



Lewes District Council

Cabinet

Minutes of a Meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Monday, 21 March 2016** at 2.30pm

Present:

Councillor A Smith (Chair)

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

In Attendance:

Councillor P Gardiner (Chair of the Scrutiny Committee)

Apologies received:

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

Councillor S Osborne (Leader of the Liberal Democrat Group)

Ms D Twitchen (Tenants' Representative)

Minutes

67 Minutes

The Minutes of the meeting held on 8 February 2016 and of the Special Meeting held on 17 February 2016 were approved as correct records and signed by the Chair.

68 Reporting Back on Meetings of Outside Bodies

Councillor Nicholson reported that the Sussex Police and Crime Panel, to which he had been appointed as the Council's representative, had met in January 2016 at which the precept for the Police and Crime Commissioner had been set. He further reported that the Community Safety Partnership had underspent its current budget.

Action

At its meeting on 3 March 2016, the Scrutiny Committee had agreed that plans to merge the three District Community Safety Partnerships, to include Lewes, Eastbourne and Wealden Districts, be noted but had recommended that such plans be resisted as it could be detrimental to safety. However, Councillor Nicholson reported that Eastbourne and Wealden were not opposed to such merger and, consequently, it would be implemented for a pilot period of one year in an effort to strengthen the role of the Joint Action Group. Following the conclusion of the pilot, a report thereon would be made to the Community Safety Partnership.

At the invitation of the Chair, the Chair of the Scrutiny Committee, Councillor Gardiner, reported that the Scrutiny Committee had felt strongly that by merging the three District Community Safety Partnerships, people would not be represented on any new body in the same way that they were represented under the current arrangements. Whilst the Committee had acknowledged that financial savings could be made by implementing the proposed merger, such savings did not outweigh the disadvantages that would be experienced by doing so.

It was further reported that throughout the time that the pilot was being undertaken, the budgets of the three District Community Safety Partnerships would not be combined into one budget.

Resolved:

- 68.1** That the oral Report of Councillor Nicholson relating to a meeting of the Sussex Police and Crime Panel, which he attended as the Council's representative, be received and noted; and
- 68.2** That the oral Report of the Chair of the Scrutiny Committee, Councillor Gardiner, relating to the views of that Committee in respect of plans to merge the three District Community Safety Partnerships, be received and noted.

69 Finance Update

The Cabinet considered Report No 51/16 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 relating to the financial performance of the Revenue budgets which, at the end of Quarter 3 (December) 2015/2016, was shown in the table in paragraph 4.1 and was set out by service in Appendix 1 to the Report.

Financial performance in the third quarter had resulted in a favourable net variation of £1,442,000 which built on the Quarter 2 position that had been reported to Cabinet in September 2015. Key elements of that variation were outlined in the table in paragraph 4.2 of Report No 51/16.

Spending activity in many service areas had continued to be slow in Quarter 3 and the 'gap' between budgeted and actual spend was expected to close in the

remainder of the year. Trends in housing benefit awarded and associated government subsidy due were being kept under close review.

Paragraph 6 of the Report set out details relating to the financial performance of the Capital Programme in respect of which Appendix 2 thereto provided details of spending in Quarter 3 along with an explanation of progress where it was significant. Payments of £7.9m had been made in the year, of which £4.1m had been made in Quarter 3.

Resolved:

69.1 That the General Fund and Housing Revenue Account financial performance for the quarter ended 31 December 2015, as set out in paragraph 4 of Report No 51/16, be agreed; and

DCS

69.2 That the Capital Programme financial performance for the quarter ended 31 December 2015, as set out in paragraph 6 of the Report, be agreed.

DCS

Reasons for the Decisions:

A Report on funding issues in relation to the Council's General Fund Revenue Account, Housing Revenue Account and Capital Programme is made to each meeting of the Cabinet to ensure that the Council's financial health is 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.

70 Portfolio Progress and Performance Report Quarter 3 (October - December 2015)

The Cabinet considered Report No 52/16 which set out details that related to the Council's progress and performance in respect of key projects and targets for the third quarter of the year namely, October to December 2015.

It was important for the Council to monitor and assess its performance on a regular basis in order to ensure that it continued to deliver excellent services to its communities in line with planned targets. It was also vital to monitor progress with key strategic projects in order to ensure that the Council was delivering what it had committed to or had set out to achieve.

The Council had an annual cycle for the preparation, delivery and monitoring of its corporate and service plans which enabled it to regularly review the Council's work, and the targets that it had set for performance, in order to

ensure they continued to reflect customer needs and Council aspirations.

