

CABINET

1 July 2019

Minutes of the Cabinet meeting held at the Council Chamber, Town Hall, Bexhill on Monday 1 July 2019 at 6:30pm.

Committee Members present: Councillors D.B. Oliver (Leader), Mrs C.A. Bayliss, J. Brewerton, C.A. Clark, K.M. Field, S.M. Prochak (Deputy Leader) and J. Vine-Hall.

Other Members present: Councillors J. Barnes, Mrs M.L. Barnes, T.J.C. Byrne, J.J. Carroll (in part), S.J. Coleman, Mrs V. Cook, P.C. Courtel, K.P. Dixon, K.M. Harmer, Mrs S. Hart, J.M. Johnson, Mrs E.M. Kirby-Green, C. Madeley, C.R. Maynard (in part), P.N. Osborne and H.L. Timpe.

Advisory Officers in attendance: Executive Director (TL), Executive Director (MJ), Head of Acquisitions, Transformation and Regeneration, Head of Housing and Community (in part) and Democratic Services Officer.

Also Present: 1 member of the press and 8 members of the public.

Publication Date: 4 July 2019

The decisions made under PART II will come into force on 12 July 2019 unless they have been subject to the call-in procedure.

CB19/9. MINUTES

(1)

The Chairman was authorised to sign the minutes of the meeting held on 3 June 2019 as a correct record of the proceedings.

CB19/10. APOLOGIES FOR ABSENCE

(2)

An apology for absence was received from Councillor Mrs D.C. Earl-Williams.

CB19/11. DISCLOSURE OF INTERESTS

(5)

Declarations of interest were made by Councillors in the Minutes as indicated below:

Mrs Bayliss	Agenda Item 9 – Personal Interest in so far as she was a Member of the Bexhill Chamber of Commerce and Tourism.
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CB19/12. TREASURY MANAGEMENT UPDATE

(7)

In February 2019, Cabinet formally approved the Council's 2019/20 Treasury Management Strategy Statement and Annual Investment Strategy, attached at Appendices A and B to the report. To manage its

treasury management activities, the Council followed the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The Council was required to operate a balanced budget, which meant cash raised during the year met expenditure. Functions of treasury management included adequately planned short and long term cash flow, as well as funding capital plans. The contribution the treasury management function made to the authority was critical, as the balance of debt and investment operations ensured liquidity or the ability to meet spending commitments on day-to-day revenue or large capital projects. Therefore it was paramount to ensure adequate security of investments, as a loss of principal would result in loss to the General Fund.

The Treasury Strategy set the external debt (borrowing) limits for the Council, which took into account short and long term requirements. The Council's capital expenditure plans were the key driver for setting these limits, namely the operational boundary (the limit beyond which external debt was not normally expected to exceed); and the authorised limit for external debt (maximum level of borrowing).

The report detailed the revised / increased capital expenditure plans / limits, particularly in relation to the property investment strategy and potential investments. These changes ensured that the Council's treasury management and investments remained robust in managing the Council's cash funds and borrowing.

Cabinet agreed that the revised authorised limit and operational boundary for external debt contained in the Treasury Management Strategy be forwarded to full Council for formal approval.

RECOMMENDED: That the revised authorised limit and operational boundary for external debt contained in the Treasury Management Strategy be approved.

CB19/13.
(10)

LAND AT NORTHIAM CAR PARK, MAIN STREET NORTHIAM

The Council owned and managed the car park at Main Street, Northiam as outlined in Appendix 1 to the report. Northiam Surgery owned by the practice partnership adjoined the car park and enjoyed rights of access over it.

The practice was reaching capacity and therefore seeking to expand its services by wishing to acquire part of the car park to extend the surgery building. The District Valuer valued the site at £30,000. A freehold sale was considered the most appropriate form of disposal because the extension would be integrated with the existing surgery building. The car park was subject to a restrictive covenant, requiring consent from Iden & Frewen Education Foundation; written approval had been received. The sale was subject to planning permission and a licence agreement would be required for the contractor's use during the construction period. Devolvement had been raised with Northiam

Parish Council, who confirmed that they did not wish to pursue this opportunity.

