

OVERVIEW AND SCRUTINY COMMITTEE

29 April 2019

Minutes of the Overview and Scrutiny Committee held at the Town Hall, Bexhill-on-Sea on Monday 29 April 2019 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chairman), M. Mooney (Vice-Chairman), J. Barnes, 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), Mrs M.L. Barnes, K.P. Dixon (Chairman of the Tourism Task and Finish Group) (in part) and Mrs. S Hart (in part).

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

Also present: 1 member of the press and 5 members of the public.

OSC18/50. **MINUTES**

The Chairman was authorised to sign the minutes of the meeting of the Overview and Scrutiny Committee held on 18 March 2019 as a correct record of the proceedings.

OSC18/51. **APOLOGIES**

Apologies for absence were received from Councillors G.S. Browne and J.M. Johnson (ex-officio).

OSC18/52. **TOURISM TASK AND FINISH GROUP - RECOMMENDATIONS** (5.1)

Members received the report of the Executive Director detailing the recommendations arising from the Tourism Task and Finish Group (TTFG) and the recommended revised Tourism chapter of the Council's Economic Regeneration Strategy.

The Group held six meetings between August 2018 and March 2019, with four meetings focusing on different aspects of the visitor economy. Partners, stakeholders and businesses were invited as appropriate to present to the Group and take part in the discussions.

Each meeting resulted in a number of recommendations coming forward. At its final meeting in March 2019 the TTFG reviewed and consolidated these recommendations and the final list of recommendations which was attached as Appendix 2 to the report.

The TTFG was also tasked with updating the Tourism chapter of the Council's Economic Regeneration Strategy. This was considered having regard to the deliberations of the TTFG and the recommendations arising from these, and the draft chapter was attached as Appendix 3 to the report for recommendation to Cabinet and Full Council.

The recommendations and the draft chapter took into account the changes that had taken place in the visitor economy over recent years; in particular the emergence of new technologies and the opportunities and challenges that this presented to the local visitor economy. The recommendations also acknowledged that the Council's capacity and priorities were of necessity shaped by the resources at its disposal; and that the Council had to target its activity at those areas where it could have the greatest impact.

The Chairman of the TTFG led Members through the Group's recommendations, thanked Councillors Mrs Hart and Hollidge for their attendance at the Group's meetings and officers for their support.

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

- Members agreed that 1066 Country Marketing be asked to provide an update on how the Council's funding of £50,000 was spent to ensure value for money;
- Members agreed that the draft Visitor Economy Chapter include reference to Skills East Sussex (a sub-section of Team East Sussex) who worked with education providers to promote career opportunities in the tourism sector;
- it was noted that Business Improvement Districts had worked well in other authorities;
- Members agreed that a review of the recommendations be carried out after a year, as the industry was constantly changing and growing;
- the Economic Regeneration Strategy was a high level strategy and the tourism chapter recognised Rother District Council as an enabler, supporting partnerships such as 1066 Country Marketing through funding and officer time;
- the importance of the Public Realm was implicit in the Strategy;
- Members noted Government were being asked to review regulations governing those providing shared accommodation and considered it good practice to introduce a self-regulation scheme for the sharing economy tourism accommodation and noted that work would not be carried out to identify accommodation;
- Members were pleased to note the recommended changes to event funding and the introduction of a scoring system for funding applications, with a greater weighting awarded to those events planned for the shoulder season;
- Members agreed that Parish Councils be added to the draft Visitor Economy Chapter as having a role in tourism.

RESOLVED: That:

- 1) Cabinet be requested to approve the final recommendations of the Tourism Task and Finish Group:

Marketing Recommendations:

- i. The Council enters into a three year funding agreement with the 1066 Country Partnership at the present level of £50,000 per annum, subject to a commitment to increasing private sector contributions year on year.
- ii. The Council's Lead Member for Public Realm, Culture and Tourism continues to work alongside officers to monitor the 1066 Country Partnership and contribute to monitoring and refreshing the Partnership's marketing strategy ensuring due consideration is paid to the highlighted markets.
- iii. The Council's Lead Member for Public Realm, Culture and Tourism to report to the Overview and Scrutiny Committee on an annual basis on the performance of the 1066 Partnership.

