

Overview and Scrutiny Committee

Date and Time - **Monday 22 July 2019 - 6.30 pm**

Venue - **Council Chamber, Town Hall, Bexhill-on-Sea**

Councillors appointed to the Committee:

P.N. Osborne (Chairman), B.J. Drayson (Vice-Chairman), J. Barnes, T.J.C. Byrne (ex-officio), J.J. Carroll, Mrs V. Cook, P.C. Courtel, S.J. Errington, P.J. Gray, A.K. Jeeawon, L.M. Langlands, C.R. Maynard and M. Mooney.

AGENDA

1. MINUTES

To authorise the Chairman to sign the minutes of the meeting of the Overview and Scrutiny Committee held on 10 June 2019 as a correct record of proceedings.

2. APOLOGIES FOR ABSENCE

3. ADDITIONAL AGENDA ITEMS

To consider such other items as the Chairman decides are urgent and due notice of which has been given to the Head of Paid Service by 12 Noon on the day of the meeting.

4. DISCLOSURE OF INTERESTS

To receive any disclosure by Members of personal and disclosable pecuniary interests in matters on the agenda, the nature of any interest and whether the Member regards the personal interest as prejudicial under the terms of the Code of Conduct. Members are reminded of the need to repeat their declaration immediately prior to the commencement of the item in question.

5. PROPOSED FORMAL SUBSTITUTE PROCEDURE FOR COMMITTEES (Pages 1 - 10)

6. THE COLONNADE, BEXHILL (Pages 11 - 22)

7. CORPORATE PLAN DELIVERY PROGRAMME (Pages 23 - 26)

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8. **PROVISIONAL REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING QUARTER 4 2018/19** (Pages 27 - 36)
9. **WORK PROGRAMME** (Pages 37 - 38)

Malcolm Johnston
Executive Director

Agenda Despatch Date: 12 July 2019

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**Rother District Council aspiring to deliver...
an Efficient, Flexible and Effective Council, Sustainable Economic Prosperity,
Stronger, Safer Communities and a Quality Physical Environment**

Rother District Council

Report to	-	Overview and Scrutiny Committee
Date	-	22 July 2019
Report of the	-	Executive Directors
Subject	-	Proposed Formal Substitute Procedure for Committees

Recommendation: It be **RESOLVED:** That Cabinet be requested to recommend to Council that:

- 1) the proposed substitute procedure for formal committees, set out at Appendix E be recommended to Cabinet for approval and adoption by full Council;
 - 2) the system be implemented with effect from 17 September 2019;
 - 3) Group Leaders be requested to nominate one substitute Member each in respect of the Licensing and General Purposes Committee, the Overview and Scrutiny Committee and the Planning Committee at the full Council meeting to be held on 16 September 2019; and
 - 4) consequential amendments be made to the Council's Constitution.
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Introduction

1. Following a reference from the Member Development Task Group concerning the prospect of introducing a substitute procedure for formal committee meetings, this Committee agreed in March to add this to the Work Programme for consideration at the July meeting (Minute OSC18/48 refers). In particular, at that time, reference was made to the procedure currently in use at East Sussex County Council (ESCC).
2. Given the procedural nature of this matter, officers have undertaken a desk-top review into a formal substitute procedure and propose a preferred model, subject to Members' consideration and approval.

Research with Neighbouring Authorities

3. All our neighbouring local authorities operate formal substitute arrangements. Attached at Appendices A to D are extracts from their constitutions (ESCC, Hastings Borough Council, Lewes District Council and Wealden District Council respectively) which set out their substitute systems. As Members can see the procedures do vary in length and complexity, although there are common themes. One difference between the ESCC's scheme and all others is that their scheme does not apply to meetings of their Overview and Scrutiny Committees (OSC), for the reasons stated in their scheme.
4. Members are reminded that the East Sussex Councils operate quite differently to each other, have different decision making structures and political compositions; the human resources supporting the democratic machinery across the authorities is also quite varied.

5. Whilst the arrangements are different, the common themes include the following:
 - there are no substitute arrangements for Cabinet Members (all); standards (most); licensing (unless trained) (all);
 - formal notification, prior to the commencement of the meeting is required;
 - regulatory Committee substitutes must have received the relevant training;
 - Cabinet Members are unable to substitute for OSC Members; and
 - must be from the same political group.

Considerations and Proposed Procedure

6. The research undertaken with our neighbouring authorities' procedures has provided the opportunity to devise a simplistic, uncomplicated procedure that suits the Council's decision making structure and available resources and takes the best elements from the examples shown.
7. Whilst ESCC's stance regarding substitutes on their OSCs is worthy for the rationale outlined in their procedure, if substitution on this Council's OSC was not permitted, the procedure would only apply to the regulatory committees (Planning and Licensing and General Purposes Committees) of this Council.
8. Provision already exists in the Council's Constitution for Group Leaders to change membership and appoint substitute Members to informal Task and Finish Groups. However, it is noted that it is not conducive to continuity and understanding of Members if the substitution arrangements are used on Task and Finish Groups on an ad hoc basis for the very reasons given by ESCC in relation to their OSCs.
9. Attached at Appendix E is a draft procedure for Members' consideration; the main points to note are as follows:
 - the procedure will NOT be applicable to Cabinet and Audit and Standards Committee; or the Joint Waste Committee and Joint Waste and Recycling Committee (which already have a formal substitute system in place);
 - Overview and Scrutiny Committee substitutes must be Non-Executive Members;
 - Licensing and General Purposes (main Committee only – NOT Panels) and Planning;
 - prior notification must be received at least one clear working day prior to the commencement of the meeting (unless there are extenuating circumstances such as a medical emergency or some other family-related emergency); and
 - onus is on the Member who is unable to attend meeting to arrange and confirm the substitution arrangements to Democratic Services.
10. It is not proposed to allow substitution arrangements in respect of the Licensing Panels (Sub-Committees of the Licensing and General Purposes Committee). These are convened on an ad hoc basis, without the requirement to be politically balanced and any three Members of the main Committee are selected based on diary availability, experience and in light of any interests they may have in relation to the matter in question. The need for

a substitution on a Panel will not therefore arise; should a Panel Member be unable to attend a convened Panel at short notice, an alternative Substantive Member of the Licensing and General Purposes Committee would be selected.

11. For the substitute procedure to be operational there needs to be a nomination process for the named substitutes to be confirmed. It is recommended that in a normal year this will take place at the Annual Council meeting when the substantive appointments to committees are made.
12. Given the relatively few Committees to which a substitute system would be permitted, and the number of available Councillors to act as substitutes, it is recommended that each political group nominate one substitute Member from their Group on each of the relevant committees – Planning, Licensing and General Purposes (main committee only) and the Overview and Scrutiny Committee.
13. Where a substantive Member is substituted on a relevant Committee for more than 50% of the scheduled meetings of that Committee in any civic year, it is proposed that the Group Leader is alerted and consideration is given to the removal of the substantive Member from the relevant Committee.

Conclusion

14. The wish for the Council to adopt a substitution procedure for formal committees and sub-committees has come from Members, via the Member Development Task Group; the adoption of such a procedure would bring the Council into line with our neighbouring local authorities who all operate such a procedure.
15. Officers have undertaken a desk-top review of local authorities' procedures and produced a draft scheme for this Council to consider, taking into account the Council's decision making structure and available resources to administer.
16. Should Members be minded to recommend that the procedure at Appendix E be approved and adopted by Council, Group Leaders will be requested to nominate one substitute Member each in respect of the Licensing and General Purposes Committee, the Overview and Scrutiny Committee and the Planning Committee at the full Council meeting being held on Monday 16 September 2019. The procedure will be incorporated into the Council's Constitution as part of the Council Procedure Rules.

