

# Cabinet



## Minutes of meeting held on Wednesday, 14 May 2014 at 6.00 pm

Present:-

Councillors **David Tutt** (Chairman and Leader of the Council), **Gill Mattock** (Deputy Chairman and Deputy Leader of the Council), **Margaret Bannister**, **Troy Tester** and **Steve Wallis**.

(An apology for absence was reported from Councillor Carolyn Heaps.)

### 1 Minutes of the meeting held on 19 March 2014.

The minutes of the meeting held on 19 March 2014 were submitted and approved and the Chairman was authorised to sign them as a correct record.

### 2 Declarations of interests by Members.

Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and other interests as required by the Code of Conduct and regulation 12(2)(d) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012:

- (a) Councillor Tutt declared personal (and non-prejudicial) interest in matters reported in minute 7 (local government pension scheme) as he was a County Council appointed member of the East Sussex Investment Panel.
- (b) Councillor Mattock declared personal (and non-prejudicial) interest in matters reported in minute 7 (local government pension scheme) as she was a scheme member.

### 3 Towner - Transition to Trust.

3.1 Cabinet considered the report of the Senior Head of Tourism and Leisure. Cabinet has previously considered a number of reports recommending that the Towner should be managed and operated by a charitable trust. The Trust model was supported by the Arts Council and would enable the pursuit of an artistic, innovative vision which could appeal to diverse sources of income support. Alternative models had been considered but for the reasons set out in the July 2013 report to Cabinet had not been considered to be as effective as the Trust model.

3.2 The Chairman welcomed Emma Morris, the Trust's chief executive, to the meeting. She spoke about the work being undertaken to establish the Trust and take over the running of the Towner. She thanked the Council for their support. The Trust had been very successful in appointing high profile trustees from a range of backgrounds with an impressive range of skills and expertise. The Council was very pleased

that David Dimbleby had been appointed as Chair of Trustees. The Trust had now been registered as a charity.

3.3 The Trust and the Council would enter into a number of legal agreements which were currently being negotiated. Details of the Collection Agreement, the Funding Agreement and the lease were set out briefly in the report. There would also be a staff transfer agreement which dealt with transfer of the staff and pensions issues. The Council's funding agreement with the Arts Council would be novated to the Trust.

3.4 The Trust would lease the building from the Council for a peppercorn rent. The responsibility for repair and maintenance between the Trust and the Council would be split. The Council would have responsibility for the maintenance of the structure of the building and its external decoration. The Trust would be responsible for the internal repairs.

3.6 The Council would loan its art collection to the Trust who would be required to look after and conserve it on the same basis as present. The Council would have to consent to the disposal of any item from its collection.

3.7 The Funding Agreement required the Council to approve the Trust's business plan for the period up to 2018 prior to the transition. Funding would then be provided in 3 year periods linked to the Arts Council funding periods. Council funding would continue at the current level for the duration of the initial funding period.

3.8 Staff currently employed at the Towner would transfer on the same terms and conditions as they were on now. Information had been shared and where appropriate consultation had taken place with both the trade union, Unison, and individual employees. The Trust would enter into an Admission Agreement with the East Sussex Pension Fund in respect of transferring employees who are in the scheme. It was not anticipated that new staff employed by the Trust would be entered into this scheme. The Council would remain liable in relation to the deficit in the fund up to the date of the transfer. Conversations with the Trust about the details of the pensions arrangements were ongoing.

3.9 The lease constituted a disposal for an undervalue of more than £2million less than best consideration and the Council was therefore required to seek the Secretary of State's consent for the disposal. The application for consent must be accompanied by a valuation which complied with the technical appendix in Circular 06/03 (Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained). Obtaining the valuation and the consent might take some weeks and would have impact on the timescale for the transition.

3.10 On behalf of the Council, the Chairman expressed his thanks to the Trust and all those who had assisted in its establishment and to David Dimbleby for having agreed to become the Trust's chair. He looked

forward to working together with the Trust and wished the Trust every success in the future. He acknowledged the important role of the Towner in raising the profile of the town.

**3.11 Resolved (key decision):** (1) That Cabinet confirms its decision to transfer the management and operation of the Towner Art Gallery to the Towner Trust.

(2) That delegated authority be granted to the Chief Finance Officer, in consultation with the lead Cabinet member for finance, to make all decisions in relation to pension arrangements and funding.

(3) That the Chief Finance Officer, in consultation with the lead Cabinet member for finance, be authorised to transfer funding in accordance with the funding agreement.

(4) That the Chief Executive, in consultation with the Leader of the Council, be granted delegated power to take decisions referred to in the legal agreements once the transition has taken place.

