

CABINET SUB-COMMITTEE

RECORD OF DECISIONS of the meeting of the Cabinet Sub-Committee held on Wednesday, 15 December 2021 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Ben Dowling (in the Chair)

Councillors Kimberly Barrett
 Ben Dowling
 Suzy Horton
 Claire Udy
 Ryan Brent
 Judith Smyth

1. Appointment of Chair

Chris Ward, Director of Finance sought nominations for a Chair of the meeting as Councillor Gerald Vernon-Jackson was not present. Councillor Ben Dowling was appointed Chair of the meeting.

2. Apologies for Absence

Apologies were received from Councillor Gerald Vernon-Jackson. Councillor Hugh Mason was present as his reserve. Apologies had also been received from Councillor Cal Corkery. Councillor Judith Smyth was present as his reserve.

Councillors Chris Attwell and Jason Fazackarley (Cabinet Members) also made their apologies.

3. Declarations of Interests

There were no declarations of interest from members.

For transparency, Tristan Samuels, Director of Regeneration, declared a non-prejudicial interest in AI 4 Ravelin Housing Limited, in that he is a director of the Ravelin Group. No other interests were declared.

4. The Council as a Company Owner

Sophie Mallon, Head of Commercial, Procurement and Regeneration, introduced the report.

Councillor Ben Dowling commented that since the decision to form a Sub-Committee to perform oversight and scrutiny of the companies in Council ownership, there had been considerable engagement with opposition spokespersons and it was now believed that its role would be better performed by full Cabinet.

The following information was provided by Sophie Mallon in response to members questions:

- Full Cabinet made the decision to establish the Sub-Committee on 14 July 2020 and therefore had the authority to dissolve.
- The role of the Sub-Committee for each company is set out in each set of constitutional documents.
- The directors of each company carry out the day to day running of the business and it is for the Sub-Committee to observe and have oversight of those companies.
- Commerciality and the need for an understanding of what is best practise elsewhere was noted within the report and as this is a skill set that may not sit in the authority, there is a recommendation to have Local Partnerships onboard an as an advisor to this Sub-Committee.

Councillor Dowling proposed that the recommendations be amended to remove recommendation 1 and replace it with a recommendation to Cabinet that the Sub-Committee be abolished and all work previously the work of the Sub-Committee instead be considered by full Cabinet. Recommendation 2 would therefore require a minor amendment to reflect this.

In discussion, members made the following comments:

- That the report did not set out in detail how issues would be resolved if they arose.
- Local Partnerships would be able to advise on ensuring social value gains are included in the operation of the companies.
- The Sub-Committee or its successor would exercise the due diligence expected of the authority in its role to have oversight and scrutiny over the companies.

Councillor Ben Dowling clarified that the voting members of the Sub-Committee were the Cabinet members present and that it was important for transparency and openness that the opposition leads were present to observe. Chris Ward, Director of Finance, confirmed that opposition members would always be invited to meetings where these matters would be discussed whether that is as a Sub-Committee or as full Cabinet.

Following a further question, it was confirmed that the non-voting members of the Sub-Committee would have speaking rights at full Cabinet on issues relating to the role of the Council as a shareholder.

DECISIONS - Cabinet Sub-Committee:

- 1) Agreed to recommend to the full Cabinet that the Cabinet Sub-Committee is abolished and its responsibilities including the oversight of all PCC companies and all other future company subsidiaries (where relevant) instead be undertaken by and reported to full Cabinet;**

- 2) Delegated authority to the City Solicitor to engage with all PCC companies and request relevant reports be prepared for a future meeting of the full Cabinet; and**
- 3) Authorised the City Solicitor to engage the services of Local Partnerships to provide commercial advice to the full Cabinet in relation to its companies going forward.**

5. Ravelin Housing Limited

Tristan Samuels, Director of Regeneration, introduced the report and informed members that Tom Southall and Wayne Layton, Directors of Ravelin Housing Limited, were present to answer questions.

Councillor Ben Dowling noted that there was a confidential appendix to the report. Members of the Sub-Committee agreed that it would not be necessary to refer to this in detail and that it would not therefore be necessary to exclude the press and public from the meeting.

Members commented that future staff and non-executive directors of Ravelin Housing Limited should however be aware of the social values of the council.

Following questions, the Directors provided the following information:

- Ravelin Housing Limited aims to interfere with the housing market and deliver multi tenure housing models by identifying unmet demand which is separate from the role of the HRA which is to deliver social housing.
- Expertise and partnership working, including with housing associations will be explored to support a small team of company employees.
- Ravelin Housing Limited uses Homes England's definition of 'affordable housing' and RHL aims to deliver at least 30% affordable housing across its portfolio.
- The social responsibility section in the business plan includes information on sustainability, green credentials, and the company's aim to work towards carbon net zero goal.

Tristan Samuels informed members that Ravelin Housing Limited will work with the HRA but is designed to sit alongside it in the provision of housing in the city. The company has policies to support key workers and those unable to get onto the housing waiting list or on the waiting list but unlikely to qualify for housing in anytime soon. Councillor Ben Dowling noted that business plans for the company would be subject to oversight and scrutiny of full Cabinet in the future.

DECISIONS - Cabinet Sub-Committee:

- 1) Approved the new five-year Business Plan and Investment & Development plan as set out in this report, attached at Appendix 1 and 2.**

- 2) **Noted the progress made on the existing projects, Brewery House conversion and Arundel Street sites, as recorded in the five-year business plan.**
- 3) **Delegated to the Director of Regeneration, in consultation with the s151 Officer and Monitoring Officer, the authority to approve on behalf of the Council as shareholder, in accordance with the Ravelin Housing Limited Shareholder Agreement, any matter concerning Ravelin Housing Limited; "Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle" provided that it is in line with the Business Plan approved at 1) above.**
- 4) **Noted that the sites listed in the development pipeline speak to the aspiration of Ravelin Housing Limited and that they are not currently in the company's ownership.**
- 5) **Noted the content of the Skills Matrix at Appendix 3 and endorses the appointment of Non-Executive Directors (NED's) to Ravelin Housing Limited based on the outcome of the skills assessment contained in the skills matrix.**
- 6) **Noted the need to appoint to permanent positions within Ravelin Housing Limited, as noted in the Business Plan and that this would be the subject of a future report, seeking approval to proceed.**

The meeting concluded at 1.42 pm.

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Chair