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CABINET

4 March 2019 at 5.00 pm

Present : Councillors Mrs Brown (Chairman), Bence, Charles, Clayden, Haymes and Wotherspoon.

Councillors Edwards, Mrs Madeley, Mrs Oakley, Mrs Pendleton, Dr Walsh and Wheal were also in attendance at the meeting.

421. WELCOME AND CHANGE TO THE ORDER OF THE AGENDA

The Chairman welcomed Councillors, Officers and members of the press and public to the meeting. She especially welcomed Mr Glenn Smith, Director of Housing Finance Associates Limited, who was in attendance for Agenda Item 9 [HRA Business Plan – Update].

The Chairman also proposed a change to the order of the agenda bringing Item 9 [HRA Business Plan – Update] forward to Item 7 on the agenda. The Cabinet approved this.

422. APOLOGY FOR ABSENCE

An Apology for Absence had been received from Councillor Wensley [Deputy Leader of the Council and Cabinet Member for Corporate Governance].

423. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

424. PUBLIC QUESTION TIME

The Chairman confirmed that no public questions had been received.

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425. URGENT ITEM – REPORT TO CONSIDER APPROPRIATE ACTION REGARDING THE NON-PAYMENT OF A SECTION 106 AGREEMENT FOR AFFORDABLE HOUSING – LAND AT ST MICHAELS AND ALL ANGELS, QUEENS FIELD EAST, WEST MEADS, BOGNOR REGIS, WEST SUSSEX

The Chairman confirmed that there was an urgent item to consider and she invited the Cabinet Member for Planning, Councillor Charles to present this report. He stated that the non-payment of Section 106 monies for affordable housing at land at St Michaels and All Angels, Queensfield East, West Meads, Bognor Regis, was an issue that dated back to 2011 when Mildren Homes agreed to pay the Council £118,320 towards public space and affordable housing provision. Unfortunately, Mildren Homes went into administration in July 2017, owing the Council £81,459.77.

As Cabinet Member, Councillor Charles had authorised seeking to obtain this money from the relevant homeowners as he believed that the two Ward Councillors had been consulted and supported this action. However, due to an administrative oversight, this consultation had not taken place and, subsequently, the position was that both Ward Councillors had since confirmed that they were against taking any action against the homeowners. For transparency, Councillor Charles had therefore rescinded his previous action and had asked the Chief Executive to bring a report to this meeting of Cabinet to ensure that the homeowners would not be kept waiting for a decision. Councillor Charles confirmed that Councillor Dingemans, as Chairman of the Overview Select Committee, had agreed this course of action.

The Chief Executive was then invited to present the detail of this matter. He outlined that between 2014 and 2016, the Council did not have a data system adequately in place to monitor Section 106 agreements and this agreement had therefore not been picked up. The Council now had a new electronic system in place and a new Officer in post to monitor these agreements. Furthermore, an annual update report to Cabinet would be reinstated so that Cabinet Members could be updated in terms of any other outstanding issues.

In the case of Mildren Homes, the Council did have a legal right to pass on any outstanding financial commitments to the homeowners. However, there was a delay in pursuing the debt before Mildren Homes went into administration. Furthermore, it was explained that if this course of action had been chosen to be undertaken, it was unlikely that any of the homeowners knew of the debt when they purchased their properties. It was therefore now for the Cabinet to determine which of the two proposals outlined in the report be accepted, in the knowledge of the pros and cons highlighted in the report.

The Chairman then invited the views of Cabinet. Members firstly thanked the Cabinet Member for Planning for bringing this matter to their attention and for providing a very comprehensive report explaining clearly the history and background. As it had been confirmed that West Sussex County Council would be writing off its outstanding contributions, coupled with the fact that the views of the two Ward Councillors were that they both supported no further action being taken against the current homeowners, it was outlined that Cabinet should also support the proposal that no further action should be taken against the current owners. Especially, as they had had to live with this unresolved matter for two years.

