



**Lewes District Council**

## **Cabinet**

**Minutes** of a Meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Wednesday, 16 November 2016** at 2.30pm

### **Present:**

Councillor A Smith (Chair)

Councillors P Franklin, B Giles, T Jones, E Merry and T Nicholson

### **In Attendance:**

Councillor M Chartier (Chair of the Audit and Standards Committee)

Councillor P Gardiner (Chair of the Scrutiny Committee)

Councillor S Osborne (Leader of the Liberal Democrat Group)

Councillor S Saunders (Deputy Leader of the Liberal Democrat Group)

Ms D Twitchen (Tenants' Representative)

### **Apology received:**

Councillor R Maskell

## **Minutes**

### **31 Minutes**

The Minutes of the meeting held on 28 September 2016 were approved as a correct record and signed by the Chair.

### **32 Urgent Item**

The Chair advised that he had agreed that, in accordance with Section 100B(4)(b) of the Local Government Act 1972, Report No 159/16 entitled "Acquisition of Land and Buildings in Lewes", that had been circulated to all

**Action**

Members of the Council earlier on 16 November 2016, be considered as a matter of urgency at the meeting in order that discussion and any subsequent decisions thereon could be taken based on the most recent information which was available. Copies of the Report were made available to the public attending the meeting (a copy of which is contained in the Minute Book).

### **33 Reporting Back on Meetings of Outside Bodies**

Councillor Nicholson reported that on 3 November 2016, he had attended a meeting of the Community Safety Partnership, to which he had been appointed as the Council's representative.

A representative of East Sussex County Council's Trading Standards department had attended that meeting, had given a presentation which related to scams and rogue traders and had reported that authorities would be working together in respect of such issues.

It was anticipated that the Lewes District Community Safety Partnership's budget for 2016/17 would be spent. £20k was scheduled to be in its budget for 2017/18.

A representative from The Office of the Police and Crime Commissioner (PCC) had updated the Partnership on the work of the PCC. They had reported that a Prevent Plan had been prepared which related to ways to deal with acts of terrorism for which District Councils needed to prepare for such events. It was important for the Council to protect its estate and to prepare a Contingency Plan in respect of acts of terrorism.

#### Resolved:

- 33.1** That the oral report by Councillor Nicholson relating to a meeting of the Community Safety Partnership that he had attended as the Council's representative, be received and noted.

DSD  
(to  
note)

#### Reason for the Decision:

To note the oral reports of Councillors who had attended meetings of outside bodies to which they had been appointed to serve as the Council's representatives.

### **34 Finance Update – Performance Quarter 2 - 2016/2017**

The Cabinet considered Report No 147/16 which provided an update on financial matters that affected the General Fund Revenue Account, the Housing Revenue Account and the approved Capital Programme.

Paragraph 4 of the Report set out details of the financial performance of the General Fund Revenue budgets at the end of Quarter 2 (September) 2016/2017, in respect of which the service details were shown at Appendix 1 thereto. Such performance had been largely in line with service budgets. Items

to note were:

- spending on staff (adjusted for payments in respect of agency staff providing cover for short-term absences and shared staffing arrangements with Eastbourne Borough Council) was below budget;
- income generating activities were performing in line with, or exceeding, projections;
- the share of business rates income to be received by the General Fund in 2016/2017 was expected to reduce for reasons outside the Council's control with the net reduction for the year currently projected to be in the region of £280,000 compared to a projection of £215,000 at the end of Quarter 1;
- trends in housing benefit awarded and associated government subsidy, which could have a net impact on the net budget, continued to be monitored and would be more identifiable later in the year; and
- the timing of Joint Transformation Programme activity was likely to result in the delivery of some of the savings target of £400,000 being deferred into 2017/2018 which was currently offset by a managed vacancy process that would remain until the main restructuring was complete.

The amount held in the General Fund Uncommitted Reserve was projected to be £2.3m at 31 March 2017 before any adjustment needed in respect of the items listed above.

Financial performance in respect of the Housing Revenue Account budgets at the end of Quarter 2 was set out in the table in paragraph 5.1 of the Report in respect of which spending and income was generally in line with service budgets and no significant variations had arisen since the Quarter 1 Report to Cabinet. Spending on responsive and void repairs was demand led and could be expected to fluctuate during the course of the year.

