Lewes District Council

Cabinet

Minutes of a Meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Wednesday, 8 February 2017** at 2.30pm

Present:

Councillor A Smith (Chair)

Councillors P Franklin, B Giles, T Jones, I Linington, R Maskell, 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)

Ms D Twitchen (Tenants' Representative)

Minutes

Action

58 Minutes

The Minutes of the meeting held on 4 January 2017 were approved as a correct record and signed by the Chair.

59 Declarations of Interest

Councillor Jones declared his personal, prejudicial interest in Agenda Item 9.8 (Anchor Field Ringmer and Old Malling Farm).

60 Written Questions from Councillors

Councillor Ient asked questions of the Cabinet Member for Waste and Recycling, Councillor Franklin, in respect of Report No 26/17 on the Agenda for this meeting entitled "Waste and Recycling Review Update: A New Recycling Collection Service", relating to:

(a) the programme, including target dates, for the introduction of the co-mingled recycling collection service;

(b) what new items would be included in the list of items that could be recycled; and

(c) Councillor Ient's proposal that the Council undertakes a review of what other successful councils in coastal regions had done in providing a coordinated set of bins and vermin/gull proof heavy duty, 'heavy lidded bags' and the provision of a Report back to the Cabinet with a firm proposal for their introduction in the District;

copies of which were circulated to Councillors at the meeting and made available to the public attending the meeting (copies of which are contained in the Minute Book).

Verbal replies to the questions were given at the meeting by Councillor Franklin.

61 Reporting Back on Meetings of Outside Bodies

Councillor Nicholson reported that on 20 January 2017, he had attended a meeting of the Sussex Police and Crime Panel, to which he had been appointed as the Council's representative, at which the Police' budget had been set which had resulted in an increase of £5 on the Council Tax of a Band D property. The Minutes of that meeting were available on the Sussex Police' website.

Councillor Nicholson further reported that on 2 February 2017, he had attended a meeting of the Lewes District Joint Action Group (which formed part of the Community Safety Partnership to which he had been appointed as one of the Council's representative), at which some discussion had been undertaken relating to the possible merger of the Groups. Such discussion would be continued at the Group's next meeting which was scheduled to be held on 9 March 2017.

Resolved:

61.1 That the verbal reports by Councillor Nicholson relating to meetings of the Sussex Police and Crime Panel and the Lewes District Joint Action Group, be received and noted.

Reason for the Decision:

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

62 Voluntary Sector Support

The Cabinet considered Report No 21/17 which set out details of the performance of those voluntary organisations that were funded by the Council in 2016/17 under a service level agreement and proposed arrangements for 2017/18.

The Council recognised the significant contributions that the community and voluntary sector played in delivering services to its residents. Partnership working was a key priority for the District and the Council was committed to working with voluntary and community organisations through the giving of community grants which helped to support a thriving voluntary sector in the District. Furthermore, the giving of such funding could also provide a cost effective way of delivering the Council's objectives.

Historically, the Council had provided funding to a small number of such organisations on a recurring basis, namely to: the Citizen's Advice Bureau (CAB), 3VA, Action in Rural Sussex (AiRS) and Sompriti. They had been funded because of the core role they played in enabling and supporting other parts of the community and voluntary sector or because of the unique advisory role they provided to those experiencing hardship or disadvantage.

In February 2015 the Council had agreed a three year Service Level Agreement (SLA) for each of the above organisations which provided them with certainty for a three year period. It enabled them to plan ahead and ensure consistent delivery of service. Additionally, having the security of a 3 year SLA with the Council could also assist voluntary organisations in the leverage of further funding from other sources. The SLA also provided a mechanism for the Council to closely monitor the organisations' performance and delivery.

During 2015/16 a fifth SLA had been negotiated with East Sussex Credit Union which had previously received funding from the Council through the Housing Revenue Account. In order to bring about greater consistency in the funding and monitoring of voluntary organisations, the SLA had initially been granted for a period of eighteen months until March 2017.

Paragraphs 13 to 33 of the Report set out details relating to the performance of the five organisations in 2016/17 and paragraph 34 set out the proposed core funding for the CAB, 3VA, AiRS and Sompriti for 2017/18 which was at the same level as for 2016/17.

During its consideration of the Report at its meeting on 12 January 2017, the Scrutiny Committee had agreed to invite CAB, 3VA, AiRS and Sompriti to each give a presentation thereto on matters relating to their achievements in relation to the Council's past funding. It had also requested the Officers to prepare a

Report for consideration at a future meeting of the Cabinet relating to the review of past performance of those organisations. The Committee had also requested the Cabinet to ensure that the Council was receiving good value from those organisations in return for its grant funding thereof.

