

OVERVIEW AND SCRUTINY COMMITTEE

27 January 2020

Minutes of the Overview and Scrutiny Committee meeting held at the Council Chamber, Town Hall, Bexhill-on-Sea on Monday 27 January 2020 at 6.30pm.

Committee Members present: Councillors 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, L.M. Langlands and C.R. Maynard.

Other Members present: Councillors Mrs M.L. Barnes, C.A. Clark, S.J. Coleman, K.P. Dixon (in part), K.M Field (in part), A.E. Ganly, K.M. Harmer, J.M. Johnson, Mrs E.M. Kirby-Green, C.A. Madeley, S.M. Prochak and H.L. Timpe.

Advisory Officers in attendance: Executive Director (AL), Executive Director (MJ), Assistant Director Resources, Head of Service Acquisitions, Transformation and Regeneration (in part), Head of Service Environmental Services, Licensing and Community Safety, Head of Service Housing and Community (in part), Housing Development, Programme Office and Policy Manager, Finance Manager (in part) and Democratic Services Officer.

Also Present: 1 member of the public.

OSC19/42 **MINUTES**

The Chairman was authorised to sign the Minutes of the meeting of the Overview and Scrutiny Committee held on 25 November 2019 as a correct record of the proceedings.

OSC19/43 **APOLOGIES AND SUBSTITUTES**

Apologies for absence were received from Councillors A.K. Jeeawon, M. Mooney, D.B. Oliver and G.F. Stevens (substitute).

OSC19/44 **DISCLOSURE OF INTERESTS**

Declarations of interest were made by Councillors in the Minutes as indicated below:

J. Barnes	Agenda Item 7 – Personal interest in so far as he was Vice-Chairman of Friends of Rye Harbour and Rye Harbour Management Committee, a member of the National Trust and an elected Member of East Sussex County Council.
C.A. Clark	Agenda Item 7 – Personal interest in so far as he was and an elected Member of East Sussex County Council.
P.C. Courtel	Agenda Item 7 – Personal interest in so far as he was a member of the Bexhill Environment Group.

S.J. Errington	Agenda Item 7 – Personal interest in so far as she was a member of the Bexhill Environment Group.
K.M. Field	Agenda Item 7 – Personal interest in so far as she was and an elected Member of East Sussex County Council.
P.J. Gray	Agenda Item 7 – Personal interest in so far as she was a member of the Bexhill Environment Group.
L.M. Langlands	Agenda Item 7 – Personal interest in so far as she was a member of the Bexhill Environment Group.
C.R. Maynard	Agenda Item 7 – Personal interest in so far as he was and an elected Member of East Sussex County Council.

OSC19/45 **DRAFT REVENUE BUDGET 2020/21**

Members gave consideration to the report of the Executive Directors on the draft Revenue Budget, which outlined the likely financial position and key issues that Members needed to consider as part of the budget setting process. The Committee had been requested to consider the draft budget and make recommendations to Cabinet, to be considered at its meeting on 10 February 2020. To ensure that Members were provided with a clear identifiable core cost for each service, all budgets were shown on a departmental basis at “Net Operational Expenditure Levels”, excluding capital charges, central costs and support service recharges.

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

For 2020/21, the Council would no longer receive the Revenue Support Grant and would be reliant solely on income from business rates, council tax, charges for services and income generation. As part of the settlement announced by the Government on 20 December 2019 indicative New Homes Bonus grant of £247,100 was expected, although no ongoing reliance of this income could be assumed as this was a one year grant.

The Council would revert to a 50% Business Rate pooling arrangement from April 2020 with the other East Sussex local authorities with a projected income for next year of nearly £3.5m.

The 2020/21 council tax base was calculated at 38,124.6 and showed an increase of 70 Band D equivalents over the equivalent December 2018 figures. The calculation made little allowance for potential growth during 2020/21 but for future years’ average growth of 2% per annum had been assumed.

The confirmed 2020/21 council tax referendum principles for Rother allowed an increase in council tax of £5 or 2% whichever was the highest. The draft Revenue Budget and forecast assumed that the

Council would increase council tax by £5 to £184.45 for a Band D property which would result in an increase of income from council tax by £190,600 to an estimated total of £7,032,000.

