

Body:	Cabinet
Date:	3rd September 2014
Subject:	Eastbourne Pier
Report Of:	Senior Head of Development
Ward(s):	Meads
Purpose:	To put in place governance arrangements to ensure the fair, transparent and effective distribution of £2million central government funding, to deal with the aftermath of the Eastbourne Pier fire.
Decision Type:	Key decision.
Recommendation:	<ol style="list-style-type: none"> 1. To delegate authority to the Senior Head of Development to prepare and submit a detailed business case to the Department of Communities and Local Government to secure £2 million funding to assist with the aftermath of the Eastbourne Pier fire 2. To delegate authority to the Chief Executive in consultation with The Leader and Opposition Leader to set up an advisory panel for the express purpose of acting as consultee to the officer responsible for deciding how to distribute the monies collected as a result of the Eastbourne Pier fire. 3. To delegate authority to the Senior Head of Development to distribute the afore-mentioned central government funding in line with requirements laid down by DCLG, as required by criteria which will be formulated to ensure a fair and transparent approach to the determining of applications. 4. To delegate to the Chief Executive in consultation with The Leader and the Opposition Leader to increase the contribution to the Benevolent Fund as necessary. 5. That Cabinet formally records their grateful thanks to the emergency services for their prompt action and bravery in fighting the fire and saving so much of the one of the town's most loved buildings. 6. To note that the Chief Executive has used his delegated powers to take urgent action in consultation with the Leader by approving a £50,000 contribution to the benevolent fund which has been set up and operated by the Chamber of Commerce, in anticipation that this sum will be repaid to the Borough Council from the central government grant, assuming that it meets central government criteria.

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1.0 Background

- 1.1 On the afternoon of 30 July 2014, the former music room on Eastbourne Pier caught fire and it quickly spread throughout the building. The Pier was evacuated with no loss of life. The former music room, now used as an amusement arcade, was destroyed in the fire, but there was surprisingly little damage to the buildings and structure adjacent to the arcade thanks to the skill of the emergency services.
- 1.2 As a result of the fire there has been tremendous support and offers of help for the town. Various websites have been set up and people far and wide are making donations to help with the aftermath of the fire, which are being administered by the Chamber of Commerce. The Prime Minister and the Chancellor visited the town and pledged government support in the form of a £2million grant to support the local tourism economy and keep Eastbourne 'open for business'.
- 1.3 The Pier is privately owned by Cuerden Leisure and it is understood to be insured against fire. Therefore its reconstruction costs are expected to be met by the insurance and not from the £2million pledged from the government.
- 1.4 This report sets out recommendations on how the monies raised will be governed along with developing a set of criteria in line with government's requirements, to be used in deciding how the monies should be spent.

2.0 The response to the Eastbourne Pier fire: governance issues

- 2.1 Members are asked to note that in light of the need for urgent intervention, the Borough Council has already made an immediate contribution of £50,000 from reserves to the benevolent fund set up and operated by the Chamber of Commerce with support from 3VA. It was necessary to make this award urgently to start assisting those in financial hardship as a result of the fire. The Chief Executive used his delegated authority to act, in consultation with The Leader, using the general power of competence conferred on the authority by the Localism Act 2011. It is envisioned that once the government grant is received in then provided it meets any requirements attached to the funding it will be repaid to the Borough Council.
- 2.2 The government, via the Department of Communities and Local Government (DCLG), has stated its intention to award a £2 million grant to the town to assist with its recovery following the fire. The grant award is subject to a satisfactory business case being submitted by the Borough Council, which will be given the remit by the government to administer the distribution of the grant

- 2.3 The town has also shown its support with significant sums being pledged through a number of websites. There is already work going on to amalgamate the various web and social media sites and these are being directed to the Chamber of Commerce for distribution.
- 2.4 There is strong cross party support for the Council to lead and unite the town to rise up to the challenge before us and show that Eastbourne is very much 'open for business' despite the setback of the fire.
- 2.5 It is proposed that the Chief Executive be granted authority delegated by Cabinet to set up an advisory panel whose express remit is to assist the Council in ensuring the effective and strategic distribution of funds granted by central government. The panel will not make decisions as to the distribution of funds but will act as consultee to the officer with delegated authority for decision-making. It shall be cross party, shall include representatives from external stakeholders, including local business and community groups nominated by the Chief Executive, and shall be supported and advised by key officers. It is therefore proposed that the membership should be:

- The Leader of the Council
- The Opposition Leader
- The Chief Executive to have authority to invite representatives from local business and community groups as necessary
- Chief Executive
- Chief Finance Officer (Section 151 duties)
- Senior Head of Development

The Monitoring Officer should be consulted as necessary to ensure correct governance procedures are being followed.

