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| Report to     | - | Council                          |
| Date          | - | 18 December 2017                 |
| Report of the | - | Cabinet                          |
| Subject       | - | References from Cabinet Meetings |

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The Council is asked to consider recommendations arising from the Cabinet meetings held on 2 October, 6 November, 4 December and 18 December 2017 (as set out below).

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## **CABINET – 2 October 2017**

### **CB17/28. INCOME GENERATION AND ASSET MANAGEMENT PLAN**

Consideration was given to Minute OSC17/21 arising from the Overview and Scrutiny Committee meeting held on 11 September 2017 which updated Members on actions in support of the Council's Asset Management Plan (AMP), set out recommendations regarding the future delivery of the AMP and the required resources to achieve the Rother 2020 programme income target of £600,000 per annum.

The report updated Cabinet on disposals and devolvments, current land and property assets and set out a draft strategy and a series of recommendations to generate additional income through investment property assets.

Cabinet noted that the income generated from the investment property strategy would be used to secure future services. It was likely that there would be limited suitable investment property in the district, therefore investment opportunities within a 90 minute drive would be considered for this purpose. Social community benefit and adding to an assets value was important for Rother residents, however assets that would bring community benefit such as housing development and affordable housing would be looked at separately and Members noted this investment strategy did not stop the Council purchasing other operational and non-operational assets of community value.

The Executive Director of Business Operations updated Cabinet on the acquisition of 28-36 Western Road, Bexhill. In February 2017, Cabinet had authorised officers to make an offer up to an agreed value to purchase the premises for regeneration purposes (Cabinet Minute CB16/78 refers). The Council's original offer was unsuccessful, however the sale had since fallen through and the premises were being offered again for sale by auction. Officers had been unable to establish why the previous sale had not been completed, although Members noted that it was not a straight forward matter as there were a number of issues around leases and rents, which the Council had established prior to the sale. After discussion, Members agreed that they were satisfied that officers continue to pursue the purchase of the premises, in line with the original approval.

**RECOMMENDED:** That:

- 1) a proposed decision-making structure and Terms of Reference for the acquisition of investment properties be developed by Cabinet and approved by full Council and legal position clarified;
  - 2) an initial budget of £7m for acquisitions of investment properties be approved;
- the Property Investment Strategy at Appendix 4, to the report, be approved as submitted.

AND

**RESOLVED:** That:

- 3) Parts A & B of the report as submitted to the Overview and Scrutiny Committee be noted;
- 4) the appointment of a development surveyor to bring forward Council-owned sites be approved; and
- 5) the previous resolution in relation to 28-36 Western Road be reaffirmed.

(Cabinet Agenda Item 6.1)

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**CABINET – 6 November 2017**

**CB17/35. MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2022/23**

Cabinet received and considered Minute OSC17/28 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 16 October 2017 that had considered the Council's Medium Term Financial Strategy (MTFS). The MTFS set the financial framework for the next five years and would be modified as the financial situation of the Council changed during that period. It was important that the MTFS supported the delivery of the Council's aims and objectives as set out in the Corporate Plan. The OSC's views had been sought on the Council's new MTFS 2018/19 to 2022/23 and the following points were brought to Cabinets' attention:

- Revenue Support Grant (RSG) and News Homes Bonus Grant (NHBG): Immediate concern for the Council was the Government's withdrawal of the RSG, as well as the potential to remove the NHBG by 2019/20. Therefore forward planning would be essential to ensure that any funding gap was met.
- Business Rates: In September, the Government announced that they were expanding the 100% retention in business rates council pilot schemes to two tier areas. Discussion had been held between the councils to consider the re-establishment of the East Sussex

Business Pool (ESBP) and, in particular volunteering to be a pilot area. The pilot scheme was not supported however, if financially sensible, re-establishment of the ESBP would be made in early 2018. The revaluation of business rates came into effect in April 2017; the amount under appeal for Rother and the trend for settlement rates were currently not known and therefore making provision for appeals would be difficult.

