



# GREAT YARMOUTH BOROUGH COUNCIL

## Council

**Date:** Thursday, 23 June 2022

**Time:** 19:00

**Venue:** Council Chamber

**Address:** Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

### AGENDA

#### Open to Public and Press

#### 1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

#### 2 DECLARATIONS OF INTEREST

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

**3 MAYOR'S ANNOUCEMENTS**

To receive any announcements from His Worship the Mayor.

**4 URGENT ITEMS OF BUSINESS**

To consider any urgent items of business.

**5 MINUTES**

**4 - 13**

To confirm the minutes of the meeting held on the 12 May 2022.

**6 AMENDMENTS TO APPOINTMENTS**

**14 - 16**

Council are asked to consider amendments to the following Member appointments :-

- Committee Memberships
- Working Group appointments
- Outside Body representations

**7 SERVICE COMMITTEE DECISION LIST 11 MARCH 2022 TO 12 MAY 2022**

**17 - 19**

Report attached.

**8 EQUINOX PROPERTY HOLDINGS - FINANCING**

**20 - 22**

Report attached.

**9 TRANSITIONAL HOUSING SCHEME**

**23 - 28**

Report attached.

Please Note : The Confidential appendix can be found attached to this report, Members will be required to log in to view this confidential appendix.

**10 ANY OTHER BUSINESS**

To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.

**11 EXCLUSION OF PUBLIC**

In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

**12 CREATION OF A NEW LOCAL AUTHORITY TRADING**

**COMPANY**

Details

**13 CONFIDENTIAL SERVICE COMMITTEE DECISION LIST 11**

**MARCH 2022 TO 12 MAY 2022**

Details



# GREAT YARMOUTH BOROUGH COUNCIL

## Council

### Minutes

Thursday, 12 May 2022 at 18:00

**PRESENT:-**

His Worship, The Mayor, Councillor Thompson; Councillors Annison, Bensly, Candon, Cameron, G Carpenter, P Carpenter, Cordiner-Achenbach, Fairhead, Flaxman-Taylor, Freeman, Galer, Grant, D Hammond, P Hammond, Hanton, Jeal, Lawn, Martin, Mogford, Myers, Plant, Price, Robinson-Payne, Smith, Smith-Clare, Stenhouse, Wainwright, B Walker, C M Walker, Waters-Bunn, Wells, Williamson, A Wright & B Wright.

Ms S Oxtoby (Chief Executive Officer), Ms C Whatling (Monitoring Officer), Mrs P Boyce (Strategic Director), Mr J Goffin (Media & Communications Manager), Mrs S Wintle (Corporate Services Manager), Mrs L Goodman (Events Manager), Ms B Todd (Civic Events Officer) and Mrs C Webb (Executive Services Officer).

Mr M Brett (IT Support) & Canon Simon Ward.

#### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Bird, Borg, Hacon & Talbot.

#### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest given at the meeting.

### **3 ELECTION OF MAYOR FOR THE 2022/23 MUNICIPAL YEAR**

Councillor Smith proposed and Councillor Thompson seconded that Councillor Graham Plant be elected Mayor of the Borough of Great Yarmouth for the 2022/23 Municipal Year.

Councillor Wainwright asked for a recorded vote to be undertaken. The Leader of the Council agreed to this request.

Proposer: Councillor Smith.

Seconded: Councillor Thompson.

That Councillor Graham Plant be elected Mayor of the Borough of Great Yarmouth for the 2022/23 Municipal Year.

His Worship the Mayor, Councillor Graham Plant, hereby signed the declaration of office and gave an acceptance speech.

Recorded vote:-

For - Councillors Annison, Bensly, Cameron, Candon, G Carpenter, P Carpenter, Flaxman-Taylor, Freeman, Galer, Grant, D Hammond, P Hammond, Hanton, Lawn, Mogford, Myers, Plant, Price, Smith, Stenhouse, Thompson & Wells.

Against - Councillors Cordiner-Achenbach, Jeal, Martin, Robinson-Payne, Smith-Clare, Wainwright, B Walker, C Walker, Waters-Bunn, Williamson, B Wright & A Wright.

Abstentions - None.

### **4 VOTE OF THANKS TO OUTGOING MAYOR**

The Leader of the Council, Councillor Smith gave the vote of thanks to the outgoing Mayor, Councillor Adrian Thompson and congratulated the new Mayor, Councillor Graham Plant.

The Leader of the Council asked that Council record their sincere thanks to Councillor Thompson for carrying out the role of mayor with dedication throughout his year in office and thanked his wife, Jenny, for all her support to her husband.

Councillor Wainwright reiterated that Councillor Thompson, with his wife Jenny at his side, had carried out the civic role with great enthusiasm and respect and he could not praise them both highly enough for the way they had represented the Council and the Borough.

Councillor Thompson was presented with a certificate and his past mayors badge. Councillor Thompson thanked all those who had supported him during his marvellous year as mayor when he had met some wonderful people and he hoped that he had spread a little hope and happiness throughout the Borough.

## **5 ELECTION OF DEPUTY MAYOR FOR THE 2022/23 MUNICIPAL YEAR**

Councillor Emma Flaxman-Taylor proposed and Councillor Donna Hammond seconded that Councillor Penny Carpenter be elected Deputy Mayor of the Borough of Great Yarmouth for the 2022/23 Municipal Year.

Proposer: Councillor Flaxman-Taylor

Seconder: Councillor D Hammond

That Councillor Penny Carpenter be elected Deputy Mayor of the Borough of Great Yarmouth for the 2022/23 Municipal Year.

