

Minutes of meeting held on Wednesday 10 July 2013 at 6.00pm

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**.

16 Minutes

The minutes of the meeting held on 29 May 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

17 Members' interests

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:

- Councillor Tutt declared personal (non-prejudicial) interests in minute 23 (sustainable service delivery strategy programme – implementation of the Future Model phase 2) as he was an Eastbourne Borough Council appointed non-executive director of Eastbourne Homes. He withdrew from the meeting while the item was being considered.
- Councillor Tester declared a disclosable pecuniary interest in minute 25 (Save the Pub Group council survey) as an employee of a company owning businesses in the near vicinity of The Drive public house. He withdrew from the meeting while the item was being considered.

18 Provision of skate park in Hampden Park (Council, 14 September 2011, page no. 130, minute no. 36)

- 18.1 The following persons addressed the Cabinet on this matter:
- Ms Sandy Boyce-Sharpe (Chairman of the Friends of the Hampden Park)
 - Mr Gregory Willcocks (local resident)
 - Ms Lisa Smart (local resident)
 - Mr Bryan Renn (local resident)
 - Mr Robert Price (on behalf of Bespoke)
 - Mr Richard Armstrong (on behalf of local BMX riders and skateboarders)
 - Mr Tom Gaudoin (on behalf of local BMX riders and skateboarders)

Councillor Ansell

The Chairman expressed his thanks to the Friends of the Hampden Park (FotHP), skateboarders and others for the involvement in the consultations and discussions which had taken place on this matter.

- 18.2 Cabinet considered the report of the Senior Head of Development. A budget of £120,000 had previously been approved to provide a skate park in Hampden Park. Initially, there had been an expectation that it would be located on the existing BMX ramp site near Cross Levels Way. At meeting with representatives of the skate park users' community very strong reservations and concerns had been raised in relation to the Cross Levels Way site being used. These were mainly in relation to the close proximity of the hospice which they considered inconsiderate and disrespectful, the isolation of the site, the cost of the build and the exclusion of skate park users from the wider parks community.
- 18.3 Other potential sites had been examined and discounted for various reasons (as detailed in the report). One further site, the site of the former rifle range club within Hampden Park, near to the indoor and outdoor bowls club, was considered to have some advantages as a potential skate park and was supported by the skaters. However the FotHP had expressed opposition to the use of any of the area of the disused rifle club as a skate park as they were developing other ideas about how to best use the site that would attract a broader age range. In view of the very conflicting views on where the skate park should be located, a consultation questionnaire was designed to determine the preferred site and the Council undertook this work. The questionnaire provided a choice of two sites, site A (off Cross Levels Way) and site B (the disused rifle range). Currently, the Cross Levels Way site was owned by East Sussex County Council. The transfer of the freehold for the site to the Council was put on hold, pending the outcome of the consultation. The Cross Levels Way site had well established BMX earth ramps and was well used and the only such facility in any of Eastbourne's parks. The skate park users had suggested this could be enhanced as a built BMX "pump track" so that BMX users could still use it. Officers confirmed at the Cabinet meeting that there would be insufficient space at this site to accommodate both a skate ramp facility and a BMX pump track. Both sites were the subject of investigation to determine likely build costs and noise mitigation measures that might be required and details were given in the report. The outcome of these investigations indicated that the rifle range site would be cheaper to construct.
- 18.4 The questionnaire (appended to the report) had been open for comment between 22 February and 15 March 2013 and had been distributed to local schools, sports centres and colleges within a one mile radius of the site and also to specialist shops in Eastbourne. To ensure that the questionnaire reached all parts of the community it was advertised in the local newspaper, on the Council's website and a consultation plan was created. Posters were distributed and questionnaires were available in public venues such as the Hampden Park café. Officers also carried out some one to one

questionnaire surveys within Hampden Park itself. A public consultation event was held in the Hampden Park Community Centre. The results showed a preference for the Cross Levels Way site, however, among potential users, only about a quarter of the preferences were for this site. The nearest neighbour to the Cross Levels Way Site was St Wilfrid's Hospice who had expressed no concern about the skate park being located close to their facility. The police had expressed no preference for either site but commented that both would require some resource input to ensure that they did not attract anti social behaviour issues.