Following some further discussion, the Chairman stated that this was an appalling situation that the homeowners had found themselves in and at no fault of their own. As such there was one obvious solution to resolve this matter, which was to take no further action.

The Cabinet

RESOLVED – That

- (1) The invoice 8133051629 issued on 20 April 2017 payable by Mildren Homes Limited (a company in administration) in the sum of £81,459.77 be written off against the Planning Cost Centre;
- (2) No further action is taken against the homeowners of the residential properties concerned and the invoice is written off entirely; and
- (3) The Cabinet Member for Planning writes to all of the owners of the properties concerned confirming that the Council will be taking no further action on this matter.

The Cabinet then confirmed its decision as per Decision Notice C/042/040319), a copy of which is attached to the signed copy of the Minutes.

426. MINUTES

The Minutes of the meeting held on 11 February 2019 were approved by the Cabinet as a correct record and signed by the Chairman, subject to the following amendments at:

Minute 397 – Budget 2019/20

Page 319 – final paragraph – a request was made that reference to the Cabinet Member for Community Wellbeing be changed to Cabinet Member for Neighbourhood Services and that reference to Council in that final sentence be changed to Councils.

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427. BUDGET VARIATION REPORT

There was no item for this meeting.

428. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN UPDATE

The Cabinet Member for Residential Services, Councillor Bence, introduced this item stating that the report provided the annual update on the baseline position for the Housing Revenue Account (HRA) Business Plan projections. The HRABP forecasted income, expenditure, investment and borrowing in respect of Council housing over a 30 year period. It was not the approved Budget, but would inform it.

Councillor Bence then invited Mr Smith, from Housing Finance Associates Limited, to provide his presentation. Mr Smith expanded on the information provided in respect of:

- The HRABP was a long-term forecasting document for the Council
- It had been based upon the best available information and updated regulations
- It showed a different perspective in terms of finance for the HRA
- The Council would maintain a minimum HRA balance of £2m throughout the forecast.
- This meant that the Council could make full use of the available resources over the 30 year forecast period to help repay debt and pay for the HRA capital programme.
- The programme allowed for expenditure on new dwellings to continue after year 4 in line with the assumptions made in the previous business plan forecast. This permitted a further 105 dwellings to be provided between 2022/23 and 2028/29.
- It also included provision for £6m to be spent on sheltered schemes.
- Capital maintenance would be used to replace kitchens and bathrooms based on the requirements of the Stock Condition Survey.
- The chart at Paragraph 1.7 set out how expenditure would be financed using a number of different sources.
- Looking at the base line debt profile, it was explained that the Council needed to borrow during the early years of the forecast. HRA debt would peak in 2028/29 but would remain below the limit set by the now abolished HRA debt cap that had previously been set by Government.
- The final chart in the report summarised the stock position.

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- The key messages were that the HRABP was an affordable plan that would allow Arun to increase its housing stock whilst at the same time being able to increase investment in its existing stock.
- The Plan would also allow Arun to cover the costs of maintaining and repaying the additional debt required within the resources projected for the HRA, making the forecast presented financially sustainable.

Councillor Bence thanked Mr Smith for his presentation and confirmed that he supported the updated HRABP as this would enable the Council to provide a further 25 houses on top of the Council's commitment made a year ago. The Plan provided a sound vision for the future and would be a way for the Council to address the ongoing and increasing issue of homelessness.

The Chairman agreed stating that the revised HRABP was a sound ambitious document. She applauded the removal of the HRA debt cap by Central Government which meant that Councils could now make their own decisions about borrowing in relation to local need.

The Cabinet

RECOMMEND TO FULL COUNCIL

That the updated Housing Revenue Account (HRA) Business Plan 2019/20 be approved.

