

CABINET

13 January 2020

Minutes of the Cabinet meeting held at the Council Chamber on Monday 13 January 2020 at 6.30pm

Committee Members present: Councillors D.B. Oliver (Leader), Mrs C.A. Bayliss, J.H.F. Brewerton, C.A. Clark, Mrs D.C. Earl-Williams, K.M. Field, S.M. Prochak (Deputy Leader) and J. Vine-Hall

Other Members present: Councillors J. Barnes, Mrs M.L. Barnes, S.J. Coleman, Mrs V. Cook, P.C. Courtel, G.C. Curtis, B.J. Drayson, A.E. Ganly, P.J. Gray, K.M. Harmer, J.M. Johnson, C.R. Maynard, M. Mooney, P.N. Osborne and H.L Timpe.

Advisory Officers in attendance: Executive Director (MJ), Executive Director (TL), Assistant Director Resources, Head of Acquisitions, Transformation and Regeneration, Head of Strategy and Planning and Democratic Services Manager.

Also Present: 1 member of the press and 1 member of the public.

CB19/78. MINUTES

The Chairman was authorised to sign the minutes of the meeting held on 2 December 2019 as a correct record of the proceedings.

CB19/79. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor T.J.C. Byrne, Chairman of Council.

CB19/80. DISCLOSURE OF INTERESTS

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

Brewerton Agenda Item 7 – Personal Interest in so far as she was the Council's appointed representative on Rother Voluntary Action.

Coleman Agenda Item 7 – Personal Interest in so far as he was the Council's appointed representative on Hastings Advice and Representation Centre.

Courtel Agenda Item 7 – Personal Interest in so far as he was the Council's appointed representative on the Rother Citizens Advice Bureau and the Hastings Furniture Service.

Vine-Hall Agenda Item 7 – Personal Interest in so far as he was the Council's appointed substitute representative on the Hastings and Rother Mediation Service.

Agenda Item 10 – Personal Interest as he owned a property in the vicinity of the site.

PART I – RECOMMENDATIONS TO COUNCIL – not subject to call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules.

CB19/81. THE PROGRESSION OF THE ROTHER DISTRICT PUBLIC REALM STRATEGIC FRAMEWORK

(8)

Cabinet received and considered Minute OSC19/38 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 25 November 2019 regarding the progression of the Rother District Public Realm Strategic Framework (PRSF). The OSC had requested a number of minor amendments that had been incorporated into the draft in respect of Strategic Objective 3, promoting the natural environment and climate change references.

Further to the OSC's suggestion to discuss the strategic framework at the forthcoming Parish Conference it was noted that the Agenda for this was already quite full and there was no guarantee that this could be included. The PRSF would be promoted to the Parish and Town Councils across the district in any event, once adopted.

The introduction of a PRSF would help drive a cultural step change to embed the goal of achieving a quality public realm in Rother, support planning policies in the Rother District Core Strategy, and the Corporate Plan Vision, including the delivery of a number of the Broad Outcomes of the Corporate Plan. It would encourage a more co-ordinated and consistent approach to public realm design, quality and appearance throughout the district and promote local distinctiveness, helping to deliver community and civic pride in the environment, and economic prosperity and regeneration initiatives.

Whilst Cabinet was supportive of the PRSF in principle, it was considered that quite often it was the small things that contributed to a communities' well-being and sense of pride for their town / village and these should not be lost in the bigger picture.

Subject to the current review of the Corporate Plan it was likely that the delivery of the PRSF would be a priority project in the new Corporate Plan. It was requested and agreed that Strategic Objective 1 also be amended to incorporate the unique 15th century historical landscape which was a major heritage asset. Cabinet paid tribute to the work that had gone into the production of the PRSF and was pleased to recommend its adoption to Council, as amended.

RECOMMENDED: That the Rother District Realm Strategic Framework be approved and adopted, as amended.

CB19/82. SOUTH EAST CHARTER FOR ELECTED MEMBER DEVELOPMENT

(11)

Cabinet received and considered Minute 7 arising from the Member Development Task Groups' (MDTG) last meeting that had considered the Council's recommitment to the South East Employers (SEE) Charter for Elected Member Development. The Council's current SEE Charter for Elected Member Development status would expire in March 2021 and the Council needed to recommit in January 2020 to ensure adequate time for renewal.

Cabinet acknowledged the high level training and development offer at the Council and noted that the introduction of the Charter back in 2007 had been instrumental to the current success. However, as a culture of continuous learning and development for Members was now well embedded, the renewal fee (confirmed as £2,000) could be put to better use and used to fund training and development. It was therefore agreed by Cabinet to recommend to Council that the Council should not re-apply for Charter Status.

Members were reassured that retention of the Charter was not the key driver for the current standard and level of training and support provided to Members; moving forward it would be for Members to ensure that the Council maintained the offer at the current levels.

RECOMMENDED: That the Council does not recommit to renewing the South East Charter for Elected Member development when it expires in March 2021.