Visitor Information Recommendations:

- iv. The visitor information services contract be reviewed and a report and recommendations be brought to Overview and Scrutiny Committee by June 2020, in time to re-tender the service prior to expiry of the current contract in March 2021.
- v. Officers explore the option to widen the procurement to encompass the whole of 1066 Country.

Research Recommendations:

- vi. The Council, with Partners, continues to support visitor research to inform future decision making.

Accommodation Recommendations:

- vii. Officers continue to work with developers and landowners to encourage the development of more serviced accommodation in the district, particularly in Bexhill, in accordance with Local Plan policies and Corporate Plan objectives.

Events Recommendations:

- viii. The Council consolidates the visitor events funding into a single programme that is available to organisations and event promoters from across the whole of the district.

- ix. The current policy and guidelines for the allocation of event funding be revised as follows:
- a) two bidding rounds of funding to be offered in each financial year, in March and September;
 - b) weightings to be introduced within a scoring system for funding applications, with a greater weighting awarded to those events planned for shoulder-season;
 - c) Council funding to be awarded to event organisers who can show growth within their event to increase visitor numbers to the district and add to the local economy; and
 - d) consideration be given to partnership funding for events from East Sussex County Council and / or from Parish and Town Councils.

The new arrangements to come into effect from 1 April 2020.

- x. Council owned Car Parks should only be used as venues for events when it is considered absolutely necessary for the functioning of the event.

Strategic / Partnership Working Recommendations:

- xi. The Council continues to work with local, regional and national partners to develop, deliver and promote tourism projects and programmes relating to the visitor economy and cultural tourism.
- xii. The Council to work with Skills East Sussex and local education providers to promote opportunities for careers in the tourism sector.

Budget and Funding Recommendations:

- xiii. Officers continue to explore opportunities to attract external funding in support of the visitor economy in recognition of a finite budget and pressures on the Council's finances. Any savings made within the tourism budget to be allocated back into tourism and directed towards events.
- xiv. Consideration be given to increasing the tourism budget in future years by the rate of inflation.
- xv. The Chambers of Commerce in Battle, Bexhill and Rye, and any other interested parties, be invited to meet with the Lead Member for Public Realm, Culture and Tourism to explore their interest in developing Business Improvements Districts in their locality.

Sharing Economy Recommendations:

- xvi. The Council lobbies with partners for greater regulation of the sharing economy, with a preference for a self-regulating scheme.
 - xvii. The Council consider what resources would be required with the introduction of a statutory registration scheme for tourism accommodation, to be offset by registration charges and report back to the Licensing and General Purposes Committee.
 - xviii. The Council offers support to businesses to capitalise on new media platforms, including shared economy platforms and how to adapt and diversify their product with partners.
 - xix. A promotional campaign to be developed to ensure tourism accommodation property owners are aware of their responsibilities and obligations.
 - xx. The costs of business support and the promotional campaign to be met from the existing tourism budget.
 - xxi. The use of sharing economy platforms be acknowledged across the district through the 1066 Country campaign, but property owners be required to comply with legislation in order to register.
- 2) Cabinet be requested to recommend to Council that the draft Visitor Economy Chapter of the Economic Regeneration Strategy attached at Appendix A be approved and adopted as amended, to include reference to Skills East Sussex and Parish Councils; and
- 3) the Tourism Task and Finish Group, having fulfilled its Terms of Reference, be dissolved.

OSC18/53. ANNUAL PROPERTY INVESTMENT UPDATE (5.2)

On 18 December 2017 (Minute C17/46 refers), Council approved the creation of a Property Investment Strategy with a £7m initial budget as part of the capital programme and the establishment of the Property Investment Panel (PIP) who would oversee and authorise the various investment opportunities.

On 26 February 2018 (Minute C17/65 refers), Council approved the capital programme up to 2022/23, which included a revised budget of £35m to enable economic regeneration through property investment which was to be funded through borrowing.

