

## Overview and Scrutiny Committee

Date and Time - **Monday 14 September 2020 - 6.30pm**  
Venue - **Remote Meeting**

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### **Councillors appointed to the Committee:**

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.

**Substitute Members:** S.J. Coleman, C.A. Madeley, G.F. Stevens and R.B. Thomas.

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## **AGENDA**

### **1. MINUTES**

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

### **2. APOLOGIES AND SUBSTITUTES**

The Chairman to ask if any Member present is substituting for another Member and, if so, to declare his/her name as substitute Member and the name of the absent Member.

### **3. ADDITIONAL AGENDA ITEMS**

To consider such other items as the Chairman decides are urgent and due notice of which has been given to the Head of Paid Service by 12 Noon on the day of the meeting.

### **4. DISCLOSURE OF INTERESTS**

To receive any disclosure by Members of personal and disclosable pecuniary interests in matters on the agenda, the nature of any interest and whether the Member regards the personal interest as prejudicial under the terms of the Code of Conduct. Members are reminded of the need to repeat their declaration immediately prior to the commencement of the item in question.

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**Rother District Council's aspiring to deliver  
an Efficient, Flexible and Effective Council; Sustainable Economic Prosperity;  
Stronger, Safer Communities; and a Quality Physical Environment.**

5. **WASTE COLLECTIONS, STREET AND BEACH CLEANSING CONTRACT REVIEW** (Pages 1 - 12)
6. **PERFORMANCE REPORT: FIRST QUARTER 2020/21** (Pages 13 - 30)
7. **TOURISM EVENTS FUNDING** (Pages 31 - 36)
8. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING - QUARTER 1 2020/21** (Pages 37 - 46)
9. **WORK PROGRAMME** (Pages 47 - 48)

Malcolm Johnston  
Executive Director

Agenda Despatch Date: 4 September 2020

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## Rother District Council

**Report to:** Overview and Scrutiny Committee

**Date:** 14 September 2020

**Title:** Waste Collections, Street and Beach Cleansing Contract Review

**Report of:** Joe Powell – Head of Service Housing and Community

**Ward(s):** All

**Purpose of Report:** To update the Overview and Scrutiny Committee on the performance of the first twelve months of the Joint Waste Contract within the Rother District Council area.

**Officer**

**Recommendation(s):** It be **RESOLVED:** That the report be noted.

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### Introduction

1. The contract with Biffa commenced on the 29 June 2019 and replaced the previous contract which Rother joined in April 2014. The waste collections, street and beach cleansing contract is the Council's largest contract and it affects every one of the 45,523 households in the district.
2. As Members will be aware, the contract operates waste collection and street cleansing services for Rother District Council in partnership with Wealden and Hastings Councils. The partnership is coordinated by the Joint Waste Team which is governed by the Joint Waste and Recycling Committee, comprised of all parties to the partnership. A full description of the governance of the contract can be found at Appendix A. Note that the waste disposal authority is East Sussex County Council who operate a separate contract across the whole of East Sussex.
3. Members will recall that 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.
4. The challenges associated with managing the performance of the previous contract will be well understood by Members. In contrast to the previous contractor Biffa are a waste collection specialist and the Council has benefitted from this specialist expertise when working to improve the performance of the service. We have benefitted from improved performance in the first year of operation and officers are confident that we will continue to see greater improvements in performance as the contract becomes more embedded.

5. While the purpose of this report is to present to Members the performance of the Biffa contract in its first year, it is helpful to provide a high-level comparison between Biffa's present performance and that of the previous contract. The table below provides a summary of the key areas of performance between the first twelve months of the Biffa contract (July 2019 to June 2020) and that of the previous contract (July 2018 to June 2019). Note the significant improvement in missed bin performance across all waste types.

	<b>Missed Bins*</b>
Previous contract	3,167
Biffa	1,770
<b>Percentage (+ / -)</b>	<b>-44%</b>

\*Missed bins per 100,000 households

	<b>Recycling %</b>
Previous contract	49%
Biffa	50%
<b>Percentage (+ / -)</b>	<b>+1%</b>

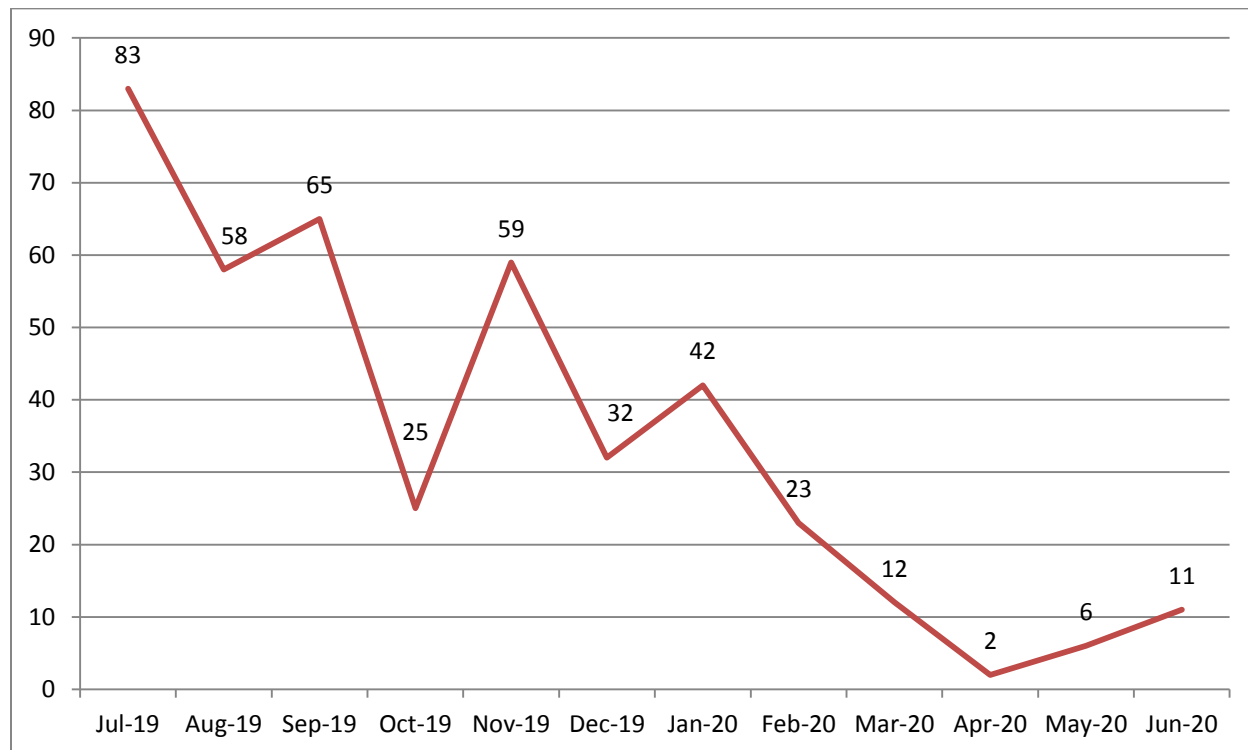
	<b>Street Cleansing (% litter and detritus)</b>
Previous contract	5%
Biffa	5%
<b>Percentage (+ / -)</b>	<b>-</b>