Appendix 2 to the Report set out details of the capital programme spending which was currently in line with expectations. Payments of £3.9m had been made by the end of Quarter 2 and there were no variations to the capital programme that required Cabinet approval.

The table in paragraph 8.1 of the Report set out details relating to Treasury Management investment performance at the end of Quarter 2 together with the average 7-day London Interbank Bid (LIBID) Rate. All activity was consistent with the Council's approved Treasury and Investment Strategy for 2016/2017. No new borrowing had been undertaken in Quarter 2 and long term borrowing remained at £56.6m.

Investments in Treasury Bills, bonds, certificates of deposits and other tradeable instruments were held securely in Custody accounts in the Council's name. Without such accounts, the Council could not access a significant range of investments which meant that its ability to diversify the portfolio was

significantly affected.

The Council currently had two custody accounts in place, one of which was provided by a supplier that was no longer recommended for use by Arlingclose, the Council's treasury adviser. In order to maintain the opportunity for investment in such instruments, the Report recommended that a custody account be opened with an alternative supplier in respect of which the Council's financial procedure rules required Cabinet agreement.

The Chartered Institute of Public Finance and Accountancy's Code of Practice recommended that all councillors be informed of Treasury Management activities at least twice a year. A Mid-year Report for 2016/2017, which covered the period 1 April to 30 September 2016, was set out at Appendix 3 to Report No 147/16 which confirmed that the key elements of the approved Treasury and Investment Strategy had been complied with during the first half of the year.

Resolved:

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|-------------|---|-----|
| <b>34.1</b> | That the General Fund and Housing Revenue Account financial performance for the quarter ended 30 September 2016, as set out in sections 4 and 5 of Report No 147/16, be agreed; | DCE |
| <b>34.2</b> | That the Capital Programme financial performance for the quarter ended 30 September 2016, as set out in section 7 of the Report, be agreed;                                     | DCE |
| <b>34.3</b> | That the Treasury Management financial performance for the quarter ended 30 September 2016, as set out in section 8 of the Report, be agreed;                                   | DCE |
| <b>34.4</b> | That a custody account be opened to facilitate treasury management transactions as explained in section 8.4 of the Report; and  | DCE |
| <b>34.5</b> | That the mid-year position for the Council's 2016/2017 Treasury Management and Investment Strategy be agreed.   | DCE |

It was further

Recommended:

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|-------------|--|---------------------|
| <b>34.6</b> | That the Mid-Year Treasury Management Report 2016/2017, as set out at Appendix 3 to Report No 147/16, be approved. | DCE<br>(to<br>note) |
|-------------|--|---------------------|

Reasons for the Decisions:

A Report on current and anticipated financial performance is made to Cabinet to ensure that the financial health of the General Fund, Housing Revenue Account, Council Tax and Business Rates Collection Funds and the Capital Programme are kept under continual review. It is essential to ensure that the Council has a sound financial base from which to respond to changing activity levels and demand for statutory services and to ensure that, when appropriate, its finances are adjusted in response to reducing income levels and inflationary

pressures on expenditure.

The Council's Treasury Management function deals with very large value transactions on a daily basis. It is essential that the Council is satisfied that appropriate controls are in place and in accordance with the Code of Practice on Treasury Management in the Public Services prepared by the Chartered Institute of Public Finance and Accountancy and adopted by the Council.

### **35 Portfolio Progress and Performance Report 2016/17 - Quarter 2 (July to Sept 2016)**

The Cabinet considered Report No 144/16 which set out details relating to the Council's progress and performance in respect of key projects and targets for the second quarter of the year namely, July to September 2016. The Report had also been considered by the Scrutiny Committee at its meeting held on 8 November 2016 and the Chair of that Committee, Councillor Gardiner, reported to Cabinet details of the Committee's views and comments in respect thereof.

The Council had an annual cycle for the preparation, implementation and monitoring of its business plans and budgets which enabled the regular review of its work and the targets set for performance so as to ensure that they continued to reflect customer needs and Council aspirations.

It was important to monitor and assess progress and performance on a regular basis to ensure that the Council continued to deliver priority outcomes and excellent services to its customers and communities. Such priorities were set out in the Council Plan that was adopted by the Council in February 2016 and which were supported by associated projects and service performance targets that had been approved by Cabinet in July 2016.

The Scrutiny Committee had a key role in terms of oversight of the Council's progress and performance; and challenging areas of under-performance.