Resolved:

62.1 That the comments of the Scrutiny Committee at its meeting on 12 January 2017 in respect of its consideration of the Report, be received and noted;

62.2 That the allocation of funding to relevant voluntary organisations for 2017/18, as set out in paragraph 34 of Report No 21/17, be agreed in line with the Service Level Agreements agreed in 2015; DSD

62.3 That the valuable contribution that the voluntary sector provides in the District be acknowledged; and DSD

62.4 That the Scrutiny Committee's invitation to the Citizen's Advice Bureau, 3VA, Action in Rural Sussex and Sompriti, to each give a presentation thereto on matters relating to their achievements in relation to the Council's past funding, be noted, and that a Report be prepared for consideration at a future meeting of the Cabinet relating to that review of past performance of those organisations. DSD

Reason for the Decisions:

The Council has historically provided support to a number of strategic voluntary sector organisations, which provide a range of direct services to its residents, in line with the Council's priorities. In 2015/16 that arrangement was formalised by the negotiation of Service Level Agreements with those key organisations.

63 General Fund Revenue Budget 2017/2018

The Cabinet considered Report No 22/17 which related to the 2017/2018 General Fund Revenue Budget which, it was proposed, be recommended to the Council.

Section 25 of the Local Government Act 2003 contained the statutory duty on the Chief Finance Officer to report to the authority on the robustness of the estimates it made when setting the Council Tax and on the adequacy of its proposed financial reserves. The Chartered Institute of Public Finance and Accountancy had issued updated guidance in July 2014 in relation to reserves and balances which had been taken into account in the preparation of the Report.

The Council's reserves and balances needed to cover all significant identified risks and operational service needs. As part of the annual budget and closing of accounts processes, the Council reviewed and approved the position on its reserves. A statement of the Council's Main Reserves projected through to 31 March 2018 was set out at Appendix D to the Report whilst paragraphs 9.7

to 9.10 of the Report set out further details in respect thereof.

The Council Tax Collection Fund Balance and the Non Domestic Rates Collection Fund Balance were key components of the Council Tax setting process. A principle of the Medium Term Financial Strategy (MTFS) was to achieve a zero balance, or as close as possible, each year. A review of the likely Collection Fund position was made at 31 March 2017 including a review of the provision for doubtful debts.

There was an estimated credit balance of £1.7m on the Council Tax Collection Fund which could be utilised in the 2017/2018 budget. The surplus would be redistributed to preceptors as detailed in paragraph 10.2 of the Report.

A debit balance of £1.4m was estimated on the Business Rates Collection Fund at 31 March 2017 as a consequence of the provision needed in respect of business rates valuation appeals. The balance would be charged against the 2017/2018 budget shared as detailed in paragraph 10.3 of the Report.

Paragraph 13 of the Report set out the Report of the Chief Finance Officer who was the Council's principal financial advisor and who had statutory responsibilities in relation to the administration of the Council's financial affairs. The budget proposals that were set out in the Report had been prepared in accordance with the Council's policy framework and reviewed by the Corporate Management Team, Heads of Service, Lead Councillors and the Scrutiny Committee.

The commentary within the Report provided a framework for achieving a sustainable medium term budget position. The level of the Council's reserves, balances and provisions were adequate and prudent for the commitments within the MTFS.

Paragraph 5 of the Report related to the 2017/2018 General Fund Budget for which, in the table in paragraph 5.1, indicated the change in resources that were made available to the Council from the Government.

The General Fund Budget Summary for next year was shown at Appendix B to the Report together with the movement between 2016/2017 and 2017/2018. A statement showing the major variations that arose from the Council's efficiency programme, inflation, variations in income and changes in demand for services, was given at Appendix C.

With regard to the Business Rates that were retained by the Council under the retention arrangements that had been introduced by the Government from 1 April 2013, the amount shown for 2017/2018 was indicative at the level included within the 2016/2017 budget. The Government was late in releasing details of the National Non-Domestic Rates (NNDR) transitional relief scheme which would apply to businesses affected by the 2017 Revaluation. As a result, software suppliers were required to delay the release of the NNDR system updates that would make the necessary calculations. At the time that the Report was being prepared, the Council's system was in the process of being updated. The Report indicated that the final estimate of retained business rates income, derived from the detailed business rates estimates, that were to be reported to Government through the annual NNDR1 return, should be available to the Cabinet at this meeting. It was expected to offset the change between projection and final estimate by a contribution to/use of the Strategic Change Reserve. It was reported at the meeting that the final adjustment was £112,500.

Paragraph 4 of the Report set out details relating to the Council's council tax requirement for 2017/2018 in respect of which the average band D tax each year was calculated as indicated in paragraph 4.1 and for which the aggregate requirement comprised two elements namely Special Expenses and General Expenses as outlined in paragraph 4.2.

The Council was committed to passing on changes in the cost of the upkeep of open spaces which reflected the devolution of such assets to town and parish councils.

By applying a 1.9% increase to the General Expenses element of the Council Tax gave a Band D tax amount of £178.74 as shown in the table in paragraph 4.4 of the Report. The increase in the total council tax requirement in the sum of £4.44 was within the £5 limit for triggering a referendum.

The Scrutiny Committee, at its meeting on 12 January 2017, had considered a Report relating to the 2017/18 Budget Overview and Tax Base in respect of which it had agreed that no specific comments in respect of the Report be forwarded to the Cabinet ahead of this meeting.