CARRIED

The Deputy Mayor, Councillor Penny Carpenter, hereby signed the declaration of office and gave an acceptance speech.

## **6 APPOINTMENT OF CHAPLAIN - 2022/23 MUNICIPAL YEAR**

His Worship The Mayor, Councillor Plant, announced that his Chaplain for the 2022/2023 Municipal Year would be Canon Simon Ward.

Canon Simon Ward recited a prayer of dedication for all Councillors and residents of the Borough.

## **7 MINUTES OF THE MEETING HELD ON THE 14 APRIL 2022 AND 20 APRIL 2022**

The minutes of the meetings held on 14 April and 20 April 2022 were confirmed.

Councillor Williamson asked the minutes to be amended to reflect that he had sent his apologies.

Proposer: Councillor Smith

Seconder: Councillor Candon

That Council confirmed the minutes of the meetings held on 14 April 2022 and 20 April 2022.

CARRIED

## **8 APPOINTMENT OF LEADER OF THE COUNCIL**

Councillor Candon proposed that Councillor Carl Smith be elected Leader of the Council for the 2022/23 Municipal Year. This motion was seconded by Councillor Lawn.

Proposer: Councillor Candon  
Seconded: Councillor Lawn

That Councillor Carl Smith be elected Leader of the Council for the 2022/23 Municipal Year.

CARRIED

## **9 APPOINTMENT OF DEPUTY LEADER**

Councillor Smith proposed that Councillor Penny Carpenter be elected Deputy Leader of the Council for the 2022/23 Municipal Year. This motion was seconded by Councillor Stenhouse.

Proposer: Councillor Smith  
Seconded: Councillor Stenhouse

That Councillor Penny Carpenter be elected as Deputy Leader of the Council for the 2022/23 Municipal Year.

CARRIED

## **10 COMMITTEE TIMETABLE 2022-23**

The Corporate Services Manager reported that there was one amendment to the committee timetable; the Policy & Resources Committee meeting would be held on Tuesday, 24 May 2022 and not Tuesday, 17 May 2022.

The Leader of the Council presented the Committee Timetable to Council and proposed that the Committee timetable for the 2022/23 Municipal Year be approved. This was seconded by Councillor Candon.

Councillor Jeal proposed an amendment to the motion; that all evening Committee meetings to commence at 6.30pm as this was fairer to all working Councillors. This was seconded by Councillor Waters-Bunn.

Councillor T Wright requested that Council adhered to this timetable and that no changes or cancellations be allowed unless as a result of extreme unforeseen circumstances.

The Leader of the Council asked to speak on the amendment that all evening meetings to commence at 6.30pm. He reported that the Committee timetable start times were the same as last year and that he did not agree with the amendment.

Councillor Wells asked if there were financial implications if all meetings were to commence at 6.30pm, would this mean that officers would be paid overtime or be

entitled to time off in lieu. The Chief Executive Officer reported that officers worked as needed. Councillor Candon reported that employers had to allow employees time off to attend Council meetings. Councillor Jeal asked for a point of order; if Councillors were given time off then this was classed as unpaid leave.

Councillor Cordiner-Achenbach reported that it was sometimes difficult to secure childcare or carers early evening as they needed to finish work and have their tea before commencing caring duties. Councillor Cordiner-Achenbach reported that she was grateful that no meetings had been put in the calendar during school holidays. This was reiterated by Councillor Smith-Clare who reported that it was common sense to start all meetings at 6.30pm.

Councillor Fairhead herby joined the meeting at 18:40.

Councillor P Hammond reported that he worked but made it a priority to be able to attend an evening meeting which started at 6pm as he felt that it was a privilege to represent his ward and he made every effort to attend each meeting promptly.

Proposer: Councillor Smith  
Secunder: Councillor Candon

That the Committee timetable be approved as presented with the amendment to the Policy and Resources Committee date for the Municipal Year 2022/23.

## **11 LIST OF COMMITTEE MEMBERSHIPS 2022-23**

Council received and considered the list of Committee Memberships for the 2022/23 Municipal Year which was presented by the Leader of the Council for approval.

Proposer: Councillor Smith  
Secunder: Councillor Candon

That Council approve the list of Committee Memberships for the 2022/23 Municipal Year.

## **12 APPOINTMENT OF CHAIRS AND VICE-CHAIRS 2022-23**

Council received and considered the appointment of Chairs and Vice-Chairs of Committees for the 2022/23 Municipal Year which was presented to Council by the Leader of the Council for approval.

Councillor Grant requested that an amendment be made from Councillor D Grant to Councillor A Grant.

Proposer: Councillor Smith  
Secunder: Councillor Candon

That Council approve the Chairs and Vice-Chairs of Committees, with the amendment made at the meeting, for the 2022/23 Municipal Year.

CARRIED



### **13 APPOINTMENT TO WORKING GROUPS 2022-23**

Council received and considered the Appointments to Working Groups for the 2022/23 Municipal Year which was presented by the Leader of the Council for approval.

Proposer: Councillor Smith  
Secunder: Councillor Candon

That Council approve the Appointments to Working Groups for the 2022/23 Municipal Year.

CARRIED

### **14 OUTSIDE BODIES REPRESENTATION 2022-23**

Council received and considered the appointments to Outside Bodies for approval for the 2022/23 Municipal Year.

