

**BRIGHTON & HOVE CITY COUNCIL
POLICY & RESOURCES COMMITTEE**

4.00pm 10 OCTOBER 2019

HOVE TOWN HALL, - COUNCIL CHAMBER

MINUTES

Present: Councillor Platts (Chair) Yates (Deputy Chair), Mac Cafferty (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Clare, Gibson, Moonan, Nemeth and Shanks

PART ONE

36 PROCEDURAL BUSINESS

(a) Declarations of Substitutes

36.1 Councillor Nemeth was present in substitution for Councillor Janio.

(b) Declarations of Interest

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

(c) Exclusion of Press and Public

36.3 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.

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

37 MINUTES

37.1 RESOLVED:

- (i) That the Minutes of the meeting held on 11 July 2019 be agreed and signed as a correct record
- (ii) That the Minutes of the meeting held on 11 July 2019 be agreed and signed as a correct record
- (iii) That the Outcome of the Urgency Sub-Committee held on 12 September 2019 be noted.

38 CHAIR'S COMMUNICATIONS

38.1 The Chair gave the following communication:

I'd like to inform those present that this meeting will be webcast live and will be capable of repeated viewing.

October is UK Black History Month, where the country recognises and celebrates the legacy and contribution of Britain's black communities. We're all here in this room because we love our city and everything it represents. Brighton & Hove is a diverse city with a rich multi-cultural heritage, so I'm really proud to be wearing one of our Black History badges. The five people featured in the badges all have a historical connection to our city and the surrounding region. The badges are being worn by council staff to celebrate their legacies, and start conversations about Brighton & Hove's black history and our diverse communities today. I hope all Members proudly wear badges too, and join me in thanking our very own BME Workers' Forum and also the Communities, Equality & Third Sector team for all their work on this. There's lots of events and activities happening both across the city and internally for our staff to mark Black History Month and I'd encourage everyone here to find out more and show their support.

On a procedural matter, I have agreed to accept a late report regarding the change of title for an Executive Director and this has been circulated in Addendum 4.

39 CALL OVER

39.1 The following items were reserved for discussion:

Item 42	Targeted Budget Management 2019/20 Month 5
Item 49	Proposals Arising from the Pay and Reward Review 2019
Item 50	Working Towards a Fair and Inclusive Workplace
Item 51	Self-Supply Water Licence
Item 52	Full Review of Polling Districts and Polling Places 2019
Item 55	Attendance Policy and Procedures
Item 56	King Alfred Development
Item 57	Housing Supply Update Report 2019-2023
Item 60	Home Purchase Policy Opportunity
Item 68	Hollingdean Depot Vehicles Operators Licence (Part Two)

39.2 The following items were approved without discussion:

Item 43	Orbis Insurance Tender 2020
Item 44	Adoption of Shoreham Harbour Joint Area Action Plan
Item 45	Collaborative Procurement of Hard Facilities Management Contracts
Item 46	Adoption South East
Item 47	Annual Waiver Report
Item 48	Procurement of a Corporate Office Supplies Contract
Item 53	Frederick Street Scheme Approval

Item 54	Disposal of Two Sites at Dunster Close
Item 58	Royal Pavilion Estate Capital Project Phase 1
Item 59	EU Withdrawal: Response to Full Council Notice of Motion
Item 61	RPM Trust
Item 62	Site Purchase – Valley Social Centre
Item 63	Lease Surrender – Oakley Motors Ltd
Item 64	Appointment of Councillors to Outside Bodies
Item 64a	Amendment to Executive Director and Directorate Title

40 PUBLIC INVOLVEMENT

40(a) Petitions

40.1 There were two petitions, one new and one referred from Full Council:

- (i) Change the Disabled Bus Time
- (ii) Stop the Theft of Brighton General Hospital Site: Keep it Public !

40.2 Ms A Smith presented a petition signed by 415 people which asked:
Request that the hours to be extended to 24/7 for those with a disabled bus pass - instead of its current time which is after 9:30am.

40.3 The Chair gave the following response:

The new arrangement for a three-year contract with Brighton & Hove Buses will be presented to members of this Committee for discussion at the next meeting on 5th December. This report will include the consideration of 24/7 travel for those with a disabled concessionary travel pass. Officers in the service have been working with service users to establish the social benefits of increasing the concession over the last year. The report, which officers have been working on for the last few months; will include costs and outline the benefits. This proposal will allow members to make an informed decision on the way forward alongside the new contract which will start from April 2020.

40.4 The Committee agreed to note the petition and that a report would come to its next meeting.

40.5 The Committee considered the petition which had been debated at Full Council on 25 July 2019. The petition had been signed by 1800 people and asked that the Council:

1. Conduct a more meaningful and extensive public consultation on the potential uses for this site - NHS, housing and community.
2. Explore further NHS uses for this site - such as community beds.
3. Brighton and Hove city to purchase the site.
4. Ensure any housing built on this site includes housing for social rent, keyworker housing and addresses the needs of homeless people in the city.

40.6 The Chair confirmed that the Full Council had agreed the following:

1. That Policy & Resources Committee be requested to commission a report to explore the options to buy the general hospital site, including obtaining preferred buyer status, subject to OJEU regulations;
2. That this report seek to consider:
 - how to embed the acquisition of the site under the departmental Plans detailed in the forthcoming corporate strategy; and
 - how to maximise the amount of council housing at the site, available at the lowest possible rents, once health provision needs have been fully addressed.