Resolved:

63.1 That the contributions to reserves and use of reserves, as set out in Appendix D to Report No 22/17, be noted;

63.2 That it be noted that the Scrutiny Committee, at its meeting on 12 January 2017, had considered a Report relating to the 2017/18 Budget Overview and Tax Base in respect of which it had not made any no specific comments to the Cabinet;

63.3 That the Council Tax and Business Rates Collection Fund balances to be returned in 2017/2018, be noted;

63.4 That the statutory report of the Designated Chief Finance Officer, as required by section 25(1) of the Local Government Act 2003 and as set out in section 14 of Report No 22/17, be noted; and

63.5 That completion of the statutory Non Domestic Rates Return (NNDR1) and consequent retained rating income for 2017/2018, as explained in paragraph 5.2(f) of Report No 22/17, be noted.

It was further

Recommended:

63.6 That an aggregate Council Tax requirement of £7,089,200 (a Band D Council Tax increase of £4.44, 2.3% for the aggregate Lewes District Council "Council Tax Requirement") be agreed, comprising — DCE (to note)

a. A General Expenses Council Tax requirement of

£6,496,260 (1.9% increase in tax rate)

b. A Special Expenses Council Tax Requirement of £592,940; and

63.7 That following publication of the Final 2017/2018 Local Government Finance Settlement, the Deputy Chief Executive be authorised to make the necessary adjustments to maintain the general expenses council tax requirement at the above level and to report any adjustments to the next Cabinet meeting. DCE (to note)

Reasons for the Decisions:

Cabinet is required to approve the budget in accordance with the Council's Constitution. Budget Report No 22/17 sets out the level of General Fund revenue resources needed to support the Council's priorities and services.

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

64 Housing Revenue Account Budget 2017/2018

The Cabinet considered Report No 23/17 which related to the Housing Revenue Account Budget 2017/2018, further details of which were set out at Appendix 1 thereto.

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

Part 4 of the Housing and Planning Act 2016 had introduced powers:

- That required councils to consider selling high-value homes and require them to make payments to central government calculated on the assumption that such homes would be sold as they became vacant. Implementation of the proposal, which was still being evaluated by Government, would not take place in 2017/18 as had been expected. It was not possible to evaluate the financial impact on the Housing Revenue Account with any certainty;

- That required councils, along with housing associations, to charge market or near-market rents to tenants with household incomes above £31,000 a year (£40,000 in London). The Government had subsequently decided not to proceed with that policy in its current form. However, councils had the discretion to implement the policy for tenants with income over £60,000; and

- That required councils to issue 2 to 5 year fixed term tenancies to nearly all new tenants.

The budgets had been prepared on the basis of the national Housing Revenue Account Accounting Code of Practice, with management, maintenance and debt financing costs offset by income from rents, service charges and other contributions. Further details relating to the budget were set out in the Report.

The Welfare Reform and Work Act 2016 required local authority and housing association rents to be reduced by 1% per year for 4 years, starting in April 2016. The budget had been prepared on the basis of an overall 1% reduction in dwelling rents from 3 April 2017. Details relating to the projected rents which were based on data from December 2016, were set out in tables 5 and 6 in paragraph 9.3 of the Report.

The Council had two properties for which the rents were set as Affordable Rents that were based on 80% of the monthly Market Rent. The agreements under which those properties were acquired provide that the rents would increase in April each year by the Retail Price Index (RPI) which, in September, amounted to 2.2% plus 0.5%. Such rents were also subject to the Government's 1% reduction policy referred to above.

Garage Rents were not within the scope of formula rents instead it was left to each council to formulate its own policy in respect thereof. The Council had undertaken a substantial programme of refurbishment works to council garages and, in approving such programme, the Cabinet had agreed that garage rents should reflect the local garage rental market.

A market review of garage rents was undertaken every five years and, in November 2015, District Valuer Services had undertaken a review of market rents. The new rents were implemented from April 2016 which were uprated each subsequent year by the September RPI.

The Council's private sector leasing (PSL) scheme was outside the scope of formula rents and was accounted for in the General Fund. There were currently eighteen such properties that were leased from owners/landlords for a period of three years and sub-let to homeless families.

The annual rent increase, if any, to owners was dealt with in the head lease. The Council's policy was to increase PSL rents each April by the September RPI inflation factor.

Paragraphs 13 to 17 of the Report set out details relating to proposals in respect of Service Charges. The Communal Service Charge was recently reviewed with the aim of aligning the charges for tenants with those of leaseholders which reflected the organisational change within the Council and the new contracts for grounds maintenance and communal cleaning. The revised charges were implemented from April 2016, with all reductions implemented and increases capped at £3 per week. Such approach had been adopted for the 2017/2018 charges.

The Homeless Accommodation Service Charge for 2017/2018 had been reviewed, in accordance with agreed Council practice, to reflect the proposed budget. The communal element of the charge was eligible for housing benefit.

The Supported Housing Service Charge had been updated to reflect the 2017/2018 budget to achieve full cost recovery. The communal element of the charge was eligible for housing benefit.

Following East Sussex County Council's withdrawal from the Supporting People scheme, the Council had introduced, from May 2016, a redesigned Support Scheme for tenants in sheltered accommodation. The charge for 2016/17 was £3.36 per week which had subsequently been reviewed to reflect the first year of operation. The charge achieved full cost recovery and would increase to £4.14 per week from 3 April 2017.