The Leader of the Council notified Council of two amendments to the list; in regard to item numbers 5 and 51, Councillor Wells would represent the Council on the Outside Body.

Councillor A Wright referred to item number 6; and reminded Council that although he was appointed to the Chamber of Commerce, he had not received an invitation to attend a meeting for a considerable amount of time which he found very concerning. His Worship, The Mayor, Councillor Plant asked that a letter outlining Councillor A Wright's concerns be sent to the Chamber of Commerce on behalf of the Council requesting that they convene a meeting as soon as possible.

Proposer: Councillor Smith  
Secunder: Councillor Candon

That Council approve the Outside Bodies Representation, with the two amendments made at the meeting, for the 2022/23 Municipal Year.

CARRIED

### **15 RENEWAL OF PUBLIC SPACE PROTECTION ORDER No 1 - ALCOHOL RELATED ANTI-SOCIAL BEHAVIOUR**

The Leader of the Council presented the report to Council for consideration.

The Leader of the Council reported that Public Protection Order No.1 was introduced in 2016 to assist in addressing anti-social behaviour related to the consumption of alcohol in public places. The Order was extended in 2019 and this extension was due to expire on June 2nd 2022. This report sought Council approval to extend it by a further three years to 2025.

Councillor A Wright informed Council that although he supported the PSPO; he was laying down a marker that he would question the Licensing Policy at Licensing Sub-

Committee when they were considering applications for take-aways and licensable premises for the sale of alcohol, which could result in additional detritus and street drinking and result in harm to the reputation of the Borough.

Proposer: Councillor Smith

Secunder: Councillor Wells

That Council agree to the PSPO Order No. 1 being extended by a further three years to 2025.

## **16 PROPOSED CHANGE OF GOVERNANCE SYSTEM**

The Leader of the Council presented the report on the proposed change of the Governance System to Council for consideration and proposed its approval.

The Leader of the Council reported that the current Administration has, since its manifesto pledge in the elections of 2019, set out its intention to pursue a move to the 'Leader-Cabinet' governance system.

The Leader of the Council reported that since coming into power, the Administration has been clear in its intention to revert to Cabinet system. The proposal now put forward by the Administration is to move the Council to the 'Leader-Cabinet' system from May 2023. It is the view of the Administration that the adoption of the 'Leader-Cabinet' governance option will strengthen local democracy and make it more effective and efficient for the Council to transact business. The adoption of a 'Leader-Cabinet' model will help to deliver the Council's corporate priorities in a number of ways, including:

- a more consistent, clearer, proportionate and efficient mechanism for decision making, ensuring increased officer and Councillor capacity for delivery;
- greater levels of openness, transparency and collaboration through a strong Scrutiny Committee function, with legally enshrined mechanisms e.g. 'Key Decision' thresholds and 'Call-ins'
- increased responsibility, separation, and clarification of functions leading to increased accountability to Council and the electorate;
- parity and flexibility for the leader and Cabinet to represent the Borough of Great Yarmouth and secure its influence within Norfolk.

The Leader of the Council requested that Council:-

(i) Adopt the 'Leader-Cabinet' form of governance, to be effective from the Annual Meeting of Council in May 2023 in accordance with the provisions of the Localism Act 2011; and

(ii) Approve the proposed structures and the approach to preparatory work as set out in this report.

The motion for approval was seconded by Councillor Wells who reserved his right to speak last in the debate.

Councillor Wainwright proposed an amendment to the proposition; that the Committee System of Governance be retained by the Council. Under the Governance System six Council Portfolio Holders would make all the decisions making the vast majority of Councillors redundant from the decision-making process. The Committee System

was democratic and allowed all Councillors to have a say to reflect the views of their ward members.

Councillor Wainwright proposed that a referendum be held to allow the residents of the Borough to decide how their Council was run. Councillor Wainwright pledged that if Labour won the 2023 Borough Elections, that he would overturn this decision before Annual Council and the Committee form of governance would remain.

This motion was seconded by Councillor Jeal.

The Monitoring Officer reported that this could not be considered as an amendment to the proposal as it was purely a change of subject matter to reverse the proposal. His Worship, The Mayor, Councillor Plant reported that as this was not an amendment, no vote would be taken.

Councillor Jeal reported that as one of the longest serving Councillors that he proposed that the Committee form of governance be retained as it was the fairest form of governance unlike cabinet which gave all the power to six Councillors.

Councillor Myers urged those former UKIP Councillors who were now part of the Conservatives, to remember their 2015 manifesto pledge to return to the committee governance system. Councillor Myers reminded Council that although the Scrutiny Committee could call in decisions they did not have the power to overturn them.

Councillor Thompson congratulated His Worship, The Mayor, Councillor Plant on his election to office. Councillor Thompson asked why the rush; and whether the Leader would consider postponing the proposition to after the Borough elections in 2023 which was less than a year away. The Committee form of governance did not stifle debate and allowed Councillors to find the best way forward together. Residents of the Borough were struggling financially and the Council needed to use their funds wisely and not waste them introducing a new form of governance when the existing model worked perfectly well. Councillor Thompson proposed an amendment that the proposal be deferred for 12 months.

Councillor A Wright reported that the Cabinet System was akin to a dictatorship and that Council should remain as a committee form of governance which was democratic.

Councillor Robinson-Payne reiterated the comments made by Councillor Myers and urged the former UKIP Councillors to stick with their manifesto pledge and support the committee form of governance. cabinet would result in too much power in too few hands.

