

OVERVIEW AND SCRUTINY COMMITTEE

14 September 2020

Minutes of the Overview and Scrutiny Committee meeting held remotely on Monday 14 September 2020 at 6.30pm.

Committee Members present: Councillors P.N. Osborne (Chairman), Mrs V. Cook (Vice-Chairman), J. Barnes, J.J. Carroll, C.A. Clark, P.C. Courtel, B.J. Drayson (ex-officio), Mrs D.C. Earl-Williams, S.J. Errington, P.J. Gray, L.M. Langlands, C.R. Maynard and M. Mooney.

Other Members present: Councillors C.A. Bayliss, S.J. Coleman, K.P. Dixon, Mrs E.M. Kirby-Green, C.A. Madeley, D.B. Oliver, S.M. Prochak, G.F. Stevens and H.L. Timpe.

Advisory Officers in attendance: Executive Director (MJ), Executive Director (AL), Head of Service Housing & Community, Finance Manager and Democratic Services Officer.

Also Present: 20 members of the public, via the YouTube live broadcast.

OSC20/16 **MINUTES**

The Chairman was authorised to sign the Minutes of the meeting of the Overview and Scrutiny Committee held on 20 July 2020 at a later date as a correct record of the proceedings.

OSC20/17 **APOLOGIES AND SUBSTITUTES**

There were no apologies for absence.

OSC20/18 **DISCLOSURE OF INTERESTS**

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

J. Barnes Agenda Item 5 – Personal interest in so far as he was an elected Member of East Sussex County Council.

Clark Agenda Item 5 – Personal interest in so far as he was and an elected Member of East Sussex County Council.

Dixon Agenda Item 7 – Personal Interest in so far as he was a member of Battle Marketing Group.

Mrs Earl-Williams Agenda Item 5 – Personal interest in so far as she was and an elected Member of East Sussex County Council.

Gray Agenda Item 7 – Personal Interest in so far as she

was a member of Bexhill Old Town Preservation Society.

Madeley Agenda Item 7 – Personal Interest in so far as she was a member of Bexhill Old Town Preservation Society.

Maynard Agenda Item 5 – Personal interest in so far as he was an Executive Member of East Sussex County Council.

OSC20/19 **WASTE COLLECTIONS, STREET AND BEACH CLEANSING CONTRACT REVIEW**

Members received the report of the Executive Director which updated the Committee on the performance over the first 12 months of the Joint Waste Contract within the Rother District Council area.

The contract with Biffa commenced on the 29 June 2019 and replaced the previous contract which Rother joined in April 2014. The outcome of the tendering process for the new contract resulted in an increased cost to the Council for the delivery of waste collection services, the outturn in 2019/20 being £4.6 million compared to an outturn of £3.3million in 2018/19 under the previous contract. The budget for 2020/21 was £4.1m.

In contrast to the previous contractor, Biffa were a waste collection specialist and the Council had benefitted from this specialist expertise when working to improve the performance of the service.

Members were provided with a table showing a summary of the key areas of performance between the first 12 months of the Biffa contract (July 2019 – June 2020) and that of the previous contract (July 2018 to June 2019) for comparison. Members were pleased to note the significant improvement in missed bin performance across all waste types (calculated as a proportion of 100,000 collections). This had resulted in a significant reduction in complaints over the first year of operating the contract which in turn had reduced demand on the Council Customer Services and Waste teams, an unquantified cost under the previous contract and had delivered an efficiency saving to the Council.

Council managers and officers met twice weekly with the local Biffa operations manager and supervisors to discuss performance and wider operational challenges. From the end of the “honeymoon” period (September 2019 to end February 2020), contract performance was within acceptable levels.

COVID-19 had a significant impact in Biffa’s staffing levels and the availability of experienced drivers that knew the collection rounds intimately. The situation led to the suspension of garden waste services for April 2020 which focussed resources on the remaining waste streams and improved performance.

Since May 2020, the staffing challenges at Biffa had been compounded by the need to train a number of new drivers within the Rother team. The reliance on agency drivers and those new to the rounds had led to a very poor missed bin performance latterly; however, this had begun to improve during July 2020 as the new Biffa staff gained more experience of their collection rounds. Members noted that the performance for July 2020 had returned to levels prior to the outbreak of COVID-19.

Due to the suspension of garden waste services during April and May 2020 as a result of COVID-19, the garden waste subscription was reduced by £5 for those residents renewing their subscription following disruptions to the garden waste collection service. The predicted income based on this change was approximately £78,000 lower than the target set for 2020/21, but that figure was expected to reduce further.

