

## **CABINET**

At a meeting held on Tuesday, 15 September 2015

Present:-

Councillor D J Bastiman (Chairman) in the Chair;  
Councillors G A Backhouse, W Chatt, M J Cockerill, Ms M Donohue-Moncrieff,  
A Jenkinson, Mrs H F Mallory and J Plant

### **1. DECLARATIONS OF INTEREST**

No declarations of interest were received.

### **2. MINUTES**

**RESOLVED** that the minutes of the meeting held on 14 July 2015 be approved as a correct record and signed by the Chairman.

### **3. PUBLIC QUESTION TIME**

The Chief Executive reported that two questions had been received in relation to agenda item 12 and suggested that they be considered under this item.

### **4. FORWARD PLAN**

The Cabinet considered the Forward Plan (Reference 15/259) noting the following amendments:

- (i) Item 1, Proposals for Redevelopment of Futurist and Wider Site, was now a report for information only at today's meeting;
- (ii) Under the Public Health and Housing portfolio, an item to be added on green waste collections;
- (iii) Under the Harbours, Assets, Coast and Flood Protection portfolio, the Leader had recently resolved to terminate the Whitby Harbour Board pilot. This meant that items currently allocated to Whitby Harbour Board would be amalgamated within this portfolio as appropriate. The Whitby Harbour Board would be replaced by a new Ports Development Group comprising both independent and Council members, responsible for developing a long term vision and strategic road map for the Borough's three harbour undertakings.

**RESOLVED** that, subject to the above, the Forward Plan be approved.

### **5. PROGRESS OF SCRUTINY OF EXECUTIVE DECISIONS**

Members were advised of two executive decisions called in for scrutiny, both referred to the Resources Scrutiny Committee to consider at its meeting on 29 September:

- (i) Cabinet decision dated 14 July in respect of the future use of a site at Danes Dyke, Newby
- (ii) Decision of the Portfolio Holder for Harbours, Assets, Coast and Flood Protection dated 4 August in respect of the release of a restrictive covenant on the Eastfield Public House site.

### **6. NORTH STREET DEVELOPMENT**

Members were reminded that the Cabinet's decision dated 26 May 2015 to reject the release of North Street Car Park, Scarborough for development and to retain it as a short stay parking facility had been called in for scrutiny and considered at the Environment and Economy Scrutiny Committee on 5 June 2015. The Cabinet decision was upheld by that committee. Subsequently, certain Members requested that the matter be referred to the Resources Scrutiny Committee which considered it on 21 July. At that meeting, the committee requested that the Cabinet further deliberate upon Option A(i) in the report, namely to approve, in principle, the freehold disposal of North Street Car Park, subject to the constraint that any developer provide to the Council as part of any development at or in close proximity to the site equivalent car parking capacity, which provides the Council with the same or equivalent financial return as the current site. The matter was therefore put before the Cabinet for further deliberation. Councillor Cockerill then commented on the request, quoting the minutes of the Cabinet meeting of 26 May, that: 'Members were reminded that the report before them concerned the principle of disposal of the car park, and whether best value for the Council could be achieved, and not whether a cinema would be constructed on the site, which was not guaranteed. Members discussed the report and this principle, in the context of the wider regeneration of the town centre. Members of the Cabinet felt that the option to release the site given the constraints and factors outlined above, did not provide sufficient certainty that best value for the Council could be achieved.' Councillor Cockerill added that as far as he was aware, no new information had come forward, and therefore there was nothing to debate. The Chairman then invited Councillor Siddons to address the meeting. Councillor Siddons commented on the great public interest in the Cabinet's decision and in the North Street site, the development of which he believed had the potential to act as a catalyst for the regeneration of the wider town centre. He acknowledged the car park's importance as a generator of income for the Council, but he knew of at least one developer who was interested in developing the site, whilst allowing the Council to retain the same number of parking spaces in the town. His request was that the Council test the interest by the market in this key town centre site. The Cabinet then discussed Councillor Siddons' proposal. There was concern that the significant income stream provided by the car park might be put at risk by a development that may never come to fruition, and a more general recognition, also shared by Councillor Siddons, that the North Street site needed to be considered in the round with other sites such as the Futurist/Town Hall to afford a wider, more holistic picture of the development potential of the town centre. The Chairman suggested a meeting involving the Cabinet Members for Harbours, Assets, Coast and Flood Protection; Finance, Procurement and Legal; and Strategic Planning and Transformation and Councillor Siddons to discuss this bigger picture. Councillor Siddons welcomed this invitation. The Cabinet Member for Strategic Planning and Transformation reported that he was seeking to establish a cross party working group of Members to develop a strategy for the Borough's town centres. Councillors Cluer and Jefferson also addressed the meeting in support of Councillor Siddons.