Malcolm Johnston
Executive Director

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

Failure to implement a substitute system may result in some political groups being under-represented on committees in cases where there is substantive committee membership absence.

East Sussex County Council

“Substitutes” on Committees

Where a member is unable to attend a meeting, it is possible for them to resign temporarily and for their political group to nominate a replacement on the basis that the permanent member will subsequently resume his or her seat on the committee. Notice of the change must be given in writing to the Assistant Chief Executive before the start of the meeting. The notice must be signed by the Leader or Deputy Leader of the appropriate political group. Forms for this purpose are available from the Democratic Services Team. The arrangements are formalised in Standing Order 48.5, although the following specific points need to be borne in mind:

- “substitutes” are not permitted in relation to the Cabinet;
- the chairs of the scrutiny committees have agreed that there should be a presumption against the appointment of “substitutes” on scrutiny committees. This is on the basis that it will be very difficult for a member attending a meeting on a one-off basis part way through an investigation to make a meaningful contribution. Given the strong desire on the part of all party groups to work together on these committees, the chairs feel that full representation from each party group is less important than in other situations;
- only members of the Regulatory Committee may perform the functions of that committee or its sub-committees or panels. Accordingly, if a member is unable to attend, say, the Planning Committee any “substitute” must be drawn from the Regulatory Committee.

48.5 (i) Subject to Standing Order 48.5 (ii) and (iii) below, when a member is unable to attend a meeting, he or she may resign temporarily and the Assistant Chief Executive may appoint a replacement on the nomination of the Leader or Deputy Leader of the appropriate political group. The permanent member shall resume his or her place on the Committee following the meeting(s) for which he or she is absent.

(ii) Standing Order 48.5(i) shall not apply to the Cabinet or the Regulatory Committee.

(iii) Only members of the Regulatory Committee may perform the functions of that Committee or its sub-committees or Panels.

Hastings Borough Council

Appointment of Substitute Members of Committees and Sub-Committees

- 4.1 There shall be no substitution of members of the Standards Committee, Licensing Committee or the Cabinet. Members of the Cabinet may not be substitutes on Overview and Scrutiny Committee.
- 4.2 The political groups may appoint substitute members in accordance with this Rule on committees and sub-committees. Only Members who have undergone related training may be substituted to Planning Committee, Charity Committee and Environment and Safety Committee. Only members of Cabinet may be substituted to Charity Committee.
- 4.3 Substitute members will have all the powers and duties of any ordinary member of the committee.
- 4.4 Substitute members may attend meetings in that capacity only:
 - i. to take the place of the ordinary member for whom they are the designated substitute;
 - ii. where the ordinary member will be absent for the whole of the meeting or, in the case of the Charity Committee, for such item or items as shall be notified to the Chief Legal Officer under iii. below; and
 - iii. after notifying the Chief Legal Officer no later than the commencement of the relevant meeting in the form supplied.

Lewes District Council

Substitute Members

- 4.1 The Council may, from time to time, approve a list of members of the Council who are appointed to act as substitute members at meetings of committees and other bodies, the list being referred to as “the approved list” in this Procedure Rule.
- 4.2 A Councillor on the Cabinet or a Standards Panel is not entitled to appoint a substitute. A Councillor on the Cabinet may not be appointed to act as a substitute on the Scrutiny Committee or the Audit and Standards Committee.

No Councillor on the approved list shall sit on or act as substitute on the Licensing Committee or Licensing Sub-Committee, or no Councillor on the approved list shall sit on or act as substitute for the Planning Applications Committee unless they have undertaken appropriate training and a list of those Councillors who have been trained will be maintained by the Head of Democratic Services.

A councillor appointed to serve on a Sub-Committee of the Cabinet shall be permitted to appoint a substitute, who must also be a member of the Cabinet and of the same political group as the member unable to attend the meeting.

- 4.3 The substitute member shall be the member ascertained as follows, namely, the substitute member:
- (a) will be on the approved list;
 - (b) with the exception of the Audit and Standards, Employment, and Planning Applications Committees will be of the same political group as the member unable to attend the meeting;
 - (c) will be the first person able to attend the meeting who is contacted by the member unable to attend and who has not already agreed to act as substitute for another member, and (d) will not already be a member of the committee or other body on which he/she is intending to serve as substitute.
- 4.4 The agenda for each meeting of the committee or other body shall contain as its first item “Declaration of Substitute Members” and as the first business of the meeting the Chair of the meeting shall ask if any member present is substituting for another member and, if so, to declare his/her name as substitute member and the name of the absent member.
- 4.5 If a member intending to act as a substitute joins a meeting after consideration by the meeting of the “Declaration etc” item the member shall forthwith be required to make the declaration and, if necessary, the Chair shall interrupt the proceedings of the meeting for that purpose.
- 4.6 Subject to compliance with the foregoing and any statutory or other requirements, a substitute member may attend, speak and vote as a member of the committee or other body at the meeting for which he/she is a substitute member, including any adjournment thereof. The member who is unable to

attend the meeting shall not be a member of the committee or other body concerned for the meeting, or an adjournment of that meeting.

- 4.7 A member who is unable to attend a meeting shall notify that fact and the name of the substitute member to the Head of Democratic Services, who will arrange for agenda papers to be sent to the substitute member if time permits or for the papers to be available for the substitute member at the meeting.

Wealden District Council

15. Substitute Members

- (1) The Council will keep a list of approved substitutes, as suggested by Group Leaders, the list being referred to as “the approved list” in this Procedure Rule. Substitutions can only be made in accordance with political balance regulations and do not affect the powers of group leaders to appoint Members of their group to places allocated to their group under these regulations.
- (2) A Member who wishes to arrange a substitution shall notify that fact and the name of the substitute Member to the Democratic Services Manager, or nominee.
- (3) The substitute Member shall be the Member ascertained as follows, namely, the substitute Member:
 - (a) will be on the approved list;
 - (b) will be of the same political group as the Member unable to attend the meeting;
 - (c) will be the first person able to attend the meeting who is contacted by the Member unable to attend and who has not already agreed to act as substitute for another Member; and
 - (d) will not already be a member of the Committee or other body on which he/she is intending to serve as substitute.
- (4) The agenda for each meeting of the Committee or other body shall contain as its first item “Declaration of Substitute Members” and as the first business of the meeting the Chairman of the meeting shall ask if any Member present is substituting for another Member and, if so, to declare his/her name as substitute Member and the name of the absent Member.
- (5) If a Member intending to act as a substitute joins a meeting after consideration by the meeting of the “Declaration etc” item, the Member shall forthwith be required to make the declaration and, if necessary, the Chairman shall interrupt the proceedings of the meeting for that purpose. A Member that has commenced a meeting cannot be replaced by a substitute during that meeting.
- (6) Subject to compliance with the foregoing and any statutory or other requirements, a substitute Member may attend, speak and vote as a member of the Committee or other body at the meeting for which he/she is a substitute Member, including any adjournment thereof. The Member who is unable to attend the meeting shall not be a member of the Committee or other body concerned for the meeting, or an adjournment of that meeting.
- (7) Substitution of a Chairman or a Deputy Chairman shall not automatically create a vacancy for that post.
- (8) Substitutes shall be subject to the same standards as the principal appointment, be that training, conduct or similar.