40.7 The Committee agreed to call for a report.

40 (b) Written Questions

40.8 Ms Valerie Paynter asked the following question:

King Alfred

After Karis lost their finance to redevelop the King Alfred, the Council had to write off its incurred expenses and put £1m into keeping King Alfred going. 12 years on....well....here we go again!

If Cllrs agree to terminate the existing procurement of the Crest Nicholson/Starr Trust scheme, there is a cost to the Council in abandoning work already done, along with many more years of repair and maintenance of the King Alfred? Surely Cllrs need to know what the financial cost of their decision is going to be. Have officers made a ballpark calculation of what that is?

40.9 The Chair gave the following response:

Embarking on a major development such as the King Alfred, one of the city's most important schemes, entails considerable cost to both the Council and bidders. All parties enter the process in full knowledge of this and it is a risk that all accept.

As stated in the report, the council has spent in the order of £420,000 on external costs during the current procurement. It is hugely disappointing, after 5 years of working closely with Crest Nicholson and the Starr Trust, to have reached this point. Indeed, had it been possible to conclude the deal within months, as was the Council's stated intention, the Council's costs would have been a fraction of this. The Council was however keen to give the developers every opportunity to conclude the deal and has agreed numerous extensions in the hope of finally unlocking the project. Crest Nicholson's withdrawal is fundamental to the current procurement. The committee will shortly be considering a report on this matter. Subject to the committee's agreement to recommendations under Agenda Item 56, it may be that the current project is ended.

We recognise that this brings more uncertainty and the Council will be exploring all opportunities to deliver what the city needs: a new Sports Centre and much needed new homes. The council is currently in the process of appointing consultants to undertake

condition surveys and identify lifecycle costs of the council's sports facilities including the King Alfred Leisure Centre. This work is part of a Sport Facilities Modernisation Programme and will give an indication of the future maintenance costs of the King Alfred Leisure Centre.

40.10 Ms Paynter asked the following supplementary question:

Why do you feel that you do not need to have proper costing before you make a decision?

40.11 The Executive Director Economy Environment & Culture said that legally the Council could not continue with the project as it had now finished, and the costs were a separate issue.

40(c) Deputations

40.12 There were no Deputations.

41 MEMBER INVOLVEMENT

41 (a) Petitions

41.1 There were none

41 (b) Written Questions

41.2 There were none

41 (c) Letters

41.3 There were none

41 (d) Notices of Motion

(i) Reducing Our Internet Carbon Impact

41.4 The Chair asked Cllr Clare to propose the Notice of Motion

41.5 Councillor Clare said that she had been inspired by the University of Sussex who switched their default search engine last year to Ecosia. Ecosia were a search engine who used money generated from advert revenue to plant trees. Since 2009 they had planted more than 70 million trees around the world including areas of deforestation. The Notice of Motion asked officers to investigate the possibility of using Ecosia as the default engine for the Council and to report back to this Committee. Ecosia would provide a tracking link to show how many trees had been planted as a result of the searches made through the Council. The internet is the biggest coal fired machine on earth and with experts suggesting we use around 14.5g of CO₂ for every 10mb of pages loaded for the first time. In August we had around 500,000 page views across the Council's website, which was around 4 million grams of CO₂. It was important to look at new ways to make the Council's website more environmentally friendly and using Ecosia which would plant trees would be a positive step.

- 41.6 Councillor Mac Cafferty seconded the Notice of Motion.
- 41.7 The Chair said that the Administration's support for the Declaration of a Climate and Biodiversity Emergency in December 2018 showed that we were serious about responding to the challenges set out in this Notice of Motion. Indeed my preference was that all councillors work jointly to identify and implement those initiatives that we can afford, and that will have the maximum impact. Part of this certainly involved maintaining awareness of the work that organisations such as Ecosia do, and where it makes sense, using them to support our delivery in the most carbon neutral way possible. In doing so it is also worth remembering that the council already uses places Social Value at the heart of its procurement processes, and that this includes sustainability. As set out in the Labour Manifesto, we are also working hard on our community wealth building strategy that reaches across all that we do. The Council spends almost £800 million per year, and the more that spend that is ethical and that benefits the local community, the better.

On the specific ask here, I am advised that once the significant cross-council Windows 10 roll-out is completed, then this is an option to consider – and I thank my colleague for bringing it to the Council's attention. To this end, I have asked the Executive Director, Finance & Resources to work with officers from the IT & Digital team to provide a report to a subsequent meeting of this Committee. This will include clarity over any impact on the Council's residents, on officers' work, and of the cost of the benefits that can be delivered.

- 41.8 **RESOLVED:** The Committee agreed to call for a report.

42 TARGETED BUDGET MANAGEMENT (TBM) 2019/20: MONTH 5

- 42.1 The Committee considered the report of the Executive Director Finance & Resources which set out an early indication of forecast risks as at Month 5 on the Council's revenue and capital budgets for the financial year 2019/20.
- 42.2 Councillor Shanks referred to Adult Social Care and asked if the savings which were supposed to take place were ever realistic. The Executive Director Finance & Resources said that budgets were set on the best information available. Savings had to be made, but the cost of care packages had increased more than expected, the health service put pressure on our service to get people out of hospital, and there was some impact from the historical way the service had been run but that was now being modernised. The Executive Director Health & Adult Social Care said that the Authority placed more people in residential care than would be expected, and the Council's policy was to avoid people going into care where possible. A new operating model was being introduced for social care and to help people live an independent life for as long as possible.
- 42.3 Councillor Clare noted the overspend on home to school transport had been based on the old contract and asked if that included the issues with the fuel price. She noted that there was an underspend in the Dedicated Schools Grant (DSG) and asked if that could be used to cover the school back pay issue. The Executive Director Families, Children & Learning said that the information in TBM 5 for home to school transport was out of date as it was based on previous information but the next report on TBM 6 should be

accurate. With regard to the DSG he said that there were always peaks and troughs and it was unlikely that there would be a large underspend by the end of the year, but in any event it would not be possible to move money between different blocks.

