

CABINET

12 February 2018



Minutes of the Cabinet meeting held at the Town Hall, Bexhill-on-Sea on Monday 12 February 2018 at 11:00am.

Cabinet Members present: Councillors C.R. Maynard (Leader), Lord Ampthill, A.E. Ganly, Mrs S. Hart, I.R. Hollidge, Mrs J.M. Hughes, I.G.F. Jenkins, M.J. Kenward (Deputy Leader) and Mrs E.M. Kirby-Green.

Other Members present: Councillors J. Barnes, J.J. Carroll (in part), B. Kentfield, P.N. Osborne (in part), J. Potts and M.R. Watson.

Advisory Officers present: Executive Director of Business Operations, Executive Director of Resources, Service Manager – Finance and Welfare, Service Manager Corporate and Human Resources (in part), Service Manager – Community and Economy, Economic Development Manager and Democratic Services Officer.

Also present: 3 members of the public.

Publication Date: 14 February 2018

The decisions made under PART II will come into force on 22 February 2018 unless they have been subject to the call-in procedure.

CB17/63. MINUTES

The Chairman was authorised to sign the minutes of the meeting held on 15 January 2018 as a correct record of the proceedings.

CB17/64. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor G.P. Johnson and non-Executive Member Councillor Mrs B.A. Hollingsworth, Spokesperson for Health and Wellbeing.

CB17/65. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded whilst matters containing exempt information, as prescribed by Part 1 of Schedule 12A of the Local Government Act 1972, as amended and relating to Minute CB17/73 were under consideration. Appendix 2 submitted in connection with this item and which contained information exempt from publication by virtue of Part 1 of Schedule 12A to the Act shall remain confidential if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PART I – RECOMMENDATIONS TO COUNCIL – not subject to call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules.

CB17/66. DRAFT REVENUE BUDGET PROPOSALS 2018/19
(7.1)

Members gave consideration to the report and revised appendices of the Executive Director of Resources on the draft Revenue Budget proposals which detailed the financial settlement figures for 2018/19. The budget proposals had also been scrutinised by the Overview and Scrutiny Committee (OSC) on 29 January 2018. A copy of the Minutes arising from the OSC meeting had been appended to the report for Cabinet's consideration.

On 19 December 2017, the Government confirmed the Council's Revenue Support Grant for 2018/19 as £111,000 inclusive of £38,000 Rural Services Delivery Grant and £71,000 Transition Grant which was consistent with the four year settlement deal announced in December 2015.

The Government confirmed that local authorities would retain most of the business rates collected by 2020/21. The Ministry of Housing, Communities and Local Government launched a fair funding review consultation which was due to close on 12 March 2018. The review would calculate the new baseline funding levels based on an up-to-date assessment of the relative needs and resources of local authorities. Business rates would be redistributed according to the outcome of the new assessment, alongside the resetting of business rates baselines, subject to suitable transitional measures. Members agreed it was important that the Council fully engaged in the consultation process and highlighted Rother's specific priorities / needs.

Rother's New Homes Bonus (NHB) would be £714,305 which included an award for 2018/19 of £11,938 paid for four years. No additional NHB had been assumed within the financial forecast for 2019/20 or beyond.

The Business Rate Retention Baseline would be £2,284,959 for 2018/19 with a safety net of £2,216,410. The retention of business rates was estimated previously at £2,947,402 which included compensatory grants in relation to additional reliefs previously given by the Government. Nationally, the expectation was that overall rateable value would reduce by 4.7% as a result of settling appeals and this had been factored into the forecast income for both 2017/2018 and 2018/19. During 2018/19, the East Sussex Business Rate Pool would be reforming and Rother would be re-joining. The aim was to incentivise authorities to attract more businesses into their areas with the prospect that the growth in business rates would be retained locally. This extra resource would be specifically ring-fenced for economic regeneration activities.

To balance the future budget, the Council planned to save £1.8m by 2019/20. Savings had been achieved through increased business rate income, returns on property investment, delivery through efficiencies

and income growth, as well as an additional £1m built into the forward plan. This also included a further £3m to be placed in a property investment fund with an estimated return of 5%. The Council's property investment strategy estimated a net income of over £700,000 and involved borrowing up to £35m (pay back over 40/50 years at fixed rate) to invest in local property. All borrowing activity would be overseen by the Council's treasury advisors. Further efficiency savings of £120,000 would need to be made through the Council's lean projects. Cabinet sought further clarity on the Council's proposed future borrowing plans in conjunction with the treasury management strategy and requested that a briefing paper be disseminated to all Members prior to the full Council meeting on 26 February 2018.