The Cabinet then

RESOLVED - That

- (1) The additional capital expenditure and likely borrowing required in respect of developing, acquiring new homes, investment in existing stock and compliance work; and
- (2) The scope for using additional Housing Revenue Account borrowing is included within the Authority's Capital Strategy; Treasury Management Strategy and Annual Investment Strategy.

The Cabinet then confirmed its decision as per Decision Notice C/043/040319), a copy of which is attached to the signed copy of the Minutes.

429. SUBMISSION OF BID TO HIGH STREETS FUND

In introducing the report the Chairman stated that Bognor Regis Town Centre like many others up and down the country was facing challenging times, particularly with the growth of internet shopping.

The Council had undertaken much work to support the Town Centre over recent years including providing funding for the Town Centre Manager; the delivery of a very successful public realm scheme; supporting the Business Improvement District; and more recently by purchasing the Arcade. Despite this, the Chairman stated that there was the continuing need for the Council to 'run fast just to stand still'. Therefore the recent announcement of a Future Town Centre Fund by the Government was very much welcomed, although it was highlighted that this would be a very competitive process with no guarantee of success.

The Chairman then invited the Director of Place to outline the bidding process for the High Street Fund. He confirmed that the deadline in place for the receipt of submissions was the end of March 2019. The Council was in the process of working on various parts of the bid document. The Community and Local Government Select Committee had recently published a report on Town Centres which was providing useful information and would assist the bid that the Council was making.

Members were advised that the bid itself formed two stages. The first called for Councils to come forward with Expressions of Interest setting out the challenges; strategic approach and vision to regenerating Town Centres. For the second stage, shortlisted applications would receive revenue funding to support the development of their High Street Strategies which would include specific project plans and associated business cases setting out how Town Centres would be regenerated. The Director of Place focused Members' attention on the funding that was available. This was a sum of £665m which sounded significant, however divided amongst potentially many successful bids it would contribute up to a maximum of £25m to each bid. Also, it was necessary to highlight that only a few bids would be successful so Members needed to be realistic with regard to this Council's chances, though every effort was being made to ensure that the Council's bid would be a good strong bid.

Members were reassured that the Council was in a good place as the 2003 Masterplan set out very much what the Council wished to achieve and this document was at the core of the vision going forward. The aim of this work was not just about filling empty retail premises, it was about trying to increase people coming into the Town Centre and enhancing the link between the seafront and the Town Centre by enhancing social and leisure activities and events.

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In discussing the report, Cabinet accepted that Town Centres were changing and would likely not be key retail centres in the future. In addition to this point, the Chairman outlined that the District Council's Network was undertaking work looking at how Town Centres were evolving. Council Leaders were being invited to participate in work considering the importance of rural/urban links, promoting innovation and examining how it was possible to turn a Town's fortunes into a vibrant economy. It was hoped that the ideas from this project might assist the Towns in the Arun District.

The Cabinet

RESOLVED – That

- (1) The Council's intention to submit a bid to the High Street Fund for the Town Centre of Bognor Regis be endorsed;
- (2) Should the initial Phase 1 bid be successful, then the intention to submit a bid to the High Street Fund Phase 2 for the Centre of Bognor Regis be endorsed;
- (3) The principle of accepting any revenue grant to develop a Phase 2 bid, subject to due diligence on any terms and conditions, be endorsed; and
- (4) The principle of accepting any capital grant as a result of a successful Phase 2 bid subject to due diligence on any terms and conditions be endorsed.

The Cabinet then confirmed its decision as per Decision Notice C/044/040319, a copy of which is attached to the signed copy of the Minutes.

430. FUNDING BID TO COASTAL COMMUNITIES FUND FOR ENHANCED PUBLIC REALM SCHEME IN LITTLEHAMPTON TOWN CENTRE

The Chairman presented this report and explained that a funding bid had been submitted to the Coastal Communities Fund to deliver improved public realm in Littlehampton Town Centre. The bid requested nearly £2.5m to deliver new paving, lighting, planting and street furniture between the railway station and the south end of the pedestrian precinct. The decision on whether this bid had been successful would be made in Spring 2019.