More work was required to identify sources of contamination to recycled waste and for action to be taken to exclude those items. There was an EU target for the UK to re-use, recycle and compost at least 50% of household waste by 2020. The performance in 2019/20 was comparable to the previous year except for Quarter 4, which had been affected by the disruption to the garden waste service during March 2020.

Independent surveys of streets were completed by an external consultant every four months to measure litter, detritus and dog fouling. The results demonstrated that Biffa were meeting the required standards in all areas overall and consistently exceeding target in litter and dog fouling.

Camber Sands Task Force that Biffa established to cleanse the Camber dunes and beaches had proved largely successful during both the 2019 and 2020 seasons, however peak visitor days still proved challenging.

Fly tipping had increased during the months of May, June and July 2020 compared to the same period in 2019. It was felt that the Government imposed lockdown combined with household waste recycling sites being closed had contributed to the increase.

Members were given the opportunity to ask questions and the following points were noted during the discussions:

- Subject to the adoption of the UK Environment Bill, food waste collections were to be adopted from 2023. The contract with Biffa had been written to include this, but costs remained to be seen;
- Members felt it unfair that garden waste was included in the target for recycling waste as not all residents wished to pay for this service. It was noted that this was consistent across the country;
- the previous contractor had passed data on Assisted Collections to the new contractor and it was noted that the missed bins

figure for August, produced since the report had been written, had decreased to 30. This remained a focus for the Council;

- Members paid tribute to the Waste Collection operatives and Council officers for the service provided over lockdown and the recent pandemic; and
- Members thanked Dr Anthony Leonard who had been the driving force in setting up the successful Joint Waste contract, initially with four local Councils.

The new contract was performing well in comparison to performance under the previous contract; however, there were still improvements to be made and the missed bin performance was not satisfactory in the longer term. Members recognised that Biffa were improving what was a failing contract under the previous contractor and noted the importance of continuing to support Biffa to improve performance.

RESOLVED: That the report be noted.

(Councillors Barnes, Clark and Mrs Earl-Williams 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 meeting during the consideration thereof).

(Councillor Maynard declared a personal interest in this matter as an Executive Member of East Sussex County Council and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof).

OSC20/20

PERFORMANCE REPORT: FIRST QUARTER 2020/21

Consideration was given to the report of the Executive Director on the Performance Report of the First Quarter 2020/21. Members were given the opportunity to scrutinise the progress towards the Council's stated aims, outcomes and actions in the Corporate Plan and make any necessary recommendations to Cabinet for future service delivery.

A summary of the Council's performance against the selected Key Performance Indicators (KPI) areas (Housing and Homelessness, Waste and Recycling, Asset Income and Other Income) was set out in the report. Performance was compared to the previous quarter result and to the same quarter the previous year.

Housing and Homelessness: During quarter one, one measure met or exceeded its target (Average Weeks in Temporary Accommodation), one had been flagged as warning (Affordable Homes Built (gross) Supply target) and five did not meet their target (Affordable Homes Built (gross) Local Plan target, New Homes Built (net) Supply Target, New Homes Built (net) Local Plan Target, Homelessness Prevention Cases per 1,000 homes and Number of all Households in Temporary Accommodation).

Waste and Recycling: Two of the indicators had not met their targets (Re-use, Recycling, Composting: Contractor and Missed Bins per 100,000 Collections) and one at that stage was unknown (Re-use,

Recycling, Composting: East Sussex County Council). Problems with employee turnover, sickness absence, performance management and a national shortage of HGV drivers had contributed to this. Appropriate action had been taken and it was expected that there would be a reduction in the number of missed bins in the coming months.

Asset Income: No invoices were sent out at the beginning of Quarter 1 due to the onset of the COVID-19 pandemic. Retrospective invoices had since been sent to all tenants and the Estates and Finance Teams were working closely with tenants to discuss flexible payment terms as necessary. Income shown was therefore expected income due from Quarter 1 rather than actual; Quarter 2 would provide greater details on non-payment invoices and rent relief required by tenants which would affect the overall income generated for the year.

Other Income: All three indicators had not met their targets (Car Park Income, Garden Waste Income and Planning Income) due to the impacts of the COVID-19 pandemic. Camber Western car park had seen its second highest income taken in one month during the last five years for June 2020. It was suggested that a two-tier system for local residents and visitors be considered for this car park, which could be incorporated into budget discussions later in the year.

The onset of the COVID-19 pandemic had adversely affected performance levels in quarter one for all KPIs reported. The Committee agreed that the KPIs should remain the same to provide a baseline for the overall impact of COVID-19 in the current financial year.