All other service charges had been updated to reflect the 2017/2018 budget and achieve full cost recovery. They included sundry charges for digital television reception, residual lifeline services and domestic cookers provided at certain properties.

Recommended:

64.1	That the Housing Revenue Account budgets for 2017/18, as set out at Appendix 1 to Report No 23/17, be approved;	DSD (to note)
64.2	That a reduction in dwelling rents of 1%, effective from 3 April 2017, as set out in Section 9 of the Report, be approved;	DSD (to note)
64.3	That a reduction of 1% in Affordable Rents, effective from 3 April 2017, as set out in Section 10 of the Report, be approved;	DSD (to note)
64.4	That an average garage rent increase of 2.2%, effective from 3 April 2017, as set out in Section 11 of the Report, be approved, which is in line with the Business Plan and current Council policy on garage rentals;	DSD (to note)
64.5	That an increase of 2.2% in Private Sector Leased Property rents, effective from 3 April 2017, as set out in Section 12 of the Report, be approved;	DSD (to note)
64.6	That revised Service Charges, effective from 3 April 2017, as set out in Sections 13 to 17 of the Report, be implemented; and	DSD (to note)
64.7	That the 30-year Housing Business Plan be updated.	DSD (to note)

Reason for the Decisions:

To enable the Council to fulfill its legal obligations to produce a balanced Housing Revenue Account for 2017/2018.

65 Capital Programme 2016/2017 to 2019/2020

The Cabinet considered Report No 24/17 which related to the revised 2016/2017 Capital Programme, the 2017/2018 Capital Programme, the outline Capital Programme 2018/2019 to 2019/2020 and the associated Prudential Indicators.

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

Part 1 of the Local Government Act 2003 had introduced a framework for local authority capital expenditure and financing namely, the ‘Prudential Capital Finance System’. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which defined that system, required local authorities to follow the ‘Prudential Code for Capital Finance in Local Authorities’ (the Prudential Code) when taking their decisions. The Prudential Code required authorities to set a number of ‘Prudential Indicators’ before the beginning of each financial year, further details of which were set out in paragraph 6 of the Report.

The approved 2016/2017 Capital Programme was set out in lines 1 to 29 of Appendix 1 to the Report which had a total value of £26.160m that included the full cost of implementing new capital schemes although some of the expenditure would fall into 2017/2018 and, potentially, later years.

Details relating to a projection of the core resources that would be available at 1 April 2017 to fund capital expenditure, other than borrowing, were set out in paragraph 5.3.1 of the Report.

The Prudential Code required local authorities to plan their capital expenditure programme for at least three years ahead. The most detailed information was available for year 1, with the programme for years 2 and 3 liable to variation when more precise forecasting could be undertaken in respect of both the availability of capital resources and spending requirements.

The recommended Capital Programme for 2017/2018 to 2019/2020 was set out at Appendix 2 to the Report however, the items shown for 2018/2019 and 2019/2020 were provisional.

Paragraph 5.4.3 of the Report set out details relating to the Housing Capital Programme which, at lines 2 to 15 of Appendix 2, showed a total value of £6.656m in 2017/2018.

Paragraph 5.4.4 of the Report set out details relating to the General Fund Capital Programme in respect of which, at lines 16 to 33 of Appendix 2, the Non-Housing Programme had a proposed value in 2017/2018 of £7.900m which excluded any provision that Cabinet might make available when it considered the General Fund Revenue Budget for 2017/2018.

<u>Recommended</u>:

65.1 That the revised 2016/2017 Capital Programme of £23.819m, as set DCE (to out at Appendix 1 to Report No 24/17, be approved; note)

65.2 That the 2017/2018 Capital Programme of £14.556m, as set out at Appendix 2 to the Report, be approved; DCE (to note)

65.3 That the outline Capital Programme 2018/2019 to 2019/2020 of £19.612m, as set out at Appendix 2 to the Report, be approved; and DCE (to note)

65.4 That the Prudential Indicators in respect of the Capital Programme detailed in Section 6 of the Report, be approved and adopted for 2017/2018. DCE (to note)

Reasons for the Decisions:

As part of the annual budget cycle the Cabinet considers what level of capital support to allocate to its policy programme. It also considers the medium term position in relation to likely capital needs and available resources. The Council's Constitution requires Cabinet to make a recommendation to Council on the level of the Capital Programme budget.

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

66 Annual Treasury Management Strategy Statement and Investment Strategy 2017/2018 to 2019/2020

The Cabinet considered Report No 25/17 which set out the proposed Treasury and Investment Strategies for 2017/2018 to 2019/2020. It also sought the determination of the 2017/2018 authorised borrowing limit; the Council's 2017/2018 Investment Strategy; and the method of calculating the Council's Minimum Revenue Provision.

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

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

In 2016/2017 the Council had expanded its commercial property portfolio in order to generate revenue income streams. Such investment of financial resources in property assets was outside the remit of the Strategy which only had a remit of treasury management activity.

The Audit and Standards Committee had considered the draft Strategy Statement at its meeting on 16 January 2016 in line with the Code of Practice's recommendation that the annual Treasury Strategy should be subject to scrutiny. That Committee had made no specific comments for Cabinet to consider. However, the Committee's review had not encompassed the Prudential Indicators as some of them were still subject to final calculation pending the finalisation of the draft Capital Programme.

