



**Brighton & Hove  
City Council**

**POLICY, RESOURCES & GROWTH  
COMMITTEE  
ADDENDUM TWO**

**4.00PM, THURSDAY, 8 DECEMBER 2016**

**COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD,  
HOVE, BN3 3BQ**



# ADDENDUM

ITEM	Page
<b>77 MEMBER INVOLVEMENT</b>	<b>1 - 2</b>
(d) <b>Notices of Motion:</b> to consider any Notices of Motion referred from Council or submitted directly to the Committee.  Disposal of Land on the Downland Estate – Joint Notice of Motion – Proposed by Councillor Sykes (copy attached)	
<b>78 TARGETTED BUDGET MANAGEMENT (TBM) 2016/17 MONTH 7</b>	<b>3 - 4</b>
Proposed Joint amendment from the Green & Conservative Groups (copy attached).	
<b>91 DRAFT HOUSING ALLOCATIONS POLICY</b>	<b>5 - 16</b>
Updated extract from the proceedings of the Housing & New Homes Committee meeting held on 16 November 2016 (copy attached). <i>Contact Officer: James Crane</i> <i>Tel: 01273 293316</i> <i>Ward Affected: All Wards</i>	
<b>92 HOUSING DELIVERY OPTIONS - LIVING WAGE JOINT VENTURE</b>	<b>17 - 26</b>
Proposed Conservative Group Amendment (copy attached).  Proposed Green Group Amendment (copy attached).	



**JOINT NOTICE OF MOTION  
CONSERVATIVE AND GREEN GROUPS  
DOWNLAND ESTATE DISPOSALS**

We note that the downland estate has been preserved to protect our City's aquifer and is greatly valued for its biodiversity, heritage, landscape and amenity. Many of these unique characteristics are under statutory designation but in the current climate this in itself does not guarantee protection.

There has been considerable concern expressed at the planned sales of parcels of the downland estate. These sales have been developed under the auspices of our Asset Management Plan (AMP) and aim to raise capital funds towards the restoration and development of Stanmer Park, as agreed by all parties in committee meetings in 2014 and 2016.

Notwithstanding the above, we consider that some elements of the decisions previously approved would have benefited from greater scrutiny at the time, and positive changes to the governance of downland estate disposals are desirable to increase the profile of such proposals.

Furthermore we request the establishment of a Policy Review Panel to consider governance and policy with respect to the City's urban and rural estates. Concerning the above this will include:

- A review of respective sections of our AMP as they concern downland asset definition and disposal;
- Review of the Scheme of Delegation financial threshold for sensitive asset disposals to promote full scrutiny by Members;
- The involvement of local conservation bodies.

Proposed by: Councillor Janio

Seconded by: Councillor Sykes



**JOINT AMENDMENT**

**GREEN AND CONSERVATIVE GROUPS**

**TARGETTED BUDGET MANAGEMENT (TBM) 2016/17 MONTH 7**

Insert the additional recommendation 2.7 shown below in ***bold italics***:

- 2.7 That the Committee agrees to halt the disposal process with respect to two parcels of the city's Downland estate namely 'Land at Plumpton Hill' and 'Land at Poynings' and that an urgent report be brought to the January 2017 Committee meeting detailing alternative options in relation to the proposed disposal process referred to in Policy and Resources Committee of 11<sup>th</sup> February 2016, and that these options take account of any impact affecting the HLF Stanmer Park bid.***

Proposed by: Councillor Mac Cafferty

Seconded by: Councillor Janio



**Subject:** Draft Housing Allocations Policy  
**Date of Meeting:** 8 December 2016  
**Report of:** Executive Lead Officer for Strategy, Governance & Law  
**Contact Officer:** Name: **Caroline De Marco** Tel: **01273 291063**  
E-mail: [Caroline.demarco@brighton-hove.gov.uk](mailto:Caroline.demarco@brighton-hove.gov.uk)  
**Wards Affected:** All

**FOR GENERAL RELEASE**

**NOTE:** This extract:

- Replaces the earlier one issued in Addendum One which had a drafting error; and,
- Includes an additional Officer recommendation listed under the recommendations section for Policy, Resources & Growth Committee as recommendation (2), as shown in ***bold italics***

