

**CABINET**

10 February 2020

Minutes of the Cabinet meeting held at the Council Chamber, Town Hall, Bexhill-on-Sea on Monday 10 February 2020 at 6.30 pm.

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, D.B. Oliver (Leader), S.M. Prochak (Deputy Leader) and J. Vine-Hall

Other Members present: Councillors J. Barnes, Mrs M.L. Barnes, T.J.C. Byrne, J.J. Carroll, S.J. Coleman, Mrs V. Cook, P.C. Courtel, G.C. Curtis, K.P. Dixon, B.J. Drayson, A.E. Ganly, P.J. Gray, Mrs E.M. Kirby-Green, L.M. Langlands, C.A. Madeley, C.R. Maynard, P.N. Osborne, G.F. Stevens, R.B. Thomas and H.L. Timpe

Advisory Officers present: Executive Director (MJ), Executive Director (TL), Assistant Director Resources, Head of Acquisitions, Transformation and Regeneration, Head of Environmental Services, Licensing and Community Safety, Head of Housing and Community (in part), Head of Strategy and Planning, Housing Development, Programme Office and Policy Manager (in part) and Democratic Services Manager.

Also Present: 5 members of the public.

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CB19/87. **MINUTES**

(1)

The Chairman was authorised to sign the minutes of the meeting held on 13 January 2020 as a correct record of the proceedings.

CB19/88. **APOLOGIES FOR ABSENCE**

(2)

There were no apologies for absence.

CB19/89. **DISCLOSURE OF INTERESTS**

(5)

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 an elected Member of East Sussex County Council.

Clark                              Agenda Item 7 – Personal Interest in so far as he was an elected Member of East Sussex County Council.

Courtel                            Agenda Item 7 – Personal Interest in so far as he was a member of the Bexhill Environment Group.

Mrs Earl-Williams	Agenda Item 7 – Personal Interest in so far as she was an elected Member of East Sussex County Council.
Gray	Agenda Item 7 – Personal Interest in so far as she was a member of the Bexhill Environment Group.
Field	Agenda Item 7 – Personal Interest in so far as she was an elected Member of East Sussex County Council.
Maynard	Agenda Item 7 – Personal Interest in so far as he was an elected Member of East Sussex County Council.

CB19/90.  
(9) **HOUSING ALLOCATIONS POLICY**

Cabinet received and considered Minute OSC19/49 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 January 2020 that had considered the revised Housing Allocations Policy that had been subject to consultation.

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.

The benefits to the new policy 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. It was noted that residents who had a council or housing debt of £1,000 and who were not making any attempt to repay the debt were disqualified from making an application. Members were reassured that residents in this position were given guidance and support and signposted to relevant support agencies.

**RECOMMENDED:** That the new Housing Allocations Policy be approved and adopted, as submitted.

CB19/91.  
(10) **DRAFT REVENUE BUDGET PROPOSALS 2020/21**

Members gave consideration to the Executive Directors' comprehensive report and appendices on the draft Revenue Budget proposals for 2020/21. The budget proposals had been scrutinised by the Overview and Scrutiny Committee (OSC) on 27 January 2020 and a copy of the Minutes arising from the OSC meeting had been appended to the report for Cabinet's consideration. It was noted that the budget had been prepared ahead of the finalisation of the Council's new Corporate Plan and it was likely that the Council's finances, staffing and physical resources may need to be redirected into new

priorities and services over the coming months. Appendix A to the report summarised the draft Revenue Budget; Appendix B to the report showed the detailed budgets over the various services the Council provided and Appendix C to the report detailed the proposed Special Expenses for 2020/21.

Since publication of the report and following the outcome of a detailed review of the likely outturn of the 2019/20 non-domestic rates (NNDR) there was expected to be a surplus of approximately £1.8m with Rother's share equating to some £758,000. This additional income would be a one-off change in 2020/21. This figure reduced the amount of reserves required to support the Revenue Budget and a revised Budget Summary (Appendix A to the report) and projected Reserves and Balances (Appendix D to the report) had been circulated to all Members prior to the meeting.

Members were reminded that the Council no longer received any Revenue Support Grant from the Government and would be wholly reliant on revenue from business rates, council tax, charges for services and income generation. Other Government grants included £247,100 New Homes Bonus and approximately £125,000 relating to the impact of the Homelessness Act which whilst not ring-fenced, would be targeted towards homelessness.

