

Cabinet

Minutes of a Meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Monday, 20 March 2017** at 2.30pm

Present:

Councillor A Smith (Chair)

Councillors P Franklin, I Linington, R Maskell, E Merry and T Nicholson

In Attendance:

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

Councillor S Osborne (Leader of the Liberal Democrat Group)

Ms D Twitchen (Tenants' Representative)

Apologies Received:

Councillors B Giles and T Jones

Minutes

73 Minutes

The Minutes of the meeting held on 8 February 2017 were approved as a correct record and signed by the Chair.

74 Portfolio Progress and Performance Report 2016/17 - Quarter 3 (October to December 2016)

The Cabinet considered Report No 51/17 which 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 2016, further details of which were set out in Appendix 1 thereto.

Action

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

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

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

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

Paragraphs 10 to 19 of the Report set out details relating to progress and performance for the individual Cabinet portfolios during the third quarter of the year.

Resolved:

- 74.1** That the Council's progress and performance for Quarter 3 namely; October to December 2016, as set out in Report No 51/17, be received and noted.

Reason for the Decision:

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

75 Finance Update – Performance Quarter 3 - 2016/2017

The Cabinet considered Report No 52/17 which provided an update on financial matters that affected the General Fund Revenue Account, the Housing Revenue Account and the approved Capital Programme.

Financial performance at the end of Quarter 3 2016/2017 namely, December, in respect of the General Fund Revenue budgets was set out in the table in paragraph 3.1 of the Report and the service details were shown at Appendix 1 thereto. Actual financial performance had been largely in line with service budgets however, there were some items of particular note, details of which were set out in paragraph 3.2 of the Report.

The amount that was held in the General Fund Uncommitted Reserve, which acted as a buffer against negative movements in the budget, was projected to

be £2.3m at 31 March 2017 before any adjustment was needed in respect of the items that were set out in paragraph 3.2 of the Report. The table in paragraph 3.3 of the Report detailed the projected movements and balances of each Reserve.

Financial performance at the end of Quarter 3 in respect of the Housing Revenue Account budgets was set out in the table in paragraph 4.1 of the Report.

Spending and income was generally in line with service budgets and no significant variations had arisen since the Report had been made to Cabinet in respect of performance at Quarter 2. Spending relating to responsive and void repairs was demand led and could be expected to fluctuate during the course of the year.

Treasury Management investment performance at the end of Quarter 3 was set out in the table in paragraph 7.1 of the Report together with the average 7-day London Interbank Bid (LIBID) Rate. All activity was consistent with the Council's approved Treasury and Investment Strategy for 2016/2017.

No new borrowing had been undertaken in the period and long term borrowing remained at £56.6m.

Resolved:

- 75.1** That the General Fund and Housing Revenue Account financial performance for the quarter ended 31 December 2016, as set out in section 3 of Report No 52/17, be agreed; and
- 75.2** That the Treasury Management financial performance for the quarter ended 31 December 2016, as set out in section 7 of the Report, be agreed.

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Reasons for the Decisions:

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

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

76 Establishment of a Joint Housing Investment Partnership with Eastbourne Borough Council

The Cabinet considered Report No 53/17 which provided an update on progress with the establishment of a joint housing and regeneration investment vehicle with Eastbourne Borough Council that had been previously approved; and proposed the establishment of a Lewes Housing Investment Company to ensure that the Council had the right overall capacity to maximise housing investment and funding opportunities.

At its meeting held on 16 November 2016, Cabinet had approved the undertaking of work to set up a joint Lewes District Council/Eastbourne Borough Council wholly owned housing investment company and that consideration also be given to a Lewes District Council solely owned housing investment company in the event that the establishment of a joint company was not considered appropriate or was not agreed by Eastbourne Borough Council.

Since that time, further specialist advice had been received which indicated that it would be most advantageous for the Council to have both a joint Housing Investment Partnership (JHIP) vehicle with Eastbourne Borough Council and a solely owned housing investment company (LHICL).

