

CABINET

14 December 2020

Minutes of the Cabinet meeting held remotely on Monday 14 December 2020 at 6:30pm.

Committee Members present: Councillors D.B. Oliver (Leader), C.A. Bayliss, J.H.F. Brewerton, T.J.C. Byrne, K.P. Dixon, K.M. Field, S.M. Prochak (MBE) (Deputy Leader), H.L. Timpe and J. Vine-Hall.

Other Members present: Councillors J. Barnes, Mrs M.L. Barnes, R.K. Bird, J.J. Carroll, C.A. Clark, S.J. Coleman, Mrs V. Cook, P.C. Courtel, B.J. Drayson, P.J. Gray, K.M. Harmer, J.M. Johnson, L.M. Langlands, Mrs. E.M. Kirby-Green, C.A. Madeley, C.R. Maynard, A.S. Mier, P.N. Osborne, G.F. Stevens (in part) and R.B. Thomas.

Advisory Officers in attendance: Chief Executive, Assistant Director Resources, Head of Housing and Community, Head of Strategy and Planning, Finance Manager and Democratic Services Officer.

Also Present: 33 members of the public via the YouTube live broadcast.

Publication Date: 16 December 2020

The decisions made under PART II will come into force on 5 January 2021 unless they have been subject to the call-in procedure.

CB20/74. MINUTES

(1)

The Chairman was authorised to sign the minutes of the meeting held on 20 November 2020 at a later date as a correct record of the proceedings.

CB20/75. APOLOGIES FOR ABSENCE

(2)

There were no apologies for absence.

CB20/76. DISCLOSURE OF INTERESTS

(5)

There were no declarations of interest.

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

CB20/77. **PROCUREMENT STRATEGY**
(7)

Cabinet received and considered Minute AS19/56 arising from the meeting of the Audit and Standards Committee held on 18 May 2020 that had considered the Rother Procurement Strategy (PS).

The PS had been developed by the East Sussex Procurement Hub (ESPH) which consisted of a 3-way partnership between Hastings Borough Council, Rother District Council and Wealden District Council who were the hosts. Earlier in the year, Members views had been sought on the PS to ensure that it met legal requirements and policy objectives. The PS would be annually updated, and Members would be kept abreast of any significant changes. A copy of the PS was detailed at Appendix A to the report.

The Key Performance Indicators identified at Appendix 3 would be used to measure the ESPH progress during 2020/21. It was clarified that the 1.5% qualifying budget saving was a local standard that had been set by ESPH and would be kept under review. Members were pleased to note that the PS would comply fully with the Modern Slavery Charter 2015 and contribute towards the Council meeting its commitment to being carbon neutral by 2030.

RECOMMENDED: That the Procurement Strategy at Appendix A to the report, be approved and adopted.

CB20/78. **COMMUNITY GOVERNANCE ORDER - THE PARISH COUNCIL OF BEXHILL-ON-SEA**
(11)

Following the Community Governance Review (CGR) of Bexhill-on-Sea and the subsequent recommendations approved by full Council in September to establish a Parish (Town) Council for Bexhill-on-Sea, the Council was required to approve a Community Governance Order (CGO), as attached at Appendix A to the report. The report detailed the process to ensure that the new Parish (Town) Council was established with effect from 1 April 2021. The Community Governance Review Steering Group (CGRSG) had considered all relevant matters at their meeting held on 24 November 2020 and their views had been acknowledged in the recommendations proposed.

To ensure the establishment of the Parish (Town) Council for Bexhill-on-Sea was successful, the Council had appointed Surrey Hills Solicitors to provide legal expertise and the Surrey and Sussex Association of Local Councils (SSALC) to provide practical support.

To enable the final recommendations to be enacted, full Council was required to approve a CGO in exercise of the powers conferred by sections 86, 98(3), 98(4), 98(6) and 240(10) of the 2007 Act. It was noted that it would not be possible to finalise all matters prior to seeking full Council approval of the CGO and therefore delegated authority would be required for the Chief Executive (CE) and the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council) to confirm the CGO and make minor

and consequential amendments and to enter into any consequential, ancillary or supplemental agreements to effect the creation of the Parish (Town) Council and the transfer of assets rights and liabilities.

During the review it had been agreed that as initially no services were being transferred, the budget costs would be the minimum required for the Parish (Town) Council to operate in its first year and the work required to identify these costs had not yet been completed. As the CGRSG was scheduled to reconvene in January 2021 to consider budgetary requirements and any stakeholder representations it was necessary to formally expand their terms of reference. Recommendations from the meeting would be made to the CE and Cabinet Portfolio Holder for inclusion in the CGO subject to proposed delegation being approved.