### **Performance update: July 2019 - June 2020**

6. To remind Members, the Council employs a staff team of three full time officers to operate the contract, which falls under the management of the Housing and Community Service. The team oversee and manage the operational performance of the contract with Biffa, including the monitoring of rounds, performance data and coordinating customer enquiries and complaints.
7. Council managers and officers meet twice weekly with the local Biffa operations manager and supervisors to discuss performance and wider operational challenges, such as the locations of where bins have been repeatedly missed and street and beach cleansing queries. The Council and Biffa hold regular visits with residents to resolve collection issues.
8. The key performance indicators (KPIs) for each service are described in Schedule 8 of the Contract: the Performance Management Framework (PMF). The PMF is a mechanism which controls the standard of acceptable performance and the consequences of not achieving those standards. The key mechanisms depend on the application of performance points and separately, financial deductions.
9. From the end of the "honeymoon" period (September 2019 to end February 2020), contract performance was within acceptable levels.

## Complaints

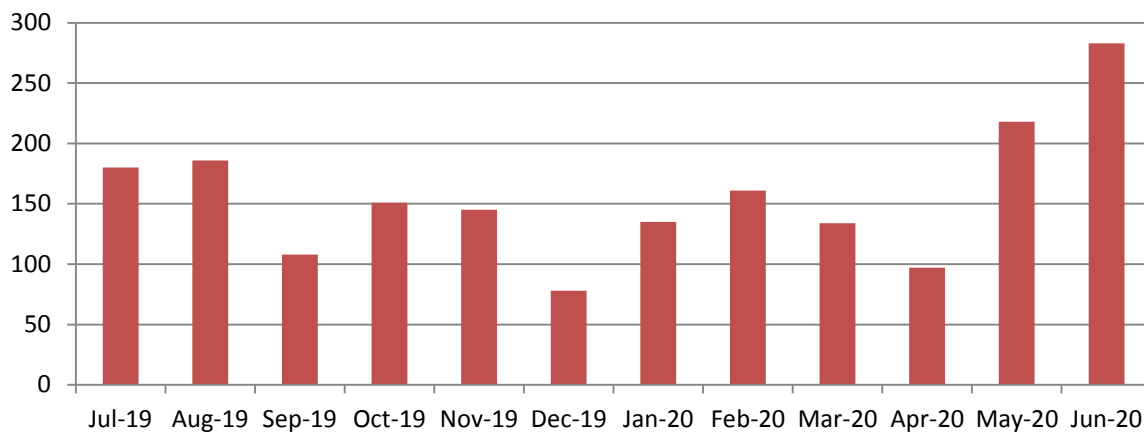
10. We have experienced a significant reduction in complaints over the first year of operating the contract due to the improvement in missed bin performance over the period (see chart below). This has reduced demand on the Council Customer Services and Waste teams, which was an unquantified cost under the previous contract and has delivered an efficiency saving to the Council.



## Collection Services

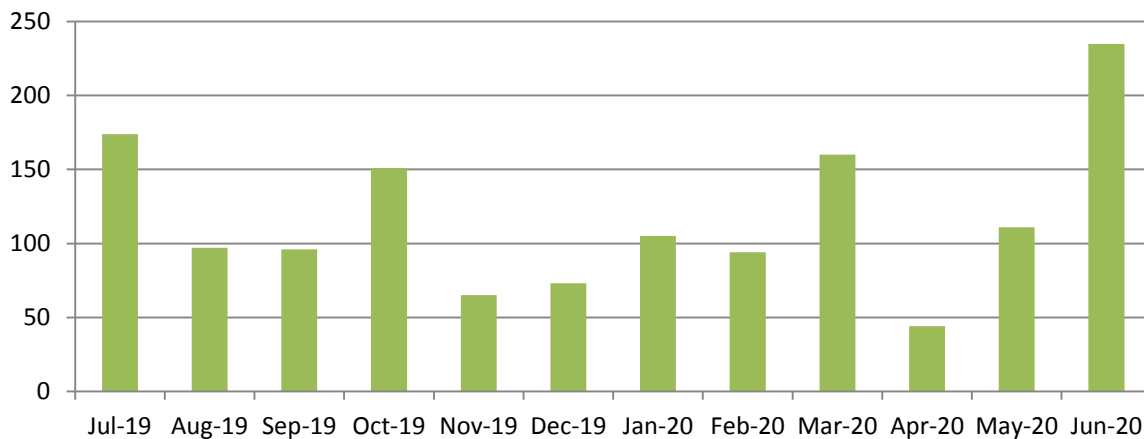
11. Members should note that a missed bin is defined as a bin that has not been collected on the scheduled day without a valid reason. This can be whole roads or individual bins which the resident has reported to officers either online or by telephone by 5pm the next working day. Biffa then has to return to collect within 24 hours.
12. The charts below illustrate the number of bins which have been missed per collection type over the contract period with Biffa, between July 2019 and June 2020. Note that the data is presented as the number of actual bins missed rather than per 100,000 households.