The financial risks that may affect the Council's finances were detailed in the report and these included increased costs for the Waste Collection and Street and Beach cleaning contract, which represented a significant proportion of the overall budget; homelessness demands; staffing costs and the provision for vacancies; non-pay inflation for contracts and unsecured projected income.

The section 151 Officer had made the following assumptions when calculating the draft budget:

- a. Inflation – 2% for CPI had been applied to contracts.
- b. Salaries – a 2% staff salary increase from September 2020.
- c. Growth – as detailed at Appendix C to the report.
- d. Transfers – the use of transfers between existing budgets had been encouraged to help enable funding to be re-directed into priority areas.
- e. Income – where the Council had discretion, increases would be in line with the increase in costs.

The net Revenue Budget before Government grants, use of reserves and other funding was expected to be £15.5m; this was an increase of £161,000 over the revised 2019/20 Revenue Budget. Appendix A to the report summarised the Budget and the Council Tax calculations. The Budget utilised £3.3m of reserves in order to meet specific costs. Of this £1.4m would be used to support capital expenditure with the remaining £1.9m being used to support service expenditure. To aid the OSC deliberations it had been requested and agreed by Cabinet that two additional columns be added to Appendix A namely, the original budget and the end of year forecast and this had been provided to Members in advance of the meeting.

The total earmarked reserves by the end of March 2020 was estimated to be £13.8m plus a £1m General Fund balance. Over the five year financial forecast previously reported, earmarked reserves were predicted to fall to £6.8m. The minimum level of cash backed reserves and balances were considered to be £5m.

The previously approved budget consultation had now closed; 390 responses had been received. Results of the consultation would be reported to Cabinet and then Council at their meetings in February.

The draft Revenue Budget showed an increase of nearly £161,000 in the cost of services over the 2019/20 position. As explained in the report, the budget included a number of assumptions relating to income generation and savings, which if not delivered would result in an increased call on reserves.

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

- 23 expressions of interest had been received in respect of voluntary redundancies which had now been assessed. It was likely that five would not be progressed any further due to their impact on services and Council objectives. The remaining 18 may be reduced further once staff members received redundancy figures. It was hoped that the process would result in the required savings and the delivery of notices would take place within the current financial year. Redundancy costs would be met within a year with the savings realised over four years;
- Members were reassured that key service areas would be prioritised when considering staff savings and were keen to ensure that knowledge and resilience of staff would be maintained. Members thanked staff within the Council for their work;
- the Council had a clear process for dealing with staff redundancies and restructuring, which included triggering a process of consultation involving individual members of staff, Unison and Staff Side; and
- it was clarified that Recommendation 2 concerning the administrative building requirements of the Council would involve a report to Cabinet, having regard to the issues such as Environment Strategy, climate change, and the emerging Corporate Plan.

The Council faced major challenges with the significant reduction of Government funding and volatility in business rate income. To ensure a sound financial future, Members noted that the Council would need to uphold a robust financial strategy.

RESOLVED: That:

- 1) the comments of the Overview and Scrutiny Committee be considered by Cabinet when setting the 2020/21 Draft Revenue Budget at its meeting on 10 February 2020; and
- 2) a further report be presented to Cabinet on the options for meeting the future administrative building requirements of the Council with the objective of improving energy, operational and financial efficiency.

OSC19/46 **KEY PERFORMANCE TARGETS 2020/21**

The Committee considered the report of the Executive Director which gave details of the proposed Key Performance Targets for 2020/21.

Managing performance to deliver the best possible outcomes within the resources available was a core function for Rother District Council. The way in which the Council approached this task was to set a series of annual performance targets against the Council's Corporate Plan (2014-2021) four Core Aims (an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity; Stronger, Safer Communities; and A Quality Physical Environment).

Members had previously agreed that a small set of carefully selected corporate Key Performance Indicators (KPIs) would be reviewed each

year by the Overview and Scrutiny Committee (OSC). 12 KPIs had been identified and were proposed for 2020/21. It had previously been proposed that targets should, where possible, be benchmarked against performance in other local authority areas so that Council performance could be ambitious while remaining achievable. It was proposed that the indicators for 2020/21 should be reported within four themed areas and a qualitative report on each of these areas would be provided. The themed areas were:

- Housing and Homelessness (5 indicators)
- Waste and Recycling (2 indicators)
- Asset Income (2 indicators)
- Other Income (3 indicators)

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

Aside from the 12 KPIs to be reported quarterly, other indicators informing Heads of Service of performance would be reported by exception to the OSC where they were exceeding or significantly missing their target.