- Council Tax: If Council Tax was increased by £5 per annum (maximum below the referendum rate) then an additional £1.1m of income would be achieved on the 2017/18 tax base.
- Council Tax Reduction Scheme: Following discussions across the county, it was proposed to maintain the current scheme and develop a new simplified scheme for 2019/20 onwards. Options for the new scheme would be developed in partnership with the East Sussex councils. A consultation period would commence during summer 2018 for final approval in December 2018. It was assumed that the amount of relief given would be similar to what was currently granted.
- Property Investment Strategy: In December, the Council would be considering adopting a Property Investment Strategy to deliver an annual financial return of approximately £350,000 to support the Revenue Budget based on the £7m initial investment.
- Inflation: Expected to rise during 2018/19 (CPI 3% and RPIx 4%). It was noted that the recent rise in interest rates would have little impact on the Council's investment with inflation remaining at 3%.
- Pay Inflation: £89,000 additional income would be required should a 1% increase be applied in 2018/19.
- Funding Gap: Rother 2020 Programme had been developed to support the MTFS. The Programme formed the basis of the Sustainability and Efficiency Plan and described how the Council would be operating by 2020. The Programme mirrored the Government funding settlement and was a requirement to secure funding and would seek to meet the forecast funding gap of £1.7m by 2021/22. The main work streams within the plan were all underway, some of which would require investment and had been reflected in the Capital Programme. An additional £100,000 had been secured from the Council's investment of surplus cash with the Churches, Charities, Local Authorities' (CCLA) Property Investment Fund. It was anticipated that the Revenue Budget would be in surplus by 2021/22 should the 2020 Programme deliver planned income and savings; if not further use of reserves was likely. To achieve a balanced budget over the next three financial years, £1.229m of reserves would be required. Members would be kept abreast of any developments.
- Capital Programme: The Capital Programme had been updated to reflect the initial investment requirements for Rother 2020 and the Property Investment Strategy of £7m. The Programme included the following projects: Bexhill Leisure and Swimming Centre; Rother 2020 ICT Investment; Community Housing Funding; Waste Contract; and Project Property Assets Sales which would require some external capital funding. Future funding would need to focus on a multitude of different sources including grants, community infrastructure levy, internal and external borrowing.

- Reserves: From April 2017, the Council had £14.9m of Earmarked Reserves (£5.6m related to the MTFS Reserve) and £2.5m of Capital Reserves.

The MTFS highlighted the challenges the Council continued to face due to the reduction in central Government support. The Rother 2020 Programme was designed to meet this challenge and see the Council achieve financial sustainability. The level of Council reserves was an enabler to ensure the MTFS was delivered over the next five years despite the uncertainty beyond 2019/20.

Cabinet was supportive of the Council maintaining its policy of maximising the annual increase in Council Tax within the Government's referendum limit.

**RECOMMENDED:** That revised Capital Programme at Appendix C to the report be approved.

AND

Cabinet also **RESOLVED:** That

- 1) the financial considerations considered in the report be reflected in the Council's Medium Term Financial Strategy; and
- 2) the Council maintain its policy of maximising the annual increase in Council Tax within the Government's referendum limit.

(Cabinet Agenda Item 6.2)

## CB17/36. **STRATEGY AND PLANNING DELEGATIONS**

Consideration was given to the report of the Executive Director of Business Operations which detailed proposed changes to the Council's Scheme of Delegation, primarily in relation to planning policy matters which fell under the remit of executive decision making and which were regarded as necessary to maintain proper and efficient service operations. There were also a number of delegations that flowed from the Planning Committee and it was noted that the Planning Committee would also be receiving the same report to endorse those elements.

The proposed changes were mainly a consequence of new legislation, firstly in relation to neighbourhood planning procedures and, secondly, in response to the duty imposed on councils to prepare and maintain a 'Brownfield Land Register' for their area and, following that, to consider whether a new 'permission in principle' and a related 'technical details consent' should be granted for sites.

Delegations for other planning policy functions had also been reviewed as part of the 'lean working programme' and whilst most were found to be suitably covered by existing arrangements, the opportunity had also been taken to incorporate the management of a small conservation grants fund (£30,000) into the Scheme of Delegation.

With regard to the Neighbourhood Planning delegation, it was proposed to formalise current practice in terms of giving officers delegated authority to advise and comment on Neighbourhood Plans up to the pre-submission stage, including providing SEA Screening Opinions; but that submission Plans would continue to require referral to Cabinet (but not Full Council) for authority to make representations.

In order to meet the target for consideration of an examiner's report, it was proposed that this be delegated to the Executive Director of Business Operations (or his nominated representative), in consultation with the Cabinet Portfolio Holder for Planning, except where it was not proposed to accept the examiner's recommendations unless agreed with the relevant Town/Parish Council, or where it was proposed by the examiner that the Plan was not put forward to referendum. In these situations, the examiner's report would be referred to Cabinet.