SSALC had recommended that the Council appointed an interim administrator who had previous experience and the necessary skill set to successfully create a new Parish (Town) Council. SSALC had recommended an appointee and preliminary discussions were held with a view to an appointment commencing on 1 January 2021 for a seven month period (expiring 31 July 2021) for an average of 15 hours per week (with flexibility).

Working with the CGRSG, as appropriate, the interim administrator would establish the initial governance structure, arrange the appointment of the permanent Parish (Town) Clerk, set up other policies and procedures, organise briefings for prospective councillors, identify and secure accommodation, draft the cycle of meetings, arrange asset transfer and any other governance issues. The interim administrator would also oversee the inauguration of the new Parish (Town) Council, election of Chairman/Mayor, establishment of committees and hand-over to the permanent Parish (Town) Clerk, once appointed by the new Parish (Town) Council.

Clarity was sought on the responsibility of costs. The Chief Executive stated that legal advice received had advised that set-up costs of the establishment of the Parish (Town) Council before 1 April 2021 would be the responsibility of Rother District Council. Subsequent costs would be the responsibility of the Parish (Town) Council and set in their precept including the cost of the election.

Cabinet was supportive of the recommendations proposed and agreed the appointment of the new interim administrator and that the CGRSG's revised Terms of Reference, as detailed at Appendix B to the report, be approved.

RECOMMENDED: That the Chief Executive, in consultation with the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council) be granted delegated authority to finalise and agree the Community Governance Order (CGO) and make minor and consequential amendments to the CGO and to enter into an consequential, ancillary or supplemental agreements to effect the creation of the Parish (Town) Council and the transfer of assets rights and liabilities.

AND

***RESOLVED:** That:

- 1) an interim Parish (Town) Council administrator be appointed for up to seven months with effect from 1 January 2021 (expiring 31 July 2021), with terms and conditions to the satisfaction of the Chief Executive and the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council); and
- 2) the expanded Terms of Reference of the Community Governance Review Steering Group be approved, as attached at Appendix B.

*The **RESOLVED** parts of this minute are subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules.

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 4 January 2021.

CB20/79. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING - QUARTER 2 2020/21**

(6)

Members received and considered the report of the Finance Manager on the Revenue Budget and Capital Programme Monitoring Quarter 2 2020/21. The report updated Members on the Council's finances as at the end of September 2020 and projected a provisional outturn for 2020/21. As requested, a comparison of Quarter 1 to Quarter 2 figures had been disseminated to Cabinet Members before the meeting.

Since the Quarter 1 Monitoring Report, there had been one reportable virement regarding the transfer of a Business Support officer from Housing and Community to Resources.

At the end of Quarter 2, the Council was predicted to incur a deficit of £2.788m of which £1.871m was unplanned. This represented an improvement of £97,000 since Quarter 1. The cost of services showed a deficit of £3.595m and non-service budgets increased the forecast overspend to £4.692m. This was reduced by £2.821m mainly due to additional grant income from the Ministry of Housing, Communities and Local Government (MHCLG).

The Council's response to the COVID-19 pandemic had inevitably put the budget under enormous pressure despite some costs being partially offset by non-ringfenced grants from the MHCLG. The net impact of the virus was forecast to be £1.767m at the end of Quarter 1. Quarter 2 forecast showed a net reduction of £658,000 to £1,109m.

Since the last report, the forecast for non-COVID related costs had increased by £561,000. Overall the £3.595m deficit on the cost of services was attributed to various overspends/deficits including staff

restructuring, vacancies, reduced planning fees and land charge income, consultancy advice, grants, purchase of new car parking equipment and signage, supporting leisure services, housing benefit overpayments and additional accountancy services.

It was noted that a provision for property rental income shortfall of £200,000 had been included in the forecast due to the impact of the pandemic; to date no rents had been written off.

Cabinet had previously agreed to provide financial support to Freedom Leisure until 31 March 2021; the estimated cost to a maximum of £415,000 was included in the forecast. The MHCLG had recently announced that funding would be made available for local authority leisure services. Details were currently unknown however, it was anticipated that a bidding process would be involved. Members would be kept abreast of developments.

Interest income from investments was expected to be £98,000 below budget (an improvement of £50,000 on the previous forecast). Further lockdowns might mean that returns fall again and result in a further reduction of income.

