

## Minutes of meeting held on Wednesday, 5 February 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**, **Carolyn Heaps**, **Troy Tester** and **Steve Wallis**.

### 67 Minutes of the meeting held on 11 December 2013

The minutes of the meeting held on 11 December 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

### 68 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 a personal (and non-prejudicial) interest in matters reported in minute 70 (HRA revenue budget and rent setting 2014/15 and HRA capital programme 2013/16) as he was a Council appointed non-executive director of Eastbourne Homes Ltd. and chose to withdraw from the meeting for this item.
- (b) Councillor Tutt declared personal (and non-prejudicial) interest in matters reported in minute 71 (Sustainable service delivery strategy update) as he was a non-executive director of IESE.

### 69 Corporate Performance - Quarter 3 - 2013/14

69.1 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. 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.

**69.2 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 general fund, housing revenue account and collection fund financial performance for the quarter ended December 2013, as set out in sections 4, 5 and 6 of the report be agreed.

(3) That the virements and transfer to and from reserves as set out in appendix 3 to the report be approved.

(4) That the amended capital programme as set out in appendix 4 to the report be approved.

(5) That the treasury management performance as set out in section 7 of the report be agreed.

## **70 \* General Fund Revenue Budget 2014/15 and Capital Programme 2013/17**

70.1 Councillor Caroline Ansell addressed the Cabinet proposing that the Council consider allocating a total of £1m in 2014/15 from their reserves towards economic regeneration in Eastbourne to support the creation of new business and jobs. She suggested that the recently established East Sussex Investment Scheme ('Locate East Sussex') could provide a ready made vehicle through which the funds could be managed. Councillor Tutt commented that the Council had already allocated £0.5m to an economic regeneration reserve and he was happy to look further at how best to utilise the Council's funding in partnership with Locate East Sussex. He added a reservation in respect of spending reserves in the short term given future funding uncertainties and the need to ensure that resources were available for initiatives in the longer term. Councillor Tutt committed to liaise with Councillor Elkin, Opposition Leader, and Councillor Ansell on the use of the economic regeneration fund.

70.2 Cabinet considered the report of the Chief Finance Officer setting out the general fund revenue budget proposals for 2014/15 and a 3-year capital programme 2013/17. The medium term financial strategy (MTFS) had been revised in July 2013 and the Cabinet had agreed a draft 2014/15 budget proposal last December. The MTFS and resulting draft budget had been subject to extensive consultation and previously reported to Cabinet and the Scrutiny Committee.

70.3 The budget was the product of various plans and strategies as part of an integrated and corporate planning process and was linked principally to:

- The medium term financial strategy
- Asset management plans
- The corporate plan
- Workforce strategy
- Treasury management strategy
- Service plans
- Housing revenue account business plan
- DRIVE corporate transformation programme
- Sustainable service delivery strategy

70.4 The Chief Finance Officer had a legal responsibility to give positive assurances on the robustness of the estimates used in the budget and the level of reserves. He commented that if the recommendations in his report were agreed then these assurances would prevail.

70.5 The budget proposals included:

- No increase in the council tax in 2014/15.
- Overall savings totalling £0.808m (5% of the net budget).
- Efficiency savings of £0.608 (2.6% of the net budget).
- Inflation of £0.430m (2.6%).
- Other recurring service growth of £0.421m.
- Non recurring service investments of £0.446m.
- General reserves averaging in excess of £3.8m (against a minimum recommended of £2m).
- Capital receipts of £0.8m invested in new capital schemes.

Available earmarked reserves in addition to the budget:

- Strategic change fund £0.7m.

Economic regeneration reserve of £0.5m.

70.6 The budget represented management of financial risks by:

- Building on a balanced outturn position.
- Balancing the base budget requirement without needing to use reserves.
- Identifiable and deliverable savings with accountability and no general unidentified targets.
- Reserves well above the minimum level.
- Zero basing of reward grants.
- Providing the funding required for the DRIVE change programme to deliver the future savings required by the MTFs via the strategic change fund.