The report updated Cabinet on this bid, and it requested authority to deliver the project in the event that the funding would be awarded.

The Chairman announced that Councillor Dr Walsh had indicated to her that he wished to speak on this item and so she invited him to make his statement before inviting Cabinet Members to debate the report.

Councillor Dr Walsh confirmed that he supported the bid but needed to outline, publicly, that he did not like the competitive bid process, however, he hoped that the hard work of Officers would lead to a positive outcome this time. Councillor Dr Walsh referred to the previous expression of interest that had been made by the Council last year for funding and the public consultation that had taken place. Despite its results, modifications had been made and the suggestion that the clock tower in the Town Centre be removed. This had been very much opposed by members of the public. The feeling had been that to move the clock tower to a slightly different location might be acceptable but not for it to be removed all together. Councillor Dr Walsh hoped that the results of the previous public consultation undertaken would form the detail of the bid to be submitted.

As Cabinet fully supported the submission of the bid, it

RESOLVED – That

- (1) The submission of the bid to the Coastal Communities Fund, as set out in the report, be noted and endorsed; and
- (2) If the bid is successful, authority be given to spend the grant awarded to ensure the delivery of the public realm project.

The Cabinet then confirmed its decision as per Decision Notice C/045/040319, a copy of which is attached to the signed copy of the Minutes.

431. RENT SETTING POLICY – 2018-19

The Cabinet Member for Residential Services confirmed that the Rent Setting Policy 2019/20 provided clear guidance and consistency in the Council's rent setting arrangements.

The Group Head of Residential Services reminded Members that last year, Cabinet had approved a Rent Setting Policy detailing the rent setting for each type of accommodation that the Council owned and managed via the Housing Revenue Account (HRA) and temporary accommodation held in the General Fund. This 2019/20 Policy was an extension to the principles applied in the 2018/19 Policy, namely that for all relets, formula rents would be used as the baseline rent calculation in order to maximise income. Prior to 2018/19, non-formula rents were being used which did not allow for income maximisation.

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The Cabinet

RESOLVED – That

- (1) Any Council owned properties held in the HRA (general needs, sheltered) that are re-let on new tenancies will be let at formula rent;
- (2) Temporary accommodation will be let at Local Housing Allowance levels;
- (3) Acquisitions from the open market will be set at either formula rent or up to 80 per cent of market rent (affordable rent);
- (4) Shared ownership properties sold on the open market will be subject to formula rent charges upon change of ownership;
- (5) New build properties held within the HRA will be set at either formula rent or up to 80 per cent of market rent (affordable rent);
- (6) Mutual exchanges, assignments and successions are not new tenancies and as such are not subject to rent changes on amendment; and
- (7) The recommendations approved at the Special Meeting of the Council held on 20 February 2019, are noted in respect of existing rents being subject to an annual one per cent rent reduction as set out in the Welfare Reform and Work Act 2016 and a 5 per cent uplift in garage rents for 2019/20.

The Cabinet then confirmed its decision as per Decision Notice C/046/040319, a copy of which is attached to the signed copy of the Minutes.

432. RENEWAL AND PROCUREMENT OF SOFTWARE FOR THE ADMINISTRATION OF REVENUES AND BENEFITS

The Cabinet Member for Residential Services, Councillor Bence, outlined that the Council had been using the Northgate IT system for the collection, administration and recovery of revenues (Council Tax and Non-Domestic Rates) and the for the management and payment of benefits (Housing and Council Tax) since 2004.

