

CABINET

3 SEPTEMBER 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, Fitzgerald, Rogers, S Beaney, Lee and Patmore.

97. DECLARATION OF INTERESTS

Councillor	Minute Number	Interest
Lee	100 – Site at West Marina	Prejudicial – He is good friends with one of the developers.
Forward	100 – Site at West Marina	Personal – She has a beach hut near this site.

98. MINUTES OF THE SPECIAL CABINET MEETING HELD ON 23 JULY 2018

RESOLVED that the minutes of the Special Cabinet meeting held on 23 July 2018 be approved as a correct record.

RESOLVED the chair called over all items on the agenda. No items were agreed without discussion under Rule 13.

99. MEDIUM TERM FINANCIAL STRATEGY

Peter Grace, Assistant Director, Financial Services and Revenues, presented a report on the Medium Term Financial Strategy. This report came to cabinet as the council looks to forecast its financial position over the medium term in order to ensure it can align corporate objectives with available resources. The Medium Term Financial Strategy seeks to identify the financial risks that will affect the annual budgets for each of the next 4 years (2019/20 to 2022/23) in order that key priorities can be matched to expected funding.

The Assistant Director, Financial Services and Revenues stated that the Council had previously accepted the government's offer for a four year settlement up to 2019/20 in order to provide some certainty on part of the Council's funding stream.

In readiness for 2020/21 the results of the Fair Funding Review and retention 75% of business rates should be announced by December 2020. This may well impact on the remaining income streams, such as New Homes Bonus and Discretionary Housing Payments.

The Council allowed around 2% overall for inflation on its main contracts in 2018/19. With some £5m of major outsourced contracts, inflation assumptions remain important for budget planning purposes.

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The Council is planning to spend £32,938,000 on capital projects during 2018-19. Of this £27,160,000 is due to be funded from borrowing, £4,247,000 by grants and contributions, £1,255,000 from capital receipts and £276,000 from reserves

He stated in brief, there are many variations within individual budgets, some of which are identified above.

Councillor Chowney proposed approval of the recommendations which was seconded by Councillor Fitzgerald.

RESOLVED (by 6 votes for, 2 against) that:

1. Approve the Medium Term Financial Strategy.

2. The Council take the robust actions necessary in this financial year and throughout the 2019/20 and 2020/21 budget processes to achieve a sustainable budget.

Reasons for Recommendations:

The council matches its available resources to its priorities across the medium term.

The report provides the opportunity to assess the council's resources to assist the review of corporate priorities given the continued reductions in funding and the need to continually ensure limited resources are properly aligned to targets.

100. SITE AT WEST MARINA

Councillor Lee left the council chamber having declared his prejudicial interest in the item.

Peter Grace, Assistant Director, Financial Services & Revenues presented a report on the site at West Marina. This was to determine a preferred bidder and agree the way forward in order to make a recommendation to cabinet in the autumn to accept or reject a developer for the site.

He stated that at Cabinet on 2 November 2015 it was agreed to add the site to the Land and Property Disposal Programme and to appoint agents to market the site.

Full marketing commenced in June 2017 and the deadline for the first round of informal tenders was 2 March 2018. A total of four bids from three developers/joint developers were received by the required deadline.

After analysing the bids it was agreed to proceed to a second and final round of bidding with Charterhouse and Countygate/Sunley. The bidders were invited to submit bids on the basis of a Capital sum or alternatively revenue streams based upon the Council retaining ownership of some parts of the development. The option remaining that the Council further invests its own monies for housing acquisitions as identified in the current Capital programme.

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Three compliant bids were received.

Councillor Chowney proposed approval of the recommendations which was seconded by Councillor Fitzgerald.

RESOLVED (by 6 votes for, 1 against) that:

- 1. To reject the offer from Charterhouse; and**
- 2. To agree County Gate/Sunley are the preferred bidder and to instruct our agents to negotiate further to agree Heads of Terms in order to make a recommendation to Cabinet.**

The reasons for these recommendations were:

The site has been vacant for some 30 years and the Council has looked to develop the site a number of times over the period. In the last few years, with changing economic circumstances, improvements to property values, and a number of reports and investigations to de-risk the site, the opportunity is available to develop the site and provide a mixed development including 152 residential units (25% affordable) as identified in the local plan.

The actions taken over the last three years have managed to identify, engage and retain the interest of major development companies resulting in a viable and attractive proposition to transform the West Marina site into a destination point in line with the objectives of the seafront strategy, provide enhanced leisure opportunities and see much needed investment in the area. The Council's agent, Carter Jonas, recommends proceeding with the offer from County Gate/Sunley.

CONFIDENTIAL BUSINESS

Councillor Fitzgerald proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Rogers.

101. UNIT 1 BEXHILL ROAD RETAIL PARK

Peter Grace, Assistant Director, Financial Services & Revenues presented a report on Unit 1 Bexhill Road Retail Park. The purpose of this report was to advise Cabinet on the outcome of the rent review.

There was urgency in doing this as otherwise it could have been referred to third party determination which would have incurred costs and the outcome may not have been as positive. The decision was made in accordance with the Council's Special Urgency Provisions.

This is an increase in annual revenue to the Council. The new rent is backdated to March 2018.

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Councillor Chowney proposed approval of the recommendations which was seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. To note the rent review has been settled at the sum as detailed in the part two report.**

The reason for this recommendation was:

The Council's Financial Rules require Cabinet to determine rent reviews over £100,000. In this instance a decision was taken under Special Urgency Provisions in conjunction with the Leader of the Council and is being reported to Cabinet as required.

(The Chair declared the meeting closed at 7:11pm)