PART II – EXECUTIVE DECISIONS – subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules by no later than 4:00pm on 23 January 2020.

CB19/83. PERFORMANCE PROGRESS REPORT: SECOND QUARTER 2019/20

(6)

Members received and considered Minute OSC19/36 arising from the Overview and Scrutiny Committee (OSC) meeting held on the 25 November 2019. The OSC had recommended that as the original Affordable Homes Built (gross) supply target of 46 dwellings had been estimated, the target be increased from 46 to 115 dwellings to bring in line with the Affordable Homes Development Programme. The revised figure was based on the expected numbers of completions for the remainder of the financial year.

RESOLVED: That the Affordable Homes Built (gross) Supply target be increased to 115 affordable dwellings.

CB19/84. VOLUNTARY SECTOR SERVICE LEVEL AGREEMENTS

(7)

Cabinet received and considered Minute OSC19/37 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 25 November 2019 concerning voluntary sector Service Level Agreements (SLAs).

The OSC had considered each recommendation of the SLA Task and Finish Group in turn and in reaching their final recommendations, had

taken into account the present financial climate as well as circumstances and conditions relating to each agreement. In addition, it had been recommended that each proposed agreement be fixed for a four-year term (April 2020 to March 2024 unless otherwise stated) which would give the organisations funding certainty; a controlled termination or variation would be included in the agreements to ensure that any service could be stopped in six months should there be a failure to meet performance targets.

The recommendations of the OSC were considered in relation to the SLA for each of the following organisations: Hastings Advice and Representation Centre, Hastings and Rother Mediation Service, Rother District Citizens Advice Bureau, Rother Voluntary Action, Bexhill Museum, Action in Rural Sussex, Hastings Furniture Service and Rye Harbour Nature Reserve.

With regard to the Rother District Citizens Advice Bureau it was recommended that the SLA be reviewed after two years with the submission of a robust business plan and assistance be given with sourcing and, if required, relocation to suitable premises within Bexhill Town Centre and further funding through Parish Councils be explored.

It was also recommended that the Bexhill Museum's SLA be reviewed after two years.

The OSC had also proposed that the core funding to the Hastings Furniture Service (£1,000) and Action in Rural Sussex (£1,000) cease and both organisations be encouraged to continue accessing other Council funding streams such as the community grants scheme for projects that would have an impact. It was noted that the cessation of this core funding would not cause difficulty for either organisation.

Cabinet was keen to ensure that the organisations the Council supported and worked in partnership with embraced carbon neutral programmes and requested that the SLAs would be flexible to enable any resulting recommendations from the Council's emerging Environment Policy to be incorporated.

Cabinet acknowledged the important contribution of the voluntary sector and agreed that each organisation provided an invaluable service to the residents of Rother.

RESOLVED: That:

- 1) the following four year Voluntary Sector Service Level Agreements be renewed (unless another term stipulated) from 1 April 2020, and subject to a six month termination clause:
 - a) Hastings Advice and Representation Centre – £19,000 per annum;
 - b) Hastings and Rother Mediation Service – £8,400 per annum;
 - c) Rother District Citizens Advice Bureau – £85,000 per annum, to be reviewed after two years and:

- i. the Council assist the organisation with sourcing and, if required, relocating to suitable premises within Bexhill Town Centre;
 - ii. further funding through Parish Councils be explored; and
 - iii. a robust business plan be provided for the two year review.
- d) Rother Voluntary Action – £38,000 per annum and grant applications be made to the Council for individual projects;
- e) Bexhill Museum – £8,500 per annum with a review after two years;
- 2) the four year unrestricted contribution of £1,000 per annum be renewed from 1 April 2020 to Rye Harbour Nature Reserve and details of how the funding is utilised be provided; and
- 3) core funding to the Hastings Furniture Service and Action in Rural Sussex cease but that they are encouraged to continue accessing other Council funding streams.

(Councillor Brewerton declared a personal interest in this matter as she was the Council appointed representative to Rother Voluntary Action and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

(Councillor Coleman declared a personal interest in this matter as he was the Council appointed representative to Hastings Advice and Representation Centre and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

(Councillor Courtel declared a personal interest in this matter as he was the Council appointed representative to Rother Citizens Advice Bureau and the Hastings Furniture Service and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

(Councillor Vine-Hall declared a personal interest in this matter as he was the Council appointed substitute representative on the Hastings and Rother Mediation Service. and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

CB19/85. (9) DRAFT REVENUE BUDGET 2020/21

Consideration was given to the report of the Executive Director on the preparation of the draft Revenue Budget for 2020/21. The report outlined the likely financial position and key issues that Members needed to consider as part of the budget setting process. Appended to the report were details of the summary draft Revenue Budget, the summary information for each service area, main changes from the 2019/20 budget, the Council's revenue reserves and identified savings and additional income.

All budgets were shown as “Net Operational Expenditure Levels” which excluded capital charges, central costs and support service recharges. In addition, budgets were shown on a departmental basis which provided Members with a clear identifiable cost for each service.

