHCC equality lead (see page 1)

⁷ **Team/Department:** Main team responsible for the policy, practice, service or function being assessed

⁸ **Focus of EIA:** A member of the public should have a good understanding of the policy or service and any proposals after reading this section. Please use plain English and write any acronyms in full first time - eg: 'Equality Impact Assessment (EIA)'

This section should explain what you are assessing:

- What are the main aims or purpose of the policy, practice, service or function?
- Who implements, carries out or delivers the policy, practice, service or function? Please state where this is more than one person/team/body and where other organisations deliver under procurement or partnership arrangements.
- How does it fit with other services?
- Who is affected by the policy, practice, service or function, or by how it is delivered? Who are the external and internal service-users, groups, or communities?
- What outcomes do you want to achieve, why and for whom? Eg: what do you want to provide, what changes or improvements, and what should the benefits be?
- What do existing or previous inspections of the policy, practice, service or function tell you?
- What is the reason for the proposal or change (financial, service, legal etc)? The Act requires us to make these clear.

⁹ **Previous actions:** If there is no previous EIA or this assessment if of a new service, then simply write 'not applicable'.

¹⁰ **Data:** Make sure you have enough data to inform your EIA.

- What data relevant to the impact on protected groups of the policy/decision/service is available?¹⁰
- What further evidence is needed and how can you get it? (Eg: further research or engagement with the affected groups).
- What do you already know about needs, access and outcomes? Focus on each of the protected characteristics in turn. Eg: who uses the service? Who doesn't and why? Are there differences in outcomes? Why?
- Have there been any important demographic changes or trends locally? What might they mean for the service or function?
- Does data/monitoring show that any policies or practices create particular problems or difficulties for any groups?
- Do any equality objectives already exist? What is current performance like against them?
- Is the service having a positive or negative effect on particular people in the community, or particular groups or communities?
- Use local sources of data (eg: JSNA: <http://www.bhconnected.org.uk/content/needs-assessments> and Community Insight: <http://brighton-hove.communityinsight.org/#>) and national ones where they are relevant.

¹¹ **Engagement:** You must engage appropriately with those likely to be affected to fulfil the equality duty.

- What do people tell you about the services?
- Are there patterns or differences in what people from different groups tell you?
- What information or data will you need from communities?
- How should people be consulted? Consider:
 - (a) consult when proposals are still at a formative stage;
 - (b) explain what is proposed and why, to allow intelligent consideration and response;
 - (c) allow enough time for consultation;
 - (d) make sure what people tell you is properly considered in the final decision.

-
- Try to consult in ways that ensure all perspectives can be considered.
 - Identify any gaps in who has been consulted and identify ways to address this.

¹² Your EIA must get to grips fully and properly with actual and potential impacts.

- The equality duty does not stop decisions or changes, but means we must conscientiously and deliberately confront the anticipated impacts on people.
- Be realistic: don't exaggerate speculative risks and negative impacts.
- Be detailed and specific so decision-makers have a concrete sense of potential effects. Instead of "the policy is likely to disadvantage older women", say how many or what percentage are likely to be affected, how, and to what extent.
- Questions to ask when assessing impacts depend on the context. Examples:
 - Are one or more protected groups affected differently and/or disadvantaged? How, and to what extent?
 - Is there evidence of higher/lower uptake among different groups? Which, and to what extent?
 - If there are likely to be different impacts on different groups, is that consistent with the overall objective?
 - If there is negative differential impact, how can you minimise that while taking into account your overall aims
 - Do the effects amount to unlawful discrimination? If so the plan must be modified.
 - Does the proposal advance equality of opportunity and/or foster good relations? If not, could it?

¹³ Consider all three aims of the Act: removing barriers, and also identifying positive actions we can take.

- Where you have identified impacts you must state what actions will be taken to remove, reduce or avoid any negative impacts and maximise any positive impacts or advance equality of opportunity.
- Be specific and detailed and explain how far these actions are expected to improve the negative impacts.
- If mitigating measures are contemplated, explain clearly what the measures are, and the extent to which they can be expected to reduce / remove the adverse effects identified.
- An EIA which has attempted to airbrush the facts is an EIA that is vulnerable to challenge.

¹⁴ **Age:** People of all ages

¹⁵ **Disability:** A person is disabled if they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. The definition includes: sensory impairments, impairments with fluctuating or recurring effects, progressive, organ specific, developmental, learning difficulties, mental health conditions and mental illnesses, produced by injury to the body or brain. Persons with cancer, multiple sclerosis or HIV infection are all now deemed to be disabled persons from the point of diagnosis.

¹⁶ Council Tax Reduction Equality Impact Assessment

¹⁷ **Gender Reassignment:** In the Act a transgender person is someone who proposes to, starts or has completed a process to change his or her gender. A person does not need to be under medical supervision to be protected

¹⁸ **Pregnancy and Maternity:** Protection is during pregnancy and any statutory maternity leave to which the woman is entitled.

¹⁹ **Race/Ethnicity:** This includes ethnic or national origins, colour or nationality, and includes refugees and migrants, and Gypsies and Travellers. Refugees and migrants means people whose intention is to stay in the UK for at least twelve months (excluding visitors, short term students or tourists). This definition includes asylum seekers; voluntary and involuntary migrants; people who are undocumented; and the children of migrants, even if they were born in the UK.

²⁰ **Religion and Belief:** Religion includes any religion with a clear structure and belief system. Belief means any religious or philosophical belief. The Act also covers lack of religion or belief.

²¹ **Sex/Gender:** Both men and women are covered under the Act.

²² Financial Inclusion Strategy EIA

²³ As above

²⁴ **Sexual Orientation:** The Act protects bisexual, gay, heterosexual and lesbian people

²⁵ As above

²⁶ **Marriage and Civil Partnership:** Only in relation to due regard to the need to eliminate discrimination.

²⁷ **Community Cohesion:** What must happen in all communities to enable different groups of people to get on well together.

²⁸ **Other relevant groups:** eg: Carers, people experiencing domestic and/or sexual violence, substance misusers, homeless people, looked after children, ex-armed forces personnel, people on the Autistic spectrum etc

²⁹ Council Tax Reduction EIA

³⁰ **Cumulative Impact:** This is an impact that appears when you consider services or activities together. A change or activity in one area may create an impact somewhere else

³¹ **Assessment of overall impacts and any further recommendations**

- Make a frank and realistic assessment of the overall extent to which the negative impacts can be reduced or avoided by the mitigating measures. Explain what positive impacts will result from the actions and how you can make the most of these.
- Countervailing considerations: These may include the reasons behind the formulation of the policy, the benefits it is expected to deliver, budget reductions, the need to avert a graver crisis by introducing a policy now and not later, and so on. The weight of these factors in favour of implementing the policy must then be measured against the weight of any evidence as to the potential negative equality impacts of the policy.

-
- Are there any further recommendations? Is further engagement needed? Is more research or monitoring needed? Does there need to be a change in the proposal itself?

³² **Action Planning:** The Equality Duty is an ongoing duty: policies must be kept under review, continuing to give 'due regard' to the duty. If an assessment of a broad proposal leads to more specific proposals, then further equality assessment and consultation are needed.

Subject:	Council Tax Base 2019/20		
Date of Meeting:	24 January 2019		
Report of:	Executive Director, Finance & Resources		
Contact Officer:	Name:	James Hengeveld	Tel: 29-1242
	Email:	James.hengeveld@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The council tax base represents the amount that would be raised by setting a £1 council tax on a band D property. It is a requirement of the Local Government Finance Act 1992 and associated regulations that the tax base is calculated for the purpose of setting the council tax in 2019/20 before 31 January 2019.
- 1.2 The purpose of this report is for Members to agree the tax base for 2019/20. Members will be aware that full Council agreed the Council Tax Reduction (CTR) scheme and an increase to the empty homes premium on 13 December 2018.

2. RECOMMENDATIONS:

That Policy, Resources & Growth Committee:

- 2.1 Approves this report for the calculation of the council's tax base for the year 2019/20.
- 2.2 Notes the collection rate assumed is 99.00%.
- 2.3 Agrees that in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2019/20 shall be as follows:-
 - 2.3.1 Brighton and Hove in whole – 90,038.5 (as detailed in appendix 1)
 - 2.3.2 Royal Crescent Enclosure Committee – 30.6 (as detailed in appendix 2)
 - 2.3.3 Hanover Crescent Enclosure Committee – 40.1 (as detailed in appendix 2)
 - 2.3.4 Marine Square Enclosure Committee – 78.0 (as detailed in appendix 2)
 - 2.3.5 Parish of Rottingdean – 1,572.4 (as detailed in appendix 2)
- 2.4 Agrees that for the purposes of Section 35(1) of the Local Government Finance Act 1992, the expenses of meeting the special levies issued to the council by the Enclosure Committees shall be its special expenses.

2.5 Agrees that the Enclosure Committees and Rottingdean Parish are paid the required council tax reduction grant of c£4,000 in total, to ensure they are no better or no worse off as a result of the introduction of the council tax reduction scheme for the reasons set out in paragraph 3.7.

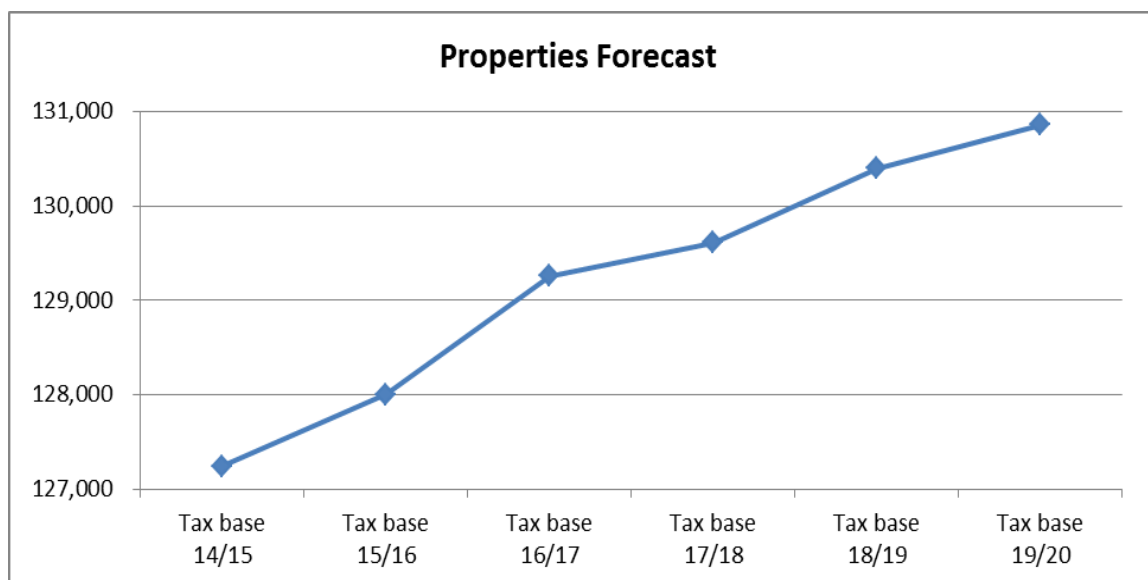
3. CONTEXT/ BACKGROUND INFORMATION

3.1 The tax base has been calculated in accordance with the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012. The detail of the calculation for the whole of Brighton and Hove is shown at appendix 1.

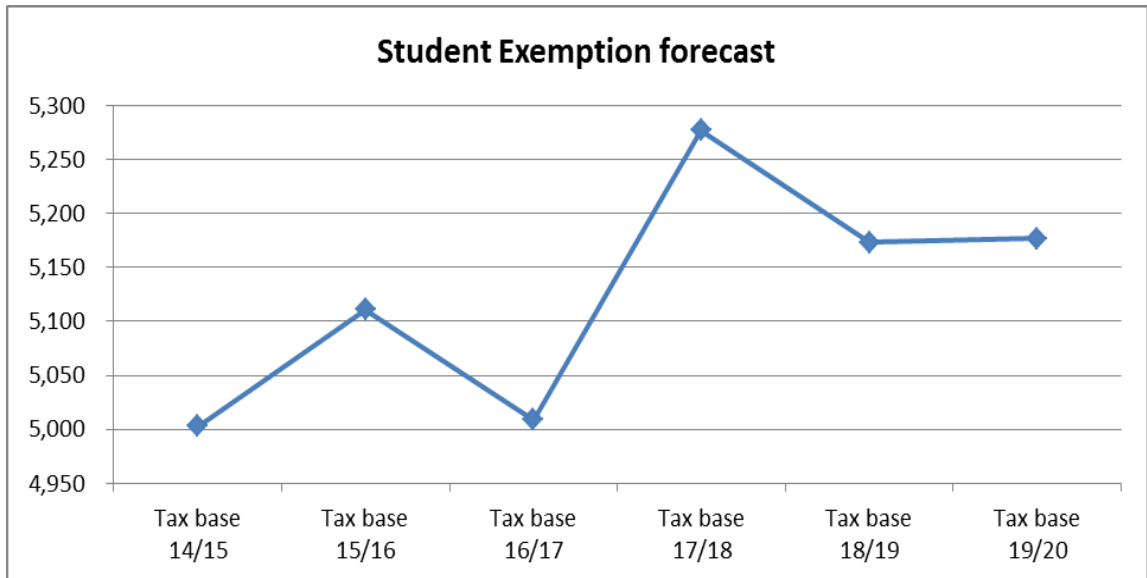
3.2 The tax base is calculated by estimating how many properties there will be in each tax band, determining what relevant discounts and exemptions apply and how much council tax should ultimately be collected, allowing for expected collection rates.

3.3 The key changes to the proposed tax base for 2019/20 are set out in the paragraphs below.

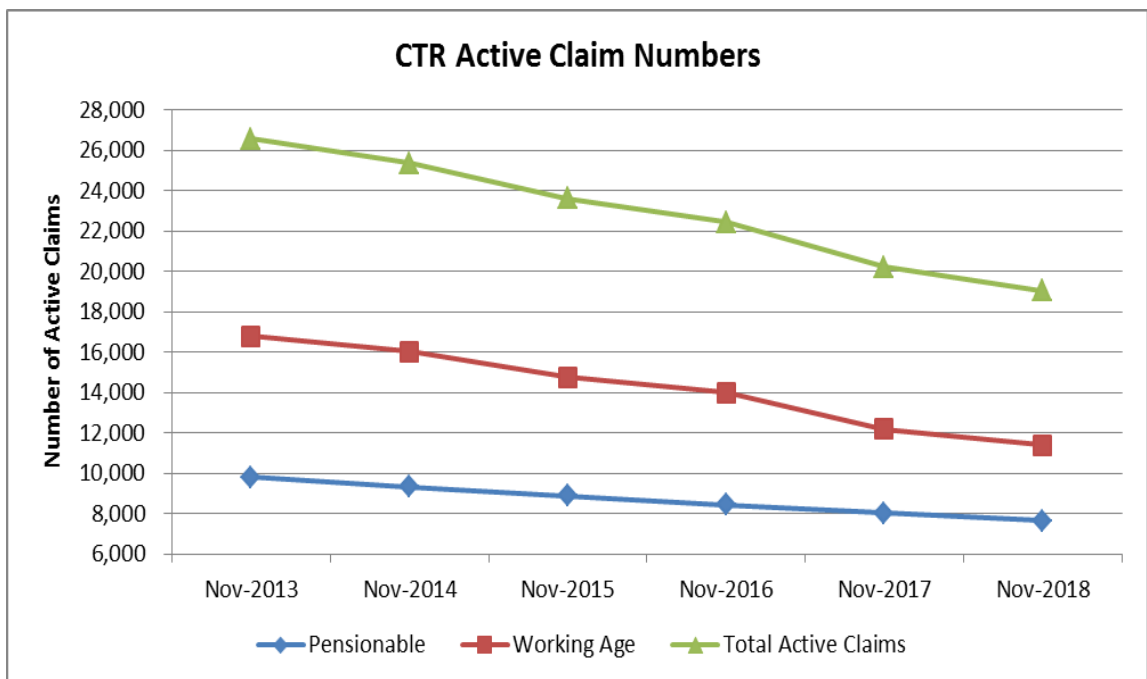
3.3.1 At the end of November 2018 there were 130,161 properties on the valuation list. It is forecast that 701 new properties are expected to be added by March 2020 equivalent to a 0.5% increase in the housing stock of the city. This includes development of over 140 properties at Circus St, 65 at Goldstone Lane and 55 at the former service station St Aubyns/Kingsway. The graph below shows the trend of registered properties over time.