Following representation from a Member of the Council, it was noted and agreed that the delegation in relation to Neighbourhood Planning be amended to include in consultation with the local Ward Member(s) and not just the Cabinet Portfolio Holder. Whilst information was published on the Council's website concerning the progress of developing Neighbourhood Plans, it was requested and agreed that progress reports and when delegations were used would be advised via the Members' Bulletin.

**RECOMMENDED:** That the functions listed in Appendix A be approved as amended, and incorporated into the appropriate sections of the Council's Constitution and the Scheme of Officer Delegations be amended accordingly, subject to the concurrence of the Planning Committee, where appropriate.

(Cabinet Agenda Item 7.1)

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## **CABINET – 4 December 2017**

### **CB17/44. COMMUNITY GOVERNANCE REVIEW OF BEXHILL – FINAL RECOMMENDATIONS AND MINORITY REPORT**

Cabinet received and considered Minute OSC17/32 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 November 2017, the comprehensive background report that detailed the outcome and the analysis of the Community Governance Review (CGR) consultation results and the Minority Report received from Councillors Clark, Earl and Mrs Prochak.

The four options that were consulted on during the CGR were:

- i) Option 1: no change
- ii) Option 2: the creation of one parish council for the whole of Bexhill (to be styled as a town council)
- iii) Option 3: the creation of an Area Committee for Bexhill.

- iv) Option 4: the creation of four parish councils – North, East, South and West Bexhill, based on the current (May 2017) East Sussex County Council Divisional boundaries.

The CGR Steering Group had recommended that all four options be put forward to Cabinet and full Council to enable a full and thorough debate without any steer or influence from the OSC or Cabinet. The OSC had endorsed this recommendation.

Members noted that the cost of town council option could not be precisely stated as there were a variety of services that a third tier of local government could offer. The key factor would be what services the proposed option would provide.

Cabinet agreed that all four options be put forward to full Council at its meeting on 18 December 2017; it was considered essential that the possible creation of an additional tax raising body was debated by all Members of the Council. Members agreed that all options needed a full and thorough debate at Council before a decision was made.

Cabinet were reassured that all the relevant information was available on the Council's website and would be made available to all Members of the Council for the full Council meeting in December to assist the debate.

The Leader of the Council thanked the Chairman of the CGR Task and Finish Group for his due diligence and hard work managing the Community Governance Review process.

**RECOMMENDED:** That the following four options be fully debated and for the final recommendation to be determined:

- i) Option 1: no change
- ii) Option 2: the creation of one parish council for the whole of Bexhill (to be styled as a town council)
- iii) Option 3: the creation of an Area Committee for Bexhill.
- iv) Option 4: the creation of four parish councils – North, East, South and West Bexhill, based on the current (May 2017) East Sussex County Council Divisional boundaries.

(The Leader had accepted the Minority Report onto the Agenda as an Additional Agenda Item (6.3) in order for the Cabinet to consider the Minority Report alongside the substantive report on this matter.)

(Cabinet Agenda Item 6.1 and 6.3)

## CB17/45. **PROPERTY INVESTMENT PANEL – TERMS OF REFERENCE**

In October 2017, Cabinet referred a recommendation to Council that an initial budget of £7M for acquisitions of investment properties be approved. If approved by Council at its meeting on 18 December, a Property Investment Panel (PIP) would be required to make

recommendations to the Head of Paid Service of those properties to be acquired. The PIP would meet as required, when properties became available and its proposed decision making structure was appended to the report for Members consideration. Members considered the Terms of Reference and added an additional recommendation that detailed the five elected Members that would form the PIP.

To enable the Council to purchase investment properties in an efficient and timely manner, it was recommended that the Head of Paid Service be granted delegated authority to purchase investment properties following approval of the PIP.

To ensure that the Council remained within its existing powers available when generating income from investment in property, advice had been sought from the Council's Treasury Advisors, Capita Asset Services and external legal advisors Bevan Brittan. It had been advised that the Council could rely on its investment powers under section 12 - Local Government Act 2003, that allowed authorities to invest both for treasury management purposes (including investment of Council funds), and for any purpose relevant to its function. Investment powers would be used on the strength of financial return irrespective of location and would be the most relevant for the Council's purposes.

The initial investment from Council reserves of £7M was proportionate to the other investments that the Council had made. It was noted that this kind of investment was a long term investment and not part of the management of day to day cash flow of the Council. Members noted that the monitoring of the investments would be performed by the Audit and Standards Committee and that it would also consider the report, in particular the governance and risk management arrangements, at its meeting on 11 December.