RESOLVED: That the report be noted.

OSC20/21 **TOURISM EVENTS FUNDING**

Members were requested to review the allocation of funding for visitor events in light of the impact of COVID-19 on the events industry. In June 2019, Cabinet had approved the recommendations from the Tourism Task and Finish Group that included a recommendation to consolidate the visitor events funding into a single programme for the whole of the district, with effect from April 2020.

The events budget was managed by officers in consultation with the Cabinet Portfolio Holder for Communities, Culture and Tourism. The budget available was £18,000 per annum and covered Bexhill, Rye and rural Rother, but not Battle which had a separate arrangement in which £9,000 funding was allocated to the area, as detailed in the report.

The COVID-19 crisis had resulted in the cancellation of all events planned for the year which would otherwise have received Council support and accordingly all applications had been postponed. Funding that would have been allocated towards events during the current year had therefore not been spent and it was recommended that this funding be rolled forward to the next financial year. This would enable the Council to support more events to assist with restarting the visitor economy in 2021.

The Cabinet Portfolio Holder for Communities, Culture and Tourism had indicated a wish to establish a Marketing Group for Bexhill, to co-ordinate local marketing and promotion for Bexhill, in much the same way as existed in Battle. A Bexhill Marketing Group would bring together key stakeholders including Rother District Council, Bexhill Chamber of Commerce and Tourism, the De La Warr Pavilion, Bexhill Museum and others. A suggested Terms of Reference was attached at Appendix A to the report.

It was proposed that £9,000 of the events budget (equivalent to the amount previously ringfenced for Bexhill events), be devolved to the Bexhill Marketing Group and for a legally constituted Accountable Body to be identified in the future to enter into a Service Level Agreement with the Council to receive and pay funds and be accountable for the use of the Council's funding. Rother District Council could undertake this role for the first year of the arrangement but could not provide secretariat support. Members were keen to ensure that the emphasis remained on the supporting of events and agreed to re-look at the Terms of Reference, with a revised version to be presented to Cabinet that included other organisations such as the Bexhill Old Town Preservation Society.

A request had been received by Rye Bay Marketing Ltd to assist with the shortfall in the 2021 funding for their annual Rye Visitor Guide. Due to the impact of the COVID-19 pandemic on the summer season, only 50% of their 130,000 guides had been distributed, which were privately funded through advertising revenue (many of the contributing businesses had experienced significant losses, therefore the future of the guide remained in doubt). In most years, £9,000 would have been spent on part-funding events in the town through the Council events budget, but as no events have been supported through this fund during the current year, it was recommended that Cabinet be requested to make this money available for one year only, to Rye Bay Marketing Ltd to ensure that they have sufficient funding to produce the 2021 visitor guide. Members, however, did not support this and it was recommended and agreed that the funds be rolled forward and allocated to the Rye Events Group.

On-going, the remaining £9,000 from the annual budget would continue to be ringfenced for the support of events in Rye and rural Rother under the existing guidelines for events support and administered by Council officers in consultation with the Lead Member.

RESOLVED: That Cabinet be requested to:

- 1) authorise the constitution of a Bexhill Events and Marketing Group under a revised Terms of Reference;
- 2) allocate the £9,000 from the Council's Events Budget to Bexhill Events and Marketing Group, to support the marketing, promotion and events of Bexhill from 2021/22 onwards;
- 3) approve that £9,000 events funding for Bexhill not allocated in the 2020/21 financial year be carried forward to 2021/22; and

- 4) the £9,000 usually allocated for Rye, to be awarded as a one-off grant to Rye Bay Marketing Ltd for their 2021 campaign not be supported and that the money be rolled forward and allocated to the Rye and rural Rother Events.

(Councillor Dixon declared a personal interest in this matter as a member Battle Marketing Group and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof.)

(Councillors Gray and Madeley each declared a personal interest in this matter as members of the Bexhill Old Town Preservation Society and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof.)

OSC20/22 **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING - QUARTER 1 2020/21**

Members received and considered the report of the Finance Manager on the Revenue Budget and Capital Programme Monitoring Quarter 1 2020/21. The report contained details of the significant variations of the Revenue Budget and updated Capital Programme.

Since the detailed budget had been approved by Cabinet in February 2020, there had been two reportable virements. Firstly, savings of £422,000 had been achieved by reducing the staffing structure and incorporating them into departmental budgets, leaving a balance of £78,000. Secondly staff turnover of £282,000 was originally budgeted centrally but had since been consolidated into departmental salary budgets.