- (9) Substitutes shall not be entitled to any Special Responsibility Allowances applying to the Member being substituted.
- (10) The Substitution rules shall not apply to the Licensing Committee or the Cabinet.
- (11) A Councillor on the Cabinet may not be appointed to act as a substitute on the Licensing Committee or its Sub-Committees, or Standards Committee. Additionally, a Councillor on the Cabinet may not be appointed to act as a substitute on the Personnel Committee, where this means that over half the Membership of the Committee will be made up of Cabinet Members.

Rother District Council

Appointment of Substitute Members of formal Committees and Sub-Committees

1. There shall be no substitution of members of the Audit and Standards Committee, Cabinet or Licensing Panels. Members of the Cabinet may not be substitutes on Overview and Scrutiny Committee.
2. The political groups may appoint substitute Members from their own group in accordance with this Procedure Rule on committees and sub-committees. Only substitute Members who have undergone related training may be substituted to the Planning Committee.
3. Substitute Members will have all the powers and duties of any ordinary Member of the committee.
4. Political Groups will be permitted to nominate one substitute Member for each relevant Committee on which they have an allocated seat(s).
5. Substantive Members must organise their own substitute arrangements and confirm the attendance of a substitute to the Democratic Services Manager or Officer at least one clear working day prior to the commencement of the meeting (unless there are extenuating circumstances such as a medical emergency or some other family-related emergency); notification by electronic mail or telephone will suffice for these purposes.
6. The Chairman of a relevant meeting will seek confirmation of substitute Members present at the "Apologies and Substitutes" Agenda Item.
7. Substitutes arriving after the commencement of the meeting and for which prior notification has not been received will not be permitted to act as a substitute.
8. Where a substantive Member is substituted on a relevant Committee for more than 50% of the scheduled meetings of that Committee in any civic year, Group Leaders will be alerted and consideration given to the removal of the substantive Member.
9. Substitute Members may attend meetings in that capacity only:
 - i. to take the place of the substantive Member for whom they are the designated substitute;
 - ii. where the substantive Member will be absent for the whole of the meeting;
 - iii. has undertaken the mandatory training in the case of the Planning Committee; and
 - iii. after notifying the Democratic Services Manager no later than 1 clear working day prior to the commencement of the relevant meeting.

Rother District Council

Report to	-	Overview & Scrutiny
Date	-	22 July 2019
Report of the	-	Executive Director
Subject	-	The Colonnade, Bexhill

Recommendation: It be **RESOLVED:** That: the report be noted

Head of Service: Ben Hook

Introduction

1. Members are referred to the Cabinet report of November 2018 which reported on the Colonnade Bexhill Ltd and which resolved that the Overview and Scrutiny Committee be requested to include a review of the Colonnade within their Work Programme under “Items for Consideration” and report back at a future meeting (Minute CB18/34 refers). This was put on the agenda for the July 2019 Overview and Scrutiny Committee meeting.

Background

2. The Colonnade was built in 1911 to commemorate the coronation of King George V and was designed as a sheltered structure from which to enjoy open-air beachfront concerts and performances. It was originally situated in front of a coastguard station, which was replaced in 1936 by the De La Warr Pavilion.
3. Part of the Colonnade was subsequently enclosed and housed a small area for a café until the refurbishment of the seafront under the Next Wave programme in 2010-11. At that time the structure was extended to form a number of kiosks along the flanks of the structure, and extended to the rear to form a back-of-house area capable of accommodating a kitchen, stores and toilets. The adjoining new rowing club building was also constructed at the same time. The building was completed to a ‘shell’ finish only at that time, although subsequently a floor screed was laid in the main semi-circular area.
4. The intention at that time was to let the Colonnade as a café/restaurant to a suitable operator, offering a long lease to allow an operator to offset their capital costs required to fit out the premises to their requirements.
5. In the years following the refurbishment under the Next Wave programme, the Council marketed the Colonnade on several occasions, and whilst the marketing resulted in offers coming forward, for various reasons these did not proceed. On two occasions offers were accepted by the Council but the operators subsequently withdrew, and on one occasion a proposal was rejected by Cabinet at the time, due to the exclusivity conditions required by the operator. During the majority of this period the Colonnade was occupied under a succession of short-term leases by ‘Tea Beside The Sea’, with a minimal level of fit-out and at a modest rent.

6. During 2016/7 a Members' panel oversaw a review of the Council's options for the Colonnade. A study of the possible uses of the Colonnade was undertaken through the "Leisure Consultancy", drawing on examples of similar operations elsewhere in the UK. The conclusion from that study was that whilst other potential uses could be considered, a café/restaurant remained the most likely viable use for the property. Where alternative examples existed elsewhere, such as gallery or museum spaces, these were either wholly run by the public sector or heavily subsidised.
7. Further marketing was undertaken in 2017 through commercial agents as well as direct follow-up of previous contacts and approaches to local entrepreneurs. Three expressions of interest were received; these were considered by the Members' panel who concluded that only one proposal was worth pursuing further. The panel subsequently met with this party and was recommended to Cabinet in October 2017. Regrettably however, due to a change in financial circumstances, the proposed tenant was subsequently unable to secure the capital needed to proceed. Advice was sought through Let's Do Business Group, who operate Business East Sussex, the business support and advisory service for East Sussex. They appointed a specialist consultant to advise and to assist in seeking alternative finance arrangements; however no solution could be found and in December 2017 the party withdrew.
8. Following further consultation with the Members' panel it was concluded that the best option would be to increase the commercial offer and income streams derived at the Colonnade by partially subdividing the western half to create four additional retail kiosks, while retaining a sizeable food and drink facility. It was considered that this facility could either then be leased out externally, operated by the Council in-house, or run in partnership with a third party.
9. Due to the cost and level of fit-out required it was considered unlikely that an alternative third party operator would be found that met the Council's requirements. It was also considered important to ensure that the Colonnade was open for business during the summer. Accordingly, Cabinet resolved in January 2018 to proceed with the establishment of a temporary in-house café/restaurant offer at the Colonnade, with the future operation to be kept under review.
10. A list of the relevant Cabinet minutes and dates is attached as Appendix 1.

Business Planning

11. Council had previously approved a capital contribution of up to £100,000 to a prospective tenant towards the cost of fitting-out works and in January 2018 it was recommended and subsequently approved that this be increased to £260,000 to meet the entirety of fit-out costs on the basis of the Council operating the premises. The Council embarked on the recruitment of a Catering Manager to oversee the set-up and operation of a trading company and the business and they started in April 2018.
12. An initial business plan was drafted prior to appointment of the Catering Manager and this was shared with the Members' panel in April 2018. This was produced with the support of the specialist catering consultant who had

been retained by the Council to advise on the business plan, and who also advised on the design and specification of the kitchen. Following the appointment of the Catering Manager the business plan was subsequently revised and adapted as the project developed. The final version of the business plan by the Company projected a trading profit of £18,500 in the first year.

13. The timescale for commencing trading was very important as the financial forecasts included trading from the beginning of July. This required the appointed contractor to do the fitting out to work to a very tight timescale. The completion overran slightly by two weeks.