Members had the opportunity to ask questions and the following points were noted:

- Other Income, which had replaced Housing Benefit as a KPI, included; Planning; Development Management Income; Car Park Income; and Garden waste bins issued and income;
- Members were concerned that a 15 week target for the number of weeks in temporary accommodation (TA) was too high;
- the scheme to purchase properties for the purpose of TA was to provide self-catering accommodation rather than bed and breakfast, near to support networks, to therefore enable those individuals and families to be better equipped to access the private rented sector;
- Members were pleased to note early indications that the new Rother Tenancy Finder service was helping to reduce numbers in TA and the Head of Service Housing and Community agreed to provide updated information;
- the purchase of TA continued to progress; one property was close to completion and three properties were in the advanced stages of offers being agreed. The Head of Service Housing and Community was confident that the target of the purchase of six properties would be achieved by the end of March 2020;
- performance in reducing the number of council tax arrears cases would be considered by the Anti-Poverty Task and Finish Group;
- street cleansing was monitored by the contractor with agreed threshold limits in place. Performance was reported to the Joint

Waste and Recycling Committee and figures were publicly available;

- the performance indicator measuring the net additional homes built in the district would be reviewed against Government figures later in the year;
- the Asset Income Total target of £1.85m did not include any provision for income from any new property purchases achieved in the year, but was based on income from properties already owned. New properties to be purchased through the Property Investment Panel had been given a separate target; and
- Members were concerned that the target for Planning: Development Management Income was set too low. This target was based on planning application fees achievable through identified sites.

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

RESOLVED: That Cabinet be requested to approve the corporate Key Performance Indicators for 2020/21 and their performance targets as set out in Appendix A to the report.

OSC19/47 **ENVIRONMENT STRATEGY CONSULTATION**

Members received the report of the Executive Director which gave details of the draft Rother Environment Strategy, Action Plan and Consultation Plan developed by the Climate Change Steering Group (CCSG) and the resource requirements. The document detailed the Council's proposals for the vision and priorities and set out the actions required to deliver on these and the Council's ambitious target to be carbon neutral by 2030.

The document set out eight action plan priorities for consultation: Smart Digital District; Green Economy; Air Quality; Waste; Energy; Biodiversity; Construction and Existing Buildings; and Environmentally Friendly Council. The CCSG also discussed the subject of ethical investments and noted that East Sussex County Council invested with fossil fuel providers for its pension fund. The CCSG requested that Cabinet recommend that East Sussex County Council Pension Advisers be requested to source alternative investments in non-fossil fuel providers for the pension fund.

The resolution passed by Council in December 2019 included a requirement for additional resource. The required capacity, skills, experience and expertise were not available within the Council and therefore a dedicated post was required to enable the delivery of the Environment Strategy, and ongoing development, delivery, monitoring and reporting to deliver on the Council's commitment to be carbon neutral by 2030.

The draft Revenue Budget for 2020/21 contained a provision of £100,000 per annum of funding, subject to approval, for an additional member of staff and associated costs. As a consequence this had

increased the funding gap for the next financial year which, in the short term, would require the amount of reserves used to balance the Revenue Budget to increase. It was possible that costs would be reduced through the actions of the Council to reduce its carbon footprint, in particular power and fuel, but at this stage these had not been quantified.

The Consultation Plan gave details of the groups to be consulted and the methodology, commencing from 25 February 2020. Consultation would take place via an online questionnaire, telephone and written responses and a minimum of three events to take place in Bexhill, Battle and Rye. Additionally, information points around the district to ensure the opportunity to engage was maximized. Feedback from the consultation would enable the development of a final document to be presented to Cabinet and then full Council in September 2020. Once adopted, the strategy would need to be kept under constant review as more knowledge and understanding on climate change emerged.

The consultation questionnaire set out a number of questions related to the draft Environment Strategy, in addition to questions which would enable the Council to understand the profile of the responders in order to ensure a diverse range of groups had been successfully targeted.

The CCSG also proposed to launch the consultation with a 'tree cover' initiative, including the setting up of an interactive web-page to allow residents, community groups, and businesses to pledge a commitment to planting a tree and to add their tree planting action to a thematic map. The objective was to increase tree cover across the district and encourage residents and businesses to get involved.

