Minutes of meeting held on Wednesday, 23 March 2016 at 6.00 pm

Present:-
Councillors **Councillor David Tutt (chairman and leader of the council)**, Gill **Mattock** (deputy chairman and deputy leader of the council), **Margaret Bannister**, Alan Shuttleworth, Troy Tester and Steve Wallis.

<table>
<thead>
<tr>
<th>68</th>
<th>Minutes of the meeting held on 3 February 2016.</th>
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<td>The minutes of the meeting held on 3 February 2016 were submitted and approved and the chairman was authorised to sign them as a correct record.</td>
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<th>69</th>
<th>Declarations of interests by members.</th>
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<td>Councillors Tutt and Shuttleworth both declared personal (and non-prejudicial) interests in matters the subject of minutes 74 and 76 (in the confidential part of the meeting) (Housing and economic development partnership (HEDP) delivery programme as they were council appointed non-executive directors of Eastbourne Housing Investment Company (EHIC). Councillor Tutt chose to withdraw from the meeting and take no part in order that he could participate in this matter at EHIC’s board meeting. Councillor Shuttleworth chose to remain and participate on the basis that he would withdraw and not participate at EHIC’s board meeting.</td>
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<td>Councillor Wallis declared a personal (and non-prejudicial) interest in matters the subject of minute 71 (corporate plan 2016/20) as he was a council appointed member and chairman of the Driving Devonshire Forward (DDF) group. He remained and participated in the discussion and decision.</td>
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<thead>
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<th>70</th>
<th>Corporate performance - Quarter 3 2015/16 (KD).</th>
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<td>70.1 Cabinet considered the report of the chief finance officer and senior head of corporate development and governance reviewing the council’s performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme and treasury management activities for the third quarter of 2015/16.</td>
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<td>70.2 Appendix 1 gave detailed information on non-financial performance indicators and highlighted those giving cause for concern as well as the best performing indicators at paragraphs 2.9 and 2.10. Councillors highlighted improved and above target performance in relation to call answering, fly tipping and catering and theatres income. Also noted were additional schemes added to the devolved ward budget scheme</td>
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since the report had been prepared; funds were now largely spent or committed.

70.3 The general fund performance at the end of December showed a positive variance of £56,000 on net expenditure (a movement of £127,000 compared to the position reported at the end of the second quarter in September). Service expenditure (shown in appendix 2) had a favourable variance of £257,000, mainly as a result catering income (£64,000); additional crematorium abatement income (£64,000); underspends on council tax (£46,000); theatres income above target (£35,000); change in provision of bad debts on loan deposit scheme (£28,000); events improved performance against targets (£27,000); reduction against budget of housing benefit administration grant (£40,000); and shortfall in rental income from various properties (£45,000).

70.4 The contingency fund currently stood at £165,000, which was being set aside to offset against the profile of the savings target elsewhere in the budget. The projected outturn showed a favourable variance of £3,000. Members’ approval was also sought for the transfer from reserves totalling £65,539 as set out in appendix 3. These transfers were in line with the approved financial strategy.

70.5 Housing revenue account performance was currently above target by £118,000; mainly due to increase in rents from the number of void properties being at a lower level than budgeted for plus a quicker turnaround (£50,000), a reduction required for the provision for bad debts (£46,000) and the slow take up of the under occupation scheme (£46,000). These favourable variances were offset by an overstatement in the budget for service charges of £40,000. The projected outturn showed a surplus of £104,000 due to the full year effect of the issues highlighted above.

70.6 The detailed capital programme was shown in appendix 4. Actual expenditure was low compared to the programme. This was due to schemes that would be delivered over more than one year. Expenditure was expected to increase as schemes progressed and had been re-profiled into the 2016/17 year where appropriate. The senior head of community was asked to provide members with information about when capital funding of £10,000 (carried forward from previous years) for digitisation of burial records would be spent.

70.7 Council tax collection was currently showing a £1,359,000 surplus; a variance of 2.48% of the total debit due for the year. This was due to a combination of factors including better performance against the collection allowance within the council tax base and a reduction in the council tax reduction scheme caseload.

70.8 The business rates deficit of £1,711,000 was as a result of the ongoing risk from the number of backdated appeals outstanding. The total number of appeals outstanding as at 31 December 2015 was 245 with a total rateable value of £22m. The deficit represented 5% of the
total debit for the year. Members noted the chancellor’s budget announcement that small businesses would continue to benefit from rate relief and raised concern as to whether the government would make good the loss of income to local councils.