**RESOLVED** that the Cabinet, after deliberating further Option A(i) as requested by the Resources Scrutiny Committee, did not intend to revisit its

original decision dated 26 May 2015 in respect of North Street Car Park at this time.

**Reasons**

No further information had been forthcoming which altered the Cabinet Members' reasons for the decision they had made at the meeting on 26 May 2015. The reasons for that decision were set out in the minutes of that meeting.

**7. USE OF S106 COMMUTED SUMS TO SUPPORT AFFORDABLE HOUSING DEVELOPMENT AT AISLABY**

The Cabinet considered a report by the Director (TW) (Reference 15/247) seeking the use of a commuted sum to support the development of affordable housing in Aislaby.

**RESOLVED** that the Cabinet approve that the Council enter into an agreement with Broadacres Housing Association on terms to be approved by the Council's Monitoring Officer for the Council to contribute £60,000 of Affordable Housing Commuted Sum monies to undertake a new affordable housing development at Moor Lane in Aislaby.

**Reasons**

To ensure that a proposed affordable housing development at Moor Lane in Aislaby can be taken forward.

**8. MOTOR EVENTS ON OLIVER'S MOUNT**

The Cabinet considered a report by the Director (TW) (Reference 15/249) seeking the Cabinet's view on whether to permit an increase in motorcycle events from seven to eight days and hill climbs from three to four days on Oliver's Mount for a one year trial basis for 2016. Members were reminded that in January 2015, the Cabinet had rejected a request from event organiser, Auto 66 Club for an increase by one day in the number of motorcycle events on Oliver's Mount. At that meeting the Cabinet noted Auto 66 Club's commendable ambitions for the Oliver's Mount programme, the added appeal of two day events and the undoubted economic benefits the extra day would bring, but the ongoing issues with traffic management and noise, which despite Auto 66 Club's efforts to ameliorate, still affected the amenity of nearby residents. However, a request had been submitted again following the development of greater sponsorship and media opportunities that would secure a higher profile for events and attract a larger number of competitors and spectators, thus offering greater benefit to the local economy, together with proposals to mitigate some of the amenity issues raised by nearby residents. In presenting the report, the Leisure and Community Services Manager also referred to the additional information he had circulated to the Cabinet: consultation results with the South Cliff Group, a summary of objections submitted by residents on the eastern side of Oliver's Mount, photographs evidencing inappropriate parking in the area during an event the previous weekend, and an objection sent by local ward councillor and Mayor, Councillor Fox citing the organiser's poor approach to resident liaison. The principal issues were identified as noise of the motorcycles' engines, the noise of the PA system, traffic congestion and emergency access, litter, parking on

grass verges, and the events encouraging speeding motorists and motorcyclists. The Chairman then invited Mr Scott Beaumont, who had been engaged by Auto 66 Club since January to promote and market the events on Oliver's Mount, to address the Cabinet. Mr Beaumont confirmed the recent progress he had made in raising the profile of Oliver's Mount across a variety of media, the sponsorship deals, how the additional days would make the events more viable and attractive to both competitors and spectators, and the sizeable benefits to the local visitor economy. Asked how Auto 66 Club would mitigate the impact of the events on nearby residents, Mr Beaumont commented that not much could be done about the noise of motorcycle engines, although decibel levels had reduced since the 1970s in accordance with EU regulations. In respect of the PA system, the organiser was investigating a system used at the TT Races of providing a radio service to spectators' earphones. Auto 66 Club was also keen to work with the Police and the Highway Authority to improve the management of traffic and reduce congestion. Members commended Mr Beaumont's success in promoting the events to an international audience, and his wish to mitigate the negative impacts, whilst noting the importance of maintaining good communications with local residents. The Cabinet believed the proposal in the report to offer Auto 66 Club the additional days on a one year trial basis struck the necessary balance between the interests of organiser and residents, by enabling the Council to review Auto 66 Club's performance after that year, and then consider whether the policy should be further amended.

**RESOLVED** that the Cabinet permit an increase in motorcycle events from seven to eight days and hill climbs from three to four days on Oliver's Mount on a one year trial basis for 2016.

### **Reasons**

To increase the viability and attractiveness of the Oliver's Mount events whilst enabling the Council to review the organiser's success in reducing the negative effects of the events on local residents.

## **9. REPLACEMENT OF CORPORATE ELECTRONIC DATA STORAGE, BACKUP AND DISASTER RECOVERY SOLUTIONS**

The Cabinet considered a report by the Deputy Chief Executive (Reference 15/250) which proposed the replacement of corporate electronic data, storage, backup and disaster recovery solutions. Members were informed of the inadequacies of the current arrangements which provided serious risk to ongoing service delivery in the event of a business continuity situation. In response to their questions, Members were advised that the new Electronic Document and Records Management (EDRM) system was now starting to be rolled out, but may take several years to be adopted across the Council. Disk space capacity was a challenge, and further support was required to make staff better housekeepers of data. The anticipated deployment of third party professional services was included in the costs of the project.