**Action Required of the Committee:**

To receive the item referred from the Housing & New Homes Committee for approval

**Recommendation:** That the Committee note the resolutions from Housing & New Homes Committees and agree the revised recommendations as set out below:

That the Housing & New Homes Committee:

- (1) Agrees upon the policy, and agrees to refer the policy to Policy, Resources and Growth Committee (PR&G) as set out below.
- (2) That the following be agreed:
  - a) That the Housing Allocations Plan, is approved by the Housing and New Homes Committee;
  - b) that the initial Housing Allocations Plan set out on page 127 of the Committee papers be approved;
  - c) That future Housing Allocation Plans are approved by Housing and New Homes Committee on an annual basis, with any deviation of more than 5% of each allocation queue being reported to the committee
  - d) That this policy be reviewed at the end of the first Housing Allocations Plan cycle, and that this review will consider

- i) any revisions to the Housing Allocations Plan
- ii) The possibility of reintroducing the positive local contribution category
- iii) Feedback from applicants involved in the system

(3) Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read: "Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council's housing register if they have refused two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant's changed circumstances."

(4) That an officer report be presented to the Policy, Resources & Growth Committee considering the further Green amendments as follows:

a) Banding continues to be dependent upon assessment by a medical officer, as before;

b) That any applicants who have not bid in 12 months should be written to and asked if they wish to remain on the register, with a warning that failure to respond to the notification within 31 days will lead to their removal from the register;

c) That the income cap be reduced, to exclude those who are able to afford private renting of the appropriate sized property (those for whom renting consumes less than 50% of their income)

d) That the savings cap be increased, to enable individuals to retain sufficient funds to cover for 8 months rent for a property in the private rented sector – covering for 6 months rent in advance plus 2 months to cover damage, moving costs and charges

e) Rent arrears: That exclusion not be automatic should a person have a record of 'failure to pay rent', except where the person has outstanding debt liabilities to the council (excluding rent arrears) and is deemed not to be making satisfactory arrangements to repay those debts;

f) That the bidding time limit be set at 6 months rather than 3;

g) That the criteria for being a qualifying person include those who have lived in the area continuously for five years preceding the date they make their application, and at least 2 years immediately preceding this date (with the same exceptions provided for in the draft policy)

h) That the policy explicitly state that 'there will be provision of a cooker and a sink in their home,' rather than referring only to 'access to cooking facilities,'

i) That whilst internet based applications are encouraged as default in the policy, that the policy will allow paper based applications, should these be

requested by the applicant.

j) That Housing Allocations assist genuine and informed bidding by making fuller property information available to bidders (with images of aspects of the property)

k) That applicants excluded for refusing an offer be excluded for one year, not two.

That the Policy, Resources & Growth Committee:

- (1) Notes the comments of Housing & New Homes Committee and agrees the Policy subject to the amendments set out above.
- (2) ***That Assistant Director Housing be authorised to make consequential amendments to rest of the policy to make it consistent with the changes referred to in resolution (3) above*** (proposed Officer amendment)

**BRIGHTON & HOVE CITY COUNCIL****HOUSING & NEW HOMES COMMITTEE****4.00 PM 16 NOVEMBER 2016****COUNCIL CHAMBER, HOVE TOWN HALL**

**Present:** Councillor Meadows (Chair) Councillor Hill (Deputy Chair), Councillor Mears (Opposition Spokesperson), Councillor Gibson (Group Spokesperson), Councillors Atkinson, Barnett, Bell, Druitt, Lewry and Moonan.