On 23 March 2019 (Minute AS18/40 refers), an annual update on the delivery of the strategy and the investments agreed by the panel was reviewed and noted by the Audit and Standards Committee.

Property investments that had been considered as part of the Strategy fell into two main categories; investments in existing properties and development opportunities. Investments in existing properties provided an immediate financial return for the authority and were likely to consist of built commercial space with an existing rent-paying tenant. Development opportunities were sites or land that were acquired for the purposes of development/redevelopment and achieving a longer term income.

Once opportunities were identified, they were recorded by officers and were then subject to a seven stage acquisition process outlined in Appendix 1 to the report. Progress through the various stages was then monitored and recorded onto a spreadsheet at confidential Appendix 2 to the report.

Following an initial screening, a high level financial appraisal of the site was undertaken and where necessary a site visit conducted. Identified properties were then progressed for discussion by the Property Investment Group (consisting of the Executive Director, Assistant Director Resources, Head of Service Acquisitions Transformation and Regeneration, Property Investment Manager and other property and finance officers as necessary), which met weekly to consider the potential return on investment, economic benefit to the district, evaluate the risk and set parameters for negotiation.

Following agreement on the purchase price and heads of terms, a report was written for consideration by the PIP which provided a detailed site description, rationale for acquisition, details on any existing tenants, details on the valuation agreed, provisional reports on title, the return on investment appraisal and associated financial, legal, environmental and planning risks. Following approval of the PIP, officers and legal undertook the necessary due diligence required for exchange and completion.

Members were advised that the PIP had approved the acquisition of six properties with a total value of £12.6m. Five had been acquired, all in Bexhill, and one stalled following the implementation of the due diligence process.

The Council owned the freehold for much of the West Trading Estate at Beeching Road and Wainwright Road; the majority of the West Trading Estate was occupied under long ground leases and received a ground rent for these. Having acquired the head leases to four of the sites, the Council was now receiving a full market rent from the premises (as opposed to a ground rent) in exchange for its capital investment.

The Council's policy on borrowing was not to borrow more than or in advance of need. However, with the property investment strategy, purchases were based on investment appraisals using certain rates of interest, and it was prudent to lock into low interest rates and tie in borrowing at or near the time of purchase.

The loans taken out to date were annuity loans, meaning more interest was paid at the start and less repayment of principal and then low

interest payments and high repayments of principal at the end. This worked well with properties where rents increased over the 50 years' time frame. In terms of the impact on revenue, a charge was made to the revenue budget called minimum revenue provision and was calculated on an annuity basis so in effect the repayment of loans matched the charge to the general fund.

The work of the PIP had allowed swift action to facilitate acquisitions that may otherwise have been lost to other investors. Rother District Council was becoming known to agents as being in the market for acquiring property and sites were being brought to the Council's attention. There was the need to be cautious however, as retail was very precarious, and while a number of sites and buildings had been highlighted, the due diligence tests had not proved particularly viable.

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

- properties outside the district could also be considered if there was evidence that their acquisition would have a regenerative effect on the local economy, for example within a 'travel to work' area;
- reports to the PIP provided extensive detail and interest rates were monitored twice daily;
- existing relationships with vendors were also being utilised when making initial enquiries;
- the property investment strategy meant that cash reserves were not being used in purchases.

RESOLVED: That the report be noted.

The Confidential Appendix in relation to this matter, as set out at Agenda Item 8 was considered exempt from publication by virtue of Paragraph 1 of Schedule 12A of the Local Government Act 1972, as amended. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Committee did not consider it necessary to exclude the press and public whilst considering this matter

OSC18/54. **CALL-IN AND URGENCY PROCEDURES**
(5.3)

The Committee received the report of the Executive Director on the Council's Call-In and Urgency Procedures. In accordance with Overview and Scrutiny Rule 17 (b) of the Constitution, the operation of the provisions relating to call-in and urgency was monitored annually through a report submitted to full Council via the Overview and Scrutiny Committee (OSC).

When this matter was considered the previous year, whilst it was agreed that the call-in procedure was working satisfactorily, the Committee requested that the procedure be amended to enable decisions to be called-in by any two non-executive Members of Council who need not be Members of the OSC.

