



LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS to be made by the Lead Member for Resources and Climate Change,
Councillor Nick Bennett

MONDAY, 15 JULY 2024 AT 3.00 PM

REMOTE MEETING VIA MICROSOFT TEAMS

AGENDA

1. Decisions made by the Lead Cabinet Member on 25 June 2024 (*Pages 3 - 4*)
2. Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
3. Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
4. Grant of a new 25-year lease to West Hill District Community Association for West Hill Community Centre, Bembrook Road, Hastings (*Pages 5 - 10*)
Report by the Chief Operating Officer
5. Procurement of Supply of Gas and Electricity to East Sussex County Council Assets (*Pages 11 - 14*)
Report by the Chief Operating Officer
6. Any non-exempt urgent items previously notified under agenda item 3
7. Exclusion of the Public and Press
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
8. Grant of a new 25-year lease to West Hill District Community Association for West Hill Community Centre, Bembrook Road, Hastings - Exempt Information (*Pages 15 - 44*)
Report by the Chief Operating Officer
9. Procurement of Supply of Gas and Electricity to East Sussex County Council Assets - Exempt Information (*Pages 45 - 72*)
Report by the Chief Operating Officer
10. Property Strategy for Land Known as Site 6, Easter Island Place, Eastbourne (*Pages 73 - 108*)
Report by the Chief Operating Officer
11. Any other exempt items previously notified under agenda item 3

PHILIP BAKER
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5 July 2024

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LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS made by the Lead Member for Resources and Climate Change, Councillor Nick Bennett, on 25 June 2024 at Remote Meeting via Microsoft Teams

6. DECISIONS MADE BY THE LEAD CABINET MEMBER ON 21 MAY 2024

6.1 The Lead Member approved as a correct record the minutes of the meeting held on 21 May 2024.

7. DISCLOSURE OF INTERESTS

7.1 There were none.

8. URGENT ITEMS

8.1 There were none.

9. REPORTS

9.1 Reports referred to in the minutes below are contained in the minute book.

10. 98 SOUTH COAST ROAD, PEACEHAVEN - DISPOSAL OF FREEHOLD

10.1 The Lead Member considered a report by the Chief Operating Officer.

DECISIONS

10.2 The Lead Member RESOLVED to:

- 1) Declare 98 South Coast Road, Peacehaven to be surplus to the requirements of the Council;
- 2) Approve the disposal of the Property in accordance with s123 of the Local Government Act 1972;
- 3) Delegate authority to the Chief Operating Officer to agree the terms of the sale to achieve best value for the Property in accordance with s123 of the Local Government Act 1972, including proceeding with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines; and
- 4) Delegate authority to the Chief Operating Officer to take all actions necessary to give effect to the recommendations in the report.

REASONS

10.3 The Council has no ongoing operational use for the Property. It is therefore surplus to the Council's requirements. The disposal of the Property will reduce revenue liabilities relating to the management and holding costs of this surplus asset, as well as providing the Council with a capital receipt.

10.4 Delegation to the Chief Operating Officer to agree the terms of the sale to achieve best value for the Property in accordance with s123 of the Local Government Act 1972, including authority to proceed with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines will facilitate the effective disposal of the Property.

11. RENTING OF OPEN STORAGE SPACE AT BRAMPTON ROAD EASTBOURNE

11.1 The Lead Member considered a report by the Chief Operating Officer.

DECISIONS

11.2 The Lead Member RESOLVED to:

- 1) Agree that East Sussex County Council take a new lease for 18 months of land in Brampton Road Eastbourne, to be used as open storage space; and
- 2) Delegate authority to the Chief Operating Officer to determine the detailed terms of the lease, to approve the final lease negotiations and the signing of the lease by East Sussex County Council (ESCC) and to take any other actions considered appropriate to give effect to the above resolution.

REASONS

11.3 There is an ongoing need for storage of bulk materials needed for Phase 2a of the Eastbourne Town Centre Improvement scheme, in close proximity to the Town Centre.