Members had the opportunity to ask questions and the following points were noted:

- the Environment Strategy document was a working document. Members were encouraged to respond to the consultation and encourage their residents to do so also;
- climate champions should also be identified at Parish and Town Councils and therefore in every patch of Rother;
- Members favoured the use of locally sourced building materials;
- a request was made that all Members went paperless; and
- the CCSG to consider whether the use of grey water be included in the action plan.

All of the OSC's comments on the action plan were to be forwarded to the CCSG and considered as part of the consultation process.

RESOLVED: That Cabinet be requested to approve that:

- 1) the draft Environment Strategy, Action Plan and Consultation Plan be approved and a 12 week consultation be undertaken; and
- 2) that East Sussex County Council Pension Board be requested to ask their Advisers to source alternative investments in non-fossil fuel providers for the pension fund.

(Councillor Barnes declared a personal interest in this matter in so far as he was Vice-Chairman of Friends of Rye Harbour and Rye Harbour Management Committee, a member of the National Trust and an elected Member of East Sussex County Council and in accordance with the Members' Code of Conduct remained in the room during consideration thereof).

(Councillors Clark and Field each declared a personal interest in this matter in so far as they were elected Members of East Sussex County Council and in accordance with the Members' Code of Conduct remained in the room during consideration thereof).

(Councillors Courtel, Errington, Gray and Langlands each declared a personal interest in this matter in so far as they were members of the Bexhill Environment Group and in accordance with the Members' Code of Conduct remained in the room during consideration thereof).

(Councillor C.R. Maynard declared a personal interest in this matter in so far as he was an elected Member of East Sussex County Council and in accordance with the Members' Code of Conduct remained in the room during consideration thereof, but elected not to vote).

OSC19/48 **ANTI-POVERTY TASK AND FINISH GROUP TERMS OF REFERENCE**

Members considered the report of the Executive Director which set out draft Terms of Reference for the Anti-Poverty Task and Finish Group. The report proposed a set of aims and objectives for the group as well as a timetable in order to gather evidence and information, consolidate the evidence and agree recommendations and present a final report to the Overview and Scrutiny Committee (OSC).

The date in the timetable for the final report of the Task and Finish Group to be referred to the OSC for consideration and approval was amended to November 2020.

Members requested that a page be added to the Council's website with links to organisations that could help with hardship.

Prior to the meeting, the Chairman of the OSC had requested names to be put forward to sit on the Task and Finish Group and Members agreed to increase the number to eight. The following Members were nominated: Councillors J. Barnes, Mrs M.L. Barnes, T. Byrne, J.J. Carroll, S.J. Coleman, Mrs V. Cook, P.J. Gray and H.L. Timpe.

RESOLVED: That:

- 1) the draft terms of reference for the proposed Anti-Poverty Task and Finish Group at Appendix A to the report be approved;
- 2) the draft timetable for the activity of the Anti-Poverty Task and Finish Group be added to the Work Programme; and

- 3) the number of Members appointed to the Anti-Poverty Task and Finish Group be increased to eight, comprising of: Councillors J. Barnes, Mrs M.L. Barnes, T. Byrne, J.J. Carroll, S.J. Coleman, Mrs V. Cook, P.J. Gray and H.L. Timpe.

OSC19/49 **HOUSING ALLOCATIONS POLICY**

Members considered the report of the Executive Director which outlined the results of the consultation on the Housing Allocations Policy.

The purpose of the policy review and consultation was to ensure that the draft Housing Allocations Policy continued to effectively support the Council to promote socially, economically and demographically balanced communities. A revised Allocations Policy also allowed the Council to ensure it was compliant with new legislation and guidance that had been introduced since the inception of the existing policy. Further, through the process of reassessment of existing households (against the proposed policy criteria) the Council would be able to ensure that its Housing Register was smaller and less resource intensive to administer over the longer-term.

The consultation started on 15 July 2019 and closed on 7 October 2019, focussing on the main two changes to the existing policy, which were reducing the assessment criteria from four bands to two bands and changing the order in which households were nominated for and allocated social housing.