The Council Tax and Referendum Limit that applied to the Council for 2020/21 allowed an increase of up to 2% or £5 whichever was the greater. To ensure the Council remained within this limit (after taking account of the increase in Special Expenses), the budget assumed an increase of £4.65 (2.6%) to £184.10 at Council Tax Band D for 2020/21. This brought an additional income of £177,000 based on the 2020/21 taxbase. Changes brought about through the Housing, Homelessness and Rough Sleeping Strategy, in accordance with legislation to increase the Council Tax premiums for empty homes from 2020/21 may also increase revenue.

The Council's Capital Programme totalled some £62.7m with £11.8m currently without secured funding. A significant part of the programme related to the Council's approved Property Investment Strategy, a review of which was underway and would be presented to a future Cabinet meeting. It was noted that the Council was not able to borrow to invest in property funds; this could only be financed by cash. Whilst the investments in property funds yielded a higher return, the funds may need to be drawn back to reserves to balance the budget but would be kept in the property funds for as long as possible to maximise the return.

The net Revenue Budget before Government grants and other funding was expected to be £15.602m. This included revenue support for the Capital Programme of £1.359m funded from reserves. The underlying revenue spend was therefore £14.243m. In preparing the draft Revenue Budget a number of financial issues were still uncertain, as follows:

- Income generation – the draft budget included the need to deliver an additional £558,000 of income over that already achieved.
- Managing homelessness – homelessness continued to be a considerable social and financial challenge for the Council.
- Waste Collection and Street Cleaning contract – the new waste collection and street cleaning contract saw an increase in contract cost of £1.5m in a full year.
- Delivering efficiencies identified through lean and demand project – realisation of the savings identified through this work had produced both cash and time savings and further work was continuing.
- Voluntary Redundancies – a total of 18 posts had been identified and accepted; it was likely that this number would reduce as the process progressed. The likely total cost of the redundancies was between £400-£500k and would be funded from reserves.

The draft Revenue Budget for 2020/21 utilised a total of £3m of earmarked reserves (net of contributions to reserves) to meet specific costs including supporting the Capital Programme. Some £1.6m of this was estimated to be used to balance the overall Revenue Budget. Details of the use and contributions to reserves were set out in Appendix D, as amended, to the report.

The Council's budget and council tax consultation with residents and businesses closed on the 31 January 2020; the results of the consultation showed a small majority of support for raising Council Tax by £5 based on a Band D property.

The five year financial forecast included a number of assumptions, the main one being the future delivery of recurring savings of £1.3m in 2020/21 rising to around £3m per annum from 2022/23. For the purposes of the forecast, the taxbase had also been projected to increase over the period by 2% per annum. In addition, the forecast assumed an annual 2% increase in Council Tax each year from 2021/22. The devolvement of services and the potential establishment of a Bexhill Town Council and subsequent reduction of Special Expenses for Rother District Council were merely assumptions as no decisions had yet been taken.

Assuming the Council was able to deliver the identified savings, the forecast showed that over the five years, nearly £9m of reserves would be used including £2.5m to support the Capital Programme. If further savings or income could be achieved over the period then this would reduce the call on reserves. It was proposed that the Council's Medium Term Financial Strategy be updated to reflect the latest financial forecast.

The draft Revenue Budget had been balanced for 2020/21. To achieve this, the Council had set itself ambitious but achievable savings and

additional income targets. Without action, the financial forecast showed Reserves would be under considerable pressure and may fall below acceptable levels over the next five years. This also increased the Council's vulnerability to being able to cope with unexpected costs that arose.

**RECOMMENDED:** That:

- 1) the level of special expenses as set out in Appendix C, be approved;
- 2) a net expenditure level for 2020/21 of £15,602,000 be approved;
- 3) the amount of earmarked reserves set out at Appendix D, as amended, be approved; and
- 4) a Council Tax for 2020/21 at Band D be increased by £4.65 (2.6%) and set at £184.10.

CB19/92. **CAPITAL PROGRAMME 2020/21 TO 2024/25 AND CAPITAL STRATEGY**

(11)

In accordance with the CIPFA 2017 codes for Prudential and Treasury Management, the Council was now required to have a Capital Strategy. The draft Capital Strategy was attached at Appendix A to the report and gave a high-level overview of how capital expenditure, capital financing and treasury management activities contributed to the provision of local public services, along with an overview of how associated risk was managed and the implications for future financial sustainability.

The Council's Capital Programme at Appendix B to the report totalled some £62.7m, although £11.8m was currently unfunded and showed the investment in approved schemes over the next five years. A significant part of this related to the Council's approved Property Investment Strategy (PIS). To date £28.2m had been expended or committed on seven properties / sites with income in excess of £900,000 per annum secured, with a further £800,000 expected once other developments were delivered.