The Council had reached the point in the contract life-cycle where it needed to formulate a new Contract. Having reviewed the market and assessed the new modules available and the additional work required to change suppliers, it was felt entering into a new contract with Northgate Public Services would be the most economically advantageous solution. An award of a single supplier contract for this amount should be in compliance with Contract Standing Orders. This Contract was to be awarded without prior publication of an OJEU notice and formal competition process. To mitigate any potential challenge the Council had published a voluntary ex ante transparency notice in the OJEU Journal in January 2019 outlining its intention to enter into the contract with Northgate. Members were advised that the deadline had passed without any challenge for an ineffective contract,

The Cabinet

RESOLVED – That

- (1) The award of the Contract for software licences, hosting and maintenance of an integrated revenues, benefits, document management, workflow and self-service IT solution to Northgate Public Services from 1 April 2019 be approved;
- (2) A virement of £300k from the Revenues and Benefits Reserve be approved; and
- (3) The virement of £141k from the Corporate Underspend in 2018/19 be noted.

The Cabinet then confirmed its decision as per Decision Notice C/047/040319, a copy of which is attached to the signed copy of the Minutes.

433. LOAN TO CREDIT UNION

The Credit Union (Boom) was planning to increase its capital base in order to expand its lending. The Council already had £25k invested in the Credit Union in the form of an interest free loan. Cabinet was now being requested to approve an additional loan of £25k and to make both loans repayable on or before 31 March 2029 to enable the Credit Union to utilise the entire loans as regulatory capital.

The Chairman stated that the Credit Union had been very successful and needed more capital as it wanted to expand. It needed to be pointed out that the Credit Union assisted many people to develop regular saving habits and it provided loans to people in the Arun District who would otherwise have been at risk to loan sharks.

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The Chairman explained that since writing the report, there had been the need to strengthen both of the recommendations to make it clear that the Council wished for both loans to finish concurrently and so the following amendment was proposed to both of the recommendations – deletions shown using ~~strikethrough~~ and additions shown using **bold**.

Recommendation (1)

Approval be given to the extension of the existing interest free loan to the Credit Union ~~by up to 10 years~~, **to be repayable on or before 31 March 2029; and**

Recommendation (2)

Approval be given to a further loan to the Credit Union of £25k for a period of 10 years, **repayable on or before 31 March 2029**.

Cabinet agreed that the amendments proposed above be agreed.

The Cabinet

RESOLVED – That

(1) Approval be given to the extension of the existing interest free loan to the Credit Union to be repayable on or before 31 March 2020; and

(2) Approval be given to a further loan to the Credit Union of £25k for a period of 10 years, to be repayable on or before 31 March 2029.

The Cabinet then confirmed its decision as per Decision Notice C/048/040319, a copy of which is attached to the signed copy of the Minutes.

434. JUDICIAL REVIEW - LAND SOUTH OF SUMMER LAND AND WEST OF PAGHAM ROAD, PAGHAM

The Cabinet Member for Planning, Councillor Charles, introduced this item stating that the Development Control Committee on 24 October 2018, had granted outline planning permission for “a mixed use development comprising of up to 400 dwellings, a care home, a Local Centre comprising up to 2000 sqm of A1/A2/A3/D1 sui generis floorspace, provision of land for a 1 FE primary school (with sufficient space to ensure that it was expandable to 2FE), provision of land for a scout hut, safeguarding of land to help link the site to the Pagham Harbour Cycle Route and other community uses including public open space and allotments with some matters reserved” on land south of Summer Lane and West of Pagham Road, Pagham – planning application reference P/140/16/OUT.

Following the issuing of the decision, a pre-action letter had been received from Pagham Parish Council seeking to challenge the grant of planning permission for the proposed development. The Council had responded to the pre-action letter. Subsequently, Pagham Parish Council submitted an application for permission for Judicial Review (JR). The Council had filed a response setting out the summary grounds for contesting the claim which had now been considered by a judge and refused. Pagham Parish Council had confirmed that it would continue to the next stage which would form an oral hearing on 19 March 2019. As there were various scenarios at each stage of this process, and the costs incurred could vary depending upon different outcomes, the report was seeking to secure a supplementary estimate of up to £105k based on covering the Council's costs and costs that the Council could be liable to pay in defending this further.

