

OVERVIEW AND SCRUTINY COMMITTEE

28 January 2019

Minutes of the Overview and Scrutiny Committee held at the Town Hall, Bexhill-on-Sea on Monday 28 January 2019 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chairman), M. Mooney (Vice-Chairman), J. Barnes, G.S. Browne, C.A. Clark, Mrs D.C. Earl-Williams, S.D. Elford, R.V. Elliston, J. Potts, Mrs S.M. Prochak, G.F. Stevens and M.R. Watson.

Other Members present: Councillors Lord Ampthill (in part), K.P. Dixon, C.R. Maynard and D.B. Oliver.

Advisory Officers present: Executive Director (MJ), Executive Director (AL), Assistant Director Resources, Head of Service Acquisitions, Transformation and Regeneration (in part), Head of Service Housing and Community (in part) and Democratic Services Officer.

Also present: 1 member of the press and 4 members of the public.

Prior to the commencement of the meeting, the Chairman welcomed Councillor Mrs Earl-Williams to the Committee.

OSC18/37. **MINUTES**

The Chairman was authorised to sign the minutes of the meeting of the Overview and Scrutiny Committee held on 26 November 2018 as a correct record of the proceedings.

OSC18/38. **APOLOGIES**

Apologies for absence were received from Councillors Mrs J.M. Hughes (Cabinet Member) and J.M. Johnson (ex-officio).

OSC18/39. **DRAFT REVENUE BUDGET 2019/20** (5.1)

Members gave consideration to the report of the Executive Director on the draft Revenue Budget, which outlined the likely financial position and key issues that Members needed to consider as part of the budget setting process. The Committee had been requested to consider the draft budget and make recommendations to Cabinet, to be considered at its meeting on 11 February 2019. To ensure that Members were provided with a clear identifiable core cost for each service, all budgets were shown at "Net Operational Expenditure Levels", excluding capital charges, central costs and support service recharges.

The Assistant Director Resources provided an updated outline of the budget and Members noted the main considerations, constraints and variations within the budget setting process.

The Government settlement was announced on 13 December 2018. As the Council no longer received any Revenue Support Grant, the settlement was solely focused on business rate retention and specific grants. The Government confirmed the business rates baseline had increased for 2019/20. However, as the estimated retained business rate income of £3m was in excess of the baseline for 2019/20, there was no financial benefit from this increase. The Government also confirmed that East Sussex had been approved for the 75% retention pilot scheme as approved by Cabinet on the 19 December 2018.

Rother's New Homes Bonus (NHB) would be £449,000, compared to an assumed income in the draft Revenue Budget of £417,000. The financial forecast assumed this grant would decline to zero by 2022/23.

Several issues were highlighted which included income delivered via the Council's Property Investment Strategy; decreased planning fees during 2018/19; increased homelessness applications; and continued funding of East Sussex County Council's grass verge cutting in Rother. The grass cutting cost was anticipated to be in the region of £40,000, which Cabinet had agreed at their meeting on 19 December 2018 would be made in the draft Revenue Budget for 2019/20.

Due to estimated inflated costs as a result of the new waste contract, it would be necessary to increase the draft Revenue Budget provision for this item by a further £750,000 to £1.5m.

As a result of reduced Government funding, the Council needed to deliver significant cashable and non-cashable savings. Appendix E to the report that was put before Cabinet identified these savings which included £100,000 through the Lean Programme; shared Procurement Service hosted by Wealden District Council; and Service Prioritisation.

The report also detailed budget assumptions which included inflation index rates, a 2% pay award from September 2019, predicted growth and income and transfers between budgets.

The Committee was supportive of an increase in Council Tax of up to 3% per annum, to a maximum of £5. To ensure the Council remained within this limit, an increase of £4.94 for 2019/20 was assumed, which would deliver additional income of approximately £0.200m based on the 2019/20 tax base; an average annual charge of £179.26.

The draft Revenue Budget for 2019/20 utilised £5m of reserves to meet specific costs. Of this, £2.6m would be used to support capital expenditure. The draft Revenue Budget identified savings in excess of £600,000; in order to balance the budget, further use of reserves might be required.

The total predicted earmarked reserves by the end of March 2019 was estimated to be £16.1m plus a £1m General Fund balance. Over the five year financial forecast, earmarked reserves were predicted to fall to £6.3m. The minimum level of cash backed reserves and balances were considered to be £5m, although if below £10m there would be negative implications for the current Council's treasury management strategy. Members raised concerns regarding any such negative

implications and suggested that consideration should be given to the reserves policy.