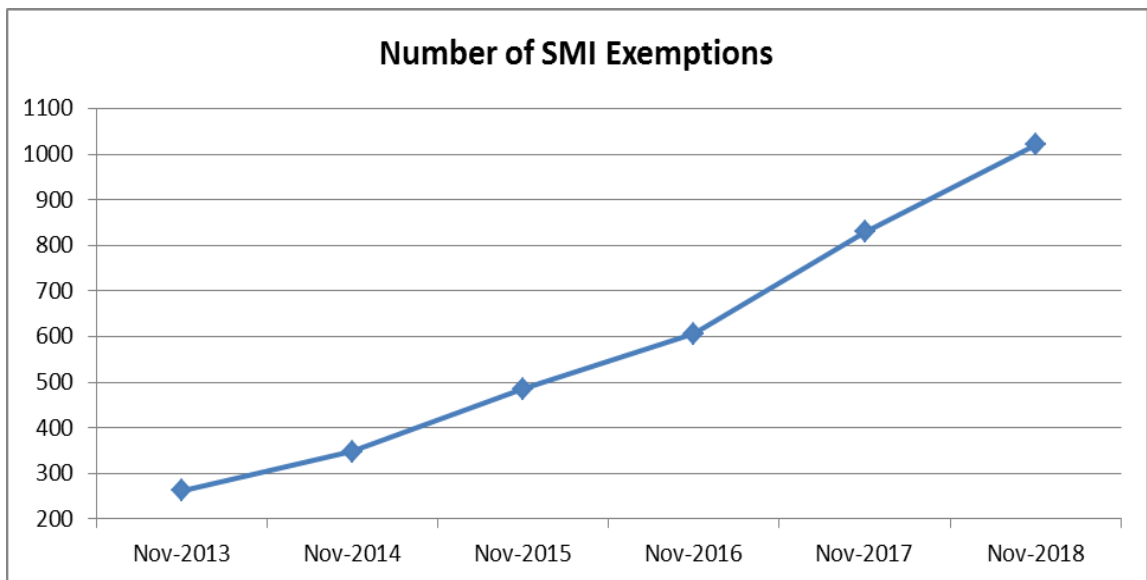
3.3.2 It is estimated that an average of 5,177 properties will be solely occupied by students during 2019/20 and the estimated value of the exemption in council tax income is £6.763m for the city council alone (before the council tax increase). This is a marginal increase compared with 2018/19 which may be a result of an increase in the numbers of Halls of Residence being built within the city. The peak year was 2017/18. The University of Sussex have a significant increase in units on campus either completed or in progress. The Circus St development includes 450 bed spaces due to complete this summer and there are further developments in progress at Hollingdean Road and Heath Hill Avenue. The graph below shows student exemption numbers over time.



3.3.3 The number of claimants, both of working age and pensioners, receiving CTR has fallen consistently through 2018/19 (and previous years) and the tax base forecast reflects a prudent assumption of this trend continuing into the next financial year which is reflected in the graph below.



3.3.4 There continues to be an increase in the number of exemptions for Severely Mentally Impaired (SMI) eligibility although the rate of increase has slowed this financial year. An SMI exemption is a 100% discount and therefore with the introduction of the minimum contribution for working age claimants under CTR, it is beneficial for eligible claimants to be appropriately classified. Since there was no difference to the discount level previously, it is likely SMI was under reported. The changes in the numbers of CTR claimants and SMI exemptions have been reflected in the proposed tax base. SMI exemptions are shown in the graph below.



3.3.5 The proposed tax base for 2019/20 assumes a slightly lower level of single person discounts (SPDs) being awarded despite the increase in properties. This is partly due to the continued focus of the council's Revenues & Benefits Service on ensuring eligibility is correctly applied through data matching to verify the number of adults within a household. SPD trends are shown below.



3.3.6 The empty homes council tax premium will increase to 100% (currently 50%) from 1st April 2019 as approved by Council on 13 December 2018.

3.4 The resultant tax base proposed for 2019/20 is 90,038.5 which is a 1.2% increase from the 2018/19 tax base of 88,976.4 for the reasons explained above and summarised in the table below.

	Tax base
2018/19 tax base	88,976.4
New properties and band changes	+386.3
Reduced CTR claimants	+776.5
Increase in empty homes premium from 50% to 100%	+68.5
Net increase in exemptions	-217.0
Net decrease in discounts	+47.8
2019/20 tax base	90,038.5

- 3.5 This represents an increase of 0.2% in the tax base reported in the Draft Revenue Budget proposals reported to this committee in December 2018, and provides an additional resource of £0.282m before any council tax increase.
- 3.6 The regulations require a separate calculation for parts of a local authority area where special expenses apply. Appendix 2 show the summary calculation for Enclosure Committees in Brighton and Hove which fall under this category. Each Enclosure Committee sets a levy for maintaining the enclosure gardens, which is recovered through an additional council tax charge to the enclosure residents. Appendix 2 also shows the summary calculation for the Parish of Rottingdean.
- 3.7 The additional discounts generated by the council tax reduction scheme also have implications for the Enclosure Committees and Rottingdean Parish. In line with government guidance and what is considered fair to local residents it is proposed that the relevant proportion of council tax reduction grant is paid to each body to ensure they are no better or no worse off as a result of the local scheme. It is estimated the total grant payable in 2019/20 will be c£4,000 in line with previous years; the actual figure will depend on the tax level set by each body.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The calculation of the council tax base is determined largely by regulation and is based on the best information available at this time. Options relating to the council tax reduction scheme were considered and agreed by full Council in December 2018.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There are meetings between Finance and Revenues teams to discuss collection performance, movements in the tax base and the projections used for determining the tax base for the following year.
- 5.2 The Police and Crime Commissioner for Sussex and the East Sussex Fire Authority have been informed of the latest tax base projections as it forms part of setting their council tax precept.

6. CONCLUSION

- 6.1 It is a requirement of the Local Government Finance Act 1992 and associated regulations that the tax base is calculated for the purpose of setting the Council Tax in 2019/20 before 31 January 2019 and this report enables the Council to fulfil that requirement.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The proposed tax base increases resources by £0.282m before any council tax increase in 2019/20 compared to the estimate included in the Draft Revenue Budget proposals report to this committee on 6 December 2018. This additional sum will be reflected in the 2019/20 budget resources and proposals to be brought to this committee and Budget Council in February 2019.
- 7.2 The total increase in resources from the council tax base in 2019/20 compared to 2018/19 is £1.645m before any council tax increase. This is represented by a 1.2% increase in the tax base.

Finance Officer Consulted: James Hengeveld

Date: 10/01/19

Legal Implications:

- 7.3 Under the Local Government Finance Act 1992, the council must determine the council tax base applicable to Brighton & Hove. In respect of 2019/20, the base must be determined before 31 January 2019 as required by regulation 8 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 7.4 All other references to the legal framework for setting the council tax base are contained within the body of the report.
- 7.5 The calculation of the Council Tax Base is not a function reserved to Full Council by legislation or by local agreement and, as such, it is a matter to be determined by Policy, Resources & Growth Committee.

Lawyer Consulted: Elizabeth Culbert

Date: 10/01/19

Equalities Implications:

- 7.6 There are no equalities impacts as a result of agreeing the council tax base.

Sustainability Implications:

- 7.7 None.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.8 There are potentially greater risks to the forecasts because of the extensive welfare reform changes being made nationally including universal credit. Monitoring will be maintained at a high level throughout the year to ensure that any issues are identified quickly and mitigation measures adopted. Members will be kept up to date through the regular budget monitoring reports.

Corporate / Citywide Implications:

7.9 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Tax base calculation for the whole of Brighton and Hove
2. Tax base calculation for enclosure committees and the parish of Rottingdean

Documents in Members' Rooms

1. None

Background Documents

1. Full Council on 13 December 2018 Agenda item 47 – Council Tax Reduction Scheme 2019
2. Full Council on 13 December 2018 Agenda item 48 – Empty Homes Council Tax Premium
3. Files held within the Finance and Revenues Teams

Area:- Brighton and Hove (Whole)

Band: Range (£'k):	A entitled to disabled relief reduction	A <40	B 40-52	C 52-68	D 68-88	E 88-120	F 120-160	G 160-320	H >320	Total
1. Number of dwellings on list	0	28,239	29,165	34,336	19,581	11,254	4,626	2,764	196	130,161
2. Estimate of number of dwellings not listed *	0	104	190	87	57	9	10	2	3	462
3. Estimate of number of dwellings listed which will not be in band	0	(23)	(48)	(113)	(91)	(67)	(34)	(37)	(19)	(432)
4. Estimated exempt dwellings	0	(2,498)	(1,558)	(2,899)	(1,095)	(352)	(97)	(96)	(18)	(8,613)
5. Disabled relief dwellings from band above	23	48	113	91	67	34	37	19	0	432
6. Number of chargeable dwellings (sum lines 1 - 5)	23	25,870	27,862	31,502	18,519	10,878	4,542	2,652	162	122,010
7. Single person discounts	(16)	(15,239)	(11,722)	(9,519)	(4,759)	(2,337)	(842)	(391)	(10)	(44,835)
8. All but one resident disregarded	(1)	(495)	(627)	(563)	(245)	(111)	(44)	(17)	0	(2,103)
9. All residents disregarded	0	(10)	(23)	(44)	(23)	(28)	(31)	(44)	(14)	(217)
10. Second Home Job Related	0	(2)	(3)	(2)	(3)	(2)	(1)	0	0	(13)
11. Empty Property Premium	0	70	26	24	10	10	9	2	0	151
12. Council Tax Reduction (CTR)	0	(4,507)	(3,562)	(2,673)	(809)	(214)	(59)	(17)	0	(11,841)
13. Total number of appropriate percentage discounts (Lines 7&8x0.25)+(Lines 9&10x0.50)+(Lines 11&12x1.0)	(4.25)	(8,376.50)	(6,636.25)	(5,192.50)	(2,063.00)	(831.00)	(287.50)	(139.00)	(9.50)	(23,539.50)
14. Aggregate of Lines 6+13	18.75	17,493.50	21,225.75	26,309.50	16,456.00	10,047.00	4,254.50	2,513.00	152.50	98,470.50
15. Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
16. Relevant Amount (Line 14xLine 15)	10.4	11,662.3	16,508.9	23,386.2	16,456.0	12,279.7	6,145.4	4,188.3	305.0	
May contain minor rounding adjustments.							Aggregate of Relevant Amounts			90,942.2
							Collection Rate			99.00%
							Adjustment (contributions in lieu)			5.7
							TAXBASE			90,038.5

* This reflects the part year effect of the 701 dwellings forecast to be added by 31 March 2020

Tax base calculation for enclosure committees and the parish of Rottingdean

	Royal Crescent	Hanover Crescent	Marine Square	Rottingdean Parish
Number of dwellings on list	25	45	125	1,630
Number of chargeable dwellings	25	43	123	1,597
Total number of dwellings after discounts	(2.00)	(5.75)	(23.00)	(216.00)
Aggregate of chargeable dwellings and discounts	23.00	37.25	100.00	1,381.00
Aggregate of Relevant Amounts (Band D equivalent)	30.9	40.5	78.8	1,588.3
Collection Rate	99.00%	99.00%	99.00%	99.00%
TAXBASE	30.6	40.1	78.0	1,572.4

Subject:	Life Events proposed fees and charges for 2019/20	
Date of Meeting:	Policy Resources and Growth Committee 24 January 2019	
Report of:	Executive Lead for Strategy, Governance & Law (Monitoring Officer)	
Contact Officer:	Paul Holloway	
	Name:	Tel: 01273 292005
	Email:	paul.holloway@brighton-hove.gov.uk
Ward(s) affected:	(All Wards);	

FOR GENERAL RELEASE**3. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report sets out the proposed fees and charges for the financial year 2019/20 for Registration Services in Life Events within the Strategy Governance & Law (SGL) directorate. Proposals are based on benchmarking information with near neighbours and similar sized other Local Authorities, and account for full unit costs of provision of services. Thought has been given to service costs remaining competitive with near neighbour service providers.

4. RECOMMENDATIONS:

- 2.1 That Members are requested to approve the proposed fees and charges for Registration Services in Life Events for 2019/20, including increases to and freezing of selected fees and charges as set out in Appendix 1.

5. CONTEXT/ BACKGROUND INFORMATION

- 5.1 Brighton & Hove City Council adopted a Corporate Fees & Charges Policy in 2008. The main aims of the policy were to ensure that:
- Fees and charges are reviewed at least annually including consideration of potential new sources of income;
 - Fees and charges are set after comparing with 'statistical nearest neighbours' (or other relevant comparator groups) and taking into account market, legal and other contextual information;
 - Unless set by a statute, fees and charges are set to recover full costs, including central overheads and capital financing, to ensure that services maximise potential for income generation from the services offered.
 - Subsidies and concessions are not applied unless approved by members;

- The impact on financial inclusion is considered when setting fee levels.

6. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 6.1 For Registration Services in Life Events, the proposals for 2019/20 take account of the local market in relation to current business levels, as well as projected future demand for services based on current information. They also take account of neighbouring Local Authorities' pricing structures.
- 6.2 Analysis suggests there is an opportunity to review certain charges based on current benchmarking information held for neighbouring local authorities and other service providers, whilst ensuring pricing remains competitive.
- 6.3 An exercise has been undertaken to assess all non-statutory fees and charges to ensure they can demonstrate cost and overhead recovery and where possible maximise income for the services offered while remaining competitive. Note however that it is not within the council's power to increase statutory fees in any Life Events services.
- 6.4 The government have however notified all Local Authority Registration services of significant increases to some statutory fees. These increases recognise realistic administrative costs to Local Authorities for providing statutory services, and should generate significant additional income that will contribute toward costs and overheads. However, the increases may have some impact on demand and therefore increases to income are not straightforward to predict and will need to be carefully monitored.
- 6.5 Consultation with the General Register Office (GRO) has previously established there is not a legal obligation to consult with members of the public about non-statutory fees, as the Local Authority should have its own policies for fee setting in relation to the services it provides. Brighton & Hove City Council adopted a Corporate Fees & Charges Policy in 2008 which provides the framework within which fees and charges should be developed.
- 6.6 These proposals will potentially generate additional income of up to £16,500 for non-statutory services offered by our Registration Services team. The additional income projections are based on levels of business remaining similar to current levels, across both service areas. A further review of fees and charges may be required during the financial year 2019/20 subject to the impact of the proposals on the demand for services.
- 6.7 Fees and charges in Registration Services have been increased by inflation over the last few years. For 2019/20, it is proposed to freeze the fees and charges for all non-statutory ceremonies. This will ensure the service remains competitive with a pricing structure against other near neighbour service providers who would be most likely to be an alternative for a customer if they choose not to use the B&HCC Registration Service offer. Whilst this proposal will not generate additional income, it should provide an opportunity for the service to protect current business levels.

- 6.8 A winter fee reduction, approved as a trial to try to generate more business at quieter times has proven to be unsuccessful and the service has not achieved significant increased business demand through offering the lower fee. It is therefore proposed to revert to one fee level for services throughout the year, with effect from 1 April 2019. The fee will vary according to a scale of fees set previously against times of the day, and days of the week. Reverting to one fee, with no winter fee reduction will result in an additional £14,000 income with current levels of business maintained.
- 6.9 There are changes to statutory fees that come into effect from February 2019 which must be introduced as directed by the General Register Office, but the minimum statutory charge of £46.00 will remain for a basic Register Office marriage service.
- 6.10 As part of the review, the service has identified business development opportunities for the Register Office to maximise income generation. A project will be undertaken to look at introducing a marketing strategy to make all non-statutory ceremonies more attractive, with the intention of increasing income generation in the future.
- 6.11 As well as the additional £14,000 projected from removal of the reduced winter fee, a review of postage costs to ensure consistency across the service will potentially generate a further saving of £1,250 and the service should also be able to generate another £1,250 through administering the new European Passport Return Service (EPRS).
- 6.12 The proposals above should generate an overall saving of £16,500. Statutory fee increases may generate significant additional income toward administrative costs, assuming demand levels are not adversely impacted. This requires further analysis and if confirmed will result in additional resources that will also be reflected in the Strategy, Governance & Law Integrated Service & Financial Plans as part of the overall budget proposals.

7. COMMUNITY ENGAGEMENT & CONSULTATION

- 7.1 Registration Services continue to work with customers and Community groups, including multi-faith groups. Additional engagement with the General Register Office, alongside benchmarking information, enables these realistic proposals to be put before members.

8. CONCLUSION

- 8.1 A full assessment of services provided, along with unit costings for every service and product, has ensured these proposals cover costs, whilst remaining competitive, and also keep fees and charges in line with other service providers.

9. FINANCIAL & OTHER IMPLICATIONS:

- 9.1 Financial Implications:

After taking into account changes in costs and overheads, the non-statutory fees and charges proposals in this report will provide £0.017m resources to support

the 2019/20 budget. This is reflected in the Strategy, Governance & Law Integrated Service & Financial Plans as part of the 2019/20 budget proposals.

Changes to statutory fees and charges by the GRO may generate significant additional income toward meeting costs and overheads dependent upon any impact on demand. If confirmed, this could reduce the General Fund budget requirement and may contribute to closing the current General Fund budget gap of approximately £1.15m. The position will be reflected in the final budget proposals to Policy, Resources & Growth Committee and Budget Council in February.

Finance Officer Consulted: Peter Francis

Date: dd/mm/yy

9.2 Legal Implications:

Where non statutory services are provided, the Council has power to charge for these services at a rate determined by the Council, having regard to any Corporate Charging Policy that is in place. Where the level of fee is discretionary, it is required by law to be set at a level to recover the cost of the service but not make profit.

Lawyer Consulted:

Elizabeth Culbert

Date: dd/mm/yy

9.3 Equalities Implications:

Life Events budget change full Equalities Impact Assessment has been undertaken. The assessment has highlighted that no specific minority group is disproportionately affected by increases.

9.4 Sustainability Implications:

None

SUPPORTING DOCUMENTATION

Appendices:

1. Registration Services proposed fees and charges for 2019/20, inclusive of benchmarking information

Documents in Members' Rooms

None.

Background Documents

See appendices 1.