## Missed Bins Domestic

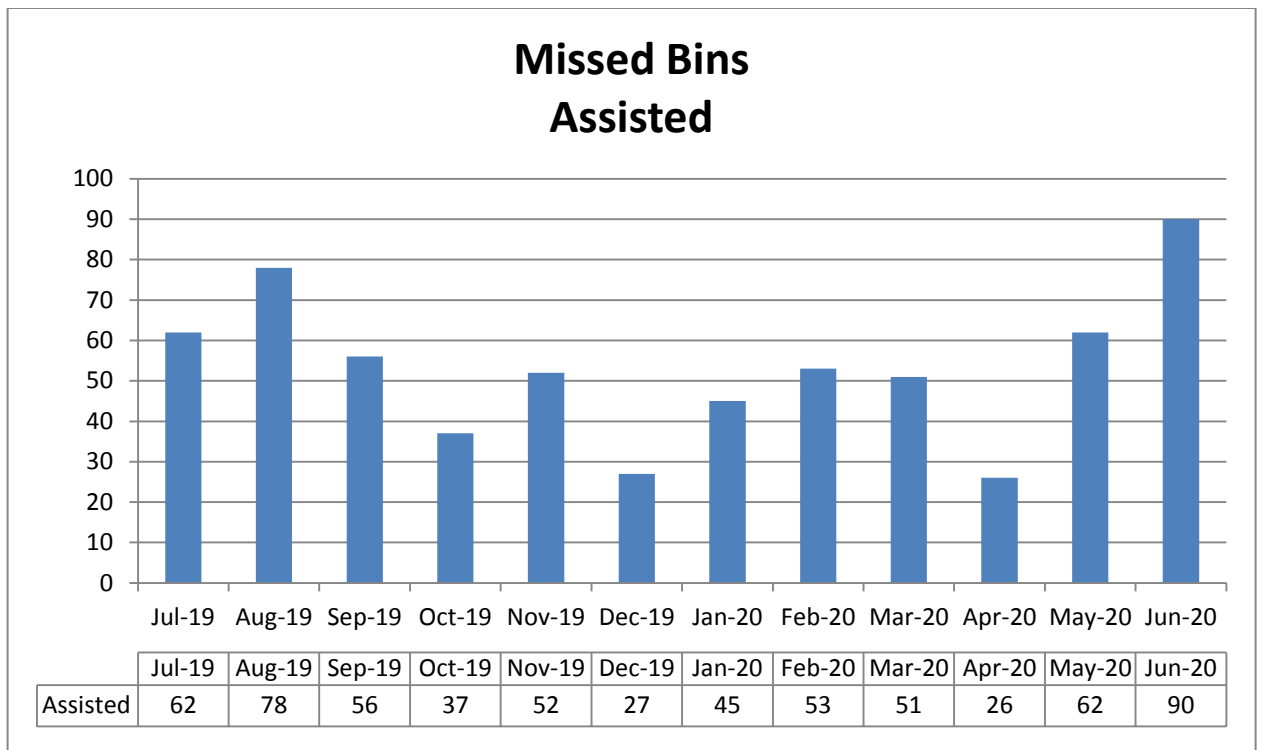


	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Domestic	180	186	108	151	145	78	135	161	134	97	218	283

## Missed Bins Recycling



	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Recycling	174	97	96	151	65	73	105	94	160	44	111	235



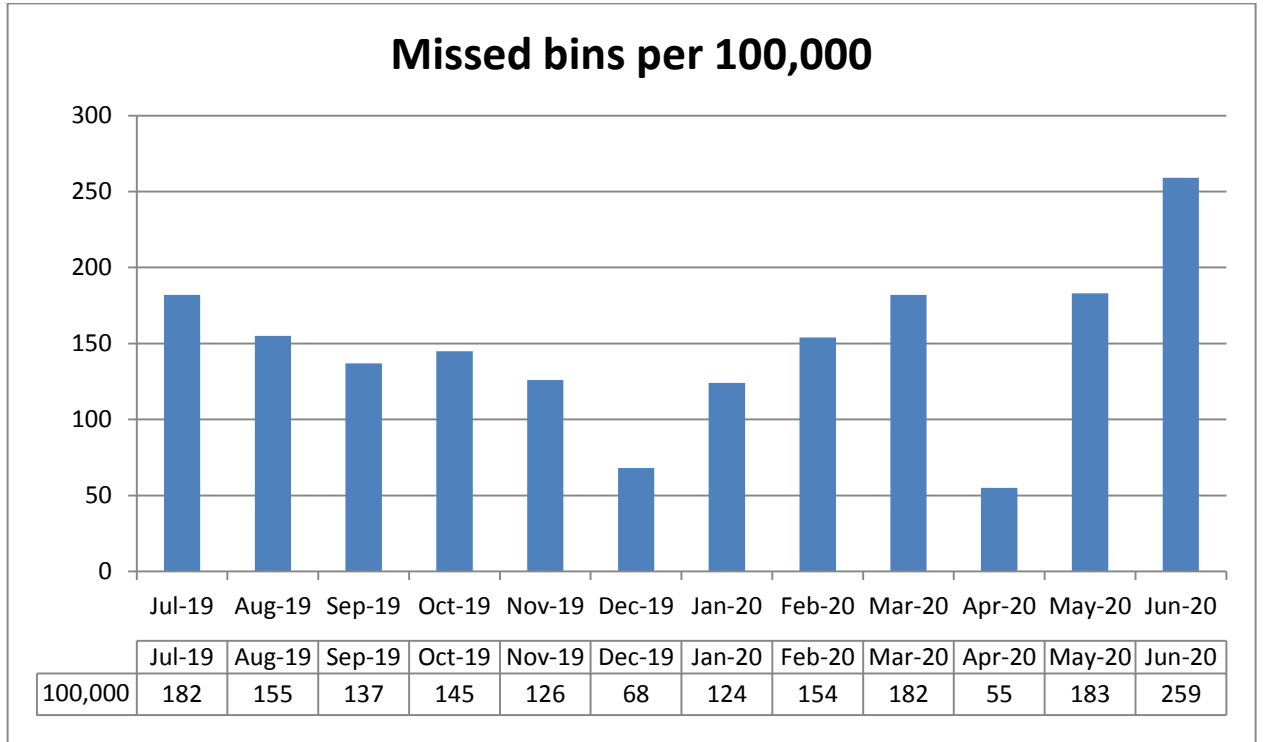
13. The missed bin performance was improving steadily prior to the outbreak of COVID-19 in March 2020. COVID-19 had a significant impact in Biffa's staffing levels and the availability of experienced drivers that know the collection rounds intimately. The situation led to the suspension of garden waste services for April 2020 which focussed resources on the remaining waste streams and improved performance.
14. However, since May 2020 the staffing challenges at Biffa have 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 has led to a very poor missed bin performance latterly; however, this has begun to improve during July 2020 as the new Biffa staff gain more experience of their collection rounds.

	<b>Domestic</b>	<b>Recycling</b>	<b>Garden</b>	<b>Assisted</b>
<b>Jun-20</b>	283	235	152	90
<b>Jul-20</b>	226	87	75	60