- 42.4 Councillor Gibson referred to the demand-led budget forecasts and asked why the one for temporary accommodation had flatlined whereas other demand led budgets varied month to month. Officers said the Council were committed to reducing temporary accommodation but there was increased demand but overall the numbers hadn't risen. He noted that the report said that the number of households in temporary accommodation had reduced by 200 units by the end of 2019/20 and questioned the wording as the year end had not yet been reached. He referred to the Environmental Improvements within Appendix 6 and asked for confirmation that the adjustment had been included in the projected underspend of £80k in the HRA in TBM 5. Officers confirmed that it had. He noted that Right to Buy (RTB) money had funded the Corporate Capital Programme by around £500k and was aware that some HRA RTB receipts had been used to support the joint venture by around £170k and asked for clarification on where he would find that reduction. The Executive Director Finance & Resources said he would have to provide a written answer after the meeting.
- 42.5 Councillor Shanks noted that the Council used to be able to fine drivers for sitting on double yellow lines, but the Government had removed that ability and suggested that the Authority put pressure on them to allow the Council to reinstate that and asked that the Leader write to the Government. The Chair agreed to do that.
- 42.6 Councillor Yates noted that 97% of projected savings had been met and thanked both officers within each directorate and the finance team for their work in achieving that. Councillor Bell agreed and thanked officers for their work.
- 42.7 **RESOLVED:** That the Committee
- (i) Noted the forecast risk position for the General Fund, which indicates a budget pressure of £4.100m. This includes an overspend of £0.121m on the council's share of the NHS managed Section 75 services.
 - (ii) Noted that the one-off financial risk safety net of £0.855m is available to mitigate the forecast risk if the risks cannot be completely eliminated by year-end.
 - (iii) Noted the forecast for the Housing Revenue Account (HRA), which is currently an underspend of £0.080m.
 - (iv) Noted the forecast risk position for the Dedicated Schools Grant which is an underspend of £0.145m.
 - (v) Noted the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 6 and the new schemes as set out in Appendix 7.

- (vi) Approved the use of £0.158m Modernisation Fund resources to support implementation of the Community Infrastructure Levy charging scheme as endorsed by the Tourism, Economy, Communities & Culture Committee.

43 ORBIS INSURANCE TENDER 2020

43.1 RESOLVED: That the Committee

- (i) Approved the procurement of insurance policies via an Orbis wide joint procedure with East Sussex and Surrey County Council.
- (ii) Granted delegated authority to the Executive Director of Finance & Resources to procure and award contracts for the provision insurance as set out in section 1.3 of this report each with a term of up to 7 years.

44 ADOPTION OF THE SHOREHAM HARBOUR JOINT AREA ACTION PLAN

44.1 RESOLVED: That the Committee

- (i) Noted the responses to the consultation on the main modifications to the JAAP and the contents of the Inspector's Report with her conclusion that the JAAP is legally compliant and 'sound';
- (ii) Recommended to Council that the JAAP be adopted, incorporating the main modifications and minor modifications, as part of the Development Plan for the City, subject to the Head of Planning agreeing any further minor non-material changes to the text with Adur District Council and West Sussex County Council;
- (iii) Recommended to Council that the currently adopted west area Policies Map be revised to additionally display policies contained within the JAAP;
- (iv) Recommended to Council that the Development Brief for South Portslade Industrial Estate & Aldrington Basin be revoked.

45 COLLABORATIVE PROCUREMENT OF HARD FACILITIES MANAGEMENT CONTRACTS - PLANNED, TERM AND REACTIVE MAINTENANCE

45.1 RESOLVED: That the Committee

- (i) Approved the award of the council's BHCC Reactive Fabric Repairs framework agreement for a duration of three years and an option to extend by up to one year.
- (ii) Approved the procurement of the other Hard Facilities Management services not awarded by working in partnership with East Sussex County Council (ESCC) led by the BHCC Orbis Procurement Team.
- (iii) Granted delegated authority to the Executive Director Economy, Environment & Culture:

- To procure the planned maintenance framework agreements set out in Appendix 3, term maintenance contracts set out in Appendix 4 and standalone procurements set out in Appendix 5. All as referred to in (ii) above, including the award of term contracts and places on framework lots.
- To enter into any subsequent call-off contracts to the framework agreements referred to in 2.1(ii) above should it be considered appropriate at the relevant time; and
- To approve the extension to the framework lot agreements and term contracts, if required, dependent upon satisfactory performance.

46 ADOPTION SOUTH EAST

46.1 RESOLVED: That the Committee

- (i) Approved the arrangement for Brighton & Hove City Council's Adoption Service to join a partnership arrangement with East Sussex; West Sussex and Surrey County Councils in forming Adoption South East, a RAA.
- (ii) Gave delegated authority to the Executive Director of Families Children & Learning, in consultation with the Lead Member for Children and Skills to implement the arrangements for Adoption South East, including entering into and signing off the Partnership Agreement and any other agreement between Brighton & Hove City Council and the other participating authorities, in order for the RAA to be implemented in April 2020.

47 ANNUAL WAIVER REPORT

47.1 RESOLVED: That the Committee noted the number and value of waivers authorised under Contract Standing Orders 20.2, 20.3 and 20.4 during the financial years 2017/18 and 2018/19 and the improvements made to the waiver process following Member involvement.