Report to Policy & Resources Committee: Fees and Charges in Life Events January 2019

Registration Services: proposed fees and charges 2019/20

The following details the changes to our fees and charges:

* denotes statutory charge

Service	What is charged for	Fee 2018/19	Proposed Fee 2019/20	Percentage increase/decrease
Preliminaries for Marriages & Civil Partnerships	*Enter notice of marriage/civil partnership	*£35.00	*£35.00	0%
	Pre-ceremony meeting Monday to Friday	£70.00	£70.00	0%
	Pre-ceremony meeting Saturday	£125.00	£125.00	0%
	Ceremony amendment fee	£35.00	£35.00	0%
Marriages & Civil Partnerships: Regency Room	*Statutory Register Office (Wednesday morning)	*£54.00 (inc 2 certs)	*£57.00 (inc 1 cert)	6%
	Regency Room Monday to Thursday	£167.00	£169.00	1%
	Regency Room Friday	£267.00	£269.00	1%
	Regency Room Saturday	£392.00	£399.00	2%
	Regency Room Sunday	£392.00	£399.00	2%
	Regency Room Bank Holiday	£507.00	£514.00	1.5%
Marriages & Civil Partnerships: Fitzherbert Room	Monday to Thursday	£117.00	£119.00	2%
	Fitzherbert Room Saturday	£392.00	£399.00	2%
	Fitzherbert Room Sunday	£392.00	£399.00	2%
	Fitzherbert Room Bank Holiday	£507.00	£514.00	2%
Marriages & Civil Partnerships: at other Approved Venues	Approved Venue Monday to Thursday	£477.00	£484.00	1.5%
	Approved Venue Friday	£517.00	£529.00	2%
	Approved Venue Saturday	£532.00	£544.00	2%
	Approved Venue Sunday	£532.00	£544.00	2%
	Approved Venues Bank Holiday	£647.00	£659.00	2%
Marriages & Civil Partnerships: Council Chamber	Council Chamber Monday to Thursday	£492.00	£499.00	1.5%
	Council Chamber Friday	£542.00	£554.00	2%
	Council Chamber Saturday	£592.00	£604.00	2%
	Council Chamber Sunday	£592.00	£604.00	2%
	Council Chamber Bank Holiday	£642.00	£654.00	2%
Marriages & Civil Partnerships: Mayors Parlour NEW VENUE FEES	Mayors Parlour Friday	NEW FEE	£419.00	N/A
	Mayors Parlour Saturday	NEW FEE	£619.00	N/A
	Mayors Parlour Sunday	NEW FEE	£619.00	N/A
	Mayors Parlour Bank Holiday	NEW FEE	£839.00	N/A
Marriages & Civil Partnerships: Police Cells	Police Cells Monday to Thursday	£341.00	£349.00	2%
	Police Cells Friday	£413.00	£419.00	1.5%
	Police Cells Saturday	£606.00	£619.00	2%
	Police Cells Sunday	£606.00	£619.00	2%
	Police Cells Bank Holiday	£826.00	£839.00	1.5%

Service	What is charged for	Fee 2018/19	Proposed fee for 2019/20	Percentage increase/decrease
Marriages & Civil Partnerships: Winter fees Regency Room / Fitzherbert Room / Approved Venue / Council Chamber / Police Cells DISCONTINUE Winter Fees	Regency Room Monday to Thursday	£117.00	Discontinue	N/A
	Regency Room Friday	£242.00	Discontinue	N/A
	Regency Room Saturday	£242.00	Discontinue	N/A
	Regency Room Sunday	£242.00	Discontinue	N/A
	Regency Room Bank Holiday	£392.00	Discontinue	N/A
	Fitzherbert Room Monday to Thursday	£117.00	Discontinue	N/A
	Fitzherbert Room January & February only (Saturday morning)	£142.00	Discontinue	N/A
	Approved Venues Monday to Thursday	£317.00	Discontinue	N/A
	Approved Venues Friday	£392.00	Discontinue	N/A
	Approved Venues Saturday	£392.00	Discontinue	N/A
	Approved Venues Sunday	£392.00	Discontinue	N/A
	Approved Venues Bank Holiday	£462.00	Discontinue	N/A
	Council Chamber Monday to Thursday	£242.00	Discontinue	N/A
	Council Chamber Friday	£442.00	Discontinue	N/A
	Council Chamber Saturday	£442.00	Discontinue	N/A
	Council Chamber Sunday	£442.00	Discontinue	N/A
	Council Chamber Bank Holiday	£507.00	Discontinue	N/A
	Police Cells Monday to Thursday	£253.00	Discontinue	N/A
	Police Cells Friday	£331.00	Discontinue	N/A
	Police Cells Saturday	£486.00	Discontinue	N/A
Police Cells Sunday	£486.00	Discontinue	N/A	
Police Cells Bank Holiday	£711.00	Discontinue	N/A	
Non-Statutory Ceremonies: Regency Room	Monday to Friday	£175.00	£175.00	0%
	Saturday	£375.00	£375.00	0%
	Sunday	£375.00	£375.00	0%
	Bank Holiday	£500.00	£500.00	0%
Non-Statutory Ceremonies: Approved Venues	Monday to Friday	£475.00	£475.00	0%
	Saturday	£500.00	£500.00	0%
	Sunday	£500.00	£500.00	0%
	Bank Holiday	£625.00	£625.00	0%

Service	What is charged for	Fee 2018/19	Proposed fee for 2019/20	Percentage increase/decrease
Certificates NEW STATUTORY FEES	*Fee at time of registration (birth, death, marriage, civil partnership)	*£4.00	*£11.00	175%
	*Fee after the registration (birth, death, marriage, civil partnership)	*£7.00	*£11.00	57%
	*Fee after the registration (birth, death, marriage, civil partnership)	*£10.00	*£11.00	10%
	*Priority certificate service 'within 24 hours'	£20.00	*£35.00	75%
	Express certificate service 'while you wait'	£30.00	Discontinue	N/A
	1st Class P&P	£1.00	£2.00	100%
	Overseas P&P	£6.00	£8.00	30%
	Special Delivery P&P	£7.00	£10.00	40%
Sundry Items	Bubble Blowers	£1.00	£1.00	0%
	Confetti	£3.00	£3.00	0%
	Birth Wallets	£3.00	£3.00	0%
	Wedcast	£50.00	£50.00	0%
	Lamination of Certificates	£2.00	£2.00	0%
	Children's Wall Chart	£5.00	£5.00	0%
	Wall Chart	£5.00	£5.00	0%
	Union Jack Flags	£1.00	£1.00	0%
	Union Jack Umbrella	£5.00	£5.00	0%
	Paper Fan	£2.00	£2.00	0%
Extra Fees	Premium Appointment fee	£15.00	£15.00	0%
	Evening ceremony supplement	NEW FEE	£100.00	N/A
	Notice Appointment Cancellation Charge	£35.00	£35.00	0%
	Ceremony Cancellation Charge	£125.00	£130.00	4%
	*Statutory Referral Fee	*£24.00	*£24.00	0%
Private Citizenship Ceremonies: Regency Room & Approved Venues	Regency Room Monday to Thursday	£100.00	£100.00	0%
	Regency Room Friday	£150.00	£150.00	0%
	Regency Room Weekend	£300.00	£300.00	0%
	Approved Venue Monday to Sunday	£500.00	£500.00	0%
European Passport Return Service	EPRS Appointment	£15.00	£20.00	33%
	EPRS Premium Appointment	£25.00	£30.00	20%
	Postage & Packaging up to 2kg	£10.00	£10.00	0%
	Postage & Packaging 2-10kg	£30.00	£30.00	0%
	Postage & Packaging over 10kg	£50.00	£50.00	0%
Licensing for Approved Marriage Venues	One Room	£1733.00	£1767.00	2%
	Two Rooms	£2147.00	£2190.00	2%
	Three Rooms	£2576.00	£2628.00	2%
	Additional Rooms	£276.00	£282.00	2%
	Amendment Fee	NEW FEE	£35.00	N/A

Service	What is charged for	Fee 2018/19	Proposed fee for 2019/20	Percentage increase/decrease
General Register Office: Statutory Fees	*Space 17	*£40.00	*£40.00	0%
	*Waiver	*£60.00	*£60.00	0%
	*Local Foreign Divorce Consideration	*£50.00	*£50.00	0%
	*General Register Office Foreign Divorce Consideration	*£75.00	*£75.00	0%
	*Local Authorised Correction	*£75.00	*£75.00	0%
	*General Register Office Authorised Correction	*£90.00	*£90.00	0%
	*Registrar's General Licence	*£15.00	*£15.00	0%

Fees and Charges in Life Events December 2018

Registration Services: benchmarking

A comparison of our current and proposed fees with those of our nearest neighbours:

* = winter fee

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex	Hampshire	Surrey	Kent
Marriage & Civil Partnerships: Register Office	Statutory	£46	£46	£46	£46	£46	£46
Marriage & Civil Partnerships: Capacity up to 15	Monday to Thursday	£117	£195 or £250	£180 or £300	£224	£123	£255
	Friday	£267	£250 or £304	£305 or £425	£239	n/a	£255
	Saturday	£392	£277 or £359	£305 or £425	£327	n/a	£390
	Sunday	£392	£359	£305 or £425	n/a	n/a	£390
	Bank Holiday	£507	£359 or £468	£430 or £550	n/a	n/a	£390
Marriage & Civil Partnerships: Capacity up to 50	Monday to Thursday	£167	£195 - £434	£180 or £300	£329	£173	£390 or £660
	Friday	£267	£250 - £804	£305 or £425	£524	£243	£390 or £660
	Saturday	£392	£277 - £879	£305 or £425	£594	£308	£525 or £795
	Sunday	£392	£277 - £879	£305 or £425	£638	n/a	£525 or £795
	Bank Holiday	£507	£359- £954	£430 or £550	£638	n/a	£525 or £795
Marriage & Civil Partnerships: Capacity 50 - 100	Monday to Thursday	N/A	n/a	£255 or £350	£329	n/a	£660
	Friday	N/A	£804	£380 or £475	£524	n/a	£660
	Saturday	N/A	£879	£380 or £475	£594	n/a	£795

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex	Hampshire	Surrey	Kent
Marriage & Civil Partnerships: Capacity 50 - 100	Sunday	N/A	£879 (max 80)	£380 or £475	£638	n/a	£795
	Bank Holiday	N/A	£954 (max 80)	£505 or £600	£638	n/a	£795

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex	Hampshire	Surrey	Kent
Marriages & Civil Partnerships: Capacity 100+	Monday to Thursday	£492	n/a	n/a	n/a	n/a	£660 or £800
	Friday	£542	n/a	n/a	n/a	n/a	£660 or £800
	Saturday	£592	n/a	n/a	n/a	n/a	£795 or £1070
	Sunday	£592	n/a	n/a	n/a	n/a	£795 or £1070
	Bank Holiday	£642	n/a	n/a	n/a	n/a	£795 or £1070
Approved Premises Registrar Attendance	Monday to Thursday	£477	£434	£500 or £550	£458	£463	£495
	Friday	£517	£481	£550	£536	£513	£495
	Saturday	£532	£589	£550	£604	£563	£675
	Sunday	£532	£589	£550	£634	£613	£675
	Bank Holiday	£647	£649	£600	£649	£613	£675

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex	Hampshire	Surrey	Kent
Private Citizenship Ceremony	Monday to Thursday	£100	£94- £137	£100	£166	n/a	£175
	Friday	£150	£94- £137	£100	£166	n/a	£175
	Saturday	£300	£104-£145	£250	n/a	n/a	n/a
	Sunday	£300	£104-£145	£250	n/a	n/a	n/a
	Bank Holiday	N/A	£104-£145	£250	n/a	n/a	n/a

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex (Lewes)	Hampshire	Surrey	Kent
Non Statutory (naming/renewal of vows/civil partnership & commitment Ceremony)	Monday to Thursday	£175	£94 or £137	£250	£166	n/a	£200 or £800
	Friday	£175	£94 or £137	£250	£166	n/a	£200 or £800
	Saturday	£375	£104 or £145	£250	n/a	n/a	£390 or £1070
	Sunday	£375	£104 or £145	£250	n/a	n/a	n/a
	Bank Holiday	£500	£104 or £145	£250	n/a	n/a	n/a

Service		Brighton & Hove 2018-2019	West Sussex	East Sussex	Hampshire	Surrey	Kent
EPRS (European Passport Return Service)	Monday to Thursday	£15 plus postage	£35 plus postage	£35 plus postage	£14 plus postage	£42 plus postage	£15 plus postage
	Friday	£15 plus postage	£35 plus postage	£35 plus postage	£14 plus postage	£42 plus postage	£15 plus postage
	Saturday	£25 plus postage	£35 plus postage	£35 plus postage	n/a	N/A	n/a
	Sunday	N/A	N/A	N/A	n/a	N/A	n/a
	Bank Holiday	N/A	N/A	N/A	n/a	N/A	n/a

Subject:	Support Service for People in Temporary Accommodation		
Date of Meeting:	16th January 2019		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Jerry Aldous	Tel: 01273 296949
	Email:	jerry.aldous@brighton-hove.gcsx.gov.uk	
Ward(s) affected:	(All Wards);		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 In November Housing & New Homes committee, proposals were requested to look at how we can build on the support work that the Welfare Officers had been providing to help vulnerable homeless people living in temporary and emergency accommodation, both within the city and out of the city. Officers were also asked to look at innovative ways we can work to support applicants and homeless people through the application and assessment procedure.

2. RECOMMENDATIONS:

That the Housing and New Homes Committee:

- 2.1 Notes the contents of the report and recommends to Policy, Resource & Growth Committee that £0.250m is added to the council's 2019/20 budget proposals in order to expand the options for providing support for people in emergency and temporary accommodation for one year only.
- 2.2 Delegates to the Executive Director of Housing the decision to determine the most appropriate option to achieve a support service within the £0.250m budget, if approved.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 There is evidence to suggest that, over the past couple of years, there is an increase in the level of multiple and complex needs that people who are becoming homeless are experiencing. This is reflected in an increase in the number of people who have died while resident in emergency or temporary accommodation. There is a case to be made for increasing support for these households which would not only benefit them but may also reduce longer term demands on statutory services.

- 3.2 Becoming homeless is very stressful and on top of this, a significant proportion of people in emergency accommodation need supported accommodation but due to the level of demand, this can take some time to provide.
- 3.3 There are now approximately just under 1700 households currently in emergency and temporary accommodation. Most of these households are in longer term temporary accommodation which are good quality houses and flats and they generally have relatively lower or no support needs.
- 3.4 However, there are around 400 households in emergency accommodation of which approximately 125 are outside of the city. Accommodation is arranged depending on where there are vacancies at the time people become homeless.
- 3.5 Of all the households in emergency accommodation, approximately 10% are on waiting lists at any one time for supported accommodation. Many households require floating support on a spectrum of quite intensive support to basic practical support to enable them to settle in and manage. Households who have identified needs come to our attention but there is another cohort who may have deteriorated and therefore have unidentified needs.
- 3.6 Emergency accommodation is basic accommodation and placement depends upon what is available at the time a household become homeless. People are placed into emergency accommodation either whilst they are being assessed for what housing duty the council may have, or whilst they are waiting for other accommodation to become available. The length of time they will be waiting will depend upon what the assessed accommodation solution is that can meet their needs. This might be moving to private rented accommodation; moving to other longer-term temporary accommodation or moving to supported accommodation.
- 3.7 Whilst most emergency accommodation is self-contained and has basic furniture, it is generally small. In addition, each block has a mix of households that have differing needs.
- 3.8 The council's two welfare officers have been a valuable resource in supporting people to help them manage in difficult times. Until 2015 there was a Housing Support Service and the proposals in this report draw upon what worked well to set out options as to how to build on current provision
- 3.9 To provide a support service equivalent to the previous Housing Support service will cost approximately £0.250m pa. In addition, we can enable the development of a volunteer service to support and help people through the application and assessment process as we appreciate this can be daunting at a stressful time.
- 3.10 Therefore the report recommends the provision of an initial support service for one year (2019/20) whilst officers monitor and evaluate alternative options for supported and temporary accommodation

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The current level of support services be continued but we will not be able to address the concerns being raised in respect of residents.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 We have undertaken some brief consultation with existing support providers. However, in view of the timescale it has not been possible to conduct full consultation.

6. CONCLUSION

- 6.1 There are concerns being raised at the gaps in the level of support available to households who become homeless and are placed into emergency and temporary accommodation. There is sufficient evidence to support these concerns and therefore to expand current support. To supplement support we will also give consideration to developing a volunteer service that would help people through the assessment and application process. This can be achieved at costs in the region of £250k.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The estimated cost of the service is £0.250m. The report is recommending that this service is set up for one year, while officers monitor and evaluate alternative options for supported and temporary accommodation. Temporary accommodation is a housing general fund function. The current budget for temporary accommodation is forecast to overspend by £0.750m in 2018/19 although this can be mitigated in the short term by use of one-off grant funding. Therefore there is currently no budget available for a new housing support service. In order to fund this, new resources for 2019/20, approved by Policy, Resources & Growth Committee, are required. This report recommends that PR&G approve one year funding in 2019/20 of £0.250m to be included in the 2019/20 budget proposals

Finance Officer Consulted: Monica Brooks

Date: 13/12/18

Legal Implications:

- 7.2 The requirement under the Housing Act is to provide suitable accommodation. There is considerable case law around affordability location, space and arrangement. The Governments; Homelessness code of guidance for local authorities (Chapter 17) includes the requirements and circumstances of the homeless person. This is broadly set out, but does not include any reference to provision of welfare / support services. We are not aware of any case law which says provision of support is a legal requirement; as such it would be an addition to the basic requirements.
- 7.3 The government in its guidance (Chapter 16) acknowledges that local authorities can provide supported accommodation and commission supported housing services. This is as a concept somewhat different to what is proposed in this report (which is floating support) but could be a comparison.

- 7.4 Accommodation may be suitable in the short term even were it not to be suitable over a longer period.

Lawyer Consulted: Simon Court Date: 07/01/19

Equalities Implications:

- 7.5 In supporting the more vulnerable households in the city, this will have a positive impact on reducing inequalities.