Trading Company

14. The Colonnade Bexhill Ltd was established by the Council as a trading company to manage operations at the Colonnade in April 2018. This company employed the staff and entered into the various arrangements needed to operate the business, including with suppliers, service contracts, till system, furniture, etc.
15. Council officers were appointed as Directors to get the company established and the administration of the company was supported by other officers of the Council.
16. The Council employed a Catering Manager to lead initially on refining the business plan, to set up the business operations and recruit the staff team while the fitting-out works were taking place, and to manage the business, once trading had commenced.

Capital Works and Fit-Out

17. A complete fit-out and equipping of the Colonnade was undertaken commencing on 7 June 2018 and due to finish on 5 July. Broadly this comprised:
 - Stripping out previous tenant's fixtures and fittings and disposal of waste left in back of house.
 - Floor finishes (including screed to the back of house area), partition walls, ceilings.
 - All joinery and carpentry, including fabrication of bespoke items such as bar counter etc.
 - All heating, plumbing and drainage works.
 - All electrical work including lighting, heating and ventilation; alarms, CCTV and IT systems.
 - All decorations.
 - Installation of kitchen equipment including extraction/ventilation.
 - Professional fees in relation to the above.
 - Purchase of all furniture, equipment, utensils, crockery, cutlery etc.
18. The design and specification of the fit-out was intended to give an informal, contemporary feel, whilst reflecting the setting of the Colonnade in relation to the sea in front and the De La Warr Pavilion behind. Due to the shape and layout of the space, certain items, such as the bar counter and seating were of necessity, bespoke. The kitchen was designed to enable the provision of a

wide ranging food offer encompassing full meals and light menu options, with sufficient flexibility to adapt to demand and seasonal variation; as well as ensuring compliance with food hygiene standards. The extraction equipment is specified to minimise noise and odours to the surrounding area. The fit-out works were inspected and certified by Building Control, and the kitchen equipment fully commissioned.

19. As previously reported, the Colonnade opened for trading on 21 July 2018.
20. At the same time works took place to subdivide the western half of the structure to form four additional retail kiosks; and works were also undertaken to address water ingress by excavating and waterproofing the rear of the original structure.
21. As reported to Cabinet in November 2018, there were delays in getting a gas meter installed at the property. Although a gas supply had been installed as part of the seafront improvement works commenced in 2010, this had not been used since.
22. On 24 May 2018, a request was made to Rother District Council's contracted energy management company, Laser, to have a gas meter fitted. Laser and Southern Gas Networks (SGN) were unable to identify the unique reference number (MPR) for the feed pipe. On 21 June 2018, officers were advised that following extensive efforts on the part of Laser and SGN, as no record of the Colonnade could be found, the Council would need to register for a new MPR number and that this process could take up to four weeks. An application was immediately filed and regular updates were requested.
23. On 26 July 2018, five days after the opening of the Colonnade restaurant the recorded MPR for the existing pipe was identified as having been mis-registered to an address in Western Road. With the identification of the MPR the process for the installation of the new meter could begin. As this would be a new feed that had never previously been used, the process included a number of actions that would be undertaken by different parties, each with their own lead in times. This included:
 - A Live/Dead Check for the pipe, to ensure that it had a gas feed from the network – SMS local meter installers.
 - Pressure and capacity checks on the feed – Southern Gas Networks.
 - Installation of the gas meter - SMS local meter installers.
 - Connection and testing of the kitchen equipment.
24. These actions were completed on 9 October 2018 and a gas safety certificate issued. Whilst all delays that were incurred were outside the control of the Council and within the published lead-in times for suppliers, regular complaints were filed with Laser, Total (supplier), SMS, and SGN.

Staffing and Operations

25. There is no doubt that the delay to installing the gas meter was the major hindrance to the business as the café was not able to offer a full menu and capitalise on the good summer weather.

26. When the likely timescales for the installation of the gas became clear, the decision was taken by the trading company to review the staffing levels in light of the available offer and likely income generation. As a result, the employment of the Head Chef was terminated and the hours on offer to the front of house team were significantly reduced. During August and early September the Sous Chef and the Catering Manager resigned and were not replaced. The gas meter was connected in early October and the kitchen equipment was connected and commissioned on 9 October.
27. The seasonal contracts were all terminated on 5 September 2018, leaving a team of four to run the operation on a five day-a-week basis. These decisions were all taken to reduce the burden of outgoings whilst still offering the best possible service under the constraints outlined. By this time the Council was also in discussion with several third party operators who had seen the Colonnade's potential and had expressed an interest to take over the operation.
28. Had there been no third party interest the directors of the trading company would have re-recruited to the vacant key staff positions in time for the following summer season, once the gas supply issue had been resolved; with a view to making up losses during the following summer and in subsequent seasons. However, the interest from external operators offered an alternative approach and so for an interim period the business operated on a skeleton basis until the new tenant took occupation in December 2018.
29. Following the opening of the Colonnade in summer 2018 the Council was approached independently by several operators expressing interest in taking on the premises. Discussions took place with all of these, resulting in the report to Cabinet in October 2018 and the decision to let the premises to Wingrove House Ltd (Minute cb18/29 refers). Wingrove House Ltd had previously enquired as a potential tenant in 2016, but had withdrawn on that occasion due to other business commitments and the capital outlay required. The company operates other catering businesses in the area, including The Beach Deck and Treasure Island in Eastbourne and Wingrove House Hotel in Alfriston. In December 2018 Wingrove House Ltd completed a 25 year lease for the Colonnade, including two of the kiosk units, and took over operation of the premises.

Colonnade Retail Units

30. At the time when it was decided to fit out and operate the Colonnade in-house, the decision was also made to divide part of the space into four additional kiosk units for letting; thus providing 11 lettable kiosks in total. Currently all 11 kiosks are let, the majority on two-year non-secure leases on flexible terms. Two of the kiosks are included within the lease to Wingrove House Ltd under their 25 year lease. Rental income from the remaining 9 kiosks is currently £28,800 per annum.

Financial Position

31. The total investment in fitting out the café and new kiosks, including all building work, furniture, kitchen fit-out and professional fees, was £318,776. Offset against this is the sum of £12,000 received from sale of the furniture to the new operator.

32. A summary of the capital costs is shown at Appendix 2.
33. The company (The Colonnade Bexhill Ltd) has now ceased trading and the outstanding debt of £58,000 has been written off in the 2018/19 financial year. This excludes items of furniture and equipment that has been sold to the new operator.
34. Overall the company generated turnover of £53,015 and expenditure of £110,487 including cost of sales, staff and other costs. A summary of the trading account is shown at Appendix 3. The loss was principally due to the reduced sales as there was no gas supply available during the peak trading period.
35. As mentioned earlier, in December 2018 Wingrove House Ltd took over operation of the premises. Whilst expecting that business would be slow during the winter period the tenant reports good trading from Easter onwards and are committed to building up the business into the long term.
36. In total the rental income now generated from the Colonnade café and kiosks is £53,300 per annum, comprising £24,500 from the café (including 2 kiosks) plus £28,800 from the remaining 9 kiosks. This represents an increase of £36,900 p.a. from the previous income of £16,400, comprising £2,000 p.a. received from Tea Beside the Sea and £14,400 from 7 kiosks
37. Based on the uplift in rental income the outcome represents a return on investment of 9.54%, including write-offs from the trading operation. This compares favourably to the target figure of 6% for the Council's commercial property portfolio as a whole.
38. The asset was valued in March 2019 at £560,000, an uplift of £165,000 from the previous valuation.

