

**Agenda Item No: 12(iii)**



**Cabinet recommendations for consideration by Council  
at the Meeting of the Council on Wednesday, 26 February 2014**

**Cabinet – 13 February 2014**

**124 Annual Treasury Management Strategy Statement and Investment Strategy 2014/2015 to 2016/2017**

The Cabinet considered Report No 28/14 relating to the proposed Treasury and Investment Strategies for 2014/2015 to 2016/2017; the 2014/2015 authorised borrowing limit; the Council's 2014/2015 Investment Strategy; and the method of calculating the Council's Minimum Revenue Provision.

The draft Strategy Statement was set out at Appendix 1 to the Report which provided the background to the Council's treasury management activity in terms of the wider economy and the Council's current and projected financial position. It also set out the approach which would be taken to borrowing and the investment of cash balances, explained the risks which were inherent in treasury management and how they would be mitigated.

The content of the draft Statement followed the requirements of the Chartered Institute of Public Finance and Accountancy's revised Code of Practice which was published in November 2011, and had been prepared with the support of Arlingclose, the Council's Treasury advisers.

The Audit and Standards Committee had considered the draft Statement at its meeting on 27 January 2014, in line with the Code of Practice's recommendation that the annual Treasury Strategy should be subject to scrutiny. However, that Committee's review had not encompassed the Prudential Indicators, some of which were subject to final calculation pending the finalisation of the draft Capital Programme.

The Audit and Standards Committee had taken the view that there should be no change to the Investment Strategy in respect of the £1m limit currently applicable to the amount held in a Money Market Fund (MMF) as regulatory reforms which affected MMF's were expected to be implemented during 2014/2015 and, therefore, the potential impact could not yet be determined with certainty.

In response to the Committee's comments, Officers were able to confirm that retaining a £1m limit would not have a significant impact on Treasury Management activity.

The draft Statement which had been considered by the Committee contained a reference to the Council's claim with the Icelandic Bank LBI. Subsequent to that meeting, the Council had sold its claim and the reference had been deleted from the draft Statement that was appended to Report No 28/14.

Recommended:

- 124.1** That the limit for deposits with an individual Money Market Fund remains at £1m; DF (to note)
- 124.2** That subject to the change outlined in 124.1 above, the Treasury Management Strategy Statement and Investment Strategy 2014/2015 to 2016/2017, as set out in Appendix 1 to Report No 28/14, be adopted; DF (to note)
- 124.3** That the Council's 'Prudential Indicators' for the year be those set out in Appendix C of the Strategy document; DF (to note)
- 124.4** That the Council's level of affordable borrowing, determined in accordance with the Local Government Act 2003, be subject to the following limits: DF (to note)

	2014/2015	2015/2016	2016/2017
Authorised limit for external debt	£72.5m	£72.5m	£72.5m

- 124.5** That the Council's approach to allocating debt and associated costs between the Housing Revenue Account and General Fund, be as set out in Section 9 of the Strategy Statement; and DF (to note)
- 124.6** That the Council's Minimum Revenue Provision be calculated as set out in Section 14 of the Strategy Statement. DF (to note)

It was further

Resolved:

- 124.7** That the lending list as set out in Appendix D of the Strategy Statement, be approved. DF

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Reasons for the Decisions:

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management. In accordance with that Code, the Cabinet approves an Annual Treasury Strategy Statement before the start of each financial year. This includes an Investment Strategy for the year ahead (which Government guidance notes should be adopted by full Council) as well as 'Prudential Indicators' which are required to be set in order to comply with the 'Prudential Code for Capital Finance in Local Authorities' (The Prudential Code). The majority of these indicators are an essential element of an integrated treasury management strategy.

In compliance with the Code of Practice, the Council has agreed a number of Treasury Management Practices, one of which requires an updated counterparty list to be submitted to Cabinet for approval each year at the same time as the Strategy Statement is considered.

The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 place a duty on local authorities to make a prudent provision for debt redemption. Guidance has been issued by the Secretary of State on determining 'Minimum Revenue Provision'.