The draft Capital Programme also sought to minimise the use of Revenue (including Revenue Reserves) to fund capital expenditure. For 2020/21 some £1.359m was planned to be used, reducing to £291,000 thereafter.

The Programme was broadly the same as that reported in November 2019, save for the re-phasing of expenditure in line with the latest information. The Programme also now reflected the cost of the replacement water feature on Bexhill Seafront (£350,000) and the acquisition of Market Square in Battle at a cost of £3.256m including fees. It was noted that this was the interim position subject to the emergence of the new Corporate Plan and would need to be reviewed in the summer.

**RECOMMENDED:** That:

- 1) the Capital Strategy at Appendix A be approved and adopted; and
- 2) the revised Capital Programme at Appendix B be approved.

CB19/93. **TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY**

(12)

The Treasury Management Statement set out the Council's treasury issues and looked to ensure that the Council met its spending obligations. The Council was required to receive and approve a minimum of three main reports each year to include:

- 1) Prudential and Treasury Indicators and the Treasury Strategy;
- 2) a Mid-Year Treasury Management Report; and
- 3) an Annual Treasury Report.

These reports incorporated a number of policies, estimates and actuals which were scrutinised by the Audit and Standards Committee prior to making recommendations to Council.

The Treasury Management Strategy detailed the Council's capital issues and reviewed the position regarding investments, borrowing strategy, economic outlook and policies on the creditworthiness of counterparties.

The Annual Investment Strategy detailed the Council's investment priorities, promoting security, liquidity and investment return. In order to minimise risks, the Council stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list.

The 2020/21 draft Revenue Budget presumed an income of £400,000 from treasury activities which assumed a return of 1.2% from deposit type investments and 3.8% return from property fund investments. The forecast for the next five years saw returns fall, based on the forecast use of cash reserves to support the Revenue Budget. The expectation was that 2020/21 would remain a very difficult investment environment, however the strategies proposed in the report, together with the interest rates forecast, were in line with the assumptions made when preparing the 2020/21 Revenue Budget. It was noted that this was the interim position subject to the emergence of the new Corporate Plan and these would need to be reviewed in the summer.

**RECOMMENDED:** That the:

- 1) Treasury Management Strategy as set out at Appendix A be approved and adopted;
- 2) Annual Investment Strategy as set out at Appendix B be approved and adopted;

- 3) Minimum Revenue Provision Policy Statement 2020/21 be approved;
- 4) Prudential and Treasury Indicators as set out in Appendix A be approved; and
- 5) authorised limits in this report be approved.

CB19/94.  
(15)

## **CAMBER WESTERN CAR PARK MANAGEMENT**

Consideration was given to the report of the Executive Director that provided the background and history to the management and operational issues at Camber Western Car Park. The car park was located on the outskirts of Camber village and during the summer months provided up to 1,500 parking spaces.

As a result of a traffic management report commissioned in 2017, SmartParking was appointed to manage the car park using an automatic number plate recognition (ANPR) system on a trial basis. The trial had demonstrated that the system was not suitable in the long-term as the system only led to the car park becoming full more quickly and did not reduce congestion.

Currently there was no operating process in place for the management and enforcement of Camber Western Car Park for the summer season 2020/21. The report outlined two proposals for the future management of the car park: Proposal 1 was to bring back in house the management of the car park using pay and display; or Proposal 2 to bring back in-house the management of the car park using automatic entry and exit barriers. The pros and cons for each proposal were detailed in the report together with a SWOT analysis at Appendix A to the report.

The total capital costs associated with Proposal 1 amounted to an approximate cost of £55,000 for the provision and installation of 10 solar powered payment machines and in addition there would be annual revenue costs of £35,000 in respect of staffing and maintenance.

The total capital costs associated with Proposal 2 amounted to £64,000 for the provision and installation of four ticket machines and barriers and the provision of electricity and in addition there would be annual revenue costs of £41,900 in respect of call handling system, staffing, maintenance and back office costs.

Whilst both proposals met the objectives for managing Camber Western Car Park effectively Proposal 1 was the preferred option as it required less capital investment and would cost less to operate annually as it could be delivered from within existing staffing budgets. There was also less risk of mechanical failure with a barrier free system and the flow of traffic would be smoother without a barrier to navigate. The Council would also be able to maximise income by having an enforcement presence on the ground while also being able to advise and assist the public as required.

Cabinet supported the implementation of Proposal 1 as this offered the best cost solution to maintain the objectives and deliver effective enforcement and management of the car park. Members requested that a profit and loss account of the car parking operation at Camber, taking into account the revenue and running costs, including beach cleaning, be provided to Members in due course.