48 PROCUREMENT OF A CORPORATE OFFICE SUPPLIES CONTRACT

48.1 RESOLVED: That the Committee

- (i) Approved the procurement and award of a contract for the provision of office stationery, office sundries, food and drink sundries, computer consumables, office furniture, cleaning consumables and paper ("Office Supplies") with an initial term of three years and the option to extend by one year (the "Contract").
- (ii) Granted delegated authority to the Executive Director for Finances & Resources
 - (i) To carry out the procurement of the contract referred to in 2.1 above including the award of the contract; and
 - (ii) To grant the optional extension to the contract referred to in 2.1 of one year should they consider it appropriate at the relevant time.

49 PROPOSALS ARISING FROM THE PAY AND REWARD REVIEW 2019

- 49.1 The Committee considered the report of the Executive Director Finance & Resources regarding proposals arising from the Pay and Reward Review 2019.
- 49.2 The Executive Director Finance & Resources advised that Recommendation 2.1 should read '*Approves* the Reward proposals outlined in Section 3 for implementation on or before April 2020 rather than '*Considers*'.
- 49.3 Councillor Clare thanked officers for their work on the People Promise and highlighted the Rental Deposit Scheme for staff and for the encouragement for officers to join the Pension Scheme.
- 49.4 Councillor Shanks noted that social workers pay was relatively low and asked if it was something which needed to be looked at. Officers advised that the Council paid a market supplement to bring it more in line with neighbouring authorities, however staff preferred the working environment here even though the pay was slightly lower.
- 49.5 Councillor Mac Cafferty noted that only 98 Councillors and staff who were on the Credit Union's Payroll Deduction Scheme and asked if there was some way that more people could be encouraged to use it. The Executive Director Finance & Resources said it was something which could be looked at during the next review.
- 49.6 **RESOLVED:** That the Committee
- (i) Approved the Reward proposals outlined in Section 3 for implementation on or before April 2020.
 - (ii) Noted the report including continuing work to support and consult on changes to the pay line.

50 WORKING TOWARDS A FAIR AND INCLUSIVE WORKPLACE

- 50.1 The Committee considered the report of the Executive Director Finance & Resources which provided Members with the findings from the Global HPO (GHPO) review 2018 and updated the Committee on the collaborative development of the Fair & Inclusive Action Plan
- 50.2 Councillor Mac Cafferty noted that at the meeting in July he had suggested that there be a BME representative on this Committee. The Monitoring Officer said that the Constitutional Working Group were considering this, and whilst they could not have voting rights it may be possible that they could be a co-optee but it was necessary to ensure that that complied with the Equalities Act.
- 50.3 Councillor Clare said that the report referred to reporting racism and was concerned that people felt that there were no consequences from doing that. Officers referred to the appendices to the report which set out the framework for what behaviour was acceptable and what wasn't and what actions would be taken when it was reported. It was important that senior officers take the lead, and that specialist equality training was being provided to HR staff.

50.4 Councillor Yates said that significant change was needed and it was good that the Constitutional Working Group were looking at this. It was important that there was visible representation from minority groups and was something which needed to be taken seriously.

50.5 **RESOLVED:** That the Committee

- (i) Noted the findings in the Global HPO report and endorses the co-created Fair & Inclusive Action Plan to support the council's aim to establish a fair and inclusive culture where expectations around how we work are clear and consistently met;
- (ii) Commits to supporting and championing the aims and actions of the Fair & Inclusive Action Plan;
- (iii) Instructs officers to bring a progress report in 12 months as part of the governance of the Fair & Inclusive Action Plan.

51 SELF-SUPPLY WATER LICENCE

51.1 The Committee considered the report of the Executive Director Economy Environment & Culture regarding the costs and benefits of a self-supply licence and the potential impact on residents' water bills and improved environmental outcomes which was written in response to the Green Group's Notice of Motion presented at the meeting held on 18 July 2019.

51.2 Councillor Mac Cafferty said that the report focused on the financial aspects of a self-supply water licence, but the environmental issues should also be considered and this was a missed opportunity to do that.

51.3 Councillor Yates understood Councillor Mac Cafferty's comments but said that the Notice of Motion was about the financial savings of having a self-supply water licence, and due to the cost issue it would be necessary to demonstrate significant environmental benefits to take this further.

51.4 **RESOLVED:** That the Committee approved the decision not to apply for a self-supply licence at this time as there is no justifiable business case for doing so and the council has already entered into a contract for the provision of the water retail services covered by a self-supply licence with Castle Water until 31 January 2021 with a possibility to extend this to 31 January 2022.

52 FULL REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2019

52.1 The Committee considered the report of the Executive Lead Strategy Governance & Law regarding the statutory review of all polling places and polling districts within the City of Brighton & Hove.

52.2 Councillor Clare noted that the polling station at Queens Park Primary School would be moving to Brighton Youth Centre and asked what steps were in place to help residents who lived close to the school and may not be able to get to the new polling station.

Officers advised that Brighton Youth Centre was only 500m from the school, and postal votes were available for those who requested it.

52.3 Councillor Mac Cafferty said that it might be useful to consult with those who used buildings which acted as polling stations, and as the Brighton Youth Centre was being used for the elections he suggested it may be a good opportunity to promote democracy for the young people who used that centre.

52.4 Councillor Clare when the changes would be implemented. Officers advised that it would depend on when an election was called. If there was no election within the next four to six weeks it would be implemented on 1 December 2019, and if an election was called before that it would be implemented in January 2020.