Cabinet agreed to support this recommendation to Council on the proviso that at least one of the two Members requesting a call-in must have been present at the Cabinet meeting in question and have heard first-hand the debate and reasons for decision and be subject to review after one year. This was subsequently agreed by full Council in May 2018 and the Constitution amended accordingly.

The report therefore constituted both the annual requirement to monitor the procedure and carry out a review of the new provision after one years' operation.

The Call-In procedure was the mechanism by which the Council's OSC could challenge decisions made by the Executive that were not yet implemented. Thirteen Executive meetings had been held during the period of the report from 12 March 2018 up until 11 February 2019. Despite the revised provisions, no Executive decisions had been called-in during the period to which the report related; four decisions of Cabinet, within the approved budget and policy framework, had been deemed and resolved as urgent decisions.

Following discussion, it was agreed that the current arrangements for calling-in an executive decision remained satisfactory.

RESOLVED: That Cabinet be requested to approve that, following the review of the Call-In Procedure, the current arrangements for calling-in an executive decision be confirmed.

OSC18/55. **DRAFT ANNUAL REPORT TO COUNCIL**
(5.4)

Members received the draft Annual Report to Council as submitted by the Chairman, Councillor Osborne. In accordance with Article 6, Paragraph 6.3 (d) of the Constitution, the Overview and Scrutiny Committee (OSC) was required to report annually to the Council on their workings and make recommendations for future work programmes and amend working methods, if appropriate.

The report covered the period from April 2018 through to the end of March 2019 and gave examples of the various subjects that the OSC had considered during this period, as well as the in-depth scrutiny reviews that had been conducted.

The Chairman reported that it had been a very busy and productive year and he had been pleased with the progress made in terms of improved scrutiny processes and comprehensive contributions from outside representatives. Members were thanked for their input into the many debates that had taken place. The commitment of those who had taken part in the Task and Finish Groups over the past year was also commended.

RESOLVED: That the Overview and Scrutiny Committee's draft Annual Report, be approved and recommended to Council.

OSC18/56. **WORK PROGRAMME**
(5.5)

Consideration was given to the Overview and Scrutiny Committee's Work Programme.

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

OSC18/57. **VOTE OF THANKS**

The Chairman wished to thank all Members of the Overview and Scrutiny Committee for their attendance and contribution to the debates that had taken place over the past year and echoed the sentiments of Members in wishing Councillors Lord Ampthill, Elford and Elliston, who were not re-standing at the forthcoming election, all the very best for the future. For those Members who were standing, the Chairman wished them well and acknowledged the work of the officers, whom he had found to be very supportive.

CHAIRMAN

The meeting closed at 7:55pm

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Draft Visitor Economy Chapter to the Council's Economic Regeneration Strategy

Support the visitor economy

Why?

The total value of tourism activity in Rother is £329.2 million, which supports over 5,500 full time jobs, equating to 29% of all jobs within the district. Tourism is a key contributor to the district's economic and social wellbeing. It supports businesses, both directly and indirectly, and has an interdependent relationship with a range of sectors, including farming, transport, retail, food and drink, arts and museums and culture.

Tourism helps to create a positive image for the district which encourages inward investment and provides a great place for locals to live and work.

How is this achieved?

- By effective promotion of the area to visitors.
- By the availability of good quality information that meets customer requirements.
- By maintaining and improving the range and quality of the tourism offer, including attractions, accommodation and customer service.
- By enabling a range of quality events and festivals throughout the year to attract visitors.
- By supporting businesses to take advantage of growth areas and new technologies.
- By working in partnership to develop new products and services, particularly those that use, protect and promote the natural environment.

Who else is involved?

- Private sector businesses, including accommodation providers, attractions and other service sector businesses, events promoters and organisers.
- Local Authorities including Hastings Borough Council, Wealden District Council, East Sussex County Council and other neighbouring authorities.
- Parish Town Councils.
- Chambers of Commerce and other business representative organisations.
- Regional bodies, including Tourism South East, Skills East Sussex, Visit Britain, Visit England, South East Local Enterprise Partnership and relevant sectorial sub groups.
- Cross-sector partnerships, including 1066 Country Marketing and other local marketing and tourism partnerships.