Appendix 1 to the Report provided a high level summary of progress and performance arranged by Cabinet portfolio and showed where performance and projects were 'on track/on target' and where there were areas of risk, concern or under-performance. In instances in which performance or projects were 'off track/below target', an explanation of the management action that was being taken to address the issue was also provided.

An overview of the Council's performance for the year as at the end of the second quarter was set out in paragraph 10 of the Report which indicated that:

- 82% of the Council's key projects were either completed or on track. There were no project delays which constituted any serious risk to the Council;
- 86% of the Council's performance targets were either met, exceeded or within acceptable levels during the quarter.
- 8 indicators had not met planned targets during the quarter,

further details of which were set out in paragraphs 17 to 19 of the Report; and

- With regard to customer feedback, there had been 322 complaints and 14 compliments made by customers during the quarter.

Resolved:

**35.1** That the views and comments of the Scrutiny Committee which had considered Report No 144/16 at its meeting on 8 November 2016, be received and noted; and

**35.2** That Report No 144/16 be received and noted.

Reason for the Decisions:

To enable the Scrutiny Committee and Cabinet to consider specific aspects of the Council's progress and performance.

### **36 Options for the Establishment of a Housing Investment Company**

The Cabinet considered Report No 143/16 which related to the proposed development of a new housing and regeneration investment company. The Report had also been considered by the Scrutiny Committee at its meeting held on 8 November 2016 and the Chair of that Committee, Councillor Gardiner, reported to Cabinet details of the Committee's recommendations, views and comments in respect thereof.

The Housing and Planning Act 2016 and the Welfare Reform Act 2016 had brought about some implications for the ways that affordable housing was developed and managed in the future:

- a. The extension of the Right to Buy to all tenants of affordable housing required Councils holding housing stock to pay an annual levy in order to finance such change in policy. The value of each Council's levy was to be based on the amount which it could generate from the sale of its higher value Housing Revenue Account (HRA) homes. Whilst there would be no compulsion on councils to sell homes, it might not be possible to fund the levy in any other way. The establishment of an investment company could provide a vehicle for the Council to maintain control of those homes as part of a portfolio of housing and regeneration assets;
- b. All affordable housing providers were required to reduce the rent to current tenants by 1% annually for the 4 years 2016/17 to 2019/20 which had a significant impact upon the HRA business plan, and made it more difficult to finance new Council housing solely through HRA borrowing; and
- c. From 1 April 2017, higher income council tenants would be required to pay a higher level of rent, paying 15p extra each week

for each £1 of income earned above a £31,000 threshold, until market rent level was reached. The additional rent income generated would be paid to the Government. It was possible that such change would encourage higher income tenants to exercise their Right to Buy.

Officers had been examining delivery mechanisms that were used by other local authorities, many of which had set up their own housing companies as a means of

- directly delivering market sale homes in order to cross subsidise housing delivery;
- delivering low cost home ownership homes products, either directly themselves or through housing provider partners; and
- investing in existing housing, including dilapidated market housing, as a regeneration tool,

further details of which were set out in Appendix B to the Report.

Eastbourne Borough Council had already created a housing investment company namely, Eastbourne Housing Investment Company Limited (EHICL) which was a private company limited by shares where the Borough Council was the sole owner and shareholder. The company had been established in order to invest in both housing and business opportunities, with an initial focus upon regenerating the Devonshire ward of the Borough. Details relating to its key priorities were set out in paragraph 3 of the Report.

The company was supported by a Housing & Economic Development Partnership officer team which was a joint initiative between the Borough Council and Eastbourne Homes Limited that provided development expertise which had already delivered over 100 affordable homes in Eastbourne. A programme of potential new housing was being planned through EHICL that would seek to combine commercial opportunities with strategic corporate objectives for sustainable communities and income generation.

A detailed financial appraisal of the proposal was set out in paragraphs 4 to 6 of the Report.