Should further investment beyond £7M be required, it was likely that the Council would need to borrow money and establish a separate company to undertake further investment.

**RECOMMENDED:** That the:

- 1) Terms of Reference for the Property Investment Panel as submitted at Appendix 1 be approved;
- 2) Head of Paid Service be granted delegated authority to purchase the investment properties, following approval of the Property Investment Panel, within the overall Commercial Property Investment Strategy parameters; and
- 3) Panel to comprise the following five elected Members: the Portfolio Holder for Finance, Councillors Curtis, Hollidge, Kentfield and Kenward.

(Cabinet Agenda Item 7.1)

**DEVELOPMENT OF SPORTS AND RECREATION FACILITIES AT SIDLEY RECREATION GROUND, BEXHILL**

Cabinet received and gave consideration to the report of the Executive Director of Business Operations on the development of sports and recreation facilities at Sidley recreation ground. The current skate facility at Bexhill Leisure Centre was coming to the end of its serviceable life and the development of the former Bexhill High School site, where the facility was currently located, was unlikely to have sufficient space to accommodate an improved skate park facility.

Members gave consideration to the construction of a new skate facility at the Sidley Recreation Ground, alongside the construction of a multi-use games area (MUGA) and improvements to the BMX track at this location. The location was accessible to a large catchment of children and young people and had available space to accommodate a much improved replacement skate facility.

It was proposed that the facility would be designed by experienced specialists, with input from skate park users, and would take into account any potential acoustic impact of the facility. Planning permission would be sought prior to the award of any contract to ensure that the skate park was safe for users and did not have adverse effects on those residing in the surrounding areas. It was noted that a budget of a minimum £150,000 would be required to provide a facility of suitable size and quality, including an acoustic survey. Officers would seek to secure funding from organisations such as Heart of Sidley and Sports England to supplement Council funding. Members noted that grant funding was not guaranteed but the approval of Council's support for the project would assist any application made.

At present there was not a MUGA facility in Bexhill. It was therefore proposed that an all-weather surface facility be provided at Sidley Recreation Ground to create a cluster of complementary facilities to promote active, healthy lifestyles. It was proposed that the MUGA and path to link it to the skate park and the existing access to Canada Way would be funded through the Section 106 agreement with Bovis where specific allowance of £99,970 had been made for outdoor play and recreation facilities for children and young people; this would be funded through capital receipts until the such time as the full funding was received.

In 2013, the Council had granted a 25 year lease for a BMX track in the area to Bexhill Burners BMX Club (BBBC), however, capacity and finance issues and changes in the club's committee had hindered the management of the facility. The Club had however continued to raise funds and run weekly sessions with a qualified coach.

It was noted that a Community Interest Company (CIC), that would absorb the BBBC, was in the process of being set up with a view to entering a partnership arrangement with the Council. The CIC would be responsible for specified track maintenance tasks and the development of its community use. The CIC had links with The Source in Hastings and had a business plan for the on-going operation of the track subject



to planned improvements. In the longer term, the CIC could also be involved in the operation of the MUGA and the Skate Park.

Members considered that this project would be a flagship initiative for the wider area and it was anticipated that the improvements to the facilities at Sidley Recreation Ground could, in future, attract money from external funders and these would be investigated by officers in conjunction with the CIC.

**RECOMMENDED:** That the 2017/18 Capital Programme be increased by £300,000, to meet the costs of creating a new skate park and Multi Use Games Area (MUGA), subject to planning permission and improved BMX facilities at Sidley Recreation Ground, £99,970 of which was expected to be later reimbursed through S106 contributions, capital receipts and other financial contributions through grant applications/donations.

AND

Cabinet also **RESOLVED:** That the Council enter into a partnership agreement with the new Community Interest Company incorporating Bexhill Burner BMX Club for the on-going management, maintenance and improvement of the BMX track at Sidley Recreation Ground, with potential to extend management of the new skate park and MUGA.

Prior to discussion of the next item, Cabinet was informed by the Portfolio Holder for Sport and Leisure that the Manor Gardens, which was currently maintained through a grounds maintenance contract with idverde, had won the British Association of Landscape Industries Principal Award. Members thanked both officers and those responsible for maintaining the gardens for their hard work and congratulated them on the award.

