

Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **14th April 2016**

Present:

Cllr. Clarkson (Chairman);

Cllr. Bell (Vice-Chairman);

Cllrs. Bennett, Mrs Blanford, Clokie, Galpin, Heyes, Shorter.

Apologies:

Cllrs. Bradford, Mrs Bell, Miss Martin, Ovenden.

Also Present:

Cllrs. Buchanan, Burgess, Hicks, Krause, Link, Michael, Wedgbury, White.

Chief Executive, Deputy Chief Executive, Corporate Director (Law and Governance) and Monitoring Officer, Corporate Director (Development), Head of Health, Parking and Community Safety, Head of HR, Communications and Technology, Health, Parking and Community Safety Manager, Human Resources Manager, Head of Environment and Customer Services, Head of Housing, Senior Commercial Development Manager, Head of Finance, Housing Improvement Manager, Principal Solicitor (Strategic Development), Policy and Performance Officer, Auditor, Communications Officer, Member Services and Scrutiny Manager.

380 Minutes

The Chairman referred to the Tabled Papers which set out amendments to Minute No. 363 – Management of Leisure Facilities: Corporate Strategy 2015 – 2020: Priority 3 Active and Creative Ashford.

Resolved:

That the Minutes of the meeting of the Cabinet held on the 10th March 2016 be approved and confirmed as a correct record subject to the substitution of “for up to 18 months (extendable for up to six further months)” for “for 18 months (extendable for a further six months)” and “Southern Community Leisure Trust Ltd” for “Neighbourhood Southern Community Trust Ltd” in Minute No.363 (ii) (b).

381 Pay Policy Statement – Annual Review

The report made recommendations for the annual review of the Ashford Living Wage Allowance and the Ashford Apprentice Wage Allowance and also for the publication of an updated Pay Policy Statement.

Recommended:

- That
- (i) the amendment to the application of the Ashford Living Wage Allowance (ALWA) to take account of the new statutory National Living Wage Rate be agreed and be implemented from 1st April 2016 and that the pay rate of the lowest paid employees is maintained at the rate of £8 per hour for 2016/17.**
 - (ii) the Pay Policy Statement as attached to the report be approved.**
 - (iii) the ALWA be paid at the rate of 15p per hour above the National Minimum Wage (NMW) rate applicable to the age of the apprentice for 2016/17.**
 - (iv) the ALWA rate be paid at 15p per hour above the statutory National Living Wage Rate for apprentices over the age of 25 for 2016/17.**
 - (v) it be noted that the forthcoming Government legislation would have an impact on the Council's Pay Policy Statement.**

382 Safeguarding Policy

The report advised that the Policy had been brought up to date following changes in national policy and legislation.

The Portfolio Holder explained that the purpose of the Policy and its associated procedures was that safeguarding was “everybody’s business” and that we as an organisation were committed to ensuring children, young people and adults at risk were protected from abuse and were provided opportunities to thrive. He also explained that procedures had been updated, training had been commissioned and a group of staff have been identified as Lead Safeguarding Officers.

Resolved:

- That
- (i) the revised Safeguarding Policy be approved.**
 - (ii) the Head of Health, Parking and Community Safety be authorised to approve minor amendments to the Policy in line with working arrangements.**

383 Proposed Update to the Affordable Housing Programme and Business Case for Remodelling of Danemore Sheltered Housing Scheme

The report sought approval to update the programme of new build Council housing and of the Business Case for the proposed remodelling of the sheltered housing scheme at Danemore, Tenterden. The Portfolio Holder said he wished to draw attention to the successful bid made by the Council to the Care and Support Specialised Housing (CASSH) fund of £1.6 million to contribute towards the cost of remodelling Danemore. He also explained the nature of the proposed decanting arrangements for the tenants and commented that the residents were pleased with the proposed improvements to be undertaken at Danemore. The Portfolio Holder also referred to the Affordable Homes Programme and advised that in terms of unit costs, work was being undertaken with a view to reducing them.

Resolved:

- That (i) the proposed updates to the new build programme between 2016 and 2020 be approved.
- (ii) the Business Case for Remodelling of the Danemore Sheltered Housing Scheme in Tenterden be approved.
- (iii) the successful bid for £1.6 m from the Department of Health CASSH fund be noted.

384 Grounds Maintenance, New Operational Structure: Approval of Costs Associated with the Early Release of Local Government Pension Scheme Benefits due to Redundancy

The report advised that in October 2016 the Grounds Maintenance Function would become an in-house service and there would no longer be an external contract to manage. As a consequence there would no longer be a requirement for Officers to monitor a contract and Contract Management posts would become redundant. Two of the affected post holders were entitled to the early release of their Local Government Pension Scheme Benefits due to reasons of redundancy.

Recommended:

That the costs of the early release of Local Government Pension Scheme Benefits for affected post holders for reasons of redundancy be approved.

385 Joint Transportation Board – 8th March 2016

Resolved:

That the Minutes of the meeting of the Joint Transportation Board held on the 8th March 2016 be received and noted.

386 Local Plan and Planning Policy Task Group – 9th March 2016

Resolved:

That the notes of the meeting of the Local Plan and Planning Policy Task Group held on the 9th March 2016 be approved and adopted.

387 Town Centre Regeneration Board – 24th February 2016

Resolved:

That the notes of the meeting of the Town Centre Regeneration Board held on the 24th February 2016 be received and noted.

388 Schedule of Key Decisions to be Taken

Resolved:

That the latest Schedule of Key Decisions as set out within the report be received and noted.