(5) That delegated authority be granted to the Chief Executive, in consultation with the Leader of the Council, to:

- (i) Approve the trust's business plan in accordance with the funding agreement;
- (ii) approve the collection policy;
- (iii) negotiate, agree and approve the sealing of all the legal documents associated with the transfer to trust; and
- (iv) take all measures necessary to transfer the Towner to the trust.

#### **4 Corporate Performance - Quarter 4 2013/14.**

4.1 Cabinet considered the report of the Deputy Chief Executive reviewing the council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme; and treasury management activities for the third quarter of 2013/14. (The financial aspects and associated appendices were circulated in a supplementary report on this occasion in view of the need to complete work to enable production of provisional end-year figures as at 31 March 2014.) Throughout the year, performance against these key indicators and milestones was reported to Cabinet on a quarterly basis and to Scrutiny Committee members each month.

**4.2 Resolved (key decision):** (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2013 refresh) be agreed.

(2) That the provisional general fund outturn on services expenditure for 2013/14 of £14.593m, a net over spend of £25,000 against the revised budget, be agreed.

(3) That the transfers to and from reserves, as set out at appendix 3 to the report, be agreed.

(4) That the provisional balances on non-earmarked revenue reserves as at 31 March 2014 as shown in paragraph 3.1 of the report, be agreed.

(5) That the provisional housing revenue account surplus for 2013/14 (of £274,000) be agreed.

(6) That the final capital programme and outturn for 2013/14 of £16.2m, a variance of 3.7% against the final programme, be agreed.

## **5 Sussex Energy Saving Partnership.**

5.1 Cabinet considered the report of the Senior Head of Community considering what the Council had already done to help people reduce their energy use and proposing an additional approach in which the Council could improve the town's energy efficiency.

5.2 The Council had a proven track record of helping people reduce their fuel costs. These included:

- Solarbourne solar panel programme.
- Eastbourne first 'Energy Cafe' event was held in February 2014.
- Supporting Warm Homes and Healthy People.
- Saving Eastbourne's Energy.
- Decent Homes investment programme for Council owned homes
- Engaging the Building Research Establishment to identify the most appropriate solution to thermal failings in non-traditionally constructed Council houses.

5.3 Councils across both West and East Sussex had considered how by working together they could come up with a practical way to roll out a programme of energy efficiency measures to help people reduce the need for and cost of energy. This was the Sussex Energy Saving Partnership (SESP) which would be operating under the brand 'Your Energy Sussex'. The UK based multi-national company Carillion was selected to deliver the energy saving programme on behalf of the SESP.

5.4 A low-cost borrowing facility valued at £66 million had been arranged by West Sussex County Council to support the SESP. It would pump prime initiatives and establish a revolving fund that as original loans were repaid resources would become available for future schemes. This funding would be available to support projects across both West and East Sussex, including Eastbourne. The intention was for this funding to be accessible to both individual households and organisations such as charitable bodies, landlords and businesses.

5.5 The Council's role would now develop to include

- Working with Carillion to engage with residents, community groups and local businesses.

- Consider the delivery of energy efficiency improvements to the Council's own property estate with Carillion being offered the opportunity to tender for such works, using existing budgets.
- Engage with social housing providers to work with Carillion by offering the company the opportunity to deliver energy efficiency works.
- Refer residents who could benefit from energy efficiency improvements and/or renewable generation to Carillion.
- Act as advocates for the SESP.
- Adopt a joint approach to marketing and use of the Your Energy Sussex brand.

**5.6 Resolved (key decision):** That the Council (1) Formally signs up as a strategic partner to the Sussex Energy Saving Partnership.

(2) Actively participates in the governance arrangements established to oversee the work to be delivered under contract.

(3) Support work with the partnership's contractor to identify and, where most beneficial, engage the company in delivering energy efficiency measures across Eastbourne.

## 6 Housing Policy Review.

6.1 Cabinet considered the report of the Senior Head of Community. The Council's landlord service faced a number of challenges arising from the changes being introduced to the welfare/social security system. The primary changes which directly affected tenants, especially those with a low income, were:

- Spare room subsidy.
- The phasing out of direct payment of housing costs to social landlords, as universal credit was introduced over the next four years.

The changes which would affect tenants and non tenants alike were: Universal credit.

- Local support for council tax.
- Changes in the scope and extent of social security assistance for disabled people.
- The introduction of a more rigorous sanctions regime for unemployed and low income working people receiving social security payments.

The changes might affect the need to encourage people to downsize from larger to smaller properties. In addition, this report introduced the option to offer a new type of tenancy to households with high supported needs.