- 18.5 Cabinet members and ward councillors undertook direct consultation with representatives of both the skate park users and the FoTHP at both of the potential skate park locations to hear the issues first hand. Visits took place on two separate occasions in June 2013, firstly with the representatives of the skaters, and secondly with the representatives of the FoTHP. Discussions had also take place with the Hampden Park Outdoor Bowls Club. Full details of all these discussions were given in the report.
- 18.6 Cabinet members, having considered the representations made, believed that there was a good case for either of the sites. They considered, however, that on balance, locating the skate ramp facility at the site of the former rifle range was their preferred option. This site was centrally located within the park, closer to other park facilities such as the café and toilets and had good access from residential areas in Hampden Park. Members, in particular, noted the desire of the skateboarders to be part of the wider park community in an open and visible location which would encourage participation and spectators. Members also noted that the skateboarders had expressed a strong preference for this location and given the scale of the Council's proposed investment believed it was essential that a site be chosen that would be well used. This choice would allow the BMX pump track to be retained at Cross Levels Way and, potentially, for this to be enhanced. Members believed that the park as a whole could accommodate a wide range of uses and that the aspirations expressed by the FoTHP for the future development and enhancement of the park should not necessarily be compromised by the construction of the a skate facility covering approximately one quarter of the area of the former rifle range.
- 18.7 **Resolved (key decision):** (1) That the skate park be located within the parameters of the disused rifle range.
- (2) That a capital bid be agreed to cover any additional noise mitigation measures that may be required.
- (3) That a capital bid be agreed for the additional build cost to develop the site into a skate park, estimated up to a sum of £7,000.
- (4) That consideration be given to a capital bid being made to provide a BMX pump track at the Cross Levels Way site as part of the 2014/15 service and financial planning process.

(5) That planning permission be sought to develop a skate park at the disused rifle range site.

19 Eastbourne community infrastructure levy (CIL) – preliminary draft charging schedule

- 19.1 Ms Scarlett McNally (on behalf of Bespoke) addressed the Cabinet seeking changes to the draft charging schedule that would highlight the need for investment in cycling infrastructure. Councillor Jenkins raised a number of queries including why certain developments such as hotels were exempted from the proposed levy and having regard to the levy amounts proposed by nearby councils, whether the amounts were too low. The Senior Head of Development explained that levy amounts had to take account of the viability of any proposed development and should not in themselves inhibit development taking place. A factor was that Eastbourne had a higher concentration of brownfield sites as compared with other nearby districts.
- 19.2 Cabinet considered the report of the Senior Head of Development. Part 11 of the Planning Act 2008 provided for the imposition of a charge known as the community infrastructure levy (CIL). Local authorities in England and Wales were allowed to raise funds from developers undertaking new building projects. The levy system would, for the main part, replace much of the existing process of planning obligations commonly known as 'Section 106' agreements. There would, however, be occasions when S106 agreements would still be needed for certain developments in order to satisfy local needs. 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.
- 19.3 CIL had a number of significant advantages over the current system of Section 106 agreements, including:
- Payment was non-negotiable, which would help speed up the planning process.
 - The CIL charge was transparent and predictable, meaning that applicants would know their CIL liability prior to submitting planning application.
 - All liable developments would contribute to the cost of infrastructure provision, not just large scale development.
 - In the longer term the intention is that a proportion of CIL will be available to spend on local infrastructure priorities.
 - From 6 April 2014, CIL would be the main mechanism for securing developer contributions for infrastructure to support growth. Section 106 planning agreements would be significantly scaled back after this date.

19.4 A CIL preliminary draft charging schedule (PDCS) had been drafted. This provided the first step in setting the CIL rates for Eastbourne, and allowed stakeholders to comment on the proposed rates, which were supported by evidence on development viability. The PDCS set out the general explanation of CIL, the background to its preparation and the methodology used to determine the proposed CIL rates. It was considered that the proposed CIL rates would be resistant to market and policy changes, as they were set at an appropriate amount that was viable with the current economic climate. CIL monies could be spent on any community infrastructure required to support growth, provided the infrastructure was on a council published 'Regulation 123' list. The draft list would be available for comment alongside the PDCS. The proposed CIL charging rates were as follows:

	CIL rate £/sq. m.
Residential uses:	
<i>Brownfield sites:</i>	
Low value area	0
High value area	45
<i>Greenfield sites:</i>	
Low value area	45
High value area	75
Non-residential use	
<i>Retail (A1-A3)</i>	100
<i>All other non-residential uses</i>	0

19.5 A plan showing the CIL charging area and residential charging zone boundaries was appended to the report. The Council was required to undertake a 6 week consultation. As this was considered to be a technical consultation it would be targeted at specific stakeholders and infrastructure providers. The consultation was timetabled for 19 July to 30 August 2013. It was planned to bring the final draft PDCS back to Cabinet later this autumn. Following approval, the document would be submitted to an independent examiner for consideration. It was anticipated that a public examination could take place in early 2014.