**DRAFT MINUTE****PART ONE**

- 42.1 Prior to the consideration of the report, there was a 15 minute adjournment to enable members to receive advice from officers on the amendments received from the Conservative and Green Groups.
- 42.2 The Committee considered a report of the Executive Director Economy Environment & Culture which presented a new Allocation Policy for members to note and comment on further to the report being submitted for approval to the Policy, Resources and Growth Committee. City wide consultation was carried out from 1<sup>st</sup> December 2015 to 29<sup>th</sup> February 2016. It was reported that over the last 5 years the Housing Register had continued to grow and now stood at over 24,000 applicants.
- 42.3 Data demonstrated that numbers in current allocation Bands A & B were relatively static, whereas the increase in numbers was within Bands C & D on the register. This reflected the lower priority given. The report would be referred to the Policy, Resources & Growth Committee as there were significant financial implications which were set out in points 7.10 and 7.11 of the report. The report was presented by the Service Improvement Manager and the Head of Temporary Accommodation & Allocations.
- 42.4 Members were informed of a typographical error on page 127, paragraph 3.12. This should read that there needs to be a 5% tolerance in either direction (not 55%).
- 42.5 The Service Improvement Manager informed members that this report had been deferred at the last meeting in order to take the report and the consultation to the Area Panels. An Area Panel meeting was held on 20 October at Leach Court and was attended by 21 tenant's representatives where they were taken through all the main changes that were being proposed. There was a very good discussion and a number of questions were asked and were answered by officers. The tenants were pleased with the proposals but did have reservations around the one offer policy. The allocations plan had been inserted at paragraph 3.12. Financial comments had been updated and were included at paragraph 7.1.

42.6 Councillor Mears set out the following Conservative amendment:

“That the recommendations the recommendations on page 125 of the agenda are amended by inserting an additional recommendation 2.1.1 as follows:

**2.1.1 Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read:** *“Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council’s housing register if they have refused ~~any~~ two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant’s changed circumstances.”*

*Further that the words “subject to the amendments in paragraph 2.1.1 above” be added at the end of paragraph 2.2*

So that the amended recommendations read:

## **2. RECOMMENDATIONS:**

*That the Housing & New Homes Committee:*

2.1 Notes and comments upon the policy and agree to refer the policy to Policy Resources & Growth Committee (PR&G).

**2.1.1 Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read:** “Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council’s housing register if they have refused two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant’s changed circumstances.”

*That the Policy, Resources & Growth Committee:*

2.2 Notes the comments of Housing & New Homes Committee and agrees the Policy subject to the amendments set out in paragraph 2.1.1 above.

42.7 The above amendment was seconded by Councillor Barnett.

42.8 An amendment had been submitted by the Green Group which was subsequently amended. Councillor Gibson explained that following discussions with officers and the Conservative Group he was going to amend the amendment on the grounds that some issues would be forwarded to Policy, Resources & Growth Committee to give proper time for discussion, debate and clarification. Some elements of the amendment would be retained for this committee to vote and make a decision on and other matters would be referred to Policy, Resources & Growth Committee. The new amendment was as follow:

*That the Housing allocations policy be agreed by Housing & New Homes Committee and that*

2.1 ~~Notes and comments upon~~ **Agrees upon the policy, and agrees** to refer the policy to Policy, Resources and Growth Committee (PR&G) as set out at paragraph 2.2. It is further agreed:

**a) That the Housing Allocation plan is approved by the Housing and New Homes Committee,**

**b) that the initial Housing Allocations Plan set out on page 127 of the Committee papers be approved;**

**c) That future Housing Allocation Plans are approved by Housing and New Homes Committee on an annual basis, with any deviation of more than 5% of each allocation queue being reported to the committee**

**d) That this policy be reviewed at the end of the first Housing Allocations Plan cycle, and that this review will consider**

**1) any revisions to the Housing Allocations Plan**

**2) The possibility of reintroducing the positive local contribution category**

**3) Feedback from applicants involved in the system**

**That the following matters will all be referred to the Policy, Resources and Growth Committee for consideration.**

**a) Banding continues to be dependent upon assessment by a medical officer, as before;**

**b) That any applicants who have not bid in 12 months should be written to and asked if they wish to remain on the register, with a warning that failure to respond to the notification within 31 days will lead to their removal from the register;**

**c) That the income cap be reduced, to exclude those who are able to afford private renting of the appropriate sized property (those for whom renting consumes less than 50% of their income)**

**d) That the savings cap be increased, to enable individuals to retain sufficient funds to cover for 8 months rent for a property in the private rented sector – covering for 6 months rent in advance plus 2 months to cover damage, moving costs and charges**

**e) Rent arrears: That exclusion not be automatic should a person have a record of 'failure to pay rent', except where the person has outstanding debt liabilities to the council (excluding rent arrears) and is deemed not to be making satisfactory arrangements to repay those debts;**