Report to: Lead Member for Resources and Climate Change

Date of meeting: 15 July 2024

By: Chief Operating Officer

Title: Grant of a new 25-year lease to West Hill District Community Association for West Hill Community Centre, Bembrook Road, Hastings

Purpose: To agree to the grant of a new lease of West Hill Community Centre, Bembrook Road, Hastings

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Agree to grant a new 25-year lease to West Hill and District Community Association, in relation to West Hill Community Centre, Hastings; and
 - 2) Delegate authority to the Chief Operating Officer to take all actions considered appropriate to give effect to the above recommendation including, but not limited to, agreeing the final terms of the lease.
-

1 Background

- 1.1 East Sussex County Council (ESCC) are the freeholder of the site known as West Hill Community Centre, which is on the corner of Bembrook Road and Croft Road in Hastings. The site comprises a single storey prefabricated building that is being used as a Community Centre, with associated car parking and areas of soft landscaping. The community building is adjacent to Torford School, providing special educational needs (SEN) for young people. A site plan is included at Appendix 1.
- 1.2 The site has been let to the West Hill and District Community Association (WHDCA) since 1974. Under the terms of the original lease, WHDCA were to build a community centre building which they did; however, that building is now considered to be in need of total modernisation or replacement. The most recent lease to WHDCA expired in March 2023 and they have been occupying under a tenancy at will since that date, whilst the future site requirements have been under discussion.
- 1.3 WHDCA is a Charitable Incorporated Organisation (CIO) that aims to support the community of the Tressell, Castle and Old Hastings wards in Hastings. As stated in their Constitution, the mission of the CIO is:
 - To promote the benefit of the inhabitants of the 'area of benefit', without distinction of sex, sexual orientation, age, disability, nationality, race or of political, religious or other opinions, by associating together the said inhabitants and the statutory authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants;
 - To establish, or secure the establishment of, a Community Centre and to maintain and manage the same (whether alone or in cooperation with any statutory authority or other person or body) in furtherance of the Objects;
 - To promote such other charitable purposes as may from time to time be determined. The Charity shall be non-party in politics and non-sectarian in religion.

- 1.4 The community centre provides a variety of spaces, both indoors and outside, for casual hire on an affordable and flexible basis, seven days a week. The centre is well-used by local social groups and residents.
- 1.5 WHDCA appointed a firm of Chartered Surveyors to undertake a building survey in 2020, with a condition report being produced in 2023 by a separate firm. Both reports highlighted extensive defects with the existing building, ranging from smaller items such as non-opening windows, to larger items such as issues with the roof support structure. In addition to this, the building is considered to be limiting in terms of access and layout.
- 1.6 The current building was constructed in 1974 using prefabricated methods and has exceeded its intended lifespan. It therefore requires substantial capital investment to prolong its lifespan, albeit the existing building would still be limited in terms of accessibility and size. WHDCA have therefore explored the viability of constructing an entirely new building to replace the existing Community Centre. It is intended for the new building to be more environmentally sustainable and efficient, both in terms of energy consumption and space provision.
- 1.7 WHDCA will require grant funding for the new building and have approached various funders. It has been identified that some grant funding providers are asking for a minimum 20-year term to secure any potential grant funding against. Future funding programmes are expected to have similar criteria. A 25-year term is therefore being recommended to allow WHDCA to be able to qualify for funding over the medium term and provide security for investment.

2 Supporting information

- 2.1 WHDCA are a well-established local organisation providing essential community facilities in Tressell, Castle and Old Hastings wards in Hastings, an area where very few alternative facilities exist in West Hill. There are other community facilities in the central Hastings area. WHDCA had new Trustees in 2022, who have now worked up a detailed business plan showing their plans to widen the services to the community throughout the year and also set out their vision for a new building to be erected.
- 2.2 The Council has no alternative operational use for the site, which has been occupied by WHDCA since 1974. Alternative options for the site have been considered, including disposing of it in return for a capital receipt, and letting the site for a commercial rent.
- 2.3 ESCC currently receives a nominal rent, reflecting its community use and not-for-profit status. The lease terms are set out in the associated exempt report at a later agenda item. It is anticipated that the subsequent lease would also be on the basis of a nominal rent.
- 2.4 Any new building constructed on site would be subject to consultation with the community and WHDCA would need to secure planning approval via Hastings Borough Council, as the Local Planning Authority. WHDCA will appoint external support in legal services, architecture, and project management to support the development of the community centre. They are being supported by Hastings Voluntary Action in this development project. If the longer lease term is not secured, the risk is that significant funding would not be awarded, and this would result in the closure of the Community Centre.
- 2.5 The Council has power under s.123 of the Local Government Act 1972 to dispose of land in any manner they wish, including the granting of a lease. However, this power is subject to a requirement that such disposal must be for the best consideration reasonably obtainable (save in the case of short tenancies), unless the Secretary of State consents to the disposal.
- 2.6 Under Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 (disposal of land for less than the best consideration that can reasonably be obtained), a general consent from the Secretary of State is given to local authorities in certain specified circumstances. These are as follows:
 - The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the promotion or improvement of the economic, social or