The draft Strategy Statement that had been presented to the Audit and Standards Committee contained values which included capital expenditure, use of reserves and capital financing requirement, which were best estimates at the time that its Report had been prepared which might have been revised when draft budget papers were finalised for consideration by Cabinet. However, it was expected that any revisions would be immaterial, with no bearing on the proposed Strategy.

Paragraph 3 of the Report set out details relating to the context of the 2017/2018 Strategy Statement and paragraph 4 outlined proposed changes to the Investment Strategy.

<u>Recommended</u>:

66.1 That the Treasury Management Strategy Statement and Investment Strategy 2017/2018 to 2019/2020, set out at Appendix 1 to Report No 25/17, be adopted; DCE (to note)

66.2 That the Council's 'Prudential Indicators' for the year be those set out in Appendix B of the Strategy document; DCE (to note)

66.3 That the Council's level of affordable borrowing, determined in accordance with the Local Government Act 2003, be subject to the following limits: DCE (to note)

	2017/2018	2018/2019	2019/2020
Authorised limit for external debt	£85.5m	£88.5m	£91.5m

66.4 That the Council's approach to allocating debt and associated costs between the Housing Revenue Account and General Fund be as set out in Section 9 of the Strategy Statement; and DCE (to note)

66.5 That the Council's Minimum Revenue Provision be calculated as set out in Section 13 of the Strategy Statement. DCE (to note)

<u>Reasons for the Decisions</u>:

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

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

Section 3 of the Local Government Act 2003 requires the Council to determine and keep under review how much money it can afford to borrow. This is known as the 'affordable borrowing limit'.

67 Waste and Recycling Review Update: A New Recycling Collection Service

The Cabinet considered Report No 26/17 which provided an update following Cabinet's consideration of Report No 118/16 at its meeting on 28 September 2016, which recommended undertaking further due diligence tests against a number of options for the future model of the waste and recycling service at the Council. Report No 26/17 proposed fundamental changes to the recycling collection service and the consequential disposal of recyclable material.

The current service that was offered was complicated and had inherent limitations, further details of which were set out in Appendix 1 to Report No 26/17. The Council's recycling rate was within the lower quartile of local authorities in the country. The national focus was on a 50% recycling rate by 2020 which had been achieved by almost one in four local authorities. The experience of high-performing local authorities suggested that behaviour change was achieved by undertaking simpler collection systems.

The Council anticipated improving recycling rates with the implementation of a co-mingled collection method by way of a combination of simplicity of system and higher participation among residents. However, recycling performance would continue to be monitored and reported regularly.

From 12 September 2016 to 12 October 2016, the Council had undertaken a survey to explore the barriers to recycling among its residents and to check some ideas to increase recycling, which had included asking specific questions about food recycling. A good response rate of 1444 residents had completed the survey, further details of which were set out in paragraph 2 of the Report.

Assurances about the quality of recyclate were essential to developing solutions as to how waste was managed. Since 1 January 2015, by virtue of regulation 13 of the Waste (England and Wales) Regulations 2011, all councils that implemented changes to their waste services had to demonstrate compliance with the requirement to produce high quality recyclates and their processing arrangements were assessed against the ‘practicability’ test which related to them being technically, environmentally and economically practicable.

The necessity to produce quality recyclates from co-mingled materials had been challenging for older material recycling facilities (MRFs). However, modern MRFs were technically up-to-date and were therefore able to produce excellent material with low levels of contamination. The onus was on MRFs to produce quality recyclate in order to benefit from the income from the material processed.

Concerns had been raised about one model of service being applied across the District as varying local requirements needed to be taken into account. The review sought to identify the best overall fit and to propose a strategic direction for the service. However, there would be operational variations to accommodate some types of property and location, further details of which were set out in paragraph 4.2 of the Report.

Limited soft market testing had been undertaken to ensure that cost modelling was realistic and representative of current market conditions. It was proposed that the Council would go out to tender to procure a disposal partner which would incorporate a standalone position as well as options to include other partner waste collection authorities.

Resolved:

67.1 That the current weekly residual and food waste collection service be maintained; DSD

67.2 That a co-mingled recycling collection service be adopted, continuing on a fortnightly basis, to include the provision of recycling containers, 240 litre wheeled and lidded bins, where appropriate, following the procurement exercise set out below; and DSD

67.3 That the Director of Service Delivery, in consultation with the Lead Member for Waste and Recycling, be authorised to go out to market to procure a recycling disposal partner and to prepare a Report for Cabinet with final costs and business case for the implementation of the new recycling service. DSD

Reasons for the Decisions:

The council seeks to improve recycling and reduce residual waste by diverting recyclable material from incineration.

The recommendations seek to adapt those elements of previously modelled options which are considered best fit for the Council in meeting the objective, above, while remaining flexible and sustainable for the future.

This solution is designed to meet the aspirations of the Council's residents as expressed in a recent customer survey, to be able to recycle more materials and to have a simpler recycling collection system.

Wheeled and lidded bins will keep materials secure, clean and dry. The provision of these bins will also help address some health and safety concerns for staff, particularly muscular-skeletal injuries from heavy lifting and cuts and grazes to hands and arms.