Cabinet agreed that the freehold of part of Northiam Car Park be sold to Northiam Surgery for the sum of £30,000, subject to planning approval and, the Executive Director be authorised to enter into a licence agreement for a temporary compound to facilitate the works.

RECOMMENDED: That the:

- 1) freehold of part of Northiam Car Park identified in Appendix 1 be sold to Northiam Surgery for the sum of £30,000; and
- 2) Executive Director be authorised to grant a temporary licence for an additional area, for use as a contractors' compound for the duration of the construction period.

CB19/14.
(11)

RESIDENTIAL DEVELOPMENT AT BLACKFRIARS

Consideration was given to the report of the Executive Director that set out the background and options for the Council's landholding at Blackfriars, Battle. The site, which measured approximately 16 hectares (40 acres), had been identified in the Council's local planning documents and Corporate Plan as a site for residential development for some years. The Council owned just over 50% of the land with the remaining comprising three areas in separate private ownership.

The Council's Planning Core Strategy (2014) identified a need for 475-500 new homes to be delivered in Battle over the plan period until 2028, assuming that a proportion of these homes would be delivered on the Blackfriars site. Complex ground conditions and costly infrastructure issues had stalled development of the site.

In February 2018, the Council was provisionally awarded £3.24m Housing Infrastructure Funding (HIF) grant from Homes England (HE). The HIF grant was integral to progressing the site. In December 2018, the Council received formal confirmation of the grant, which was subject to specific conditions. Many of the conditions were unacceptable and were likely to further stall development. Following further dialogue, HE had provided an alternative offer which stated that any surplus made over an agreed developer's profit margin must be recovered by the Council. This money would be ring-fenced and used to facilitate additional housing development within the district. These conditions were now acceptable and highlighted in HE's offer at Appendix 2 to the report. It was therefore recommended that the Council accepted the grant funding award.

To progress planning permission for the new road infrastructure, a masterplanning exercise had been undertaken including site investigation, surveys, utilities and service enquires. This had allowed the Council to outline its regeneration ambitions and development priorities including the provision of affordable housing etc. Members

were advised that a planning application had been submitted and awaited determination.

Part of the HIF grant stipulated that all landowners sign-up to a collaboration agreement, committing to joint working to utilise the new road infrastructure for unlocking their sites. Alternatively, the Council could seek to acquire these parcels of land to ensure delivery. Discussions with landowners were ongoing. The site owned by Rother had capacity of delivering 120 to 130 homes, or a larger scheme up to 220 homes should additional land be acquisitioned. This would make a significant contribution towards the Council's strategic housing requirement for the district.

The report outlined two options for delivery including details of the benefits and risks, as follows:

- **Option One:** Joint Venture (JV) with development partner, likely to be a Registered Provider (RP).
- **Option Two:** Direct delivery through the procurement by the Council of a main Contractor and professional team with delivery via Design and Build (D&B) Contract.

It was recommended that the Council pursue the first option as it was considered the safest, mitigated concerns regarding project funding and risk, as well as allowed partnership opportunities with an established RP. Legal advice would be sought to establish whether a public procurement exercise was required.

A lengthy discussion ensued on the advantages, disadvantages, risks and rewards of the Council pursuing both options. Mixed views were expressed and during the discussion the following salient points were noted:

- Should Option 1 be agreed, it would be extremely important that the Council retained 50/50 control with the RP to develop the site and that clear aims and objectives were established.
- Planning permission not being granted was considered a significant risk.
- Rejecting the HIF funding would stall development.
- Option 2 provided an innovative opportunity for the Council to take control build high quality houses/flats for the district.
- Residents would expect the Council to take an active role in progressing/developing the site.
- A suggestion was proposed that the Council sold individual plots for self-build development/opportunities.
- The Council currently did not have the capacity, expertise or resources to develop this size of project without the assistance of a development partner. In future, it was felt that consideration should be given to the Council bringing forward development of smaller projects. Options would be explored by the Overview and Scrutiny Committee, as part of their Work Programme for 2019/20.
- Important that affordable and social housing was delivered, including a mixture of shared rented / ownership properties.