70.7 The underlying methods of local government financing were changing significantly from 2013/14 and further revisions for 2014/15 included the wrapping up of grants in the base "Start Up Funding" notably:

- The localisation of council tax grant (previously £1.2m).
- The council tax freeze grant 2013/14.
- New burdens grants.

70.8 The most notable change therefore was to apply the localisation of council tax grant to the same method of distribution as the formula grant (previously it had been a quid pro quo for the erosion of the tax base) this had meant a further loss of resources for Eastbourne in excess of £150,000. For Eastbourne the headline figures of the 2-year government settlement were:

- A reduction in revenue grants of £0.9m (19%).
- A further cut in baseline funding of £1m (20%) for 2015/16.
- Partially offset by new homes bonus (additional £0.350m in 2014/15 rising by a further £0.4m in 2015/16).

70.9 The national non-domestic business rate base had reduced slightly (£50,000) largely as a result of additional appeals, this was a provisional figure that would not be finalised until 31 January as the government had only just released the form used to calculate the base. In addition to the formula grant, the government was financing the cost of a 1% increase in council tax (£81,000) which it had confirmed would be put in the base for 2015/16 and beyond. The government had announced that Eastbourne would receive £897,000 in total of new homes bonus due to the growth in housing in the area and the further reduction in empty properties. Of this £500,000 would be transferred to the regeneration reserve to fund economic initiatives in line with the MTFS. The grant was paid in tranches for six years. The funding was not guaranteed beyond a 6 year horizon for each tranche. The projected award for 2015/15 was £1.3m. The Council's policy as outlined in the MTFS was to utilise any surplus grant for economic regeneration initiatives. A separate reserve had been set aside for that purpose. The government was financing the additional new homes bonus from reductions in revenue support grant, therefore, whilst volatile, it was becoming the preferred method of distribution of resources.

70.10 No increase in council tax for 2014/15 was proposed and this would result in an unchanged band D rate of £224.19 (14% of the total council tax bill). A summary of the resources available was given, as shown below:

<b>Source:</b>	<b>£'m</b>
Government formula grant	(3.735)
Retained business rates	(3.464)
New homes bonus	(0.897)
Council tax freeze grant	(0.081)
Grant for weekly household collection	(1.300)
Council tax	(7.202)
Collection fund deficit	<u>14</u>
<b>Total resources available (rounded)</b>	<b><u>(16.665)</u></b>

In order to achieve a balanced budget without using reserves, the Council would need to set a net expenditure budget for 2014/15 of £16.665m.

70.11 In addition to the general grant distributed through the new formula grant system, which was given towards financing the Council's net expenditure, the Government also provided some specific grants. These specific grants would fund in part or in full, service costs.

<b>Grant</b>	<b>2014/15 £'m</b>
Housing benefit subsidy	(c. 48)
Housing benefit administration	(0.8)
Household collection grant	(1.3)

Housing benefit subsidy was intended to reimburse the Council for the awards of benefit it made to eligible tenants in both the private and public rented sector. Not only is this by far the largest single specific grant that the Council received, but it was performance related. The Council had improved its performance in recent years. A new system of universal credits was due to be completed in October 2017 which would see the caseload moved to the Department for Work and Pensions. Responsibility for council tax benefit had now devolved to a local level. Housing benefit administration grant funded the cost of administering the national housing benefit and local council tax support schemes (a reduction of 10% from the 2013/14 funding) It was noted that the former homelessness grant (to assist with prevention and to find alternative accommodation other than bed and breakfast) had now been subsumed into the main grant system.

70.12 In December the Cabinet put forward their draft budget proposals, the main movements since then were detailed in appendix 1 to the report and summarised below:

<b>Movement from 2013/14 base budget</b>	<b>£m</b>	<b>£m</b>
<b>Change in resources:</b>		
Revenue support grant and new homes bonus	0.6	
Retained business rates	0.1	
Council tax – decrease in tax base/collection	0.1	
<b>Cost increases:</b>		
Inflation	0.4	
Other unavoidable costs increases and changes in income	<u>0.4</u>	1.6
<b>Savings:</b>		
Efficiency savings	(0.6)	
Increased Income	(0.2)	
Reduced contributions to reserves	<u>(0.8)</u>	<u>(1.6)</u>

Details of proposed growth and savings were given in full in appendix 2 to the report. The proposals set out in the report would allow full Council on 19 February to approve a balanced budget in line with available resources and without the need to use reserves.