3.0 Strategic criteria to be applied to the allocation of all funds

- 3.1 There needs to be public understanding of the detailed criteria for distribution of the £2million as well as absolute transparency around what the funds are spent on in due course. The government grant is likely to impose specific (as yet undisclosed) requirements on the distribution of funds. A transparent set of criteria and allocation considerations will need to be drawn up to ensure robust decision-making. Publication of this information will assist the public in understanding how the funds are to be allocated.
- 3.2 As mentioned the Pier is privately owned and it is understood that it is fully insured against fire. While it is understood that some investigations remain to be completed by the insurance company, it is expected that the cost of rebuilding the Pier will be met by the owners using monies paid out under the insurance policy. There is no plan for the Borough Council to contribute to the costs of rebuilding this privately owned building, and it is likely to be prohibited from doing so by state aid concerns. Moreover there is no expectation that the grant provided by the Government will be spent on actual reconstruction costs.
- 3.3 The Borough Council will not be in a position to draft detailed criteria for

distribution of the collected funds until it applies for and is awarded the £2m grant referred to above and is notified of any conditions and requirements which are attached to that. However the indications from central government are that the funds are to be dedicated to two primary purposes:-

- mitigating the immediate impact on the employees and commercial units while the Pier is closed and eventually rebuilt;
- reducing the potentially wider impact on the town of the temporary closure of one of the town's key tourist attractions in the height of the summer season.

With careful consideration and strategic planning, these funds can be used to deliver positive outcomes for the town in the wake of this sad and devastating fire.

3.4 The detailed criteria for the assessment of projects that will be supported are still to be prepared and this will be based on the government's requirements of their £2million award. Officers are currently liaising with central government on the submission of a business case to release the award and once that stage has been completed the working criteria will be finalised and the panel will operate within its remit. In broad terms the criteria will be around supporting economic activity that promotes the town as a tourist destination.

4.0 Governance and Transparency

4.1 The Council is committed to the highest standards of governance and transparency in decision making. The high profile and public nature of the events leading to the Government grant, means that it is more important than ever to adhere to these standards in making decisions on how to spend the funds.

4.2 Following the results of the consideration of the business case by DCLG, the criteria will be prepared and published. Also the Advisory Panel's input as consultee will be formally minuted, while the decisions as to awards, made under delegated powers by the Senior Head of Development, will be published on the Council's website .

5.0 Implications

5.1 **Financial** - There are no financial implications as a result of this report as the funds spent will be limited to the government grant.

Staffing – There will be a small impact on the staff resources but this can be accommodated within the existing staff compliment.

6.0 Equalities and Fairness

6.1 This report is in response to an unforeseen disaster. In responding to that disaster the Council has been mindful of its duties to be fair and equitable. It has therefore sort to immediately assist those most disadvantaged by the disaster. It will continue to ensure it carries out these duties when assessing projects and programmes for assistance from the government grant.

7.0 Conclusions

- 7.1 An unexpected fire has severely damaged one of the key tourist attractions during the height of the summer season. Fortunately there was no loss of life and, thanks to the emergency services, much of the pier has been saved from further damage.
- 7.2 There are still of course some human tragedies for those who worked for and on the pier. Staff have lost their jobs and traders find themselves without units from which to trade. The Council has acted quickly in putting £50,000 into the benevolent fund for immediate help and support for those who need it, and the community are giving generously into this fund. The government has pledged £2 million to assist the town in the light of the fire and the Council needs a governance structure to allocate the funds fairly and equitably. This report recommends a way forward to deal with this issue by setting up a cross party advisory panel that will input into the Council's decision-making to decide how, within central government's criteria, the monies will be spent.

Lead Officer

Jefferson Collard
Senior Head of Development

Background Papers:

None

To inspect or obtain copies of background papers please refer to the contact officer listed above.