The net Revenue Budget before Government grants, use of reserves and other funding was expected to be £14.322m which included inflation and growth. The overall growth would be offset by savings and additional income. A summary of the Revenue Budget and Council Tax calculations and the net cost of services were appended to the report. Clarification was sought on the special expenses allocated for Bexhill Allotments. Members were advised that two allotments sites in Sidley were still undergoing devolution proceedings, therefore funding was still required for maintenance purposes during 2018/19.

The draft Revenue Budget for 2018/19 utilised £2.672m of reserves (net of contributions to reserves) to meet specific costs which included £2.36m to support the Capital Programme. The total predicted Earmarked Reserves was estimated to be just over £12.529m by the end of March 2019. The minimum level of reserves was considered to be £5m.

The five year financial forecast to 31 March 2023 had been updated and was appended to the report at Appendix G. The forecast included the delivery of £1m of savings/additional income from the Council's Rother 2020 programme, which formed a major part of the Sustainability and Efficiency Plan. Projects were ongoing and Members would be kept abreast of any significant developments. Members noted that the forecast for the tax base was projected to increase over the period by 2% per annum; this would be dependent on the delivery of new developments in North East Bexhill. It also assumed that the NHB would be phased out by 2020/21. Assuming these savings were realised, the forecast showed that over five years, £5.326m of reserves would be used including £2.893m to support the Capital Programme. By 2022/23, the Revenue Budget would be in surplus and the remaining reserves were estimated to be £9.875m. The Council's Medium Term Financial Strategy would be updated to reflect the latest financial forecast.

The revised Capital Programme appended to the report at Appendix H excluded the land swap deal with East Sussex County Council and included the provision of £900,000 for the Rother 2020 Programme. This would predominately be delivered through Rother's Property Investment Strategy and funded by borrowing £35m by 2021 to ensure affordability.

The draft Revenue Budget was currently balanced and assumed a Council Tax increase of £5 per annum (or 2.95%). After deliberation and consideration of the consultation feedback and the OSC's comments, Cabinet recommended that a £5 per annum (2.95%) Council Tax increase was applied for 2018/19. They were also supportive of all the other recommendations proposed.

The Council faced major challenges with the significant reduction of Government funding and volatility in business rate income. To ensure a sound financial future, Members noted that delivering the Rother 2020 programme was essential if the Council was to achieve a sustainable future and continued to deliver essential services to the public.

RECOMMENDED: That:

- 1) the level of special expenses as set out in Appendix C to the report, be approved;
- 2) a net expenditure level for 2018/19 of £14,322,000 be approved;
- 3) the amount of earmarked reserves set out at Appendix D to the report, be approved;
- 4) a Council Tax for 2018/19 at Band D be set at £174.32 (£5 or 2.95% increase);
- 5) the revised Capital Programme and funding of this programme as set out in Appendix H to the report, be approved; and
- 6) the investment of a further £3 million into a property fund, be noted.

CB17/67.
(7.3)

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

The Treasury Management Statement set out the Council's treasury issues and looked to ensure that the Council met its spending obligations.

The Council was required to receive and approve a minimum of three main reports each year to include:

- 1) Prudential and Treasury Indicators and the Treasury Strategy;
- 2) a Mid-Year Treasury Management Report; and
- 3) an Annual Treasury Report.

These reports incorporated a number of policies, estimates and actuals which were scrutinised by the Audit and Standards Committee prior to making recommendations to Council.

The Treasury Management Strategy detailed the Council's capital issues and reviewed the position regarding investments, borrowing strategy, economic outlook and policies on the creditworthiness of counterparties.

The Annual Investment Strategy detailed the Council's investment priorities, promoting security, liquidity and investment return. In order to minimise risks, the Council stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list.

The strategies proposed, together with the interest rates forecast, were in-line with the assumptions made when preparing the 2018/19 Revenue Budget. It was anticipated that low interest rates would continue to dominate over the following year. Therefore, officers, in conjunction with Treasury Advisors, would be actively seeking to progress and achieve the best returns whilst observing the necessity to secure investment which would mean that returns were likely to remain at minimal levels in 2018/19.