#### Missed bins per 100,000 collections

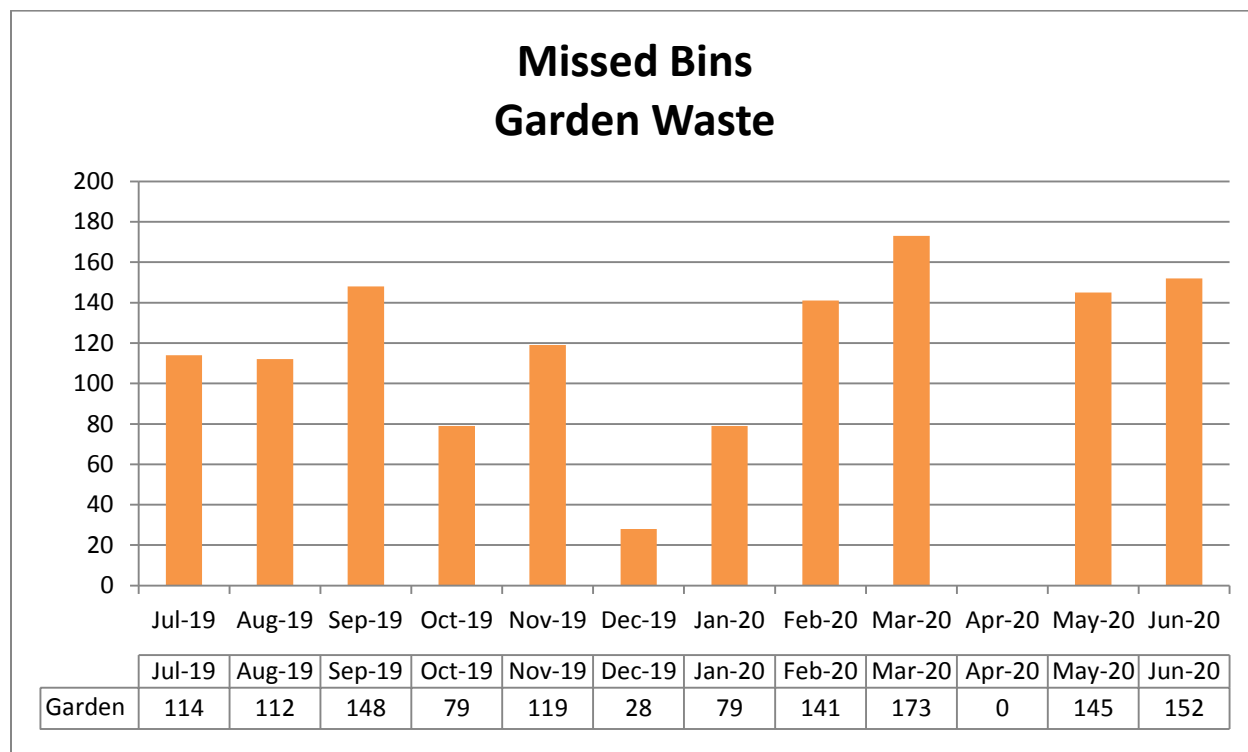
15. In order to provide a consistent measure across the three different local authority areas within the contract, for performance management purposes the number of missed bins is calculated as a proportion of 100,000 collections. The contract has a target of 120 missed collections per 100,000 collections.
16. The performance was below the target of 120 missed bins prior to the outbreak of COVID-19 but has risen latterly leading to an overall average for the period of 148

missed bins per 1000,000. It is relevant to note that the performance for July 2020 has returned to levels prior to the outbreak of COVID-19.



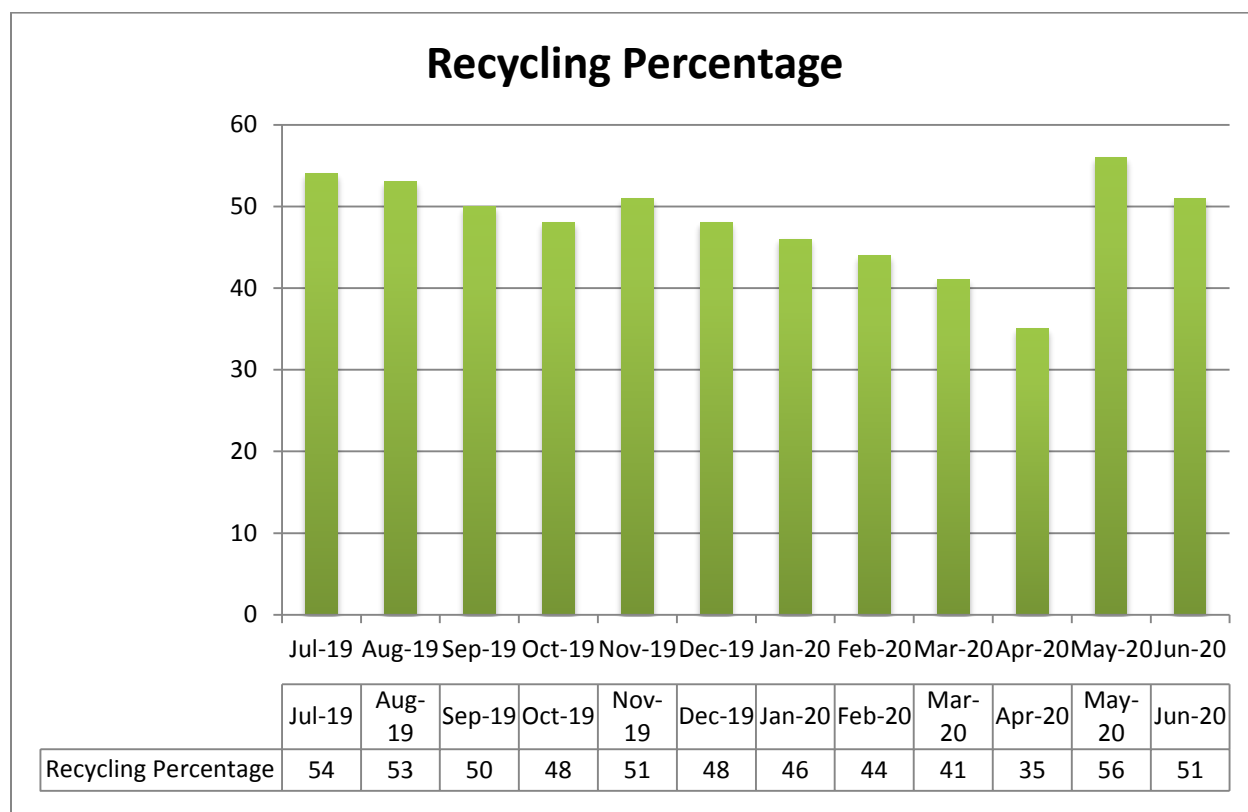


## Garden Waste Collections



17. 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 is £744, 053. This is approximately £135,000 lower than the target set for 2020/21.
18. The missed bin performance in garden waste was also improving prior to the impact of COVID-19 and latterly the performance has begun to improve from 152 in June 2020 to 75 in July 2020.