† *The Recommendations, and not the Resolution, in the above Minute are for consideration by Council.*

*Councillors are requested to bring with them to the meeting Report No 28/14 which was circulated with the agenda papers for the meeting of the Cabinet on 13 February 2014. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 484359.*

## **125 General Fund Revenue Budget 2014/2015**

The Cabinet considered Report No 29/14 relating to the Medium Term Budget Outlook and the 2014/2015 General Fund Revenue Budget which delivered a council tax freeze.

Delivering the Deficit Reduction Plan remained a national priority. Financial sustainability was the greatest challenge that faced local public services. In the period of the current Parliament, Local government's core funding would fall by 40 per cent and the Audit Commission's Tough Times 2013 report independently verified the huge financial challenge faced across local

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government.

Additionally, the local government finance settlement for 2014/2015 and provisional settlement for 2015/2016 confirmed that the central government core grant to run local services would fall nationally by 15.9 per cent each year for district councils. That reduction excluded the availability of the New Homes Bonus Funding Stream which was reflected within each Council's overall Spending Power figures.

Taking Spending Power into account, there was an overall reduction for district councils of 2.5% in 2014/2015, for which the Council's reduction was 2%, and 3.0% in 2015/2016. Many councils, including the Council, were rebalancing budgets to reflect the drop in core funding.

Appendix A to the Report set out details of the Council's Financial Principles and Objectives in its Medium Term Financial Strategy which were used as part of the framework to guide estimate preparation and compilation of the Medium Term Budget Outlook.

The Localism Act 2011 had introduced a requirement for referenda to approve or veto council tax increases that exceeded limits set out by the Secretary of State and which had been approved by Parliament, in "principles" which were defined for the following financial year.

The thresholds for 2014/2015 were expected to be similar to that for 2013/2014 namely, a 2% cap for the majority of district councils. However, there had been speculation that such limit might be reduced to 1.5%. Whilst the Council's stated intention to freeze council tax would not be affected by a lower limit, there would be implications if one of the preceptors upon the Council exceeded the limits.

The Government was making available a further grant for councils which froze council tax bills in England in 2014/2015 which was equivalent to a 1% increase in the 2013/2014 council tax and was payable for the two years 2014/2015 and 2015/2016. At its meeting on 6 January 2014, Cabinet had announced that there would be a further year's council tax freeze in 2014/2015.

For planning purposes, the Government had provisionally calculated the value of the Council's grant to be £76,100 for which the Government had strongly encouraged acceptance.

The General Fund Budget Summary for next year was set out at Appendix B to the Report. In previous years, service budgets had been grouped on the Summary by Lead Councillor Portfolio. However, as Portfolio responsibilities were subject to change, it was considered to be more appropriate to present the Summary using the Chartered Institute of Public Finance and Accountancy's standard Service Expenditure Analysis which would provide consistency between years and would be in the statutory format in which all councils were required to present their

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accounts.

The table set out in paragraph 5.2 of the Report analysed the high level movement in the budget from 2013/2014 to 2014/2015, further details of which were provided in the Report.

Paragraph 5.3 of the Report set out details relating to assumptions in respect of pay and prices upon which the 2014/2015 draft budget had been prepared.

The Government had stated its position that the economy would grow throughout the period of the next Parliament and that public sector funding would continue to reduce. The Council's Medium Term Finance Strategy had been extended through to 2019/2020 and reflected the expectation that core funding from Revenue Support Grant would be extinguished by the end of that period.

The targets set at the start of the year, and achievement during the year, were set out in the table in paragraph 6.11 of the Report. If savings were not in place by the start of each financial year there would be an additional drain on the General Fund Working Balance until they were delivered for which an allowance had been made in the budget.

The Medium Term Budget Outlook was shown at Appendix E to the Report together with a detailed commentary. It built upon the estimate for 2014/2015, set out the stated assumptions and modelled a tax freeze for the next two years. The remainder of the period, which was subject to greater uncertainty, modelled an indicative increase of 2.9% for each year, which was less than the rate of estimated Retail Price Index inflation.