The service design is scalable and affordable and could present a viable option for other waste collection authorities seeking an alternative local provider.

68 Proposals for the Material Recycling Facility at North Street

The Cabinet considered Report No 27/17 which related to proposals in respect of the future of the material recycling facility (MRF) at North Street, Lewes.

The facility was used only to sort plastics from metals. Paper, cardboard and glass was not processed through the MRF instead, from kerbside sort, they were held at drop off points before being collected by heavy goods vehicles and transported to various waste transfer stations around the district. They were then taken on to the market without further sort.

The MRF was situated in the North Street Quarter which was due for redevelopment and therefore its future at that site was assured only until 2018 at the latest. Plans for refurbishing the depot at Robinson Road, Newhaven, would be determined by the outcomes of the Council's review of waste and recycling, and a MRF would not be required if the recycling collection method moved from kerbside sort to co-mingled. Furthermore, the equipment, such as belts that carried the recycling material, was old and in need of repair and replacement if the MRF was to continue to operate at its current location, further details of which were set out in paragraphs 3.1 and 3.3 of the Report.

The North Street depot was also required for the parking of refuse vehicles as well as being an operational base for two kerbside sort electric vehicles. Therefore, it would continue to be required for such purpose for the foreseeable future, possibly until the site was redeveloped.

The Report suggested that the North Street material sorting operation be closed. There were 7 posts, including 1 vacancy currently at the MRF, 3 of which were on a part time basis, in respect of whom informal consultation had been undertaken. Subject to Cabinet's decision, formal consultations would begin with the intention of offering alternative redeployment options to the Council's affected staff.

In the event that the facility be closed, the alternative recycling disposal method was the Veolia MRF, Hollingdean, Brighton, which was the best option economically and logistically. Veolia had agreed, in principle, to accept the Council's plastic and cans and were considering whether they could accept its card. However, the Council would not receive any income from the sale of the material once it was delivered to Veolia.

Resolved:

68.1 That the North Street material sorting operation be closed and that the affected staff be consulted, as detailed in Report No 27/17; DSD

68.2 That plastic and cans be delivered to the Veolia Mixed Recycling Facility in Brighton as an interim solution until a new recycling collection method is adopted; and DSD

68.3 That the Director of Service Delivery, in consultation with the Lead Member for Waste and Recycling, be authorised, under Contract Procedure Rule 2.4.1(a), to agree a waiver to proceed to contract with Veolia directly, rather than seek three quotes for the reasons set out in the Report, or to deliver the materials into the East Sussex County Council & Brighton & Hove City Council Integrated Waste Management Services Contract, whichever is the most advantageous arrangement for this interim period. DSD

Reasons for the Decisions:

The material recycling facility (MRF) requires significant investment in repair and replacement of parts in order to remain in operation in the short to medium term.

The facility is not fit for purpose for future collection methods and the site needs to be vacated by 2018.

The value of recyclate has fallen dramatically in recent years and income from recyclate is less than the cost of running the facility (see paragraph 7.3, Table 2, paragraph 7.4 Table 3 and paragraph 8.1 Table 4, in the Report). Alternative disposal arrangements can be made for the short to medium term which will be more cost effective than keeping the MRF running.

A timely decision on the future of the MRF is key to making alternative arrangements for the recycling collected and, importantly, on starting consultations with North Street depot staff on their options for future employment with the Council.

As an interim measure - until a new recycling collection method is agreed and implemented - unsorted plastic and metals can be delivered to the nearby facility at Hollingdean, Brighton.

69 Anchor Field Ringmer and Old Malling Farm

The Cabinet considered Report No 28/17 which sought consent to conclude negotiations on land for development at Anchor Field, Ringmer; and commercial negotiations to enable a development at Old Malling Farm, Lewes.

In September 2015, Cabinet had approved a recommendation that officers be authorised to negotiate a Development Agreement for the disposal of land for development for housing at Anchor Field in Ringmer, based on draft Heads of Terms (HOT). Since that time, the negotiations had continued and the proposed commercial deal had been simplified.

The Council owned three parcels of land that bordered the local Football Club and one area that was leased to the Club, as illustrated at Appendix B to the Report. The land was held within the Housing Revenue Account. The football ground, which was shown edged in blue on Appendix B, was owned by Ringmer Football Club.

The proposal involved developing the existing football ground for a mixed residential scheme which was supported in principle with ‘saved’ Policy RG1 from the Local Plan 2003 allocating the existing ground for a residential development provided a suitable replacement facility was identified and established. The developer had entered into an agreement with Ringmer College to re-provide facilities on their land. The site was noted in the Ringmer Neighbourhood Plan but not allocated as it was already allocated within the Joint Core Strategy. Further details relating to the proposal were set out in paragraphs 3.1 to 3.10 of the Report.

It was reported that at least part of the site was an Asset of Community Value in respect of which Ringmer Parish Council could bid for its purchase and for which that Parish Council would be given sufficient time to prepare its business case.

Paragraphs 3.11 to 3.15 of the Report related to the proposal associated with Old Malling Farm, Lewes, in respect of which the Council had been approached by agents acting for the landowner. The site had been allocated within the Joint Core Strategy for housing and the landowner wished to proceed with a development at the site.