The Council Plan for 2016 - 2020 had been adopted by the Council at its Meeting on 25 February 2016 which had followed a period of public/stakeholder consultation. The Plan set out the Council's priority projects, intended outcomes and associated performance targets over the next four years. Progress against key projects and performance targets contained within the Plan would be reported to Councillors in quarterly Reports which were due to begin in September 2016.

Appendix A to the Report provided the detailed information on progress and performance for Cabinets' consideration which set out where performance and projects were 'on track' and where there were areas of concern. Where performance or projects were not achieving targets/deadlines set, an explanation was provided, together with a summary of the management action that was being taken in respect thereof. The Appendix was structured around the seven new Cabinet Portfolios which had been adopted at the end of 2015.

92% of the Council's key projects were either complete or on track at the end of the third quarter and 70% of its performance targets were either met, exceeded or within a 5% variance. Only 7 indicators had not met the planned targets.

Paragraphs 11 to 22 of the Report highlighted projects which had been successfully delivered, and areas where performance had been notably high or improved during the year.

Paragraphs 23 and 24 of the Report set out details of where performance had been very slightly below target, but within 5% tolerance, or the project was slightly off track.

Paragraphs 25 to 31 of the Report set out details relating to where performance was below target and/or projects were significantly off-schedule or revised.

The Scrutiny Committee had considered the performance details at its meeting on 3 March 2016 at which it had not made any recommendations to the Cabinet in respect thereof.

Resolved:

- 70.1** That progress and performance for the Quarter 3 period, October to December 2015, be received and noted; and
- 70.2** That it be noted that the Scrutiny Committee had considered the performance details at its meeting on 3 March 2016 at which it had not made any recommendations to the Cabinet in respect thereof.

Reason for the Decisions:

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

71 North Street, Lewes: Proposed Property Acquisition of Springman House

The Cabinet considered Report No 53/16 which sought consent to negotiate and complete the purchase of a strategically important land interest at Springman House, North Street, Lewes, which was necessary to enable the delivery of the North Street Quarter (NSQ) project by enabling the relocation of the fire station from its current location in North Street.

The most recent Report to Cabinet in respect of the NSQ project had been on 7 January 2016 which had covered some commercial and legal matters. It had agreed the heads of terms of the Joint Venture agreement, set out the procurement approach for disposals, agreed to explore Compulsory Purchase Order powers to ensure site assembly and also agreed expenditure necessary to buy back leasehold interests on the council owned land. It had followed the decision to grant planning permission at the December 2015 meeting of the South Downs National Park Planning Committee.

Springman House was located outside of the site area for the NSQ planning application. The site comprised an office building which was most recently used as a National Health Service (NHS) administration building and remained in the ownership of the NHS. An open yard and smaller buildings behind Springman House were owned by South East Coast Ambulance Service (SECAmb) and were in use as an ambulance depot.

The NSQ site included the existing fire station on North Street which was in phase two of the development. In line with the Infrastructure Delivery Plan, there had been a long standing proposal to relocate the fire station, the new one of which would be built concurrently with phase one of the development in order that East Sussex Fire and Rescue Service (ESFRS) could relocate prior to the clearance of land for phases two and three. Failure to relocate the fire station would impact on the return from the development and therefore the viability of the proposed scheme with the most likely impact being a loss of affordable housing.

There had been discussions with ESFRS which was keen to move and the proposal achieved the recognised infrastructure need of moving the existing fire station from what, until the NSQ development was completed, was a flood prone site to a new location on higher ground.

Paragraphs 2.5 to 2.7 of the Report set out details relating to the joint marketing of the Springman House site by NHS and SECAmb for disposal to the open market which had subsequently been completed and for which they had received an unconditional offer of £2.76m. The Council and its partner Santon had made offers in the marketing process at first and Best And Final Offers stage but they had been informed that their offers were considerably lower than other bidders. The values at which the Council/Santon had bid had been informed by what they had considered would be a market valuation assuming a reasonable scheme in planning terms.

The NHS/SECAmb had subsequently contacted the Council to indicate that they wanted to meet to discuss the situation. Having established a price for the site through a competitive marketing process, NHS/SECAmb were confident that the current offer they had received represented a true market valuation

and were not willing to accept any less for the building. However, they had stated that the Council could step into the purchaser's positions on exactly the same terms. Additionally, the NHS had indicated it would want the completion of any deal to be undertaken by 31 March 2016.