- High quality design standards were considered imperative and that consideration be given to the emerging High Weald Design Guide.
- Officers were congratulated on securing the £3.24m HIF funding.

Cabinet agreed that the HIF grant be accepted and that a JV model with an RP be developed but that further information on the joint venture's Terms of Reference, aims, objectives and design standards be referred back to Cabinet before appointing a partner. The Executive Director agreed that a detailed report would be presented to a future Cabinet meeting.

RECOMMENDED: That development of a Joint Venture model with a Registered Provider to deliver residential units be approved, subject to agreement of the Terms of Reference, aims, objectives and design standards being referred back to Cabinet before appointing a partner.

AND

***RESOLVED:** That the funding offer from Homes England as attached at Appendix 2 to the report be accepted.

*The **RESOLVED** parts of this minute are subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules.

CB19/15.
(6)

HOUSING ALLOCATIONS POLICY

Members received and considered Minute OSC19/08 arising from the Overview and Scrutiny Committee (OSC) meeting held on the 10 June 2019 which considered the Council's Housing Allocations Policy (HAP) and Consultation Plan (CP).

The draft HAP and CP at Appendices 1 and 2 respectively to the report had been developed following an officer-led review, which was to ensure that the policy continued to meet its stated objectives effectively. Significant changes included a revised banding structure; a revision of the order in which households were nominated for social housing; and the Council firstly prioritising households on the Housing Register with the highest level of housing need before awarding social housing.

An eight-week consultation period would be held from 8 July to 30 August 2019 with residents and relevant stakeholders. Members agreed it was important that all relevant media platforms advertised the consultation to the community. Results of the consultation would be reported to the OSC towards the end of the year.

The following observations were noted:

- Important that a test group was established to pilot the consultation process before launching.

- The OSC would be considering housing development to assist with meeting the demand for housing thus making this policy more deliverable.
- While 'My Alerts' was a useful tool to get the questionnaire circulated, it was important to engage with those most affected and therefore working with relevant stakeholders would be imperative.

Following discussion, it was agreed that the draft HAP and CP be approved for consultation.

RESOLVED: That the draft Consultation Plan and draft Housing Allocations Policy for consultation with residents and wider stakeholders be approved.

CB19/16. **PROVISIONAL REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING QUARTER 4 2018/19**

(8)

Members received and considered the report of the Executive Directors on the Provisional Revenue Budget and Capital Programme Monitoring Quarter 4 2018/19. The report contained details of the significant variations of the Revenue Budget and updated Capital Programme.

The General Fund was in surplus for the year by £630,000 compared to the expected use of reserves of £1.98m when the budget was set to balance the budget and contribute to funding the Capital Programme. This was attributed to underspends/savings on employment related costs, staff vacancies, Disabled Facilities Grant (DFG), planning policy, rent recovery, beach hut sales, increased car parking income and reduction of ICT costs. A £66,000 deficit was attributed to interest from investments, which was below the budgeted figure. The final outturn for Business Rates, including the effect of being in the East Sussex Business Rate Pool, generated a further £256,000 (net) of income for the Council. This would need to be earmarked for regeneration projects. Additional income of £294,000 had been received in respect of grants relating to homelessness, neighbourhood planning and New Burdens Growth Fund.

The council tax collection rate was comparable to previous years with a surplus of £462,000; Rother's share was approximately £46,000.

Business Rates collection performance was slightly lower compared to the same period last year. This was primarily attributed to late refunds following settlement of appeals from businesses. Following a review, the rating appeals provision had reduced, which had resulted in a surplus £34,000 being achieved. Members noted that Rother's share was £13,600.