19.6 **Resolved (key decision):** (1) That the CIL preliminary draft charging schedule be approved subject to amendments to highlight cycling infrastructure needs and clarify certain wording in relation when the levy would be payable (paragraphs 2.5 and 2.6 of the draft).

(2) That the Senior Head of Development be authorised to finalise the wording of the CIL preliminary draft charging schedule and, in consultation with the lead Cabinet member, undertake targeted consultation for a 6 week period.

***20 Parking at development in Eastbourne and local sustainable accessibility improvement contributions supplementary planning guidance (SPG)**

20.1 Ms Abby McNally (on behalf of Bespoke) addressed the Cabinet welcoming the guidance and seeking improved cycle parking provision. The Senior Head of Development responded that the East Sussex County Council (ESCC) standards for residential cycle provision had increased, however the standards for commercial development had remained at the previous standard. There would however be cycle provision provided in the public areas where demand dictated to supplement on site provision required by the ESCC standards.

20.2 Cabinet considered the report of the Senior Head of Development. ESCC as highway authority provided advice to Eastbourne Borough Council on highways issues in planning applications, including the provision of parking at new development. This advice was guided by ESCC's 'Parking Standards at Development' supplementary planning guidance (SPG). The original guidance, dating from 2002 and amended in 2004, had previously been adopted by the borough council but had now been rescinded by ESCC as new guidance had been approved. The new car parking standards took into account local factors in determining appropriate levels of parking provision, whilst still balancing the need for parking and car use against the need to encourage more sustainable modes of travel. As the original SPG was no longer used by the county council to provide advice on parking at development, it should also be formally revoked by the borough council to avoid confusion.

*20.3 **Resolved (key decision):** (1) That full Council be recommended to revoke the 'Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions' Supplementary Planning Guidance (2004).

(2) That the Senior Head of Development write to East Sussex County Council seeking improved cycle parking provision standards for commercial developments.

21 Annual accounts 2012/13 (Cabinet, 11 July 2013, page no. 75, minute no. 24)

21.1 Cabinet considered the report of the Financial Services Manager presenting the annual accounts and final budget outturn figures for 2012/13 for the information of the Cabinet. Under the Accounts and Audit Regulations 2011 the deadline for the Council to approve the annual account was 30 September, after the external audit had been completed. The responsibility for this approval had been delegated to the Audit and Governance Committee. Councillor Mattock expressed her appreciation for the work undertaken by the Financial Services Manager and her team for their work in presenting the annual accounts.

- 21.2 A report to the Cabinet meeting on 29 May 2013 had set out the provisional outturn for 2012/13. The forecast was for a credit variance of £57,000 on service expenditure. Since that time the work on closing the accounts had been completed and the final outturn confirmed. The outturn formed part of the statement of accounts presented to the Audit Committee for approval on behalf of the Council on 26 June 2013. The general fund final outturn was a credit variance of £54,759 and was closely in-line with the provisional outturn forecast.
- 21.3 There had been no change to the figure previously reported to the Cabinet in respect to the housing revenue account outturn. The final net expenditure for the year was £178,000 a variance against budget of £16,000. The general fund balance at 31 March 2013 was £3,919,004. Details of other reserves were included in the accounts. In addition to the transfers to and from reserves as approved by Cabinet on the 29 May 2013 a transfer of £643,721 was made to the capital programme reserve in line with the budget strategy representing the variance on capital financing costs. This included savings on external interest payable due to the continued use of internal balances and the actual timing of capital spending incurred compared to the expected cash flow profile. A provision of £78,000 was set up to cover the potential future liability relating to mesothelioma claims.
- 21.4 The housing revenue account balance as at 31 March 2013 was £2,178,762. In addition to the transfers to and from reserves approved by Cabinet on 29 May 2013 a transfer of £298,020 had been made to the housing regeneration and investment reserve in line with the budget strategy and the 30 year housing business plan. This represented the variance between the budgeted and actual depreciation allowance. The final capital expenditure for the year was £12.3m compared to a revised budget of £12.4m; a variance of £127,000 or 1%.
- 21.5 **Resolved (key decision):** (1) That final outturn for 2012/13 be noted.
(2) That the transfer to reserves and provisions summarised above (and as set out in paragraphs 2.3, 2.4 and 3.2 of the report) be approved.