The Council had received a total of £2,372,000 to date from the Government to fund the cost of the pandemic impact. An additional £22,000 had recently been received to help fund the administration costs of the Council Tax hardship and Business Rates reliefs. It was not known at this stage whether further Government funding support would be forthcoming as the national pandemic situation continued.

The net impact on Reserves was forecast to be a reduction of £4.627m against the planned figure of £2.276m.

The Council Tax part of the Collection Fund (CF) was currently 2.28% lower than the same point last year and Business Rates was 4.59% lower. These represented a marked decrease from the Quarter 1 forecast. Based on the current collection rates, it was expected that the CF would be in deficit by the end of the financial year. Cabinet was advised that the Government was allowing councils to spread deficits over a 3-year period, so impact on the Council's financial position in 2020/21 would be limited.

A summary of spend by capital project for 2020/21 and financing sources was shown at Appendices A and B to the report.

The Finance Manager advised that preparatory work was progressing on the draft Revenue Budget 2021/22 which would be reported to Cabinet in January. The local government finance settlement was still awaited.

The Quarter 2 forecast out turn for 2020/21 was an unplanned deficit of £1.871m and included the impact of the COVID-19 pandemic.

Concern was raised that the Council's reserves were and would be depleted by 2024. The Cabinet Portfolio Holder for Finance and

Performance Management advised that reserves were earmarked for unexpected (“rainy-day”) events that could impact on the Council’s financial situation; the COVID-19 pandemic had been the worst situation in a lifetime. To ensure the Council maintained a balanced budget and achieved financial self-sustainability, discussions were being held with the Corporate Management Team regarding future service provision and income generation.

The Leader thanked staff and acknowledged the enormous amount of work carried out during the current crisis.

RESOLVED: That the report be noted.

CB20/80. **INFRASTRUCTURE FUNDING STATEMENT 2019/20**
(8)

Consideration was given to the report of the Head of Strategy and Planning on the Council’s Infrastructure Funding Statement (IFS) 2019/20, a copy of which was appended to the report at Appendix 1.

Community Infrastructure Levy (CIL) regulations came into force on 1 September 2019. Under these regulations, the IFS would replace the adopted CIL Regulation 123 List as the mechanism through which projects were identified for CIL funding. It was noted that the IFS would still be informed by the Infrastructure Delivery Plan (IDP).

District councils and county councils were obligated to prepare an IFS when in receipt of a contribution from development through CIL or a Section 106 (S106) obligation. From 2019/20 onwards, any local authority in receipt of CIL or S106 contributions must publish an IFS online by 31 December 2020 (covering the previous financial year 1 April to 31 March) and by the 31 December each year thereafter.

The IFS detailed future spending priorities on infrastructure and affordable housing in-line with up-to-date or emerging plan policies and the needs of major infrastructure providers. The IDP detailed the framework for infrastructure needed to support the development targets in the Council’s Local Plan which identified the current position across the district.

IFS set out the infrastructure projects or types of infrastructure that the Council intended to fund, or may fund, either wholly or partly, by the levy or planning obligations. However, inclusion in the IFS did not signify the Council’s commitment to fund, prioritise or give weight to one particular type of infrastructure. The process of governance for CIL expenditure would be carried out separately through the adopted process.

Members were advised of four projects which had received strategic CIL funding namely, Battle Health Pathway which was completed; Ticehurst Village Centre scheduled to be completed in July 2022; Sidley Recreation Ground with construction commencing in October 2021; and London Road Improvement with construction estimated to be undertaken in summer/autumn 2022. Members expressed their full

support for the projects and thanked staff for their hard work to date. It was also requested that regular project updates be distributed via the Members' Bulletin. The Cabinet Portfolio Holder for Strategic Planning advised that the CIL Steering Group was scheduled to meet in February to discuss the Council's CIL Charging Scheme and, in particular, the process of how the strategic portion of CIL would be allocated in the future for onward recommendation to Cabinet; he encouraged all Members to attend.

Cabinet approved the IFS and agreed that authorisation be given to the Head of Strategy and Planning to make any minor amendments so that it could be published on the Council's website by the deadline. It was also agreed that future IFSs be approved by the Cabinet Portfolio Holder for Strategic Planning in liaison with the Cabinet Portfolio Holder for Finance and Performance Management and that regular updates on projects be distributed via the Members' Bulletin.

RESOLVED: That:

- 1) the Infrastructure Funding Statement at Appendix 1 be approved and that the Head of Strategy and Planning be authorised to make any minor amendments to the Statement so that it can be published on the Council's website by 31 December 2020; and
- 2) future Infrastructure Funding Statements be approved by the Cabinet Portfolio Holder for Strategic Planning in liaison with the Cabinet Portfolio Holder for Finance and Performance Management and that regular updates on projects be distributed via the Members' Bulletin.