52.5 **RESOLVED:** That the Committee

- (i) Approved polling district boundaries outlined in Appendix 1 including changes to the following polling districts:
 - a) AT and AU districts merged to form a new AU/KRCA district.
 - b) EU and EX districts merged to form a new EX/KQPD district.
 - c) Boundaries for GX/PHSE, GY/PHSF and GZ/PHSG districts redrawn.
 - d) HZ district split amongst the surrounding districts.
 - e) KT and KZ districts merged to form a new KZ/PKT district.
 - f) Boundaries for NV/HGOA, NY/HGOD and NZ/HGOE districts redrawn.
- (ii) Approved the recording of polling districts using a Parliamentary Constituency, Ward, Polling District Reference format as outlined in Appendix 1.
- (iii) Approved the polling place schedule outlined in Appendix 1 including changes to the following venues:
 - a) The polling place for EU&E/KQPD as Brighton Youth Centre.
 - b) The polling place for GY/PHSF as City Gate @ The Dip, 119d Hollingdean Terrace.
 - c) The polling place for HT/PPAA as St Thomas More Church Hall.
 - d) The polling place for KT &KZ/PSPB as Brighthelm Church & Community Centre.
 - e) The polling place for LZ/PRED as Brighton Town Hall.
 - f) The polling place for NV/HGOA as Ajex Hall.
 - g) The polling place for NY/HGOD and OZ/HHPD as Hove Rugby Club Pavilion.
 - h) The polling place for NZ/HGOE as Possibility Place.
 - i) The polling place for QZ/HNPE as Hill Park School (formerly Hillside).
 - j) The polling place for RX/HSPD as St Nicholas Parish Centre
- (iv) That the Executive Lead – Strategy Governance and Law, acting following consultation with the Council’s Returning Officer, be authorised to take measures, as required by law, to bring the changes indicated in para 2.1 – 2.3; with the authority to make these changes at a time that best fits with any election timetable.

- (v) Delegated to the Returning Officer, following consultation with the Group Leaders and respective ward councillors, authority to designate one or more alternative polling places in the event of any polling place not being available at any elections taking place prior to the end of 2020 and before the next full or partial review of polling places

53 FREDERICK STREET - SCHEME APPROVAL

53.1 RESOLVED: That the Committee

- (i) To appropriate the Frederick Street car park site (7-9, Frederick Street, Brighton, BN1 4TA) for planning purposes and delegate authority to the Executive Director for Neighbourhoods, Communities & Housing to appropriate for housing once the development is complete.
- (ii) Approved the appropriation of land at Frederick Street from the General Fund to the Housing Revenue Account for £0.300m, being the best consideration reasonably obtainable.
- (iii) Approved the use of £0.300m of commuted sums held for housing purposes as a contribution to the total scheme costs.

54 DISPOSAL BY LEASE OF TWO SITES AT DUNSTER CLOSE, HOLLINGDEAN

54.1 RESOLVED: That the Committee agreed to the disposal by lease of two areas of land identified at Dunster Close (Site A and Site B), to Bunker Housing Co-operative for a 125-year period with the freehold retained by the council's Housing Revenue Account (HRA). The granting of the lease for the site was on the basis that best consideration could take the form of an annual ground rent instead of an initial capital payment, and was subject to Bunker obtaining planning consent, securing funding and entering into a nominations agreement with the council.

55 ATTENDANCE SUPPORT PROCEDURE

55.1 The Committee considered the report of the Executive Director Finance & Resources which briefed them on the new attendance policy and procedure and sought authority to proceed with its implementation across the whole council.

55.2 Councillor Clare supported the new procedure and said that as today was World Mental Health Day she was pleased to note the changes to support staff who were suffering from mental health issues, as well as the 'Dying to Work Charter' which supported staff with terminal illnesses. She said it was a valuable piece of work and thanked all officers who had been involved in drafting the new policy and procedure.

55.3 RESOLVED: That the Committee

- (i) Approved the implementation of the new Attendance Policy and Procedure for all staff across the council as part of our work on Our People Promise.

- (ii) Gave delegated authority to the Executive Director, Finance & Resources to decide on an implementation timetable for the new Attendance Policy and Procedure.
- (iii) Recommended to Full Council that the council signs up to the TUC's *Dying to Work Charter*, which supports staff with terminal illness to either remain in work as long as they are able, or to help them to access their pension early, depending on their wishes.