70.9 The annual treasury management and prudential indicators for 2016/17 had been considered by cabinet and council in February. During the quarter to 31 December 2015 the council had operated within all the treasury limits and prudential indicators set out in the council’s treasury management strategy statement and in compliance with the council’s treasury management practices.

70.10 The report sought cabinet approval for the write off of irrecoverable debts totalling £84,421.98 where all other methods of recovery had been unsuccessful and it was not deemed appropriate to pursue the debts further. Details of the write offs were listed in a confidential appendix, together with brief explanations of the circumstances (exempt information reason: 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information). The senior head undertook to inform members of the detailed circumstances of one of the write-offs relating to an overpayment of benefits.

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

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended December 2015, as set out in sections 3, 4 and 6 of the report, be agreed.

(3) That the transfers from/to reserves as set out in appendix 3 be agreed.

(4) That the capital programme, as set out in appendix 4 to the report, be agreed.

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

(6) That the write offs as set out in the exempt appendix be approved.

(7) That members record their thanks and appreciation for the work of the different council teams in achieving the performance noted in the report.

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**71 Corporate plan 2016/20 (BPF).**

71.1 Councillors Jenkins and Freebody addressed the cabinet. Councillor Jenkins suggested the addition of Councillors Wallis to those named as responsible for the prosperous economy theme. Councillor Freebody made a general observation on the need for the plan to be more forward looking noting that much of the plan document detailed current and
recent achievements. He also asked that additional detail be provided in relation to the application of modern technology.

71.2 Cabinet considered the report of the senior head of corporate development and governance and senior corporate development officer. The corporate plan was a key strategic document that set out the council’s ambitions for Eastbourne over a five year period. The plan was refreshed on an annual basis to update actions and targets and ensure that activities continued to reflect local priorities.

71.3 The council remained committed to supporting the delivery of its’ 2026 partnership Vision for the town:
"By 2026, Eastbourne will be a premier seaside destination within an enhanced green setting. To meet everyone’s needs, Eastbourne will be a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change."

71.4 A copy of the current working draft of the 2016-20 corporate plan was appended to the report. The content and layout aligned with the previous version for continuity but was still subject to updating and editing as further information became available. Once the final version was completed and approved, work would start on developing ways of communicating the key messages to stakeholders and the public in accessible ways.

71.5 The new plan continued with the same 4 priority themes as the previous version: Prosperous economy, quality environment, thriving communities and sustainable performance. These continued to be important areas of focus both locally and nationally and this approach would also add a degree of continuity to the projects and targets set within the plan.

71.6 Prosperous economy: The 2020 aims for this area were:
- A great destination for tourism, arts, heritage and culture
- Supporting employment and skills
- Providing opportunities for businesses to grow and invest
- Investing in housing and economic development
- Supporting investment in infrastructure

Priority actions proposed were:
- Vibrant events programme
- Increase number of conference delegates
- New museum
- Refurbish the Redoubt
- Seafront/Tourism strategy
- Extension to Arndale shopping centre
- Devonshire Park redevelopment
- Wish Tower restaurant
- Sovereign Harbour innovation park (SHIP)
- Marketing – EB Now (Pier grant project)
71.7 Quality environment: The 2020 aims for this area were:
- A clean and attractive town
- Less waste and a low carbon town
- A range of transport opportunities
- High quality built environment
- Excellent parks and open spaces

Priority actions proposed were:
- Joint venture for energy and sustainability
- Hampden Park improvements (Green Flag)
- Old Town recreation ground improvements (Green Flag)
- Allotment improvements
- Signage re-branding (parks and open spaces)
- Manor Gardens and Gildredge Park
- Town centre improvements
- Eastbourne Park initiatives
- Enhancement of open downland
- Eastbourne safe cycling/safe walking strategy

71.8 Thriving communities: The 2020 aims for this area were:
- Keeping crime and anti-social behaviour levels low
- Meeting housing needs
- Improved health and wellbeing
- Resilient and engaged communities
- Putting the customer first

