

## **Cabinet**

**Minutes of meeting held in Court Room at Eastbourne Town Hall, Grove Road, BN21 4UG on 6 February 2019 at 6.00 pm**

### **Present:**

Councillor David Tutt (Chair)

Councillors Alan Shuttleworth (Deputy-Chair), Margaret Bannister, Jonathan Dow, Stephen Holt, Colin Swansborough and John Ungar

### **Officers in attendance:**

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Philip Evans (Director of Tourism & Enterprise), Ian Fitzpatrick (Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Peter Finnis (Assistant Director for Corporate Governance), Catherine Knight (Assistant Director of Legal and Democratic Services) and Simon Russell (Committee and Civic Services Manager)

### **52 Minutes of the meeting held on 12 December 2018**

The minutes of the meeting held on 12 December 2018 were submitted and approved and the Chair was authorised to sign them as a correct record.

### **53 Apologies for absence**

None were reported.

### **54 Declaration of members' interests**

Councillors Tutt and Ungar declared a prejudicial interest in agenda item 15 (Housing delivery programme) as members of Aspiration Homes LLP and Eastbourne Housing Investment Company Limited Board. They both withdrew from the room whilst the item was considered. Councillor Shuttleworth chaired the meeting for the duration of the item.

Councillors Swansborough and Shuttleworth declared a personal interest in agenda item 18 (Community grants programme – small grants) as they were associated with different groups that had applied for grant funding. They remained in the room and took part in the discussion whilst the item was considered.

**55 Order of business**

As Duncan Kerr, CEO of Wave Leisure Trust Ltd was present at the meeting, the Chair and Cabinet agreed to take agenda item 13 (Wave Leisure services) first.

**56 Wave Leisure services**

The Cabinet considered the report of the Director of Tourism and Enterprise regarding a proposal to transfer Eastbourne Borough Council leisure services facilities to be operated by Wave Leisure.

**Resolved (Key decision):**

(1) To approve measures to create new agreements with Wave Leisure to operate the four Leisure Centres (Eastbourne Sports Park, Hampden Park, Shinewater, Cavendish), Regency Community Centre and Motcombe Pool and now to include: a) Sovereign Harbour Community Centre, b) Use of seasonal football pitches across the following sites – Old Town Rec. Princes Park, c) Tennis courts at Hampden Park and Old Town Rec, as of 1st April 2019. To delegate authority to the Director of Tourism and Enterprise, in consultation with the Cabinet Member for Tourism and Enterprise, to negotiate and conclude any lease, contract, grant and other arrangements to allow for the operation of these Centres in the most efficient structure to achieve this outcome ensuring compliance with all legal requirements.

(2) To approve future monitoring of the agreement provided by Wave in the form of an annual report to Cabinet.

(3) To agree that the delegations at (1) and (3) above include authorisation not to dispose by auction or invitation of tenders following public advertisement (sought under Contract Procedure Rule 18.1).

(4) To resolve that any leases to be granted to Wave Leisure, to allow them to occupy premises outlined in the report would help the Council to secure the promotion or improvement of the social well-being of the Council's area.

**Reason for decisions:**

To enable improved management and investment opportunities for the existing four 'dry' leisure sites, Regency Community Centre and Motcombe Pool and a) Sovereign Harbour Community Centre b) the seasonal football pitches across the following sites – Old Town Rec. Princes Park and c) tennis courts at Hampden Park and Old Town Rec; with an emphasis on improving community participation in sports activities and improving the wellbeing of the local community through a more active lifestyle.

## 57 General fund revenue budget 2019/20

The Cabinet considered the report of the Chief Finance Officer, detailing the general fund budget proposals for 2019/20 and capital programme 2018/22.

Visiting member, Councillor Wallis addressed the Cabinet and outlined the continued issues in alleyways and tree stumps around the Borough and the need to tackle the problem, potentially through the Neighbourhood First team. Councillor Wallis and the Cabinet were unanimous in praise of the team for their reactive and proactive work around the town.

Although not the responsibility of the Council, the Cabinet agreed to work together with other members and officers to identify an approach to the issues raised and would continue to raise awareness at East Sussex County Council. Councillor Ungar had already undertaken work on tackling the tree stump issue.

Summary of the budget proposals, detailed in the report, included overall savings and new income totalling £1.7 million, efficiency savings of £0.6 million, new and increased income of £1.1 million and other recurring service growth of £1.1 million. This was despite a further reduction in government funding of £0.445 million. The Council had continued to retain front line services despite regular cuts from central government, through innovative ideas such as agile working, contract management and an entrepreneurial approach to investment.