70.13 The Council now followed a rolling 3-year financial planning cycle and the service and financial plans had been set out in detail for 2014/15. The next MTFs was due in July and would project forward a further 3 years and continue to provide the basis of service and financial planning for the medium term. It was noted that the significant level of the savings required for the next MTFs had already been identified. Further reports to Cabinet would detail the business plans under the Council's transformation programme (DRIVE). The government had set out a revised 4-year programme of reductions in funding and the Council's current MTFs already took this into account. The change programmes in place, such as the agile working programme and the sustainable service delivery strategy (SSDS) and the rest of the DRIVE

programme, would deliver savings over and above the minimum in order to create headroom for investment in priority services.

70.14 The report also detailed the principal financial risks the Council was likely to face, as follows:

- Housing benefit subsidy performance.
- Inflation on goods and services.
- Income from services linked to customer choice (theatres, tourism; sports centres, car parking).
- Demand led services (e.g. bed and breakfast).
- Legal challenges.

On an exception basis, information on each of the risk areas identified above, together with any new and significant risks that might emerge over the course of the year, would be included in each financial performance report to Cabinet and Scrutiny during the 2014/15 financial year.

70.15 A corporate contingency budget of £178,000 for unbudgeted expenditure or reductions in income had been allowed. This was in addition to the known inflation that had been built into service budgets. The Government had announced a 1% cap on pay rises in 2014/15 therefore £120,000 had been included in the contingency. Further, the Council's general fund reserves were anticipated to amount to £3.8m in March 2015 as compared with the Chief Finance Officer's minimum recommended level of £2m.

70.16 The following reserves had been set aside in addition to the general reserve in order to facilitate projects under the DRIVE programme. The available balances at 31 March 2015 were projected to be:

<b>Reserve</b>	<b>Purpose</b>	<b>£'m</b>
Strategic change	To fund internal projects under DRIVE	0.7
Economic regeneration	To promote economic growth	0.5

The Council had followed a process of consolidating its reserves into the corporate reserves above. This better facilitated corporate priority planning. The only other reserves that the Council held had specific obligations attached (e.g. Section 106/partnership contributions).

70.17 The principles for formulating the capital programme were set out in the budget report to Cabinet last December and the updated programme was given in appendix 3 to the report (proposed new schemes were shown in bold text ) and showed a projected outturn for 2013/14 of £6.072m; a total budget for 2014/15 of £15.348m; £14.438 for 2015/16; and £6.880m for 2016/17. The Council had a policy of only using borrowing for schemes that were 'invest to save' and could generate enough savings or additional income to service the financing costs. In addition to schemes that qualified for borrowing, the Council had a further £800,000 of capital receipts to apply to the programme.

No uncertain future capital receipts had been factored into the available resource so there would be opportunities to supplement the programme as the 3-year period progressed. Potential disposals would be identified through the asset management plans.

70.18 The HRA capital programme was set out in another report on the agenda (minute 70 below) and was financed entirely from HRA resources. Once approved it would be amalgamated with the general fund programme.

70.19 Councillor Mattock commented that the steps taken by the Council in previous years had ensured the making of significant efficiency savings allowing the Council to adjust to the reduced levels of government funding, the impact of inflation and growth in demand for services without recourse to cuts to front line services, with no increase in the borough's proportion of the council tax for the fifth year running and increased spending in a number of priority areas. On behalf of the Cabinet she expressed her thanks to the Chief Finance Officer, his team and other council staff who had helped in the preparation of this budget.

**\*70.20 Resolved (budget and policy framework):** (1) That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) A general fund budget for 2013/14 (revised) and 2014/15 (original) as set out in appendix 1 to the report, including growth and savings proposals for 2014/15 as set out in appendix 2 to the report.
- (b) No increase in the council tax for Eastbourne Borough Council resulting in an unaltered 'Band D' charge of £224.19 for 2014/15.
- (c) A general fund capital programme and financing 2013/17 as set out in appendix 3 to the report.