environmental well-being of the whole or part of its area, or of all or any persons resident or present in its area; and

- The difference between the unrestricted value of the land to be disposed of and the proposed consideration for the disposal does not exceed £2,000,000 (two million pounds).

2.7 In line with the guidance in Circular 06/03, an internal assessment of the market value of the asset has been undertaken on the basis of the existing use (i.e. *F2(b) Halls or meeting places for the principal use of the community*). Further details of the assessment are set out in an exempt report later on the agenda. A 25-year lease at a nominal rent is likely to be a slight undervalue compared to what could be achieved as a commercial rent. The Council is satisfied, however, that the requirements set out in the general disposal consent are met in relation to the community centre and the Council therefore has the power to dispose of the asset in this way. This is because the undervalue is less than £2,000,000 and the grant of the proposed lease is considered to contribute to the promotion or improvement of the social wellbeing of the local area.

3 Conclusion and reasons for recommendations

3.1 In the interest of facilitating WHDCA's plans to further invest in the site and continue to provide a community space for the benefit of the residents in West Hill area, it is recommended that the Lead Member for Resources and Climate Change:

3.1.1 Agrees to grant a new 25 year lease to West Hill and District Community Association, in relation to West Hill Community Centre, Hastings; and

3.1.2 Delegates authority to the Chief Operating Officer to take all actions they consider appropriate to give effect to the above recommendation including, but not limited to, agreeing the final terms of the lease.

ROS PARKER
Chief Operating Officer

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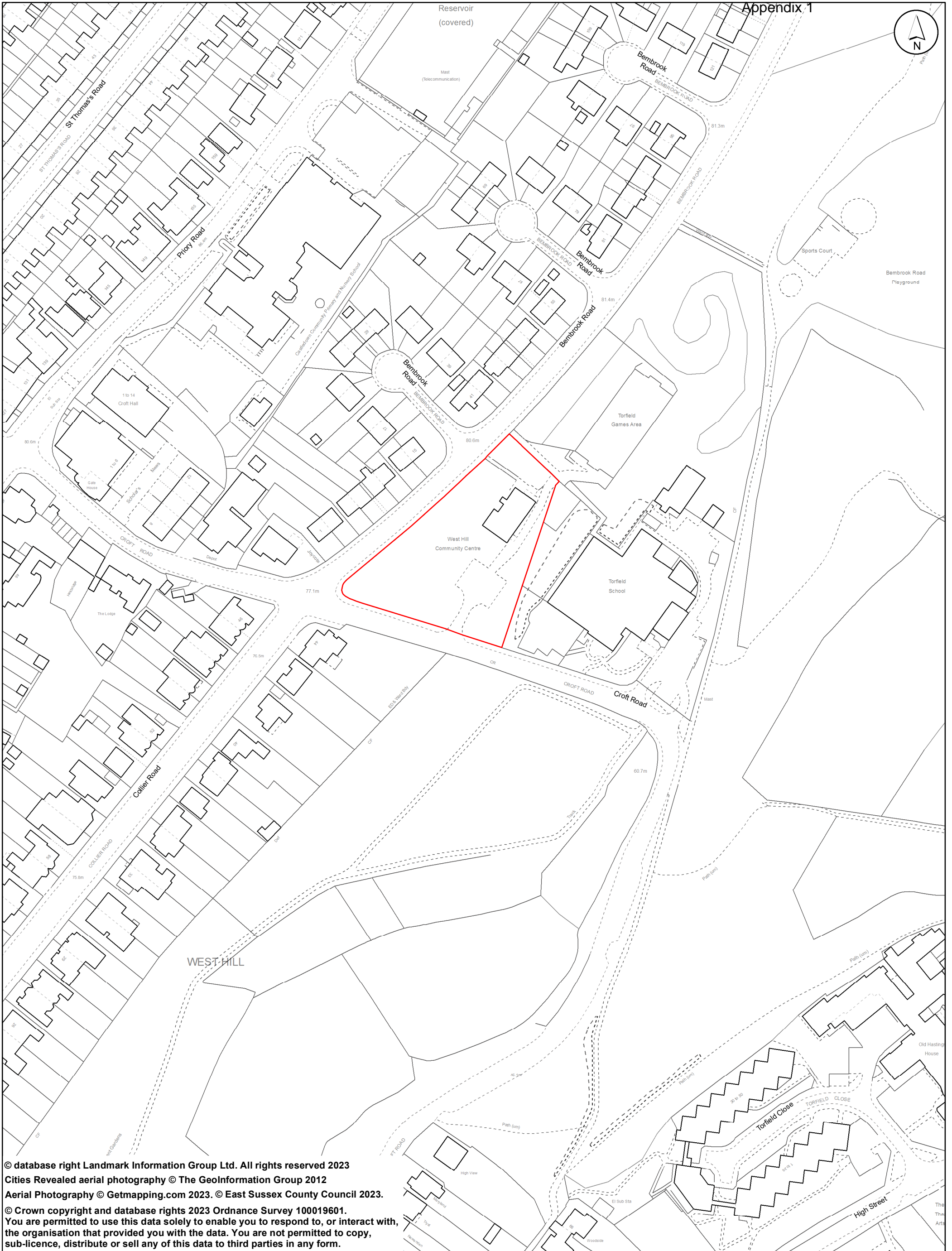
LOCAL MEMBER