The Chief Finance Officer provided assurance that the integrated budget and corporate planning process provided a robust basis for identifying appropriate budget estimates and appropriate level of reserves. She added that in her view, the Council was reasonably placed financially to meet the demands on its services. However, the economic climate was uncertain and the challenge over the medium term was likely to be profound. Overall, more change was necessary to move to a sustainable position. The Cabinet expressed their thanks to the Chief Finance Officer, Finance team, past and present for their long term view when planning and producing budgets.

### **Recommended to Council: (Budget and policy framework):**

(1) To approve the general fund budget for 2018/19 (Revised) and 2019/20 (original), set out at appendix 1 to the report, including growth and savings proposals for 2019/20 as set out at appendix 2 to the report.

(2) To approve an increase in the Council Tax for Eastbourne Borough Council of 2.99% resulting in a Band D charge of £246.77 for 2019/20.

(3) To approve the revised general fund capital programme 2018/22 as set out at appendix 3 to the report.

(4) To note the section s151 Officers sign off as outlined in section 1.6 of the report.

**Reason for decisions:**

The Cabinet had to recommend to Full Council the setting of a revenue budget and associated council tax for the forthcoming financial year by law.

**58 Treasury management and prudential indicators 2019/20, capital strategy and investment strategy**

The Cabinet considered the report of the Chief Finance Officer, regarding the Council's annual treasury management strategy, capital strategy and investment strategy, in addition to the treasury and prudential indicators for the next financial year.

The Cabinet were assured that the council's borrowing and investment activity had been compliant with the regulations and there had been no breach of policy.

**Resolved (Non-key decision):**

(1) To note the extended role of the Chief Finance Officer as set out at appendix 7 to the report.

**Recommended to Council (Budget and policy framework):**

(2) To approve the treasury management strategy and annual investment strategy as set out in the report and at appendix 4 to the report.

(3) To approve the methodology for calculating the minimum revenue provision as set out at paragraph 2.3 of the report and at appendix 2 to the report.

(4) To approve the prudential and treasury indicators as set out in the report.

(5) To approve the specified and non-specified investment categories listed at appendix 5 to the report.

(6) To approve the Capital Strategy as set out at appendix 1 to the report.

**Reason for decisions:**

It is a requirement of the budget setting process for the Council to review and approve the Prudential and Treasury indicators, Treasury Strategy, Capital Strategy and Investment Strategy.

**59 Housing revenue account budget 2019/20**

The Cabinet considered the report of the Chief Finance Officer regarding the detailed housing revenue account (HRA) budget proposals, rent levels, service charges and heating costs for 2019/20 and the housing revenue account capital programme for 2018/22.

**Recommended to Council (Budget and policy framework):**

- (1) To approve the HRA budget for 2019/20 and revised 2018/19 as set out at appendix 1 to the report.
- (2) To approve that social and affordable rents (including Shared Ownership) are decreased by 1% in line with Government policy.
- (3) To grant delegated authority to the Chief Finance Officer, in consultation with the Cabinet portfolio holders for Financial Services and Direct Assistance Services, to take measures in the management of the Week 53 rent year.
- (4) To approve that service charges for general needs properties are decreased by 13.20%.
- (5) To approve that service charges for the older persons sheltered accommodation are increased by 0.24%.
- (6) To approve that the support charge for sheltered housing residents remained at £7.20 per unit, per week.
- (7) To approve that heating costs were set at a level designed to recover the estimated actual cost.
- (8) To approve that water charges are set at a level designed to recover the estimated cost of metered consumption.
- (9) To approve that garage rents remained at current levels.
- (10) To grant delegated authority to the Chief Executive, in consultation with the Cabinet Portfolio Holders for Financial Services and Direct Assistance Services and the Head of Finance to finalise Eastbourne Homes' management fee and delivery plan.
- (11) To approve the housing revenue account capital programme as set out at appendix 2 to the report.

**Reason for decisions:**

The Cabinet had to recommend to Full Council the setting of the HRA revenue and capital budget and the level of social and affordable housing rents for the forthcoming year.

**60 Business rate retail discount policy**

The Cabinet considered the report of the Director of Service Delivery, seeking approval for a proposed retail discount policy.

Although not a legislative requirement, a consultation with local ratepayers, Chamber of Commerce and Federation of Small Businesses took place and ended on 31 January 2019. The outcome of the consultation was tabled at the meeting and published online as an appendix. It detailed that 77% of the responses were in favour for the qualifying business criteria and 69% were in favour of the proposed non-qualifying business criteria.

**Resolved (Key decision):**

- (1) To approve the business rate retail discount policy as set out at appendix 1 to the report.
- (2) To grant the Director of Service Delivery delegated authority, in consultation with the Lead Member, to review and, if necessary, amend the retail discount policy following the consultation period and at the end of year one of the scheme
- (3) To grant the Director of Service Delivery delegated authority to implement and enforce the retail discount policy, including any measures necessary for or incidental to its management and administration.

**Reason for decisions:**

Cabinet approval is required for the retail discount policy which would be used for the purposes of administering the scheme.