(2) To note that the business rates base for 2014/15 (the setting of which was the subject of a delegation to the Chief Finance Officer in consultation with the lead member for finance) has not yet been finalised but will be reflected in the budget council resolutions to be placed before the Council meeting.

## **71 \* Treasury Management and Prudential Indicators 2014/15**

71.1 Cabinet considered the report of the Chief Finance Officer seeking approval to the Council's borrowing and investment strategies in line with legislative and other regulatory requirements as described in the report. The Council was required to receive and approve, the prudential and treasury indicators and treasury strategy as part of the budget setting process each year. This covered:

- the capital plans (including prudential indicators);
- a minimum revenue provision policy (how residual capital expenditure was charged to revenue over time);
- the treasury management strategy (how the investments and borrowings were to be organised) including treasury indicators; and

- an investment strategy (the parameters on how investments were to be managed).

**\*71.2 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) The treasury management strategy and annual investment strategy as set out in the report;
- (b) the methodology for calculating the minimum revenue provision set out at paragraph 2.3 of the report;
- (c) the prudential and treasury indicators as set out in the report; and
- (d) the specified and non-specified investment categories listed in appendix 3 to the report.

## **72 \* Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2014/15 and HRA Capital Programme 2013/16**

72.1 Cabinet considered the report of the Senior Head of Community and Chief Finance Officer in respect of the rents, service and other charges to be set for all of the council's housing tenants. The report outlined the revenue account budget proposals for 2014/15 and housing capital programme 2013/17 and arrangements for agreeing Eastbourne Homes Limited's (EHL) management fee and delivery plan.

72.2 From the 1 April 2012 the way that council social housing was financed was changed and the HRA became self financing. This meant that expenditure had to be entirely supported from rental and other income. The main tool for the future financial management of the HRA was the 30 year business plan which had been approved by Cabinet on 8 February 2012. The introduction of HRA self financing did not end the requirement to maintain a statutory ring fenced HRA and the Council was still required to maintain a separate account for the income and expenditure on council housing. The report reflected the recommendations made by Eastbourne Homes in relation to the increases in rent levels, service and other charges.

72.3 The HRA revenue budget (appendix 1 to the report) had been produced based on the policies set out in the HRA 30 year business plan and showed an overall surplus of (£307,760) for 2014/15. This was mainly due to a number of favourable factors including the rent and service charge review, the change in requirement for the provision of bad debts and the savings from treasury management activities on borrowing.

72.4 The rent levels had been prepared in accordance with the Council's rent convergence policy and the self financing business plan assumptions. The average increase was 4.68%. Following the change to self financing in the HRA, void rents were recommended to move to target routinely. Service charges, heating and water charges were fixed weekly amounts set at a level to recover the expected actual cost to be incurred for the respective properties in the forthcoming year. Garage



rents were recommended to increase in line with the average increase in housing rents 4.68%.

72.5 Total budgeted expenditure on the HRA capital programme was planned at £9,771,000 for 2014/15, £4,258,000 for 2015/16 and £4,195,000 for 2016/17. The decent homes work was due to be completed during 2013/14 and the remodelling of the sheltered accommodation by 2014/15. The major works element of the programme was in line with the asset management plan and the HRA business plan model.

**\*72.6 Resolved (budget and policy framework):** That full Council, at their meeting on 19 February 2014, be recommended to approve the following:

- (a) The HRA budget 2014/15 and revised 2013/14, as set out in appendix 1 to the report;
- (b) that rents are set in line with the rent convergence target of 2016 set by Government resulting in an average increase in rents of 4.68%;
- (c) that void HRA properties which are due for re-let are moved to target rent automatically;
- (d) that service charges for general needs properties are increased by 2.75%, slightly below the RPI index;
- (e) that service charges for older persons' sheltered accommodation currently available for let are increased by 4.83%;
- (f) that heating costs are set at a level designed to recover the estimated actual cost;
- (g) that water charges are set at a level designed to recover the estimated cost of metered consumption;
- (e) that garage rents are set to increase by 4.68% in line with the average increase in housing rent;
- (f) that delegated authority be granted to the Senior Head of Community, in consultation with the lead Cabinet members for community services and finance and the Chief Finance Officer to finalise Eastbourne Homes' management fee and delivery plan; and
- (i) the HRA capital programme as set out in appendix 2 to the report.