RECOMMENDED: That:

- 1) both the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition and the Prudential Code for Capital Finance in Local Authorities – 2017 Edition, be adopted;
- 2) the revised Treasury Management Practices as set out at Appendix B (8) to the report, be approved;
- 3) the Treasury Management Strategy as set out at Appendix A to the report, be approved;
- 4) the Annual Investment Strategy as set out at Appendix B to the report, be approved;
- 5) the Minimum Revenue Provision Policy Statement 2018/19 be approved;
- 6) the Prudential and Treasury Indicators as set out in Appendix A to the report, be approved; and
- 7) that the authorised limits in the report, be approved.

CB17/68.
(7.4)

COUNCIL TAX PROTOCOL

Citizens Advice (CA) and the Local Government Association had developed a new Collection of Council Tax Arrears Good Practice Protocol appended to the report as Appendix A. The associated guidance to the Protocol for Members was appended to the report as Appendix B. CA had asked the Council to formally adopt the protocol. Cabinet was advised that the Council's Debt Management Policy was scheduled for review and would be updated in-line with the Protocol.

Council tax arrears were considered a significant debt and poor collection practices often exacerbated the situation, contributing to health and stress issues. The Protocol offered practical steps aimed at preventing people from getting into arrears and advised on procedures to ensure that bailiffs acted within the law and guidance. Results of the new Council Tax Reduction Scheme indicated that proactive

engagement and support with Council Tax payers could actually help maintain collection rates and avoid taxpayers accruing arrears. Members noted that the Council provided substantial funding to CA, including the provision of debt advice.

Cabinet was supportive of adopting the Council Tax Protocol.

RECOMMENDED: That the Council Tax Protocol at Appendix A to the report, be approved and adopted.

CB17/69.
(7.5)

COMMUNITY GOVERNANCE REVIEW – BATTLE

In accordance with the provisions of the Local Government and Public Involvement Act 2007, a request for a Community Governance Review (CGR) had been received from Battle Town Council (BTC) by Rother District Council (RDC). The report of the Executive Director of Resources set out the considerations for the proposed way forward for conducting the CGR which had to have regard to guidance issued by the Secretary of State for the Ministry of Housing Community and Local Government.

Full Council was required to agree the Terms of Reference (ToR) for the CGR which specified the area under review and reflected the specific issues addressed within the request, as well as other matters RDC wished the review to consider; draft ToR were attached at Appendix A to the report. RDC was required to complete the review within 12 months of the formal publication of the ToR, after being approved by full Council; it was anticipated that this would be March 2018.

Following the Boundary Review of RDC in 2016, the Local Government Boundary Commission for England made significant changes to the warding arrangements of BTC, which would come into effect from May 2019. The current four wards would be replaced by two wards (Battle North and Battle South) each returning 10 and seven Councillors respectively. BTC was suggesting a reduction of four Councillors, with nine in Battle North and four in Battle South which they considered to be an appropriate number under the new warding arrangements.

Due to staffing resources, it was proposed that the CGR be out-sourced to external consultants. All Members of RDC and, in particular, the local Ward Members would have the opportunity to contribute to the review formally through the decision making process. It was clarified that the review would cost approximately £3,000 to £5,000 and could not be reclaimed from BTC. Members noted that the costs would therefore be borne by RDC and all residents of Rother.

Under the terms of the 2007 Act, RDC was obliged to consult with the local government electors for Battle and take into account any representations made and ensure the outcome of the review, including any decisions, were well publicised. At the conclusion of the review, RDC would be able to make a recommendation which was different to the outcome BTC wished the review to make.

A draft timetable complying with the requirements of the 2007 Act was attached at Appendix B to the report. If the CGR resulted in changes to the number of Councillors, it was recommended that these would take effect from May 2019 to coincide with four yearly election cycle of the district and Parish and Town Councils.

Cabinet was supportive of RDC conducting a CGR for Battle and recommended formal ratification of the ToR with one minor amendment that the review reflected identities, interests and the position of smaller/village communities in Battle. The draft timetable was also recommended for formal ratification.

RECOMMENDED: That:

- 1) Rother District Council undertake a Community Governance Review as requested by Battle Town Council with the costs being met from within existing budgets; and
- 2) the Terms of Reference for the Community Governance Review of Battle Town Council at Appendix A and the draft timetable at Appendix B to the report be approved, as amended.

CB17/70.
(7.6)

DESIGNATION OF MONITORING OFFICER

The post of the Monitoring Officer was one of three statutory posts which the Council was required to have and as such appointment to the post needed to be approved by full Council. The Council's current Monitoring Officer, John Collins had resigned and would formally leave the Council on 8 April 2018. Cabinet was asked to appoint Lisa Cooper as the Monitoring Officer with effect from 8 April 2018. Full Council would be meeting on 26 February 2018 to formally ratify the appointment.

