

Cabinet



Minutes of meeting held on Wednesday, 3 September 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**.

24 Minutes of meeting held on 16 July 2014

The minutes of the meeting held on 16 July 2014 were submitted and approved and the chairman was authorised to sign them as a correct record.

25 Declarations of interest 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 council's code of conduct and regulation 12(2)(d) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

No declarations were made.

26 Eastbourne Pier

26.1 Cabinet considered the report of the senior head of development proposing governance arrangements to ensure the fair, transparent and effective distribution of anticipated £2million central government funding, to deal with the aftermath of the Eastbourne Pier fire.

26.2 On the afternoon of 30 July 2014, the former music room on Eastbourne Pier caught fire. The fire 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.

26.3 As a result of the fire there had been tremendous support and offers of help for the town. Various websites had been set up and people far and wide were making donations to help with the aftermath of the fire, which was being administered by the local chamber of commerce. The prime minister and the chancellor had 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'.

26.4 The pier was privately owned by Cuerden Leisure and it was understood to be insured against fire. Reconstruction costs were expected to be met by the insurance. There was no plan for the council

to contribute to the costs of rebuilding and it was likely to be prohibited from doing so by 'state aid' concerns. Moreover there was no expectation that the grant provided by the government would be spent on actual reconstruction costs.

26.5 In light of the need for urgent intervention, the council had 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 had used his delegated authority to act, in consultation with the leader of the council, using the general power of competence conferred on the authority by the Localism Act 2011. It was envisaged that once the government grant was received this money would be returned to the council's reserves.

26.6 The Department for Communities and Local Government (DCLG), had stated its intention to award a £2 million grant to the town to assist with its recovery following the fire. The grant award would be subject to a satisfactory business case being submitted by the council.

26.7 An advisory panel whose express remit was to assist the council in ensuring the effective and strategic distribution of funds granted by central government was proposed. The panel will not make decisions as to the distribution of funds but would act as consultee to the officer with delegated authority for decision-making. It should be cross party, include representatives from external stakeholders, including local business and community groups nominated and supported and advised by key officers including the chief executive, chief finance officer, monitoring officer and senior head of development.

26.8 The council would not be in a position to draft detailed criteria for distribution of the collected funds until it received the government grant and was notified of any conditions and requirements. However the indications from central government were that the funds were to be dedicated to two primary purposes:-

- Mitigating the immediate impact on the employees and commercial units while the pier was 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.

26.9 Resolved (key decision): (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) That an advisory panel be established 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) That the above mentioned advisory panel comprise the leader and deputy leader of the council, the leader of the opposition and the lead cabinet and lead opposition members for tourism (currently councillors Tutt, Mattock, Elkin, Heaps and Ede respectively), together with a representative from each of the Eastbourne and District Chamber of Commerce, the Eastbourne Hospitality Association, the pier management, the Town Team and 3VA and that the chief executive, in consultation with the leader of the council and leader of the opposition, be given delegated authority to vary or add to the membership of the panel should this be desired for any reason in the future.

(4) 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.

(5) 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.

(6) 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.

(7) 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.

27 Corporate performance - Quarter 1 2014/15

27.1 Cabinet considered the report of the chief finance officer and head of corporate development 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 first quarter of 2014/15.

27.2 Appendix 1 gave detailed information on non-financial performance. An addendum sheet was circulated at the meeting giving updated information on a number of performance indicators.

27.3 The position of general fund expenditure at the end of June showed a small variance of £17,000 (appendix 2). There were a number of risks around the revenues and benefits area, which included staff resources, additional work with the implementation of the new revenues and benefits computer system and the introduction of universal credit. Recovery work had been put on hold over the last month whilst data was migrated to the new system, which might have implications for collection

rates in the short term. This was being monitored and any variances would be reported in the next monitoring report.

27.4 The contingency fund currently stood at £170,000, of which £5,000 was currently committed, leaving a balance of £165,000, available to fund inflationary increases and any future unforeseen one off areas of expenditure during the year. Housing revenue account performance was currently above target by £10,000. The detailed capital programme was shown in appendix 3. Although actual expenditure was low compared to the budget it was in line with the traditional pattern of spend and was expected to increase as the year progressed.

27.5 The collection fund performance (recording all the income from council tax and national non-domestic rates and its distribution to the major precepting authorities) was reported. A business rates deficit of £534,000 was as a result of a bigger than anticipated provision made in 2013/14 for outstanding appeals, giving rise to a higher than budgeted for balance carried forward as at 1 April 2014. There were 106 properties with appeals outstanding with a total rateable value £18m. The valuation office was expecting to settle all these claims within the next 12 months. The uncertainty of the potential value of successful appeals was a major risk to the fund at this time. The deficit represented 1.57% of the total debit for the year.

27.6 A detailed report on treasury management activities for 2013/14 was included as a separate item on the agenda. This report included the current economic background and interest rate forecasts. It was noted that interest rates were expected to remain low for the remainder of 2014/15 and only start to increase after the first quarter of 2015/16. Treasury management performance was on target and no approved limits within the investment strategy had been breached. During the quarter to 30 June 2014 the council had operated within all the other treasury limits and prudential indicators set out in the council's treasury management strategy statement and in compliance with the council's treasury management practices.

27.7 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 June 2014, as set out in sections 3 and 4 of the report be agreed.

(3) That the amended capital programme as set out in appendix 3 to the report be agreed.

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

28.1 Cabinet considered the report of the chief finance officer. This report covered the treasury management activity and performance for the financial year 2013/14. The council's treasury management activities were regulated by a variety of professional codes, statutes and guidance.

28.2 Past changes in the regulatory environment had placed a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report was important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the council's policies previously approved by members. It was also confirmed that the council had complied with the requirement under the code to give prior scrutiny to all of the above treasury management reports by the audit committee before they were reported to full council. Member training on treasury management issues had last been undertaken in 2010 in order to support members' scrutiny role.

28.3 The report summarised:

- Capital activity during the year.
- Impact of this activity on the council's underlying indebtedness (the capital financing requirement).
- Reporting of the required prudential and treasury indicators.
- Overall treasury position identifying how the council had borrowed in relation to this indebtedness, and the impact on investment balances.
- Summary of interest rate movements in the year.
- Debt and investment activity.

28.4 The chief finance officer also confirmed that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit), had not been not breached. He commented that the financial year 2013/14 continued the challenging environment of previous years; low investment returns and continued counterparty risk.

28.5 ***Resolved (budget and policy framework):** That full council be recommended to approve the annual treasury management report for 2013/14 and that specific approval be given to the 2013/14 prudential and treasury indicators included within the report.

29 Urgent item of business - iESE Transformation Limited annual general meeting.

29.1 The chairman was of the opinion that this item of business should be added to the agenda by reason of urgency under the provisions of section 100 B (4) of the Local Government Act 1972. He explained that it was necessary on grounds that notification had been received after the despatch of the agenda for the meeting of the iESE Transformation Limited annual general meeting to be held on 24 September 2014 and that it was necessary to appoint a member to attend as a general meeting representative.

29.2 It was explained that as councillor Tutt was an existing board director of the company it was not possible for him to attend as a general meeting representative.

29.3 Resolved: That councillor Mattock be appointed as the council's general meeting representative for iESE Transformation Limited.

The meeting closed at 6.23 pm

Councillor David Tutt
Chairman