Appendix A to the Report detailed the HOTs which had been agreed between the landowner and the Council. It also contained a plan which showed the access required onto the land for development. The second plan in Appendix A illustrated the extent of the Council’s landownership which was shaded in green.

The HOTs were subject to contract and the scheme was subject to planning. Agreeing to the HOTs did not prejudice the Council’s position in any way with regard to any future planning application and did not imply that the Council would either support or object to the planning application. The South Downs National Park Authority would be the Planning Authority when the application was submitted.

The proposed development was a high-value scheme that would deliver in excess of 200 houses within the National Park boundary, 40% of which would be affordable. The Council would benefit from a capital receipt should the scheme proceed as a consideration for access rights across its land.

<u>Resolved</u>:

69.1 That authority be delegated to the Director of Service Delivery in conjunction with the Deputy Chief Executive, the Lead Member for Finance and the Lead Member for Housing to enter into a Development Agreement with Anchor Field Ltd to deliver a housing scheme at Anchor Field, Ringmer, subject to appropriate due DSD/ DCE/ DRP diligence being completed, as referred to in Report No 28/17;

69.2 That authority be delegated to the Director of Regeneration and Planning in conjunction with the Director of Service Delivery, the Deputy Chief Executive, the Lead Member for Finance and the Lead Member for Housing to enter into a Conditional Option Agreement in respect of access rights to a potential development at Old Malling Farm, Lewes, subject to appropriate due diligence being completed; and DRP/ DSD/ DCE

69.3 That the land at Anchor Field, Ringmer, be appropriated from the Housing Revenue Account to the General Fund. DRP/ DSD/ DCE

Reasons for the Decisions:

To partner with Anchor Field Ltd who will develop land at Caburn Field, Ringmer, and land owned by the Council to deliver new housing.

To enter into an agreement to grant rights of access across land owned by the Council in the event that planning permission is granted for a new housing scheme at Old Malling Farm.

(Note: Councillor Jones declared his personal, prejudicial interest in this item as he was a member of the South Downs National Park Authority, a position to which he had been appointed by the Council to be its representative at its Annual Meeting on 11 May 2016 and, therefore, left the room and took no part in the consideration, discussion and voting thereon).

70 Progress Report on the Coastal Defence Implementation Plan

The Cabinet considered Report No 29/17 which provided an update in respect of the management of flood and cliff erosion risks along the coast between Cuckmere Haven in the east and Saltdean in the west which amounted to 14.5 kilometres of shoreline that was managed by the Council and other agencies.

Over two hundred years many structures had been built to manage the risks posed by the ever changing shoreline. The Report identified those measures that had been taken to protect the cliffs from erosion and land from flooding and how the Council had managed the cliffs and their defences in the last ten years.

The Coastal Protection Act 1949 provided the Council with permissive powers to take steps to manage the risks posed by the erosion of cliffs. There were 9.7 kilometres of cliffs where it might wish to use such powers to manage the shoreline.

In order to manage the risks associated with a changing coast, the coast of the United Kingdom had been divided into sections in respect of which, for each section, a high level document for coastal flood and erosion risk management plan had been developed, namely the Shoreline Management Plan. Under the Plan a series of more detailed plans and strategies were required which identified, in more detail, the long term management objectives, environmental and technical issues, planning policies and economic viability of the options that could be adopted to manage specific shoreline frontages.

Paragraph 9 of the Report set out details relating to the current protection whilst paragraph 10 outlined the locations where there were no defences to reduce the risk of cliff erosion. In recent years the Council had delivered several works to seek to manage and assess the cliff erosion risks along its coastline, further details of which were set out in paragraph 11 of the Report.

The Brighton to Newhaven Coastal Management Implementation Plan (BNCMIP) had been jointly commissioned by the Council and Brighton and Hove City Council. It provided a more detailed understanding of how that stretch of coastline was likely to change due to the action of the sea over the next 100 years, further details of which were set out in paragraphs 12 to 14 of the Report.

In February and March 2017 the Council was aiming to undertake a number of targeted consultations exercises in Newhaven, Peacehaven and Telscombe, which explained to invited individuals the findings of the BNCMIP, seeking their opinions and views on the Plan and how it could be implemented and whether or not they wished to be involved.

Resolved:

70.1 That the Council's responsibilities and duties under the Coast Protection Act 1949, as detailed in Report No 29/17, be noted, and that where there currently are defences and where there are not and who is responsible for those defences be identified and noted; DSD

70.2 That a series of targeted consultations with key stakeholders and individuals explaining the findings of the Brighton to Newhaven Coastal Management Implementation Plan be agreed and be undertaken in February/March 2017; DSD

70.3 That the existence of an internal working group to explore the implication of the Brighton to Newhaven Coastal Management Implementation Plan, be noted; and

70.4 That an update Report on the implications of the Brighton to Newhaven Coastal Management Implementation Plan be requested within the next six months. DSD

Reason for the Decisions:

The Council and Brighton and Hove City Council employed consultants to develop a Coastal Implementation Plan to explore with key stakeholders. The Plans aim was to explore how the coast, both defended and undefended stretches, is likely to change over the next 100 years. The plan reports on the implications and options and how councils, key stakeholders and communities may manage the risks posed as the shoreline changes due to the action of the sea.