Conclusions

39. Members should note the performance of the Colonnade in the context of the external constraints placed upon the operation. The quality fit out within the building, the strong performance of the café and the goodwill generated with customers throughout this time, attracted offers from a number of interested parties to take over the premises on a tenancy basis.
40. Equally important, the Council's strategic objective has always been driven by regeneration objectives, to secure a good quality catering operation that adds value to the Colonnade in the longer term and enhances the attractiveness of Bexhill seafront to both residents and visitors. This process has been at times difficult and frustrating over a number of years. Whilst the easy option would have been to lower expectations and avoid risk, this would not have achieved the Council's strategic goals.

Lessons learned

41. It was evident from the marketing carried out over several years and discussions with potential tenants, that the property's unique attributes and location were attractive to operators, but the amount of investment required to fit out the property was a significant obstacle to securing a letting due to the

limited trading history. Only once the Council had invested in the fit out costs did the property become a viable option for occupiers who were then willing to make a long-term commitment to operate.

42. The delay in getting a gas meter connected was the single greatest setback to the operation of the café. Whilst with hindsight the application process could have commenced sooner, the supply was already physically present in the building and a significant part of the delay was due to the gas network provider having incorrect records.
43. When the trading company was established the options open to the Council for the appointment of directors were limited. Whilst officers of the Council stepped up to this role, this was in addition to their existing duties as employees of the Council, with other responsibilities and corporate service targets to meet. With the exception of the Catering Manager who was employed specifically for this purpose, no additional staff resource was available to support the management of the operation. This placed pressure on those individuals and on the other Council staff, particularly within the Council's finance team who supported the trading company.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

There are no risks arising from this report.

Relevant Cabinet decisions from 2016 onwards

CB16/17 4 July 2016

RESOLVED: That

- 1) the Colonnade be further offered to the market with an option of a capital contribution from the Council's Corporate Priority Project earmarked reserve;
- 2) the current tenant of the Colonnade be offered an extension of the existing lease until 31 October 2017, excluded from the security of tenure provisions of the Landlord & Tenant Act 1954, and on such other terms as the Executive Director of Business Operations may approve; and
- 3) if the current tenant declines to continue operating, the Director of Business Operations seeks to find an interim solution.

CB17/32 17 October 2017

RESOLVED: That:

- 1) a new tenancy be granted on the terms set out in Confidential Appendix 1, as submitted, and such other terms as the Executive Director of Business Operations considers appropriate; and
- 2) provision be made in the Capital Programme for up to £100,000 representing the Council's maximum contribution to the fit-out costs for the new tenant. To be funded from earmarked reserves for corporate priority projects.

CB17/59 15 January 2018

RECOMMENDED: That:

- 1) the Capital Programme be increased to £260,000 for the internal fit-out of the Colonnade café/restaurant and kiosks funded from the Medium Term Financial Strategy Earmarked Reserve; AND

***RESOLVED:** That:

- 2) officers be authorised to proceed with the establishment of an in-house café/restaurant offer at the Colonnade with the future operation to be kept under review.

CB18/29 3 October 2018

RESOLVED: That:

- 1) the Colonnade be let with a contractual obligation to open during the winter season with an option for a rent-free period; and
- 2) the Executive Director be authorised to enter into a lease with the preferred operator for the Colonnade café/restaurant for a term of not less than 10 years on such other terms as deemed appropriate.

CB18/34 5 November 2018

RESOLVED: That:

- 1) the conditions affecting the operation of The Colonnade Bexhill Ltd and the subsequent impact on financial performance of the company be noted;
- 2) subject to the Colonnade restaurant building being leased out to a new operator, Colonnade Bexhill Ltd ceases trading and is closed and any losses accruing to the Council be written off, which will be subject to a further report; and
- 3) the Overview and Scrutiny Committee be requested to include a review of the Colonnade within their Work Programme under "Items for Consideration" and report back at a future meeting.

Capital Costs

Expenditure	Cost (£)
Kitchen fitting out	79,925.00
Restaurant fitting out & furniture	195,438.15
Kiosk Conversion	18,394.53
Professional Services	25,018.76
Total	318,776.44
Receipt from sale of furniture	(12,700.00)
Total Net Cost	306,076.44

The Colonnade Bexhill Ltd – Final Trading Accounts 21 July 2018 to 31 March 2019

		£
Sales		53,015
Cost of Sales		(22,424)
Gross Profit		30,591
Staff Costs		(38,390)
Operating Costs		(49,673)
Trade loss		(57,472)

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Rother District Council

Report to	-	Overview and Scrutiny Committee
Date	-	22 July 2019
Report of the	-	Executive Director
Subject	-	Corporate Plan Delivery Programme

Recommendation: It be **RESOLVED:** That Cabinet approve the programme of a review for a new Corporate Plan, to be adopted in December 2020.

Head of Service: Ben Hook

Introduction

1. The purpose of this report is to present to Members a project plan and timeframe for the implementation of a new Corporate Plan designed to supersede the current Corporate Plan.
2. The current Corporate Plan has been in place since 2014 and is due to expire in March 2021. A new Plan will set the strategic direction and planned approach to delivering an agreed vision for the district. It is proposed to develop a seven year plan which will last until March 2028.
3. Work to develop the new Corporate Plan will commence shortly. It is important to set out a timeframe that allows adequate time for reflection on the current and likely future issues in the district, timely input from Members into the design of the vision, and both internal and external consultation which will inform the relevant objectives and delivery plans.
4. The timeframe set out below is condensed to ensure a Corporate Plan is adopted by December 2020 for implementation commencing April 2021. The timetable proposed provides the opportunity for an in depth consultation within the available staff resources.

The Project Plan

5. The process for the design of the new Corporate Plan will be split into four areas of work:

- a. Pre-consultation work

Pre-consultation work will commence during July 2019 and complete during April 2020. The work will be broken down into the following:

- Review
 - Data analysis
 - Research into good practice and initiatives
 - Review of partner strategies (to ensure alignment where appropriate)

- Review of 'on the doorstep' issues
- Review of the existing Plan and Programme
- Write up review and proposals report
- Internal Consultation
 - Internal Officer consultation
 - Equality Impact Assessment
 - Informal Cabinet meetings
 - Member workshops
 - Develop proposals and an external consultation plan
- Pre-consultation reporting
 - Report to OVSC (16 March 2020) – agree consultation plan
 - Report to Cabinet (6 April 2020)– Agree consultation plan
- Prepare all documents for consultation

b. Consultation period

The formal consultation period will commence during April 2020 and complete during July 2020.

- Deliver on consultation plan as agreed

c. Post consultation

Post consultation work will commence during July 2020 with a final Corporate Plan and Programme ready for adoption in December 2020. The work will be broken down into the following areas:

- Consultation analysis
- Develop final draft Plan and Programme

d. Post consultation reporting (Cabinet November 2020, full Council December 2020)

e. Plan and Programme adoption

- Launch and delivery of action plan

6. Members should note that a vast part of the process for the development of this type of Plan is taken up with consultation. How the Council consults is governed by rules that Council has adopted and from legislation (see Appendix 1). The Council has an adopted Consultation Charter <http://www.rother.gov.uk/article/366/Consultation-Charter> that sets out the Council's commitment to consultation and its approach.

Internal Consultation

7. The internal consultation will focus on the development of a draft Corporate Plan which will form the basis of formal consultation. This period of the process will allow Members, with the support of Officers, to have a significant input into the design of the draft proposals. It is proposed that this

consultation takes the form of workshops, planned for October 2019, based on initial discussions between senior managers and Cabinet.