It was considered necessary for the Council to buy Springman House in order to gain control of the fire station as the benefits from the entire NSQ development outweighed the lack of value that Springman House, on its own, offered at the above price. If, as expected, the proposed purchase came at a net cost to the scheme, then the Council and Santon would treat it as a 'development cost' to be divided by the partners in line with their ownership (and profit) shares. Santon had agreed in principle to such shared-risk approach for which the parties had not currently entered into a binding contract.

The Council and Santon would continue to assess the most efficient way to deliver the replacement fire station, which included exploring options to better use the Springman House site so as to also include residential uses or seeking an alternative site with lower costs subject to the agreement of ESFRS which, if implemented, would free-up Springman House for a residential development. Officers would return to Cabinet with a detailed proposal if one of those options appeared to offer a better return than the existing proposal.

Resolved:

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|-------------|---|-----------------------|
| 71.1 | That authority be delegated to the Director of Business Strategy & Development, and, in conjunction with the Director of Corporate Services and Assistant Director of Corporate Services and in consultation with the Leader of the Council and the Cabinet Member for Finance, to purchase Springman House, North Street, Lewes, for no more than £2.76m either by itself or, preferably, through a joint purchase with the Council's proposed development partner for the North Street Quarter; | DBSD/
DCS/
ADCS |
| 71.2 | That the Director of Business Strategy & Development, and the Director of Corporate Services, in conjunction with the Assistant Director of Corporate Services, be authorised to put Springman House into the joint venture arrangement; | DBSD/
DCS/
ADCS |
| 71.3 | That authority be delegated to the Director of Business Strategy & Development, and the Director of Corporate Services, in conjunction with the Assistant Director of Corporate Services, to enter into an agreement with East Sussex Fire and Rescue Service to provide a new fire station on the Springman House site as part of an arrangement to take ownership of the existing Lewes fire station. Such provision will either be at the Council's sole cost or the cost will be shared with the Council's proposed development partner for the North Street Quarter, depending on what is most financially advantageous for the Council; and | DBSD/
DCS/
ADCS |
| 71.4 | That power be delegated to officers to negotiate terms with its proposed development partner on the North Street scheme, which allow the Council to recover a fair proportion of the costs set out at 71.1 | DBSD/
DCS |

and 71.3 above.

Reason for the Decisions:

To unlock the strategically significant North Street Quarter (NSQ) development in Lewes. NSQ is a £150m mixed use brownfield site that will deliver the following regeneration benefits to the area:

- 416 new homes, of which 40% will be affordable;
- 140,000 sq. ft. of new workspace, including subsidised creative workspace;
- 475 full time jobs;
- 100 full time construction jobs;
- A new modern health centre for 26,000 patients;
- Strategically important flood defences, completing the defence of Lewes; and
- A public square hosting contemporary restaurants and alfresco riverside dining, a two tier riverside promenade and extensive new cycle paths and footpaths.

72 Refresh of the Coastal West Sussex and Greater Brighton Local Strategic Statement

The Cabinet considered Report No 54/16 which sought endorsement of the refreshed version of the Local Strategic Statement that had been prepared by the Coastal West Sussex and Greater Brighton Strategic Planning Board, a copy of which was set out at Appendix 1 thereto.

The regional tier of the planning system had been removed as a result of the Localism Act. That level of planning had been used to co-ordinate strategic development and infrastructure needs/priorities across wide areas, often covering a number of local planning authorities. As a replacement to regional planning, local planning authorities were required to work together to address strategic planning issues through the Duty to Co-operate.

In early 2014, the Council had formally become a member of the Coastal West Sussex and Greater Brighton Strategic Planning Board one of the key aims of which was to assist the local planning authorities in meeting the Duty to Co-operate when preparing their respective Development Plans. Paragraph 1.2 of the Report set out details of the Board's composition which included Mid Sussex and Horsham which had more recently become members of the Board.

During 2013 and 2014, a Local Strategic Statement (LSS) was prepared for the area covered by the Planning Board. Primarily the LSS had been developed for two reasons namely, to aid all the planning authorities in undertaking effective strategic planning and meeting the Duty to Co-operate; and to provide an overarching statement which reflected the ambitions of local authorities and their partners around sustainable growth.