22 Medium term financial strategy 2013/17 (Cabinet, 11 July 2012, page no. 77, minute no. 25)

- 22.1 Councillor Ansell address the Cabinet seeking an assurance that council tax amounts would not rise in future. The Chairman responded that no decision had been made regarding future levels of council tax.
- 22.2 Cabinet considered the report of the Chief Finance Officer setting out the overarching financial strategy to support the Council's strategic priorities and plans over a four year period. The medium term financial strategy informed the Council of the challenges ahead and took note of how on-going

Council strategies were delivering necessary savings. The strategy was updated annually on a rolling basis. The main risks arising from the strategy and actions to manage them were given in appendix 1 to the report together with a summary of the strategy in appendix 2. Over the life of the current parliament the coalition government would have effectively reduced the general support to the Council by some 40% in cash terms which equated to 50% in real terms.

22.3

The strategy:

- Took into account further reductions in government support of 12%.
- Assumed no real terms increase in council tax.
- Assumed a flat council tax base over the cycle
- Assumed growth in retained business rates of 1% per annum.
- Targeted recurring savings rising to £2.1m over the next 3 years.
- Modelled further benefits realisation from the DRIVE programme of £1.2m per annum.
- Assumed savings in procurement rising to £0.3m per annum.
- Followed a priority based budget system to preserve front line services.
- Targeted further efficiency savings to be realised of £0.6m per annum from services and/or new income streams.
- Allowed for £0.6m of annual growth in the capital programme.
- Preserved reserves above the minimum levels.
- Continued to zero base reward grants, to allow investment as and when received.
- Provided resources to honour nationally agreed pay awards.
- Made allowances for increases in national insurance contributions and increased costs due to pension auto-enrolment.
- Allowed funding for unavoidable growth in service costs of £200k per annum.
- Maintained a strategic change fund (c£1m) to support DRIVE and invest to save.
- Maintained an economic development reserve (c£0.5m) to recycle new homes bonus allocations into the local economy.
- Maintained a repairs and maintenance reserve to support asset management (c£1m).
- Kept a revenue contingency to meet unforeseen expenditure/loss of income at around 2% of the net budget (£300k).

Full details and analysis were given in the report.

22.4

Resolved (key decision): (1) That the updated medium term financial strategy 2013-17 as summarised in appendix 2 to the report be approved.

(2) That the balance of assumptions made in the strategy be agreed and that the strategy be brought back to Cabinet if there are material changes to the balance of assumptions prior to the 2014/15 budget setting.

(3) That the emerging budget proposals for 2014/15 be brought to Cabinet in December prior to detailed consultation.

(4) That the principal risks of the strategy in appendix1 to the report be agreed.

23 Sustainable service delivery strategy programme – implementation of the Future Model phase 2 (Cabinet, 6 February 2013, page no. 286, minute no. 94)

(Councillor Mattock in the Chair for this item)

- 23.1 Cabinet considered the report of the Deputy Chief Executive reviewing the implementation of phase 1 of the Future Model and seeking approval to the business case and implementation of phase 2. The report gave a summary of the purpose of the strategy and steps taken to date and the decision to proceed with phase 1 of the programme taken in April 2002.
- 23.2 Phase 1 had now largely been successfully delivered. The programme had over performed in terms of delivering benefits (c£560,000 against £538,000 estimated) and was within the approved cost envelope. It had also been hailed as a success with the new Customer First structure proving to be an effective and popular innovation. Lessons learnt in phase 1 were highlighted and would be taken into account in delivering the second phase. The processes and/or teams that were considered to be in scope of the business case for phase 2 were:
- Corporate management team/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
 - Sports and leisure
 - Finance – payments and income
 - Finance – procurement
 - Digital mail room
 - Customer contact activity currently carried out by Capita for revenues and benefits
 - Asset management