The draft Revenue Budget showed an increase of £1.6m in the cost of services over the 2018/19 position. It was acknowledged that the Council had already achieved significant savings through the Council's 2020 programme.

The budget consultation, which had closed in early January 2019 had received 93 returns from private individuals, which had been generally supportive.

Members had an opportunity to put forward questions and the following points were noted during the discussion:

- due to the increased costs of the new waste contract, Members raised the possibility of increasing the charge for garden waste collection. The Assistant Director Resources confirmed that Members would have the opportunity to review all discretionary fees and charges when considering the Financial Plan later in the year;
- planning income had fallen in 2018/19 and was projected to be under budget by the financial year end. This had not been reflected in the draft Revenue Budget, but a further review would be undertaken to understand whether this would be likely to continue into 2019/20 and whether there would be any impact on associated staffing resources; and
- discussions were ongoing between Rother District Council and the Parish Councils concerning grass cutting requirements and further consideration was to be given to the funding arrangements.

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 the Council would need to uphold a robust financial strategy.

RESOLVED: That Cabinet receive the comments made by the Committee when formulating its proposals to Council on the 2019/20 draft Revenue Budget, at its meeting on 11 February 2019.

(Councillor C.R. Maynard declared a personal interest in this matter in so far as he was an elected Member of East Sussex County Council and in accordance with the Members' Code of Conduct remained in the room during consideration thereof).

OSC18/40. **KEY PERFORMANCE TARGETS 2019/20** (5.2)

The Committee considered the report of the Executive Director which gave details of the proposed Key Performance Targets for 2019/20.

Managing performance to deliver the best possible outcomes within the resources available was a core function for Rother District Council. The way in which the Council approached this task was to set a series of annual performance targets 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).

Members had previously agreed that a small set of carefully selected corporate Key Performance Indicators (KPIs) would be reviewed each year by the Overview and Scrutiny Committee (OSC). 10 KPIs had been identified and were proposed for 2019/20, which focused on key outcomes within the Corporate Plan and the impact of both the local economy and efficient delivery of key services to Rother's residents, within the Council's resources. It had previously been proposed that targets should, where possible, be benchmarked against performance in other local authority areas so that Council performance could be ambitious while remaining achievable. It was proposed that the indicators for 2019/20 should be reported within four themed areas and a qualitative report on each of these areas would be provided. The themed areas were:

- Housing and Homelessness (4 indicators)
- Benefits Performance (2 indicators)
- Waste & Recycling (2 indicators)
- Asset Income (2 indicators)

In reality, a number of other related indicators would be used to inform the qualitative information; this would give OSC Members a clear picture of performance in each of the themed areas as opposed to relying on narrow areas of performance. The provision of this additional information allowed OSC Members the ability to scrutinise more effectively and pass on any recommendations they had as a result of this to Cabinet.

Aside from the 10 KPIs to be reported quarterly, other indicators informing Heads of Service of performance would be reported by exception to the OSC where they were exceeding or significantly missing their target.

In conclusion, Members agreed that the KPIs selected would adequately reflect a review of the Council's performance. Any future improvements or actions would be proposed to Cabinet to ensure the targets were met.

RESOLVED: That Cabinet be requested to approve the corporate Key Performance Indicators for 2019/20 and their performance targets as set out in Appendix A to the report.

OSC18/41. **FLEXIBLE HOMELESSNESS SUPPORT GRANT 2019/20**
(5.3)

Members considered the report of the Executive Director which recommended a series of measures which would improve rates of homelessness prevention by utilising ring-fenced central government funding in the form of Flexible Homelessness Support Grant (FHSG).

The FHSG was awarded to local authorities by the Ministry of Housing Communities and Local Government (MHCLG). The Council had been

awarded £275,000 of ring-fenced grant for a period of one year covering 2019/20.

The homelessness prevention measures proposed in the report had been developed following a series of recommendations from the Housing Task and Finish Group, agreed by Cabinet, and were designed to:

- prevent homelessness through improving access to the private rented sector in order to minimise the negative effects of homelessness on households; and
- reduce the rate at which the cost to the Council of accommodating homeless households in B&B was increasing. There was a risk that if the Council continued to use its FHSG funding simply to help meet the growing cost of B&B provision, that opportunities to use this resource to prevent homelessness and reduce demand for B&B would be lost.

The proposals detailed in the report were all designed to improve access to the private rented sector and formed a 'toolkit' of homelessness prevention measures which offered different packages of support to enable the Council to be more reactive to the different degrees of need experienced by households. The proposals were each supported by two new staff posts that would mobilise and implement the delivery of the new proposals.