Councillor Smith-Clare reported that Cabinet would be an exclusive club of six people making all the decisions and holding all the cards when consulting all the Councillors would result in better, cohesive decision-making to improve the lives of all the residents of the borough.

Councillor Williamson reported that he had served under both systems and the Committee system was open, transparent and better for the residents and he implored all Councillors to vote against the proposal.

Councillor Cordiner-Achenbach reported that returning to the Cabinet system would result in greater voter apathy at the next election and prevent ordinary working people of the borough aspiring to become local Councillors due to lack of engagement

between Council and its constituents.

Councillor C Walker reported that the return to the cabinet system was one of the reasons for her not standing as a Councillor in next years election as it was undemocratic.

Councillor Candon congratulated His Worship, The Mayor, Councillor Plant, on his election to the office of mayor. Councillor Candon reported that Cabinet was a streamlined form of governance which would save money and enable faster decision-making and was more aligned to Central Government. Cabinet would result in clarity of accountability and increase speed of decision-making to help the communities and residents of this Borough.

Councillor Wells reminded Council that the change of governance was a manifesto promise of the Conservative Group made in 2019 and which was being enacted now after being put on hold due to the pandemic. A Cabinet system would be far more economic to operate, offer quicker decisions to help residents through the cost-of-living crisis which the country was trying to navigate.

Councillor Wainwright asked a point of order in regard to what constituted a motion. The Monitoring officer reported that a motion was a proposal which contained a recommendation.

The Leader of the Council summed up his proposal to Council and Council undertook a vote by a show of hands.

Councillor A Wright asked for a point of order and for a recorded vote to be undertake. His Worship, The Mayor, Councillor Plant informed Councillor A Wright that the vote had already been called and therefore it was too late to request a recorded vote.

Proposer: Councillor Smith  
Secunder: Councillor Wells

That Council:-

(i) Adopt the 'Leader-Cabinet' form of governance, to be effective from the Annual Meeting of Council in May 2023 in accordance with the provisions of the Localism Act 2011; and

(ii) Approve the proposed structures and the approach to preparatory work as set out in this report.

CARRIED

Councillors Cordiner-Achenbach, Fairhead, Jeal, Martin, Myers, Robinson-Payne, Smith-Clare, Thompson, Myers, Wainwright, B Walker, C Walker, B Wright, T Wright and Williamson requested that it be recorded that they had voted against the recommendation.

## **17 ANNOUNCEMENTS FROM MAYOR**

His Worship, The Mayor, Councillor Plant, reported that he did not have any announcements to make to Council this evening.

## **18 ANY OTHER BUSINESS**

(i) The Leader of the Council reported that he would keep Council informed on any progress on Levelling-up and County Orders as promised. There had been a fact-finding meeting held today and he would update Members as soon as he was in a position to do so.

The meeting ended at: 20:00

## LIST OF COMMITTEE MEMBERSHIPS 2022/23

### POLICY AND RESOURCES (13) (7-5-1)

P Carpenter  
Candon  
Flaxman-Taylor  
Grant  
P Hammond  
Jeal  
Myers  
Smith  
Wainwright  
B Walker  
Wells  
Williamson  
T Wright

**Named Subs :**  
**Any two Members from the Groups.**

### EMPLOYMENT (5) (3-2)

P Carpenter  
Flaxman-Taylor  
Smith  
Wainwright  
Waters-Bunn

**Named Subs :**  
**Any two Members from the Group**

**COUNCIL – THURSDAY 23 JUNE 2022**  
**AMENDMENTS TO APPOINTMENT OF WORKING GROUP MEMBERSHIPS 2022/23**

**LIST OF WORKING GROUP MEMBERSHIPS 2022/23**

**Great Yarmouth Events  
Working Group  
(5 Members)**

Flaxman-Taylor (c)

Hanton

Candon

Robinson-Payne

C Walker

**AMENDMENTS TO OUTSIDE BODIES REPRESENTATION 2022/23  
COUNCIL – THURSDAY 23<sup>rd</sup> JUNE**

<b>Ref.</b>	<b>List of Outside Body</b>	<b>Number of Members</b>	<b>2022/23 Member/s Nominations</b>	<b>AMENDED 2022/23 Member/s Nominations</b>
44	Norfolk Waste Partnership	1	Cameron	Wells
51	Water Resources East	1	P Carpenter Bensly (Sub)	Wells P Carpenter (Sub)



Service Committee Decision List for the period 11 March 2022 to 12 May 2022

	Details of Decision	Officer Lead
1	<p>Environment Committee – 16 March 2022</p> <p><b>SUSTAINABILITY STRATEGY</b></p> <p>RESOLVED :</p> <ol style="list-style-type: none"> <li>1. To recommend to Council the adoption of the Sustainability Strategy to include the setting of a Council's own Net Zero target of 2035.</li> <li>2. To agree to the establishment of a sustainability forum to enable the council to work collaboratively with external stakeholders to better deliver against this strategy, with terms of reference for this forum to be agreed by Environment Committee.</li> <li>3. To agree to the allocation of up to £65,000 from the invest to save reserve to appoint an Environmental Strategy Officer of a fixed term basis for 18 months, to support the delivery of our Carbon Reduction Action Plan, Sustainability Action Plan and to support the development of the Investment Plan in relation to this agenda as part of accessing the UK Shared Prosperity Fund.</li> <li>4. To note there is an underspend of £8,368 for this strategy work, which Members are asked to allocate as a small reserve to support sustainability initiatives during 2022/23.</li> </ol>	<p>Head of Environment and Sustainability</p>
2	<p>Environment Committee – 16 March 2022</p> <p><b>CARBON FOOTPRINT ACTION PLAN</b></p> <p>RESOLVED :</p> <ol style="list-style-type: none"> <li>1. To accept and approve the Carbon Footprint Report completed by the Carbon Trust</li> <li>2. To approve the adoption of the Councils' organisational Carbon Reduction Action Plan 2022-2027.</li> <li>3. To receive six monthly update reports on the progress against the Action Plan.</li> </ol>	<p>Head of Environment and Sustainability</p>