This was a bigger list than previously envisaged and would mean that all material parts of the organisation that interacted directly with residents, visitors and customers would have been moved into the Future Model by the end of phase 2. The only notable exception to this were services where either there were other change related plans already in place (e.g. Devonshire Park) or where the Council might want to make alternative plans within the Future Model architecture. In addition work had been undertaken to examine the case for inclusion of Eastbourne Homes Limited (EHL) within

- phase 2.
- 23.3 The detailed analysis for phase 2 had now indicated annual efficiency savings of £1.5m. This figure could be split into staff related savings of £1.2m with a further £0.3m in property and ICT related savings. Further details of the breakdown of these efficiencies were given in appendix 1 to the report. In order to deliver these efficiencies there was a need to continue investment in both technology and support. The total budget proposed for the implementation of phase 2 was £2.89m. This cost was also broken down in detail in the appendix. In addition, a contingency/ miscellaneous budget within the programme for items such as uniforms and unforeseen developments would take the total budget to £2.99m.
- 23.4 A summary table showing the net present value of the project using the Treasury's 'Green Book' principles was shown in Appendix 2 to the report. In cash flow terms the project paid back in less than two years. The programme would be largely financed via the capital programme, with non capital items being funded from revenue. The revenue financing would come from the strategic change fund, and the housing revenue account, apportioned based on activity. The medium term financial strategy allowed for schemes returning a saving in excess of the cost of capital to be included in the capital programme based on a business case. The net present value of the scheme over 5 years shows a return on investment of £2.2m.
- 23.5 The detailed business case for phase 2 showed an anticipated staffing reduction in overall FTE (full time equivalent) of c.19%. This was consistent with the c.21% reduction in phase 1. Implementation of phase 2 was expected to be over a minimum of 18 months in order to take account of the enlarged scale. It was proposed to continue with the same governance arrangements as for phase 1.
- 23.6 The selection of key strategic delivery partners was a crucial feature of the programme's success to date. The Council had identified Civica (along with their partner Ignite) as its preferred delivery partner, subject to appropriate procurement processes. A large proportion of the programme costs consisted of new technologies to support multi-skilled staff, both in and outside the office, along with the services to implement these tools. The implementation services included business process re-engineering support to define how the technology needed to be configured to support the new processes. Other services included programme management, change management and organisational design, to ensure the right structures were put in place to support the new processes.
- 23.7 Extensive consultation with UNISON and staff internally and with external stakeholders had been carried out around both the SSDS generally and phase 1 specifically. This would continue under phase 2 and would become more detailed as the new organisational design was developed.
- 23.8 **Resolved (key decision):** (1) That the success of phase 1 Future Model

programme be noted.

(2) That the business case and outline implementation plan for phase 2 of the Future Model be approved.

(3) That Cabinet acknowledge the customer and economic value of aligning the activities of Eastbourne Borough Council and Eastbourne Homes Limited (EHL) and approve the commencement of discussions to facilitate this outcome, while retaining EHL as a viable arms length management organisation.

(4) That the programme, resources and budgets outlined in the report be approved.

(5) That the procurement approach outlined in the report, including the exceptions to contract procedure rules, be approved.

(6) That the Deputy Chief Executive be given delegated authority in consultation with the DRIVE Programme Board to run the programme within the allocated resources, reporting to Cabinet quarterly on progress, or for exceptions.

(7) That the Chief Finance Officer be given delegated authority to determine the appropriate allocation of costs against revenue and capital funds.

Note: See minute 17 above as to disclosure of personal (and non-prejudicial) interest by Councillor Tutt.

24 Towner - transfer to charitable trust (Cabinet, 14 December 2011, page no. 222, minute no.79)

24.1 Councillor Warner asked the Cabinet about the maintenance arrangements for the Towner following transfer to charitable trust status. The Senior Head of Tourism and Leisure replied saying that the future repair and maintenance of the building would be a matter for further discussions with the trust board, however, given the fact that as a charity, the trust would no longer be able to reclaim VAT, there would be an advantage in the Council retaining this responsibility with a compensating reduction in the level of financial grant support that the trust might receive from the Council in the future.

24.2 Cabinet considered the report of the Senior Head of Tourism and Leisure. A review of the funding and governance model for the long term sustainability of the Towner had commenced in 2011. With funding made available by the Arts Council, Susan J Royce and Dawn Langley, had been appointed to undertake an independent '360 degree' review of the Towner, to assess its management and sustainability. The results confirmed the need to develop a strategic business plan and put in place governance and senior management to enable the gallery to operate as an independent entity.