6.2 The Council currently had in place a Tenant Incentive Scheme (TIS) designed to encourage people to downsize their home by providing a financial incentive that could also help cover the costs of moving home. In 2013/14, the budget for the TIS doubled to cater for an increase in demand the previous year. By the end of quarter 2, that budget had been fully spent and provision had been made to allow expenditure in 2013/14 to double. Changes were proposed to the TIS which would rename it as the Tenant Support Scheme (TSS); provide a financial

incentive only for non-working age people in receipt of or eligible for a state retirement pension to downsize their home; and reimbursement of expenses up to a limit of £750 per household.

6.3 The Council's tenancy policy offered a number of different tenancy options, with a presumption in favour of secure tenancies. The policy included introductory tenancies to help people settle into their new home in a way that contributed positively to the wider community and demoted tenancies to help the Council manage those who did not discharge in a responsible way the obligations placed upon them in their tenancy agreement. An additional tenancy option was now also available, tailored to suit the needs of families with multiple needs, called the family intervention tenancy, its terms tied in with the government's troubled families programme. Cabinet was asked to consider adding this to the Council's options.

**6.4 Resolved (key decision):** (1) That the Tenant Incentive Scheme be renamed the Tenant Support Scheme (TSS).

(2) That the TSS provide for a financial incentive only for people of non-working age in receipt of or eligible for a state retirement pension to downsize their home, the incentive being set at £250 per excess bedroom released.

(3) That the TSS provide that reimbursement of expenses up to a limit of £750 per household be made available to any tenant of non-working age downsizing to assist with the costs of moving home, subject to the expenditure being receipted and evidenced as being connected solely with moving home.

(4) That the addition of the Family Intervention Tenancy to the Council's Tenancy Policy be approved.

## **7 \* Local Government Pension Scheme 2014.**

7.1 Cabinet considered the report of the Deputy Chief Executive. The Local Government Pension Scheme (Benefits, Membership and Contributions Regulations 2008) required member employers to publicise a statement of policy on a number of compulsory regulation discretions.

7.2 In 2010, the Government commissioned an independent review into public service pensions. The review chaired by Lord Hutton, published its final report in March 2011 and set out a number of recommendations for change to ensure that pension arrangements were sustainable and affordable in the long term.

7.3 Following extensive consultation on the proposed changes, regulations to amend the Local Government Pension Scheme (LGPS) were laid before Parliament on 19 September 2013 and will come into force on 1 April 2014.

7.4 The regulations made a number of changes, in particular, the major changes were:

- The basis of the pension will now be based on a career average revalued earnings scheme as opposed to the current final salary arrangement.
- More employee contribution bands.
- A new definition of pensionable pay.
- A 50/50 option whereby members can choose to pay 50% contributions for 50% of the pension benefits.

Appendix 1 summarised the key changes.

7.5 In additions, the regulations also required each scheme employer to formulate and publish its policy in relation to how it would exercise its discretionary functions. In the main, the employer discretions were very similar between the current and new scheme. Appendix 2 & 2a summarised the discretions and the proposed policy for the council to adopt for both schemes.

**\* 7.6 Resolved:** That full Council be recommended to adopt the policy for the exercise of the employer's discretion within the Local Government Pension Scheme 2008 and 2014 as set out in appendix 2 and 2a of the report.

(Note: Councillors Tutt and Mattock both declared personal interests in this matter – see minute 2 above.)

## 8 Departing staff members

8.1 The Chairman reported that two senior members of staff would shortly be leaving the Council:

8.2 Julian Osgathorpe, Deputy Chief Executive, had been appointed to a new role at the London Borough of Lambeth and would leave this summer.

8.3 Tracey McNulty, Senior Head of Tourism and Leisure, had been appointed to a new role at the the City and County of Swansea and would leave after Airbourne later this summer.

8.4 The Chairman expressed his appreciation for their work for the Council. In particular he made special mention of the contribution that Julian Osgathorpe had made to the Council's transformation programme which was key to the Council's ability to maintain the delivery of essential services to the people of Eastbourne in a period of reducing resources and funding.

## 9 Exclusion of the Public.

**Resolved:** That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraphs of schedule 12A and descriptions of the exempt information are shown beneath the item below. (*The*

*requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

**10 Alternative Employment Procedure (AEP).**

Cabinet considered the report of the Head of Corporate Development and noted that one employee was subject to the procedure at present. They noted the actions taken to manage implications of change for displaced individuals.

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

*(2) The above minute was made public, however the Cabinet's deliberations thereon and the submitted report remain confidential.)*

The meeting closed at 6.30 pm

**Councillor David Tutt**  
**Chairman**