The 2014 version of the LSS was endorsed by the Cabinet in January 2014. Within that document there was a commitment for it to be 'refreshed' after two years. Such refresh had subsequently been undertaken and the LSS had been

updated to reflect the change in strategic area covered to include Mid Sussex and Horsham, the progress of Local Plans in the area and the implementation of the Greater Brighton City Deal. The refreshment process had been informed by key stakeholder workshops and was considered and approved by the Planning Board on 18 January. However, in order for the LSS to have some 'weight', it needed to be endorsed by all the authorities individually.

Paragraph 2 of the Report set out details relating to key changes which had been made to the 2014 version of the LSS that were of particular relevance to the District. Paragraph 3 of the Report set out details relating to the future role of the Strategic Planning Board in strategic planning.

Resolved:

72.1 That the refreshed version of the Coastal West Sussex and Greater Brighton – Local Strategic Statement, as set out at Appendix 1 to Report No 54/16, be endorsed.

DBSD

Reasons for the Decision:

To ensure that the key strategic planning issues and priorities for the Coastal West Sussex and Greater Brighton region are clearly up to date and are articulated and presented to key stakeholders and partners who can assist with the delivery of these priorities.

73 Lewes Leisure Centre Plant Replacement

The Cabinet considered Report No 55/16 which related to the proposed replacement of the Air Handling Unit (AHU) and the boilers at Lewes Leisure Centre and sought approval to go to tender and let the contracts for replacement of the associated plant.

The Centre was a purpose-built structure that had been built in 1985. The current AHU managed the humidity of the air in the Swimming Pool Hall. In November 2013, the extract fan supports and bearings had failed which had caused damage to the motor casing and fan outlet mounting plate. In light of the age and general condition of the AHU, major repairs were not the most viable or cost effective option and, accordingly, a decision was made to replace the failed extract fan with a new extract fan and motor which would be suitable for permanent installation in a future new AHU. In January 2014, a new extract fan and motor had been supplied and installed by a specialist manufacturer of Pool Hall AHUs.

HMC Engineering Services were contracted to provide a specification and costs to replace the existing AHU in respect of which HMC had recommend a Recotherm Ltd AHU, further details of which were set out in the Report.

Previous installations of Recotherm units at other locations had achieved a minimum of 15% savings over a typical refrigerate unit. If approved, the works could be undertaken during the summer months and would negate the requirement for a shutdown of the Leisure Centre Pool and additional

temporary mechanical ventilation.

HMC Engineering Services were also contracted to provide a specification and costs to replace the existing boilers in respect of which it had recommended the installation of three Hamworthy modular boilers with a combined capacity of 750kw. The proposed new boiler configuration would give greater security of service when one boiler was out of service.

Hamworthy boilers had previously been installed at the Downs Leisure Centre and Peacehaven Leisure Centre in recent years and both installations had been trouble-free.

Resolved:

73.1 That the Air Handling Units at Lewes Leisure Centre be replaced as detailed in Report No 55/16 and the Director of Corporate Services be authorised to waive Contract Procedure Rule 6 for the reasons set out in paragraph 3.6 of the Report, awarding the contract to Recotherm Ltd; and

DSD/
DCS

73.2 That approval be given to go out to tender and award the contract for the replacement of the heating and hot water boilers at Lewes Leisure Centre.

DSD

Reasons for the Decisions:

In July 2014 Hamsons JPA carried out a conditions survey on Lewes Leisure Centre building and the mechanical and electrical plant and reported that the Swimming Pool Air Handling Unit (AHU) was life expired, but functional. The surveyor noted that there was some deterioration internally with a high risk of component failure.

The same report in July 2014 also identified that the boilers and heating system are 24 years old and life expired. Wave Leisure have reported that a 17% increase in gas consumption since April 2015, which would indicate that the boilers are no longer operating efficiently.

74 Devolution of Open Spaces to Town and Parish Councils

The Cabinet considered Report No 56/16 relating to the proposed transfer of a number of open space assets to Newhaven Town Council and Hamsey Parish Council.

Special Expense charges for open spaces and recreation areas had been a key driver that had generated discussions on the devolution of open space assets with Town and Parish Councils.

In instances in which a Town or Parish Council took on a devolved asset, it would include the running and administrative costs within its own precept (budget) which meant that the cost was included in the local town or parish council tax. Therefore, due to Lewes District Council no longer owning the asset, it incurred no cost of ownership and the Special Expenses charge would

end.