In line with the objectives in the Medium Term Finance Strategy, the Outlook delivered a sustainable recurring base budget by 31 March 2020, with no call on the Working Balance and with no reliance upon Revenue Support Grant. The savings target for the next six years amounted to £2.958m. Delivering council tax freezes in each subsequent year beyond 2016/2017 would require further annual average reductions in the recurring base budget of around £220,000 for each year of a freeze.

Paragraph 8 of the Report set out details relating to the interaction of the revenue and capital accounts and the Council's unallocated reserves and balances.

The Collection Fund Balance was a key component of the Council Tax setting process. A principle of the Medium Term Financial Strategy was to achieve a zero balance, or as close as possible, each year. A review of the likely Collection Fund position at 31 March 2014, including a review of the provision for doubtful debts, meant that a surplus of £401,000 could be utilised during the 2014/2015 budget setting process which would be redistributed to the preceptors as detailed in the table in paragraph 11.1 of the Report.

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Paragraph 14 of the Report set out the statutory Report of the Chief Finance Officer (Director of Finance) in respect of the Council's finances in accordance with Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988.

The budget proposals had been prepared in accordance with the Council's policy framework and had been reviewed by Heads of Service, Lead Councillors and the Scrutiny Committee. In the opinion of the Chief Finance Officer, the estimates were robust for the purpose of determining the statutory calculations required by section 32 of the Local Government Finance Act 1992.

The Cabinet Member for Corporate Services updated Cabinet on matters relating to the context of a council tax freeze. He stated that the Director of Finance had completed and returned the Statutory Business rates form NNDR1 which estimated the net collectable business rates for the year ahead that amounted to £23,485,743.

He further stated that the term "Council Tax Freeze" was defined in legislation and related to the statutory "Basic Amount of Tax" for the Council. However, it was a Council decision as to how such tax was recouped through its general expenses and its special expenses.

Completion of the statutory form CTR1 confirmed a Council's entitlement to a Council Tax Freeze Grant and whether it was required to hold a referendum. The form was scheduled to be issued in late February. Based upon last year's form and the detail in the final local government finance settlement issued on 5 February 2014, the Council would be entitled to a Council Tax Freeze Grant and would not be required to hold any referenda.

The Cabinet received the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the Capital Programme, had been prepared.

Resolved:

- 125.1** That the detailed contributions to reserves and use of reserves, as set out in Appendices D, F, G, H and I to Report No 29/14, be noted;
- 125.2** That the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the Capital Programme, had been prepared, be received and noted.
- 125.3** That the Collection Fund balance to be returned to taxpayers in 2014/2015, be noted;
- 125.4** That the implications of the public sector funding outlook and impact upon the Council's Medium Term Budget Outlook through to

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2019/2020, be noted;

**125.5** That the statutory report of the Director of Finance as required by section 25(1) of the Local Government Act 2003, set out in paragraph 14 of the Report, be received and noted;

**125.6** That the estimated net collectable business rates for the year ahead that amounted to £23,485,743, be noted; and.

**125.7** That, based upon completion of last year's statutory CTR1 form and the detail in the final local government finance settlement issued on 5 February 2014, it be noted that the Council will be entitled to a Council Tax Freeze Grant and will not be required to hold any referenda.

It was further

Recommended:

**125.8** That the Council Tax Freeze and associated budget for 2014/2015, as set out in Appendix B to Report No 29/14, be approved.

DF (to note)

Reasons for the Decisions:

Cabinet is required to approve the estimates in accordance with the Council's Constitution. Report No 29/14 set out the level of General Fund revenue resources needed to support the Council's priorities and services.

The Council has a statutory duty to determine its level of budget requirement and Council Tax for the coming year. Cabinet makes a recommendation to Council on this matter having taken account of the Director of Finance's statutory report on the adequacy of reserves and balances.

