

CABINET

4 June 2018



Minutes of the Cabinet meeting held at the Town Hall, Bexhill-on-Sea on Monday 4 June 2018 at 11:00am.

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

Other Members present: Councillors J. Barnes, J.M. Johnson, B. Kentfield, M. Mooney, J. Potts and M.R. Watson.

Advisory Officers present: Executive Director (AL), Assistant Director Resources, Financial Services Manager, Development Manager, Business Support Assistant and Democratic Services Manager.

Also present: 1 member of the public.

Publication Date: 11 June 2018

The decisions made under PART II will come into force on 19 June 2018 unless they have been subject to the call-in procedure.

CB18/01. MINUTES

The Chairman was authorised to sign the minutes of the meeting held on 14 May 2018 as a correct record of the proceedings.

CB18/02. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor P.N. Osborne, Chairman of the Overview and Scrutiny Committee and Malcolm Johnston, Executive Director.

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 18 June 2018.

**CB18/03. PROVISIONAL REVENUE BUDGET AND CAPITAL PROGRAMME
(6.1) MONITORING QUARTER 4 2017/18**

The report of the Executive Director updated Members on the provisional outturn for 2017/18 and detailed the significant variations of the Revenue Budget and Capital Programme. The Financial Services Manager led Members through the report and highlighted the key

issues. Overall the cost of services showed an underspend of £0.490m, attributed to underspends/savings across the service areas, with the main ones highlighted within the report, as follows:

Community and Economy (£702,000) surplus

- **Private Sector Housing** - £424,000 underspend. Government grant of £1.388m received in respect of Disabled Facility Grant of which £0.994m was spent in 2017/18; the balance would be transferred to reserves to meet outstanding approved applications and to supplement expenditure in 2018/19. In addition a further £34,000 of income had been received from repayments of housing grant from households.
- **Car Parking** - a net surplus of £183,000 for the financial year largely as a result of additional income from increased user activity in the car parks.
- **Waste contract and Recycling** - £184,000 savings as a result of contract defaults, reduced variable costs and lower spend against the contract contingency savings of £143,000. In addition £41,000 of extra income generated from additional bulky waste and garden bins collections, which would be offset by increased collection charges from the contractor.
- **Estates and Property** - £119,000 overspend attributable to a number of variations including additional spend on plant equipment at Bexhill and Rye Pools, lift repairs at Bexhill museum and procurement of specialist property advice. Offset by reduced sewage and coastal protection spend and an additional £34,000 of back dated rent following the outcome of rent reviews.
- **Bexhill Promenade and Foreshore** - £69,000 savings mainly due to a rebate of £59,000 for business rates following a court ruling making beach hut owners liable where they have exclusive use.
- **Camber Beach and Foreshore** - £23,000 shortfall mainly due to additional safety signage at Camber Beach funded from earmarked reserves.

Corporate Services and Human Resources (£5,000) surplus

- **Town Hall and Amherst Road admin buildings** - £26,000 savings largely due to reduced spend on repairs and running costs.
- **Electoral Registration** - an additional £16,000 cost incurred relating to canvassing to be funded from earmarked reserves.
- **Communications** - £13,000 savings generated mainly due to reduced spend on postage.

Executive Directors and Corporate Core (£54,000) surplus

- **Legal Services** - £22,000 saving due from income recovered in court and other costs.
- **Joint Waste Client costs** - overall the cost was £23,000 less than budgeted for the year; it was noted that this figure was Rother District Council's share of the costs.

Environmental Services (£78,000) surplus - this represented Rother's share of the savings on the partnership costs, mainly as a result of staff vacancies and the reduction in employer pension contribution rates.

Finance and Welfare £765,000 shortfall:

- **Housing Administration and Temporary Accommodation** - £377,000 shortfall due to increase in households presenting as homeless to the Council and the difficulties in recovering the housing element of Universal Credit. The Ministry for Housing, Communities and Local Government provided Flexible Homelessness Support and New Burdens funding of £230,000 which would partly meet this extra cost. In order to ensure resources were available to help manage the impact of the new Homelessness Reduction Act, £100,000 of the support grant received would be carried forward to 2018/19 to help with schemes to prevent homelessness in future years.
- **Reliefs and Benefits Housing Benefit** - £272,000 shortfall due to the amount recovered in overpaid benefits was less than the budget.
- **Collection costs of Council Tax and Business Rates** - £150,000 additional spend.
- **Financial Services** - additional one off staffing costs of £72,000 had been incurred to support the implementation of the new Enterprise Resource Planning system which had replaced four other systems covering accounting, procurement, payroll/HR and income management.
- **Other Apportionable Overheads** - £29,000 savings on external audit fees had been identified against the annual budget provision.