The Leader thanked John Collins for the professionalism, support and diligence he had executed in the role.

RECOMMENDED: That Lisa Cooper be designated as the Council's Monitoring Officer.

PART II – EXECUTIVE DECISIONS – subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules by no later than 4:00pm on 21 February 2018.

CB17/71.
(6.1)

KEY PERFORMANCE TARGETS 2018/19

Cabinet received and considered Minute OSC17/46 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 29 January 2018.

A set of eight Key Performance Indicators (KPIs) had been identified and were proposed for 2018/19 against the Council's Corporate Plan (2014-2021) four Core Aims (an Efficient, Flexible and Effective

Council; Sustainable Economic Prosperity; Stronger, Safer Communities; and A Quality Physical Environment).

Concern was aired regarding the target of 300 set for Homelessness Applications Received. Members felt that this was unacceptable and that the target should be zero. The Service Manager – Finance and Welfare advised that the number of Homeless Applications was a reflection of likely activity rather than a target to reach and it was important for Members to receive information on the number of Homeless applications received by the Council. Following legislation changes and introduction of the 2017 Homelessness Reduction Act, the numbers of homeless were anticipated to rise further during 2018/19 and exceed numbers experienced in the past. Therefore, it was important that the Council monitored performance to ensure that numbers were kept to a minimum. It was anticipated that once the new legislation was embedded a more realistic target could be set for 2019/20.

Cabinet was supportive of the OSC's recommendations and agreed that the 300 target for Homelessness Applications Received be removed but that the KPI remained and that the numbers be noted. It was acknowledged that the KPIs selected would adequately reflect a review of the Council's performance. Members were also advised that any performance indicators that were not on target would be reported to the OSC by exception.

RESOLVED: That the following corporate Key Performance Indicators and their performance targets for 2018/19 be approved:

- 1) **Benefits Claims Processing: New Claims** – Target: 35 days.
- 2) **Benefits Claims Processing: Changes of Circumstances** – Target: 20 days.
- 3) **Homelessness Applications Received** – to be noted.
- 4) **Prevention of Homelessness per 1,000 households** – Target: 5.
- 5) **Households in Temporary Accommodation** – Target: 60.
- 6) **Net Additional Homes Provided** – Target: 238.
- 7) **Affordable Housing Provided** – Target: 10 (expected delivery) 121 (based on meeting Local Plan target).
- 8) **Return on Investment Properties** – Target: 2018/19, 2019/20 and 2020/21 6% each year.

CB17/72.
(7.2)

REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING TO 31 DECEMBER 2017

Members received and considered the report of the Executive Director of Resources on the Revenue Budget and Capital Programme Monitoring to 31 December 2017. The report detailed the significant

variations of the Revenue Budget and updated Capital Programme (Appendices A and B).

Overall the cost of services demonstrated an under spend of £0.319m. This was attributed to underspends / savings on private sector housing, car parking, refuse collection and recycling, committee property account, sports centres, economic development, property management, electoral registration, representing local interest, shared environmental services with Wealden District Council, benefits administration, housing needs, accountancy, telephones, printing services, staffing, computer services, land charges and local development framework. An additional £100,000 of income was also expected to be received from the investment in the Churches, Charities and Local Authorities Property Fund. Approximately £330,000 had also been received in respect of welfare grants.

The council tax collection rate as at 31 December 2017 was comparable to previous years and the total collectable was currently above the original estimate. The Council Tax element of the Collection Fund was expected to be in surplus at year end.

The Capital Programme spend had been updated and brought in-line with the Medium Term Financial Strategy 2018/19 to 2022/23. The estimated outturn was shown at Appendix A to the report. It was confirmed that work continued to resolve the outstanding former Bexhill High School site issues with East Sussex County Council and resolution was anticipated during 2018/19. Estimated spend on Disabled Facilities Grants (DFGs) was £1m; the balance of funds would be transferred to reserves. Project spending on the 2020 ICT Investment scheme, Bexhill Leisure Centre, Corporate Document Image Processing System and IT essential maintenance would slip into 2018/19.

The Service Manager – Economy and Community apprised Members of the current status of Pebsham Community Centre (PCC). The Council had not taken over direct management of the PCC, but was responsible for the buildings security whilst it was vacant. Assistance was currently being given to the PCC's support committee regarding future options for the building.

Overall the Council underspend was £1,188,000, of which £388,000 related to DFGs which would be transferred to earmarked reserves for future years.