Subject:	Home Purchase Policy Opportunity – Appropriation of 84 Coombe Road, Brighton		
Date of Meeting:	Housing & New Homes Committee 16 January 2019 Policy, Resources & Growth Committee 24 January 2019		
Report of:	Housing & New Homes Committee - Executive Director Neighbourhoods, Communities & Housing Policy Resources & Growth Committee - Executive Director Neighbourhoods, Communities & Housing, Executive Director Economy, Environment & Culture		
Contact Officer:	Name:	Diane Hughes	Tel: 01273 293159
	Email:	Diane.hughes@brighton-hove.gov.uk	
Contact Officer:	Name:	Angela Dymott	Tel: 01273 291450
	Email:	Angela.dymott@brighton-hove.gov.uk	
Contact Officer:	Name:	Jonathan Jose	Tel: 01273 291082
	Email:	Jonathan.jose@brighton-hove.gov.uk	
Ward(s) affected:	Moulsecoomb & Bevendean		

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

- 1.1 This report seeks approval for the appropriation of 84 Coombe Road (see appendices 1 and 2 for plan and photograph), a three bedroom residential property currently owned by the General Fund to Part II of Housing Act 1985, financed through the Home Purchase Policy. The property is a vacant school caretaker's house that has been declared surplus to requirement and is managed centrally by Property & Design.
- 1.2 The Home Purchase Policy has successfully increased the number of affordable homes in the city since it was agreed in autumn 2017. This has allowed the council to buy back properties which will now be used for general needs or temporary accommodation. So far eight properties are back in council ownership with offers accepted on three further properties and a fourth offer being considered. Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as S106 sites), and utilising other options to increase affordable homes under the 'Other Opportunities' section of the policy.
- 1.3 The report also seeks Policy, Resources & Growth Committee approval for the retention of the net capital receipt generated by the proposed appropriation, to be

used for reinvestment by Families Children and Learning, to support the integration of disability services by co-locating the three teams currently based in Montague House, Bartholomew House and Seaside View together in Wellington House. Please see Appendix 3 for rationale and detail.

- 1.4 The colocation of these teams will enable £200,000 in revenue savings, identified as part of the directorate's ISFP: *"Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service from one location. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision."*

2. RECOMMENDATIONS:

- 2.1 That the Housing & New Homes Committee recommends to Policy, Resources and Growth Committee that it:-
 - 2.1.1 appropriates 84 Coombe Road, Brighton from existing purposes to Housing Act purposes;
 - 2.1.2 agrees that the General Fund should receive the value of £290,000 in consideration for the appropriation at recommendation 2.1.1;
 - 2.1.3 authorises the retention of the net capital receipt to be used for reinvestment by Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House; and
 - 2.1.4 notes that the appropriation referred to at 2.1.1 above will take place when the Policy, Resources & Growth Committee makes the decision to appropriate (assuming that the Committee approves the recommendation) and that the funds referred to at 2.1.2 will be transferred following that decision.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Brighton & Hove City Council (General Fund) owns a three bedroom house at 84 Coombe Road, Brighton. Previously it housed a school caretaker under a service tenancy but the property is now vacant and surplus to operational requirements. Options for its future use are being considered.
- 3.2 Due to the pressing need for affordable housing in the city, the Property and Design Estates team have engaged with Housing colleagues to see whether this can meet a housing need in the first instance. Alternative options have also been considered including disposal of the property on the open market or entering a lease arrangement with a Registered Housing Association.
- 3.3 The property is a three bedroom house and has been valued at £290,000. Research has been undertaken via the Land Registry to compare this purchase price against recent sales in the vicinity to Coombe Road. Findings from this research confirm that this purchase price will offer the HRA value for money. Works are required to bring the property up to a lettable standard. A survey was carried out by the Housing Asset Team and it is anticipated that these works will cost up to £35,000.

- 3.4 A viability assessment has been completed on the property, which has found that a purchase is viable at Local Housing Allowance rent levels. It is recommended that should the purchase go ahead it be used as council owned temporary accommodation. Funds are still available in the HRA Home Purchase Policy budget for 2018/19 to make this purchase. This budget is funded by Right to Buy Receipts and HRA borrowing.

Rent Level	Weekly Rent	Subsidy / (Surplus)
Local Housing Allowance	£230.28	(£0.047m)
Local Housing Allowance TA Rates	£228.47	(£0.045m)
Living Wage 37.5%	£179.85	£0.024m
Living Wage 27.5%	£131.89	£0.092m
Social	£97.37	£0.141m

As the valuation is over £250,000 we cannot consider this under the usual buy back scheme. However, it could be considered under the 'Other Opportunities' section of the council's Home Purchase Policy, which requires a report to Housing & New Homes Committee for authorisation to proceed.

4. ANALYSIS & CONSIDERATION OF OPTIONS

Option	Benefits	Risks
Option 1 – Appropriation to HRA (preferred option)	<p>Increased supply of affordable housing</p> <p>Retention of a council asset</p> <p>Pressing housing needs are met</p> <p>Right to Buy (RTB) receipts are spent and therefore not returned to government and not incurring interest of 4% due to returning these receipts</p> <p>The use of Right to Buy receipts will reduce the need for HRA borrowing</p> <p>Further General Fund savings can be realised through an increase in the supply of council owned temporary accommodation</p> <p>Retention of net capital receipt for reinvestment by Families Children and Learning to support the integration of disability</p>	

	services by co-locating the teams in Wellington House.	
Option 2 – Do nothing	Budget available for the purchase of alternative properties under the Home Purchase Policy	<p>Not utilising all opportunities to spend RTB receipts</p> <p>Not meeting full potential to acquire new affordable homes in the city</p> <p>Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money.</p> <p>Property surplus to existing service requirements (school caretaker accommodation)</p> <p>No capital receipt for the general fund leaving a funding gap for Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House</p>
Option 3 – Dispose of property on the open market	<p>Budget available for the purchase of alternative properties under the Home Purchase Policy</p> <p>Retention of net capital receipt for reinvestment by Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House.</p>	<p>Not utilising all opportunities to spend RTB receipts</p> <p>Not meeting full potential to acquire new affordable homes in the city</p> <p>Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money.</p> <p>Time taken to complete</p> <p>Risk of failure</p>

		Cost of agents fees
Option 4 – Dispose of property on a lease to a Registered Housing Association	<p>Possible revenue stream generation.</p> <p>Retention of Council Asset</p> <p>Pressing housing needs are met</p>	<p>Missed out on opportunity to generate a capital receipt.</p> <p>Not utilising all opportunities to spend RTB receipts</p> <p>Not meeting full potential to acquire new affordable homes in the city</p> <p>Missing out on opportunity to purchase a larger three bedroom property at a valuation which provides the HRA with value for money</p> <p>Funding gap for Families Children and Learning to support the integration of disability services by co-locating the teams in Wellington House.</p> <p>The cost of works required to bring the property up to a lettable standard would come out of a rent free period.</p>

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There has not been any community engagement as the matter relates to the appropriation of a residential property. Internal consultations have been held with relevant parties.

6. CONCLUSION

- 6.1 Having considered the options above, officers recommend the transfer of the site to Housing. The proposal realises a number of benefits for the council including the provision of a much needed larger home which will be used as temporary accommodation for a family in housing need.
- 6.2 The capital receipt (£290,000) would be used to support the co-location of Learning Disabilities Services at Wellington House. A combination of borrowing against savings associated with the project and a contribution from the Asset Management Fund would supply the remaining £246,000 required.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 7.1 The 2018/19 HRA capital programme includes a budget of £2.763m for the purchase of properties through the Home Purchase Policy. There is currently sufficient budget remaining for the HRA to purchase 84 Coombe Road at an estimated total cost of £0.290m as recommended in this report. This budget is funded from a combination of Right to Buy (RTB) receipts and HRA borrowing. Therefore purchasing this property will assist the HRA to use RTB receipts within the three year time period.
- 7.2 In accordance with the new rent policy, five rent levels have been modelled for this scheme. Affordable rents capped at LHA rates, LHA rent levels for Temporary Accommodation, 37.5% of Living Wage rents, 27.5% of Living Wage rents and target social rent. A summary table of the viability modelling is shown at 3.4 of the report. The modelling indicates that the purchase and refurbishment of this property is viable for the HRA at both LHA rate and the TA rate.
- 7.3 Approving the appropriation of 84 Coombe Road for use as Temporary Accommodation, will contribute positively to the net subsidy requirement to the overall home purchase programme. The estimated surplus will support other purchases that may require a small subsidy, therefore increasing the delivery of affordable housing through this policy.
- 7.4 The Home Purchase Policy allows for the Executive Director for Neighbourhoods, Communities and Housing to purchase properties up to a £0.250m limit, under delegated powers. As this property costs £0.290m, it is being referred to Housing and New Homes Committee.
- 7.5 If approved, the General Fund will receive a capital receipt of £0.290m from the HRA for the appropriation of this site. This will be ringfenced toward the capital investment associated with the co-location of Learning Disabilities Services at Wellington House. The remaining £0.197m required for the Wellington House business case will be met from a combination of borrowing against savings associated with the project and a contribution from the Asset Management Fund.
- 7.6 The approval of this appropriation will help facilitate the achievement of £0.200m in revenue savings, identified within the 2019/20 FCL ISFP: This proposal is centred around the integration of disability services by co-locating three teams at Wellington House.

*Finance Officers Consulted: Monica Brooks / Craig Garoghan / Rob Allen
Date: 02/01/2019*

Legal Implications:

- 7.7 Under section 122 of the Local Government Act 1972, a council may appropriate for any purposes for which it is authorised to acquire land by agreement, any land which belongs to the council and is no longer required for the purposes for which it was held immediately before the appropriation. The Council has powers to acquire land for housing purposes under Part II of the Housing Act 1985. As 84 Coombe Road is no longer required for a school caretaker, it can properly be

appropriated for housing purposes. Land acquired under Part II of the 1985 Act will be accounted for in the HRA.

Lawyer consulted: Liz Woodley

Date: 31.12.18

7.8 Equalities Implications:

All current housing supply programmes support the delivery of the city's Housing Strategy and an increase in housing supply will extend opportunities to accommodate households on the Housing Register who are in housing need.

7.9 Sustainability Implications:

Purchased properties are required to meet the Brighton & Hove Standard and seek to be energy efficient, minimise carbon emissions and reduce water usage.

7.10 Any other Significant Implications:

There are none

SUPPORTING DOCUMENTATION

Appendices:

1. Location Plan of 84 Coombe Road
2. Photograph of 84 Coombe Road
3. Rationale for ring-fencing capital receipt

Documents in Members' Rooms

None

Background Documents:

None



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84 Coombe Road Appendix 1

Scale 1:500



Appendix 2



APPENDIX 3:

Rationale for Ring-fencing the Capital Receipt of 84 Coombe Road to Support the Redevelopment of Wellington House

- 1.1. All services and provision for children and adults with learning disabilities (LD) were brought together within Families, Children & Learning (FCL) Directorate in November 2016 with the aim of merging functions and creating a better service for all ages on a more sustainable financial basis. Adult LD services were previously in the Adults Directorate (now Health and Adult Social Care – HASC).
- 1.2. Central to the success of an integrated Learning Disability Service, and the achievement of associated revenue savings, is the colocation of three teams currently working in separate offices. An extensive review of properties within the organisation’s operational portfolio was completed to identify the most suitable location for the integrated service. Following this review, Wellington House was identified as the preferred location. The building comes under Corporate Landlord, is currently underused, and Learning Disabilities Day Options services are already operating from it. It is positioned in a convenient location for service users, with good public transport links.
- 1.3. Detailed consultation and engagement has already taken place with the Learning Disabilities Day Options service to confirm that they will be able to continue to operate in a reduced area, creating space for the integrated Learning Disabilities Service. Extensive analysis has also been completed to ensure that the remaining space meets the occupancy needs of the integrated service.
- 1.4. In order to accommodate the integrated LD service and allow for the existing Day Options service to continue operating in a reduced space, capital investment is required to reconfigure the building. The Workstyles Programme is managing the redevelopment to ensure it delivers a flexible office environment for the integrated service that meets corporate Workstyles principles. Adjustments to the Day Service side of the building, developed in consultation with staff and managers of the service, will ensure the service is able to operate within a reduced space. Designs will also support the Day Service’s ambition to achieve an accreditation for having an Autism friendly environment.
- 1.5. In addition to the design proposals, planned maintenance works are scheduled for the building. These are being carried out in parallel to the proposed project and will upgrade the mechanical infrastructure of Wellington House, improving heating and energy efficiency.
- 1.6. In July 2018 the Workstyles programme was reviewed to better align with the administration’s strategic priorities. Several new projects, including Wellington House refurbishment, were added to the project dossier. As part of this review it was recommended that the Asset Management Fund continue to be used to

invest in the Corporate Landlord estate, supporting the Workstyles programme through modernising office space and increasing opportunities for flexible working. The revised programme was approved by the Corporate Modernisation Delivery Board. A further report on how the Asset Management Fund is being used to support the Workstyles programme will be presented to Policy, Resource & Growth committee in March 2019.

- 1.7. The required capital investment in Wellington House, and associated appropriation of 84 Coombe Road, will deliver several of the reprioritised Workstyles programme objectives:
- To ensure that the council is making best use of its assets
 - To contribute to the council's modernisation savings plan and budget strategy
 - To bring consistency to the organisation by delivering Workstyles benefits to services and buildings which have not yet been supported by the programme
 - To ensure that the benefits associated with all phases of Workstyles are properly embedded in the organisation
 - Support and align with the administration's priority of increasing housing across the city
- 1.8. The total cost of capital work required to reconfigure Wellington House is £487,000, which includes a 10% contingency. The capital receipt (£290,000) associated with the appropriation of 84 Coombe Road will part fund these essential works. The remaining £197,000 will be funded through a contribution from the Asset Management Fund.
- 1.9. The colocation of these teams will enable £200,000 in revenue savings, identified as part of the directorate's ISFP:
- “Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service from one location. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision.”*
- 1.10. In addition to enabling FCL savings and creating a new flexible working office in Wellington House, the colocation of Learning Disabilities services will increase capacity in the buildings that they are vacating. This additional capacity will support future Workstyles projects, especially where decant space is required. Furthermore, the vacated office at Montague House has the potential to be leased, representing a potential saving/new income to the organisation. The extent of this potential saving will be reviewed through the wider Workstyles programme, in support of future project business cases.

Subject:	Homeless Move on Accommodation		
Date of Meeting:	16 January 2019 24 January , 2019 – Policy, Resources & Growth Committee		
Report of:	Executive Director – Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Martin Reid	Tel: 01273 29 3321
	Email:	martin.reid@brighton-hove.gov.uk	
Ward(s) affected:	Patcham		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT

- 1.1 A successful bid by the Council to Homes England has been made under the *Shared Ownership and Affordable Homes Programme (SOAHP) 2016-21* for the development of a move-on housing scheme to provide medium level support and settled accommodation for vulnerable households typically blocking high support accommodation places in the city.
- 1.2 The proposed scheme is aligned to the development of the former Hollingbury Library (as identified in site map and satellite photographs appended to this report) to comprise 13 self-contained one person units for use as move-on accommodation for those ready for intermediate support. We have a grant allocation identified of £750,000, payment subject to: acquisition; planning permission; start on site; completion. Under the proposed scheme the land will be appropriated for housing provision with the receipt ring-fenced to support the library service in line with the disposal that received consent at Policy Resources & Growth (PR&G) Committee on 9 June 2016.
- 1.3 The proposed scheme links to the City's Strategic Priorities to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 1.4 This report seeks approval for the proposed development and the appropriation of the land and buildings initially for planning purposes and once the development has been completed for housing purposes. The site is currently held within the General Fund. After the second appropriation, it will be held for Part II Housing Act 1985 purposes, (Provision of housing accommodation) and will be accounted for within the HRA. The transfer from the General Fund to the HRA will be at best consideration, with the proceeds ring-fenced to support the library service. A

further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

2. RECOMMENDATIONS:

Housing & New Homes Committee

- 2.1 Agree that the proposed development brings forward supported move on housing.
- 2.2 Recommend that Policy, Resources & Growth Committee approve that the land comprising the former Hollingbury Library site is appropriated for planning purposes and that the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.3 Recommend that Policy, Resources & Growth Committee approve the transfer of the land & buildings at the former Hollingbury Library site from the General Fund to the Housing Revenue Account for £0.365m, being the best consideration reasonably obtainable.
- 2.4 Recommend the Policy, Resources & Growth Committee approve that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.
- 2.5 Recommend the Policy, Resources & Growth Committee approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.
- 2.6 Note that a further report on a final viable scheme will come forward to a future committee for approval.

Policy, Resources & Growth Committee agree

- 2.7 That the transfer of the land & buildings from the General Fund to the Housing Revenue Account for best consideration for housing provision at an independent valuation of £0.365m be approved.
- 2.8 That the land comprising the former Hollingbury Library site is appropriated for planning purposes.
- 2.9 That the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.10 That it be agreed that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.

- 2.11 Approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The vision of the 2016 City Rough Sleeper Strategy is to make sure no-one has the need to sleep rough in Brighton & Hove by 2020.
- 3.2 This proposed scheme formed a bid to Homes England through their Shared Ownership and Affordable Housing Programme 2016-21 (SOAHP). The funding was sought under 'Specialist housing for rent' as a scheme designed to meet the council's Rough Sleeper Strategy 2016 Priority 5 'Pathways to Independence – to support people sleeping rough into regaining their independence'. The bid proposed a specialist service to enable people who are making progress in their recovery journey, to move from high needs hostel accommodation into self-contained move on accommodation grouped in one scheme, with assessed support requirements funded by the council's Adult Social Care service.
- 3.3 Key factors for Homes England in assessing support for schemes are affordability and deliverability. While Homes England have some flexibility regarding changes to the scheme deliverability, the funds must achieve the final drawdown of final grant tranche by the programme end date of March 2021. If the scheme looks unlikely to go ahead then the grant investment risks being lost to the city.
- 3.4 Homes England have the right to request repayment of all the grant if it is not used for the purposes for which it is paid. If the scheme were to change use in the future, for example from supported housing to general needs housing, the council would be required to inform Homes England who would then decide if this requires the grant to be recycled or handed back.
- 3.5 The current proposals for the development will be the third site to be considered to utilise Homes England funding provided for this identified housing need. Housing & New Homes Committee have previously considered proposed use of the former housing officer at Oxford Street for conversion for supported move on accommodation for homeless people to be funded by an earlier application of this Homes England fund ('Homeless Change' grant funding). Conversion of Oxford Street into council owned Temporary Accommodation was the preferred option in that case. An earlier option of purchasing and converting another public sector building for this purpose, also to be funded by Homes England, did not proceed as the site was disposed of to another party.