The provisional outturn for the Capital Programme was £4.8m spend against a £7.2m budget, an underspend of £2.4m. The estimated outturn for the Capital Programme was appended to the report as Appendix A. Appendix B to the report, showed the updated Capital Programme for the period 2019/20 to 2023/24 which had been updated

to take account of any slippage in the 2018/19 financial year. The main variations included:

- £300,000 – Community Led Housing Schemes.
- £390,000 – Rother 2020 ICT investment.
- £232,000 – Corporate Document Image Processing System.
- £1,085m – Bexhill Leisure Centre – Land Swap.
- £183,000 – Bexhill Leisure Centre – Site Development.
- £265,000 – DFGs.
- £166,000 – ICT Infrastructure Upgrading Programme.

Overall the Council made a £630,000 contribution towards reserves, which was due to an underspend on the delivery of services, additional non service income (particularly from grants) and slippage in the capital programme items funded from the Revenue Budget. Whilst a surplus was achieved, there remained significant financial pressures on the Council to balance its budget in future years.

RESOLVED: That the:

- 1) draft outturn for 2018/19 be noted; and
- 2) revised allocation of Earmarked Reserves as set out in the report be approved.

CB19/17.
(9)

FESTIVE LIGHTS IN BEXHILL

In 2016, Cabinet agreed grant funding of £13,500 per annum for a four-year period to Shining Lights Limited (SLL) to support the delivery of a festive lighting scheme throughout Bexhill town centre. Initially the arrangement worked well, however in 2018, only a Christmas tree and two Bexhill town centre streets were illuminated. Despite numerous requests by Council officers, the director of SSL had failed to respond or provide any information on the financial status of the company.

SSL business model relied heavily on generating income at events hosted throughout the year, plus public and local business donations to raise sufficient match funding for the festive lights. To date SSL had not held any events in 2019 or announced any future scheduled events therefore it was unclear how future fund raising would be achieved. It was therefore recommended that the Council terminate the funding agreement with SSL.

Members were advised that the Bexhill Chamber of Commerce and Tourism (BCCT) had expressed an interest to take over the delivery of festive lights, on a year-by-year funding agreement; formal details were still to be agreed. It was noted that the BCCT would not be willing to enter into a match-funding obligation however, they would encourage stakeholder participation. Lights and fittings would be rented, rather than bought and a switch-on event held.

Cabinet agreed that the Council terminated the funding agreement with SSL and that the Executive Director be authorised, in consultation with

the Lead Cabinet Member for Bexhill Affairs and Lead Cabinet Member for Public Realm, Culture and Tourism to enter into a funding agreement with the BCCT for the delivery of a festive lighting scheme for 2019 onwards.

RESOLVED: That:

- 1) the funding agreement between the Council and Shining Lights (Bexhill) Limited be terminated; and
- 2) the Executive Director be authorised to enter into a funding agreement with the Bexhill Chamber of Commerce and Tourism for the delivery of a lighting scheme for 2019 and beyond, in consultation with the Lead Cabinet Member for Bexhill Affairs and Lead Cabinet Member for Public Realm, Culture and Tourism.

(Councillor Mrs Bayliss declared a personal interest in this matter as she was a Member of the Bexhill Chamber of Commerce and Tourism and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof, but chose not to vote on the item).

CB19/18.
(12)

USE OF MEETING ROOMS BY POLITICAL GROUPS

Historically, custom and practice at the Council had been that the use of the Council's meeting rooms for political purposes or for political group meetings had not been permitted. Following the elections in May and the resulting significant change to the political make-up of the Council, it was considered appropriate to review this situation.

Cabinet agreed that elected Members of the political groups serving on the Council be permitted to book meeting rooms excluding the Members' Room and Interview Rooms in the Community Help Point, via the Council's Facilities Team, for the purpose of political group meetings, subject to availability, either before or after formal committee meetings or at any other time. The Leader and Chairman of the Council agreed that their office could also be used, subject to availability. The Executive Director confirmed that bookings would need to be made, via the Chairman's Assistant.

RESOLVED: That elected Members of the political groups represented on the Council be permitted to book the Council's meeting rooms including the Leader and Chairman's Office for group meetings.

CHAIRMAN

The meeting closed at 8:10pm.