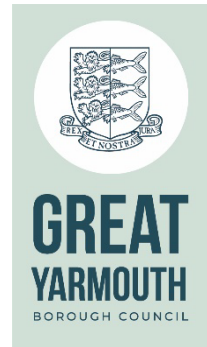
3	<p>Environment Committee – 16 March 2022</p> <p><b>OUTSIDE BODIES 2021-2022 UPDATE</b></p> <p>RESOLVED :</p> <p>1. To note the report.</p> <p>2. To recommend to Policy and Resources Committee that all the appointments to Outside Bodies listed in the report are retained.</p>	Democratic Services
4	<p>Policy &amp; Resources Committee – 22 March 2022</p> <p><b>2022-23 ANNUAL ACTION PLAN</b></p> <p>RESOLVED :</p> <p>That the Committee had reviewed and approved the Annual Action Plan 2022-23.</p>	Senior Information and Performance Officer
5	<p>Policy &amp; Resources Committee – 22 March 2022</p> <p><b>ADOPTION OF NORFOLK GREEN INFRASTRUCTURE AND RECREATIONAL AVOIDANCE AND MITIGATION STRATEGY</b></p> <p>RESOLVED:</p> <p>That the Committee:-</p> <p>(i) Adopt the Norfolk Green Infrastructure and Recreational Avoidance and Mitigation Strategy on behalf of the Council,</p> <p>(ii) Approves the collection of developer contributions from 1st April 2022 towards the strategy as a method for mitigating impact on designated habitat sites;</p> <p>(iii) Endorses the Norfolk-wide Statement of Common Ground on the Norfolk Green Infrastructure and Recreational Impact Avoidance and Mitigation Strategy</p>	Strategic Planning Manager

6	<p>Policy &amp; Resources Committee – 22 March 2022</p> <p><b>GREAT YARMOUTH AND GORLESTON-ON-SEA TOWN DEAL</b></p> <p>RESOLVED:</p> <p>That the Committee:-</p> <p>(i) Receive this report and note that the capital programme presented as part of the 2022/23 Budget Report reflects projects included in the Town Deal programme and, where applicable, the Council’s funding for these projects;</p> <p>(ii) Endorse the proposal to submit summary documents to the Government by 24 March 2022 in order to unlock Town Deal funding of up to £20.1 million.</p>	Director of Finance
7	<p>Policy &amp; Resources Committee – 22 March 2022</p> <p><b>2021-22 PERIOD 10 BUDGET MONITORING REPORT</b></p> <p>RESOLVED:</p> <p>That the Committee:-</p> <p>(1) Note the content of the report and the revised forecast for 2021/22.</p>	Director of Finance

**Subject: Equinox Property Holdings Limited – Financing Arrangement**

**Report to: Council – 23 June 2022**

**Report by: Finance Director and S151 Officer**



**Subject Matter/Recommendations:**

This report provides an update to Members on the current financing provided to the wholly owned company trading as Equinox Property Holdings Limited (EPH) and makes recommendations for an increased level of loan financing for the company in order to fulfil EPH's Business Plan which is reported to Members separately on the agenda.

**Recommendations:**

That Council:

- (1) Approves the financing for Equinox Property Holdings of £4m, from a £3m loan facility and £1m initial share capital and that this be included in the updated capital programme.
- (2) Delegate the draw down of the financing facility to the S151 Officer.

**1. BACKGROUND**

- 1.1. Council approved the establishment of Equinox Property Holdings in 2019 as a sister company to Equinox Enterprises Ltd to hold properties for rental to actively support regeneration and improve the quality of private sector rental accommodation.
- 1.2. Following the establishment of EPH, the Council in June 2020 council approved the virement of £500,000 from the existing capital programme to fund the equity in Equinox Property Holdings, at the same time it was recommended that the Council approve a loan to EPH of £1.5million, to enable EPH to actively acquire properties to be held for rental within a total funding availability of £2million. The report included separately on the agenda provides details on the 2022/23 EPH Business Plan, this report is recommending an update to the financing to EPH from the Council in order to enable the company to deliver a range of properties for rental as part of that business plan, this will result in the company having access to up to £4million (through a mixture of loan and equity in the company).

**2. FINANCIAL IMPLICATIONS**

- 2.1. As the shareholder for EPH the Council has previously agreed to provide the initial financing to the company in the form of debt (via a loan facility and equity). This means the debt to equity ratio of 75:25. The updated business plan has identified a total funding requirement of £4million, which in the current proposed ratio of debt to equity would equate to loans to EPH of £3 million and equity of £1 million.