† *The Recommendation, and not the Resolutions, in the above Minute is for consideration by Council.*

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## 126 Housing Revenue Account Budget 2014/2015

The Cabinet considered Report No 30/14 relating to the Housing Revenue Account Budget and the associated rent proposals for 2014/2015.

The national Housing Revenue Account self-financing system allowed all income generated to be kept locally and available to fund the maintenance and management of housing stock, service debt and acquire and provide additional Social Housing.

The budgets had been prepared on the basis of the national Housing Revenue Account Accounting Code of Practice and incorporated Restructured Rents, Supporting People and Service Charges.

The Department for Communities and Local Government (DCLG) had established the framework of policy for social housing. Under the current 'rent restructuring' regime, rents for Council owned properties were expected to converge with the property's individual target rent over several years, which was to end in 2015/2016. Each year the weekly increase was limited to the Retail Price Index (RPI) plus 0.5% plus £2. Once the target rent was reached, the rent was then increased annually by the RPI plus 0.5%.

In the Spending Review 2013, the Government had announced that rents in the social sector would increase by the Consumer Price Index plus 1% annually for the ten years period 2015/2016 to 2024/2025.

The DCLG had indicated that it was minded not to extend rent convergence beyond 2014/2015 for which it had entered into a consultation exercise that had ended in December 2013. DCLG had expected most landlords to have reached the target rent convergence by 2015. However, that was not the case for all local authorities, including the Council. Ending such convergence a year early would result in rent levels within the Housing Revenue Account being lower than had been assumed when calculating the amount of borrowing by local authorities at the start of the self-financing system on 1 April 2013.

Formal consultation on the proposed changes had taken place in October 2013. The Council had responded to the consultation in liaison with the Tenants' of Lewes District group, and had expressed opposition to the proposed change. The budgets had been prepared in line with the Business Plan the existing Council policy on rent restructuring. The increase in average dwelling rents amounted to 4.81%.

A provision of 1% had been made for movements in the pay bill in line with national priorities and the salary budgets also allowed for contractual salary increments. The budgeted employer's pension contribution rate for 2014/2015 was the same as that proposed by the actuary following the three yearly review of the East Sussex Pension Fund, which had been finalised in December 2013.



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Inflation had been provided to cover known price changes, such as utility and contractual commitments. Furthermore, the items referred to in paragraphs 3.6 to 3.8 of the Report relating to maintenance budgets, insurance and various projects, had been provided in the budget.

The budget layout complied with national accounting requirements and included explanatory notes within the body of the budgets. An explanation of items included within the expenditure headings was set out in paragraph 4.1 of the Report.

The Cabinet received the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the Capital Programme, had been prepared.

Resolved:

**126.1** That the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the Capital Programme, had been prepared, be received and noted; and

**126.2** That the Corporate Head – Housing Services, be requested to investigate approaches to best practice which are undertaken at other councils in respect of future housing rent convergence and be further requested to prepare a Report thereon for consideration at a future meeting of Cabinet.

CHHS

It was further

Recommended:

**126.3** That the Housing Revenue Account budgets for 2014/15, as set out in Appendices 1 to 6 of Report No 30/14, be approved;

DF (to note)

**126.4** That an average dwelling rent increase of 4.81%, as set out in paragraph 9 of the Report, be approved and be effective from 7 April 2014 in line with the Business Plan and current Council policy on rent restructuring;

DF (to note)

**126.5** That the proposed increase of 3.7% in Affordable Rents, as set out in paragraph 11 of the Report, be approved and be effective from 7 April 2014;

DF (to note)

**126.6** That an average garage rent increase of 3.2%, as set out in paragraph 12 of the Report, be approved and be effective from 7 April 2014 in line with the Business Plan and current Council policy on garage rentals.

DF (to note)

**126.7** That the proposed increase of 3.2% in Private Sector Leased Property rents, as set out in paragraph 13 of the Report, be approved

DF (to note)

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and be effective from 7 April 2014; and

**126.8** That the proposal to implement revised Service Charges, as set out in paragraphs 14 to 19 of the Report, be approved and be effective from 7 April 2014.