**f) That the bidding time limit be set at 6 months rather than 3;**

***g) That the criteria for being a qualifying person include those who have lived in the area continuously for five years preceding the date they make their application, and at least 2 years immediately preceding this date (with the same exceptions provided for in the draft policy)***

***h) That the policy explicitly state that 'there will be provision of a cooker and a sink in their home,' rather than referring only to 'access to cooking facilities,'***

***i) That whilst internet based applications are encouraged as default in the policy, that the policy will allow paper based applications, should these be requested by the applicant.***

***j) That Housing Allocations assist genuine and informed bidding by making fuller property information available to bidders (with images of aspects of the property)***

***k) That applicants excluded for refusing an offer be excluded for one year, not two.***

- 42.9 Councillor Mears asked the Committee Lawyer about the functions under the delegated functions of housing because under 2.b homelessness and the allocation of housing was a housing function. The Committee Lawyer referred to 7.10 and 7.11 of the legal implications stating that the Executive Director of Finance & Resources considered that this will have budgetary implications. Delaying the approval would also have budgetary implications and the council's constitution stated that in those circumstances it is a PR&G function rather than housing.
- 42.10 Councillor Mears formally seconded the Green Group's amendments as amended.
- 42.11 Councillor Barnett referred to the five year plan stating that people had to be in the city for five years before they were allocated any housing. She asked if there were going to be any exceptional circumstances. Councillor Barnett stated that 50% of working people always used to get a choice on housing allocation and that had been taken away now. She stressed that private landlords could specify who they did and did not want to house. Why was it not the same for the council?
- 42.12 The Service Improvement Manager explained that there were a number of exceptions to local connection. Page 189 listed the exemptions. One of such groups was military personnel. Others were homeless people for whom the council accepted a responsibility. The homeless local connection was different to the allocation policy. Members previously decided that they did not want to adopt the wider definition of local connection; they wanted a residents' connection. 50% was not for working households. It was for working positive contribution which included people who were doing volunteering for a certain amount of hours and some people with a disability making some form of contribution but not on a regular basis, because of that disability.
- 42.13 Councillor Atkinson thanked the officers for work on the policy. He stressed that this was about assisting those residents in most need that had a solid local connection to have a chance to obtain local housing. He stressed that the council now had a significantly reduced council housing stock due to properties being sold through the right to buy. It was necessary to use the council housing resource as carefully as possible.

The policy could also be of use to key workers in the city. A staff nurse for instance would be well within the financial assessment criteria.

- 42.14 Councillor Mears asked questions relating to the bullet points on page 127, paragraph 3.12. Councillor Mears stated that the council could legally only have one allocations policy, yet she believed that Adult Social Care had their own allocation policy. Councillor Mears asked officers to explain how the 10% plus Brookmead would be allocated.
- 42.15 The Head of Temporary Accommodation and Allocations explained that the about 700 properties a year were available for letting. Roughly half of them were one beds and studios. About 40% of the 700 would go to homeless households. Officers would work on a range of accommodation, so some would be family homes and others one beds. Adult Social Care generally wanted single person accommodation so the 10% that went to them would be for single person type accommodation. Family homes would be allocated to Children's Services. This needed to be profiled throughout the year which was why officers had asked for a tolerance of 5% either way in case the right size properties were not available.
- 42.16 The Service Improvement Manager explained that the policy in front of members allocated extra care through the process. Adult Social Care received referrals for any extra care accommodation in order to assess that eligibility. It was necessary for the Temporary Accommodation and Allocations team to work with Adult Social Care on this matter.
- 42.17 The Executive Director, Economy, Environment & Culture confirmed that the allocations to council housing would be through the allocations policy, but in accordance with the protocols that were agreed with the other departments.
- 42.18 Councillor Lewry asked what plus Brookmead meant on page 127, paragraph 3.12. The Head of Temporary Accommodation and Allocations explained that Brookmead was a new build development for extra care housing. Because it was for elderly people with dementia, it would be necessary for Adult Social Care to assess need for such accommodation.
- 42.19 Councillor Gibson made comments as follows:
- Although he accepted the reasons for the proposals he was saddened to have to make decisions that would lead to rationing and constraining a resource that was becoming more and more scarce and precious.
  - More clarification was needed on many of the proposals. Therefore it was appropriate for them to go the PR& G Committee.
  - It was vital that the Housing & New Homes Committee took responsibility for the Housing Allocations Plan on page 127, and that the committee review it.
  - It was vital that points being raised were taken to PR&G Committee.
  - The policy should be reviewed after a year.
  - If the council was allowing people to find housing in the private rented sector then they should be allowed to have enough money to be able to pay six months' rent in advance.