*Note: See minute 66 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt. Councillor Tutt chose to withdraw for this item and Councillor Mattock took the chair.*

73.1 Cabinet considered the report of the Deputy Chief Executive updating members on the progress made in regard to the SSDS programme, with particular reference to the Future Model programme plan (phase two) as at January 2014, this being one of the key projects under the corporate plan sustainable performance theme (project 2 – efficiency). The Future Model programme aimed to improve service delivery whilst delivering savings estimated at £1.7m to £2m across the organisation. The current phase, phase two, was estimated to save £1.2m - £1.5m.

73.2 In July 2013 Cabinet approved the adoption and implementation of phase two of the programme and delegated authority to the DRIVE programme board to run the programme within the allocated resources. The scope of phase two included the corporate management team and senior management; housing; revenues; benefits; fraud; strategic performance; democratic/civic services; electoral services and local land charges; community development, involvement and crime reduction; tourism development marketing; seafront services; events; sports and leisure; finance – payments and income; finance – procurement; digital mail room; customer contact activity currently carried out by Capita for revenues and benefits; and asset management.

73.3 The report provided details of progress to date and outlined key decisions to be made and milestones in the coming months. A key priority for August and September was mobilising the programme and ensuring that the appropriate contracts were in place. This was completed successfully and the Council would be working once more with Civica and Ignite as the principal implementation partners. The phase two project teams were largely in place and working well. Workshops were underway and staff were engaging well. The implementation of the new revenues and benefits was the biggest technology project and had therefore been a key area of focus in the first two quarters, and was on target.

73.4 In addition to the current activity under phase two of the Future Model, an opportunity had arisen to explore the development of shared corporate services with Lewes District Council. It was proposed that iESE were instructed to work with the councils to develop a brief for the piece of work which should provide a view covering options, costs, benefits (financial and non-financial), risks, issues and the likely implementation pathway with regard to any proposal. The anticipated cost of this work would be capped at £15,000 to each council. A further report to Cabinet would outline the findings and recommend a way forward in due course. Lewes District Council had approved both the initiative and the budget for this work at their Cabinet meeting on 6 January 2014.

**73.5 Resolved (key decision):** (1) That the key activities and progress made against the Future Model programme plan (phase two) be noted.

(2) That the key programme milestones for February 2014 – May 2014 be noted.

(3) That a budget of £15,000 be approved to investigate the opportunities, costs and issues of developing shared corporate services with Lewes District Council.

*Note: See minute 66 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt.*

#### **74 Eastbourne Town Centre - Update on Use of Compulsory Purchase Powers**

74.1 Cabinet considered the report of the Senior Head of Development. Cabinet, on 6 February 2013, had approved the making of a compulsory purchase order (CPO) subject to the completion of an indemnity agreement with Performance Retail Limited Partnership (PRLP) (the owners of the Arndale Centre) to facilitate the redevelopment of the extension to the Centre. Cabinet authorised officers to negotiate and enter into a CPO indemnity agreement with PRLP (the developer) to indemnify the Council against all costs and compensation awards associated with the Council making a CPO, and also granted delegations to officers to carry out all steps necessary to obtain the CPO.

74.2 PRLP submitted a new application in December 2013 for revised proposals to the Arndale Centre extension which included leisure uses. This application had yet to be determined by the Council's planning committee. If approval was forthcoming the revised scheme would become the underlying scheme for the proposed CPO. Since the last report the boundary of the land needed for the development had been slightly adjusted. Although the scheme to be implemented would now include the leisure offer there was little change in the land needed for the proposal. However for the avoidance of doubt a revised plan showing the CPO area was attached to the report at appendix 1.