**RECOMMENDED:** That the proposal to operate Camber Western Car Park, using in-house Rother District Council officers through the use of pay and display machines as described within Proposal 1 within the report, be adopted.

CB19/95.  
(6)

#### **KEY PERFORMANCE TARGETS 2020/21**

Cabinet received and considered Minute OSC19/46 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 January 2020 that had considered the Key Performance Indicators (KPIs) for 2020/21. Twelve KPIs had been identified and were proposed for 2020/21 against the Council's Corporate Plan (2014-2021) and four Core Aims (an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity; Stronger, Safer Communities; and A Quality Physical Environment).

The KPIs focused on key outcomes within the Corporate Plan and the impact of both the local economy and efficient delivery of key services to Rother's residents, within the Council's resources. It 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)

It was noted that whilst the target in respect of the number of weeks spent in Temporary Accommodation (TA) was proposed to be increased this reflected an achievable and realistic target; the quality and location of TA was also being addressed by the Council which would in some ways alleviate the amount of time spent in TA. It was considered that the target in respect of projected income from planning development, whilst ambitious, would hopefully be achievable due to a number of factors including developer confidence following BREXIT and the Council's recently approved Development and Site Allocations plan.

It was recommended and agreed that the target in relation to total asset income be amended to reflect what was in the draft Revenue Budget. Cabinet approved the KPIs and targets, as amended and were satisfied that these provided an adequate review of the Council's key performance areas; data would be comparable to previous years to identify trends and additional performance indicators, either above or below target would be reported by exception.

**RESOLVED:** That the corporate Key Performance Indicators for 2020/21 and their performance targets, as amended, be approved as set out at Appendix A.

CB19/96.  
(7)

## **ENVIRONMENT STRATEGY CONSULTATION**

Cabinet received and considered Minute OSC19/47 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 January 2020 that had considered the Environment Strategy Consultation. The draft Environment Strategy and Action Plan had been developed through the Council's Climate Change Steering Group (CCSG), using data and information from various organisations and sources to enable the Council to understand its current position and what is required to meet its commitment to be carbon neutral by 2030.

The OSC had considered the draft Environment Strategy and Action Plan and recommended to Cabinet that a 12 week consultation designed to encourage engagement from residents, community groups, public and private sector organisations took place from 25 February 2020. Consultation would take place via an online questionnaire, telephone and written responses and a minimum of three events in Bexhill, Battle and Rye. The 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 the final strategy had been agreed the additional resources needed to deliver the strategy would be engaged.

The CCSG had also considered the subject of ethical investments and noted that East Sussex County Council (ESCC) currently invested with fossil fuel providers for its pension fund. Cabinet were requested to recommend to the ESCC Pension Advisers to source alternative investments in non-fossil fuel providers for the pension fund.

Members were pleased with the progress made to date on the progression of the Environment Strategy and thanked the officers and members of the Steering Group for their hard work, research and learning thus far. Members were encouraged to visit <https://footprint.wwf.org.uk> to find their own personal carbon footprint.

**RESOLVED:** That:

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

(Councillor J. Barnes declared a personal interest in this matter in so far as he was an elected Member of East Sussex County Council and stated that he was not a pension holder, and in accordance with the Members' Code of Conduct remained in the room during consideration thereof).

(Councillors Clark, Earl-Williams, Field and Maynard 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 and Gray 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).

CB19/97. **DRAFT EMPTY HOMES ACTION PLAN**  
(8)

Cabinet received and considered Minute OSC19/50 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 January 2020 that had considered the draft Empty Homes Action Plan that set out a number of methods for bringing empty homes back into use.

The action plan would be implemented in 2020 and detailed how action would be taken against at least five empty properties per year and was required in accordance with the Council's Homelessness and Rough Sleeping strategy. 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. Action would 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 temporary accommodation.

As an aside, the Cabinet Portfolio Holder for Regeneration requested that a report be brought to Cabinet in due course setting out the options available to the Council for encouraging empty shops back into use.

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

CB19/98. **DESTINATION LEISURE: BEXHILL REDEVELOPMENT OF EXISTING LEISURE CENTRE**  
(13)

The development of the former Bexhill High School to provide "a landmark leisure destination" was one of the Council's Corporate Plan Priority Projects. The comprehensive report of the Executive Director provided the background and progress made to date on bringing this complex project to fruition.