Eastbourne Borough Council had also agreed to work to set up a new joint investment vehicle. Detailed discussions with that Council had been based on a target incorporation date of 1 April 2017. In parallel, it had been reviewing how a joint investment vehicle would operate in relationship to its already established solely owned housing investment company namely; Eastbourne Housing Investment Company Ltd (EHICL).

Across the two authorities, the most recent specialist and legal advice was that three similar wholly owned subsidiaries would provide the best overall structure as illustrated in Appendix 1 to the Report, further details of which were set out in paragraph 6.1 of the Report.

Working together, the two councils could support respective housing delivery by having three such vehicles and the advice was that such course of action would maximise housing investment and funding opportunities; and create a corporate framework which optimised the allocation and retention of internal funding. Details relating to the business case for the proposed structure were set out in paragraph 6.4 of the Report.

EHICL was already established as a wholly owned subsidiary of Eastbourne Borough Council and was a company that was limited by shares with five directors on the company board namely; 2 Eastbourne Borough Council officers at Director level; 2 Councillors and 1 independent Chair. It was proposed that Lewes Housing Investment Company Ltd be established on an equivalent basis with a target incorporation date of 1 April 2017.

It was proposed that the best model for the Joint Housing Investment Partnership was that it should be established as a Limited Liability Partnership with joint membership comprising Eastbourne Borough Council and Lewes District Council.

Resolved:

- 76.1** That progress made under previous delegation to the Director of Service Delivery and the Assistant Director of Legal and Democratic Services, in consultation with the Lead Member for Housing and their counterpart at Eastbourne Borough Council to undertake work to set up a joint Lewes District Council/Eastbourne Borough Council wholly owned housing investment vehicle (JHIP), as set out in Report No 53/17, be noted;
- 76.2** That, under the same delegation, work be approved to set up a solely owned Lewes Housing Investment Company (LHICL) to make sure the Council has the right structure to maximise housing investment and funding opportunities;
- 76.3** That the governance structure for the two new investment vehicles be Incorporated and agreed in line with section 6 of the Report; and
- 76.4** That up to £20m be allocated in the Council's capital programme, as in section 7 of the Report, and that delegated authority arrangements be approved to progress the first phase of delivery for both companies as set out in paragraph 7.8 of the Report.

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ADLDSReasons for the Decisions:

At the 16 November 2016 meeting Cabinet approved that work be undertaken to set up a joint Lewes District Council/Eastbourne Borough Council wholly owned housing investment company and that consideration also be given to a Lewes District Council solely owned housing investment company in the event that the establishment of a joint company was not considered appropriate or was not agreed by Eastbourne Borough Council.

Since November 2016 further specialist advice has been received which has indicated that it would be most advantageous for the Council to have both;

i. joint Housing Investment Partnership (JHIP) vehicle with Eastbourne Borough Council

ii. a solely owned housing investment company (LHICL)

Report No 53/17 provides:

- the business case to support the proposal for the two new vehicles
- detail on how the joint partnership and Lewes company will operate including legal advice on the best forms of company
- an explanation of their respective primary focus and inter-relationship
- for approval an associated set of governance arrangements and financial delegations so that first phase delivery can be progressed.

77 Lewes District Community Safety Partnership Annual Report

The Cabinet considered Report No 54/17 which related to the current performance of the Lewes District Community Safety Partnership (LDCSP) against the Lewes District Community Safety Plan and outlined issues that might potentially impact future crime and anti-social behaviour (ASB) performance.

Community Safety Partnerships (CSP) were initially established under the Crime and Disorder Act 1998 which required their establishment to consider and tackle crime at a local level and were often defined as an alliance of organisations which generated strategies and policies, implemented actions and interventions concerning crime and disorder within their partnership area.

Central Government had published the Modern Crime Prevention Strategy in May 2016 which built on research, techniques and technology, that aimed at addressing the changing nature of crime.