RESOVLED: That the report be noted.

CB17/73.
(8.1 & 10.1)

8-10 BEECHING ROAD, BEXHILL – AMBULANCE STATION

Consideration was given to the report and confidential appendix of the Executive Director of Business Operations which updated Members on the Council's 99 year ground lease of the Ambulance Station located at 8-10 Beeching Road, Bexhill. The Council currently received £9,979.81 per annum from South East Coast Ambulance NHS Trust

(SECamb). Negotiations had commenced with SECamb to surrender their lease as they no longer required the premises.

Cabinet was apprised of the premises measurements, work/office space and history of the lease which had commenced in June 1970, subdivided in 1996 and was partially let to SECamb and East Sussex County Council (ESCC). Appendix 1 to the report clearly identified both areas. It was clarified that the Council would continue to receive ground rent of £15,107.69 per annum from ESCC. Confidential Appendix 2 to the report set out the proposed figure agreed, in principle, with SECamb. Officers would source new tenant(s) as soon as practicable.

Following discussion, Cabinet agreed that delegated authority be granted to the Executive Director of Business Operations to approve the surrender terms of the lease at the specified negotiated price.

RESOLVED: That:

- 1) Officers be authorised to complete a surrender of the lease to South Coast Ambulance NHS Trust at 8-10 Beeching Road, Bexhill for the figure set out in confidential Appendix 2 with funds to be drawn from the Medium Term Financial Strategy Earmarked Reserve; and
- 2) the Executive Director of Business Operations be granted delegated authority to re-let the premises, as appropriate.

(The Confidential Appendix in relation to this matter, as set out at Agenda Item 10.1 was considered exempt from publication by virtue of Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended).

CB17/74.
(8.2)

ROYAL WEDDING GRANT FUND

In the tradition of Her Majesty the Queen's Golden Jubilee 2002 and Diamond Jubilee 2012, it was proposed that a fund be set aside from the Council's Community Grant Scheme (CGS) to promote community and neighbourhood events celebrating the marriage of Prince Henry (Harry) of Wales and Meghan Markle on Saturday 19 May 2018 at Windsor Castle.

The proposed criteria for funding was that the Council would match fund, pound for pound eligible applications with a limit of £500 per application. A total of £10,000 would be allocated on a first come first served basis. An application form and guidance was appended to the report as Appendix 1. It was noted that Bexhill Chamber of Commerce would be arranging a celebratory event on the De La Warr terraces and lawns. It was therefore proposed that £1,000 of the £10,000 budget be set aside for this event.

Due to tight time constraints, it was proposed that delegated authority be granted to the Executive Director of Business Operations in consultation with Councillor Ganly, Chairman of the CGS to make final decisions on awarding grants.

Cabinet approved the funding, criteria and delegated authority proposed. The Council's CGS had supported and delivered many successful community funded projects. Members recommended that the Royal Wedding Grant Fund be publicised through the Council's social media and 'MyAlerts' platforms. It was also agreed that a letter from the Chairman to the Council be forwarded to the Royal Household informing of the Council's support to community activities in celebration of the royal wedding.

RESOLVED: That:

- 1) a fund of £10,000 from the Community Grants Scheme be approved for supporting community events to celebrate the forthcoming Royal Wedding of Prince Henry of Wales and Meghan Markle;
- 2) delegated authority be granted to the Executive Director of Business Operations in consultation with the Chairman of the Community Grants Panel, Councillor Ganly to award or refuse grants within the criteria set out at paragraph 3 to the report;
- 3) the Chairman of the Council be invited to advise the Royal Household of the Council's support to community activity in celebration of the wedding of Prince Henry of Wales and Meghan Markle; and
- 4) the Royal Wedding Grant Fund be publicised through the Council's social media and 'MyAlerts' platforms.

CHAIRMAN

The meeting closed at 12:30pm

cb180212jh

**Rother District Council
Community Governance Review – Terms of Reference**

A community governance review will be carried out by Rother District Council under the provisions of the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”). The review shall comply with the legislative requirements, have regard for the associated statutory guidance and will be conducted in accordance with these terms of reference.

The review shall consider the proposal from Battle Town Council to reduce the number of Councillors from 17 to 13.

It shall have particular regard for the need to secure that community governance within the area under review:

- reflects the identities and interests of the communities and smaller/village communities in that area; and
- is effective and convenient.

Following the review the recommendations will be made as to whether the number Councillors on Battle Town Council should be reduced.

The review shall invite and take account of submissions from all interested parties.