Proposed scheme mix and service provision: Specialist housing for rent

- 3.6 Homes England have approved funding for a scheme of 13 one person flats. The financial appraisals reflect the proposed use of one flat on the site by the support provider for the provision of 'on site' support to mitigate anticipated resident concerns that may arise concerning potential gaps in support provision should a 'floating support' model be adopted. This can be easily adapted to suit the needs of the proposed service and also for any future uses. There are a number of

successful services operating across the city which are integrated into the community.

- 3.7 The Council's Health & Adult Social Care Commissioning Team will enter a competitive tender process to appoint a Service Provider to provide support and case coordination to residents within the service. Those entering the service will be single adults with support needs and a history of homelessness or rough sleeping. The proposed service will offer safe and secure accommodation to men and women who are recovering from homelessness and who require support. The individuals placed in the service will either be moving on from high support accommodation, because they no longer require this level of support or moving straight from rough sleeping. Referrals to the service will be accessed by an Allocations Panel to ensure that the residents needs are appropriate to the level of support being offered and that they will be able to manage their accommodation.
- 3.8 The supported move-on provision will offer a medium level of support and in the longer term enable people to move on from this service into low support or independent accommodation. It is proposed that the service will be staffed during office hours and will offer an on call service over night for emergencies.
- 3.9 The Service Provider will be commissioned to provide support tailored to the individual service user and to work with partners to ensure the effective communication and co-ordination of this support. The aim of the service will be to enable service users to make empowered and positive choices about their future including involvement in local activities ensuring that the service contributes to the community in a positive way. As individuals recover from homelessness it is our aim to support them to develop the skills to live independently within a community, to manage a home and a tenancy.
- 3.10 As part of the tender process the Service Provider will be evaluated on their experience of managing supported accommodation and their experience of working with local communities. The Service Provider will be expected to link in with the local community ensuring that residents are aware of communication channels should they have any concerns.
- 3.11 This proposed specialist service is to enable people who are making progress in their recovery journey, to move from high support accommodation services into self-contained move-on accommodation grouped in one scheme, with support funded by the council's Health & Adult Social Care Commissioning Service. Health & Adult Social Care have allocated £0.150m from 2019/20 to the specialised supported move-on provision as outlined in the report. This 13 unit scheme will have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation and taking individuals straight from the streets where appropriate.
- 3.12 The flats have been designed as self-contained accommodation, so that in the future they may be let to households on the Housing Register who require permanent accommodation which is in high demand.

- 3.13 The final scheme will look to ensure that any costs to the HRA will be offset by income from the properties.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The alternative options for use of the site include disposal for open market sale or development of the site as council general needs accommodation. Neither of these options would attract the Homes England grant funding. Also, neither would achieve the strategic objective to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 4.2 Financial Services have undertaken some early viability modelling to ensure that if the appropriation of land is approved a viable scheme can be bought back via Estate Regeneration Board to Housing & New Homes Committee at a later date. This modelling has been based on high level scheme costs received from the council's Quantity Surveyor and assumptions about the running costs and expenditure associated with delivering a scheme outlined in the main report. If the appropriation of land is approved value engineering of these costs will be undertaken, as with all projects of this nature, to ensure value for money is achieved.
- 4.3 The options for the homeless move-on project are for the HRA to manage the property with the care provision being commissioned by Adult Social Care or for the HRA to lease the building to the service provider on a short term lease, where the management, maintenance and repairs are provided by the service provider. Under both options the building will revert back to the HRA to use as affordable housing. Results from the modelling at this stage suggest use as Temporary accommodation will not support a viable project. Any change of use at a later date could result in the repayment of some or all of the grant and will need Homes England's prior written approval. This is likely to depend on the timescales involved. Work is still required by officers to ensure that the option pursued is suitable for Housing, Adult Social Care and the housing support service provider.
- 4.4 A further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 In addition to the community being consulted in the usual manner on proposals through the Planning process we would propose to adopt the same principles of extensive resident consultation as utilised under our New Homes for Neighbourhoods programme.

6. CONCLUSION

- 6.1 The proposals reflect the Council's Rough Sleeper Strategy priorities. In particular the objective to remodel and re-commission supported accommodation for homeless people with support needs. It is therefore recommended that they are pursued.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The report recommends the purchase of this site by the Housing Revenue Account (HRA) and outlines that the priority for this site is to deliver a homeless move-on scheme. Based on the high level financial appraisals carried out to date there are two options which have been considered which both currently deliver a viable move-on scheme. Continued value engineering of the costs will be undertaken alongside updated financial appraisals to ensure that value for money is achieved at each stage of the project.
- 7.2 The Market Value of the site has been confirmed as £0.365m by GVA (independent external valuers). This capital receipt is ring-fenced for the Library Service for re-investment into improving the service delivery as approved by PR&G on 9 June 2016. Forecasts at month 7 are that the General Fund will receive the capital receipt by the end of 2018/19 and approval of recommendations 2.2 and 2.6 will enable this to happen. Grant conditions stipulate that upon acquisition of the land, 40% of the grant would be released towards the cost of the acquisition, with further instalments paid at start on site and practical completion which is Homes England standard practice.
- 7.3 If approved, the budget of £0.365m would form part of the 2018/19 HRA Capital programme, funded by the grant funding received and HRA borrowing. This forms part of the total scheme costs and any future budget requests will be exclusive of this amount.
- 7.4 The grant funding from Homes England is predicated on a move-on supported housing scheme. The grant funding of £0.750m relates to the proposal for 13 units of accommodation so any changes to the number of units in the final scheme will affect the level of grant funding. The council have until March 2021 to complete the build of the scheme in order to receive the full grant allocation. If this deadline is not met, there is a risk that the grant already received will need to be repaid and any future instalments will be forgone. Homes England will then look to reallocate it to another Local Authority. Therefore, any delays in appropriation of the land could significantly impact on the scheme getting planning approval and subsequently starting on site.
- 7.5 Health & Adult Social Care have allocated a budget of £0.150m for 2019/20 to the specialised supported move-on provision as outlined in the report. At this stage the same level of budget is anticipated for future years of the new commission, however this will be subject to council's annual budget setting process.

- 7.6 If the scheme were not to progress as homeless move-on accommodation then other delivery options will need to be pursued, for example, delivery of a project through the New Homes for Neighbourhood Programme and will need to be reported back to committee for approval. Early financial modelling suggests that an affordable housing scheme for this site would be viable, although Homes England grant funding would no longer apply.
- 7.7 Detailed proposals for a final viable move-on scheme will be reported through a future Estate Regeneration Member Board, Housing & New Homes Committee and Policy Resources & Growth Committee.

*Finance Officer Consulted: Monica Brooks
2019*

Date: 3rd January

Legal Implications:

- 7.8 Land appropriation for the purposes of this report means transferring the use of land from one purpose to another. Under S122 of the Local Government Act 1972, the council has the power to appropriate land for planning purposes. Under Section 203 of the Housing and Planning Act 2016 where land is held for planning purposes and work is done in accordance with planning permission, third party rights are overridden. The benefit of appropriating this site for planning purposes is to protect the council from the risk of the development process being stopped once it has started. The rights of third parties whose private interests may be affected by development are protected to the extent that they have a right to compensation. The appropriation for planning purposes will take place immediately Policy Resources and Growth Committee approve the recommendation at paragraph 2.8. Once the site has been developed, the council will need to appropriate the site for housing purposes and it is therefore proposed that the Executive Director Economy, Environment & Culture be authorised to effect the second appropriation by the execution of an "Appropriation Memo".
- 7.9 The letting arrangements under which the 13 self-contained units are occupied will need to be carefully drawn up to ensure that the occupiers do not acquire security of tenure and can be moved on at an appropriate time.

Lawyer Consulted: Liz Woodley

Date: 31/12/18

Equalities Implications:

- 7.10 The delivery of the scheme supports the delivery of both the city's Housing Strategy and Rough Sleeping Strategy creating an opportunity to provide move on accommodation to vulnerable households in the city. This will also have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation.

Sustainability Implications:

- 7.11 The homes delivered will be built to high sustainability and energy efficiency standards, including photo voltaic panels on roofs where feasible.

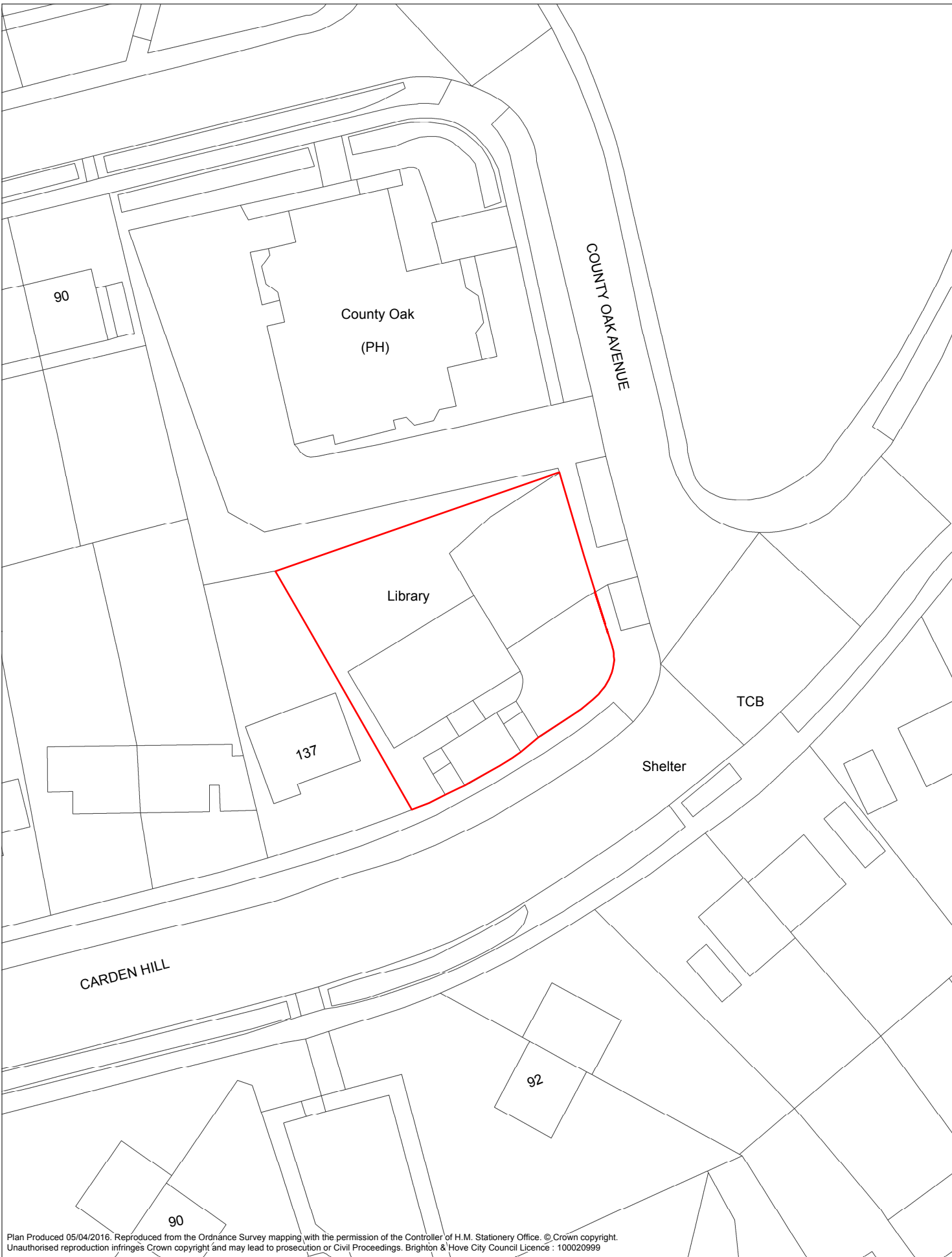
Any Other Significant Implications:

- 7.12 None identified

SUPPORTING DOCUMENTATION

Appendices:

1. Site Map
2. Site Photograph



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Hollingbury Library

Scale 1:500
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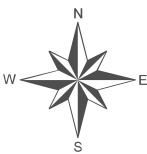


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Scale 1:500
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Subject:	King Alfred Development Agreement		
Date of Meeting:	24 January 2019		
Report of:	Executive Director Economy Environment & Culture		
Contact Officer:	Name:	Mark Jago	Tel: 01273 291106
	Email:	mark.jago@brighton-hove.gov.uk	
Ward(s) affected:	Central Hove (directly) all others indirectly		

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

- 1.1 At its 6th December 2018 meeting the Policy Resources & Growth Committee received a detailed report that advised of the background to the delays encountered by the project since selection of the Preferred Developer (“the developer”) in January 2016, and of the continuing financial challenges that led the developer to seek the Council’s agreement to revise the terms of the draft Development Agreement (“DA”). The previous report also identified the movements in financial viability since 2016, and the work undertaken by the Council and developer during the past 3 years, aimed at returning the project to viability.
- 1.2 This report advises the committee of progress made in negotiating the terms of the DA since the last meeting, and seeks agreement for the Council to enter into the DA with Crest Nicholson Operations Limited by the end of January 2019.

2. RECOMMENDATIONS:

That Policy Resources & Growth Committee:

- 2.1 Notes the work undertaken in negotiating the final terms of the Development Agreement with Crest Nicholson since the 6th December meeting;
- 2.2 Authorises officers to enter into the Development Agreement on the terms set out in the Summary attached at Appendix A to this report, the full version of which (excluding Annexures) is presented in the Part 2 report to this committee;
- 2.3 Grants delegated authority to the Executive Director for Economy, Environment & Culture, Assistant Director Property & Design and the Executive Lead Officer – Strategy, Governance & Law to make minor amendments to the Development Agreement, settle all the legal documents and take any other necessary steps required to implement the recommendation at 2.2;
- 2.4 Approves the Council’s capital contribution of £8m (in accordance with the decision of Policy & Resources on 21 January 2016) towards the development of the new public sport and leisure centre, the sum to be through borrowing and the

financing costs funded by forecast operational savings resulting in a cost neutral position for the Council;

- 2.5 Agrees in principle to appropriate the site for planning purposes and delegates authority to the Executive Director for Economy, Environment & Culture to appropriate the site for planning purposes once the indemnity described in paragraph 3.25 has been executed and satisfactory planning permission has been secured;
- 2.6 Agrees in principle that the council will authorise the use of S203 and delegates the final decision to authorise the use of S203 powers to the Executive Director for Economy, Environment & Culture;

3. CONTEXT/ BACKGROUND INFORMATION:

- 3.1 Redevelopment of the King Alfred Leisure Centre, the city's largest indoor sports facility, has been a priority for many years. The current centre is expensive to operate and maintain, fails to meet modern expectations, and is nearing the end of its useful life. There is an urgent need for improved, modern and extended facilities serving the west of the city. Redevelopment of the existing Leisure Centre as part of a mixed-use development including new homes and retail provision is in the economic and social interests of the area as it will provide a much needed new sports facility for residents of Hove. It will also create jobs and contribute to the regeneration of this area of the seafront.
- 3.2 The previous report to this committee provided a comprehensive update on the challenges and key activities in the period since the developer's appointment. It also advised of the developer's final proposals aimed at finally addressing financial viability and secured committee agreement to revised terms relating to the provision of Affordable Housing and that officers should continue negotiations with a view to finalising legal terms by the time of this committee meeting.
- 3.3 At the 6th December meeting the committee resolved:
 - That officers should continue to negotiate a final DA with Crest Nicholson with a view to entering into the DA before the end of January 2019;
 - Noted the draft Affordable Housing Provisions, that these were subject to ongoing negotiations, and noted with grave concern that this was an amendment to Crest's final tender;
 - Noted the intention for officers to prepare and issue a 'standstill letter' advising Bouygues Development of the change, in line with procurement regulations;
 - Noted that there would be a further report brought to this meeting of the committee to agree the final DA;
 - To explore alternative options for the delivery of the redevelopment of the King Alfred site, including delivery of a Sport & Leisure complex for Hove, if the DA is not agreed by the end of January 2019

Standstill Letter

- 3.4 At the time of the 6th December committee meeting the Affordable Housing Provisions were in draft form. Further negotiations followed and this resulted in refinement of the provisions, albeit they remain in materially the same form as was reported to Committee in December. They were finalised on the 24th December.
- 3.5 The contract Standstill letter authorised by the committee at its last meeting was issued to Bouygues Development on 24th December. The letter advised Bouygues, as the unsuccessful bidder, of the proposed revised contractual terms relating to Affordable Housing and set a deadline should they wish to challenge this. The standard 10 day period was extended to 11th January 2019 to take account of the Christmas period. The deadline passed with no response received from Bouygues. The 30 day procurement challenge period will have expired by the time of the committee meeting and members will be advised in the event that such a challenge is forthcoming.