Resolved:

- 36.1** That the recommendations, views and comments of the Scrutiny Committee which had considered Report No 143/16 at its meeting on 8 November 2016, be received and noted;
- 36.2** That authority be delegated to the Director of Service Delivery and the Assistant Director of Legal and Democratic Services, in consultation with the Lead Member for Housing and their counterpart at Eastbourne Borough Council, the Cabinet Portfolio Holder for Community, to undertake work to set up a joint Lewes District Council/Eastbourne Borough Council wholly owned housing investment company;

DSD/  
ADLDS

- |             |   |               |
|-------------|---|---------------|
| <b>36.3</b> | That in the event that the establishment of a joint company on the basis set out in 36.2 above is not considered appropriate or agreed by Eastbourne Borough Council, instead authority be delegated to the Director of Service Delivery and the Assistant Director of Legal and Democratic Services in consultation with the Lead Member for Housing, to either: | DSD/<br>ADLDS |
|             | (a) set up a joint wholly owned housing investment company between Lewes District Council and any other suitable local authority or, failing that;  |               |
|             | (b) set up a Lewes District Council wholly owned company;   |               |
| <b>36.4</b> | That the Director of Service Delivery in consultation with the Leader and Lead Member for Housing, be authorised to procure specialist advice as necessary up to a value of £30k, this being the estimated cost of advice on setting up the company together with costs of developing the business case and investment proposals; and.                            | DSD           |
| <b>36.5</b> | That any investment proposals be reported back to Cabinet for approval.   | DSD           |

Reasons for the Decisions:

The role of local authorities in shaping housing markets and meeting housing needs and aspirations has changed significantly in recent years.

In addition, the ability of the council to invest in new council-owned homes in the traditional way is constrained by the caps on borrowing that apply to the Housing Revenue Account (HRA).

Although the HRA borrowing is currently £7.2m under the cap, the Government has recently introduced a series of measures which will reduce income, and restrict the HRA's ability to afford the interest and principal repayments associated with additional borrowing to fund new homes for rent.

This means that Lewes District Council will need to consider how to invest in ways that do not impact adversely on the HRA and find new ways to bring forward housing.

A council-owned investment company enables the development of a wide range of housing products across rented and owner-occupied tenures that can be tailored to meet specific housing needs and priorities and so reduce demand for high cost services, such as supported housing for older people.

The Council also recognises that there is a role to play in taking up opportunities for commercial development where this might have a regenerative effect and/or assist the council in meeting strategic housing priorities.

Establishing a joint Lewes District Council/Eastbourne Borough Council company would simplify the sharing of necessary officer skills in managing future projects, allow the councils to choose to share risk on larger ventures and provide a stronger financial platform for activities in new commercial



areas.

The company will be wholly-owned by the councils and any investment decisions would require Lewes District Council's lending approval before development or purchase began, subject to appraisal, therefore the Council would only approve schemes it is willing to support.

### **37 Adoption 'Making' of the Wivelsfield Neighbourhood Plan**

The Cabinet considered Report No 148/16 which related to the proposed adoption 'making' of the Wivelsfield Neighbourhood Plan.

The Localism Act 2011 had introduced a right for communities to prepare neighbourhood plans. Wivelsfield Parish Council, with support and advice from the Council, had produced a neighbourhood plan which had subsequently undergone a successful examination and referendum. Report No 148/16 considered whether the Plan should be adopted by the District Council as part of the statutory development plan.

When it formed part of the statutory development plan, the neighbourhood plan sat alongside the Local Plan that had been prepared by the Local Planning Authority. In instances when planning permission was sought in areas covered by an adopted neighbourhood plan, the application needed to be determined in accordance with both the neighbourhood plan and the Local Plan.

There were a number of legally prescribed stages that needed to be undertaken in the preparation of a neighbourhood plan. It needed to be subject to examination by an independent examiner. Subject to a positive outcome from such an examination, the plan then proceeded to a referendum. In instances when it was subject to a successful referendum, and the local planning authority was satisfied that European Union and human rights obligations had been met, it was a legal requirement to bring the plan into force as soon as was reasonably practicable.

Paragraphs 3.1 to 3.12 of the Report set out details relating to the progress of the Wivelsfield Neighbourhood Plan which, on Thursday 27 October 2016, had been the subject of a referendum which posed the following question to eligible voters:

“Do you want Lewes District Council to use the Neighbourhood Plan for Wivelsfield Parish to help it decide planning applications in the neighbourhood area?”

34% of registered electors had recorded votes, 555 of which were cast in favour of 'yes' against 23 in favour of 'No'. It was declared that more than half of those voting had voted in favour of the Plan. Therefore, in accordance with the Neighbourhood Planning Regulations, following the outcome of the referendum it was now for the Council to 'make' the neighbourhood plan in order that it formally became part of the development plan for Lewes District.

Recommended:

- 37.1** That the Wivelsfield Neighbourhood Plan be formally adopted as part of the statutory development plan for the district.