- People needed the maximum amount of information about the property they are bidding for.

42.20 Councillor Bell welcomed the report. He asked how the allocations policy would work for people who wanted to transfer from out of the area. He also asked for an explanation on how down size would help people to find a home.

42.21 The Services Improvement Manager explained that the council still had the tenants incentive scheme to Band A with a financial sum for those giving up family sized accommodation, or an adapted property. There were no changes to that part of the policy. In terms of people coming from outside the area, the council were going to a closed register rather than an open register as at the present. The proposal was to introduce a reciprocal agreement whereby if the council come to an arrangement other local authorities, they could take someone from the Brighton & Hove list and Brighton & Hove could take someone from their list.

42.22 Members voted on the Conservative amendments, as set out in paragraph 42.6 above. The amendments were unanimously agreed.

42.23 Members voted on the Green amendments as amended above in paragraph 42.8. The items referred to PR&G were for consideration. The amendments were agreed unanimously.

42.24 Members voted on the substantive recommendation as amended. It was unanimously agreed.

42.25 **RESOLVED:-**

That the Housing & New Homes Committee:

- (1) Agrees upon the policy, and agrees to refer the policy to Policy, Resources and Growth Committee (PR&G) as set out below.
- (2) That the following be agreed:
  - a) That the Housing Allocations Plan, is approved by the Housing and New Homes Committee;
  - b) that the initial Housing Allocations Plan set out on page 127 of the Committee papers be approved;
  - c) That future Housing Allocation Plans are approved by Housing and New Homes Committee on an annual basis, with any deviation of more than 5% of each allocation queue being reported to the committee
  - d) That this policy be reviewed at the end of the first Housing Allocations Plan cycle, and that this review will consider
    - i) any revisions to the Housing Allocations Plan
    - ii) The possibility of reintroducing the positive local contribution category
    - iii) Feedback from applicants involved in the system

- (3) Recommends to Policy, Resources & Growth Committee that the proposed new policy on refusing a suitable and reasonable offer of accommodation (p. 194 of agenda) be amended to read: “Applicants will not qualify for social housing in Brighton & Hove and be (or remain) registered on the council’s housing register if they have refused two offers of suitable accommodation within the last two years made or arranged by the council and there has been no material change in their circumstances so as to make the earlier offer(s) clearly unsuitable in the light of the applicant’s changed circumstances.”
- (4) That an officer report be presented to the Policy, Resources & Growth Committee considering the further Green amendments as follows:
- a) Banding continues to be dependent upon assessment by a medical officer, as before;
  - b) That any applicants who have not bid in 12 months should be written to and asked if they wish to remain on the register, with a warning that failure to respond to the notification within 31 days will lead to their removal from the register;
  - c) That the income cap be reduced, to exclude those who are able to afford private renting of the appropriate sized property (those for whom renting consumes less than 50% of their income)
  - d) That the savings cap be increased, to enable individuals to retain sufficient funds to cover for 8 months rent for a property in the private rented sector –covering for 6 months rent in advance plus 2 months to cover damage, moving costs and charges
  - e) Rent arrears: That exclusion not be automatic should a person have a record of ‘failure to pay rent’, except where the person has outstanding debt liabilities to the council (excluding rent arrears) and is deemed not to be making satisfactory arrangements to repay those debts;
  - f) That the bidding time limit be set at 6 months rather than 3;
  - g) That the criteria for being a qualifying person include those who have lived in the area continuously for five years preceding the date they make their application, and at least 2 years immediately preceding this date (with the same exceptions provided for in the draft policy)
  - h) That the policy explicitly state that ‘there will be provision of a cooker and a sink in their home,’ rather than referring only to ‘access to cooking facilities,’
  - i) That whilst internet based applications are encouraged as default in the policy, that the policy will allow paper based applications, should these be requested by the applicant.
  - j) That Housing Allocations assist genuine and informed bidding by making fuller property information available to bidders (with images of aspects of the property)
  - k) That applicants excluded for refusing an offer be excluded for one year, not two.