The Local Government Association was currently undertaking a review into CSPs in light of the increasing recognition into the role that Councils played in relation to Community Safety and the challenges of less funding and increased expectations.

Between 2011/12 to 2013/14 crime had substantially reduced. However due to Sussex Police changing recording procedures in response to national guidelines, a substantial increase in overall crime was experienced in 2014/15. Such increase had begun to level out and performance compared favourably when considered alongside the Council's 'Most Similar Group', as set out in Appendix B to the Report.

Central Government funding changes continued to impact on local delivery structures which were likely to affect policing and Police and Crime Commissioner (PCC) funding of the CSP in 2017/18.

Enhanced work at a local level for Prevent, in addition to Protect & Prepare, was essential to respond to the Council's new legal duty, as set out in the Counter-Terrorism and Security Act 2015, and the impact of cybercrime would be a continuing priority for the future. The CSP was responding to those challenges by continued focus on partnership work to deliver the Community Safety Plan and improve crime reduction.

The current Community Safety Plan, which was set out at Appendix C to the Report, had been developed in consultation with key partners including the Police and other members of the LDCSP. It used a standard countywide format, with a focus on what could realistically be achieved within current resource constraints. The priorities of the PCC, and Sussex Police, had been taken into account in developing the Plan, as well as key local issues.

The 2016/17 LDCSP Priorities were set out at Appendix D to the Report and the performance objectives for 2017/18 were set out at Appendix E thereto.

The Cabinet Member for Customers and Partners updated the Cabinet in respect of Resolutions 41.4 and 41.5 of the Scrutiny Committee at its meeting held on 17 February 2017, as set out at Appendix A to the Report.

Resolved:

- 77.1** That the Community Safety Action Plan for 2016/17, as set out at Appendix C to Report No 54/17, which received full endorsement by the soft merged Eastbourne, Lewes District & Wealden Community Safety Partnership Strategy Group on 3 November 2016, be approved; DSD
- 77.2** That the Lewes District Community Safety Priorities for 2017/18, as set out at Appendix E to the Report, be approved; DSD
- 77.3** That delegated authority be granted to the Director of Service Delivery: DSD
- (i) to implement and manage the Community Safety Action Plan 2016/17; and
- (ii) to implement the Community Safety Priorities for 2017/18; and
- 77.4** That the points raised by the Scrutiny Committee and the endorsement of the Community Safety Action Plan at its meeting on 17 February 2017, as set out at Appendix A to the Report, be noted.

Reasons for the Decisions:

For Cabinet to approve the Community Safety Action Plan for 2016/17 and Lewes District Community Safety Priorities for 2017/18 with adoption by the Director of Service Delivery under delegated authority.

78 Public Space Protection Order – Reedens Meadows, Newick

The Cabinet considered Report No 55/17 which related to a proposal to approve a draft Public Space Protection Order in respect of Reedens Meadows, Newick, for consultation with the local community.

Reedens Meadows was an 11.8 hectares parkland site on the edge of Newick, approximately 6 kilometres from the Ashdown Forest. The site featured areas of open countryside and areas of dense and scattered trees and scrub. It had been purchased by Thakeham Homes to be used as mitigation to offset the impact of new development on the Ashdown Forest Special Protection Area (SPA).

Thakeham Homes had purchased the site for its development at Newick Hill. Upon completion of the required landscaping works at the Reedens Meadows Site of Alternative Natural Greenspace ("SANG"), it was being passed to the Council, in accordance with the Leader of the Council's decision of 17 October 2016, which would manage it thereafter in accordance with the Management Plan agreed between the Council and Thakeham Homes. It was estimated that

the transfer would occur during the summer of 2017. The SANG would be marketed to all the new development in the area to encourage people to use the site as an alternative to Ashdown Forest.