The cost of services showed a deficit of £3.082m and non-service budgets increased the forecast over-spend to £4.536m. This was reduced by £2.607m mainly due to additional grant income from the Ministry of Housing, Communities & 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 £1.719m.

The main reasons for the variations were detailed in the report. The variances specifically relating to Departments had been split between those arising as a result of the pandemic and those arising as part of normal operational activities.

Environmental Services was forecast to under achieve its income budgets by £43,000 in the areas of Food Safety training, Licensing and Pest Control, however this was mainly offset by vacant posts in the Pollution and Food Safety teams.

Strategy and Planning was forecast a shortfall of £186,000 against Planning fees and Land Charges, which suffered a downturn due to the pandemic.

A provision for property rental income shortfall of £200,000 had been included in the forecast due to the impact of the pandemic; no rents had yet been written off at that stage.

Cabinet had previously agreed to provide financial support to Freedom Leisure until 31 March 2021 and the estimated cost to a maximum of £415,000 was included in the forecast. If costs looked to exceed the maximum, a report would be brought back to Cabinet.

Interest income from investments was expected to be £148,000 below budget. This was in line with expectations as the pandemic has had a major impact on global financial markets and the forecast would continue to be subject to fluctuations due to the level of uncertainty. The Council had invested £8m in two property funds and most of its interest income was returned by these. However, their current market values had fallen by about £0.5m and could fall further still as the crisis continued, but Members noted that these were long term investments and were expected to recover over time.

The Council Tax part of the Collection Fund was currently 1.58% below the annual estimate. The Business Rates Tax part of the Collection Fund was broadly in line with the annual estimate and the previous year's performance. The collectible debit and income received were much lower due to the additional reliefs announced by the Chancellor in the March budget statement. They had been replaced with additional section 31 grant payments. The MHCLG had recently announced that any Collection Fund deficits incurred during the year could be spread over a three year period. There would be no impact in the current financial year and any future impact would be included in the Medium Term Financial Plan to be reported to Cabinet later in the year.

A summary of spend by capital project for 2020/21 and financing sources was shown at Appendix A to the report and an overall five year capital programme had been updated for Member decisions and slippage from the 2019/20 outturn at Appendix B. The five year capital programme totalled just under £60m.

The Quarter 1 forecast out turn for 2020/21 was a deficit of £1.9m and included the impact of the Coronavirus pandemic which had resulted in a £1.7m overspend.

RESOLVED: That the report be noted.

OSC20/23

WORK PROGRAMME

Consideration was given to the Overview and Scrutiny Committee's Work Programme.

The following amendments were made to the Work Programme:

- The Pelham Project Update be moved to 19 October 2020;
- a report on the Peer Review be added to Items for Consideration; and

- the Medium Term Financial Plan 2021/22 to 2025/26 be moved from 19 October 2020 to an extra meeting to be convened in December 2020.

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

CHAIRMAN

The meeting closed at 9.25pm

OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2020 – 2021		
DATE OF MEETING	SUBJECT – MAIN ITEM IN BOLD	Cabinet Portfolio Holder
19.10.20	<ul style="list-style-type: none"> The Pelham – Project Update 	
23.11.20	<ul style="list-style-type: none"> Report of the Anti-Poverty Task and Finish Group Homelessness and Progress on the Housing Strategy Performance Progress Report: Second Quarter 2020/21 Revenue Budget and Capital Programme Monitoring – Quarter 2 2020/21 	Byrne Dixon
(tba).12.20	<ul style="list-style-type: none"> Medium Term Financial Plan 2021/22 to 2025/26 	Dixon
25.01.21	<ul style="list-style-type: none"> Draft Revenue Budget Proposals 2021/22 Key Performance Targets 2021/22 	Dixon
15.03.21	<ul style="list-style-type: none"> Progress on the Environment Strategy Crime and Disorder Committee: to receive a report from the Community Safety Partnership Performance Progress Report: Third Quarter 2020/21 Revenue Budget and Capital Programme Monitoring – Quarter 3 2020/21 	Field Dixon
26.04.21	<ul style="list-style-type: none"> CPE Task and Finish Group Call-in and Urgency Procedures Draft Annual Report to Council 	
ITEMS FOR CONSIDERATION		
<ul style="list-style-type: none"> Regeneration incl Leisure Centre, Fountains and Skate Park Corporate Plan review – referred back by Cabinet Review of the Tourism Strategy Review of the Economic Regeneration Strategy Peer Review 		