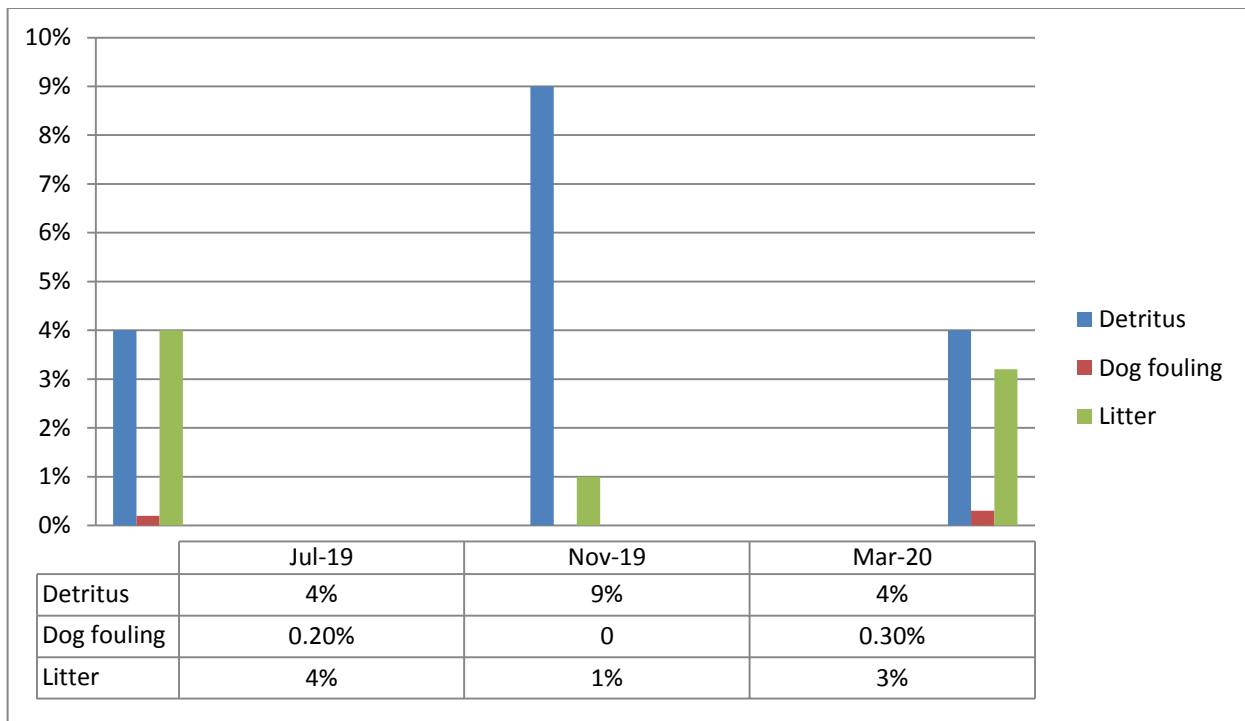
## Recycling Percentage



19. Only acceptable items can be processed for recycling, so it is important for sources of contamination to be identified and action taken to exclude those items. The most common form of contamination stems from residents inappropriately using recycling bins to contain residual waste. In addition, contamination also occurs when collection staff mix residual or garden waste with dry-mixed recycling and the contamination becomes visible to waste transfer station staff when the vehicle is tipped. Biffa are improving the occurrences of these incidents, but more work needs to be done to reduce these.
20. There is 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. The indicative results from Biffa for Quarter 4 have been affected by the disruption to the garden waste service during March. The performance has been achieved at a time where recycling rates have fallen in other parts of the country and this has, in part, initiated a widespread government review across the industry.

### Street and Beach Cleansing

21. Independent surveys of streets are completed by an external consultant every four months to measure litter, detritus and dog fouling. The results demonstrate that Biffa are meeting the required standards in all areas overall and consistently exceeding target in litter and dog fouling. Detritus is distinct from litter in being defined as organic material such as leaf detritus, for example.



Detritus - performance target is 8%

Dog fouling - performance target is 0.5%

Litter - performance target is 4%

22. Camber Sands Task Force that Biffa established to cleanse the Camber dunes and beaches has proved largely successful during both the 2019 and 2020 seasons. However, peak visitor days still prove challenging, particularly this year due to the exceptional circumstances around COVID-19. Following future operational reviews Biffa will be proposing changes to the litter bin placements at Camber Sands for next season.
23. Fly tipping has increased during months of May, June and July 2020 compared to the same period in 2019. For example, there were 62 fly tips reported in July 2019 compared with 119 reported in July 2020. We have seen an increase in small localised fly tips around bring sites and litter bins where it is proving difficult to identify evidence for further investigation. It is felt that the Government imposed lockdown combined with household waste recycling sites being closed has contributed to the increase. We will continue to monitor the situation closely with the Joint Waste Partnership. It is possible that we may be seeing a longer-term challenge as households move towards more shopping online, generating more household waste and recycling.

## Conclusion

24. The new contract is performing well in comparison to performance under the previous contract; however, there are still improvements to be made and the missed bin performance is not satisfactory in the longer term. It is important to recognise that Biffa are improving what was a failing contract under the previous contractor and it is important to continue to support Biffa to improve performance. The main

benefit seen to date is a significant reduction in complaints and the associated reduced burden on Council resources.

25. While not a measurable result, it is important to note that in general the day-to-day working relationship with Biffa is positive and productive. For example, the drop in missed bin performance experienced under the COVID-19 Pandemic has begun to be resolved as promptly as possible and we are confident that the contract will return to being within target shortly.

## Implications

### Financial Implications

26. The improvements in performance are being delivered at a significant additional cost to the previous contract with the outturn in 2019/20 being £4.6 million compared to an outturn of £3.3million in 2018/19 under the previous contract.

### Environmental

27. The waste contract supports the Council to meet its statutory responsibilities to provide a Waste Collections, Street and Beach Cleansing service. The effective delivery of the service supports the Council's ambitions to provide a clean environment from which residents benefit. The recycling rate achieved is presently within target; however, the reduction in garden waste services due to COVID-19 may affect this performance during 2020/21.

### Sustainability

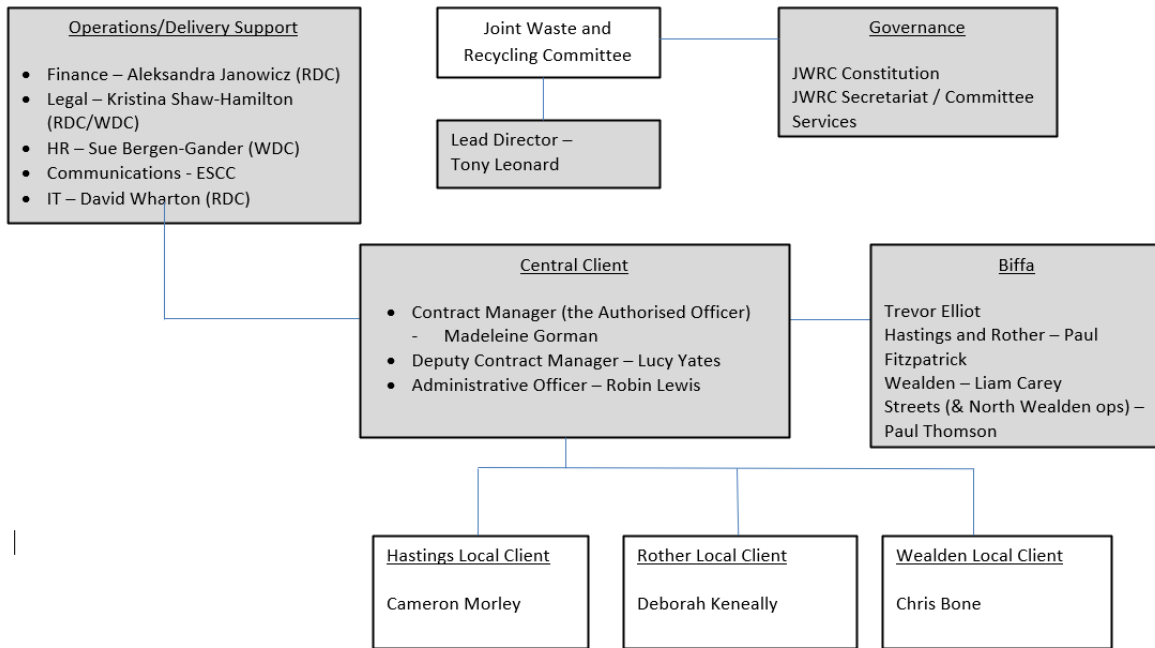
28. The success of the Waste Collections, Street and Beach Cleansing service in delivering its environmental outcomes relies upon the delivery of a sustainable contract that remains affordable to residents.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	No		