Following Cabinet approval in September 2017 (committing £2m in finances and required resources) and July 2019 (omitting the proposed hotel due to the Ministry of Defence (MOD)) the project was separated into the two distinct projects (housing and leisure) to be brought forward separately after outline planning permission has been granted.

Following these approvals, planning consultants were appointed through a competitive procurement process to prepare and submit an outline planning application for the whole site to secure the principle and quantum of development. The outline planning was granted in December 2019 and an overview of the site parameter plan associated with the application was attached at Appendix 1 to the report.

In order to move the project forward the following steps were needed to be taken:

- complete the land assembly by the end of the 2019/20 financial year using Compulsory Purchase Order powers if necessary which would most likely extend the timescales;
- undertake negotiations to secure continued operation of the two existing facilities, i.e. the Bexhill Leisure Centre (BLC) and Bexhill Leisure Pool (BLP), in the short term from 1 April 2021 up to the planned closures;
- to minimise the shortfall in funding, consider alternative options including Community Infrastructure Levy (CIL), borrowing (subject to affordability) and other funding streams; and
- appoint an Employers' Agent and an Architect to carry out detailed design work and preparation of a reserved matters application.

To ensure continued engagement with Portfolio Holders and Ward Members, it was recommended that an officer and Member Bexhill Leisure Centre Steering Group (BLCSG) be established to receive interim progress updates and provide a steer for key operational and project delivery outcomes. The proposed draft Terms of Reference was attached at Appendix 5 to the report for consideration.

Whilst Cabinet were in favour of and committed to providing leisure facilities in Bexhill, Members were hesitant in progressing the project at this stage without detailed consideration of the project; the project scope had changed over time and the new administration were keen to ensure that the project scope was the right one. There were also concerns over the funding / potential borrowing requirements and committing at this stage a large portion of the predicted strategic CIL receipts when a review of CIL and how it was allocated was due by December 2020. It was therefore proposed that the matter be deferred until the BLCSG had met and considered the project in detail and reported back to Cabinet in April 2020.

Members were advised by officers that legal advice would be sought in the interim regarding the possibility of re-negotiating the BLC and BLP contracts and or whether the delay would require a re-tendering exercise that would potentially lead to increased costs in either case.

**RESOLVED:** That:

1) a Bexhill Leisure Centre Steering Group be established, comprising Councillors Oliver, Mrs Bayliss, Brewerton, Vine-Hall, Thomas and Jeeawon in accordance with the Terms of Reference attached as Appendix 5 to the report; and

2) the project be deferred and referred to the Bexhill Leisure Centre Steering Group for recommendation to Cabinet in April 2020; and it be confirmed that the Cabinet is committed to providing a Bexhill Leisure Centre and Leisure Pool.

CB19/99. **RYE CRICKET CLUB PAVILION ALTERATIONS**  
(14)

Members considered a request from Rye Cricket Club (RCC) to improve current access and create a disabled / wheelchair-accessible ramp to the pavilion at Middle Salts, Rye. It was noted that the proposed works fell outside of RCC 99-year lease which was granted in 2016. Appendices 1 and 2 respectively to the report identified the area covered by the existing lease and the additional works. All works would be completed by RCC and building regulation approval sanctioned. Granting of the alterations would constitute a disposal of public open space. Therefore an advert would need to be placed in the local newspaper for a minimum of two consecutive weeks; any objections received would be reported to Cabinet.

It was recommended that a disposal of public open space advert be placed, officers be granted authority to surrender the existing lease and re-grant to include the additional land on identical lease terms and any objections received be reported at a future meeting.

**RESOLVED:** That:

- 1) in accordance with Section 123 of the Local Government Act 1972, the additional areas to provide suitable access to the existing Rye Cricket Club Pavilion be advertised as a disposal of public open space;
- 2) should no objections be received, officers be authorised to surrender the existing lease and re-grant to include the additional land on identical lease terms excepting the lease demise; and
- 3) in the event of objections being received, officers report back to a future meeting of Cabinet.

CB19/100. **THE COMMUNITY INFRASTRUCTURE LEVY STEERING GROUP - TERMS OF REFERENCE**  
(16)

Full Council agreed in December 2019 to appoint a Cabinet Community Infrastructure Levy Steering Group (CILSG) to consider draft Terms of Reference for the allocation and spending of the Strategic Community Infrastructure Levy money; draft Terms of Reference for the CILSG were submitted to Cabinet for approval.

**RESOLVED:** That the Terms of Reference for the Cabinet Community Infrastructure Levy Steering Group attached at Appendix 1 to the report be approved.

**CHAIRMAN**

The meeting closed at 7.53 pm