ICT and Customer Services (£206,000) surplus:

- **Computer Services** - £143,000 savings relating to maintenance and software licences, telephones, photocopier leases and consultancy costs.
- **Printing Services** - £49,000 shortfall between costs of the print service and its income, mainly due to the continued reduction of printed materials. The Council had invested in new reprographic

equipment and the team were focused on selling the spare capacity to the market in accordance with their business plan.

- **Communications Phones** - £76,000 savings through the Council's telephone contracts.

Strategy and Planning Development (£212,000) surplus:

- **Local Development Framework** - £120,000 underspend related to work on planning policy, with the costs met from an earmarked reserve therefore the underspend would be carried forward to future years.
- **Planning Applications** - £52,000 shortfall mainly due to £31,000 extra spending on specialist planning advice.
- **Planning Policy** - £50,000 savings mainly due to staff turnover during the year.

The following review of significant variations to Non Cost of Services Budgets was advised:

Interest from Investments (£102,000) surplus - an extra £102,000 of income above the annual budget would be received due to the investments in the Churches, Charities, Local Authorities Property Fund, as agreed previously by the former Audit Committee (now the Audit and Standards Committee).

Capital Expenditure charged to revenue (£568,000) underspend - the capital programme outturn showed an underspend of £568,000 on items that were charged to the revenue budget.

Council Tax, Business Rates and Non Specific Grants (£557,000) surplus - the Council had received a number of grants during the year from the Government in support of new and changed policy.

Business Rates - the Council's share of business rates was £197,000 higher than expected as a consequence of higher than expected compensating grants from the Government, offset by a net reduction in the amount of business rates retained and a higher than expected levy payment due to the Government.

The council tax collection rate as at 31 March 2018 was broadly comparable to the previous years and the total collectable was above the original estimate. The Council Tax element of the Collection Fund was in surplus at year end by approximately £964,889. Rother's share would be £122,720.

There was a deficit of £305,334 as at 31 March 2018 on the business rate part of the collection fund with Rother's share being £122,133 largely due to the settlement of a large number of appeals, particularly in relation to the doctor's surgeries where the value of the settlement was higher than the provision Rother made in 2016/17 and the amount of relief given to small businesses being higher than expected.

The provisional outturn for the 2017/18 Capital Programme was £2.098 million spend against a budgeted spend of £5,080 million representing an underspend of £2.982 million, detailed at Appendix A to the report. The capital programme for the period 2018/19 to 2022/23 had been updated to bring take account of slippage in the 2017/18 financial year.

Overall the Council's underspend was £1,718,000 as less was needed to be drawn from reserves than was budgeted for and this surplus would be transferred to earmarked reserves.

Due to the Council's 2020 plan and treasury management strategy, it had also been necessary to consolidate and rationalise the reserves. A new reserve called the Treasury Management Reserve had been created which, together with the capital receipts reserve, would help to ensure that the Council's cash balances remained above £10 million. This would allow the Council to maintain its professional client status and could therefore access a wider range of investment instruments such as the high yielding property funds currently used. The Homelessness reserve had also been strengthened to help tackle the new responsibilities that the Council faced from the Homelessness Reduction Act. The Grant reserve was used to maintain balances of grants received without conditions for repayment such as the Disabled Facilities grant.

Cabinet were pleased to note that the Council's reserves remained healthy and able to support the Council deliver on its Rother 2020 ambitions.

RESOLVED: That the revised allocation of Earmarked Reserves as set out in the report be approved.

CB18/04.
(6.2)

**OUTSOURCING PUBLIC INQUIRY - STRATEGY AND PLANNING –
RR/2017/456/P – LAND NORTH WEST OF SHRUB LANE,
BURWASH**

Following the Council's refusal of planning application RR/2017/456/P, Land North West of Shrub Lane, Burwash in October 2017, the applicants had exercised their right and lodged an appeal to the Secretary of State which was to be heard via a public inquiry on a date yet to be determined.

The application related to the "Demolition of the existing buildings and structures on site and the erection of 42 dwellings, enhancements to the existing Shrub Wood, together with an additional 1.4 hectares of new Community Woodland, associated access, parking and landscaping". The officer's recommendation to the Planning Committee had been to grant full planning permission, subject to finalisation of amendments, conditions and completion of a Section 106 agreement.

The Council had two options:

- a. Outsource the appeal to a planning consultant (circa £25,000 for preparation and appearance at the inquiry) plus cost of Counsel

(circa £30,000). Costs were based on a three day inquiry and would be increased if it took longer and excluded potential costs that could be claimed from the appellant, if they were successful.

b. Not to defend the appeal.

Cabinet agreed that the Council should defend the appeal and outsource this work to outside consultants, with input from Counsel. Initial quotes had indicated that funding for up to £60,000 could be required and it was sensible therefore to set aside a total provision of £100,000 towards the potential overall cost, if the appeal was successful.

RESOLVED: That funding up to £100,000 be provided to outsource defence of the appeal in respect of 'land north west of Shrub Lane, Burwash', to be heard via public inquiry.

CHAIRMAN

The meeting closed at 11.25am

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