74.3 It was understood that PRLP had sought to separately negotiate with some of the third party landowners in order to secure land required for the Arndale Centre extension, by agreement. Whilst good progress had been made, there remained a number of interests which had not been secured by private treaty and officers were satisfied that a CPO was required to facilitate land assembly; in the context of the regenerative benefits this would have for the town, there was a compelling case in the public interest to use its CPO powers accordingly. Albeit PRLP would be encouraged by the Council to continue to negotiate with third parties once the CPO process commenced.

**74.4 Resolved (key decision):** (1) That Cabinet note planning application 131071, which is to be determined by the Council's planning committee, and Cabinet confirm that in the event that the application is granted, with or without modifications, the authority delegated to the Senior Head of Development on 6 February 2013 to make a compulsory purchase order (CPO) will continue to apply. The authorisations previously granted provided that:

Cabinet delegate to the Senior Head of Development, in consultation with The Chief Finance Officer and the Leader, authority to:

- (a) take all necessary steps to secure the making, confirmation and implementation of the CPO including the publication of all notices to give effect thereto;
- (b) complete an indemnity agreement with PRLP to provide for the reimbursement of costs incurred by the Borough Council in processing the CPO;
- (c) make minor or technical amendments to the boundary of the delineated area, if necessary;
- (d) acquire all necessary interests in the delineated area (as may be amended) either by agreement or compulsorily;
- (e) negotiate with any landowner or occupier;
- (f) set out the terms for the withdrawal of objections to the CPO;
- (g) make arrangements to assist with any relocation as required;
- (h) to confirm the CPO if granted power to do so by the Secretary of State;
- (i) make arrangements for the presentation of the Borough Council's case for confirmation of the CPO at any public inquiry;
- (j) exercise the compulsory purchase powers authorised by the CPO by way of general vesting declaration and/or notice to treat.

(2) That, in addition, that the Senior Head of Development, in consultation with the Chief Finance Officer and Leader of the Council, be given delegated authority to exercise the Council's powers of appropriation and powers under S.237 of the Town and Country Planning Act 1990, if required.

(3) That the revised plan at appendix 1 to the report is the area to be used to make the compulsory purchase order (subject to any further variations).

## **75 Community Infrastructure Levy (CIL) - charging schedule**

75.1 Cabinet considered the report of the Senior Head of Development. The Community Infrastructure Levy (CIL) allowed local authorities in England and Wales to raise funds from developers undertaking new building projects. It effectively replaced much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL was to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in a local authority's Core Strategy. CIL placed a charge per square metre on development. It would not be the sole funding source for all infrastructure delivered, but would supplement other public sector revenue streams.

75.2 Cabinet had approved a preliminary charging schedule at their meeting on 10 July 2013 for the purposes of conducting a targeted consultation. A summary of the representations received and changes made were outlined in the Consultation and Cooperation Statement

which was a background paper to the report. The revised charges were supported by further evidence on development viability.

75.3 It was reported that Planning Committee had received a report on this matter at their meeting on 4 February 2014 and had raised no objections. They had, however, asked if the Council could revisit and amend the charges in the future. They were advised that the intention was that they would be reviewed on a yearly basis.

**75.4 Resolved (key decision):** (1) That the CIL draft charging schedule be approved for consultation over a 6 week period.

(2) That the Senior Head of Development, in consultation with the lead Cabinet member, be given delegated authority to make minor amendments before the commencement of the 6 week representation period.

(3) That the Senior Head of Development, in consultation with the lead Cabinet member and the Local Planning Steering Group, be given delegated authority to make any necessary adjustments to the CIL charging schedule following the completion of the consultation before submission to the Government Inspectorate for the public examination.

## **76 Impacts of Welfare Reform and the Council's Response**

76.1 Cabinet considered the report of the Senior Head of Community. The coalition government had introduced a series of reforms to the welfare system since coming into power in. The report set out some of the impacts that the raft of changes had brought about and updated members on the efforts of the Council to support those affected.

76.2 Universal Credit (UC) aimed to simplify the benefits system, by bringing together several state benefits, including housing benefit, and to always make work pay. The introduction of UC had been beset by problems, mainly due to the complexity of the IT system required to administer it. The latest timetable would see UC in place for all new claims during 2016, with existing claims migrated to UC by the end of 2017.