All assets would transfer at nil consideration on an existing use valuation subject to an overage clause. "Overage" allowed a seller to share in certain increases in the value of the property after it had been sold. The overage obligation would require the town or parish council to make a payment to the District Council, which represented a share of the increased value of the property, in the event that planning permission was granted for development other than the existing use. Public sector bodies were required to sell at the best consideration that could reasonably be obtained and overage provisions could be included for such purpose.

Negotiations with Newhaven Town Council (NTC) were progressing and it was proposed that the sites set out in paragraph 2.5 of the Report be transferred to NTC as soon as possible with a target completion date of April 2016:

The northern part of one of those sites namely, Riverside Park, was known to be a former municipal waste site and therefore additional due diligence was required. However, NTC was keen to make progress and it was possible to transfer the southern part of the site known as Lewes Rd Rec which was not part of the waste site, prior to the transfer of the northern part of the site. In light of that, the Cabinet was asked to approve the transfer of Lewes Rd Rec to NTC as soon as possible with a target completion date of 1 April 2016, with the northern half of the site known as Riverside Park to be transferred at the earliest opportunity thereafter.

It was also proposed to transfer the play area known as the Malthouse, Cooksbridge, to Hamsey Parish Council as soon as possible with a target completion date of 1 April 2016.

Each party to the transfers would undertake their own diligence to ensure that all facts were established and understood prior to concluding the transactions.

The sites proposed for transfer were public open space which needed to be advertised as a disposal under Section 123 of the Local Government Act 1972 before any final decision was taken on the disposal in order that proper consideration was given to any objections that were received.

Paragraphs 2.10 to 2.12 of the Report set out details relating to the proposed transfer of Malling Recreation Ground to Lewes Town Council (LTC) in respect of which it had not been possible to reach agreement.

The main area of contention related to overage in respect of which the Devolution Committee and Cabinet had been clear that all assets were to transfer with overage provision.

Both Councils had anticipated transfer of the Recreation Ground and Landport Bottom prior to the start of the 2016-2017 financial year and as a result, no provision for Special Expenses had been made. The Report therefore recommended that the Council retain the grant payable to LTC for the 2016-2017 financial year in lieu of Special Expenses. However, in the event that it was possible to agree a transfer, the grant be paid to LTC on a pro-rata basis. If it was not possible to reach agreement with LTC in 2016-2017, the Report

recommended that Special Expenses recommence in 2017-2018.

Resolved:

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| 74.1 | That the Director of Service Delivery be authorised to transfer land to Newhaven Town Council and Hamsey Parish Council as detailed in Report No 56/16, subject to the limitation set out therein; | DSD |
| 74.2 | That the Director of Service Delivery shall not transfer a site if there are any unwithdrawn objections relating to that site arising out of the advertisement process carried out under section 123 of the Local Government Act 1972; and | DSD |
| 74.3 | That the current position relating to the transfer of Malling Recreation Ground to Lewes Town Council be noted, that the grant payable to Lewes Town Council in lieu of the Special Expenses charge for 2016-2017 be retained as necessary and that the Officers be instructed to suspend work on the transfer of the Malling Recreation Ground site to Lewes Town Council. | DSD/
DCS/
ADCS |

Reason for the Decisions:

At the meeting on 2 February 2016, Devolution Committee agreed to recommend to Cabinet that the sites detailed within Report No 56/16 be transferred to Newhaven Town Council and Hamsey Parish Council.

Alternative Option Considered and Rejected:

That, with regard to 74.3 above, the current position relating to the transfer of Malling Recreation Ground to Lewes Town Council be noted and that the grant payable to Lewes Town Council in lieu of the Special Expenses charge for 2016-2017 be retained until such time that agreement may be reached.

75 Ward Issues Raised by Councillors at Council

The Cabinet considered Report No 57/16 which set out responses to Ward issues that had been raised by councillors at the Meeting of the Council held on 25 February 2016.

The Chair drew the Cabinet's attention to the comment that had been made by the Director of Service Delivery, as set out in the Report, in respect of the use of a unit at a sheltered housing development in Newick as a Community Centre. He reported that the budget reduction from East Sussex County Council, as referred to therein, related to a reduction in the level of grant from government to East Sussex County Council which impacted on that Council's ability to distribute such funding as part of its Supporting People budget which, in turn, affected all sheltered accommodation in the District.

Resolved:

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| 75.1 | That the Officer action in respect of Ward issues that had been raised by Councillors at the Meeting of the Council held on 25 February 2016, | DCS/
DSD/
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as detailed in Report No 57/16, be noted and agreed.

Reason 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.

The meeting ended at 3.33pm.

A Smith
Chair

Lomas