DRP  
(to  
note)

Reasons for the Decision:

The Wivelsfield Neighbourhood Plan has undergone a successful examination and received a majority vote in favour at a referendum.

To comply with the Localism Act which requires local planning authorities to 'make' a neighbourhood development plan as soon as reasonably practicable following a successful referendum.

**38 Community Infrastructure Levy (CIL) Governance Review**

The Cabinet considered Report No 149/16 which related to a governance review of the Community Infrastructure Levy (CIL), the associated Charging Schedule for which had been implemented a year ago.

The Levy was the way in which the Council collected contributions from new development towards infrastructure provision. The CIL Regulations had come into force in 2010 following which the Council had adopted its Charging Schedule in November 2015.

CIL Governance described the way that the Council managed and spent the CIL income; certain elements of which were prescribed by the CIL Regulations whilst the Council had control over others. The Council had the financial responsibility for ensuring that infrastructure was delivered in the district which was a huge responsibility that needed to be carefully carried out in strict legal compliance with the regulations.

There were CIL Regulations that concerned a number of governance matters namely: how the neighbourhood portion was calculated and when it must be passed to Towns and Parishes; the allowance a Charging Authority may take to cover its CIL costs and how it would be spent; the type of infrastructure project that could be funded and what could not be funded; the Council's public reporting duties and those of Town and Parish Councils for the Council's CIL revenue and spend.

As the Charging Authority, the Council had control over the decision-making process for spending the CIL money that remained after the neighbourhood portion had been taken and passed to Towns and Parishes. A CIL Governance Framework had been agreed in 2014 that described the way in which the Council would manage and spend its CIL receipts, further details of which were set out in paragraph 1.4 of the Report.

The officers had been successfully processing applications for CIL for 11 months which had required detailed scrutiny of the regulations and close working with specialist software providers to implement a legally compliant CIL regime. That work had led officers to refine the Governance Framework in

order to bring it into compliance which was necessary in order to operate the collection process through the new software system.

Paragraph 2 of the Report set out the background to the creation of the existing CIL Governance Framework and a proposal to refine the bespoke (non-Regulatory) decision-making arrangements.

Paragraph 3 of the Report provided an update on the apportionment of the CIL.

Paragraph 4 of the Report outlined a review of the bid assessment process. Under the current framework, funding bids for all projects were assessed by an Executive Board the membership of which was determined according to relevant 'job/portfolio titles'. The Board considered both strategic infrastructure (County Pot) and local infrastructure (District & Community Pots) CIL spending and subsequently made recommendations to Cabinet. However, it had yet to convene as revenue was only just starting to be received and the Pots had not gathered meaningful amounts.

The Report proposed that the Executive Board function be refined to focus solely on strategic infrastructure and that a new CIL Board be created to assess community infrastructure bids so as to ensure representation from across the Charging Area which was outside the National Park. The aim of the proposal was to achieve a more equitable and effective mechanism for recommendations on the funding and delivery of projects across the district, further details of which were set out in the Report.

Resolved:

- 38.1** That the apportionment update that shows the neighbourhood portion of the Community Infrastructure Levy is taken first from the revenue and subsequently passed to Towns and Parishes, as set out in Report No 149/16, be acknowledged; and
- 38.2** That a Community Infrastructure Levy Management Board be created to review infrastructure bids for funding from the District and Community Pots and that its membership be determined as set out in section 4 of the Report.

DRP

DRP

Reasons for the Decisions:

To demonstrate compliance with the Community Infrastructure Levy Regulations in terms of passing the neighbourhood portion to Towns and Parishes.

To enhance representation of Members in the process that assesses infrastructure funding bids from the District and Community Pots that ring-fence funding for local (non-strategic) infrastructure projects.

### **39 Housing Management Services – Working Together**

The Cabinet considered Report No 150/16 which proposed the establishment

of a Project Group to explore and facilitate joint working and shared arrangements for Council housing management services between the Council and Eastbourne Borough Council.

Eastbourne Borough Council's housing was currently managed by Eastbourne Homes Ltd by way of a management agreement, and Lewes District Council managed its housing in-house.

Each council had a duty to secure the best option for the management and maintenance of its homes and they were accountable to both tenants and the wider community in their role as a social landlord.

Financial challenges that were on the horizon included a requirement to pay a tariff for the sale of higher value homes and, whilst the value was not yet known, it was likely to be several million pounds annually. Additionally, a 1% reduction in rental income would result in an estimated reduction of £5m in anticipated income to 2020, against original business plan assumptions.