Councillor Julia Hilton


BACKGROUND DOCUMENTS

None

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Map Title: West Hill and District Community Centre and land		East Sussex County Council County Hall St Annes Crescent Lewes 
Date: 16/01/2023	Map No: 1	
Scale: 1:1,250	Page 9 Author: DNS/JJ	

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Agenda Item 5

Report to: Lead Member for Resources and Climate Change

Date of meeting: 15 July 2024

By: Chief Operating Officer

Title: Procurement of Supply of Gas and Electricity to East Sussex County Council Assets

Purpose: To seek Lead Member approval for the procurement of gas and electricity supply to East Sussex County Council Properties and Assets.

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Approve East Sussex County Council (ESCC) continuing to purchase electricity and gas via the Crown Commercial Services Energy Framework following an energy market review;
 - 2) Delegate authority to the Chief Operating Officer to take all actions considered appropriate to give effect to the above recommendation including, but not limited to, agreeing the contract for purchase of electricity and gas; and
 - 3) Delegate authority to the Chief Operating Officer to undertake a further review within 24 months to ensure the Council is securing value for money.
-

1 Background

1.1 East Sussex County Council's current arrangements for the supply of gas and electricity are procured through the Crown Commercial Services Energy Supply Frameworks as outlined in the Lead Member's decision of 20 September 2019 ([Agenda for Lead Member for Resources and Climate Change on Friday, 20th September, 2019, 11.00 am | East Sussex County Council](#)).

1.2 The Council currently procures gas and electricity for the following assets:

- Corporate Buildings (including Social Care Buildings and Libraries):
- Schools.
- Street Lighting.
- Academies.

Academies and Schools pay their sites energy invoicing direct to the supplier.

Table 1 - shows the energy consumption (in megawatt hours) used in 2023/2024 for the different areas shown above.

Department	Gas MWh	Electricity MWh
Corporate	6,233	4,505
Schools	11,644	9,216
Street Lighting	-	6,088
Academies	13,659	6,398
Total	31,536	26,207

1.3 The annual cost for the supply of gas and electricity across all the assets above will change according to demand and wholesale market cost.