Priority actions proposed were:
- Active Eastbourne strategy
- Welfare reform
- Community facilities
- Young people
- Sovereign Harbour community centre
- Shinewater skate park
- Improving local parks and playgrounds
- Tennis Development programme
- Customer Access improvement
- Develop enhanced housing solutions service
- Eastbourne community safety Ppartnership

71.9 Sustainable performance: The 2020 aims for this area were:
- Making the best of our assets
- Managing people and performance
- Delivering in partnership
- Making the best use of technology
- Delivering a balanced budget

Priority actions proposed were:
- Improved asset management processes
- Joint transformation programme

71.10 In order to streamline the performance reporting and focus on the chosen priority outcomes of the corporate plan, it was proposed that a
number of changes were made to the key performance indicators used. A review of indicators was taking place across the authority to ensure that the right measures were in place to enable progress updates and, where possible, benchmarking of performance against key criteria.

71.11 Key findings from a residents’ survey and online survey were reported to cabinet in December and full reports on these consultations were made available online. One of the major findings from both consultations was that there was significant support for all of the proposed priority themes and visions put forward in the questionnaires.

* 71.12 Resolved (budget and policy framework): (1) That the draft of the new corporate plan be agreed.

(2) That the members of the council’s corporate management team and other key officers of the authority be given delegated authority to finalise the proposed plan in consultation with lead cabinet members prior to seeking approval from full council to the adoption of the plan.

(Note: Councillor Wallis declared a personal interest in the above matter. See minute 68 above.)

72 Local employment and training supplementary planning document (KD).

72.1 Councillor Ungar addressed the cabinet. He asked if the proposed monitoring fee would be sufficient to meet the cost of work involved in monitoring training plans. He also asked if a lower threshold should be set for scheme size. The senior head responded saying that the draft SPD had been drafted in line with government guidance. The £150 fee was the rate per day and the fee would be charged at one day per week for the length of development project.

72.2 Cabinet considered the report of the senior head of regeneration, planning and assets on the preparation of a local employment and training supplementary planning document (SPD) to assist in securing local labour agreements as part of development proposals. The level of development required in Eastbourne up to 2027 would create a significant number of jobs and this SPD would play an important role in helping to secure local employment at both construction and operational stages of this development.

72.3 The SPD would provide additional guidance on matters contained within the Eastbourne employment land local plan (ELLP). Once approved, the SPD would replace the local employment and training technical guidance note, adopted 1 April 2013.

72.4 It was considered that there was a clear case for the use of ‘Section 106 Agreements’ to secure local labour agreements from future developments. This would secure contributions from developments that would support and benefit the local labour market and economy. The council worked in partnership with local education and training providers
to ensure that courses relevant to industry and employment needs could be planned and provided. The contribution was financial in the form of a monitoring fee. The fee would enable the funding of personnel to undertake the monthly monitoring of employment and training during the construction phase and up to one month in the first operational phase. It also covered negotiation, co-ordination and administration of employment and training initiatives associated with a development such as meet the buyer events, extra curricula activities, sector based work academies and local promotion. If required the fee could also include drafting employment and training plans.

72.5 The following thresholds would trigger a request for a local labour agreement:

**Commercial** – All developments (other than C3/C4 planning use class), including change of use, that create/relate to 1,000 sq. m. (gross). This also included developments of strategic importance (e.g. essential infrastructure, development identified in council plans and strategy) and all of those that created 25 or more jobs.

**Residential** - Major developments (within C3/C4 planning use class) that involved 10 or more gross units.

72.6 The draft SPD would be subject to a 12 week consultation period between 1 April 2016 and 24 June 2016 to allow stakeholders and the local community to comment and make representations. It was anticipated that a further report will be submitted to cabinet in the Autumn when the local employment and training SPD was put forward for adoption by full council.

**72.7 Resolved (key decision):** (1) That the local employment and training supplementary planning document be approved for publication for a 12 week consultation period to receive representations and comments.

(2) That the senior head of regeneration, planning and assets be given delegated authority, in consultation with the lead cabinet member, to make minor amendments before the commencement of the representation period.

### Withdrawal of East Sussex County Council funding from sheltered housing (KD).

73.1 Councillor Ungar addressed the cabinet noting that 85% of affected tenants were in receipt of housing benefit. He noted that from 1 January, social services had just two days to make arrangements for a patient under their care after being informed they were ready for release from hospital, or they faced fines of £100 per day they remained. He posited that the savings found from withdrawing support for those in sheltered accommodation could well be offset by the cost of fines.