**RESOLVED** that the Cabinet:

1. Note the contents of the report and the urgent need to improve our corporate electronic data storage and back up and Disaster Recovery capability

2. Authorise Officers to undertake an exercise to procure the technology necessary to:
  - i. Increase the disk capacity to improve performance and reliability in the Town Hall data centre
  - ii. Establish a replicated data centre with new disk hardware at an second independent site
  - iii. Undertake a programme of work to implement the improved disk capacity and new replicated data centre
3. Note that the capital costs required to procure and implement the proposed solutions are identified within the current ICT development budget. The annual revenue cost will be paid for through the decommissioning of the current solution. Therefore the costs will be at worst cost neutral, with the potential for some revenue savings to be delivered through the procurement process.
4. Subject to the costs being within current capital and revenue budgets, as identified in the approved financial strategy, delegate authority to the Director (LD) to enter into the contracts necessary to implement the recommendations above in paragraphs 2.i – 2.iii.

### **Reasons**

To highlight to Members the risks inherent with the current data storage and disaster recovery solutions. Some of the elements are old, out of warranty, no longer fit for purpose and command expensive third party support. Therefore they pose a considerable risk to the Council's ongoing service delivery and critical business continuity requirements.

To recommend a programme of work that will replace major elements of the Council's corporate electronic data storage, data backup and recovery infrastructure systems, providing modern, fit for purpose data storage solutions and a resilient disaster recovery solution.

## **10. FINANCIAL MONITORING (QUARTER 1)**

The Cabinet considered a report by the Director (NE) which provided an update on the Council's financial position in relation to the revenue and capital budgets, grants, reserves and income collection for the period April to July 2015. Commenting on the projected shortfall in income at the Open Air Theatre, Councillor Chatt asked if the Council could do more to promote the free summer shows held there. At the invitation of the Chairman, Councillor Siddons also addressed the Cabinet on this matter. He was very disappointed at the £237k shortfall, and suggested that the Council consider alternatives to its present position as a direct entertainment provider, and that Members across the Council work on identifying a way forward. The Chairman acknowledged that an in-depth examination of the Open Air Theatre was required, and that a report would be submitted to the Cabinet in due course.

**RESOLVED** that the Cabinet:

- i) Note the report and in particular that:
  - Despite the setting of an extremely challenging budget and, despite lower than expected levels of income in some areas, a small year end surplus will be achieved.
  - The majority of income targets are being achieved but shortfalls will occur at the Open Air Theatre.
  - Although a current year surplus is positive news it can be attributed to areas which are one-off in nature. There are a few problem areas that need to be addressed during the year to ensure that they do not cause budget growth in future years.
  - The capital programme continues to operate within the overall parameters set in terms of contingency levels.
  - The Capital Development Reserve is overcommitted over the ten year period however this is expected to be addressed in the short term through slippage in capital expenditure. The target is to address this shortfall over the short to medium term. All other reserves are in line with their parameters and are considered adequate.
  
- ii) Accept the following grants:
  - £8,980 from Ministry of Defence and £5,000 from Transpennine Express for Armed Forces Day 2015.
  - £235,401 from Sport England from their Community Sport Activation Fund.
  - £15k of WREN (Waste Recycling Environmental Limited) funding for works to Ayton Castle
  
- iii) Delegate authority to the Director (Nick Edwards) to accept any funding that is awarded through the Coastal Revival Fund
  
- iv) To approve that £12k of Section 106 monies be committed to the Whitby West Cliff Crescent Gardens scheme.

**Reasons**

To provide information relating to the Council's financial performance for the 2015/16 year.

**11. INTERIM BUDGET**

The Cabinet considered an Interim Budget report by the Director (NE) (Reference 15/251), noting the severe financial challenges facing the Council, and urging all councillors to get involved in the budget setting process. The Cabinet Member for Finance, Procurement and Legal confirmed that the new capital working group referred to in the report, would be cross-party and seeking to engage councillors who could bring both experience and expertise to the table.

**RESOLVED** that the Cabinet note the report and in particular that:

- (i) Current financial projections show that the Council will face a revenue budgetary shortfall of £2.794m in 2016/17, £2.547m in 2017/18, £1.977m in 2018/19 and £1.964m in 2019/20 (a total of £9.282m over the SR15 period);
- (ii) The budget shortfall will not be bridged through efficiencies alone and cuts in service are inevitable in the forthcoming years. Portfolio holders are working alongside the Director's Team to pull together a range of savings options and these will be presented to Cabinet in December;
- (iii) The Government will publish its 2015 Spending Review on 25 November 2015; however individual local authority funding allocations are not expected until late December;
- (iv) The Council's capital reserves are overcommitted over the 10 year period and projections do not make provision for capital receipts, essential asset management or infrastructure works. A capital working group will be established to oversee the development of a long term capital strategy for inclusion in the 2016 Financial Strategy.