Development Agreement

- 3.6 Legal negotiations continued immediately following the 6th December committee meeting, with considerable progress made during December, culminating in final all-party legal meetings on 10th and 14th January. The final meeting enabled the parties to satisfactorily resolve all outstanding matters resulting in the Final DA attached as Appendix 1 to the Part 2 report, a Summary of which is attached as Appendix 1 to this report.
- 3.7 The DA is between Brighton & Hove City Council and Crest Nicholson Operations Limited. It places obligations on both parties and is geared towards ensuring the developer progresses the project in a timely fashion. This initially requires the developer to advance detailed design work, including public consultation, leading to submission of a detailed planning application, obtaining a planning consent, and then moving to delivery of the development.
- 3.8 There are a number of milestones early in the project which, if the developer is unable to achieve these by the specified dates set out in the DA, then the Council has the ability to determine the agreement (i.e. terminate it). During the first 12 month period these include:
- the Housing Infrastructure Fund funding agreement must be signed within 3 months of the signing of the DA (see section 3.14, below);
 - a requirement for the developer to submit detailed design proposals to the Council (as landowner) within 10 months of entering into the DA;
 - the detailed planning application must be submitted within 12 months of entering into the DA (or one month after any Council objections have been settled).
- 3.9 Crest's Board is due to consider the final terms of the DA at a meeting scheduled for w/e 18th January. A letter from the Crest Board confirming agreement, and with a firm commitment to immediately mobilise its team in order to develop the

design in accordance with the conditions and programme, is expected ahead of the committee meeting and members will be updated accordingly. With the committee's agreement to the recommendations set out in this report, the parties intend to enter into the DA by the end of January 2019.

Financial Viability

- 3.10 The previous report to this committee was explicit about the scale of the funding gap identified by the developer in November 2018. It showed a gap of some £29m based on the developer's 20% profit requirement and delivery of 20% affordable housing, and which even with 0% affordable housing the profit level achieved only 12.4% profit and a reduced funding gap of £19m.
- 3.11 Since the previous report, Deloitte LLP, the Council's Commercial Advisors, have completed a detailed assessment of the developer's appraisal and cost and value assumptions. Deloitte's report is attached as Appendix 2 within Part 2 of the committee papers.
- 3.12 The Deloitte report emphasises that whilst entering into the DA is a key milestone, the project remains financially challenging. This will remain the case, and will require the developer to identify further cost savings linked with additional revenues, if the viability challenges are to be addressed, and if the project is to move to construction. Failure to address this in what is a relatively short space of time will result in an inability to satisfy the Viability Condition. One possibility is that the developer could propose further revisions to the scheme for which it was selected. Previous proposals have been ruled out by the Council, particularly in relation to the specification of the Sports Centre. Any such requests would have to be agreed by Members, and Crest's ability to materially deviate from its final tender submission and the Council's original requirements, are limited by public procurement rules.

Housing Infrastructure Fund

- 3.13 The Housing Infrastructure Fund (HIF) is £2.3 billion of government funding available to Local Authorities, £300m of which is available to 'Marginal Viability' projects such as the King Alfred. HIF guidance states that £10m is the maximum amount typically available to individual projects.
- 3.14 The December 2018 PR&G report set out that on 1st February 2018 the Ministry of Housing, Communities and Local Government announced that the King Alfred scheme was among the successful bids and at £15.222m it was the second highest award in the country. The report also set out that there were some delays in receiving formal confirmation of the HIF offer, and that the tight timetable linked to the HIF funding is a key project risk and means that the project needs to move at pace to ensure the HIF funding can be accessed. For this reason the DA sets out an early opportunity for the parties to determine the agreement 3 months from entering into the DA if in that time the developer has not confirmed its approval of the final HIF funding agreement and has not entered into the HIF deed of indemnity, pursuant to which the developer indemnifies the Council against (amongst other things) an obligation to repay the HIF grant.

Council Capital Contribution

- 3.15 Through the Council's financial analysis and preparatory work undertaken in 2013/14, it was agreed, in acknowledgement of the known financial challenges, that there was scope for the Council to make a capital contribution towards the cost of the new sports centre. This on the basis that the Council expects the new Sports & Leisure Facility to deliver significant operational savings compared to the cost of running the existing facility. In marketing the development opportunity in 2014, the Council's 'Memorandum of Information' (October 2014) advised potential bidders that "In recognition of this, the Council is prepared in principle, to reinvest projected revenue savings arising as a capital contribution to the project. Bidders will be invited to explore the level of potential capital contribution with the Council during the competitive dialogue process."
- 3.16 The level of capital contribution was explored with the two shortlisted bidders during Stage 1 dialogue held in early 2015. It was agreed at that time that both bidders could assume a contribution of £8m, and both used this figure for the purposes of their final tenders. An estimated saving of approximately £730k per annum needs to be achieved to ensure the capital contribution can be made by the Council and remain cost neutral within the Medium Term Financial Strategy.
- 3.17 As part of the January 2016 report to the Policy & Resources Committee, in addition to securing agreement to the appointment of Crest Nicholson as preferred developer, the committee "Approved in principle a capital contribution of £8m towards the development of a new public sports and leisure centre funded by forecast operational savings subject to the contribution being cost neutral to the Council."
- 3.18 Subject to the committee's agreement to the Council entering into the DA, and the obligations this places on the Council, it is now appropriate to formalise agreement to the Council's £8m capital contribution. This sum will be raised through borrowing at the appropriate time. Payments to the developer will only be made following the agreement going unconditional (i.e. when the developer has satisfied all conditions). An initial £1m would be paid immediately upon going unconditional to cover design development costs to date, and payments of the remaining £7m would be made against evidence of expenditure on the sports centre and only once the entirety of the HIF Funding has been drawn down and spent by the developer.

Sports Centre Design Development

- 3.19 In embarking on the current project back in 2013 the Council agreed its key priority was the delivery of a high quality public Sports and Leisure Facility, in line with its required specification, in the west of the city. Each of the documents issued during the procurement process emphasised this and the DA includes provisions aimed at ensuring this as the project moves through detailed design stage towards a final scheme.
- 3.20 Among the annexures to the DA are a Sports Centre Specification document and a Sports Centre Design Protocol. The specification builds on the Council's outline specification issued as part of the original procurement, the requirements of which remain unchanged, and incorporates the developer's proposals as set

out in its final tender. The design protocol sets out the agreed process by which the developer will advance the design, in full collaboration with the Council, in order to reach agreement on the detail of the design and specification as the development moves through the RIBA design stages.

- 3.21 The design protocol requires the developer to work up the design, with a particular emphasis on the Sports Centre and other key elements of the development, from the proposals set out in its final tender, for the Council's agreement prior to submission of the planning application.

Parent Company Guarantee and Security

- 3.22 The DA contains security measures necessary to satisfy the Council that Crest will meet its obligation to deliver the agreed Sports Centre, or that if it fails to do so the Council's position would be protected. Firstly, the provision of the leisure centre is covered by Crest parent company guarantee, meaning the Council could enforce against Crest PLC in the event that it breached its contractual obligations.
- 3.23 The DA also contains a mechanism where by the Council will be entitled to register a Land Registry restriction on the developer's overriding leasehold title over the airspace for the whole of a residential block. The developer will not be allowed to dispose of certain numbers of Private Units in that block until specific Sports Centre development milestones have been achieved. This protects the Council in the event of a failure to deliver due to insolvency of the parent company. If this scenario occurred then the Council could then sell the held-back units to fund stepping in to complete the leisure centre itself.

Appropriation

- 3.24 The developer has requested that the Council appropriates the site for planning purposes. Section 203 of the Housing and Planning Act 2016 provides that where land is held for planning purposes and work is done in accordance with planning permission, third-party rights are overridden. Thus an effect of appropriation for planning purposes is to protect the Council and developers from the risk of the development process being stopped once it has started. The rights of third parties whose private interests may be affected by development are protected to the extent that they have a right to compensation against the local authority. The Council, however, will be indemnified against such claims for compensation by the developer. Failure to appropriate the site for planning purposes will jeopardise the development as there would be a risk of delay because of legal proceedings brought by those with third party rights.
- 3.25 The Council's power to appropriate land under s122 of the Local Government Act 1972 is exercisable on determination that the site "is no longer required for the purpose for which it is held immediately before appropriation". At the point of the appropriation the Council will no longer require the site to be used for its current use but will require it to be held for the purposes of development.
- 3.26 If the Committee agrees to recommendation 2.6, the Executive Director for Economy, Environment & Culture will cause the appropriation to take place by signing an appropriation memo.

3.27 The Committee is also asked to authorise the use of the power contained in S203 Housing and Planning Act 2016. S203 is the power which allows the carrying out of building work even if it involves interfering with third party rights. Recent case law suggests there should be transparency when exercising this power; the Council should (where possible) consider the third party rights which will be overridden and ensure steps have been taken to engage with those third parties. The indemnity which the developer is required to sign requires them to provide sufficient information to satisfy the Council that it is appropriate to authorise the use of S203. This report therefore seeks delegated authority to the Executive Director for Economy, Environment & Culture to make the final decision to authorise the use of S203 once he is satisfied that appropriate engagement with third parties has taken place.

Timetable

3.28 Subject to the committee's agreement to the recommendations in this report, the indicative timetable for pre and post planning activities is as follows:

Event	Timescale
1. PRG Committee agreed revised AH provisions and that the DA should be finalised	6 th December 2018
2. Standstill letter issued	24 th December 2018
3. Standstill period deadline	11 th January 2019
4. Parties seek to finalise DA terms	Mid-January 2019
5. Crest Board approval to enter DA	Mid-January 2019
6. Expiry of procurement challenge period (30 days)	23 rd January 2019
7. Secure PRG Committee agreement to enter into DA	24 th January 2019
8. Enter into DA	End January 2019
9. Crest mobilises its design team and commences detailed design process	February 2019
10. Crest prepares Planning Design Proposals for Council agreement as landowner prior to submission of planning application (10 months from entering into DA)	November 2019
11. Planning application submitted (12 months from entering DA)	Feb 2020
12. Planning application determination	Mid 2020
13. DA goes unconditional	Second half of 2020
14. Enabling works and demolition commences	End 2020/Early 2021
15. Construction commences	Early/Mid 2021
16. New public sports and leisure centre completed	2024
17. First residential units completed	2024
18. Development completed	2025/26

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS:

4.1 It was agreed at the previous meeting that the terms of the DA should be finalised such that the DA could be entered into by no later than the end of January 2019. The DA appended to the Part 2 report to this committee, as summarised in the Summary at Appendix 1 to this report, reflects the final position negotiated between the Council and Crest Nicholson.

- 4.2 Should the committee determine that the terms are unacceptable, and in the absence of agreement to an extended period in which to continue negotiations, then the Council would need to terminate the current project and its relationship with the developer. This would necessitate the need to begin the process of considering alternative delivery routes. It is acknowledged that this would result in continuing uncertainty, further significant delay to the project and a much longer timescale to delivering a new King Alfred Leisure Centre when compared to the proposed timetable for continuing with Crest in para 3.28.

5. COMMUNITY ENGAGEMENT AND CONSULTATION

- 5.1 Agreement to the terms of the DA, with the parties entering into it shortly thereafter will secure Crest's agreement to commence the detailed design and consultation process leading to submission of a detailed planning application, and place obligations upon them. Crest proposes three stages of consultation during that 12 month period, a process that will involve residents, users and stakeholder groups, and sports governing bodies. Crest's team fully appreciate the importance of this stage, are experienced in this area, and are committed to ensuring an effective process.

6. CONCLUSION

- 6.1 Entering into the DA marks a very significant milestone, without which the project could not be advanced. The financial challenges have directly led to a 2 year delay to reaching this point. In entering into the DA it is hoped that the developer will immediately mobilise its full team and commit the resources necessary to advance the design within the next 10 months to enable submission of the planning application within 12 months. Reaching that point will require the developer to commit significant sums that will provide tangible evidence of their commitment.
- 6.2 It is important to emphasise however that even if a satisfactory planning permission is achieved, there is a final condition relating to viability and in the absence of a significantly improved financial position, the project may continue to be unviable, with the risk that the scheme ultimately fails. Although the DA enables the agreement to be determined at various stages, upon entering into the DA the Council is committing itself to the scheme for the medium term i.e. in all likelihood at least the next 2 years.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

- 7.1.1 The original scheme proposed by Crest and approved by Policy and Resources Committee in January 2016 included a leisure centre that exceeded the council's minimum specification, delivery of 20% affordable housing and was close to the developers desired profit level of 22.5%. At that time the development appraisal showed a profit of 20.6%. As part of this scheme the council will contribute £8m funded through borrowing with the financing costs of £0.73m per annum being met from revenue savings from a new leisure centre.

- 7.1.2 In August 2017 the development appraisal was reviewed and increased costs identified creating a funding gap. Subsequently a bid was made to the Housing Infrastructure Fund (HIF) on a marginal viability basis for £15.2m reflecting a developer's profit level of 20%. The bid was successful but includes a tight timescale for delivery to ensure the HIF funding remains secured. The council is the accountable body for this allocation.
- 7.1.3 Since the successful HIF bid, Crest has completed a further review of the development appraisal which reflects further cost increases and residential values reducing, including the omission of ground rent income as a result of proposed changes in legislation, creating a further funding gap. This appraisal includes both the £8m council contribution and the £15.2m from HIF and shows a developer profit level of 7.4%, approximately £29m below the 20% profit requirement and is a level that is too low for a commercial developer to proceed.
- 7.1.4 A further detailed assessment of Crest's appraisal has been completed by the council's advisors and is appended to the Part 2 report. This review confirms the costs and value assumptions included in the appraisal are generally within an appropriate range. Therefore for the development to be successful a combination of cost savings and increasing values will be required. If the current appraisal did not include affordable housing then the developer profit would increase to 12.4%, £19m below the 20% profit requirement, which is still below a viable commercial level and therefore Crest will need to identify further cost savings or additional revenues to make the project viable even without affordable housing.
- 7.1.5 The leisure centre specification is assumed to deliver at least £0.73m savings per annum to fund the council contribution and therefore any variation of the specification as a result of cost savings measures will need to be assessed for its revenue impact and compliance with the procurement procedures. Other options include reviewing the number of enabling housing units and or improving the building efficiency.
- 7.1.6 If the Development Agreement is entered into then the council would not be liable for transferring either the HIF funding or the council contribution until the project goes unconditional which is subject to a viability test following a successful planning consent. An initial £1m payment will be made to the developer from the council's contribution once the DA goes unconditional. The remaining £7m will be paid once all the HIF funding is fully utilised subject to evidence of expenditure on the sports centre has been provided.

Finance Officer Consulted: James Hengeveld Date: 15/01/19

7.2 Legal Implications:

- 7.2.1 The principal legal implications are set out in the body of this report and in the previous report to the 6 December 2018 Committee.
- 7.2.2 The Affordable Housing Provisions which have been agreed with Crest following the Committee decision in December are substantially the same as the draft Provisions attached to the December report. The DA has been amended slightly to clarify that the minimum requirement remains at 20% affordable housing

unless the local planning authority determines otherwise. In such circumstances, the developer will be required to explore alternative methods of providing affordable housing either on or off site including the payment of a commuted sum out of profits that exceed a certain threshold; a registered provider purchasing residential units (as affordable housing) using a government housing grant; or the Council purchasing residential units (as affordable housing) at a discounted price using its Housing Revenue Account (“HRA”).

7.2.5 Following the advice of James Goudie QC, a revised standstill letter was sent to Bouygues, the other bidder that had been invited to participate in the final stage of the procurement. That letter was sent by email and post on 24 December 2018. The DA will not be executed before 24 January 2019 to ensure that the risk of challenge from Bouygues has passed.

7.2.6 State aid is potentially capable of becoming an issue through a combination of the £8m Council funding, the HIF grant and the possible purchase of affordable housing through a registered provider and/or the Council’s HRA. A measure does not involve State aid if the funds are made available on the same terms that would be provided in the normal course of events by a private investor applying ordinary commercial criteria (the “market economy operator” or “MEO” principle). The Council and the developer are collating information and relevant documents to show that the MEO principle is satisfied.

7.2.8 Under s122 of the LGA 1972 a council may appropriate land within its ownership that is no longer required for the purpose for which it is held, for any other purpose for which it is authorised by statute to acquire land. The Council is authorised to acquire land by the Town & Country Planning Act 1990 provided that the authority believes that the acquisition will facilitate the carrying-out of development, re-development or improvement on - or in relation to - the land, but a local authority must not exercise the power unless they consider that the development etc. is likely to promote or improve the economic, social or environmental well-being of their area. The reasons why the redevelopment is in the economic and social interests of the area are set out in the body of this report (including para. 3.1). The Council therefore has the power to appropriate the land for planning purposes in order to facilitate the sale and redevelopment.

7.2.10 Under s233 Town & Country Planning Act 1990, the Council is under an obligation to obtain the best consideration reasonably obtainable when disposing of land which has been appropriated for planning purposes. In this case the Council has conducted a full public procurement process and has received advice from Deloitte Real Estate.

Lawyer Consulted:

Alice Rowland

Date: 15/01/19

Equalities Implications:

7.3 There are no specific equalities implications arising from this report, but the provision of sports facilities that are accessible to all sections of the community are important to increase participation and subsequently improve health and well-being.

Sustainability Implications:

- 7.4 The developer will be required to meet the Council's objectives around sustainable development in relation to policies within the City Plan. Sustainability was emphasised in documents issued during the procurement process, was a focus during dialogue and considered as part of the evaluation process, for both the sports and leisure centre element and the wider enabling development. Crest's final tender provided extensive details of its sustainability proposals and these would be taken forward as the design is further developed.

Any Other Significant Implications:

- 7.5 All significant implications are dealt with in the body of the report.