The Group Head of Planning provided a further update. He stated that this matter could possibly be concluded within the next two weeks if the judge supported the points made by the first judge, but that the £105k was sought on a worst case scenario to cover costs should the JR be successful. The Council could then recover all of its costs spent to date.

The Cabinet

RECOMMEND TO FULL COUNCIL

That a supplementary estimate of up to £105,000 be approved for the costs associated with the Judicial Review in respect of planning application P/140/16/OUT. This to include Counsel costs to defend the Council's position and an estimate of potential costs that the Council would be required to pay as a result of the Claimant being successful in their Judicial Review claim.

The supplementary estimate equates to a Band D Council Tax of £1.74.

The Cabinet then confirmed its decision as per Decision Notice C/049/040319, a copy of which is attached to the signed copy of the Minutes.

435. HOUSING & CUSTOMER SERVICES WORKING GROUP – 7 FEBRUARY 2019

The Cabinet received and noted the Minutes from the meeting of the Housing & Customer Services Working Group held on 7 February 2019.

The Cabinet was alerted to two recommendations at Minute 17 [Community Safety and Housing Partnership Working Review 2016-2018].

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The Cabinet Member for Community Wellbeing, Councillor Clayden, provided an overview of the review undertaken stating that more integrated working between the community safety and housing teams would be taking place.

The Cabinet

RESOLVED – That

(1) The integrated working between the Council's Community Safety and Housing teams be endorsed and the importance of partnership working in contributing to reducing anti-social behaviour, creating safe environments and addressing Street Community issues is recognised; and

(2) Recognition is given to the work of Community Safety, Housing and the Safer Arun Partnership in contributing to the delivery of the Council's strategic priority's "supporting people in the our District who need our help?" and "serving our communities well by delivering the best services we can afford".

The Cabinet then confirmed its decision as per Decision Notice C/O50/040319, a copy of which is attached to the signed copy of the Minutes.

436. EXEMPT BUSINESS

The Cabinet

RESOLVED

That under Section 100A(4) of the Local Government Act 1972, the public and accredited representatives of newspapers be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

437. DISPOSAL OF FREEHOLD LAND AT MEADVIEW NURSERY, LYMINSTER, LITTLEHAMPTON, WEST SUSSEX Exempt – Paragraphs 3 – Information Relating to the Financial or Business Affairs of any Particular Person (Including the Authority Holding that Information).

The Cabinet received a report seeking authority for the disposal of freehold land located at Meadview Nursery, Lyminster, Littlehampton, West Sussex for best consideration.

Having received a thorough explanation into the background for the disposal of this land from the Group Head of Technical Services, the Cabinet acknowledged that this potential land disposal would bring significant income to the Council which would be held in the Council's Property Investment Fund as confirmed by the Property Investment Strategy.

For all of the reasons explained by the Group Head of Technical Services, the Cabinet believed that entering into a contract for sale and ultimate disposal of the Council's freehold land interest in the Meadview Nursery site would realise overall best value for the Council and was considered to be in the best interests of the Council.

The Cabinet

RESOLVED – That

(1) The freehold disposal of land located at Meadview Nursery, Lyminster, Littlehampton, West Sussex for best consideration be approved; and

(2) Authority be delegated to the Director of Place, in consultation with the Cabinet Member for Technical Services and the Section 151 Officer, to enter into a Promotion Agreement in respect of the Land, and agree terms for disposal of the Land for best consideration and to conclude any and all associated matters necessary to complete disposal and conveyance of the freehold site.

The Cabinet then confirmed its decision as per Decision Notice C/O51/040319, a copy of which is attached to the signed copy of the Minutes.

438. VOTE OF THANKS

As this was the last meeting of Cabinet in this administration, the Chairman thanked Cabinet Members for all of their contribution to meetings over the last four years.

(The meeting concluded at 5.57 pm)