56 KING ALFRED DEVELOPMENT

- 56.1 The Committee considered the report of the Executive Director Economy Environment & Culture which formally advised the Committee of the Preferred Developer's withdrawal from the King Alfred Development project. The Council appointed Crest Nicholson in partnership with the Starr Trust (Crest) as Preferred Developer in January 2016. As a consequence of Crest's withdrawal, it was proposed that the current procurement was ended, and the current project was closed pending initiation of a new project in revised form. The report also provided a high-level summary of the work proposed for the next stage to establish a new project, together with new governance arrangements to support that process.
- 56.2 Chair said that Mr Starr (Chairman of Starr Trust) and Mr Michael Jacobs (Trustee and Chief Operating Officer Starr Trust) were at the meeting, and she had agreed that they could address the Committee.
- 56.3 Mr Starr said that in partnership with Crest Nicholson he had won the bid in 2016 to redevelop the King Alfred. Today he was in partnership with Legal and General and was now in a better position to provide the same scheme to develop a new leisure centre, community spaces and new homes. In his view the report the Committee were considering was incomplete and misleading as it implied that Crest Nicholson and the Starr Trust had withdrawn but that was incorrect, and the Starr Trust had not withdrawn. The report said that there was a definitive legal position that gave no chance of a way forward, but procurement law did not account for every eventuality. Procurement law relied on interpretation and risk assessment and for it to fail it needed to be successfully challenged. Officers had not confirmed to the Committee that the procurement could remain open whilst they investigated the alternative uses for the site and evaluated whether the winning bid could continue with a new delivery partner. We would like to give the Council an alternative way forward, confirmed by our lawyers and those of Legal and General, that mitigated and reduced the risk and provides an alternative procurement strategy. The Council should meet with us and Legal and General to hear in detail the alternatives before making any final decision. The reason for the legal difference was that officers had briefed their lawyers on what they saw as essentially a new award. However, we were not looking for a new award but saying that the question posed to lawyers was incomplete and their analysis was therefore formed on a badly formed brief. Our lawyers view was that our status as joint winners allowed the original award to continue in certain circumstances. This interpretation needed to be fairly evaluated and you should wait to see what challenges were made rather than ceasing the procurement now in case there was a challenge in the future. Officers had said that they did not want to put their name to a scheme which could result in a number of

challenges and other stakeholders were worried that such an award would appear illegal or corrupt. However, there was nothing illegal or corrupt in offering an alternative solution to an existing procurement. This was about understanding the challenge risks associated with one path or another and to do this it was necessary to understand both paths. The question was whether the Council wanted the King Alfred to be delivered now or for the building to collapse without a replacement in place, and to explain why a £15m housing grant would be lost and having to write off the money already spent on this development and to embark on another exercise without properly listening to all the options. He asked that he and Legal and General be given time to meet with the Council to deliver the winning scheme.

- 56.4 The Executive Director Economy Environment & Culture said that Members would be aware of the many faced in delivering the King Alfred project, and that the process had taken far longer than was envisaged at the time the Council began the process. At the time of appointing Crest Nicholson in partnership with the Starr Trust as Preferred Bidder in January 2016, it was anticipated that the contract would be entered into within 6 months. Construction was expected to commence by the end of 2017 and, had that been achieved, the development would now be at an advanced stage. Unfortunately, within months of appointment the developers alerted the Council to increasing financial pressures. There followed 3 years of discussions aimed at addressing these and returning the scheme to viability. This work included a successful £15.2m bid to the Housing Infrastructure Fund and the Council's agreement in December 2018 to revised arrangements relating to the delivery of affordable housing. Together this was expected to overcome the problems and was to be the final opportunity to move forward with Crest Nicholson and the Starr Trust. At the January 2019 committee meeting the draft terms of the Development Agreement were agreed and it was hoped that the agreement would be entered into shortly thereafter. At the time of the January meeting Crest Nicholson advised the Council that it was unwilling to enter the Development Agreement due to ongoing Brexit uncertainty. Although frustrated by further delay, the Committee was mindful of the impact that Brexit was having on business decisions and therefore agreed a final deadline of 30th March 2019. Despite continued Council efforts, Crest Nicholson remained unwilling to enter the contract by the 30th March deadline. The Council was however committed to allowing the developer team every opportunity to sign and continued to work with them.

In August this year Crest Nicholson advised the Council of its withdrawal from the project. As the party with whom the Council was to enter into a contract with, Crest Nicholson's withdrawal effectively represents the withdrawal of the Crest/Starr Consortium and its bid. In view of this and taking account of the passage of time since commencement of the procurement in 2014, the Council officers had concluded that it was necessary to end the current procurement. The report therefore presented recommendations for the way forward and set out the planned next steps towards establishing a new project.

The Starr Trust was disappointed at the withdrawal of its development partner and the severe impact this had on the procurement. It considered that it should be given the opportunity to continue the project with a replacement partner. The Council officers had given the Starr Trust's outline proposition full consideration and had treated it with the seriousness that it deserved. The Council acknowledged the Starr Trust's role in establishing the partnership with Crest, and that the Starr Trust has been a committed partner. Both Rob and Michael had been passionate and committed to this project and

that should be acknowledged. However, the Starr Trust was not the organisation with whom the Council would have entered into contract, nor the basis on which the evaluation was conducted. Legal advice had been taken and it had been concluded that Procurement Regulations did not allow this. The Council has sought a formal legal opinion from a leading QC specialising in public procurement law. The QC's Opinion fully supported the Council's view. It was definitive that to allow the Starr Trust to continue the Project in conjunction with another Party was not lawfully possible. It was extremely disappointing to have reached this point, but it was considered to be the only option available to the Council.

The Executive Director acknowledged the passion, enthusiasm and drive that both Rob Starr and Michael Jacobs of the Starr Trust brought to the project over several years

- 56.5 The Chair noted that there was an amendment to the report's recommendations from the Green Group and asked Councillor Mac Cafferty to move the amendment.
- 56.6 Councillor Mac Cafferty said that the Green Group agreed that unfortunately it was necessary to start the procurement process again. He said that there had been some problems with the initial scheme including potential overdevelopment on the site, and this would be a good opportunity to review that. The amendment included the call for an exploration of multi-site approaches, to reaffirm that the Council should play a key part in the running of the but also to look at possible alternative sites in the in the city which may be more accessible by public transport.

The following amendment was moved, changes in italics:

2.1 Note Crest's withdrawal from the King Alfred Development project.

2.2 Agrees that the procurement should be closed, that the current project should be ended and that the Council should serve a notice under Regulation 55 of the Public Contracts Regulations 2015 confirming that the Council will not be awarding a contract.