The performance of each proposal was to be measured against a target number of homelessness preventions to indicate the value for money of each intervention to the Council and ensure continued investment was directed at the most effective interventions in the future.

The five proposals detailed in the report were:

- Rent in Advance and Deposit Loans - the Council would continue to issue loans to households and enable low income households to afford the fees associated with accessing private sector accommodation.
- Social Lettings Agency (SLA) - designed to appeal to landlords who did not wish to manage their property directly and who wished to secure a guaranteed income, typically below the average market rate.
- Guaranteed Rent Pilot - provide landlords with guaranteed rent for a fixed six month period but excluded the property management function of a SLA.
- Work, Live, Thrive (CHART) - a multi-agency bid currently before the Connecting Hastings and Rother Together (CHART) Programme. The programme offered match funding and would provide dedicated employment mentors locally to work with households to improve routes to employment. Through access to employment, households could improve the level of their income and be better placed to access private rented accommodation.
- Rough Sleeper Outreach - Rother District Council had funded, for a trial period of six months during 2018/19, an initiative to deliver its

Housing Needs Service proactively to rough sleepers via outreach in the community, which was proposed to extend into 2019/20.

Overall it was estimated that the £275,000 FHSG the Council would receive in 2019/20, would avoid B&B costs to the Council of £440,000.

Members were in support of the proposals detailed in the report and were pleased to note that the proposals would also seek to address the social costs associated with homelessness.

RESOLVED: That Cabinet be requested to approve the following measures, funded through the Flexible Homelessness Support Grant during 2019/20, to enable the programme of prevention activity to be delivered:

1. Rent in Advance & Deposit Loans
2. Social Lettings Agency
3. Guaranteed Rent Pilot
4. Work, Live, Thrive (CHART)
5. Rough Sleeper Outreach
6. Private Rented Procurement Officer
7. Private Rented Support Officer

(Councillors S.D. Elford, P.N. Osborne and Mrs S.M. Prochak each declared a personal interest as landlords and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

OSC18/42. **WORK PROGRAMME**
(5.4)

Consideration was given to the Overview and Scrutiny Committee's Work Programme for the remainder of the 2018/19 municipal year.

RESOLVED: That the Work Programme, attached at Appendix A, be agreed.

CHAIRMAN

The meeting closed at 7:55pm

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OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2018 – 2019		
DATE OF MEETING	SUBJECT – MAIN ITEM (Capitalised)	Cabinet Portfolio Holder
18.03.19	CRIME AND DISORDER COMMITTEE: TO RECEIVE A REPORT FROM THE COMMUNITY SAFETY PARTNERSHIP <ul style="list-style-type: none"> Performance Progress Report: Third Quarter 2018/19 Revenue Budget and Capital Programme Monitoring to January 2019 	Ampthill Kirby-Green
29.04.19	TOURISM TASK AND FINISH GROUP REPORT <ul style="list-style-type: none"> Call-in and Urgency Procedures Draft Annual Report to Council Review of Task and Finish Groups / Outcomes Property Investment Panel Activity Report 	Hart

WORK PROGRAMME 2019 – 2020		
DATE OF MEETING	SUBJECT – MAIN ITEM (Capitalised)	Cabinet Portfolio Holder
10.06.19	<ul style="list-style-type: none"> Annual Work Programme Performance Progress Report: Year End and Fourth Quarter 2018/19 	
22.07.19		
9.10.19	<ul style="list-style-type: none"> Performance Progress Report: First Quarter 2019/20 Revenue Budget and Capital Programme Monitoring to July 2019 	
14.10.19	<ul style="list-style-type: none"> Medium Term Financial Strategy 2020/21 to 2023/24 	
25.11.19	<ul style="list-style-type: none"> Performance Progress Report: Second Quarter 2019/20 Revenue Budget and Capital Programme Monitoring to September 2019 	
27.01.20	DRAFT REVENUE BUDGET PROPOSALS 2020/21 KEY PERFORMANCE TARGETS 2020/21	
16.03.20	CRIME AND DISORDER COMMITTEE: TO RECEIVE AN REPORT FROM THE COMMUNITY SAFETY PARTNERSHIP <ul style="list-style-type: none"> Performance Progress Report: Third Quarter 2019/20 Revenue Budget and Capital Programme Monitoring to January 2020 	
27.04.20	<ul style="list-style-type: none"> Call-in and Urgency Procedures Draft Annual Report to Council Review of Task and Finish Groups / Outcomes 	
ITEMS FOR CONSIDERATION		
<ul style="list-style-type: none"> Housing Allocations Policy Colonnade Review [Minute CB18/34 – 5 November] 		