SUPPORTING DOCUMENTATION

Appendices:

1. Summary of DA

Part 2 Appendices:

1. Full Development Agreement (excluding Annexures)
2. Deloitte LLP Appraisal Review report

Documents in Members' Rooms

None

Background Documents

1. Policy & Resources Committee report 11 July 2013
2. Policy & Resources Committee report 21 January 2016
2. Policy Resources & Growth Committee report 6 December 2019

APPENDIX 1

Summary of the Development Agreement

The key provisions of the agreement to be entered into between the Council and the Developer for the development of the King Alfred site, Kingsway, Hove, East Sussex (the "**Agreement**") are set out in the table below. All capitalised terms have the meaning given in the Agreement unless otherwise defined.

A copy of the agreed form Agreement is attached as Appendix 1 to the Part 2 report to this committee.

Provision	Summary	Clause reference
Conditions	<p>Obligations on the Developer to construct the Development are conditional upon all Conditions being satisfied (or waived) on or before the date 24 months from the date of the agreement (as such date may be extended in accordance with the Agreement) (being the "Conditions Long Stop Date") and in any event by the date 30 months from the date of the Agreement (being the "Ultimate Conditions Longstop Date").</p> <p>Conditions:</p> <ul style="list-style-type: none">(a) the Planning Condition;(b) the Stopping-Up Condition;(c) the Other Consents Condition;(d) the Appropriation Condition;(e) the Viability Condition; and(f) the HIF Funding Condition. <p><u>Planning Condition</u></p> <p>This shall be satisfied on the date that a Satisfactory Planning Permission (Free from Challenge) has been granted free of any Council's Unacceptable Conditions and free also from any Developer's Unacceptable Conditions.</p> <p><u>Stopping-Up Condition</u></p> <p>This shall be satisfied by the stopping-up (Free from Challenge) of any highways shown in the Satisfactory Planning Permission.</p> <p><u>Other Consents Condition</u></p> <p>This shall be satisfied when the Developer notifies the Council that all consents required to construct Development in accordance with statute and the requirements of any competent authority have been obtained. (This excludes planning permission and any requisite stopping-up order, which are stand-alone Conditions).</p> <p><u>Appropriation Condition</u></p> <p>This shall be satisfied by the Council (as local authority) appropriating</p>	3

the Site (Free from Challenge).

Viability Condition

The Developer has a single opportunity to test viability of the Development on the date 10 working days following the satisfaction (or waiver) of all other Conditions (this is the "**Valuation Date**").

Within 10 working days of the Valuation Date the Developer is to provide the Council with the Financial Appraisal and notice confirming: (a) the Viability Threshold has been met; or (b) the Viability Threshold has not been met (with supporting justifications). If the Developer fails to provide the Financial Appraisal within the requisite 10 working days the Viability Condition is automatically deemed satisfied.

If the Viability Threshold is not met the Developer must serve a standstill notice or waive the Viability Condition.

Where a standstill notice is served there will be a suspension of the Conditions Long Stop Date and Ultimate Conditions Longstop Date. This suspension will continue until the earlier of: (a) service by the Developer of a notice to end the suspension; and (b) the date 6 months from the start of the suspension. This period of suspension is the "**Standstill Period**" and the Conditions Long Stop Date and Ultimate Conditions Longstop Date will be extended by the same number of days as the Standstill Period.

The Developer is to re-run the Financial Appraisal prior to the expiry of the Standstill Period and confirm to the Council whether or not the Viability Threshold is now met. If the threshold is not met either party can terminate the agreement. If the Developer fails to provide the Financial Appraisal prior to expiry of the Standstill Period the Viability Condition is treated as waived by the Developer.

HIF Funding Condition

This will be satisfied following:

- (a) completion of the agreement (in a form approved by both the Council and the Developer) to be entered into between the Council and Homes England for the unconditional provision of marginal viability funding to the Council (the "**HIF Funding Agreement**"); and
- (b) completion of the deed of indemnity for the HIF Funding Agreement (pursuant to which the Developer shall indemnify the Council for the repayment of sums under the HIF Funding Agreement on a termination of the Agreement).

It is accepted by the Council and the Developer that the HIF funding can be used (or contracted to be used) on or by 31 March 2021 (or such revised date as is agreed by Homes England).

The parties are to assist each other in good faith to conclude the negotiation of the HIF Funding Agreement with Homes England and to satisfy the HIF Funding Condition as soon as reasonably practicable and in any event by the date 3 months from the date of the Agreement (or such later date as the Council and Developer may agree).

Planning Design (pre-planning)	The Initial Approved Scheme constitutes the base documents to be developed for the purposes of finalising the Planning Design Proposals.	4.1 to 4.12
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Clause 4 of the Agreement is to be read in conjunction with the Sports Centre Design Protocol (in the event of conflict between the Agreement and the Sports Centre Design Protocol, the provisions of the Agreement shall prevail). Where either party is asked to consent or approve to any matters the subject of the Sports Centre Design Protocol or clause 4, such approval shall be considered in good faith and shall not be unreasonably withheld or delayed.

Planning Design Proposals (pre-planning)

As soon as reasonably practicable after the date of the Agreement (and in any event within the timeframes stipulated in the Sports Centre Design Protocol) the Developer will diligently, expeditiously and fully engage, liaise and work with the Council to work up the Planning Design Proposals in accordance with the Sports Centre Design Protocol.

The Developer shall submit the Planning Design Proposals to the Council for review and approval by no later than the date 10 months from the date of the Agreement (or such longer date as the parties may agree) (being the "**Initial Submission Date**") and shall procure that the Planning Design Proposals include the Remaining Design Details and Council Choice Items available at that time (in accordance with the Sports Centre Design Protocol) and all applicable detailed design information and documentation for the Basement Works and Key Elements for Council to approve the Planning Design Proposals.

The Developer is to use all of its reasonable endeavours to ensure that the Planning Design Proposals are consistent in all material respects with the Initial Approved Scheme and is to seek the Approval of the Council where amendments or variations to the Initial Approved Scheme (as part of working up the Planning Design Proposals) are required.

If prior to the submission of the Application the Council requests changes to the Sports Centre Specification and/or Planning Design Proposals which result in the total cost of delivery of the Sports Centre exceeding the Sports Centre Base Cost, then the Developer shall seek to value engineer other elements of the design of the Sports Centre (as first Approved by the Council) to bring the total cost of delivery of the Sports Centre back within the Sports Centre Base Cost.

Where the Developer is obliged to submit revised Planning Design Proposals or Final Approved Scheme (as applicable) to the Council for Approval it shall do so as soon as reasonably practicable and the Council shall give such Approvals as soon as reasonably practicable.

The Planning Design Proposals shall be deemed to be Approved by the Council if the Council does not respond within 20 working days of receipt.

Planning Application	The Application must comply with the Planning Design Proposals approved by the Council.	4.13 to 4.30
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The Developer shall submit the Application to the local planning authority ("**LPA**") by the date 12 months from and including the date the Agreement (or such later date as the parties may agree) (or if the Council has not approved the documentation by such date, within 5 working days of the Council's approval) (being the "**Final Submission Date**").

Where the Developer pursues or contests any Proceedings it shall do so promptly and diligently and at its own cost but the Council shall (at the proper and reasonable cost of the Developer) provide such assistance and support as the Developer reasonably requires.

The Developer is to enter into Planning Agreement(s) where required by the LPA and is to use all its reasonable and commercially sensible endeavours to negotiate and conclude the terms of Planning Agreement(s) as quickly as reasonably possible.

Within 15 Working Days from the grant of a Permission the Developer shall notify the Council whether the Permission contains any Developer's Unacceptable Conditions and the Council shall notify the Developer whether the Permission contains any Council's Unacceptable Conditions with (if applicable) reasons why in any instance it is not considered to be a Satisfactory Planning Permission.

Final Approved Scheme (post submission of Application)	Within the timeframes stipulated in the Sports Centre Design Protocol 4.33 to 4.39 the Developer will diligently, expeditiously and fully engage, liaise and work together with the Council in accordance with the Sports Centre Design Protocol to enable the Council to be properly apprised of the detailed content of the Final Approved Scheme.
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By no later than 6 months from the designation of a Satisfactory Planning Permission the Developer must submit the Final Approved Scheme to the Council for its review and Approval (giving the Council not less than 10 working days to review and comment on the Final Approved Scheme). Once approved, the Final Approved Scheme shall not be varied without the Council's consent.

The Final Approved Scheme issued to the Council for Approval is to address all applicable Remaining Design Details and Council Choice Items (in accordance with the Sports Centre Design Protocol).

In formulating the Final Approved Scheme the Developer and the Council shall use reasonable and commercially sensible endeavours to ensure that any additions to the Remaining Design Details and/or the Council's Choice Items will not result in the total cost of delivery of the Sports Centre exceeding the Sports Centre Base Cost (the Developer shall not be obliged to accept additions to the Remaining Design Details and/or the Council's Choice Items which result in the estimated cost of delivering the Sports Centre exceeding the Sports Centre Base Cost).

Extension of Conditions Longstop Date	The Agreement provides a mechanism for extensions to the Conditions Long Stop Date (save that no extension can go beyond the Ultimate Conditions Longstop Date) where on the Conditions Longstop Date:	4.31 to 4.32
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(a) Proceedings or any Judicial Review Period have commenced

but not determined;

(b) the LPA (or Secretary of State) has yet to determine or re-determine the Application or has resolved to issue a Permission subject to completion of an outstanding Planning Agreement;

(c) the parties await a decision of the Expert;

(d) the parties agree with Homes England that the HIF Funding will need to be utilised by a date that is later than 31 March 2021; or

(e) a Procurement Challenge is instigated.

Affordable
Housing

Nothing in the Agreement is to be construed as requiring the Council 4.2, 4.19 and to give its approval to an Affordable Housing Shortfall and the Council 4.40 to 4.51 is not required to approve any part of the Application that relates to the allocation of Affordable Housing.

Prior to submission of the Application the Developer will seek guidance from the LPA (which the Council will also request from the LPA in conjunction with the Developer) to enable the Developer to understand the likely Affordable Housing Shortfall.

The Developer agrees that it shall provide 20% of total Residential Units as Affordable Housing unless such percentage is varied or modified by the LPA.

If the Affordable Housing Percentage is less than 20%:

Within 10 working days of the earlier of: (a) completion of the first sale by the Developer of 98% of the total number of Residential Units; or (b) such other date as may be required by a Planning Agreement, an AHVR shall be carried out to determine if there is an Affordable Housing Super Development Profit.

If an Affordable Housing Super Development Profit exists the following provisions apply and operate sequentially:

(a) the Developer shall (in accordance with the Planning Agreement, or otherwise) pay to the Council a sum calculated using the following formula:

$$A = B \times C$$

Where:

A = the First Alternative Commuted Sum

B = the difference in market value between each habitable Private Unit and each comparable habitable Affordable Housing Unit

C = the number of Private Units nominated by the Developer ("Nominated Units") which if designated and delivered as Affordable Housing, as part of the Affordable Housing Percentage, would reduce the Affordable Housing Shortfall to zero

and,

(b) where a balance of Affordable Housing Super Development Profit remains:

(i) a sum equal to a maximum of 2.5% of the Projected Sales Proceeds pursuant to the terms of the Revenue Overage Deed shall first be paid to the Developer; and

(ii) any final remaining balance shall be split between the Developer and the Council in accordance with the Revenue Overage Deed.

Notwithstanding the above, the Developer may in its discretion seek an alternative arrangement ("**Affordable Housing Shortfall Alternative**") to the Developer's obligations set out at (a) and (b) above.

The Affordable Housing Shortfall Alternatives envisaged by the Agreement are:

1. The Developer (as and when required by the Council) contacting at least one registered provider of Affordable Housing to agree and settle that the registered provider takes an allocation of Affordable Housing on the Site amounting to a maximum of 20% of the aggregate number of Residential Units.
2. The Council deciding (in its absolute discretion) to add to its Affordable Housing stock and purchase a number of Private Units ("Additional Units") which if delivered as Affordable Housing would reduce the Affordable Housing Shortfall to zero (to allow the Affordable Housing Viability Threshold to be achieved).

If the parties agree an Affordable Housing Shortfall Alternative the outcome is to be recorded in a Planning Agreement (or separate collateral agreement between the parties and the LPA). The provisions of such agreement shall then supersede the above Affordable Housing provisions.

Council's
Contribution
and HIF
Funding

An initial £1,000,000 out of the Council's Contribution is payable to the Developer 10 working days following the later of (a) the satisfaction (or waiver) of all the Conditions, and (b) six months from and including satisfaction of the Viability Condition (or, if the Viability Condition is waived by the Developer, six months from and including 10 working days after the remainder of the Conditions have been satisfied) (strand (b) being the "**Vacant Possession Date**" and strand (a) and (b) together being the "**Contractual Start on Site Date**"). This initial payment is to compensate the Developer for the planning, professional and other fees incurred by the Developer prior to the date of the Agreement. The remainder of the Council's Contribution is payable once the entirety of the HIF Funding has been drawn down and paid to the Developer.

5

The Developer is to serve a Development Advance Request on the 5th working day each calendar month (with the first request being made on the date identified in the Payment Schedule linked to the Programme). Each Development Advance is to be paid from the Escrow Account within 10 working days of a Development Advance Request.

Sums payable from the Escrow Account out of the Council's Contribution shall be capped at the value of the works and Development Costs incurred for the previous calendar month.

Sums payable from the Escrow Account out of HIF Funding are capped at the sum of: (a) the value of the works and Development Costs incurred for the previous calendar month; and (b) the Developer's reasonable and proper estimate of contracted costs it is likely to incur the following month.

The sum requested in a Development Advance Request is to be certified by the Employer's Agent and the Agreement contains a mechanism for the Council to challenge the sum requested in a Development Advance Request.

The parties accept and agree that clause 5 of the Agreement may need to be varied to synchronise it with the agreed form HIF Funding Agreement.

Termination The Council or the Developer can determine the Agreement where: 7, 41 and 42

(a) the Initial Submission Date and/or the Final Submission Date has not been met;

(b) the HIF Funding Condition has not been satisfied by the by the date 3 months from the date of the Agreement (or such later date as the Council and Developer may agree);

(c) the Conditions have not been satisfied or validly waived by the Conditions Long Stop Date or the Ultimate Conditions Longstop Date;

(d) the Viability Condition has not been satisfied following the expiry of a Standstill Period;

(e) the Developer receives a Refusal and does not wish to pursue Appeal Proceedings due to advice by leading planning counsel that the chances of a Satisfactory Planning Permission being issued are not more than 50%; and/or

(f) any Procurement Challenge is made against the Council within the Procurement Challenge Period.

The Council may determine this Agreement where:

(a) the Practical Completion Date has not occurred on or before the Target Works Completion Date or the Ultimate Works Completion Date.

The Council may also determine the Agreement where:

(a) the Developer is insolvent; or

(b) the Developer is in persistent and material breach of the Agreement and:

(i) (in the case of a material remediable breach) fails within a reasonable period specified by the Employer's Agent to commence and remedy the breach; or

(ii) (in the case of a material irremediable breach) fails to pay proper compensation within a reasonable period specified by the Employer's Agent,

with each of such instances constituting an "Event of Default".

Environmental	The Council is responsible for any third party claim relating to Hazardous Substances at the Site or escaping from the Site on or before the grant of the overriding lease to the Developer (save where such claim arises following the act or omission of the Developer). Environmental development risk otherwise sits with the Developer.	9.6
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Assignment	Neither party can assign or otherwise transfer its interest in the Agreement, save that the Developer can: (a) grant a charge as security for the purposes of securing financing for the Development; (b) assign to an entity that the Developer retains a controlling interest in.	10
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Provision of Information	The Developer is to provide the Council with an up-to-date Financial Appraisal on a six monthly basis following exchange.	13
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Developer's Variations	Variations which have an adverse effect on the Sports Centre and are not consistent with the Final Approved Scheme or alter the Sports Centre following settlement of the Final Approved Scheme require the prior approval of the Council (such approval not to be unreasonably withheld or delayed). The Developer does not need to obtain the Council's approval for the substitution of unavailable materials with materials of an equal (or better) performance, durability and quality by a similar (or the same) manufacturer and on the same warranty terms or for variations required by a mandatory change of law.	14
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Council's Variations	The Council may submit a Variation Request following settlement of the Final Approved Scheme up to the first anniversary of the Contractual Start on Site Date. Following a Council variation request the Developer shall consult with the Consultants and issue notice to the Council confirming if the request is approved or refused. If approved, the Developer will confirm the anticipated variation cost and impact upon the Programme for the Sports Centre. The Developer is not to be deemed acting unreasonably where it refuses a variation request because:	15
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- (a) Consent for the variation is unlikely to be obtainable;
 - (b) the variation would have an adverse effect on any other part of the works for the Sports Centre; and/or
 - (c) the variation would be in contravention of statute, code of practice or good building practice or would adversely affect the health and safety of any person.

The Council is to pay the Developer's reasonable costs properly incurred in considering a Variation Request and issuing a response to such request (irrespective of whether the Developer accepts or refuses the request and the Council elects to proceed with the requested variation).

The Council is to pay the total costs arising from the implementation of a Council's Variation (as certified by the Employer's Agent) together with a management fee of 4% of the amount of the construction costs incurred by the Developer in carrying out and completing any Council Variation.

The Council shall be bound by any extensions of time given to the Building Contractor as a result of a Council Variation and the Target Works Completion Date shall be extended by the period of time required to implement a Council Variation (as certified by the Employer's Agent).