- 24.3 Three options were considered as part of that review:
- Status quo – Towner operating as a department of Eastbourne Borough Council.
 - Independent trust - a charitable company limited by guarantee or a charitable incorporated organisation.
 - Independent Trust - part of Devonshire Park/Eastbourne Arts Trust.

The review concluded that the appropriate solution both for the Towner and Eastbourne Borough Council was that the gallery become an independent charity with strengthened links to its funders and other cultural organisations within the locality. The model was believed to offer the best foundation for success in achieving local priorities, delivering social impact and increasing sustainability long term. The links into operational and governance partnerships with the Devonshire Park Project would be considered at a future stage.

- 24.4 In December 2011 the Cabinet recommended that Towner proceed to trust status. Further research had since demonstrated that this approach remained the most viable and sustainable. Other options had also been considered and discounted as explained below:
- Philanthropic Model - a donor-based, underpinned operation, unlikely, in the current economic climate. Towner did not yet have a sufficiently high profile or pipeline of appropriate donors and Trustees.
 - Transfer to a commercial operator – A complex option which would destroy the current funding streams in support of community gallery / activities model. Gallery space was also limited and commercial income streams were not as yet established.

To further validate the approach, artistic organisations operating as trusts had been interviewed in January/February 2013. Each institution contacted, indicated a business growth in market led decision making, higher performance management and support for the trust model. These views were further underpinned by the proposed strategic plan for Devonshire Park.

- 24.5 The report detailed the necessary corporate structure, governance arrangements and board structure. It was proposed that the Towner would be established as a charitable trust with a separate trading company limited by guarantee. This was a recognised corporate charitable model, owned by its stakeholders, controlled by trustees and would be a legal entity with full financial and contractual capabilities offering limited liability protection. To maximise the opportunities within the current tax and VAT regulations, the trust would establish a separate trading company for its income generation activities. All profits derived from the commercial trading subsidiary would be 'gifted' for the purposes of tax efficiency, to the charity to support the activities of the organisation. The trust will be managed by an independent board of trustees, some of whom would be directors of the trading company. External advisors would be required to set up the trust and trading company and provide independent advice to both parties on the

- legal, finance, VAT and pension implications. The creation of a shadow board would enable the Council to enter into negotiations prior to the establishment of the charity, in order for the various agreements around funding, lease, back office and licenses to be finalised. The main trust board of between 7 and 9 members would be structured with a chair, Council nominated trustees and other independent trustees. The trustees would be expected to include representatives with skills and specialist knowledge in the arts, commercial, finance and fundraising sectors. Recruitment for the key position of chair was in progress and would be undertaken through an open and transparent advertising and appointment process. A fundraising and audit committee would be set up as sub committee reporting to the main board.
- 24.6 In the short to medium term, Council funding for the Towner was budgeted at £676,000 for 2014/15. Whilst it was anticipated that the Council would enter into a fixed term funding agreement with the trust to provide certainty of funding and therefore the optimum environment for successful transition to independence, the intention was for this subsidy to reduce over time, to a sustainable figure reflecting the challenges faced by the Council and the increased commercial viability of the gallery. The impact of transfer to a charitable trust on non domestic rates, value added tax and potential lease arrangements was highlighted.
- 24.7 The current Towner collection would remain the property of the Council, but be loaned on a long term lease/licence – in line with the building (20 years) to the trust. The collection had recently been re-valued for transfer and insurance purposes, at £23 million. The trust would own future acquisitions.
- 24.8 At this stage, it had been concluded that the services of human resources, accountancy, payroll and IT would be best obtained independently by the trust from commercial organisations. A full time finance manager would be employed in-house for the day to day financial management and the arrangement would be reviewed with the Devonshire Park project to take advantage of economies of scale and joint commissioning if the adjacent venues also transferred to independence. The greater emphasis on cost reduction and income generation required the roles of finance and fundraising to be prioritised. Unison would be consulted as part of the TUPE consultation process subject to Cabinet approval. Currently, there were 14 employees at the Towner in the local government pension scheme (LGPS) (just over half the core staff). The trust must provide transferring council staff with access to either the LGPS or other approved comparable scheme. The full cost implications had yet to be determined.
- 24.9 In consideration of the report's recommendations, 3 options were identified:
- Operate within the existing funding model – would conflict with current Arts Council England (ACE) funded business practice and jeopardise future funding from this source.
 - Continue with the existing model until completion of the Devonshire Park review and recommendations. However, timing was not clearly

defined and a risk of previous ACE grants to facilitate the transfer to trust being reclaimed.