Executive Director:	Malcolm Johnston
Proper Officer:	Malcolm Johnston
Report Contact Officer:	Deborah Kenneally
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Appendices:	A - Structure Chart
Relevant previous Minutes:	N/A
Background Papers:	N/A
Reference Documents:	N/A

STRUCTURE CHART

East Sussex Joint Waste Collection Partnership: Client Structure  
 (Shaded boxes indicate functions of the administering authority)



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## Rother District Council

<b>Report to:</b>	Overview and Scrutiny
<b>Date:</b>	14 September 2020
<b>Title:</b>	Performance Report: First Quarter 2020/21
<b>Report of:</b>	Ben Hook
<b>Ward(s):</b>	N/A
<b>Purpose of Report:</b>	To monitor the delivery of the Councils Key Performance Indicators
<b>Officer</b>	
<b>Recommendation(s):</b>	It be <b>RESOLVED</b> : That Overview and Scrutiny Committee consider these findings and recommend any actions to Cabinet, as necessary.

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## Introduction

1. For the financial year 2020/21, Members of the Overview and Scrutiny Committee (OSC) and Cabinet selected a set of 12 key performance indicators (KPIs). These indicators stand as a barometer of the delivery of the Councils' Corporate Plan and those service areas Members wish to scrutinise over the year, as agreed by Cabinet on 10 February 2020 (Minute CB19/95 refers).
2. For the 2020/21 financial year, the focus has been set on four themes:
  - Housing and Homelessness: to monitor the delivery of the Housing and Homelessness and Rough Sleeping Strategy adopted in 2019
  - Waste and Recycling: to monitor the delivery of the waste and recycling contract from July 2019.
  - Asset Income: to monitor the delivery of the Property Investment Strategy adopted in 2018.
  - Other Income: to monitor significant non-tax income as a part of the Council's revenue streams.
3. This report brings before Members a summary of the Council's Performance against the selected themes, giving the position at the end of the first financial quarter (1 April 2020 to 30 June 2020). The report gives Members an opportunity to scrutinise the progress towards the Council's stated aims, outcomes and actions in the Corporate Plan and makes any necessary recommendations to Cabinet for future service delivery.

## Overview

4. A summary of the KPI performance is set out in the table below. Performance is compared to the previous quarter result and to the same quarter the previous year.

<b>Housing &amp; Homelessness</b>		Status	Compared to same quarter previous year	Compared to previous measurement
Affordable Homes Built (gross) Supply target				
Affordable Homes Built (gross) Local Plan target				
Net Additional Homes Provided (Supply Target)				
Net Additional Homes Provided (Local Plan Target)				
Prevention of Homelessness Cases per 1,000 Rother Households				
Number of all Households in Temporary Accommodation				
Average Weeks in Temporary Accommodation				
<b>Waste &amp; Recycling</b>		Status	Compared to same quarter previous year	Compared to previous measurement
Waste Re-used, Composted and Recycled (reported one quarter in arrears)				
Contractor Re-used, Composted and Recycled				
Contractual Missed Bins per 100,000 Collections				
<b>Asset Income</b>		Status	Compared to same quarter previous year	Compared to previous measurement
Net Income from All Investment Assets				
Investment Asset: Return on Investment %				
<b>Other Income</b>		Status	Compared to same quarter previous year	Compared to previous measurement
Car Park Income				
Garden Waste Income				
Planning Income				

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				

5. The tables of performance and explanation accompanying each of the four themes can be found at Appendices A, B, C and D.



## Indicators by Exception

- Members requested to have reported, by exception, any other performance that is doing significantly better or significantly worse than its target set. There are no indicators by exception to report this quarter.

## COVID-19

- March 2020 saw the onset of the COVID-19 pandemic. This has adversely affected performance levels in quarter one for all KPIs reported. The Committee will want to consider whether any amendments to the KPIs are necessary as a result. Officers would recommend that the KPIs remain the same as this will provide a baseline for the overall impact of COVID-19 in this financial year.

## Conclusion

- This report sets our performance against the agreed key performance indicators for the four themes for the first quarter of 2020/21.
- Members are requested to consider performance against targets or forecasts and pass any additional recommendations for action to Cabinet for consideration.

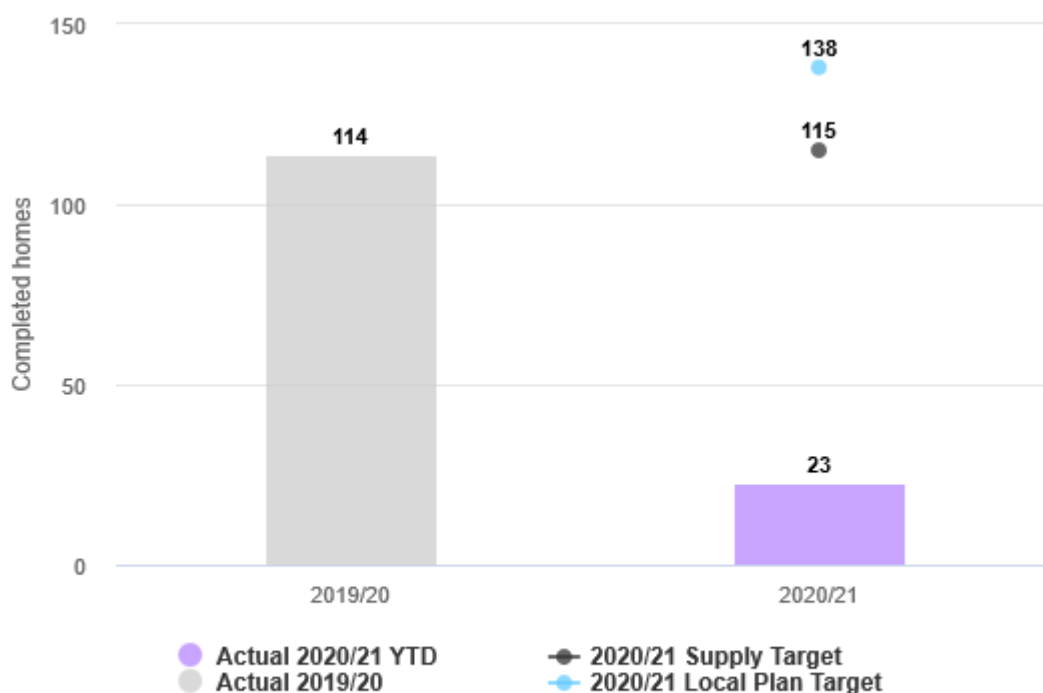
Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	Yes		