That the Policy, Resources & Growth Committee:

- (1) Notes the comments of Housing & New Homes Committee and agrees the Policy subject to the amendments set out above.



**AGENDA ITEM 92**

**HOUSING DELIVERY OPTIONS – LIVING WAGE JOINT VENTURE**

**CONSERVATIVE GROUP AMENDMENT**

That the recommendations be amended by deleting the words in ~~strikethrough~~ and adding those shown in ***bold italics***.

2.1 That Housing & New Homes Committee

- i) Recommends the report to Policy, Resources & Growth Committee as ~~set~~ out at paragraph 2.2

2.2 That Policy, Resources & Growth Committee:

- i) Support in principle the living wage joint venture proposal ***subject to the further safeguards being put in place outlined below;***
  - a) ***That no HRA asset will be transferred or sold into the Joint Venture and this shall be written into the Heads of Terms, or equivalent legal agreement or final contracts.***
  - b) ***That the Council review options for any General Fund land being sold to the Joint Venture (including direct development), with member oversight of this being considered for any sum above and including zero pence at the Estate Regeneration Board.***
  - c) ***In order to ensure best value for money, any transfer of council owned land to the JV is publicised on the council website to any potential bidders, valued by an independent valuer or the District Valuer to ensure best consideration reasonably obtainable is achieved and submitted in the Committee papers for approval relating to the transfer.***
  - d) ***In the event of the Council's General Fund revenue budget being placed under stress or in a deficit position as a result of the JV, that the Committee note mechanisms exist for the Section 151 Chief Financial Officer to advise Members of options for managing the deficit position in order to mitigate the impact on the General Fund services. Such mechanisms include reviewing the adequacy of risk provisions and/or reserves under Section 25 of the Local Government Act 2003 or, alternatively, re-financing.***

- e) *It should be explicit in the heads of terms or subsequent contracts that any profit from the Joint Venture should be split on a 50/50 basis.*
  - f) *That the Council notes in future land transfers, a buy back clause for the council will be included if development does not commence by the JV within 3 years at the same price it was purchased by the JV.*
  - g) *Changes to the Heads of Terms be made to ensure that only the relevant Committee can agree to a change in the reserved matters list and this cannot form part of the annual business plan to be changed.*
  - h) *The Heads of Terms be amended at 4.15 to read that 90% of fair value of 3 independent valuers, including the district valuer, shall be transferred in the event of a default.*
  - i) *That the Heads of Terms lock in period should read 10 not 7 years.*
- ii) Give delegated authority to the Executive Director of Economy, Environment & Culture following consultation with the Executive Lead Officer for Strategy Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:
- a) develop and negotiate the deal with Hyde;
  - b) ~~agree and authorise execution of~~ **develop** the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture; **both of which should come back to a future Housing and New Homes Committee and Policy Resources and Growth Committee and Full Council for final approval.**
  - c) ~~make the appointments~~ **suggestions on the Council officer advisory attendees** from the Council to the management board; **The Council's three members of the board shall be city councillors apportioned as per the Council's procedures for proportional seat allocations. Such positions should be capable of being substituted for by other members, and relevant council officers may attend purely in an advisory capacity to assist members.**
- iii) Note that reserved matters (as detailed in 3.30) will come back to **the Housing and New Homes committee, as well as the Policy Resources and Growth Committee** for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.