The Formal Consultation

8. It is proposed the formal consultation exercise will last 12 weeks. This period will allow officers sufficient time to engage partners and residents and to collate feedback and prepare a final draft Corporate Plan for Cabinet to consider in November 2020.
9. It is anticipated that external consultation will follow two strands; a stakeholder event and/or meetings, and an on-line survey for residents. Further internal work will focus on developing the delivery programme.

Conclusion

10. The Corporate Plan will set the strategic direction and the vision for the district until 2028 against a backdrop of reduced public resources and different approaches to delivery.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

It is important that the Council has a clear direction and purpose in which to allocate its limited resources for the Council to run efficient and effective services. Lack of a Corporate Plan limits the focus and direction of the Council.

Appendix 1: Consultation related legislation

Legislation for local government on the duty to consult:

- The Local Government Act 1999 and subsequent statutory guidance from the Secretary of State puts a statutory duty on all local authorities to consult anyone or organisations (or their representatives) that are or might be affected by any review of a service. Although some parts of the Act were repealed the duty to consult was never repealed. The duty applies to:
 - i. a proposed addition, change or update in policy or strategy, or
 - ii. a proposed change in the provision of a service or
 - iii. the proposed removal or addition of a service or function or
 - iv. a proposed change in provider
- Further duties to consult on certain governance changes are in the Local Government and Public Involvement in Health Act 2007.
- The Race Relations (Amendment) Act 2000 requires public authorities to consult on, and assess, the likely impact of proposed or existing policies on any group of people (in our population), to monitor policies for adverse impacts and to publish the results of such consultation.
<http://www.legislation.gov.uk/ukpga/2000/34/contents/enacted>

The Council is at risk of being taken to a judicial review if it failed to consult when there is a legal obligation to do so or ran a consultation that did not meet the required standards.

Rother District Council

Report to	-	Overview and Scrutiny Committee
Date	-	22 July 2019
Report of the	-	Executive Directors
Subject	-	Provisional Revenue Budget and Capital Programme Monitoring Quarter 4 2018/19

Recommendation: It be **RESOLVED:** That the report be noted.

Assistant Director Resources: Robin Vennard

This report, considered by Cabinet on 1 July 2019, has been referred to this Committee for Members' information. The report has been reproduced as submitted to Cabinet.

Changes to the Revenue Budget

- This report updates Members on the provisional outturn for the financial year 2018/19. There may be changes to the final position as the external auditors complete their work on reviewing the Council's statement of accounts. The final financial position for the Council is shown in the table below and further analysis is shown in subsequent paragraphs:

Table 1
Rother District Council – General Fund Summary

	2018/19 Budget £ (000)	2018/19 Outturn £ (000)	2018/19 Variance £ (000)	2018/19 Variance %
Executive Directors and Corporate Core	2,043	1,977	(66)	-3.2%
Environmental Services	740	110	(630)	-85.1%
Strategy and Planning	930	838	(92)	-9.9%
Acquisitions, Transformation and Regeneration	132	(30)	(162)	-122.7%
Housing and Community Services	5,421	5,206	(215)	-4.0%
Resources	3,286	3,164	(122)	-3.7%
Total Cost of Services	12,552	11,265	(1,287)	-10.0%
Interest from Investments	(512)	(446)	66	12.9%
Impairment losses	0	87	87	
Capital Expenditure Charged to Revenue	1,493	828	(665)	-44.5%
Interest payments	97	18	(79)	-81.4%
Net Cost of Services	13,630	11,752	(1,878)	-14.0%

	2018/19 Budget £ (000)	2018/19 Outturn £ (000)	2018/19 Variance £ (000)	2018/19 Variance %
Parish Precepts	1,549	1,549	0	0.0%
Special Expenses	(715)	(715)	0	0.0%
Business Rates				
Local Share of Business Rates	(7,141)	(7,141)	0	0.0%
s31 Grants	(1,350)	(1,536)	(186)	13.8%
Tariff	4,926	4,923	(3)	-0.1%
Levy payment on account	617	708	91	14.7%
Share of net retained Levy from the pool	0	(344)	(344)	
Revenue Support Grant	(73)	(73)	0	0.0%
Non-Specific Revenue Grants		0		
New Homes Bonus Grant	(714)	(714)	0	0.0%
Rural Services Delivery Grant	(38)	(61)	(23)	60.5%
New Burdens Grant and other Non-Specific Grants	0	(181)	(181)	
Local Council tax Support Grant	(101)	(101)	0	0.0%
Benefits Administration Grant	(233)	(236)	(3)	1.3%
Homelessness Grant - New Burdens	(41)	(41)	0	
Flexible Homeless Support Grant	(203)	(290)	(87)	42.9%
Council Tax Requirement (Rother and Parishes)	(8,125)	(8,125)	0	0.0%
Other Financing				
Collection Fund (Surplus)/Deficit	(5)	(4)	1	-20.0%
Contributions to Earmarked Reserves	0		0	
Contributions (from) Earmarked Reserves	(1,983)	630	2,613	-131.8%
Contributions to/(from) General Fund Balance	0	0	0	
Total Income	(13,630)	(11,752)	1,878	

Overall End of Year Position – Revenue Budget

- The General Fund was in surplus for the year by £630,000, i.e. our income exceeded expenditure by this amount. This compares to the expected use of reserves of £1.98m when the budget was set to balance the budget and contribute to funding the Capital Programme. Where service savings identified in this report have an ongoing impact, these have been built into the 2019/20 Revenue Budget.

Review of significant variations to the Net Cost of Services

- The main variations between the budgeted spend and actual spend are detailed below:

Executive Directors and Corporate Core – surplus (£66,000)

- The majority of the underspend relates to savings on joint waste client unit and employment related costs.

Environmental Services – surplus (£630,000)

- The Council's partnership with Wealden District Council for the delivery of Environmental Health Services delivered a saving for the year. The Council's share is £70,000 which was mainly as a result of staff vacancies. The vacancies have been actively managed and have not adversely effected overall performance of the service. Financial and service performance has been reported to the joint Council Board throughout the year.

6. Whilst also shown in the Capital Programme, Disabled Facilities Grants (DFG) are also required to be charged through the revenue account as the equipment or improvements to a resident's home do not belong to the Council. The total funding received from the Government was committed in year but the works not completed by year end. There was a consequent underspend of the grant which will be transferred to Earmarked Reserves to support the DFG expenditure in 2019/20.

Strategy and Planning – surplus (£92,000)

7. Slippage of £130,000 relating to the Local Plan. This work is planned to be funded from reserves and therefore the underspend reduces the amount of reserves utilised. Further expenditure is planned in 2019/20.
8. Planning fees were down £67,000 on the budgeted amount, possibly due to uncertainty in the property market due to delays in BREXIT.
9. Other savings were achieved by the Service, mainly employee costs due to delays in filling posts following the retirement of a number of officers during the year and difficulties in filling professional posts.

Acquisitions, Transformation and Regeneration – surplus (£162,000)

10. Extra income of £186,000 mainly due to backdated rents being recovered during the year.
11. Additional costs of £48,000 have been incurred in repairs to the Landgate, Rye which is an ancient monument.

Housing and Community Services – surplus (£215,000)

12. One off extra income of £250,000 was achieved from the sale of additional beach huts in Bexhill.
13. The Council incurred extra spend of £240,000 in managing the high number of homelessness households in Rother. Households are also spending longer in temporary accommodation due to the lack of supply of social housing and unaffordable rents in the private sector.
14. Extra car parking income of £250,000 was achieved due to an increased number of users. This additional income was partially reduced by increased business rate charges and costs incurred as part of the property devolvement programme to Parish and Town Councils.