In light of the significant change in the financial context and the new arrangements that were developing between the two council's, it was appropriate that work be completed to examine how new ways of delivering services within housing management could provide benefits and deliver value to residents. The objective was to protect frontline services for tenants and leaseholders while managing several challenges, details of which were set out in paragraph 2.5 of the Report.

Joint working would allow the sovereignty of each body to be retained and residents would still have agreements with their own council and their rent and charges would be set by their council but savings and improvements could be made by working together and integrating service delivery. A summary of the advantages of working together were set out in paragraph 3.1 of the Report.

The Report proposed that a Project Group be established comprising residents, officers and housing portfolio holders, to oversee the work which, if agreed, would also work closely with the Joint Transformation Programme Board.

Additional funds might be needed for specialist work that arose from the work plan which was not expected to exceed £10,000. Such funds were available within the Housing Revenue Account reserve.

Resolved:

- 39.1** That authority be delegated to the Chief Executive, in consultation with the Cabinet Member for Housing, for permission to:
- (a) enter into discussions with interested parties, including Eastbourne Homes Ltd, on joint working arrangements between Eastbourne Borough and Lewes District Councils; and
  - (b) establish a Project Group to oversee the work and to determine its membership with representatives as set out in paragraphs 3.3 and 3.4 of Report No 150/16, subject to the

CE

addition of “tenants” to the list of such representatives; and

- 39.2** That the drawing down of funds from the Housing Revenue Account of up to £10,000 to support this work, be approved.

DSD

Reasons for the Decisions:

Members are aware that Eastbourne Borough Council and Lewes District Council have agreed to share services through the Joint Transformation Project in order to ensure the long term resilience of both councils.

Members are also aware of the financial challenges that councils face, particularly those with retained housing stock. Government funding for Eastbourne and Lewes Councils is expected to fall a further 30% over the parliamentary cycle to 2020. Considerable savings need to be made in order to protect front line services.

There are a number of ways in which the two organisations could benefit by greater joint working on housing management including greater resilience, economies of scale and a greater strategic presence. It is proposed that Lewes District Council and Eastbourne Borough Council, in partnership with Eastbourne Homes, embark on discussions with key stakeholders regarding new ways of working for the benefit of all housing residents.

Given the significant change in financial context for the Housing Revenue Account and the new arrangements developing between Eastbourne Borough Council and Lewes District Council, it is appropriate that opportunities to develop joint working are explored for housing management services. Setting up a Project Group to oversee this activity is an important next step in establishing ways of working together for the management of Eastbourne and Lewes housing services.

#### **40 Delivery of Building Control Services**

The Cabinet considered Report No 151/16 which related to a proposed alternative way of delivering the Building Control function by way of joining the East Sussex Building Control partnership with Eastbourne Borough Council and Wealden District Council.

Building Control was a statutory function which had the prime aim of administering the Building Regulations. The Service dealt with health and safety issues in respect of buildings together with matters that covered access to, and within, buildings and, additionally, matters relating to the conservation of fuel and power which were designed to reduce carbon output from buildings. Building control also dealt with dangerous structures, demolitions, disabled persons issues, structural engineering and other issues that were contained in the Building Act 1984 and other legislation.

Local authority building control services had the ability to charge a fee for work relating to passing or rejecting plans, and for inspecting the works during construction. However, fees could not be charged for all works as there were specific exemptions that were described in the Building Regulations. A

significant income was generated by the Service which covered some of its costs.

Paragraph 5 of the Report set out details of some options that were available to continue to deliver the service. However, in light of the relatively small size of the current provision, retaining the service within the Council carried with it a number of challenges, details of which were set out in paragraph 6 of the Report.

Discussions which had been undertaken with Wealden District Council had identified the potential for a partnership that would deliver better customer service and enable efficiencies. Eastbourne Borough Council and Wealden District Council had been successfully operating under a similar arrangement for the past five years. Under the proposed arrangement, for an initial five year period, Wealden District Council would take the lead on management and employment issues on behalf of the partnership. Lewes District Council's staff would transfer and become the responsibility of Wealden District Council. It was also proposed that a Partnership Board be established comprising the Lead Cabinet Member and a Senior Officer (to be appointed by the Chief Executive) from Lewes and the other participating Councils to oversee the service delivery to an agreed Service Level Agreement.