Proposed by Councillor Janio

Seconded by Councillor G. Theobald

Recommendation (if agreed) to read:

2.1 That Housing & New Homes Committee

- i) Recommends the report to Policy, Resources & Growth Committee as set out at paragraph 2.2

2.2 That Policy, Resources & Growth Committee:

- i) Support in principle the living wage joint venture proposal subject to the further safeguards being put in place outlined below;
  - a) That no HRA asset will be transferred or sold into the Joint Venture and this shall be written into the Heads of Terms, or equivalent legal agreement or final contracts.
  - b) That the Council review options for any General Fund land being sold to the Joint Venture (including direct development), with member oversight of this being considered for any sum above and including zero pence at the Estate Regeneration Board.
  - c) In order to ensure best value for money, any transfer of council owned land to the JV is publicised on the council website to any potential bidders, valued by an independent valuer or the District Valuer to ensure best consideration reasonably obtainable is achieved and submitted in the Committee papers for approval relating to the transfer.
  - d) In the event of the Council's General Fund revenue budget being placed under stress or in a deficit position as a result of the JV, that the Committee note mechanisms exist for the Section 151 Chief Financial Officer to advise Members of options for managing the deficit position in order to mitigate the impact on the General Fund services. Such mechanisms include reviewing the adequacy of risk provisions and/or reserves under Section 25 of the Local Government Act 2003 or, alternatively, re-financing.
  - e) It should be explicit in the heads of terms or subsequent contracts that any profit from the Joint Venture should be split on a 50/50 basis.
  - f) That the Council notes in future land transfers, a buy back clause for the council will be included if development does not commence by the JV within 3 years at the same price it was purchased by the JV.
  - g) Changes to the Heads of Terms be made to ensure that only the relevant Committee can agree to a change in the reserved matters list and this cannot form part of the annual business plan to be changed.
  - h) The Heads of Terms be amended at 4.15 to read that 90% of fair

value of 3 independent valuers, including the district valuer, shall be transferred in the event of a default.

- i) That the Heads of Terms lock in period should read 10 not 7 years.
- ii) Give delegated authority to the Executive Director of Economy, Environment & Culture following consultation with the Executive Lead Officer for Strategy Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:
  - a) develop and negotiate the deal with Hyde;
  - b) develop the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture; both of which should come back to a future Housing and New Homes Committee and Policy Resources and Growth Committee.
  - c) make suggestions on the Council officer advisory attendees from the Council to the management board;. The Council's three members of the board shall be city councillors apportioned as per the Council's procedures for proportional seat allocations. Such positions should be capable of being substituted for by other members, and relevant council officers may attend purely in an advisory capacity to assist members.
- iii) Note that reserved matters (as detailed in 3.30) will come back to the Housing and New Homes committee, as well as the Policy Resources and Growth Committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.

**AGENDA ITEM 92**

**HOUSING DELIVERY OPTIONS – LIVING WAGE JOINT VENTURE**

**GREEN GROUP AMENDMENT**

That the recommendation 2.2 (ii) a) be deleted as shown in ~~strikethrough~~ and replaced as shown in ***bold italics***.

~~2.2 That the Policy, Resources and Growth Committee:~~

- ~~i) Support in principle the living wage joint venture proposal; and~~
- ~~ii) Give delegated authority to the Executive Director of Economy, Environment and Culture following consultation with the Executive Lead Officer for Strategy, Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:~~
  - ~~a) Develop and negotiate the deal with Hyde; in which the following are sought:~~
    - ~~1) 100% of nominations for Living Wage Rented Housing are provided only for households from the BHCC waiting list, for whom specifically, the market rent for housing in the private sector exceeds 50% of their income. This is estimated at an annual gross income of: - £36,000 for a three bed - £31,000 for a 2 bed, £22,500 for a one bed - £16,000 for a studio~~
    - ~~2) That 100% of nominations for shared ownership properties are achieved for residents with a local connection to Brighton and Hove, as defined in the Housing Allocations Policy~~
    - ~~3) That a 'first refusal' option is agreed in the event Hyde become bankrupt; and/or that in the event that Hyde should separately dispose of their stake in the partnership, that their stake be sold to the council or to a charitable housing association, with charitable objectives;~~
    - ~~4) That the rent levels set are reduced to the levels modelled in the 30% of living wage rent sensitivity test, (made possible by lowering the rate of return in the base model)~~

- ~~b) the final terms of the agreement be put forward and agreed by full meeting of Council, prior to the completion of the deal;~~
- ~~iii) Note that the reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV:~~
- ~~iv) That reserved matters for the Joint Venture should include:
 