2.3 Confirms that provision of a modern Sports Centre in the west of the city remains a Council priority and agrees that new plans should be formulated.

2.4 Notes the outline of key activities proposed as part of the next stage to establish the new project; *and seeks to*

- establish new delivery methods for key aspects of the scheme, including: the exploration of multi-site approaches; reaffirmation of developing elements of the scheme 'in-house'; public transport infrastructure connectivity for residents

2.5 Agrees to the establishment of a new cross-party Project Board to oversee the new project; notes that the membership of the Board will be on the basis of nominations from each political group; and notes that terms of reference will be brought to a future meeting of this Committee for approval.

2.6 Agrees that a detailed report with proposals for the way forward, *including project delivery timescales for the next five years* be brought to a future meeting of this Committee.

- 56.7 Councillor Gibson seconded the amendment.
- 56.8 Councillor Yates said that the report did say that all options would be considered, but he felt that the amendment did bring some clarity and so he would support it.
- 56.9 Councillor Moonan said that it was regrettable that the matter was before the Committee and thanked the officers who had worked so hard on the scheme, but on the advice of a specialist QC it was clear that the matter could not proceed. She said she was keen to see a first-class sports facility and affordable housing in the new scheme and was happy to support the amendment.
- 56.10 Councillor Nemeth noted that there would have been £15m funding from Central Government and asked why that was not in the Financial Implications in the report. The Executive Director Economy Environment & Culture advised that the Council had secured £15.2m towards the project but as no development agreement had been entered into there were no financial implications. Councillor Nemeth said that the Starr Trust had rebutted the Council's legal advice and asked what consideration the Council had given to that rebuttal. The Head of Commercial Law said that she agreed in part with some of the legal advice given to the Starr Trust. The focus of that advice was how the Council may mitigate the risks and only one suggested it would be lawful to award a contract to someone who hadn't won the procurement. To do so would be a clear breach of procurement rules and there was a risk of a challenge from any operator in Europe.
- 56.11 The Committee voted on the amendment and it was agreed.
- 56.12 **RESOLVED:** That the Committee
- (i) Noted Crest's withdrawal from the King Alfred Development project.
 - (ii) Agreed that the procurement should be closed, that the current project should be ended and that the Council should serve a notice under Regulation 55 of the Public Contracts Regulations 2015 confirming that the Council will not be awarding a contract.
 - (iii) Confirmed that provision of a modern Sports Centre in the west of the city remains a Council priority and agrees that new plans should be formulated.
 - (iv) Noted the outline of key activities proposed as part of the next stage to establish the new project; and seeks to - establish new delivery methods for key aspects of the scheme, including: the exploration of multi-site approaches; reaffirmation of developing elements of the scheme 'in-house'; public transport infrastructure connectivity for residents.
 - (v) Agreed to the establishment of a new cross-party Project Board to oversee the new project; notes that the membership of the Board will be on the basis of

nominations from each political group; and notes that terms of reference will be brought to a future meeting of this Committee for approval.

- (vi) Agreed that a detailed report with proposals for the way forward, including project delivery timescales for the next five years be brought to a future meeting of this Committee.

57 HOUSING SUPPLY UPDATE REPORT 2019-2023

- 57.1 The Committee considered the report of the Executive Director Neighbourhoods, Communities & Housing which updated the Committee on the delivery of new affordable housing by the council, and future plans to escalate delivery by utilising the Housing Revenue Account (HRA) borrowing flexibilities and revenue underspends in the HRA.
- 57.2 Councillor Gibson welcomed the report and that the different political parties were working together on a programme for new affordable homes and hoped that the Committee would support the report.
- 57.3 Councillor Allcock agreed with the comments of Councillor Gibson and said that new affordable housing was urgently needed. The regeneration team had come up with many innovative suggestions for additional housing in both new and existing sites which would create homes for many people.
- 57.4 **RESOLVED:** That the Committee agreed that for 2019/20, any new revenue costs (estimated at £0.100m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves (current balance £6.980m).

58 ROYAL PAVILION ESTATE CAPITAL PROJECT PHASE 1

- 58.1 **RESOLVED:** That the Committee
 - (i) Noted that the decision to appoint a contractor to complete the stage 1 emergency and remedial works required to the buildings has been taken by the Executive Director for Economy, Environment & Culture.
 - (ii) Noted the recommendation of the Procurement Advisory Board set out in paragraph 3.7.
 - (iii) Granted delegated authority to the Executive Director for Economy, Environment & Culture to procure and award a contract for the stage 2 works required to complete the project as set out in paragraph 3.6.
 - (iv) Noted that Policy & Resources Committee approval to vary the capital budget, via the Targeted Budget Management (TBM) reporting process, would be required as set out in paragraph 7.1.

59 EU WITHDRAWAL: RESPONSE TO FULL COUNCIL NOTICE OF MOTION

- 59.1 **RESOLVED:** That the Committee

- (i) Noted the content of this report and appendices.
- (ii) Agreed to the continuation of BHCC's contingency planning for Brexit, which will continue to be informed by national best practice and include developing key resilience building opportunities for the council and city aligned with the council's strategic priorities.