Resolved:

- 40.1** That the principle of a Building Control partnership agreement with Wealden District Council, Eastbourne Borough Council and, potentially, Hastings Borough Council and Rother District Council, as set out in Report No 151/16, be supported; and DSD
- 40.2** That the Director of Service Delivery, in consultation with the lead Cabinet Member, be given delegated authority to negotiate the contents and enter into a Partnership Agreement including the management fee. DSD

Reason for the Decisions:

The Building Control function operates in a very competitive market. Whilst the Council has maintained high levels of market share it is finding it increasingly difficult to retain and recruit qualified staff due to the high salaries being offered by the private sector.

**41 "Stronger Together" Joint Transformation Programme Update**

The Cabinet considered Report No152/16 which provided an update on the mobilisation of the Joint Transformation Programme and decisions taken by the Programme Board; and proposed changes to the way in which communications, press and media functions were delivered.

In May 2016 the Cabinet, and that of Eastbourne Borough Council, had approved the Joint Transformation Programme to deliver the majority of council services via shared teams that adopted new ways of working which was a major change programme for both councils and a significant contributor

to the savings targets in the Council's medium term financial strategy.

The four strategic objectives of the Programme were to protect services; provide a greater strategic presence; provide high quality, modern services; and provide resilient services, further details of which were set out in paragraph 6 of the Report.

Over the past four months, officers had been working to establish the Programme, which included Programme planning, recruitment of project managers and teams, procurement and communications. Paragraphs 9 to 32 of the Report set out an overview of the activity that had been completed during the period from June to September 2016.

The Programme had been structured into seven work streams for delivery across three phases. Each phase would have a clear scope and would deliver a proportion of the overall savings required namely:

- Phase One – September 2016 to March 2017 - £1million;
- Phase Two – April 2017 to March 2018 - £1million; and
- Phase Three – March 2018 to March 2019 - £0.8million;

however, the above phases would overlap to a degree and the timings thereof might change.

Paragraphs 33 to 50 of the Report set out details relating to the communications and public relations function at the Council. A council's communications service was critical to the management of its reputation and how it was understood and viewed by the public, partners and other stakeholders. The service could play a key role in maintaining a positive image and countering any potential negative or damaging coverage in the media which was achieved through a variety of functions, further details of which were set out in the Report.

Paragraphs 37 to 42 of the Report set out details relating to the way in which the service was currently undertaken. Since April 2015, when the Head of Media and Engagement vacancy had arisen, the strategic elements of the Council's communications work had been supported by Cobb PR which had been enabled through the negotiation of a 'call off' clause within Eastbourne Borough Council's contract that had delivered its communications function through an outsourced arrangement for a number of years.

The proposals that were set out in the Report had been prepared in light of the Joint Transformation Programme and other changes that were taking place and planned for the integration of the Council's and Eastbourne Borough Council's staffing whilst acknowledging the need to retain organisational sovereignty and the important role of communications in ensuring that.

Consideration had been given to the functions of the current service and those ones of which it was essential be provided 'in house' and those which might be provided externally in a way that provided better value for the Council. The tables in exempt Appendix A set out the functions that were under consideration and the rationale for how they might best be provided in the

future.

The contractual arrangement with Cobb PR was for it to provide a small amount of additional communications and PR support for use at times of specific need and in order to build in flexibility and add resilience to the Council's in-house team. The contract included the expectation that further sharing of services would take place over the life of the contract. In the event that Cabinet progressed the recommendations contained in the Report, then the opportunity existed to extend the existing contract to encompass the range of activities listed as 'External' in Appendix A thereto. Legal advice had indicated that such extension could be achieved without the need to undertake a separate procurement exercise.

Details relating to an error that had occurred with one of the figures in the Report, which had subsequently impacted on some other figures set out therein, had been circulated to all Members of the Council in advance of the meeting, copies of which were made available to the public attending the meeting (a copy of which is contained in the Minute Book).

Resolved:

- 41.1** That the significant progress made since May 2016 in respect of the Joint Transformation Programme, as set out in Report No 152/16, be noted and that the three phase delivery of the Programme be endorsed;
- 41.2** That the new delivery model for communications and engagement functions, as set out in the Report, be agreed including:
- (a) Extending the current contract with Cobb PR to provide the functions listed at Appendix A section 1, and
  - (b) Retaining the in-house functions listed at Appendix A sections 2 and 3; and
- 41.3** That the related staffing changes set out at Appendix B to the Report, be agreed.