Executive Director:	Dr Anthony Leonard
Proper Officer:	Malcolm Johnston, Head of Paid Service
Report Contact Officer:	Ben Hook
e-mail address:	Ben.hook@rother.gov.uk
Appendices:	A – Housing & Homelessness B – Waste & Recycling C – Asset Income D – Other Income
Relevant previous Minutes:	CB19/95
Background Papers:	N/A
Reference Documents:	N/A

## HOUSING & HOMELESSNESS

### Affordable Homes Built

1. This measurement is the gross number of new affordable homes that have been completed in the district. By completed we mean that the home has been built and handed over from the developer to the provider for occupation by a tenant or purchaser. The home may not yet be occupied. This measurement monitors the delivery of the Corporate Plan outcome for affordable and decent housing stock, specifically the action to support the development of affordable accommodation.
2. The indicator has two targets: the supply target and the Local Plan target. The supply target is based on anticipated delivery from planned sites that we knew about at the time of setting the target. The supply target is 115 affordable new homes for 2020/21. The Local Plan target is based on local housing need set out in the Local Plan and is set at 138 new affordable homes by the end of 2020/21.

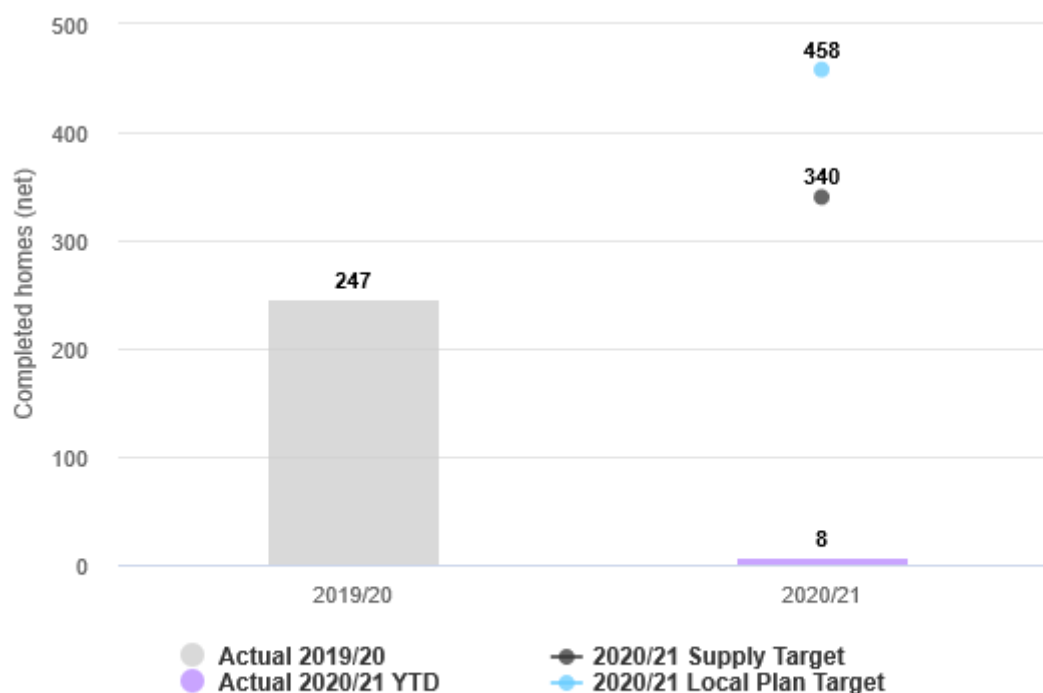


### Affordable Homes Built

Polarity: Higher is better

### Additional Homes Provided

3. This measurement counts the number of all new homes in Rother, allowing for demolitions and change of use to give a net gain. This measurement monitors the delivery of the Corporate Plan outcomes to manage spatial development and the provision of affordable and decent housing stock.
4. This indicator has two targets: the supply target and the Local Plan target. The supply target is based on the projected delivery for the year, as set out in the April 2019 Housing Land Supply and Trajectory report. The supply target is 340 new homes for 2020/21. The Local Plan target is based on the outstanding annual requirement in order to meet the local need of 5,700 homes identified in the Core Strategy. As April 2019, the annual Local Plan target is 458.