Intellectual Property	On termination of the Agreement the Council is to receive the benefit of all plans, drawings and specifications produced as a result of the Agreement and shall be granted an irrevocable licence to freely transfer the benefit of such information.	16
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Contractors, Consultants and Sub-Contractors	<p>The Developer is to deliver to the Council:</p> <ul style="list-style-type: none"> (a) a certified copy Building Contract and the Contractor's Warranty within 10 working days of the completion of the Building Contract; (b) a certified copy Appointment and the applicable Consultant's Warranty within 10 working days of the completion of each Appointment; and (c) a certified copy sub-contract and the applicable Sub-Contractor's Warranty within 10 working days of the completion of each sub-contract. 	18
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Vacant Possession and the grant of the Leases	<p>The Council is to deliver up vacant possession of the Site on or before completion of the overriding lease of the Site (to be granted by the Council to the Developer) and the head lease of the Sports Centre.</p> <p>The leases are to be granted 10 working days following the Contractual Start on Site Date (as defined above).</p>	19
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Construction and Delay	The Agreement contains standard obligations as to construction of the Sports Centre by the Developer and the Council's monitoring of construction.	20 to 31

The Developer is to achieve practical completion of the Sports Centre by the Target Works Completion Date and in any event by no later than the Ultimate Works Completion Date.

Upon exchange of the Agreement the Target Works Completion Date is 42 months from and the Ultimate Works Completion Date is 54 months from the Contractual Start on Site Date.

The Target Works Completion Date is extendable in instances of any Relevant Events by such period as may be agreed between the parties provided that the Council shall be deemed to approve any extension of time permitted or agreed under the Building Contract (and certified by the Employer's Agent).

The "Relevant Events" are:

- (a) force majeure or any other event beyond the control of the Developer, Contractor or Consultants;
- (b) the inability of the Developer to source materials and/or labour as a result of the impact of the rules and regulations imposed by HM Government and/or the remainder of the EU from time to time in anticipation (and as a result) of the UK's departure from the EU;
- (c) loss or damage occasioned by one or more of the specified perils defined in the Building Contract or one or more of the Insured Risks;
- (d) any event act or negligence which would entitle the Contractor to an extension of time under the Building Contract (save where due to default of the Developer);
- (e) delay caused by any act or omission of the Council which has an adverse impact on the key dates in the Programme; and/or
- (f) delay caused by the Council wrongly challenging the Developer on whether the Sports Centre and/or Public Realm Works have been constructed in accordance with the Agreement (as contemplated by clause 30.3 of the Agreement).

Liquidated Damages	<p>Where practical completion of the Sports Centre does not occur by the Target Works Completion Date due to a Relevant Event of the type specified in paragraphs (a) and (c) and (d) above then the Council shall be entitled to receive from the Developer damages (calculated on a daily basis) using the following formula:</p> $A = B \times C$ <p>where:</p> <p>A = liquidated damages payable;</p> <p>B = £750 per day (increased in line with indexation at 3.0% per annum);</p> <p>C = is the number of days from and including the Target Works Completion Date to and including the actual practical completion date of the Sports Centre.</p>	58
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Insurance	<p>From the Contractual Start on Site Date up until practical completion of the Sports Centre the Developer is to maintain (or (if appropriate) procure that the Contractor maintains):</p> <p>(a) insurance of the Sports Centre and the Public Realm Works and the remainder of the Development for the Full Reinstatement Cost under an all risks insurance policy (with the interest of the Council as landowner noted on the policy or policies of insurance);</p> <p>(b) insurance against offsite damage not recoverable from the Contractor; and</p> <p>(c) insurance against public liability in the sum of not less than twenty (20) million pounds for each and every claim.</p> <p>The Developer is under an obligation to use all reasonable endeavours to reinstate damage or destruction to the Sports Centre and the Public Realm Works by the Insured Risks.</p>	32 and 33
Practical Completion	Provisions are included to deal with certification practical completion of the Sports Centre with the Council having the ability to oversee the process.	37
Defects	<p>The defects liability period is to run for 12 months from practical completion of the Sports Centre.</p> <p>The Developer is responsible for Defects arising during this period and provisions are included to deal with the issue of the certificate of making good Defects with the Council having the ability to oversee the process.</p>	37
Disputes	Any dispute shall be referred for determination by a person qualified to act as an independent expert or an arbitrator.	45
Interest	Where either party fails to pay within 5 Working Days of the due date monies payable under the Agreement interest shall accrue daily at 3% per annum above the base rate of National Westminster Bank plc.	48
Restriction on sale of Residential Units	<p>The Council shall be entitled to register a Land Registry restriction on the Developer's overriding leasehold title over the airspace for the whole of a residential block (such block initially being that known as "Block A2") as follows:</p> <p><i>"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by Brighton & Hove City Council or, if appropriate, signed on its behalf by its conveyancer."</i></p> <p>The Developer shall not dispose of the following numbers of Private Units in Block A2 until the following Sports Centre development milestones have been achieved:</p> <p>(a) the Developer shall not dispose or agree to dispose any Private Units within Block A2 until the occurrence of the Sports Centre Commencement Date (verified in writing by the Employer's Agent), at which point the Council shall release to the Developer executed Land</p>	60

Registry Form RX4s in respect of 41 Private Units;

(b) following the occurrence of the Sports Centre Commencement Date, the Developer shall not dispose or agree to dispose more than 41 Private Units within Block A2 until completion of the "shell and core" works to the Sports Centre (certified in writing by the Employer's Agent), at which point the Council shall release to the Developer executed Land Registry Form RX4s in respect of 21 Private Units;

(c) following the completion of the "shell and core" works, the Developer shall not dispose or agree to dispose the remaining Private Units within Block A2 until practical completion of the Sports Centre, at which point the Council shall release to the Developer the executed Land Registry Form RX4s in respect of the remaining Private Units.

There is a mechanism for the Developer to on one occasion substitute Block A2 for another equivalent block within the Development.

Specified dispositions are carved out of the sales restriction and the Council is to provide the Developer with the requisite consent letter or RX4 (as applicable) in respect of any such exempt disposition within 5 working days of a request from the Developer.

The Developer is entitled to request the Council to accept an alternative form of security being either a bank guarantee or bond (which in both instances will be an on demand instrument issued by a recognised UK clearing bank or financial institution pre-approved by the Council (acting reasonably)).

Subject:	Bus & taxi shelter, cleaning & maintenance contract & advertising concession
Date of Meeting:	24th January 2019
Report of:	Executive Director, Economy Environment & Culture
Contact Officer: Name:	Owen McElroy
Email:	owen.mcelroy@brighton-hove.gov.uk
Ward(s) affected:	(All Wards);

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report seeks committee approval for officers to commence a new procurement process to grant a bus & taxi shelters cleaning, maintenance and advertising concession agreement (the “concession agreement”).
- 1.2 The proposed methodology is that of competitive dialogue with potential bidders.
- 1.3 The competitive dialogue procedure was introduced into the public contracts regulations to provide an improved method for awarding complex contracts, e.g. for highly complex and risky projects where bidders will have a major role in defining the solution.
- 1.4 The concession agreement will replace the current two-year contract with Clear Channel, which expires on 5 September 2020.

2. RECOMMENDATIONS:

- 2.1 That the Policy, Resources & Growth Committee:
 - 2.1.1 approves the procurement of a cleaning, maintenance and advertising concession agreement for a term of 12 years with the option to extend for up to a further 3 years;
 - 2.1.2 grants delegated authority to the Executive Director for Economy, Environment & Culture to carry out the procurement of the cleaning, maintenance and advertising concession agreement referred to in 2.1.1 above including the award and letting of the concession agreement.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 On the 16 January 2014 Policy & Resources Committee approved the procurement of a cleaning & maintenance contract & concession agreement with a term of 10 years from 6th September 2014 to 5th September 2024 and the

option to extend by a further three years to 5th September 2027 and granted delegated authority to the Director of Environment, Development & Housing to take this forward.

- 3.2 There followed three unsuccessful procurement attempts using a one stage Invitation to tender process, each resulting in the receipt of only non-compliant bids. The main issue was that the Council realised that it was imperative to gain ownership of all the shelters in the portfolio as this was acting as a barrier for other providers in their bidding, due to the capital investment being too great and therefore unattractive to bidders. Having discussed the situation with other local authorities, it was clear that many other councils were in a similar position to Brighton & Hove with ownership being a major issue in achieving a favourable outcome. Therefore in 2016 council officers negotiated with the incumbent, Clear Channel UK (“CCUK”), to gain ownership of the shelters for a nominal sum, in return for them retaining all of the income for a fixed period. On the third occasion, in early 2018, there were greater incentives to bidders such as extending the length of the contract, reducing capital investment and the minimum requirement for annual fixed income, removing the requirement for additional income from new shelters installed and slightly reducing some performance targets. Two tenders were received, neither of which was compliant. In correspondence received from potential bidders, various reasons were given, similar to previous procurements, as to why they did not or could not issue compliant bids, such as an overestimation of the advertising income that the concessionee could expect compared to the level of capital expenditure requested and the annual concession fee.
- 3.3 To avoid going “out of contract”, a two year temporary concession contract was negotiated with CCUK which commenced on 6th September 2018 and expires on 5th September 2020. Under this contract CCUK continue to clean and maintain the shelters and pay BHCC an annual concession fee. They have converted a number of city-centre advertising sites from paper to digital based and are providing 5 new non-advertising shelters per annum in locations approved by Environment Transport & Sustainability Committee.
- 3.4 The advantage of using a competitive dialogue process is that there would be a two stage process. At the first stage weak or non-compliant tenders can be ruled out and a shortlist of viable tenders established. There is then a second stage where the parties can ‘clarify, specify and fine tune’ the specification. This is an opportunity to identify common areas of specification and create a level playing field between bidders. It would also reduce the number of areas where officers use guesswork to base their assumptions which underpin the tender specifications e.g. the potential scope for extending the number of digital advertising panels could be clarified with all potential bidders and from this officers could estimate the potential income that could be generated by contractors. The result should be that evaluation and scoring of shortlisted tenders can be limited to a focused number of areas which enable easier differentiation between tenders.

Scope, specification, required service level, and expected value of the contract

- 3.5 As of 1st January 2019 there are 223 paper based advertising shelters, 23 digital advertising shelters & 251 non advertising shelters, making a total of 494

shelters. There are also 5 taxi shelters that will be included in the contract. The Council own all of these shelters. The contract will cover all of these shelters. The only shelters in the city not included are the four art deco heritage shelters in the Old Steine outside the Royal Pavilion and the four wooden tram shelters around the city, e.g. in Ditchling Road and Queens Park Road, which are subject to separate arrangements. The art deco shelters and tram shelters are all listed structures. Day to day maintenance of the art deco shelters is carried out by Property & Design, with cleaning of graffiti by City Clean. Any wholesale refurbishment or replacement would come under City Transport. Responsibility for day to day maintenance and cleaning of the tram shelters comes under Property & Design with refurbishment/replacement costs the responsibility of City Transport.

- 3.6 The successful contractor will be required to provide a full package of services that will include supplying and installing additional bus shelter sites, replacing and refurbishing bus shelters, maintaining & repairing bus & taxi shelter sites, cleaning of bus shelter sites and advertising on bus shelter sites.
- 3.7 It is proposed that the successful contractor will be required, subject to any required consents and permissions, to install up to 20 additional Digital panels in place of paper based panels. These panels will remain the property of the contractor for the period of the contract.
- 3.8 It is proposed to include in the contract service level obligations and requirements for regular management information & reports. The service level obligations will cover the following (non-exhaustive) items: removal of dangerous structures, glazing repairs/removal of broken glass, lighting maintenance, annual safety inspections, structural relocation or removal and assessment of emergency damage. Compliance can be monitored and enforced through a mixture of performance targets and additional concession fees as appropriate.
- 3.9 It is proposed that the invitation to tender specification (ITT) will require the potential contractors to explain how they could add social value, sustainability and environmental benefits e.g. green roofs, recycled materials, air filters, solar power etc. and technological innovation, e.g. bluetooth connectivity, and that this would form part of the scoring and evaluation of the tenders.
- 3.10 The Council will retain ownership of the existing shelters throughout the length of the contract.
- 3.11 The expected gross value of the contract to the contractor (over 15 years unadjusted for inflation) will be the gross income from advertising estimated at about £26m, minus the capital expenditure to be invested by the contractor.
- 3.12 It is the level of capital expenditure required from the contractor which justifies the proposed length of the contract as the contractor needs to generate sufficient income over the term in order to cover this and make an operating profit.
- 3.13 The capital expenditure takes into account the removal of the existing shelter, installation of a new shelter and any necessary groundworks

3.14 An example would be:

- a) Replace 20 non digital i.e. printed paper based advertising shelters with new digital shelters at a cost of £50K each = £1m
- b) Replace 100 existing paper based shelters at a cost of 19K each = £1.9m
- c) Replace 100 non advertising shelters at a cost of £15K each = £1.5m
- d) in the first two years the combined total of a + b + c would be estimated to cost about £4.4m.

3.15 Therefore in this example the gross value of a 12 +3 year contract will be the gross income of £26m minus the capital expenditure = £21.6m. However the net value to the contractor will be the gross value minus the operating costs of providing the maintenance of the bus shelters over the life time of the contract minus the total of all the annual concession fees (see 3.17 below) over the period of the term. Therefore the net value to the contractor is considerably less than the gross value.

3.16 It is proposed that the successful contractor will be required to pay an annual concession fee which will be an income to the Council, adjusted annually by RPI. Payment of this income will be requested quarterly in advance.

3.17 An assessment of the actual capital expenditure required will be made early in 2019 informed by the results of an asset condition survey commissioned by the Council.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Do nothing. At the end of the existing short-term contract ask the incumbent to withdraw all advertising cleaning & maintenance and discontinue efforts to procure a replacement contractor. Not recommended as shelters will not be maintained and no income will be received.

4.2 Repeat the previous style of procurement i.e. issue a one stage ITT without a period of competitive dialogue and iteration. Not recommended as this methodology has failed on three previous attempts due to the lack of robust market information on which to base the final tender specification and insufficient pre-engagement with market providers.

4.3 Bring contracts for advertising, cleaning & maintenance “in house” in September 2020. By September 2020 BHCC would need to be in a position to manage the cleaning and maintenance of shelters, to replace shelters following road traffic collisions, including “hit and run” incidents, and commission its own advertising for all 243 sites. It is likely that we will need multiple contracts, and the creation of a dedicated multi-disciplinary team. Not recommended as the multiple contracts would create additional complexity and cost and the creation of a new team would be a considerable financial risk as it would not be known in advance whether the advertising income would cover the cost, whereas the existing model provides an annual income in addition to inclusive cleaning and maintenance.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Over the last three years, suppliers in the market, consultants and other local authorities of a similar size and makeup have been consulted. Feedback has reinforced the proposal to pursue a competitive dialogue procurement process and has influenced the proposed specification.
- 5.2 Procurement Advisory Board was consulted on 10th December 2018. It was agreed that the Board supported the competitive dialogue procurement process as outlined in this report.
- 5.3 The following issues were raised:

a) Why the two previous firms who had submitted tenders were not compliant? It was explained that the council needed a certain amount of capital investment and the bidders were not prepared to commit to a specific sum. There were only two players in the market place. In hindsight the Council had likely overestimated the capital investment. Once an asset survey has been carried out there would be more information.

b) An option not mentioned in the report was that the council would make the capital investment and hand the management of the contract to the contractor. It was explained that although the council owned the stock, it did not have the money to run the contract. The idea was that the contractor would maintain the stock from advertising revenue

c) A question was raised as to whether the council could buy new shelters if the contract was brought in house. It was explained that this would mean borrowing against a potential income stream and would be seen as a risk.

d) The cost of bringing the contract in-house was something to consider in future budgets.

6. CONCLUSION

- 6.1 Authority is required in order that the Council can offer a viable concession agreement that will provide scope for capital investment in the city's bus & taxi shelter infrastructure and a sustainable income for the next 12-15 years.
- 6.2 The two stage competitive dialogue procurement process would provide a thorough and robust methodology which is more likely to secure viable bids.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The 2018/19 revenue budget for bus and taxi shelter advertising includes an income target of £0.250m for bus shelter advertising. The budget has also been set based on the assumption that all costs such as cleaning, repairs, maintenance and replacement bus shelters would be paid by the concession holder. If a new contract is not procured, there will be a risk of ongoing budget pressures for the Public Transport service.
- 7.2 The alternative option of bringing the contracts in-house has not been fully costed at this stage.

Finance Officer Consulted: Gemma Jackson Date: 06/12/18

Legal Implications:

- 7.3 The Policy, Resources & Growth Committee is the appropriate decision-making body in respect of the recommendations at paragraph 2 above, given that the value of the contract which is the subject of the proposed tendering exercise is likely to have corporate budgetary implications.
- 7.4 Further, the Council's Contract Standing Orders (CSOs) require that before expressions of interest can be invited from potential bidders for a contract valued at £500,000 or more, approval must be obtained from the relevant committee, which in this instance is the Policy, Resources & Growth Committee due to the value involved.
- 7.5 The procurement of the new contract must comply with all relevant European and UK public procurement legislation as well as the Council's CSOs. The value of the proposed contract means that the Concession Contracts Regulations 2016 will apply in full to the procurement. The opportunity will need to be advertised in the OJEU. Tenders will be scored on the criteria of quality and price as part of the evaluation process.
- 7.6 The new contract should contain robust transitional arrangements to avoid any unnecessary costs to the Council and disruption to the public at the end of the contract period.

Lawyer Consulted:

Name: David Fairfield

Date: 03/01/2019

7.2 Equalities Implications:

All bus shelters will be designed to a specification that benefits all users.

7.3 Sustainability Implications:

Sustainability will be a scored requirement in the tender process.

Any Other Significant Implications:

- 7.4 None identified directly in relation to this report

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. Policy, Resources & Growth Committee report Bus & taxi Shelters Concession Agreement – authority to procure 16 January 2014.

Document is Restricted

Document is Restricted

Document is Restricted

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