### **Reasons**

The Council has a legal duty to set a balanced budget each year and Full Council must approve the 2015/16 budget and associated Council Tax levels in February 2016.

It is important that the Council considers its budget position early in order to consult with the public and key stakeholders on its budget recommendations, particularly in respect of proposed budget savings.

## **12. PROPOSALS FOR REDEVELOPMENT OF FUTURIST AND WIDER SITE, SCARBOROUGH**

The Cabinet considered a progress report for information on the Futurist redevelopment by the Director (NE) (Reference 15/252). In introducing the report, the Chairman referred to a letter from the Theatres Trust in relation to the Futurist Theatre which had been circulated to the Cabinet. He then invited the two public speakers to put their questions to the meeting:

Patricia David: The report mentions that the Futurist building is supporting the cliff behind. It also includes in detail the Civil Engineering requirement for stabilisation of the land after demolition of the Futurist Building. This would appear to far exceed the original earlier estimates of this cost, and the agreement by SBC with FlamingoLand that the taxpayer should foot this bill. Can you please inform us as to what the actual final total cost of clearance and land stabilisation will be, including hidden costs, e.g. insurances, compensation to local businesses and residents for dirt and disruption to their quality of life during the entire time of development, and compensation to residents for the potential devaluation of their properties when the fairground is up and running. There is also a need for taxpayers to have a cost benefit analysis which will be able to prove that there will be a long-term benefit in terms of direct financial, amenity and quality of life after FlamingoLand has been opened. The Council must ensure that there will be adequate Public Consultation on this before any agreement is signed and delivered with FlamingoLand.

Daphne Barr: I refer to specific numbered items on the Report submitted to

Cabinet. No. 3.3 of the Report states that "if the Futurist building was to be demolished without the necessary consideration of alternate support then the slope will in all likelihood fail below the existing rear retaining wall." 5.2 & 5.3 detail the proposed design solution for the retaining structure, which seems to me to be a massive project at, I imagine, a similarly massive cost. The demolition of the Futurist building requires Prior Notification of Proposed Demolition approval. I notice that this is a concern in the Risk Matrix, as is the prospect of the cost of demolition being prohibitive, redevelopment not feasible and Flamingoland's scheme not proceeding. The Report states a possible consequence of the above would be to clear the development site, appoint a new development partner and carry out another tender process with the option to include the Upper Tier site in the overall development package. To mitigate this, according to the Report, agreement for redevelopment should be in place before commencement of demolition. That would seem to me to be more than abundantly obvious! This takes us back to the origins of this Upper/Lower development site consultation. Vast amounts of taxpayer money have been and will still be involved in this ill-conceived demolition project. The taxpaying public should be informed of the cost so far, and it is absolutely imperative that, before any further steps are taken, the real cost of this project is made known to the public. It cannot continue to go on in secret, behind closed doors.

How much will demolition, site clearance, and cliff stabilisation cost the taxpayer? Where will the money come from in these times of austerity when Scarborough Borough Council is already committed to developers in other very expensive projects?

The Chairman then responded: Thank you for your questions. Officers are exploring suitable delivery and funding options for the site as outlined in the report. Following completion of this work, and when all relevant information including costs has been finalised, further reports will be presented to the Cabinet. Details of these reports will be included on Cabinet's Forward Plan so as to notify and inform members of the public, and the reports will be dealt with in accordance with the Council's Constitution and relevant statutory provisions.

At the invitation of the Chairman, Councillor Jefferson then addressed the meeting voicing her concerns at the significant costs of the proposed development, the proposed methods of stabilisation and potential effect on neighbouring properties, that local businesses and residents were duly consulted, and her wish that if ultimately the costs of development did prove prohibitive, that consideration be given to restoring the existing theatre.

**RESOLVED** that the Cabinet note:

- (i) that the additional recommended surveys have been completed;
- (ii) the further surveys have confirmed that the building provides support to the slope behind;
- (iii) that a design enabling the safe demolition of the Futurist building to provide a cleared site for redevelopment has been prepared;

- (iv) Officers continue to work with Flamingoland;
- (v) Officers are exploring the suitable delivery and funding options for the site clearance;
- (vi) following completion of recommendations (iv) and (v) above a further report will be presented to Cabinet.
- (vii) that the Council completed the acquisition of the HCA's assets in the Lower Tier site.

### **Reasons**

To update Members on the progress of their previous decisions to demolish the Futurist building and facilitate the redevelopment of the Futurist and the wider Town Hall site.

**Chairman**