  - ~~(a) An option to veto any future rent increases that exceed increases in the National Living wage;~~
  - ~~(b) An option to veto any future rents increases that raise combined rents and service charges above the Local Housing Allowance;~~
  - ~~(c) An option to increase allowances for maintenance of properties after year 10 in the model~~~~
- ~~v) That should the business model exceed its projected rate of return, all surplus council monies be ring fenced exclusively to provide additional council owned emergency accommodation for homeless people and additional living wage rented housing.~~

## **2.2 That the Policy, Resources and Growth Committee:**

- i) Support in principle the living wage joint venture; and**
- ii) Give delegated authority to the Executive Director of Economy, Environment and Culture following consultation with the Executive Lead Officer for Strategy, Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:
 
  - (a) Develop and negotiate the deal with Hyde; in which the following are agreed:
 
    - (1) The Shared Ownership properties should first be marketed locally to buyers with a connection to Brighton & Hove with a cascade for wider marketing to be triggered only after such reasonable marketing period has first expired.**
    - (2) That the rent formula proposed for the National Living Rent calculation in the SFVM be changed to make the rents more affordable for local people on lower incomes. Specifically that the current rent formula which is calculated based on 40% of gross income be reduced to 37.5% of gross income in the SFVM.**
    - (3) Should cost of living increases in rents for tenants of the joint venture rise at a rate that is in excess of actual******

***increases in the rate of the National Living Wage, the parties to the Joint Venture agree to discuss the scope to address this issue when reviewing the business plan. Having regard to the required commercial performance of the project in line with the SFVM and Business Plan,***

- (4) Should cost of living increases in rents for tenants of the joint venture rise at a rate that leads gross rents to exceed the Local Housing Allowance, the parties to the Joint Venture agree to discuss the scope to address this issue when reviewing the business plan. Having regard to the required commercial performance of the project in line with the SFVM and Business Plan.***
- (5) That should the business model exceed its projected rate of return, all Brighton & Hove City Council surplus monies be ring fenced exclusively to provide additional council owned emergency accommodation for homeless people and additional living wage rented housing.***
- b) Agree and authorise execution of the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture;***
- c) Make the appointments from the Council to the management board;***
- iii) Note that reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.***

Proposed by Councillor Mac Cafferty

Seconded by Councillor Sykes

Recommendation (if agreed) to read:

2.2 That the Policy, Resources and Growth Committee:

- ii) Give delegated authority to the Executive Director of Economy, Environment and Culture following consultation with the Executive Lead Officer for Strategy, Governance & Law, the Executive Director of Finance & Resources, the Estate Regeneration Board and the Strategic Delivery Board to:
  - (a) Develop and negotiate the deal with Hyde; in which the following are agreed:
    - (1) The Shared Ownership properties should first be marketed locally to buyers with a connection to Brighton & Hove with a cascade for wider marketing to be triggered only after such reasonable marketing period has first expired.
    - (2) That the rent formula proposed for the National Living Rent calculation in the SFVM be changed to make the rents more affordable for local people on lower incomes. Specifically that the current rent formula which is calculated based on 40% of gross income be reduced to 37.5% of gross income in the SFVM.
    - (3) Should cost of living increases in rents for tenants of the joint venture rise at a rate that is in excess of actual increases in the rate of the National Living Wage, the parties to the Joint Venture agree to discuss the scope to address this issue when reviewing the business plan. Having regard to the required commercial performance of the project in line with the SFVM and Business Plan,
    - (4) Should cost of living increases in rents for tenants of the joint venture rise at a rate that leads gross rents to exceed the Local Housing Allowance, the parties to the Joint Venture agree to discuss the scope to address this issue when reviewing the business plan. Having regard to the required commercial performance of the project in line with the SFVM and Business Plan.
    - (5) That should the business model exceed its projected rate of return, all Brighton & Hove City Council surplus monies be ring fenced exclusively to provide additional council owned emergency accommodation for homeless people and additional living wage rented housing.
  - b) Agree and authorise execution of the Heads of Terms and subsequently the documentation required to implement the proposed Joint Venture;
  - c) Make the appointments from the Council to the management

board;

- iii) Note that reserved matters (as detailed in 3.30) will come back to committee for approval including any business plans which are to be delivered through the Joint Venture, and the disposal of land/sites to the JV.