- Transfer to trust 1 April 2014. Eastbourne Borough Council to maintain funding levels as outlined in the business plan, whilst additional funding streams were identified and captured.

24.10 The factors which had influenced the report's recommendations were:

- Continued government cuts to the arts and the need to seek philanthropic donors not attracted to local authority funded organisations.
- The need to enhance the creative, business executive functions and skills of the gallery to enable it to flourish in the voluntary sector.
- Artistic and financial imperatives to enhance reputations and profit for funding opportunities.
- Borough Council requirement to enhance the community experience and assist in developing the wider Devonshire Park and cultural tourism strategy.
- Demand for funded organisation to have a vision and objectives which are clear, measurable, robust and sustainable.
- The Towner would provide a guide/blueprint for lessons learnt to inform the Devonshire Park project. It was proposed to liaise closely with the consultants working on the Devonshire Park to ensure potential synergies etc. were optimised.

24.11 **Resolved (key decision):** (1) That the Senior Head of Tourism and Leisure be authorised, in consultation with human resources, finance and legal, to establish the protocols and structures to enable the staff and gallery to transfer to the management and governance of an independent charitable trust.

(2) That the date of transfer to charitable trust status is effective from 1st April 2014.

25 Save the Pub Group council survey

25.1 Councillors West and Jenkins addressed the Cabinet supporting the all party group's campaign and urging the local member of parliament to lobby government. The Chairman confirmed that he had raised this matter with the MP who was already taking action to support the campaign.

25.2 Cabinet considered the report of the Senior Head of Development. The All Party Parliamentary Save the Pub Group sought to preserve and protect the British pub. The group is an all party group of MPs and peers all committed to protecting and promoting pubs which it believed were vital community institutions and were part of the country's national heritage.

25.3 The group was campaigning at a national level for the government to close current loopholes that left councils powerless to support pubs in some

- cases. For example, pubs could be demolished or have their use changed to A1 (shops), A2 (professional and financial services) and A3 (restaurants and cafes) without planning permission. A recent survey by CAMRA (Campaign for Real Ale) found that over 200 pubs had been converted to supermarkets since January 2010. The group was calling for pubs to be made 'sui generis' (to have their own use class category), removing permitted development rights, so that any change of use of a pub would require planning permission.
- 25.4 'Saved' policy LCF24 of the Eastbourne Borough Plan, 'Redevelopment of Public Houses', acknowledged that in many communities the local public house had an important role to play as a meeting place and venue for community events. It was therefore appropriate, that proposals for the loss of a public house to other uses (other than A1, A2 or A3 uses for which the Council had no control), should be carefully assessed to ascertain their impact on the wider community. Policy LCF24 therefore required any proposal for the loss of a public house to demonstrate that it was not financially viable and that compensatory provision would be made within the immediate area for continued community use. If members wished to retain this policy approach to protecting public houses, then a policy would need to be included in the Development Management Local Plan that was scheduled for preparation later this year.
- 25.6 Following the recent plans by Sainsbury to convert The Drive public house in Old Town into a supermarket, the Council had considered making an Article 4 direction. Such directions might be made in exceptional circumstances where a clear justification existed for restricting permitted development rights and the situation was one where it was considered necessary to protect the local amenity or well-being of an area. A direction would not prevent development from taking place but rather would require planning permission to be sought for it. In addition, if permission was refused for a development that would normally be acceptable under permitted development rights were it not for the direction then the council might be liable to pay compensation. Following legal advice, it had not been considered appropriate to pursue an Article 4 direction in respect of The Drive pub. It was however considered appropriate to support the Save the Pub Campaign's proposal to make pubs 'sui generis' which would remove permitted development rights so that any change of use of a pub would require planning permission. Cabinet was therefore asked to support the campaign and agree that the responses contained in the survey form appended to the report should comprise the Council's formal response to the Campaign's consultation to protect and support local community pubs.
- 25.7 Members were advised that the premises had a covenant in favour of the Council. The covenant required the Council's consent – consent which could not unreasonably be withheld - for the site to be used to trade as anything other than a hotel or public house. Consequently the Council had recently written to Sainsbury to make them aware of the covenant and pointing out the requirement for them to have the Council's approval to the variation in

user before they could trade.