60 HOME PURCHASE POLICY OPPORTUNITY - PURCHASE OF A PORTFOLIO OF PROPERTIES

- 60.1 The Committee considered the report of the Executive Director Neighbourhoods Communities & Housing which sought approval for the purchase of three residential properties at 1 Rugby Place, Brighton which would be delivered through the Home Purchase Policy.
- 60.2 Councillor Gibson said that the Home Purchase Policy was going very well, and it was essential that the target for 800 new homes was met and this was a way of achieving that without the time delay for new build homes.
- 60.3 Councillor Bell said that he supported the recommendations which help provide homes for those in need.
- 60.4 Councillor Allcock said rents were very high in the city and providing affordable homes was important.
- 60.5 **RESOLVED:** That the Committee
- (i) Agreed to purchase the three flats at 1 Rugby Road, Brighton at a total value of £0.550m
 - (ii) Approved a HRA capital budget of £0.590m inclusive of all fees and statutory taxes to be funded by Right to Buy Receipts and HRA Borrowing.

61 RPM TRUST

- 61.1 **RESOLVED:** That the Committee
- (i) Agreed the in-principle decision of the Tourism, Development & Culture Committee in June 2019 that the Royal Pavilion & Museums service transfers to the Royal Pavilion & Museums Trust.
 - (ii) Noted the positive progress to date and that the final legal agreements between the council and the Trust will be brought to the December Policy & Resources Committee for approval.
 - (iii) Noted the governance arrangements, that Member nominations will be proposed via the December Policy and Resources Committee
 - (iv) Noted the financial model, including the anticipated council contributions and consequent short term draw on council reserves.

- (v) Noted the commitment to retain staff membership in the local government pension scheme (LGPS) at the time of transfer, and that discussions are continuing over the pensions proposals for other transferred and new staff.
- (vi) Noted the proposed commitments to staff made by the Trust;
- (vii) Agreed that the Thompson Bequest, Royal Pavilion Renewal Fund, Brighton & Hove Natural History Society Reserve, Museums Objects Reserves and James Green Foundation Reserve are transferred to the RPM Trust on transfer of the management of the RPM as detailed in paragraph 3.9.1.
- (viii) Noted that the intention is for the service to transfer by 1 April 2020.

62 SITE PURCHASE - VALLEY SOCIAL CENTRE

62.1 RESOLVED: That the Committee

- (i) Authorised the freehold acquisition of Valley Social Centre at the appropriate price following independent valuation advice.
- (ii) Approved budget for this acquisition will be added to the 2019/20 HRA capital programme and will be funded from commuted resources held by the council. Further detail is included in the part 2 report.
- (iii) Agreed that delegated powers be given to the Executive Director of Neighbourhoods Communities & Housing, the Executive Director Economy, Environment & Culture and the Executive Lead of Strategy, Governance and Law to agree terms for the acquisition.

63 LEASE SURRENDER - OAKLEY MOTOR UNITS LTD, OAKLEY HOUSE, EDWARD ST, BRIGHTON

- ### **63.1 RESOLVED:** That the Committee agreed to the lease surrender for the agreed lease premium detailed in the Part 2 report, and authorises that delegated powers be given to the Executive Director Neighbourhoods, Communities & Housing, and the Head of Legal Services to agree terms.

64 APPOINTMENT OF COUNCILLORS TO OUTSIDE BODIES

- ### **64.1 RESOLVED:** That the Committee agreed the appointment of Councillors to the Following:

- (i) Councillor Knight to be a member of Brighton & Hove Seaside Community Homes Ltd
- (ii) Councillor Williams to be a member of the Homes for the City of Brighton & Hove Ltd

- (iii) Councillor Williams be a Director of the Homes for City of Brighton & Hove Design & Build Company Ltd

64a AMENDMENT TO EXECUTIVE DIRECTOR AND DIRECTORATE TITLE

64a.1 **RESOLVED:** That the Committee agreed

- (i) To change the title of the current role of Executive Director for Neighbourhoods, Communities and Housing to Executive Director for Housing, Neighbourhoods and Communities
- (ii) That the name change be effective for the purposes of advertisement to the post and the commencement of the newly appointed Executive Director.

65 ITEMS REFERRED FOR COUNCIL

65.1 No Items were referred to Full Council on 24 October 2019

Part Two Summary

66 APPENDIX 1 TO ITEM 63 - LEASE SURRENDER – OAKLEY MOTOR UNITS LTD, OAKLEY HOUSE, EDWARD ST, BRIGHTON - EXEMPT CATEGORY 3

66.1 This item was linked with Item 63 (Part One) and the Committee agreed the recommendations without discussion.

66.2 **RESOLVED:** That the Committee agreed to the lease surrender for the agreed lease premium detailed in the Part 2 appendix and authorises that delegated powers be given to the Executive Director Neighbourhoods, Communities & Housing, and the Head of Legal Services to agree terms.

67 SITE PURCHASE - VALLEY SOCIAL CENTRE - EXEMPT CATEGORY 3

67.1 This item was linked with Item 62 (Part One) and the Committee agreed the recommendations without discussion.

68 HOLLINGDEAN DEPOT VEHICLE OPERATORS LICENCE - EXEMPT CATEGORIES 1, 2, 3, 4 & 5

68.5 **RESOLVED:** That the Committee noted the steps being taken to ensure that the City Council met the requirements of the Traffic Commissioner to ensure that our vehicles were operated in accordance with the terms of our Operator's Licence and all relevant legislative requirements.

69 PART TWO MINUTES - EXEMPT CATEGORIES 1, 2, 3 4 & 5

69.1 **RESOLVED:** That the Decision of the Urgency Sub Committees held on 11 July 2019 and 24 July 2019 were noted.

70 PART TWO PROCEEDINGS

70.1 **RESOLVED:** That Items 66 – 69 listed in Part Two of the agenda and the decisions thereon should remain exempt from disclosure to the press and public.

The meeting concluded at 6.50pm

Signed

Chair

Dated this

day of