DF (to note)

Reason for the Decisions:

To enable the Council to fulfill its legal obligations to produce a balanced Housing Revenue Account for 2014/2015.

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## **127 The Capital Programme 2013/2014 to 2016/2017**

The Cabinet considered Report No 31/14 relating to the revised 2013/2014 Capital Programme, the 2014/2015 Capital Programme, the outline Capital Programme 2015/2016 to 2016/2017 and the associated Prudential Indicators.

As part of the annual budget cycle the Cabinet considered what level of capital support to allocate to its Policy Programme. It also considered the medium term position in relation to likely capital needs and available resources.

The capital planning process took account of the Council's Capital Strategy and Asset Management Plan as those key documents had a direct influence on the allocation of resources. The Council's Constitution required Cabinet to make a recommendation to Council on the level of the Capital Programme budget.

Part 1 of the Local Government Act 2003 had introduced a framework for local authority capital expenditure and financing, the 'Prudential Capital Finance System'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which defined that system, required local authorities to follow the Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when taking their decisions. The Prudential Code required authorities to set a number of Prudential

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Indicators before the beginning of each financial year, further details of which were set out in paragraph 7 of the Report.

The 2013/2014 Capital Programme was set out at lines 1 to 122 to Appendix 1 to the Report which totalled £14.893m. That sum included the full cost of implementing new capital schemes, however some of that expenditure would fall into 2014/2015.

Details relating to a projection of the resources which would be available at 1 April 2014 to fund capital expenditure were set out in the table in paragraph 5.1 of the Report.

The Prudential Code required local authorities to plan their capital expenditure programme for at least three years ahead which corresponded with the time scale covered by the Council's Capital Strategy.

The recommended Capital Programme for 2014/2015 to 2016/2017 was set out at Appendix 2 to the Report. However, it was important to note that the items shown for 2015/2016 and 2016/2017 were provisional, the reasons for which were set out in paragraph 6.1 of the Report.

Paragraph 6.5 of the Report provided details in respect of the General Fund Capital Programme for which the Non-Housing Programme, as set out at lines 31 to 37 of Appendix 2 thereto, had a proposed value in 2014/2015 of £1.328m.

A contribution in the sum of £0.883m to the University Technical College (UTC) project was included at line 36 which had been considered and agreed by Cabinet at its meeting on 6 January 2014. However, at that meeting, Cabinet had requested information on the estimated cost of the Boardwalk and any other contributions that might need to be considered to see the project through to completion.

An initial report by Black and Veatch on the estimated cost of various Boardwalk options had been received and further options were being considered. The estimates received included a 60% optimism bias which provided a reasonable degree of contingency for such project. The costs referred to in paragraph 6.5.5 of the Report related to the Boardwalk to the frontage of the proposed UTC building for which Cabinet was requested to recommend an appropriate budget to Council for approval.

The Cabinet received the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the Capital Programme, had been prepared.

Resolved:

**127.1** That the recommendations of the Scrutiny Committee at its meeting held on 16 January 2014 relating to the context in which next year's General Fund and Housing Revenue Account budgets and the

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Capital Programme, had been prepared, be received and noted.

It was further

Recommended:

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| <b>127.2</b> That the revised 2013/2014 Capital Programme in the sum of £14,893,280, as set out at Appendix 1 to report No 31/14, be approved;  | DF (to note) |
| <b>127.3</b> That a further funding allocation for the University Technical College project in the sum of £0.8m, be approved and be funded from the Spending Power Element of the Change Management and Spending Power Reserve; | DF (to note) |
| <b>127.4</b> That the 2014/2015 Capital Programme in the sum of £7,745,520, as set out at Appendix 2 to the Report, be approved;  | DF (to note) |
| <b>127.5</b> That the outline Capital Programme 2015/2016 to 2016/2017 in the sum of £14,031,400, as set out at Appendix 2 to the Report, be approved; and  | DF (to note) |
| <b>127.6</b> That the Prudential Indicators in respect of the Capital Programme, as detailed in paragraph 7 of the Report, be approved and be adopted for 2014/2015.  | DF (to note) |

Reasons for the Decisions:

As part of the annual budget cycle the Cabinet considers what level of capital support to allocate to its Policy Programme. It also considers the medium term position in relation to likely capital needs and available resources. The capital planning process takes account of the Council's Capital Strategy and Asset Management Plan as these key documents have a direct influence on the allocation of resources. The Council's Constitution requires Cabinet to make a recommendation to Council on the level of the Capital Programme budget.