- 2.2. The report is therefore recommending the total financing of EPH be made up of £3 million loan facility and £1million equity/share capital, the timing of the draw down of the loan and equity would be in consultation with the S151 Officer.
- 2.3. The Council will be required to account for the loan and equity in EPH as capital expenditure as the purpose of the funds is for capital expenditure, albeit by EPH. The financial impact to the Council of the loan facility to the company will increase the council's capital financing requirement (the underlying need to borrow) and will require the council to borrow externally.
- 2.4. Where local authorities finance capital expenditure by borrowing, they are required to make an annual charge to the revenue account for future repayment of the debt (minimum Revenue Provision). In 2021 the government consulted on changes to the application of MRP, following concern that local authorities have not been making prudent revenue provision specifically around the provision capital loans. The assumptions of the financial impact to the council of the provision of loans to EPH has taken a prudent approach and therefore does make an allowance for an MRP charge. Should there be any changes following the outcome of the consultation the impact will be considered as part of the wider capital programme planning.
- 2.5. The loan facility will be on an annual repayment of principal and interest basis for a period of up to 40 years. Over the lifetime of the loan the MRP charge within the Council's general fund will be mitigated by the interest received from EPH for the borrowing. The annual repayment of the principal of the loan from EPH to the Council will provide the Council with a capital receipt to fund future capital projects (therefore reducing the need to borrow for the future projects and subsequently the MRP charge incurred).
- 2.6. The need to update the investment strategy approval limits for 2022/23 for the Councils subsidiaries (EPH and Equinox Enterprises Limited, EEL) have been considered. The investment strategy approved by Council in February 2022 allowed for loans of up to £5.5m in 2022/23 for both its subsidiaries. This limit had included the potential for further loans to EPH and EEL than those current approved and budgeted and is therefore sufficient to cover the increase in borrowing being requested as part of this report for EPH (£3m) at this time. However, the approved limit will need to be reconsidered again should EEL require borrowing during the year, should this exceed £2.5m.
- 2.7. The investment strategy also allowed for £3.5m of shares to be held in 2022/23 for the subsidiaries. The Council has £2.2m of shares currently in EEL so the limit allowed for further shares to be acquired in the financial year from the subsidiaries. Again, the limit approved is sufficient to cover the £1m shares now being requested for EPH within this report but should EEL require further share investment this limited would need approval to be increased.

### **3. RISK IMPLICATIONS**

- 3.1. Risk of non-payment of interest and loan repayments. This is mitigated by the Council's equity within the housing assets purchased with the loans as RPH is 100% owned by the Council.
- 3.2. Impact of changes to the MRP requirements – the outcome of the consultation will be monitored and if changes are required to the Council's MRP policy these will be updated accordingly, in the meantime a prudent approach has been taken in respect of allowing for MRP.

3.3. The financial stability of the company will continue to be monitored including the ability to repay the loan and proactive action will be taken as required to mitigate the financial implications to the Council.

#### 4. CONCLUSIONS

4.1. To enable EPH to complete its business plan an increased level of loan financing and share purchase is required. Approval from Council is therefore being sought for a total of £4m to be invested with EPH (loan facility of £3m and shares to be purchased of £1m). The drawdown of these funds by the company will be delegated to the s151 officer to administer and control.

<b>Area for consideration Comment</b>	<b>Comment</b>
<b>Monitoring Officer Consultation</b>	Yes as part of ELT
<b>Section 151 Officer Consultation</b>	Yes
<b>Existing Council Policies See background papers</b>	Corporate Plan Financial Strategy
<b>Financial Implications within existing budgets</b>	As set out in the report
<b>Legal Implications (including human rights)</b>	As set out in the report
<b>Risk Implications</b>	As set out in the report
<b>Equality Issues/EQIA assessment</b>	N/a
<b>Crime &amp; Disorder</b>	N/a
<b>Every Child Matters</b>	N/a

**CONFIDENTIALITY**

The contents of the appendix to this report qualifies as exempt information under section 100(A)(4) and paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it is “*information relating to the financial or business affairs of any particular person* (including the authority holding that information)”

and

2) In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs.

Accordingly, it is proposed that the appendix shall remain exempt.

**Subject:** Rough Sleeper Accommodation Programme Bid - Transitional Housing Scheme  
**Report to:** ELT 4 May 2022  
Housing and Neighbourhoods Committee 19 May 2022  
Council 23 June 2022  
**Report by:** Nicola Turner, Housing Director

**SUBJECT MATTER**

This report provides an update on the Council’s delivery of a Transitional Housing Scheme and the bid for funding via the Rough Sleeping Accommodation Programme which has been submitted for capital and revenue funding to deliver the scheme. The Transitional Housing Scheme will provide a self-contained home and support for up to two years for rough sleepers and those at risk of rough sleeping who have low or medium support needs to enable them to transition to settled accommodation.

**Recommendations:**

**That Council :**

- 1. Approve, subject to a successful application for grant funding, the expenditure and the borrowing set out at paragraph 4.4 of the Confidential Appendix to deliver the Transitional Housing Scheme**

**1. INTRODUCTION**

- 1.1 On 30 July 2020, Council approved the Rough Sleeping Strategy and Action Plan 2020. The action plan included an action in relation to the provision of additional supported housing for rough sleepers with low support needs or those at risk of rough sleeping who have never held a tenancy. This form of supported housing is referred to within this report as the Transitional Housing Scheme which will also meet the needs of rough sleepers with medium support needs. It forms an important part of the pathways approach ensuring there is a range of

supported accommodation available to meet a range of needs. As part of this pathway approach, the Council secured capital and revenue funding via Homes England and the Department of Levelling Up, Housing and Communities (DLUHC) Rough Sleeping Accommodation Programme (RSAP) to deliver a Housing First scheme of five homes to meet the needs of rough sleepers with high/complex needs.