**61 Disabled facilities grant policy**

The Cabinet considered the report of the Director of Service Delivery, seeking approval for a proposed disabled facilities grant policy, following budget allocation from the Better Care Fund.

The policy would improve the lives of people with disabilities to meet their care and mobility needs by enabling them to live independently with privacy and dignity.

**Resolved (Key decision):**

To approve the disabled facilities grant policy.

**Reasons for decision:**

Introducing discretionary elements would:

- 
- Allow the fast track adaptations approach in line with the best practice from the National Audit Office MHCLG and the Department of Health and Social Care.
  - Take account of the increase in labour and material costs
  - Increase the incentive for residents to move to a more suitable property
  - Provide a safety net for cases of genuine hardship
  - Allow fees to be paid for feasibility studies
  - Introduce Hospital Discharge Grants

## **62 East Sussex Business Rates Pilot 2019/20**

The Cabinet considered the report of the Chief Finance Officer, updating members on the East Sussex Business Rates Pilot bid for 2019/20.

The government had announced in December 2017, the aim of increasing the level of business rates retained by local government from the current 50% to the equivalent of 75% in April 2020. Local authorities were invited to apply to become 75% business rate retention pilots in 2019/20 and East Sussex County Council's bid was announced as successful on 6 December 2018.

Currently the County Council, Districts and Boroughs and the Fire Authority are in a 50% pool. Table 2 indicated the potential 75% Pilot gain over the current pool. It was clarified that the income anticipated in the report were not guaranteed and therefore was not included in the revenue estimates for 2019/20 in agenda item 7.

### **Resolved (Non-key decision):**

- (1) To agree that Wealden District Council be nominated as the lead authority.
- (2) To agree that Eastbourne Borough Council pilots 75% business rates retention, resulting in an additional anticipated gain of £0.2m over current pooling arrangements.
- (3) To agree the basic principle that no authority would receive a lower level of funding than they would have received without the pool.
- (4) To agree to split resources gained on the growth in business rates on the basis of the split being 26% to East Sussex County Council, 5% to the Fire authority and the remaining 44% split amongst the District/Borough Councils;
- (5) To agree the financial stability and economic development split of funding.

(6) To agree that the finalisation of the Memorandum of Understanding (appendix A) is delegated to the Chief Finance Officer.

**Reason for decisions:**

The Government had invited councils to apply to be pilots of 75% rates retention. Based on the independent assessment carried out by LG Future, the Council was anticipated to benefit from the proposed arrangements. This report sets out the background to the pilot and informs Cabinet of the latest position.

**63 Local Development Scheme 2019-2022**

The Cabinet considered the report of the Director of Regeneration and Planning, seeking their endorsement of the Local Development Scheme 2019-2022 in order to allow formal adoption at Full Council on 20 February 2019.

**Recommended to Council (Budget and policy framework):**

(1) To adopt the Eastbourne Local Development Scheme 2019-2022 as set out at appendix 1 to the report.

(2) That delegated authority be granted to the Director of Regeneration and Planning in consultation with the Cabinet Member for Place Services to make minor and technical updates to timetables within the Local Development Scheme where necessary.

**Reasons for decisions:**

(1) The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and the Council's constitution identified that the adoption of the Local Development Scheme was a function of Full Council.

(2) To ensure that the Local Development Scheme could be kept up to date without needing to bring minor amendments back to Full Council.

**64 Housing delivery programme**

The Cabinet considered the report of the Director of Regeneration and Planning, providing an update on the Council's capital development within the housing revenue account. The report also detailed proposals for the Council's housing investment partnership, through Aspiration Homes LLP (AHLLP) and the Eastbourne Housing Investment Company Ltd (EHICL) to invest in commercial and affordable residential accommodation schemes to assist the Council meeting its strategic housing agenda.

Councillors Tutt and Ungar declared a prejudicial interest in this item. They both withdrew from the room whilst the item was considered. Councillor Shuttleworth chaired the meeting for the duration of the item.

**Resolved (Key decision):**

(1) To agree that the Council makes a loan facility available of up to £2.5m on market terms to AHLLP for the purpose of enabling the partnership to purchase residential accommodation for affordable purposes under a dedicated programme.

(2) To approve as a Restricted Matter under the LLP Agreement, the making of a loan facility by Lewes District Council of up to £2.5m on market terms to AHLLP for the purpose of enabling the partnership to purchase residential accommodation for affordable purposes under a dedicated programme.

(3) To authorise the Assistant Director for Legal and Democratic Services to ensure that a "Funding Agreement" pursuant to a "Deed of Entrustment" is entered into by AHLLP with the Council so that Right to Buy (RTB) receipts are appropriated in accordance with legislative requirements and the retention agreement with Government in relation to "social housing". To give delegated authority to the Director of Regeneration and Planning to determine the terms of such agreement(s).