Resources – surplus (£122,000)

15. There were a number of savings generated within the service in the year offset by increased costs. The savings were largely from reduced ICT spend on equipment and licences. This is currently under review. Additional savings were generated from staff savings but these were directed into the provision of off-site processing of housing benefits, as part of the Housing Benefit Service improvement plan, previously agreed by Members.

Review of significant variations to Non Cost of Service Budgets:

Interest from Investments – deficit £66,000

16. The investment return for the year was £446,000, which was below the budgeted figure.

Cost of Borrowing – underspend (£79,000)

17. Due to the timing of purchases relating to the Property Investment Strategy, the costs of borrowing were lower than anticipated when the Revenue Budget was set.

Capital Expenditure charged to revenue – underspend (£665,000)

18. The capital programme outturn shows an underspend of £665,000 on items that are charged to the Revenue Budget. The main one relates to DFGs.

Business Rates and Non Specific Grants (£550,000) surplus

19. The final outturn for Business Rates, including the effect of being in the East Sussex Business Rate Pool, generated a further £256,000 (net) of income for the Council. This will need to be earmarked for regeneration in accordance with the agreement with the Ministry for Housing, Communities and Local Government. In addition, £294,000 of additional grants were received relating to homelessness, neighbourhood planning and funding for new burdens relating to welfare reform.

Collection Fund

20. The figures shown below in Table 2 reflect the collection performance for Council Tax as at 31 March 2019 against monies due to the Council and against the forecasted budget yield.

Table 2

	Equivalent Period		
	2018/19	2017/18	2016/17
Collectable Annual debit (at 100% collection)	£72,343,360.13	£67,805,819.98	£64,048,370.29
Income Received	£71,217,949.62	£66,756,142.20	£63,092,808.38
Income Received as a % of collectable debit	98.44%	98.45%	98.51%
Budgeted yield (at 98.5% collection)	£71,114,683.69	£66,599,906.61	£62,805,735.41
Income Received as a % of budgeted yield	100.15%	100.23%	100.46%

NB figures above exclude any adjustment made in the accounts for non-recovery of outstanding debt

21. As can be seen the Collection Rate is broadly comparable to the previous years. The total collectable is above the original estimate made when the budget was set and consequently there is a surplus of £462,000 for the year with East Sussex County Council (ESCC) receiving the largest proportion of this and Rother's share being approximately £46,000.

22. The performance of Business Rates as at 31 March 2019 is shown in Table 3 below:

Table 3

	2018/19	Equivalent Period 2017/18
Collectable debit	£18,552,509.20	£17,616,905.02
Income Received	£18,231,262.63	£17,450,943.36
Income Received as a % of collectable debit	98.27%	99.06%
Amount outstanding for year	£321,246.57	£165,961.66

NB figures above exclude any adjustment made in the accounts for non-recovery of outstanding debt and adjustments to the Appeals Provision.

23. As can be seen the collection performance is slightly lower than the same period last year. This was primarily due to late refunds of Business Rates following settlement of appeals from businesses. It has also been possible to reduce the rating appeals provision following a review. This has released resources back into the General Fund and allowed a small surplus for Business Rates of £34,000 as at 31 March 2019 with Rother's share being £13,600

Capital Programme

24. The provisional outturn for the 2018/19 Capital Programme is £4.8m spend against a revised budgeted spend of £7.2m, an underspend of £2.4m. The estimated outturn for the Programme is shown in more detail at Appendix A.

Table 4

	2018/19 Original Budget Feb 18 £ (000)	2018/19 Revised Budget £ (000)	2018/19 Outturn £ (000)	2018/19 Variance £ (000)
Total Capital Programme Spend	10,262	7,246	4,800	2,446
Funded By:				
Capital Receipts	3,057	1,345	159	1,186
Grants and contributions	0	1,729	1,147	582
Borrowing	4,845	2,559	2,666	(107)
Capital Expenditure Charged to Revenue	2,360	1,493	828	665
Unfunded		120		120
Total Funding	10,262	7,246	4,800	2,446

25. The Capital Programme for the period 2019/20 to 2023/24 has been updated to take account of any slippage in the 2018/19 financial year and is shown at Appendix B.

26. The main variations are:

(i) Community Led Housing Schemes – slippage (£300,000)

This relates to the Icklesham Community Land Trust and Hastoe Housing project in respect of the Icklesham exception site scheme,

delivering 15 affordable units. This scheme has received planning permission on 30 May 2019, and therefore it is likely a Community Housing Fund application will now be submitted up to this sum within the next six months.

(ii) Rother 2020 ICT investment – slippage (£390,000)

There are a number of planned improvements to the Council's ICT in support of its 2020 programme. These include introducing automated software, including Robotic Process Automation, which are aimed at improving efficiency and improving accuracy of data sets and compliance with Data Protection. Other investment areas include providing staff with greater flexibility to how and where they work. This is aimed to increase the ability of officers to "work in the field" and to make best use of administrative accommodation. It is also planned to invest in the Firmstep Customer Services System to further improve residents' access to services.

(iii) Corporate Document Image Processing System – slippage (£232,000)

The new corporate document image processing system has been successfully implemented in the Revenues and Benefits Service and Housing. This has effectively removed the majority of paper used by the service, improving efficiency and creating space within their work area. The major benefit has been improved management information regarding workloads and work distribution within the team. The next phase is to deliver during 2019 the new software into Customer Services and Environmental Services.

(iv) Bexhill Leisure Centre – Land swap slippage (£1.085m), site development (£183,000)

Previous reports have identified a number of land issues relating to the new leisure centre development that have delayed finalising the land swap with ESCC. It is expected that these issues will be resolved during 2019/20 and enable the land swap to be concluded.

(v) Disabled Facility Grants – slippage (£265,000)

A total of 109 DFGs have been delivered in 2018/19. As of 31 March 2019, there were 55 DFGs approved and ready to be delivered. The total value of these facilities to support and enable disabled residents to remain in their homes is £292,000.

(vi) ICT Infrastructure upgrading programme – slippage (£166,000)

The current programme to update the Council's ICT infrastructure contains in excess of 20 discreet projects. A number were delayed during 2018 due to vacancies in the ICT infrastructure team. The team are now fully staffed to enable the improvements to be delivered. A revised ICT Strategy is also being developed and will be presented to Members at a future meeting for consideration.

Earmarked Reserves

27. The Council maintains a number of Earmarked Reserves for a variety of purposes. Overleaf is an analysis of the Council's reserves showing the

movements and transfers that took place as at 31 March 2019. The surplus of £630,000 referred to above is also reflected in the table below:

Table 5

	Balance at 31 March 2018	Transfers out	Transfers in	Balance at 31 March 2019
	£'000	£'000		£'000
Medium Term Financial Strategy Reserve	3,662	(876)	948	3,734
Economic Development Fund	30	0	0	30
Risk Management Fund	195	0	0	195
Interest Equalisation Reserve	0	0	0	0
Repairs and Renewals Reserve	1,383	(47)	78	1,414
Corporate Plan Projects Reserve	0	0	0	0
Invest to Save Reserve	0	0	0	0
Affordable Housing Reserve	921	0	0	921
Corporate Development Reserve	321	0	0	321
Planning Improvement & Local Development Framework Reserve	265	0	18	283
Housing Benefit Subsidy Reserve	0	0	0	0
Homelessness Reserve	226	(12)	0	214
New Home Bonus Reserve	0	0	0	0
Business Rate Equalisation Reserve	0	0	0	0
Grants Reserve	1,711	0	522	2,233
Treasury Investment Reserve	7,017	0	0	7,017
Total	15,731	(935)	1,566	16,362

Conclusion

28. Overall the Council was able to make a contribution to reserves of £630,000. This was due to an overall underspend on the delivery of services, additional non service income (particularly from grants) and slippage in the capital programme items funded from the revenue budget. It is important to note that whilst a surplus was achieved, there remain significant financial pressures on the Council to balance its budget in future years. The financial forecast and Capital Programme will be updated to reflect the outturn for 2018/19 and will be reported to Members as part of the Medium Term Financial Strategy review later this year.