- 1.2 Subsequently to the approval of the strategy, the Council submitted a bid for capital and revenue from the RSAP to deliver the Transitional Housing Scheme by acquiring 17 properties from a Registered Provider. As a result of the completion of a number of additional surveys of the properties, it became clear that the scheme could not be delivered within the timescales or grant funding available. Whilst the Council sought to find a suitable alternative option to deliver the scheme, looking at three other options, none were deliverable.
- 1.3 As the need for the scheme remains, the Council continued to identify options to deliver the Transitional Housing Scheme. On 13 April 2022, a bid for capital and revenue was submitted for twelve homes across two sites. This report provides details of the Transitional Housing Scheme and seeks the necessary approvals to deliver the scheme, should the bid be successful.

## **2. CURRENT POSITION**

- 2.1. The most recent RSAP funding round provides for longer timescales for delivering the properties with revenue funding available to 31 March 2024, with the option, subject to a review, of revenue funding being extended to 31 March 2025. Several options were considered to deliver the Transitional Housing Scheme, but the option of a dispersed scheme providing accommodation of different sizes and types was considered the most suitable, whilst also providing for a location within Great Yarmouth which is near to services.
- 2.2. The bid submitted seeks capital and revenue funding to deliver twelve homes. Six homes will be acquired from a private developer who is currently undertaking conversion works of a former House in Multiple Occupation into two buildings each providing:

- 2 x 1 Bedroom Flats – approximately 45m<sup>2</sup>
- 1 x 2 Bedroom House – 79m<sup>2</sup>

The ground floor flat and house being provided in each building will share a rear courtyard. The scheme has full planning permission and the developer has accepted the Council's conditional offer to purchase all properties, to an agreed price and specification once complete, subject to member approval of this report and grant funding being secured.

As the properties sit within two buildings, there will be a phased handover of the two buildings. Inclusion of two x two-bedroom homes allows the scheme to meet the needs of rough sleepers who want to share or who are an adult family reflecting the needs of the rough sleeping cohort. When not required by a two-person household, these properties will be used as a one-bedroom property for one person.

The seller is open to working with the Council in relation to the finishing of the properties so there will be an element of control with regards to the end specification that will allow for consideration of ongoing maintenance and the needs of the intended occupiers. The appraisal includes a cost for a surveyor to inspect the properties during the works.

The Confidential Appendix provides pictures of the properties along with floor plans for the completed homes.

- 2.3 The remaining six homes will be provided as a new build option, utilising a modular form of construction to provide speed of delivery. In considering the options, the Council has had initial discussions with a modular company which has specialised in delivering modular homes



which meet the needs of single homeless people as they are compact, cleverly designed space that whilst small at 24m<sup>2</sup>, provide a safe and practical home considered acceptable to Homes England and utilised elsewhere in the country by other Local Authorities. The homes are delivered to site fully complete with fixtures, fittings and furniture. The homes would all be single storey. See Confidential Appendix for photo of completed homes and floor plan for this modular provider. Alternative modular options will also be considered.

- 2.4 Suitable sites for the modular homes are being considered – including areas of underused car parks within the General Fund. Following member approval of this report, the location of the site will be finalised and site investigations will commence to inform a full planning application.
- 2.5 To meet grant funding deadlines if successful, the planning application will need to be approved and groundworks to prepare the site for installation of the homes commenced by 31st March 2023.
- 2.6 The Council will seek to procure an external provider to deliver the support which is integral to the Transitional Housing Scheme. The external provider will provide the required expertise as well as provide resilience and allow for cover of absence.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The Confidential Appendix provides full information on the capital and revenue costs of the scheme and the breakdown of grant and borrowing required to deliver the scheme.
- 3.2 The cost of borrowing will be met from rent, which will be at an Affordable Rent capped at the Local Housing Allowance rate of £92.00 per week. The appraisal shows the cost of borrowing and ongoing repairs and maintenance can be sustained from the rental income, although there is no allowance for supervision and management costs reflecting the provision of a dedicated support worker who will support the residents.
- 3.3 The revenue funding sought will fund a dedicated support worker at both locations with the bid seeking funding for in 2022/23 and 2023/24. There is no ongoing revenue funding for the scheme after 31 March 2024, but subject to a review, this funding may be extended by DLUHC and Homes England for a further year. However, the grant conditions require that in relation to the six homes which will be acquired from the private developer, they are available to meet their intended purpose of meeting the needs of rough sleepers for 30 years. The applicable timescale for the new build homes is 60 years. There are a number of mitigations for this risk:
  - Identification of additional funding streams for support from April of financial year in which RSAP funding ends – such as the Rough Sleepers Initiative Fund (subject to a further bidding round opening in 2025) or use of the Council’s Homelessness Prevention Grant. Conversion to a social rent would allow an Enhanced Housing Management charge to fund the required support but this would create a call on the General Fund to subsidise the scheme as a lower rent will meet less of the debt servicing costs and repairs and maintenance expenditure.
  - Sale of the homes to the 4 x 1 one-bedroom flats and 2 x 2 bedroom to the Housing Revenue Account to become general needs homes.
  - Retention of the six modular homes within the General Fund as temporary accommodation – the grant would then be ring fenced and used to deliver other affordable housing through a Replacement Agreement subject to agreement with Homes England.

