

# Cabinet



## Minutes of meeting held on Wednesday, 2 September 2015 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**, **Alan Shuttleworth**, **Troy Tester** and **Steve Wallis**.

### 24 Minutes of the meeting held on 8 July 2015 (previously circulated).

The minutes of the meeting held on 8 July 2015 were submitted and approved and the chairman was authorised to sign them as a correct record.

### 25 Declarations of interests by members.

No declarations were made.

### 26 Corporate performance - Quarter 1 2015/16 [KD].

26.1 Councillors Freebody and Di Cara addressed the Cabinet. Councillor Freebody commended the Council's sickness levels but raised concern at the rates for answering telephone calls. The Chairman commented that this was not unexpected given the on-going implementation of Future Model phase 2 and that rates were now improving. Councillor Di Cara asked for a breakdown of the recycling rates between the different types of recycled material. The Chairman said he would ask that these be provided.

26.2 Cabinet considered the report of the Chief Finance Officer and Head of Corporate Development and Governance 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 2015/16.

26.3 Appendix 1 gave detailed information on non-financial performance. Councillor Tester highlighted the performance of disabled facilities grants where the average median time to deliver from the receipt of the occupational therapist report to completion of the work was now 76 days. He understood that this compared very favourably with rates of other councils. He asked that the Cabinet's congratulations be passed to the team concerned.

26.4 General fund performance at the end of June showed a small variance of £24,000 which related to several areas of minor under and over spends which were being carefully monitored. Housing revenue account performance was currently above target by £50,000; mainly as

a result of the slow take up of the under occupation scheme (£16,000) and the lower provision for bad debts required (£20,000).

26.5 The detailed capital programme was shown in appendix 3. Actual expenditure was low compared to the budget. There were no significant variances identified and expenditure was in line with traditional patterns of spend as at quarter one. Expenditure was expected to increase as schemes progressed throughout the year.

26.6 Cabinet was asked to approve an exemption to the Council's contract procedure rules in relation to the appointment of Pierce Hill as employer's agent and architect for the Sea Houses Square project funded from Coastal Communities Grant and managed by Eastbourne Homes Ltd. The value of this contract was below the £50,000 limit required for a full tender exercise and could have followed the 'request to quote' process. However a "tender like" process was followed but not strictly adhered to in respect of administrative processes that would normally be applied to a full tender. Therefore whilst a higher level of competitive process was followed than necessary it was not technically compliant with the Councils own rules.

26.7 Council tax collection was currently showing a £90,000 surplus; a variance of 0.16% of the total debit due for the year. The business rates deficit of £753,000 was as a result of a bigger than anticipated provision made in 2014/15 for outstanding appeals, giving rise to a higher than budgeted for balance carried forward as at 1 April 2015. 112 appeals had been received since then with a total rateable value of £10,695,000. The total number of properties with appeals outstanding as at 30 June 2015 was 236 with a total rateable value of £20,152,010. The uncertainty of the potential value of successful appeals was a major risk to the collection fund at this time. The deficit represented 2.19% of the total debit for the year.

26.8 Treasury management performance was on target and all activities were within the approved treasury and prudential limits.

**26.9 Resolved (key decision):** (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2014 refresh) be agreed.

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended June 2015, 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 an exemption to the Council's contract procurement rules in relation to the appointment of agents and architect for the Seahouses Square project funded from Coastal Communities Grant and managed by Eastbourne Homes Limited be approved.

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

**27 \* Annual treasury management annual report 2014/15 [BPF].**

27.1 Cabinet considered the report of the Chief Finance Officer. This report covered the treasury management activity and performance for the financial year 2014/15. The council's treasury management activities were regulated by a variety of professional codes, statutes and guidance.

27.2 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 and Governance Committee before they were reported to full council.

27.3 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.

27.4 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 2014/15 continued the challenging environment of previous years; low investment returns and continued counterparty risk.

27.5 Cabinet had previously approved the set up of a wholly owned asset holding company; Eastbourne Housing Investment Company Ltd. Members were asked to approve a change to The Council's treasury management policy to allow lending to this wholly owned asset company on commercial terms. The final details of the loan arrangements would be delegated to the Chief Finance Officer.

27.6 Councillor Mattock asked that the finance team be congratulated for their treasury management activities.

**27.7 \*Resolved (budget and policy framework):** That full Council be recommended to approve: (1) the annual treasury management report for 2014/15 and that specific approval be given to the 2014/15 prudential and treasury indicators included within the report; and (2) the

proposed amendment to the Council's treasury management policy to allow lending to investment companies.

**28 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.)*

**29 Redundancy and redeployment policy - update.**

29.1 Cabinet considered the report of the Senior Head of Corporate Development and Governance and noted that 8 employees were on the redeployment register and subject to the procedure at present. This number included 4 who had been successfully redeployed to alternative positions..

29.2 **Resolved:** (1) That the actions taken to manage implications of change for displaced individuals through support, redeployment and assistance with self marketing under the redundancy and redeployment procedure and the use of the procedure in managing the change resulting from implementation of Phase Two of Future Model be noted.

(2) That the financial implications of severance for those identified in the event that redeployment is not secured by the relevant date be agreed.

*(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 6.22 pm

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