389 Elwick Place Development

The report, as amended by the Update paper tabled at the meeting, asked the Cabinet to recommend to Council to fund and require the construction of a mixed use leisure development incorporating cinema, hotel, food, beverage, car park and retail use in Elwick Road. The Exempt Appendices to the report included a paper entitled “Funding and Investment Opportunity”, a draft risk analysis, and a draft report from Arlingclose Ltd, who had been appointed by the Council for independent treasury management advice. Tabled at the meeting was an update report which included revised recommendations together with an Exempt paper advising on the ongoing due diligence work and advice from Cradick Retail who had been appointed by the Council to provide valuation advice in relation to anticipated rental levels. The tabled papers also included comments from Councillor Apps, as one of the Ward Members for the Ashford Victoria Ward.

The Chairman advised that he intended to discuss this item first with the Press and Public present, prior to moving into Exempt session to discuss and answer any questions of detail on the confidential aspects of the proposal. The Cabinet and other Members present were then afforded time to read the tabled papers.

The Chairman, in introducing the report emphasised that the Cabinet would be making recommendations to the Full Council on the 21st April 2016 when Members would be able to debate the issue and receive any further updates that may arise between this meeting and the Council meeting. He also said that it was opportune that he had received that day an invitation to attend an event at the Guildhall in London launching a scheme which was encouraging Local Authorities to use capital investment to support revenue budgets and at the same time achieve social value for

the residents of the area. He believed that the report before Members met both of these aspirations.

The Portfolio Holder for Finance, Budget and Resource Management said that this was a significant exercise for the Borough Council to undertake. He drew attention to the Medium Term Financial Plan which provided for the loss of formula grant from Central Government leaving a £2.1 million gap in funding which the Council needed to consider. The Five Year Business Plan approved by the Council in October 2015 had highlighted the need for the Council to earn revenue rather than reduce services to residents. He explained that the site subject to this report had planning permission for a cinema, hotel and eateries already, and the proposal to fund the building works would provide an added attraction to the town, facilitate its wider development, and support both the day and evening economy. The Portfolio Holder emphasised that the whole process was subject to ongoing due diligence and emphasised that the Council owned the freehold of the site and therefore the proposal did not include any land transfers. He summarised that the proposal was to fund historic and future project costs with Stanhope Plc, who would also receive a profit share on completion. In conclusion, he said that the proposal would allow the Council to benefit from a significant level of income year on year which would be used to support the revenue budget, together with any future capital growth, which he felt was likely.

The Portfolio Holder for Town Centres Focus and Business Dynamics said that he believed that the development was absolutely vital for the Town Centre and in particular the existing shops and businesses who had shown patience and great faith in Ashford. He explained that he had spoken to the Manager of County Square who had indicated confidence that their void units would be filled as the Elwick Place development went forward. He also alluded to the increased level of business rates which would be achieved as new businesses opened in the Town Centre, and commented that enhancing the mix of uses in the Town Centre with this leisure scheme would be very beneficial and the proposal would enable it to be brought forward quicker than waiting for the market to fund the development.

In response to a comment that there was a need to ensure the development was built to a high standard and appropriate quality without over-running costs, the Chairman and the Portfolio Holder for Finance, Budget and Resource Management confirmed that this would be covered in the agreement with the developer.

The Vice-Chairman noted the importance of securing the correct cinema tenant.

The Chairman then read the tabled comments received from one of the Ward Members for Victoria, Councillor Apps, in support of the recommendations set out within the report.

At this point in the meeting the Press and Public were excluded by means of the following resolution:

390 Exclusion of the Public

Resolved:

That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during consideration of the following item, namely Elwick Place Development (Exempt Appendices) as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

391 Elwick Place Development (Exempt Appendices)

During this part of the meeting Members asked detailed questions about the proposed financial arrangements; aspects of the proposed agreement with Stanhope; expected levels of income from the car park; the composition of the construction costs; the other parties involved; and risks associated with the project. The Officers present provided detailed responses to the questions raised and confirmed that the due diligence process was still being undertaken.

The Chairman said he wished to emphasise the strictly confidential nature of the information set out within the Exempt Appendices.

The Press and Public were then re-admitted to the meeting.

Recommended:

- That**
- (i) the contextual advice contained within the report be noted.**
 - (ii) the due diligence advice to date set out in Appendix C to the report, and attached to the tabled Update report, be noted.**
 - (iii) the Chief Executive be authorised, in consultation with the Leader of the Council, the relevant Portfolio Holders and the Chief Financial Officer and the Corporate Director of Law and Governance, to negotiate measures and take any other steps she considers prudent in the Council's interests in order to enable the transaction to proceed as a sound investment, and to approve final due diligence reports and a final risk analysis schedule which are satisfactory in her view and that subject to those matters recommendations (iv) to (vii) become effective. In the event that these matters are not satisfactory, the proposal be reported back for decision by Cabinet.**
 - (iv) it be agreed to enter into an agreement to finance and require the construction of the Development with Stanhope Plc on the terms and at an outlay as set out in the Exempt Update Report.**

- (v) it be agreed to fund the construction of the Development from borrowing (a mixture of internal and external borrowing) with discretion as to the mix and duration of borrowing delegated to the Chief Financial Officer in consultation with the relevant Portfolio Holder, with the need for a later report containing recommendations to amend the Council's Minimum Revenue Provision Policy as and when necessary as advised by Arlingclose.**
- (vi) the revised prudential indicators as outlined in Appendix E to the report be agreed.**
- (vii) authority be given to the Corporate Director of Law and Governance in consultation with the Head of Corporate Property and Projects to effect and complete all necessary documentation including the Development Funding Agreement to action the above.**

(KRF/AEH)

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Queries concerning these Minutes? Please contact Keith Fearon:
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