(4) To delegate authority to the Chief Finance Officer in consultation with the Lead Cabinet members for Housing and Finance to agree the whole scheme lending parameters for purchases for the programme outlined at resolution (1).

(5) To delegate authority to the Chief Finance Officer in consultation with the Lead Cabinet members for Housing and Finance authority to approve any draw down by EHICL from the £20m loan facility approved in the 2017/2021 Capital Programme (to the extent not already committed to other projects) for investment in EHICL's property portfolio, the delivery of new mixed tenure homes and associated activities by EHICL and to delegate authority to the Chief Finance Officer in consultation with the Assistant Director - Legal & Democratic Services to determine the terms of any loan to be offered to EHICL provided always that the Chief Finance Officer is satisfied that:

- (a) There will be adequate security for the loan
- (b) There is a viable business case for the loan
- (c) Any such loan is on market terms

**Reasons for decisions:**

- (1) To effectively progress land and housing acquisition, investment and larger scale development within the HRA to meet the Council's wider strategic aims and take advantage of new borrowing flexibilities.
- (2) To improve access into the private rented sector (PRS) by providing residential accommodation to assist the Council meet its wider strategic housing agenda and increase the variety, availability and accessibility of affordable housing and low cost home ownership.
- (3) To generate additional income revenue streams to the Council through strategic property investment.
- (4) For AHLLP to use RTB receipts to fund new affordable housing the necessary legal agreements need to be in place to allow this and these must be used in accordance with the terms of our RTB receipt retention agreement.

**65 Water and sewerage services**

The Cabinet considered the report of the Director of Regeneration and Planning, seeking their approval for an additional one year Contract Procedure Rule waiver to appoint Business Stream for supply of Water and Sewerage Services.

**Resolved (Non-key decision):**

- (1) To approve an additional one year waiver as per clause 2.4 of the contract procedure rules to appoint Business Stream for the supply of water and sewerage services.
- (2) To approve the accountable officer to sign an additional one year waiver to appoint Business Stream for supply of Water and Sewerage Services.

**Reasons for decisions:**

- (1) Data was not yet available to enable an effective procurement exercise.
- (2) A Water Regulator review was due in April 2020 which may reduce wholesale costs.
- (3) Potential for procurement exercise via Clear Sustainable Futures for all the Councils Utilities.

**66 Exclusion of the public****Resolved:**

That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraph of schedule 12A and a description of the exempt information was shown below. (The requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)

**67 Community grants programme - small grants**

The Cabinet considered the report of the Director of Regeneration and Planning to agree the allocation of the small grants budget in Eastbourne for the year 2019/20 and agree priorities for small grants in 2020/21.

Councillors Swansborough and Shuttleworth declared a personal interest in this item. They remained in the room and took part in the discussion whilst the item was considered.

Councillor Shuttleworth clarified that as a member of the Grants Task Group that considered and granted the applications detailed in the exempt report, he had withdrawn at the point they considered the application where he had a personal interest.

**Resolved (Key decision):**

(1) To approve the allocation of the 2019/20 Small Grants budget set out in paragraphs 2.2 to 2.7 of the exempt report.

(2) To agree a review of the allocation of current grants budgets between Major and Housing Grants and Small Grants during 2019.

(3) To approve the priorities for Small Grants in 2020/21 as set out at paragraph 2.9 of the exempt report.

(4) To approve the amendments to the Community and Housing Grants policy set out at paragraphs 2.10 and 2.11 of the exempt report.

(5) To approve the proposals for allocating income from the Eastbourne Lottery set out at paragraphs 2.13 to 2.15 of the exempt report and delegate authority to the Director of Regeneration and Planning to make final decisions on the allocation of this income in consultation with the Cabinet Member for Direct Assistance Services.

**Reason for decisions**

To make best use of council resources supporting the local voluntary and community activities.

*Notes: (1) The report remained exempt. (2) Exempt information reason 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).*

**68 Redundancy and redeployment**

The Cabinet considered the report of the Assistant Director for Human Resources and Transformation. The report set out the current activity within the redundancy and redeployment procedure and actions taken to support affected individuals.

**Resolved (Key decision):**

(1) That the actions taken to manage implications of change for displaced individuals be noted.

(2) That the financial implications of severance for those identified in the event that redeployment was not secured by the relevant date be agreed.

**Reason for decision:**

This was Phase 3 of the Joint Transformation Programme; actions had been taken to manage the implications of this change for displaced individuals through support, redeployment and assistance with self marketing under the Redundancy and Redeployment Procedure

*Notes: (1) The report remained exempt. (2) Exempt information reasons 1 and 2 – Information relating to an individual or likely to reveal the identity of an individual.*

The meeting ended at 7.05 pm

Councillor David Tutt (Chair)