76.3 The spare room subsidy aimed to limit the amount of housing benefit for working-age claimants who occupied social sector housing to the number of bedrooms the household needs. A similar, but not identical system, local housing allowance, had been in place in the private rented sector for several years. Under the spare room subsidy rules, if a household had one bedroom more than needed their housing benefit was reduced by 14%, and by 25% if they had more than one bedroom too many. A shortage of one and two bedroom properties meant that many people affected by this, who might want to downsize, found that there were no smaller properties available. In Eastbourne 407 people had seen a reduction of, on average, £15.55 per week, making an annual loss of £329,100.

76.4 The benefit cap limited the amount of benefit that single people could get to £350 per week and for others to £500 per week. Certain people were exempt, for example those in receipt of attendance allowance and some benefits were not included in the limits. 53 households were affected with losses ranging from £2.30 per week to £207.19 per week.

76.5 Council tax benefit was replaced by local schemes of support from April 2013. This change was accompanied by a 10% cut in funding which, for Eastbourne, amounted to c£1m. The Council, in collaboration with the county, police, fire and other districts implemented a scheme which aimed to protect the most vulnerable, incentivise people back into work and to meet the funding gap. After taking advantage of a transitional grant and flexibilities offered around certain council tax discounts and exemption, the adopted scheme affected only 470 people, who were already paying some Council Tax, with an average loss of only £4.60 per week. Many councils put in place schemes that required everyone to pay something, normally around 15% to 20% of their liability. The Council had decided to retain this scheme for 2014/15.

76.6 From April 2013 local authorities assumed responsibility for some elements of what was the social fund. East Sussex County Council now had responsibility for administering the crisis loans and community care grants, now known as local welfare support. The County's scheme had been named the Discretionary East Sussex Support Scheme. As at the end of September, County had made nearly 400 awards to Eastbourne residents (112 awards for food and utilities (30% of awards countywide) and 276 awards for other item (26% of awards countywide)). In addition, the Council has been given £70,000 to help with rent in advance and rent deposits and had been given authority to make awards for other items, within a budget of £10,000. Eastbourne Foodbank had been awarded £5,000 towards the costs of an advocate to assist people with long-term problems and to speak to organisations on their behalf.

76.5 Personal independence payments were replacing disability living allowance (DLA) for people of working age; the change was being implemented between October 2013 and October 2018 and the government estimated that this would reduce the overall cost of this benefit by 20%. In February 2013, which was the latest date for available figures, there were 5,410 people in receipt of DLA in Eastbourne. It was estimated that over 1,000 people would lose entitlement by the time the roll-out was complete. A possible consequence of someone losing entitlement was that, if they were in receipt of housing benefit or council tax support, they would also see a reduction in help with housing costs and council tax.

76.6 The Council had:

- Created a benefits and welfare advice officer post
- Secured funds through Supporting People to establish the East Sussex Welfare Reform Action group. This has provided training for advisors from many organisations, produced a YouTube, put in place a publicity campaign, set up a free advice Helpline.

- Established a working group with Eastbourne Homes and the Jobcentre Plus focusing primarily on assisting those Eastbourne Homes Residents affected by the spare room subsidy and the benefits cap.
- Set up a process of reviewing both the impact of the changes and the effectiveness of the Council's response.
- In partnership with Lewes District Council, engaged with Future Gov on the development of a mobile phone app that could assist people with money management.
- Maximised the effectiveness of the increased funding available from the discretionary housing payments budget. As at the end of September, 360 awards had been made committing £125,633 of the £256,602 budget. This included £17,000 to people affected by the benefit cap and £44,000 to those affected by the spare room subsidy.

**76.7 Resolved:** That the measures taken to support residents affected by Welfare Reform be endorsed.

## **77 Safeguarding Children and Vulnerable Adults**

77.1 Cabinet considered the report of the Senior Head of Community. A recent review of the Council's policy had found that the Council's approach had major strengths, however minor amendments and improvements were suggested and a revised policy was appended to the report for Cabinet's approval. An action plan was being worked on and progress would be reported on within the normal audit and governance cycle.

**77.2 Resolved (key decision):** (1) That the revised Child and Vulnerable Adult Protection Policy be agreed and adopted.

