

## CABINET

1 SEPTEMBER 2014

Present: Councillors Birch (Chair), Chowney, Cartwright, Forward, Hodges, Cooke, Lock and Poole

Apologies for absence were noted for Councillor Westley

### 22. MINUTES OF THE MEETING HELD ON 7 JULY 2014

**RESOLVED** – that the minutes of the meeting held on 7 July 2014 be approved and signed by the chair as a correct record.

**RESOLVED** – the chair called over items on the agenda, under rule 13.3 the recommendations set out in minute 27 were agreed without being called for discussion.

### MATTERS FOR CABINET DECISION

### 23. FINAL ACCOUNTS 2013/14

The Head of Finance presented a report which set out the draft final accounts position for 2013/14, the final accounts are subject to audit. The council continuously seeks to improve value for money and overspends and underspends identified in the outturn position are being investigated to inform future budget setting processes and resource allocation.

The Head of Finance advised that there is an improvement of some £900,000 in the net expenditure position compared to the revised budget, once reserve funded items are excluded. The largest variation was in respect of Housing Benefit grant recovery, £386,000, and this area will be closely reviewed for this year's revised budget and the 2015/16 budget.

Additional revenue grant monies amounting to £723,000 were received subsequent to setting the revised budget. The largest of these being the Coastal Communities Funding, and the unspent balance of £340,000 has been transferred to an earmarked reserve.

In terms of Capital expenditure the actual amount spent was £3,036,000. The net variations column in Appendix C should read £228,000 and not £94,000, and (£4,186,000) and not £161,000.

The Head of Finance submitted an amended recommendation at the meeting.

Councillor Birch moved approval of the amended recommendations, as set out in the resolution below, which was seconded by Councillor Cartwright.

**RESOLVED** (unanimously) that –

## CABINET

1 SEPTEMBER 2014

- 1) Cabinet approves the report and that the 2013-14 outturn position, along with the revised estimate for 2014-15 be taken into account when preparing the 2015-16 budget.**

The reason for this decision was:

Compliance with statutory requirements and good practice. The council is accountable for the use of public money and continuously seeks to improve value for money.

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

### MATTERS FOR COUNCIL DECISION

#### **24. BUSINESS RATES POOLING**

The Head of Finance presented a report which sought Cabinet agreement to the principle of entering into a Business Rates Pool.

In April 2013, a new funding regime had been introduced whereby local authorities retain a proportion of any additional business rate income collected, or conversely experience a reduction in resources if the business rate base declines.

Consideration had been given to pooling business rates between East Sussex authorities, which may help to mitigate the impact of any changes to the business rate baseline by supporting economic development and investment across the county, which may lead to a growth in business rate base. The report included a recommendation that no authority would receive a lower level of funding than they would have received without the pool.

The Leaders, Chief Executives and Directors of each of the respective councils had unanimously recommended that an application be submitted to the DCLG by 31 October 2014, to take up the next opportunity for pooling in 2015/16.

As part of the application process, a detailed proposal would need to be submitted and governance arrangements finalised for the scheme. The report recommended that Wealden District Council be nominated as lead authority. Authorisation to finalise the submission, agree the memorandum of understanding, and the final decision on whether to join the pool was delegated to the Chief Finance Officers of each authority. Membership of the pool would then be reviewed on an annual basis.

The Head of Finance submitted an amended recommendation at the meeting, as set out in the resolution below.

Councillor Birch moved approval of the amended recommendations which was seconded by Councillor Hodges.

## CABINET

1 SEPTEMBER 2014

**RESOLVED (unanimously) - that Cabinet agrees in principle to enter a business rate pool with other East Sussex authorities and agrees the following conditions that are being put before each authority:**

- 1) Wealden District Council be nominated as the lead authority**
- 2) the basic principle be agreed that no authority will receive a lower level of funding than they would have received without the pool.**
- 3) to split resources gained on the basis of the levy amount that was saved by individual authorities. The basis of the split being 40% to ESCC, 10% to the Fire authority and the remaining 50% split amongst the District/Borough Councils.**
- 4) the finalisation of the submission, agreement of the memorandum of understanding, and the final decision on whether to partake in the pool, along with the annual review, is delegated to respective Chief Finance Officers for the reasons outlined in the report.**
- 5) Chief Finance Officers to review membership of the Pool on an annual basis. Should an authority decide to withdraw membership, notification of intent to do so to be given to the remaining authorities at the earliest opportunity.**

The reason for this decision was:

Local authorities are free to come together to form pools for NDR purposes. In such cases tariffs and top-ups can be combined – and this can result in lower payments being made to the government. Authorities within such arrangements need to agree how risks and benefits are shared. A pooling arrangement could result in additional resources being retained within East Sussex. The estimates identify sums of £1.8m in 2015/16, £2m in 2016/17 and £2.2m in 2017/18 which would be shared between authorities and used for economic development purposes.

### MATTERS FOR CABINET DECISION

#### **25. NEW FACTORY UNIT**

The Head of Finance presented a report on proposals to build a new factory unit for an existing tenant on the Castleham Industrial Estate.

BD Foods, which supplied restaurant quality meal accompaniments, currently occupied seven units on the Castleham Industrial Estate. However, the growth of the business meant that they required additional space of up to 9,500 sq ft. The additional requirements could not be accommodated within the existing units, and it was therefore suggested that a new factory be constructed on land to the west of 68/69 Castleham Road. Once constructed, BD Foods would fit the factory unit out for use as a kitchen at their own cost.

If the council were unable to accommodate the requirements, BD Foods may need to relocate, which could adversely affect the council's rental income and create seven vacant units on the industrial estate. BD Foods had agreed to commit to a 10 year lease terms on the new factory, together with new lease terms on their existing units. The additional space would help BD Foods to create 20 new full time jobs.

## CABINET

1 SEPTEMBER 2014

The report also set out environmental implications of the project. In the past, residents had raised concerns at odour nuisance from the premises. The Head of Environmental Health and the Estates Manager met with BD Foods to discuss this matter and agreed that only food processing within closed vessels would take place in the extension, with no airborne emissions.

Councillor Birch moved approval of the recommendations to the report, which was seconded by Councillor Chowney.

**RESOLVED (by 7 votes for 0 against, with 1 abstention) that -**

- 1) A feasibility study (including costs) of constructing a new factory unit be undertake, and;**
- 2) Subject to the capital costs not exceeding £700,000 delegation is given to the Director of Corporate Resources, in consultation with the Leader of the Council, to complete tendering, contracting, lease and other arrangements to deliver the new factory unit.**

The reason for this decision was:

To assist a local business to expand and create additional jobs and income for the council.

**26. MINUTES OF THE CHARITY COMMITTEE MEETING HELD ON 30 JUNE 2014**

The minutes of the meeting of Charity Committee on 30 June 2014 were submitted.

**RESOLVED – that the minutes of the meeting of Charity Committee on 30 June 2014 be received.**

### EXCLUSION OF THE PUBLIC

**RESOLVED – that the public are excluded from the meeting during the consideration of items of business listed below because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of schedule 12A to the Local Government Act 1972 referred to in the relevant report.**

**27. NEW FACTORY UNIT**

The Head of Finance submitted a report to consider the financial implications relating to the construction of a new factory unit.

**RESOLVED – that the recommendations be agreed, as per the part I report.**

The reason for this decision was:

To assist a local business to expand and create additional jobs and income for the council.

**CABINET**

**1 SEPTEMBER 2014**

(The chair declared the meeting closed at 6.45pm)