145 responses had been received to the consultation, made up of 11 responses from local organisations and 134 responses from housing applicants and other residents. All the proposed changes were agreed by the majority of respondents. As a result, no substantial policy changes were made to the draft policy.

Independent legal advice had also been sought in order to ensure the policy was compliant with the Part VI of the Housing Act 1996 (as amended) and to mitigate the risk of legal challenges being made against future allocation decisions, if the policy was adopted.

In order to implement the new policy criteria outlined in the draft Allocations Policy, it would be necessary to reassess all existing households on the register before the new policy could be adopted for new applicants, which had resource implications. It was estimated that the reassessment process could take up to 12 months and the software used to manage the register would need to be updated to accommodate the new points system. The cost of this was estimated to be £2,700 and would be met from within existing budgets. This process would allow the removal of any applicants who no longer required a place on the register and reassess the needs of those remaining.

The benefits to the new policy also included more sensitive and responsive criteria and it incentivised clients to work with the Council to secure accommodation in the private rented sector as well as pursue social housing options.

The following points were noted during the discussion:

- support would be provided to assist with new applications for the Housing Register, in partnership with East Sussex County Council;
- it was clarified that applicants with a council or housing debt over £1,000 would be disqualified from making an application to join the register if the debt was also not being repaid; and
- military personnel with a housing need would be given high priority.

RESOLVED: That the new Housing Allocations Policy be recommended to Cabinet and full Council for adoption.

OSC19/50 **DRAFT EMPTY HOMES ACTION PLAN**

Members considered the report of the Executive Director which gave details of the proposed Empty Homes Action Plan, setting out a number of methods for bringing into use empty homes. The action plan was to be implemented in 2020 and detailed how action would be taken against at least five empty properties per year. In reality, this number was likely to be higher through a combination of the impact of the increase in Council Tax and publicity given to the action plan. The plan was required in accordance with the Council's Homelessness and Rough Sleeping strategy.

There were 173 properties that had been empty for two years or more within the Rother District, the largest number of which were found in Bexhill-on-Sea, followed by Rye Foreign, Camber and Rye. This figure did not include the numbers of E Exemptions or Deleted Properties.

The overall aim of the Empty Homes Action Plan was to bring long term empty homes back into use, including: identifying long term empty homes; providing support for empty home owners; taking action against empty property owners; and raising awareness.

The action plan would concentrate on properties within areas of the district that had the greatest housing demand and properties with one to three bedrooms, as these had been identified as being highest in demand to meet the needs of the population. Prioritisation for any intervention and action would be directed to this size of property, but larger properties would not be excluded if there was development potential and this was beneficial for the local area.

In addition to the four areas identified there was also a need for temporary accommodation (TA) within Bexhill and Rye. Families displaced often wanted to remain in areas they had already established links with for the purpose of accessing employment, schools, family and relative support.

Action would therefore be focused on Bexhill and Rye, where there were a larger number of empty properties, housing need was greater and there was a demand for TA.

RESOLVED: That Cabinet be requested to agree the draft Empty Homes Action Plan 2020-24 attached at Appendix A to the report, subject to liaison with interested parties, such as letting agents and landlords, including social landlords.

OSC19/51 **WORK PROGRAMME**

Consideration was given to the Overview and Scrutiny Committee's Work Programme. Anti-Poverty Task and Finish Group was added to 'Items for Consideration'.

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

CHAIRMAN

The meeting closed at 8.18 pm

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Appendix A

OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2019 – 2020		
DATE OF MEETING	SUBJECT – MAIN ITEM IN BOLD	Cabinet Portfolio Holder
16.03.20	<ul style="list-style-type: none"> • Crime and Disorder Committee: to receive a report from the Community Safety Partnership • Performance Progress Report: Third Quarter 2019/20 • Revenue Budget and Capital Programme Monitoring to January 2020 • Corporate Plan Consultation Plan 	Brewerton Oliver
27.04.20	<ul style="list-style-type: none"> • Waste Contract Review • Recommendations of the Community Governance Review Steering Group • Call-in and Urgency Procedures • Draft Annual Report to Council • Review of Task and Finish Groups / Outcomes 	Oliver Prochak
ITEMS FOR CONSIDERATION		
Tourism Review [Minute OSC18/52 – 29 April] Regeneration CPE Task and Finish Group – December 2020 Anti-Poverty Task and Finish Group (to report back in November)		

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