The Council's Role

As an advocate:

We will promote the importance of the tourism industry when representing Rother in policy discussions at regional and national level.

We will encourage growth in the number of high value-added visitors to Rother, in order to increase spend per head and maximise the benefit of visitors to the local economy.

We will continue to lobby for resources to support the development of the tourism sector, particularly around support for emerging sectors and trends in the digital environment.

We will help to raise awareness amongst peer-to-peer accommodation providers of their legal duties and liabilities when offering accommodation, especially in relation to fire safety and health and safety.

We will lobby, with partners, for greater regulation of peer-to-peer platforms that promote tourism accommodation (such as Airbnb), to protect consumers and ensure that regulations are applied consistently for all visitor accommodation providers.

We will lobby for greater awareness and uptake of careers in the tourism sector.

We will help support the tourism sector in understanding the implications of macro-economic forces driving changes in the visitor economy (such as new technologies, Brexit).

As a service provider and legislator:

We will continue to commission and fund visitor research to inform future decision making and service delivery and share information through our networks.

We will review the delivery of the Visitor Information Services provision in preparation for when the current contract expires in 2021, having regard to trends in visitor behaviour and requirements and the advances of digital technology and new media channels. Consideration will also be given to expanding the provision through working with partners.

We will offer support to businesses to capitalise on new media platforms, including shared economy platforms and how to adapt and diversify their product.

We will ensure that the Local Plan encourages the provision of new quality accommodation across the district with a focus on good quality serviced accommodation, particularly in central Bexhill.

In the absence of national regulatory controls, we will consider implementing a local self-regulating scheme for peer-to-peer accommodation providers in Rother.

We will continue to deliver or support related amenities such as car parks, parks and gardens, leisure facilities and museums; and we will continue to support the visitor economy through our statutory roles in Licensing, Planning, etc.

As a partner and enabler:

We will continue to support the 1066 Country Marketing Partnership through funding and officer time, and contribute to reviews of its marketing strategy. We will also press for more private sector funding to help support the 1066 Country campaign.

We will support, fund and promote visitor events and festivals that aim to bring in additional visitors from outside the district. Encouragement will be given to shoulder season events to help level out the seasonality of tourism in the area.

We will continue to work with national and regional partners and networks to develop, deliver and promote projects and programmes relating to the visitor economy, cultural tourism and nature tourism.

We will continue to work with local partnership groups and stakeholders who have a role in the promotion of the destination to visitors, where this activity is complementary to the 1066 Country campaign.

We will work with developers and landowners to encourage the development of more serviced accommodation in the district, in accordance with Local Plan policies and Corporate Plan objectives. We will also encourage the development of new non-traditional tourism products and services, including diversification of existing tourism businesses looking to respond to market changes. This could include the development of 'niche' holiday accommodation and existing businesses looking to diversify to capitalise on market trends.

We will encourage and support initiatives and attractions to increase visitor numbers, particularly staying visitors, where they support the objective to increase spend per head in the district.

We will maximise the use of external funding opportunities where appropriate to support the development and delivery of tourism projects and initiatives across the area.

As a deliverer of projects:

We will continue to deliver the actions and projects set out in the Council's Corporate Plan. Specific projects linked to tourism include:

- Coastal Environments, including improvements to East Parade, Bexhill.
- Development of a new leisure centre and related facilities at Bexhill.
- Economic Regeneration at Camber.
- Development of a Walking and Cycling Strategy.
- Combe Valley Countryside Park.

We will continue to develop and deliver other projects in support of the visitor economy as opportunities arise.

OVERVIEW AND SCRUTINY COMMITTEE

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 Finance Outturn Report Housing Allocations Policy Review of Voluntary Sector Service Level Agreements 	
22.07.19	<ul style="list-style-type: none"> Review of Formal Substitute System for Committees Colonnade Review 	
9.9.19	<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		
Presentation by 1066 Country Marketing [Minute OSC18/52 – 29 April] Tourism Review [Minute OSC18/52 – 29 April]		