(Cabinet Agenda Item 7.2)

#### CB17/47. **LOCAL COUNCIL TAX REDUCTION SCHEME 2018/19**

Each year, the Council was required to formally adopt and review a Local Council Tax Reduction Scheme by 31 January to commence on the 1 April of that year.

No changes were proposed for the 2018/19 scheme except for some minor amendments to take into account legislative changes and amendments to certain rates in line with Government increases and Housing Benefit administration. Whilst these changes were not considered a scheme change, it was necessary to report the changes and provide a copy of the scheme to Members to enable the Council to resist any potential challenge. With the exception of amending rates, Members noted that it was not necessary to undertake a full consultation exercise. All major preceptors had been consulted and no objections had been received.

Members noted that the 2017/18 scheme had delivered additional income for the Council and precepting bodies, and it had not had a significant impact on the overall council tax collection rates. However, it was noted that collection activity had been bolstered by additional resources part funded by preceptors.

Due to the continued decline in Government funding, a new scheme would be developed for 2019/20 with an emphasis on identifying proposals that reduced the administration and complexity of the system.

Cabinet was supportive of the scheme and noted that officers would be monitoring spend reflecting the forecast in the calculation of the 2018/19 taxbase.

**RECOMMENDED:** That the:

- 1) Council Tax Reduction Scheme currently in place for 2017/18 be continued for 2018/19; and
- 2) Executive Director of Resources be authorised to make minor textual amendments and uprate premiums and living allowances when they are amended by the Government.

(Cabinet Agenda Item 8.2)

CB17/48. **PROVISIONAL REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING QUARTER 2 2017/18**

Members received and considered the report of the Executive Director of Resources on the Provisional Revenue Budget and Capital Programme Monitoring Quarter 2 2017/18. The report contained details of the significant variations of the Revenue Budget and updated Capital Programme (Appendices A and B respectively to the report).

Overall it was expected there would be an underspend on services of £0.332m. This was attributed to underspends/savings on private sector housing, Bexhill Promenade and Foreshore, partnership working, external audit fees, communications (telephone), staff costs, interest from investments and welfare grants. An additional £43,000 of income had been received in respect of the Homelessness Reduction Act.

It was noted that increases in costs in relation to collection of Council Tax and Business rates included £15,000 of additional postage costs due to the volume of post being sent and £86,000 provision for bad debt; more provision was required due to increases in precepts from all authorities, East Sussex County Council, Rother District Council, Sussex Police and East Sussex Fire and Rescue.

The council tax collection rate as at 30 September 2017 was comparable to previous years and the total collectable was currently above the original estimate and a surplus of £603,000 was anticipated by the end of year.

Whilst collection performance of Business Rates was comparable to previous years, it was anticipated that there would be an end of year deficit of £335,000. This was attributed to settlements for appeals, particularly in relation to doctor's surgeries, as well as higher amounts of relief given to small businesses.

The Capital Programme had been updated in-line with the Medium Term Financial Strategy 2018/19 to 2022/23, but did not include the Council's approved £7M (earlier minute) property investment fund. This was due to the potential impact of the Government's consultation regarding legislation changes for local authority property investments scheduled to conclude by the end of December. The estimated outturn for the Capital Programme was appended to the report as Appendix A.

Work continued to resolve the outstanding issues regarding the former Bexhill High School site land swap with East Sussex County Council. Estimated spend on Disabled Facilities Grants was £1.07m compared to £1.385m approved budget; the balance of funds would be transferred to earmarked reserves. Part of the expenditure for the new Enterprise Resource Planning System would slip into the next financial year. The project was scheduled to be launched on 1 April 2018 however it was anticipated that work would continue into 2018/19 to ensure that the Council was maximising functionality of the system. The Corporate Document Image Processing System and outsourced post room contract were scheduled to be launched and operational by end of the year. Members noted that some or all project spend on the Rother 2020 ICT investment scheme, Bexhill Leisure Centre and IT SAN replacement would continue into 2018/19.

**RECOMMENDED:** That the revised Capital Programme as set out in Appendix B to the report be approved.

(Cabinet Agenda Item 8.3)

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## **CABINET – 18 December 2017**

### **EXAMINER'S REPORT INTO THE SEDLESCOMBE NEIGHBOURHOOD DEVELOPMENT PLAN 2016-2028**

Council to receive an oral update from the Leader of the Council on the recommendations made from the Cabinet meeting held immediately prior to this Council Meeting. A copy of the report being considered by Cabinet is attached.

Councillor C.R. Maynard  
Leader of the Council