As the site was moving from private ownership into public ownership, there were no existing Byelaws that covered the site. The Council needed an effective means of dealing with antisocial behaviour on the SANG and the most effective way of doing so was by the creation of a Public Space Protection Order (PSPO). The activities prohibited under the Order were those at risk of occurring at Reedens Meadows, based on those that the Council had encountered on similar sites in the District. The Order would cover the issues set out in paragraph 2.3 of the Report.

A PSPO enabled local authorities to act early at a location where anti-social behaviour was likely to occur. It could last up to three years after which it had to be reviewed in line with the Anti-Social Behaviour, Crime and Policing Act 2014. At any point before expiry, the council could extend the PSPO by up to three years if it considered that it was necessary to prevent the original behaviour from occurring or recurring.

The Council needed to undertake a consultation exercise in accordance with Section 72 of the Act in respect of which consultees would include: local Police, Newick Parish Council, local groups and representatives from the local community. The consultation would be advertised in the local press and on the District and Parish Council websites.

Resolved:

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| <p>78.1 That the draft Public Space Protection Order (PSPO) for Reedens Meadows, Newick, as set out at Appendix 1 to Report No 55/17, be agreed as the basis for statutory consultation;d</p> | <p>DSD</p> |
| <p>78.2 That delegated authority be granted to the Director of Service Delivery:</p> <ul style="list-style-type: none">(i) to carry out statutory consultation on the draft PSPO;(ii) if necessary, to amend the content of the Order in light of consultation responses;(iii) to make and publicise the Order in accordance with relevant legislation;(iv) to enforce the Order as appropriate; and(v) to keep the Order under review; and to cease, renew or amend it at the end of its term, as appropriate; and | <p>DSD</p> |
| <p>78.3 That the Officers be requested to investigate other ways in which the legislation relating to Public Space Protection Orders could be used to benefit local communities and that a Report thereon be prepared for consideration at a future meeting of Cabinet.</p> | <p>DSD/
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Reason for the Decisions:

To deal effectively with the risk of anti-social behaviour at Reedens Meadows, Newick.

79 Railway Quay, Newhaven

The Cabinet considered Report No 57/17 which provided an overview of the potential purchase of Railway Quay, Newhaven, which was one of the eight key sites that formed the Newhaven Enterprise Zone, that was scheduled to commence in April 2017.

Newhaven faced a number of challenges and opportunities which included pockets of high unemployment, low skills and poverty of aspiration; a substantial net outflow of commuters due to paucity of employment opportunities; a weak economic base associated with the decline in traditional port and related manufacturing industries; and poor quality commercial property that was unsuitable for modern business needs within emerging higher value sectors.

However, at the same time, Newhaven had an opportunity for growth, with money being committed through the Greater Brighton City Deal and Local Growth Funding to improve flood defences in the town and build a new Port Access Road, together with the identified opportunity to establish Newhaven as a 'Clean Tech' Growth Hub linked to the development of the University Technical College, the Rampion Offshore Wind Farm and Newhaven Growth Quarter.

The designation of key sites in Newhaven as an Enterprise Zone was the next step in ongoing regeneration activities and was a major proposal of regional significance. Further details of the forecast in respect of the Zone were set out in paragraph 2.3 of the Report.

The Local Growth Fund had been established in response to Lord Heseltine's report 'No Stone Unturned' that was published in 2012. It set out a comprehensive economic plan to improve the United Kingdom's ability to create wealth. It made 89 recommendations which sought to inject stability into the economy; create the conditions for growth; and maximise the performance of the United Kingdom.

Subsequently, the Government's response to the report included 'empowering' Local Enterprise Partnerships (LEP's) and devolving central funding streams into a single pot namely, the Local Growth Fund. In the case of the Coast to Capital LEP, the first two Growth Deals had led to a pot of unallocated funding as some supported projects were unable to deliver within specified timeframes. Accordingly, in December 2016, a new round of bidding had been announced for those funds in respect of which bidders had been encouraged to focus on four key themes, further details of which were set out in paragraph 2.6 of the Report.