CB20/81.
(9)

TRANSFER OF JOINT WASTE ADMINISTERING AUTHORITY

Members considered the report of the Head of Housing and Community which proposed changes to the Joint Waste Contract's (JWC) Administering Authority (AA).

Rother District Council (RDC) had served as the AA for the JWC since its inception in 2011 and the role was defined in the Constitution of the Joint Waste and Recycling Committee (JWRC). Any changes to the Constitution would require approval from all Partnership authorities. Due to staffing changes at RDC, it was proposed that the Lead Director and contract administration roles transfer to Wealden District Council (WDC). On 23 October 2020, the JWRC had approved that Averil Price, Director of Community and Customer Services be appointed as the Lead Director with immediate effect and that WDC be the AA from 1 April 2021.

The Joint Waste Office staff would transfer to WDC and Transfer of Undertakings [Protection of Employment] (TUPE) arrangements would be implemented. As a result, the Council would lose £45,000 administration financial contribution towards accommodation, ICT and associated support costs. It was anticipated that ongoing costs would remain the same.

Concern was aired that RDC would lose the prestige of being the AA for the JWC. Members were advised that experienced officer expertise now lay at WDC and therefore it had been considered sensible to relinquish the role, after all it was a “Partnership” contract. The Council would continue to make the best use of the shared knowledge, expertise and resources that the Partnership provided, ensuring that the JWC continued to operate effectively for the benefit of Rother’s residents.

RESOLVED: That:

- 1) Rother District Council ceases to act as the Administering Authority for the Joint Waste Partnership from 1 April 2021; and
- 2) Wealden District Council be appointed as the Joint Waste Administering Authority with effect from 1 April 2021.

CB20/82. **BEXHILL LEISURE CENTRE AND BEXHILL LEISURE POOL
FREEDOM LEISURE CONTRACT 2021/2024**

(10)

The Bexhill Leisure Centre and Bexhill Leisure Pool were operated by Freedom Leisure (FL) on a joint contract that was scheduled to expire in March 2021. Both were well used community assets and attracted on average 340,000 visits per year. It was noted that the Rye Leisure Centre (RLC) contract was scheduled to expire in 2026 and therefore not subject to consideration at this time.

Earlier this year, the Council approved two tranches of additional financial support to FL totalling £415,273 on an open book accounting arrangement. Due to uncertainty in the leisure sector as a result of the COVID-19 pandemic, it was agreed not to rebuild or carry out any major refurbishment works on both Bexhill centres. However, it was agreed that a modest refurbishment programme be undertaken.

The Bexhill Leisure Centre Steering Group reformed in November to consider options for a new and refreshed contract and specification from April 2021 to March 2024; their views had been acknowledged in the recommendations proposed. Advice had also been sought from a specialist leisure consultant. It was noted that the Council had negotiated a contract in principle with FL. Cabinet was reminded that leisure services was not a statutory requirement for the Council to provide, however there was an expectation from the public that the Council would provide these services.

Cabinet considered four options, as follows:

- a. Option 1: a new three-year contract from April 2021 to March 2024 with six-month supporting payment of up to £130,000.
- b. Option 2: cease to operate leisure services in Bexhill and continue to operate the RLC until March 2026.
- c. Option 3: bring the operation of leisure services in-house.
- d. Option 4: shorten the operating hours of leisure centres to try to reduce costs.

The report outlined the advantages, disadvantages, financial implications and associated risks of all four options.

After discussion, Cabinet agreed that Option 1 be adopted, as the negotiated contract and specification enabled the Council to sustain the delivery of leisure services and incentivised FL to minimise the level of subsidy received in 2021/22. It also provided an improved financial position on the current contract and offered a surplus share arrangement. It was also agreed that up to £140,000 be allocated from the Capital Programme to enable minor refurbishments works to be completed on both Bexhill sites.

Leisure facilities were essential for the mental and physical well-being of the community and it was considered important to secure these services, not only in the short, but also long-term. Gratitude was expressed to FL and their staff for continuing to provide leisure facilities during these difficult times.

RESOLVED: That:

- 1) the proposed contract for the management of Bexhill Leisure Centre and Leisure Pool for 2021-24 be approved, to include six months of continued financial support payments, at a total contract cost of up to £130,000; and
- 2) the proposed investment of up to £140,000 to enable the minor refurbishment of the two sites be approved and included in the Council's Capital Programme.

CHAIRMAN

The meeting closed at 8:19pm.