73.2 Cabinet considered the report of the senior head of community. East Sussex County Council (ESCC) had recently approved a budget that included cuts to adult social care budgets. Savings included the removal
of all ‘supporting people’ funding from sheltered housing as from 9 May 2016. For Eastbourne residents this equated to approx. £137,000 per annum. This funding met the costs of the lifeline alarm service and extra support provided by Eastbourne Homes Limited (EHL) on-site co-ordinators.

73.3 The council had 314 sheltered flats at 11 schemes in and these were managed by EHL. Residents received support from a team of 8 on-site co-ordinators who managed the buildings, ensured residents were safe, promoted social activities and supported frail and vulnerable residents. Current staffing and lifeline related costs were £334,497 per annum.

73.4 When putting forward options to residents, EHL considered the need to minimise the impact on the housing revenue account (HRA), the cost rises to all residents; and the increase in non-housing benefit eligible charges to residents. Three options were put to residents:

- **Option 1**: Keep the service as now - total additional charge to residents of £9.49 per week including lifeline (cost to HRA £101,000).
- **Option 2**: Reduce staffing by 1 member of staff – total additional cost to residents of £7.96 per week including lifeline (cost to HRA £84,500). Achievable without impact on service level and ending agency staff.
- **Option 3**: Reduce staffing by 2 members of staff – total additional cost to residents of £7 per week including Lifeline (cost to HRA £72,000). Impact on service level and one redundancy.

It was proposed that new residents paid the full charge which would reduce the impact on the HRA over time.

73.5 All of the options involved residents having to pay more for their service and a large proportion of the costs were not eligible for housing benefit. EHL had advised residents that benefit advice would be offered to ensure that residents were maximising their incomes. EHL would also review each element of the sheltered service charge to ensure that costs were affordable. The majority of residents would have a reduction in their heating and hot water charges and their service charge from 1 April 2016 which would help mitigate the increase in support charge.

73.6 Meetings had been held with residents and the on-site co-ordinators briefed. 137 residents attended the meetings and 223 responses were received to the consultation (71% response rate). 19% of residents chose option 1, 68% chose option 2 and 13% chose option 3. EHLs board had considered the outcome of the consultation on 10 March 2016 and, having regard to the majority view of residents, recommended option 2.

**73.7 Resolved (key decision):** (1) That the charges for Eastbourne sheltered housing residents be increased by £7.96 per week from 1 June 2016.
(2) That delegated authority be granted to the senior head of community, in consultation with the lead cabinet members for community and finance and the chief finance officer, to finalise Eastbourne Homes’ management fee ensuring an adjustment to the fee to reflect the increase in sheltered housing income.

74. Housing and economic development partnership (HEDP) delivery programme (KD).

74.1 Cabinet considered the report of the senior head of community providing an up-date on HEDP housing delivery, setting out plans for the development of a creative hub cluster as part of the Driving Devonshire Forward programme and providing an up-date on the Eastbourne Housing Investment Company (EHIC).

74.2 Future affordable housing investment plans had been presented to cabinet in October 2014 with a recommendation to release up to £10.08m of capital programme allocation for new housing. This was based on a 97 unit programme and £1.40m of secured external funding from the Homes and Communities Agency (HCA). The report also gave an up-date on how the HEDP had taken the delivery lead for new affordable housing and brought forward a ward focused neighbourhood improvement project; Driving Devonshire Forward (DDF).

74.3 The affordable housing investment delivery was now well advanced with a programme of 99 new homes (this incorporated additional capital funding of £480,000 from the HCA):
    - 55 new build homes of which 35 were complete.
    - 44 empty home refurbishments of which 24 were complete.
    (87 affordable rent, 8 shared ownership and 4 outright sales.)

74.4 The Driving Devonshire Forward (DDF) programme had been running for almost 2 years. During this time £2.5m of new grants and investment had been secured for the ward and a range of projects underway or completed. Projects included improvements to Princes Park, new beach huts, improvements to Sea Houses Square and façade improvements to the Elms Buildings on Seaside Road. In addition, 48 of the 59 completed new homes mentioned above were in Devonshire ward. Investment in the ward had included the targeted acquisition and refurbishment of a number of properties that were identified as being a priority from a regeneration perspective (51-53 Seaside Road, 67-69 Seaside Road and 1-5 Seaside). Through the council’s new commercial asset holding vehicle, Eastbourne Housing Investment Company (EHIC), 137-139 Seaside Road (the old Cash Converters building) had also been acquired.