Malcolm Johnston
Executive Director

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

Regular financial reporting is integral to good decision making and therefore Members and officers need an up-to-date understanding of the Council's financial position.

Rother District Council – Capital Programme Summary

	2018/19 Original Budget Feb 18 £ (000)	2018/19 Revised Budget £ (000)	2018/19 Outturn £ (000)	2018/19 Variance £ (000)
<u>Acquisitions, Transformation and Regeneration</u>				
Community Grants	130	130	136	(6)
East Parade - project A - Bexhill East Beach	295	8	8	0
East Parade - project B - Shelters and Heritage Hub	0	2	0	2
East Parade - project D - Ornamental lighting	8			0
Colonnade Restaurant/units	0	333	346	(13)
Cemetery Entrance	0	50	10	40
Community Led Housing Schemes	390	300	0	300
Blackfriars Housing Development	0	100	198	(98)
Affordable Housing Contribution	0	0	30	0
<u>Rother 2020 Programme</u>				
Property Investment Strategy	4,000	0	0	0
Acquisition 14 Terminus Road	0	887	887	0
Acquisition 3 sites - Beeching Road	0	1,625	1,740	(115)
Demolition				0
Solar Panels	0	47	39	8
Rother 20/20 ICT Investment	458	390	0	390
Corporate Document Image Processing System	203	232	0	232
<u>Housing and Community Services</u>				
De La Warr Pavilion - Capital Grant	52	52	52	0
Fairlight Coastal Protection	0	29	6	23
Sidley Sports and Recreation	300	0	8	(8)
Land Swap re Former High School Site	1,085	1,085	0	1,085
Bexhill Leisure Centre - site development	2,190	260	77	183
Disabled Facilities Grant	791	1,300	1,035	265
New bins	13	13	14	(1)
Beach huts	95	0	0	0
Camber Western Car park	0	120	0	120
<u>Corporate Core including Executive Directors</u>				
Delegate Conference System	50	50	63	(13)
<u>Resources</u>				
Enterprise Resource Planning System upgrade	36	52	136	(84)
Printing Services - Guillotine	0	15	15	0
ICT Infrastructure - Ongoing Upgrade Programme	166	166	0	166
Total Capital Programme	10,262	7,246	4,800	2,446
Funded By:				
Capital Receipts	3,057	1,345	159	1,186
Grants and contributions	0	1,729	1,147	582
Borrowing	4,845	2,559	2,666	(107)
Capital Expenditure Charged to Revenue	2,360	1,493	828	665
Unfunded		120		120
Total Funding	10,262	7,246	4,800	2,446

Rother District Council – Capital Programme 2019/20 to 2023/24

	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
<u>Acquisitions, Transformation and Regeneration</u>					
Community Grants	130	130	130	130	130
East Parade - project A - Bexhill East Beach	0	360	327	0	0
East Parade - project B - Shelters and Heritage Hub	32	358	0	0	0
Cemetery Entrance	240	0	0	0	0
Community Led Housing Schemes	650	0	0	0	0
Blackfriars Housing Development	3,052	0	0	0	0
Rother 2020 Programme					
Property Investment Strategy	12,238	20,000	0	0	0
Demolition	250	0	0	0	0
Rother 20/20 ICT Investment	390	0	0	0	0
Corporate Document Image Processing System	435	0	0	0	0
<u>Housing and Community Services</u>					
De La Warr Pavilion - Capital Grant	53	0	0	0	0
Fairlight Coastal Protection	70	0	0	0	0
Sidley Sports and Recreation	292	0	0	0	0
Land Swap re Former High School Site	1,085	0	0	0	0
Bexhill Leisure Centre - site development (move to A,T,R)	2,113	11,810	0	0	0
Disabled Facilities Grant	1,062	0	0	0	0
New Bins	13	0	0	0	0
Replacement/New Bins - New Contract	108	108	108	108	108
Camber Western Car Park	360	0	0	0	0
Bexhill Promenade - Protective Barriers	50	0	0	0	0
Bexhill Promenade - Outflow Pipe	100	0	0	0	0
Housing (purchases - temp accommodation)	1,000	1,000	0	0	0
<u>Corporate Core including Executive Directors</u>					
Accommodation Strategy	TBD				
Lift for Amherst Road Offices	100				
<u>Resources</u>					
Enterprise Resource Planning System upgrade	36	0	0	0	0
ICT Infrastructure - Ongoing Upgrade Programme	166	0	0	0	0
Total Capital Programme	24,025	33,766	565	238	238
Funded By:					
Capital Receipts	3,198	0	0	0	0
Grants and contributions	4,064		0	0	0
Borrowing	12,488	20,000	-	-	-
Capital Expenditure Charged to Revenue	2,765	535	238	238	238
Unfunded	1,510	13,231	327	0	
Total Funding	24,025	33,766	565	238	238

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OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2019 – 2020		
DATE OF MEETING	SUBJECT – MAIN ITEM (Capitalised)	Cabinet Portfolio Holder
22.07.19	<ul style="list-style-type: none"> • Proposed Formal Substitute System for Committees • Colonnade Review • Corporate Plan Project Plan 	Oliver
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 	Oliver
14.10.19	<ul style="list-style-type: none"> • Medium Term Financial Strategy 2020/21 to 2023/24 	Oliver
25.11.19	<p>REPORT OF SERVICE LEVEL AGREEMENT TASK & FINISH GROUP</p> <ul style="list-style-type: none"> • Environmental Policy proposals • Performance Progress Report: Second Quarter 2019/20 • Revenue Budget and Capital Programme Monitoring to September 2019 	Oliver
27.01.20	<p>DRAFT REVENUE BUDGET PROPOSALS 2020/21 KEY PERFORMANCE TARGETS 2020/21</p>	Oliver
16.03.20	<p>CRIME AND DISORDER COMMITTEE: TO RECEIVE AN REPORT FROM THE COMMUNITY SAFETY PARTNERSHIP</p> <ul style="list-style-type: none"> • Performance Progress Report: Third Quarter 2019/20 • Revenue Budget and Capital Programme Monitoring to January 2020 	Brewerton Oliver
27.04.20	<p>WASTE CONTRACT REVIEW</p> <ul style="list-style-type: none"> • Call-in and Urgency Procedures • Draft Annual Report to Council • Review of Task and Finish Groups / Outcomes 	Oliver Prochak
ITEMS FOR CONSIDERATION		
<p>Tourism Review [Minute OSC18/52 – 29 April] Review of Child Poverty (A representative from East Sussex County Council be invited to report) Corporate Plan Affordable Housing</p>		

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