71 Wave Leisure Annual Service Delivery Plans 2017/18

The Cabinet considered Report No 30/17 which sought approval for the 2017/2018 Annual Service Delivery Plans for Leisure and Newhaven Fort that had been proposed by Wave Leisure Trust (WLT). The proposed Plan in respect of the leisure service was set out at Appendix A to the Report whilst the proposed Plan for Newhaven Fort was set out at Appendix B.

The leisure service priorities for 2017/2018 continued to build upon those set out in previous years. WLT was encouraged to augment existing networks and partnerships and seek to establish new relationships to deliver services that would be of benefit to the local community. The Plan underpinned the Council's strategic aims and objectives, and was aligned with three core objectives:

(i) Increasing participation and reducing health inequality;

(ii) Improving accessibility and social inclusion; and

(iii) Reducing environmental impact.

Further details relating to the leisure services Plan were set out in paragraphs 2.2 to 2.10 of the Report.

On 1 May 2015 WLT had been granted operational management responsibility for Newhaven Fort. Details relating to WLT's four priorities for 2017/2018 were set out in paragraph 2.12 of the Report. In order to achieve those priorities, the Trust had identified three separate but interlinked areas for the Newhaven Fort Management and Operational Team to focus on, namely:

- Experience;
- Education; and
- Events.

The Plan that had been prepared in respect of the Fort detailed how the Council's priorities and Wave's three pillars interlinked.

Resolved:

71.1 That the Annual Service Delivery Plan for Leisure, as set out in Report No 30/17, be approved; and DTE

71.2 That the Annual Service Delivery Plan for Newhaven Fort, as set out in the Report, be approved. DTE

Reason for the Decisions:

The management agreement between the Council and Wave Leisure requires Cabinet to approve the Annual Service Delivery Plans.

72 Annual Equalities Report 2016

The Cabinet considered Report No 31/17 which set out details of the progress against the Council's Equalities Objectives for 2016 and sought approval of the planned activities for 2017.

The Equality Act 2010 protected people from discrimination on the basis of the protected characteristics of disability, race, sex, age, sexual orientation, religion or belief, gender reassignment, pregnancy and maternity, and marriage and civil partnership. The Act applied to employment rights, service provision, and the provision of goods and facilities.

The Act included a general Public Sector Equality Duty which required public authorities to proactively consider equality implications in all they did. It involved giving due regard to the need to eliminate discrimination and harassment, advance equality of opportunity, and foster good relations between groups of people with protected characteristics.

Additionally, the Act imposed specific duties on public authorities for the purpose of enabling their better performance of the general duty referred to above. The specific duties required local authorities to set one or more Equality Objectives, publish information annually to show how they had met the provisions of the Act, and review their objectives at least every four years.

Paragraph 2 of the Report set out details of the equality analysis of Council services whilst paragraph 3 detailed progress towards meeting the Council's Equality Objectives. The Equalities Work Programme for 2017 was referred to in paragraph 4 of the Report.

Appended to the Report were the Revised Programme of Equality Analysis 2016 (Appendix A); the Equalities Action Plan 2016 (Appendix B); and the Draft Equalities Action Plan 2017 (Appendix C).

The Report had been considered by the Scrutiny Committee at its meeting on 12 January 2017 which had agreed:

> "That the Cabinet be requested to arrange for a Report to be prepared for consideration at a future meeting of the Scrutiny Committee, when the first phase of the Joint Transformation Programme had been implemented, setting out how equalities policies would be aligned, or otherwise, with Eastbourne Borough Council and the implications for the preferred level of achievement of the Equality Standards for Local Government."

Resolved:

72.1 That the Council's progress against its Equality Objectives during 2016, as detailed in Report No 31/17, be noted;

72.2 That the recommendation made by the Scrutiny Committee, as set out above, be noted; and

72.3 That the proposed Equalities Action Plan 2017, as set out in Appendix C to Report No 31/17, be approved. DSD

Reasons for the Decisions:

The Equality Act 2010 protects people from discrimination on the basis of the protected characteristics of disability, race, sex, age, sexual orientation, religion or belief, gender reassignment, pregnancy and maternity, and marriage and civil partnership. The Act applies to employment rights, service provision, and the provision of goods and facilities.

The Act includes a general Public Sector Equality Duty which requires public authorities to proactively consider equality implications in all they do. This involves giving due regard to the need to eliminate discrimination and harassment, advance equality of opportunity, and foster good relations between groups of people with protected characteristics.

In addition, the Act imposes specific duties on public authorities for the purpose of enabling the better performance by the authority of the general duty referred to above. The specific duties require local authorities to set one or more Equality Objectives, publish information annually to show how they have met the provisions of the Act, and review their objectives at least every four years.

Report No 31/17 details progress against the Council's Equality Objectives during 2016 and summarises some of the equalities related work undertaken. This enables Members to scrutinise the Council's work in this area, and ensures that the Council fulfils the specific equality duties set out above.

The meeting ended at 4.05pm.

A Smith
Chair