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; 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 was requested and agreed that two additional columns be added to Appendix A namely, the original budget and the end of year forecast.

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 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 was due to close in January 2020 and interim results would be reported to the OSC at their meeting on the 27 January 2020.

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.

It was advised that expressions of interest in respect of voluntary redundancies were still being considered but this process was likely to result in the required savings. It was noted that the actual cost of potential redundancies was not yet known and would be built into reserves as the costs were identified. In addition to the actions officers were already putting in place to deliver savings, Cabinet was keen for officers to explore possible options for meeting the future administrative building requirements of the Council with the objective of improving energy, operational and financial efficiency.

RESOLVED: That:

- 1) the draft Revenue Budget for 2020/21 be considered by the Overview and Scrutiny Committee at its meeting on the 27 January 2020; and
- 2) a further report be presented on the options for meeting the future administrative building requirements of the Council with the objective of improving energy, operational and financial efficiency.

CB19/86. **RESIDENTIAL DEVELOPMENT AT BLACKFRIARS, BATTLE**
(10)

Consideration was given to the report of the Executive Director that gave an update on the current position of the proposed residential development at Blackfriars.

Past attempts to develop Blackfriars had been unsuccessful, principally due to many constraints including complex ground conditions, land assembly and the need for costly road infrastructure. In February 2018, the Council had provisionally been awarded grant funding of £3.24m by the Ministry for Housing, Communities and Local Government part of Housing Infrastructure Fund to finance the

construction of the road infrastructure necessary to develop this site. Whilst working through the design process it became clear that the viability gap on this site had increased and officers successfully re-negotiated a revised offer of grant funding to £8.7m for the delivery and construction of the road infrastructure. It was noted that the funding was specifically for the road infrastructure and could not be used for any other purpose.

Members were keen to ensure that the development at Blackfriars provided the opportunity to improve access to Battle Station from the east side of the track. This would not only improve access for the ambulant disabled who had to currently travel to Hastings and return to be able to exit the station, but may also reduce unnecessary car journeys from one side to the other. Local Members had previously met with the rail companies who were amenable to improving access if available. Officers agreed to ensure that access to Battle Station from the Blackfriars site was included at the relevant planning stages; it was noted that in order not to jeopardize the HIF, development work needed to begin on site in 2021 at the latest.

Part of the land needed to complete the road infrastructure was in private ownership and following previous Cabinet approval the Council had entered into negotiations to acquire the necessary land; however agreement had not yet been reached on all parcels of land. The HIF allocation was subject to conditions, including time constraints and if agreement for the land deal could not be reached quickly, there was a risk that the HIF allocation could be lost.

Furthermore, under the conditions of the grant funding agreement, the Council was required to use all available powers to acquire the land including Compulsory Purchase Orders (CPO) should negotiations fail. Specialist legal services would be necessary to pursue a CPO and a full detailed report would be made on receipt of this advice. The rationale for procuring this advice and proceeding with this route was detailed in the report.

Whilst initially it had been considered that a Joint Venture (JV) in partnership with a Registered Provider (RP) was the preferred way forward to deliver such a scheme, following advice, the establishment of a JV partnership would require extensive legal and financial advice to ensure that the JV's structure was appropriate and legitimate. It had become apparent through early negotiations with RP partners that it may be difficult to reach agreement for a number of reasons including RPs becoming increasingly more commercially driven against the Council's public sector ethos which included environmental standards and meeting local need. Further external advice and research would continue into the structure and governance of JV partnerships which may add time onto the development program, potentially delaying the meeting of key milestones.

In addition, since this initial authorisation a subsequent report approved the creation of a Council owned Local Housing Company to implement a Housing Development Program. As part of this process, the Council would need to ensure that enough experienced resource was brought

into the organisation to deliver on this ambitious programme. In light of this, it was considered that the Council kept other delivery vehicle options open to deliver the Blackfriars site as an alternative to the JV model.

Should it be necessary for the Council to progress CPO to acquire the land a resolution from full Council would be required and the Council would need to instruct specialist legal and valuation services to advise upon the necessary steps; a further report would be submitted to Cabinet if negotiations could not be concluded in January 2020.

It was noted that in order to maintain momentum, and in line with Homes England milestones, the Council must procure architects to work up a Reserved Matters Planning application and contractors must be procured to begin work on the road construction which recently received a resolution to grant Planning Permission.

RESOLVED: That the Executive Director, in consultation with the Cabinet Portfolio Holder Housing, Welfare and Equalities, be granted delegated authority to:

- 1) accept the increased offer of grant funding from Homes England;
- 2) acquire land in third party ownership to allow for a whole-site development;
- 3) begin the Compulsory Purchase Order process for land at Blackfriars should it be necessary, subject to a full report to follow; and
- 4) finalise the delivery vehicle, that may include the Council's housing delivery company, through which the site will be developed.

(When it first became apparent Councillor Vine-Hall declared a personal interest in this matter as he owned a property in the vicinity and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

CHAIRMAN

The meeting closed at 7.10 pm