- 1.4 The Council's Property team are working with site managers regarding best practice on how to reduce energy usage and this is an important role to aid the reduction of energy consumption. The Council also has an established programme of capital investment including heat decarbonisation projects, LED lighting and solar PV panel installation programme. The Business Services Department Portfolio Plan had a target for 23 energy efficiency projects in 2023/2024 to reduce energy consumption; however, this was surpassed by achieving 25 projects in that period.
- 1.5 Due to the nature of the market and to obtain best value, the Council procures energy in advance. The contract for the gas and electricity supply is pivotal to ensure all services are maintained in a way to support the requirements of East Sussex County Council in monitoring consumption, carbon reporting and spend of energy. This is because East Sussex County Council's [Climate Emergency Plan 2023-25](#) recognises the impact of energy usage on the environment.
- 1.6 The energy industry has made progress in developing a greater mix of energy produced via renewable sources, such as wind, solar, hydro and wave for example. Consequentially, the carbon intensity of energy supplied by the national grid has reduced since East Sussex County Council's current arrangements for the supply of gas and electricity were procured in 2019.
- 1.7 East Sussex County Council's corporate estate electricity and street lighting currently procures REGO's (Renewable Energy Guarantees of Origin) and the ongoing purchase will be subject to a separate review.

2 Supporting information.

- 2.1 Officers from Energy and Procurement across East Sussex County Council, Surrey County Council and Brighton & Hove City Council have been working together to review the current energy market. This work has included extensive research and analysis into the various options available as well as comparison of various buying strategies, as gas and electricity are traded as a commodity within the market. The market review outlined three routes to market:
 1. Option 1: To jointly review and procure with other local organisations using a national framework.
 2. Option 2: A full standalone procurement.
 3. Option 3: Adopt a 'do-nothing' approach.
- 2.2 Within Local Government, one way to secure optimum value for money in respect of procurement for the supply of utilities, is to purchase through a Central Purchasing Body (CPB); see for example the Local Government Association's [National Energy Category Strategy for Local Government 2022 – energising procurement](#).
- 2.3 A review was undertaken of the following frameworks within the marketplace; Crown Commercial Services (CCS), Laser, Yorkshire Purchasing Organisation, and the North East Procurement Organisation. It was subsequently determined that CCS Commercial Services Energy 2 framework' continues to provide the best governance, value, experience, and resources to deliver the services required by East Sussex County Council. The commercial aspects of the procurement are outlined in an exempt report later in the agenda. Under the Crown Commercial Services Framework [Supply of Energy 2 - CCS \(crowncommercial.gov.uk\)](#) energy is provided by 2 suppliers: Total Energies for gas and EDF for electricity. This framework is in place from 2023 until 2027 running for 4 years.
- 2.4 Under the current Crown Commercial Services framework [Supply of Energy 2 - CCS \(crowncommercial.gov.uk\)](#), there are various energy trading strategies which a customer can adopt.

- 2.5 Information provided by CCS, and analysis of current purchasing strategies employed by the Council against the assets described in paragraph 1.2, support East Sussex County Council in achieving targets in line with the Council Plan ([Council Plan 2024/25 | East Sussex County Council](#)).

Financial Appraisal

- 2.6 The cost of utilities is included within the Council's operating budget for services and adjusted on an annual basis to consider fluctuations in price.
- 2.7 The proposed approach of purchasing gas and electricity through the CCS framework will meet the Council's statutory duty to ensure best value and is consistent with East Sussex County Council's Energy strategy.

3 Conclusion and reasons for recommendations

- 3.1 The Council needs to provide value for money and a secure supply of gas and electricity for its assets and properties, including schools. On its own, the Council does not have the appropriate demand and leverage to gain an optimum price and value for this supply independently. It will benefit from continuing to purchase with Crown Commercial Services, who undertake aggregated buying of approximately £51 billion of public sector energy to achieve this.
- 3.2 Due to the nature of the energy markets, to obtain best value, the Council procures energy in advance via an energy strategy. The supply of gas and electricity are subject to wider geo-political factors as seen with the energy crisis in 2022.
- 3.3 The Lead Member for Resources and Climate Change is therefore recommended to:
- 3.3.1 Approve the Council continuing to purchase gas and electricity via the Crown Commercial Services Energy framework in accordance with the Council's energy strategy.
 - 3.3.2 Delegate authority to the Chief Operating Officer to take all actions considered appropriate to give effect to the above recommendation including, but not limited to, agreeing the contract for purchase of electricity and gas.
 - 3.3.3 Delegate authority to the Chief Operating Officer to undertake a further review within 24 months to ensure the Council is securing value for money.

ROS PARKER
Chief Operating Officer

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LOCAL MEMBER

All

BACKGROUND DOCUMENTS

None

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Agenda Item 9

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