### **4 RISK IMPLICATIONS**

- 4.1 The RSAP grant funding requirements are based on milestones for completing the acquisition of the homes, starting works on the modular homes (Start on Site) and all works being complete allowing occupation (Practical Completion). If the submitted dates are missed and an extension cannot be agreed there is a risk that the Council will not be able to claim some or all of any approved grant funding. To mitigate this the delivery programme for the acquisitions and new build parts of the scheme will be carefully monitored to ensure remedial action can be taken to address any actual or expected programme slippages.
- 4.2 The acquisition of the six properties from the developer is, currently, more deliverable than the modular homes due to the requirement to secure planning permission. As the bid contains one part which is delivered through acquisition of homes and part which is new build, Homes England and DLUHC will consider the deliverability, strategic fit and value for money of each of these options separately, although they form part of one scheme. Should only one scheme be successful the revenue grant award will be prorated accordingly.
- 4.3 The delivery of the modular homes as stated above is subject to the submission of a planning application that may or may not be approved. The Council will determine the planning application as the Local Planning Authority in accordance with the requirements of the Local Plan and national planning guidance only. Prior to submitting the bid, informal advice was sought as to the suitability, subject to planning, of the site. If planning is not successful, there will be an element of abortive costs associated with preparing the plans, other professional fees such as architects and carrying out necessary site surveys and investigations.
- 4.3 This report seeks approval to deliver the six new build homes as modular or in an alternative way if it is not possible to deliver the homes using a modular option. Whilst it is not expected that this will be required, if the bid is successful, the Council will need to deliver those parts of the scheme which are grant funded via RSAP or return the funding allocation. This approval allows the Council to explore other delivery options if this will ensure the delivery timescales (and financial parameters) of the grant funding can be met.
- 4.4 The grant funding, if successful, requires the new build (modular) homes to start on site by 31st March 2023 which is ambitious. It would be at the discretion of Homes England and DLUHC whether to grant an extension which allows the start to slip into the following year. If an extension was not agreed, the funding would not be able to be claimed for start on site or practical completion. In this instance there would again be abortive costs. All twelve homes will need to be complete by the timescales set out in the bid, if the practical completion dates are missed, and extensions are not agreed, the final grant payment may be unpaid. The project costs include a project manager to ensure that the progress of delivery of the scheme is carefully monitored to allow earlier identification of issues which will impact achievement of bid timescales and appropriate mitigating action to be taken. This risk, cannot, however be fully mitigated against.
- 4.5 There is the possibility that the Council will be awarded grant funding however, one or both of the identified schemes, for any number of reasons, will be unable to proceed. As before, work to remain aware of other options which could be a potential alternative to one of the two which form part of the bid will continue and alternatives will be considered if necessary.
- 4.6 Should only one scheme of six proceed, a smaller Transitional Housing Scheme will still provide a meaningful addition to the provision of housing on offer to rough sleepers and those at risk of rough sleeping and provide a critical element of the pathway approach that is being implemented.

- 4.7 Should the Council be unable to secure a suitable external organisation to deliver the support service and manage the homes, the Council will deliver the service itself, utilising the revenue grant funding to meet the costs of this service.

## 5 LEGAL IMPLICATIONS

- 5.1 The Council is able to provide homes and hold them within the General Fund. The Council will use the homes to discharge its homelessness duties under Part VII of the Housing Act 1996. The six properties to be purchased will be acquired in accordance with the requirements of the Property Acquisitions and Disposal Policy.
- 5.2 The Council can enter into a management agreement with a third party to manage the homes, but the Council retains legal management responsibility. The Council will issue non-secure tenancies to residents to occupy the homes within the Transitional Housing scheme.
- 5.3 The recent Housing First Scheme that is currently being delivered required grant funding and acceptance of the Homes England Rough Sleeper Accommodation Programme terms and conditions. This already signed agreement will also apply and extend to any funding awarded for the Transitional Housing Scheme.

## 6 CONCLUSIONS

- 6.1 A Transitional Housing Scheme is required to meet the needs of rough sleepers, those in hostel accommodation and those at risk of rough sleeping who have lower support needs to access stable, self-contained housing with support. The Transitional Housing Scheme will provide the occupiers with a period of up to two years where they will be supported to gain the skills to sustain a tenancy allowing an effective move on to settled independent living. The homes detailed within this report are necessary and suitable in the implementation of the scheme.

## 7 BACKGROUND PAPERS

- Rough Sleeping Strategy and Action Plan 2020 – Policy and Resources Committee 28 July 2020
- Acquisition of Property for Transitional Housing - Policy and Resources Committee 22 September 2020 and Council 29 September 2020
- Acquisitions and Disposals Policy – Council 23 February 2021
- Acquisition of Property for Transitional Housing Scheme – Housing and Neighbourhoods Committee 8 November 2021 (confidential report)

*Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?*

Area for consideration	Comment
Monitoring Officer Consultation:	Through ELT
Section 151 Officer Consultation:	Through ELT
Existing Council Policies:	N/A
Financial Implications (including VAT and tax):	At section 3 and in the Confidential Appendix

Legal Implications (including human rights):	Included in section 5
Risk Implications:	Included in section 4
Equality Issues/EQIA assessment:	The Transitional Housing Scheme will meet a particular need for supported accommodation for rough sleepers and those at risk of rough sleeping. Residence within the scheme will have a positive impact on their physical and mental health – both of which are none to be adversely impacted by rough sleeping.
Crime & Disorder:	The new homes will be designed and built to minimise properties vulnerability to crime.
Every Child Matters:	Not applicable