(2) That the East Sussex Local Safeguarding Children's Board Annual Report (2012/13) and Business Plan 2013/15 be noted.

## **78 Write-off of Irrecoverable Debts**

78.1 Cabinet considered the report of the Chief Finance Officer seeking approval to the write-off of debts in excess of £5,000 as required by financial procedure rule 4.26. Full details were given in a separately circulated appendix covered under exempt information reason 3 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information).

**78.2 Resolved:** That the write off of irrecoverable debts detailed in the exempt appendix, totalling £ 141,329.73, be approved.

## **79 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 in minute 76 above and beneath the items below. *(The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

## **80 Summary of confidential proceedings for information**

*(Note: The full minutes of the under-mentioned items are set out in the confidential section of these minutes. The reports remain confidential.)*

### **(a) Small Grants to Voluntary Organisations 2014/15**

80.1 Cabinet received a report on the small grants element of the community grants programme. A budget of £64,200 was allocated for small grants in 2013/14. It was proposed that this budget was maintained in 2014/15 subject to final decisions on the overall budget. Given the financial constraints on the Council at present, the proposed budget continued to protect the voluntary and community sector as a whole from significant reductions in spending on their activities by this Council.

80.2 In addition to the small grants programme, Cabinet had previously agreed major grants for the three years from 2013/14 to 2015/16 as follows:

Citizen's Advice Bureau	£115,000
East Sussex Credit Union	£ 15,000
Salvation Army	£ 19,000
Eastbourne & Wealden YMCA	£ 40,000
3VA	£ 14,000
<b>Total</b>	<b>£203,000</b>

80.3 It was reported that the Council also supported voluntary and community organisations in a variety of other ways including:

- The award of rent support grants to some organisations occupying Council properties to the value of £242,400.
- Discretionary rate relief awards to voluntary and community sector occupying premises in the town with a budget in 2013/14 of £35,654.
- The Council's proposed housing service's grant of £76,500 in 2014/15 to Brighton Housing Trust for the provision of services to homeless households and the Family Intervention Project.
- Allocation of £90,000 each year to the Council's devolved ward budget scheme, with ward councillors were able spend up to £10,000 on quick fix one-off works or initiatives to improve the lives of local residents. Local residents could make suggestions on



how this money should be spent by contacting their local councillor.

80.4 In total the Council's direct support to voluntary and community organisations amounted to over £711,754. This level of support had significantly increased at a time when spending in many other areas had been reduced.

80.5 The current community grants policy agreed by Cabinet in 2012 set out the eligibility criteria for applications. These were designed to reflect the limited budget available and the wide demand for funding within the voluntary and community sector. The aim was to ensure that resources were spent where services were most needed and that robust arrangements were in place for managing any grant. Applications for large capital items could not be considered. Similarly applications for services which duplicated existing services and were available and funded elsewhere were ineligible. There must also be a clear financial need for funding and organisations with large unrestricted reserves or which made a significant surplus could not be funded. The policy also excluded any organisation which itself awards grants to other organisations.

80.6 Details of applications received were given in an exempt report. Cabinet endorsed the approach taken by the Grants Task Group in assessing the applications against the Council's approved policy criteria and approved awards within the budget available. Details of the grants awarded would be made public as soon as the grant applicants had been informed of the awards. This would happen after full Council had agreed the 2014/15 budget on 19 February 2014.

80.7 Cabinet also noted that a review of the grants policy would be undertaken in the coming year.

*Exempt information reason 3 (information relating to the financial or business affairs of any particular person (including the authority) holding that information).*

**(b)** Alternative Employment Procedure.

80.8 Cabinet noted that one employee was currently subject to the procedure at present. They noted the actions taken to manage implications of change for displaced individuals.

*Exempt information reasons 1 and 2 – Information relating to an individual or likely to reveal the identity of an*

*individual.*

**(c)** Towner

80.9 Cabinet considered a report updating members on progress in resolving outstanding contractual matters in relation to the construction of the Towner. The Chief Executive was given delegated authority to settle the dispute.

*Exempt information reasons 3 and 5. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*

The meeting closed at 7.08 pm

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