74.5 A feasibility study to look at the how the buildings could be used to help support new businesses in the creative industry sector had recently been completed. The study suggested that offer across the buildings could incorporate gallery space (67/69 Seaside Road); a café (67/69 Seaside Road), makers space; studios and workshop space (137/139
Seaside Road and 1-5 Seaside); and serviced and supported central office at the Royal Hippodrome.

74.6 Funding of £275,000 had been agreed ‘in principle’ from:
   - Devonshire West Big Local (DWBL) £80,000 (over 2 years)
   - Arts Council £65,000 (over 3 years)
   - Locate East Sussex £100,000 (year 1)
   - East Sussex County Council £30,000 (year 1)
Alongside the already secured Coastal Communities Fund grant, this funding would pay for all capital costs, associated project management and the fit out of the buildings to a high end specification. Some of the grant would also contribute to the first operating period. It was anticipated that the project would become self-sustaining through the establishment of a new community interest company (CIC) and be fully self-financing from year 3. It was envisaged that the CIC will consist of the sponsors board organisations (DWBL, DDF, EBC) and Towner Gallery, University of Brighton, representatives from local business and the community. The hub was expected to launch in August 2016.

74.7 It was recommended that B&R Productions be engaged for 9 months as interim capital project managers to implement the cluster and set up the CIC, for a fee of £85,000. Cabinet was asked to waive the requirement that 3 quotes be obtained for this work on the grounds that B&R Productions were specialists in implementing creative hubs (e.g. the Creative School in Rye, which was cited as an exemplar model by the Arts Council and ESCC); that other organisations with the appropriate skills in the south east were scarce; and that their fee was in line with the current market rate for specialist skills at an average day rate equivalent of £350. B&R Productions had to date developed the business case and had secured in principle funding arrangements. This reputational track record would be important in ensuring that this funding was confirmed.

74.8 The Eastbourne Housing Investment Company (EHIC) was incorporated in May 2015 as an asset holding company, limited by shares issued, and a wholly owned subsidiary of Eastbourne Borough Council. The company was expected to operate at nil profit, hold property assets, act as landlord, sell property assets and offer advice to other public bodies. Since incorporation the HEDP team had been working to bring forward a new programme of housing development through EHIC with a focus on commercial opportunities outside of the housing revenue account.

74.9 The first EHIC acquisition, 137-139 Seaside Road, reflected this new focus in providing 12 homes for market rental as well as a commercial retail space and supported the councils strategic corporate objectives for sustainable communities and income generation. The next proposed two developments were the subject of a separate report in the confidential part of the agenda under exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information). Delegated approval was given for the acquisition of one property and provision of
corresponding loan from the council to EHIC to enable the acquisition to take place. The proposed acquisition would enable the council to develop a substantial number of new homes (some for sale and some at affordable rents) in line with the council’s corporate plan aims under the theme headings prosperous economy and thriving communities. Loan proposals would be in accordance with the council’s treasury management policy. Confidentiality was required pending completion of negotiations with the vendor.

74.10 The EHIC board had asked the HEDP team to look for new business opportunities to extend the development agent services already provided to Lewes District Council. This had led to the appointment of EBC by Arun District Council to provide support in developing the business case for and in the establishment of a new local housing company. The commission was for an initial 3 months with a potential follow on phase to help in the establishment of the new company and with the bringing forward of delivery.

**74.11 Resolved (key decision):** (1) That progress within the HEDP delivery programme be noted.
(2) That a waiver of contract procedure rules be approved to enable the appointment of B&R Productions to carry out project management work for the creative hub cluster for the reasons summarised above and set out in paragraph 2.20 of the report.

*(Notes: (1) For decisions in respect of the property acquisition referred to in paragraph 74.9 above see separate confidential minute.)
(2) Councillors Tutt and Shuttleworth both declared personal interests in relation to paragraph 74.9 above. See minute 68 above.)*

**75** 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 at paragraphs 70.10 and 74.9 above. *(The requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

The meeting closed at 7.05 pm

_Councillor David Tutt
Chairman_