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Reasons for the Decisions:

To update Cabinet on the mobilisation of the Joint Transformation Programme and key decisions taken by the Programme Board.

To obtain Cabinet's agreement to changes in the way communications, press and media functions are delivered.

## **42 Ward Issues Raised by Councillors at Council**

The Cabinet considered Report No 153/16 which set out responses to Ward issues which had been raised by councillors at the Meeting of the Council held on 13 October 2016.



Resolved:

- 42.1** That the Officer action in respect of Ward issues that had been raised by Councillors at the Meeting of the Council held on 13 October 2016, as detailed in Report No 153/16, be noted and agreed.

DRP/  
DSDReason for the Decision:

To ensure that appropriate follow up action is taken in respect of Ward issues that were raised by councillors at Meetings of the Council.

**43 Appointment to Serve on Outside Body**Resolved:

- 43.1** That the appointment of Councillor S Osborne to serve as the member representative on the 3VA Board (Voluntary Action Lewes) outside body to replace Councillor J Peterson, be confirmed.

ADLDS  
(HDS)Reason for the Decision:

To confirm the appointment of a councillor to serve as the Council's representative on an outside body.

**44 Acquisition of Land and Buildings in Lewes**

The Cabinet considered Report No 159/16 which sought consent to complete the purchase of a land interest known as 2-5 the Friars, Lewes, the freehold of which had come to the market. Appendix A to the Report set out the commercial terms.

The landholding comprised four retail units with very strong rental covenants in a good position within the town. The current rental income to the freeholder was £260,750 per annum. The sale particulars were set out at Appendix B to the Report which demonstrated the strength of covenant and the tenancy schedule. The Council had successfully negotiated to purchase the property via a two-round bidding stage. It backed onto Friar's Walk car park which was owned by the Council.

The decision as to whether or not to purchase the land and buildings was urgent as the Council needed to confirm immediately whether it was in a position to proceed with the sale.

Resolved:

- 44.1** That authority be delegated to the Director of Regeneration and Planning and the Deputy Chief Executive, in conjunction with the Assistant Director of Legal and Democratic Services, to purchase the freehold interest of 2-5 The Friars, Lewes, as detailed in Report

DRP/  
DCE/  
ADLDS

No 159/16.

In accordance with paragraph 17 of the Scrutiny Procedure Rules, Cabinet agreed that Resolution 44.1 above was urgent in order that the Council could confirm immediately that it was in a position to proceed with the sale and, therefore, was not subject to the call-in procedure.

Reasons for the Decision:

To invest in land within Lewes District that will improve the revenue return for the Council and to improve the value of the Council's asset base.

#### **45 Exclusion of the Public and Press**

Resolved:

**45.1** That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the Public and Press be excluded from the meeting during the discussion of the Appendices to Report No 152/16 entitled ""Stronger Together" Joint Transformation Programme Update"; and Appendix A to Report No 159/16 entitled "Acquisition of Land and Buildings in Lewes" which was an Urgent Item on the Agenda; and Item 9.11 on the Agenda entitled "Housing Repairs and Maintenance Services", as there are likely to be disclosures of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act (ie Information relating to any individual; information which is likely to reveal the identity of an individual; and information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **46 Housing Repairs and Maintenance Services**

The Cabinet considered Report No 154/16 which related to reviews that had been undertaken of the repairs and maintenance services and the proposed procurement of new repairs and maintenance contracts which covered the Council's housing stock.

Resolved:

- |   |            |
|---|------------|
| <p><b>46.1</b> That the work currently undertaken by the in-house repair team Housing Maintenance Unit be brought within the scope of a new more comprehensive repairs and maintenance contract, as detailed in Report No 154/16;</p> | <p>DSD</p> |
| <p><b>46.2</b> That closure of the Housing Maintenance Unit be approved; and.</p>   | <p>DSD</p> |
| <p><b>46.3</b> That the Director of Service Delivery be given delegated authority to procure a new comprehensive repairs and maintenance contract with a wider scope covering the whole of the housing property</p>                   | <p>DSD</p> |

portfolio.

Reason for the Decisions:

To implement changes to the way in which the Council undertakes its repairs and maintenance services following reviews that had been undertaken in respect thereof.

The meeting ended at 4.10pm.

A Smith  
Chair