25.8 **Resolved:** (1) That Cabinet supports the All Party Parliamentary Save the Pub Group's efforts to preserve and protect the British pub and approves the response to the survey that is attached to the report.

(2) That in relation to The Drive public house, the Council take all possible steps, subject to legal and financial constraints, to ensure that the covenant in favour of the Borough Council is adhered to.

Note: See minute 17 above as to disclosure of disclosable pecuniary interest by Councillor Tester.

26 Welfare reform initiatives

26.1 Councillor West addressed the Cabinet in support of this initiative.

26.2 Cabinet considered the report of the Senior Head of Community seeking agreement to a joint project with Lewes District Council to develop initiatives that mitigate the impact of the government's welfare reform changes. Lewes District Council had commissioned FutureGov, a specialist consultancy, to undertake a project in autumn 2012 to work with local residents and stakeholders to build a picture of how people were coping financially. From that research, FutureGov had identified a number of projects Lewes District Council could deliver, either on their own or with partners, to help residents during a time of financial pressure. Lewes District Council had offered Eastbourne and other East Sussex councils the opportunity to participate in future project developments. Details of a number of potential projects and initiatives were given in the report and included collaborative work with the East Sussex Credit Union and Citizens Advice Bureaux.

26.3 FutureGov had already secured £50,000 funding to run one project (Popcash) and a further £60,000 match funding to run other projects. Lewes District Council had agreed to fund £20,000 and Eastbourne and East Sussex County Council had been offered the opportunity to participate on the basis that each contribute £20,000. Other organisations such as CAB and Brighton Housing Trust would contribute staff time.

26.4 **Resolved:** (1) That the project development be noted.

(2) That funding of £20,000 be agreed to deliver the specific projects as contained within the report.

***27 Human resources strategy** (Cabinet, 8 July 2009, page no. 65, minute no. 32)

27.1 Cabinet considered the report of the Head of Corporate Development. The human resources strategy was the overarching strategic framework by

which the Council's HR team would support the organisation in achieving its long term business goals and outcomes. It was underpinned by a comprehensive suite of HR policies and procedures. The existing strategy was approved in 2009 and now required updating to reflect current corporate plan priorities and, in particular, the objectives in the sustainable performance priority theme relating to the ongoing transformation journey through DRIVE and Future Model.

- 27.2 The revised HR strategy was appended to the report. The key priorities identified for the period 2013 – 2015 were:
- Develop and promote a performance management culture across the Council.
 - Build capacity and capability within the Council.
 - Ensure fit for purpose structures, job designs and reward.
 - Deliver a core HR function with increasing focus on adding and creating value for our customers.
 - Customer service.

- *27.3 **Resolved (key decision):** That the new human resources strategy be approved and that full Council be recommended to adopt the strategy and its application to the Council's workforce.

28 Calendar of meetings – May 2014

- 28.1 Cabinet was asked to change the date of their meeting in May 2014 to ensure avoid half-term. It was proposed that the date be moved back 2 weeks to 14 May 2014 (instead of 28 May).
- 28.2 **Resolved:** That the Cabinet meeting be held on 14 May 2014 (instead of 28 May).

29 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 the above minute or beneath the item below. *(The requisite notices were given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

30 Alternative employment procedure (AEP)

- 30.1 Cabinet considered the report of the Human Resources Manager. As at the time of the meeting 5 employees were currently within the scope of the procedure. The Human Resources team was working with the Corporate Management Team to identify suitable vacancies within the Council and otherwise provide support to those under threat of redundancy.

30.2 **Resolved:** That action taken to support, redeploy and assist with self-marketing under the AEP and the use of the AEP in managing the change resulting from implementation of phase one of future model be noted.

*Notes: (1) Exempt information reasons 1 and 2 – information relating to an individual or likely to reveal the identity of an individual.
(2) The minute was declared open, but the report and discussions thereon remain confidential.*

The meeting closed at 8.34 pm.

Councillor David Tutt
Chairman

(der\P:\cabinet\minutes\13.07.10)