The Officers had submitted two bids directly to Coast to Capital LEP for funding for the purchase of Springman House, Lewes, so as to support the

delivery of the North Street Quarter project; and Railway Quay, Newhaven, so as to support the delivery of the Enterprise Zone, as well as supporting a private landowner's application for capital funding to develop new business units within Newhaven Enterprise Zone. All three of the bids had been successful.

Paragraphs 2.8 to 2.18 of the Report set out details relating to the Railway Quay site which was situated on the east bank of the River Ouse, was 4.65 hectares in size and was adjacent to the A259 coast road and Newhaven Town railway station. The long leasehold interest on the site was currently being offered for sale.

Resolved:

- 79.1** That the successful application to Coast to Capital Local Enterprise Partnership (LEP) for capital grant funding from the Local Growth Fund to support the purchase of Railway Quay, Newhaven, one of the eight key sites that form the new Newhaven Enterprise Zone, as detailed in Report No 57/17, be noted;
- 79.2** That the Director of Regeneration & Planning in consultation with the Leader of the Council, the Deputy Chief Executive, and the Assistant Director of Legal and Democratic Services, be authorised to agree terms for the purchase of the long leasehold interest in Railway Quay from the current landowner; and
- 79.3** That the Director of Regeneration & Planning be authorised to prepare a Report for Cabinet detailing the business case for a mixed-use commercial and residential development in line with the ambitions for the Enterprise Zone.

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Reasons for the Decisions:

Enterprise Zones are economic development promotional incentives based on financial incentives to business occupiers and local authorities. Enterprise Zone status for Newhaven lasts for 25 years from the commencement date in April 2017.

The land at Railway Quay has been in private ownership for a number of decades, but has not come forward for development due to viability issues and site-specific constraints.

The site is one of the eight that comprise the Newhaven Enterprise Zone and is a gateway site to Newhaven, being centrally located and highly visible, located next to the UTC@harbourside.

An opportunity has now emerged to purchase the long leasehold interest in Railway Quay from the current landowner, bringing the site into public ownership – removing a key barrier to strategic investment and offering a strong fit with the ambitions for the Newhaven Enterprise Zone.

Officers have been successful in bidding for funding from the Local Growth Fund, via Coast to Capital Local Enterprise Partnership, to support this

proposed acquisition.

80 Exclusion of the Public and Press

Resolved:

- 80.1** That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the Public and Press be excluded from the meeting during the discussion of Appendix A to Report No 58/17 entitled "Acquisition of Retail Property in Lewes" (Item 9.7 on the Agenda), as there is likely to be a disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act (ie Information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

81 Acquisition of Retail Property in Lewes

The Cabinet considered Report No 58/17 which related to a proposal to complete the purchase of a land interest known as 215-218 The High Street, Lewes, which also comprised 14 Eastgate Street.

The freehold of a retail site located in Friar's Precinct, Lewes, had come to the market the landholding of which comprised five retail units with very strong rental covenants that were in a good position within the town. The current rental income to the freeholder amounted to around £280,000 per annum. No formal offers had yet been made, but to be successful, the Council needed to be in a position to exchange contracts by mid-April 2017.

The proposed sale would be conditional based on a number of factors including legal and technical due diligence.

The buildings were constructed to a high standard and appeared to be sound. The Council had undertaken a visual inspection of the premises but the Council's offer was subject to satisfactory surveys. All maintenance and repair liabilities could be recharged to the tenants via a service charge, including officer time to manage the properties.

Resolved:

- 81.1** That authority be delegated to the Director of Regeneration and Planning, in consultation with the Leader of the Council, the Deputy Chief Executive and the Assistant Director of Legal and Democratic Services to purchase the freehold interest of 215-218 the High Street and 14, Eastgate Street, Lewes.

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Reasons for the Decision:

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

The meeting ended at 3.20pm.

A Smith
Chair