Part 1 of the Local Government Act 2003 introduced a framework for local authority capital expenditure and financing, the 'Prudential Capital Finance System'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which define this system, requires local authorities to follow the 'Prudential Code for Capital Finance in Local Authorities' (the Prudential Code) when taking their decisions. The Prudential Code requires authorities to set a number of 'Prudential Indicators' before the beginning of each financial year.

† *The Recommendations, and not the Resolution, in the above Minute are for consideration by Council.*

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## **129 Greater Brighton City Deal**

The Cabinet considered Report No 33/14 which provided an update on the progress of the City Deal submission, set out Governance arrangements and the decision making structure and sought a recommendation to Council for the establishment of the Greater Brighton Economic Board (GBEB) and its arrangements.

In October 2012, the Government had announced Wave Two of its City Deal programme and invited Brighton & Hove City Council to participate. The council, in collaboration with its Greater Brighton City Region partners had subsequently developed and submitted an expression of interest on 15 January 2013 which was successful and enabled the City Region to progress to the next stage of the negotiation process.

Throughout 2013, partners from across the City Region had been developing the Greater Brighton City Deal proposals and specifying the 'asks' of and 'commitments' to Government. The proposals, details of which were set out at Appendix 2 to the Report, focused on creating jobs and increasing productivity by unlocking sites and space and by setting the right conditions for the City Region's businesses to grow. They were presented to Greg Clark MP on 5 November 2013 and it was anticipated that a City Deal be agreed with the Government early in 2014.

Paragraphs 2.1 to 2.4 of the Report set out details of the opportunities for the District from City Deal. In particular, paragraph 2.4 indicated that there was an opportunity for that Deal to add value to the Council's existing work and outlined some of the benefits to the District.

Paragraphs 2.5 to 2.9 provided details of progress which had been made since a Report relating to Wave 2 of the City Deal had been considered by Cabinet at its meeting on 30 September 2013. Report No 33/14 also outlined the governance arrangements in respect of the Deal.

Brighton and Hove City Council would be the lead authority for the GBEB for years 1 and 2 and, therefore, would provide the necessary financial, legal, scrutiny, administrative and business management support which had been estimated to cost approximately £70,000 per annum for which reasonable financial contributions from partner organisations were being negotiated for agreement by the GBEB at its inaugural meeting.

For local authorities, it was anticipated that contributions would be apportioned in accordance with the size of their working age populations

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which, for the Council had been calculated to equate to £5,280 pa. However, in a letter to Cabinet dated 5 February 2014 (a copy of which is contained in the Minute Book), Councillors had been advised that, as the amount of funding that was to be provided by the University of Brighton and the University of Sussex towards the project was not going to be as much as had been anticipated, it would be necessary for the Council to make a higher than anticipated contribution towards the associated administration cost in the sum of £6,600.

The recommendations set out in Report No 33/14 replaced and added to the recommendations made by Cabinet at its meeting on 30 September 2013, on the basis that the project was currently further advanced.

Resolved:

**129.1** That recommendations 129.3 to 129.6 below replace and add to the recommendations made by Cabinet at its meeting on 30 September 2013, on the basis that the Greater Brighton City Deal project is now further advanced; and

DBSD

**129.2** That it be noted that the text set out in:

- i. Paragraph 5.2 of the proposed Heads of Terms document, as set out at Appendix 1 to Report No 33/14, should have read: "GBEJC shall comprise the bodies specified in paragraphs 5.1(i) to (vi); and GBBP shall comprise the bodies specified in paragraphs 5.1(vii) to (xiii)."; and
- ii. The sixth bullet point in respect of the Greater Brighton Commitments for Flood defences in the Summary of Commitments at Appendix 2 (Greater Brighton City Deal) to the Report should have read: "...will bid for £1.5m in its Growth bid.....".

It was further

Recommended:

**129.3** That the establishment, on 1 April 2014 of the Greater Brighton Economic Board ('the Board'), constituted broadly in accordance with the Heads of Terms specified in Appendix 1 to Report No 33/14, be agreed, and that delegated authority be granted to the Chief Executive and the Director of Corporate Services to amend the Heads of Terms as necessary to achieve the objectives set out in that Report;

DBSD/CE  
/DCS (to  
note)

**129.4** That it be noted that establishment of the Board is dependent on all the bodies represented thereon agreeing to its establishment;

**129.5** That the appointment of the Greater Brighton Economic Joint Committee ('the Joint Committee') as an integral part of the Board,

DBSD (to

be agreed;	note)
<b>129.6</b> That it be noted that appointment of the Joint Committee is dependent on all the local authorities represented on the Board agreeing that it be appointed;	
<b>129.7</b> That delegated authority be granted to the Chief Executive and the Director of Corporate Services to take all measures necessary for or incidental to (i) the implementation of recommendations 129. 3 and 129.5 above, and (ii) the on-going management and administration of the Board;	CE/DCS/ DBSD (all to note)
<b>129.8</b> That the proposals set out in paragraphs 2.14 to 2.16 of the Report in respect of Lewes District Council's right to call in a decision of the Board in accordance with the Board's Call-in Protocol, (as set out in Appendix 3 to the Report), be agreed;	DBSD (to note)
<b>129.9</b> That it be noted that the recommendations set out in 129.7 and 129.8 above are subject to all Board members agreeing the establishment of the Board, and subject to the relevant Board members agreeing the appointment of the Joint Committee;	
<b>129.10</b> That the Director of Corporate Services be instructed to amend the Council's Constitution to give effect to recommendation 129.8;	DCS/ DBSD (both to note)
<b>129.11</b> That, subject to the Council agreeing to recommendations 129.3 to 129.10 above, it be agreed to contribute £6,600 per annum towards the administration cost incurred by the lead authority, (total cost £70,000 pa); and	DBSD (to note)
<b>129.12</b> That, for the time being, the Leader of the Council be appointed to be the Council's representative on the Greater Brighton Economic Board.	DBSD (to note)

Reasons for the Decisions:

In October 2012, Government announced Wave Two of its City Deal programme and invited Brighton & Hove City Council to participate. The council, in collaboration with its Greater Brighton City Region partners, (including Adur and Worthing Councils, Universities, the Coast to Capital Local Enterprise Partnership, County Councils, and the private sector) subsequently developed and submitted an expression of interest on 15 January 2013. This was successful and enabled the City Region to progress to the next stage of the negotiation process.

Throughout 2013, partners from across the City Region have been developing the Greater Brighton City Deal proposals, specifying the 'asks' of and 'commitments' to Government. The proposals, which are focused on creating jobs and increasing productivity by unlocking sites and space and



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by setting the right conditions for the City Region's businesses to grow, were presented to Greg Clark MP on 5 November 2013. It is anticipated that a City Deal be agreed with Government early in 2014. Full details of the Greater Brighton City Deal proposals can be found in Appendix 2 to Report No 33/14.

*(Note: In response to some issues raised by the Chair of the Audit and Standards Committee, Councillor Eiloart, in respect of the proposed Heads of Terms document, the Assistant Director of Corporate Services undertook to review the text thereof and, if necessary, to arrange for any appropriate textual amendments to be made so as to remove any ambiguities).*

† *The Recommendations, and not the Resolutions, in the above Minute are for consideration by Council.*

*Councillors are requested to bring with them to the meeting Report No 33/14 which was circulated with the agenda papers for the meeting of the Cabinet on 13 February 2014. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk) or telephone 01273 484359.*