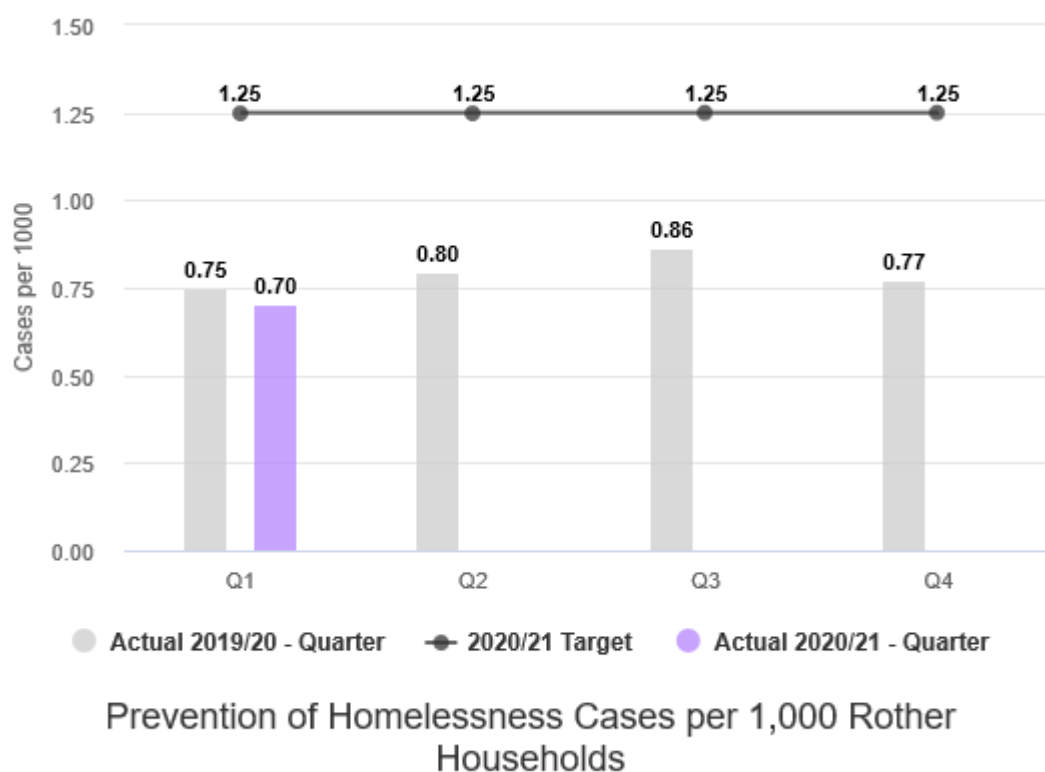


### Additional Homes Provided

Polarity: Higher is better

## Prevention of Homelessness Cases per 1,000 Rother Households

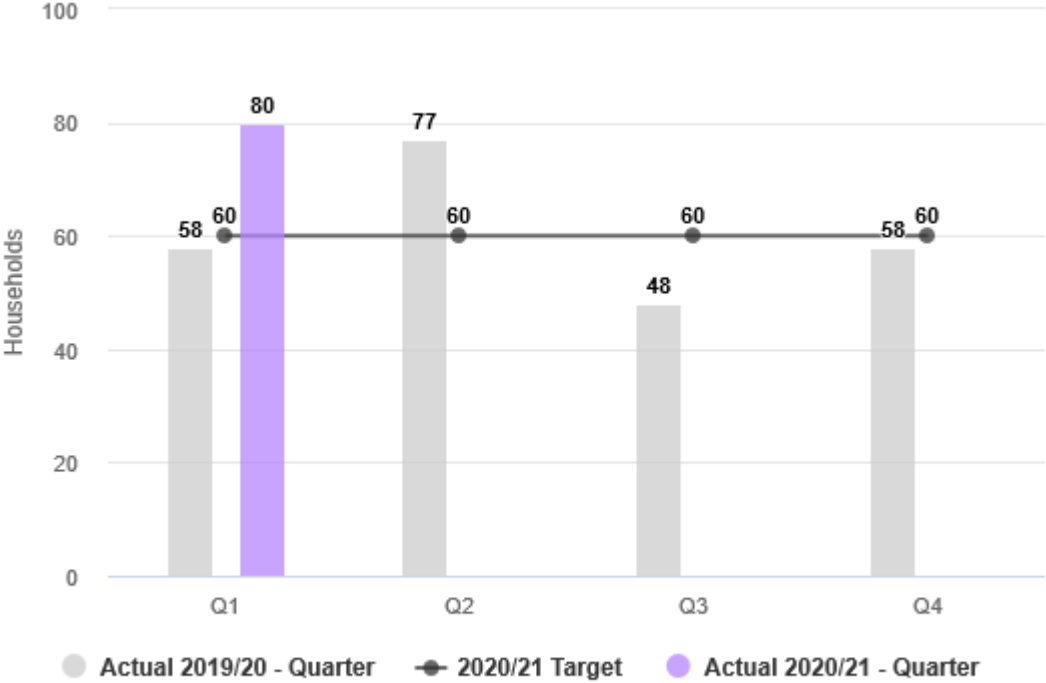
5. This measurement shows the number of households the Housing Needs service prevented from becoming homeless through intervention, advice, assistance and relief. It is expressed as the number of cases in proportion to 1,000 Rother households and can be benchmarked against other district councils in England.
6. The target for 2020/21 is 5 preventions per 1,000 households.



Polarity: Higher is better

**Number of all Households in Temporary Accommodation**

- 7. This measurement is the number of households in Temporary Accommodation (TA) on the last day of the month.
- 8. The target for 2020/21 is 60 households.

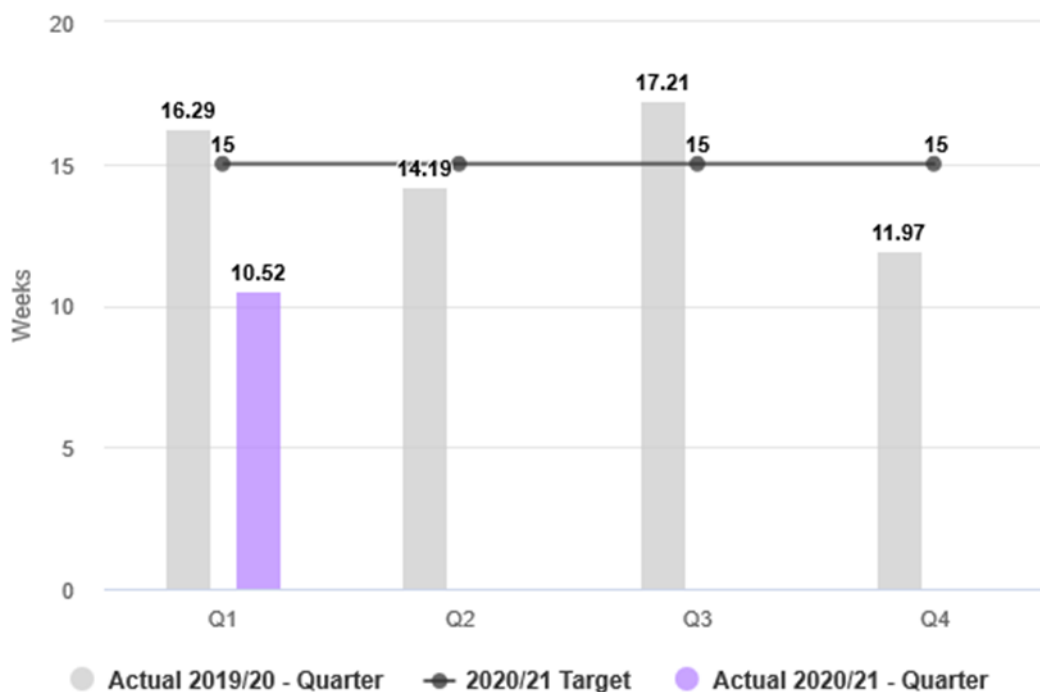


Number of Households in Temporary Accommodation

Polarity: Lower is better

## Average Weeks in Temporary Accommodation

9. This measurement is the average number of weeks that households in TA have remained in TA.
10. The target for 2020/21 is 15 weeks.



### Average Weeks in Temporary Accommodation

Polarity: Lower is better

## Housing & Homelessness Summary

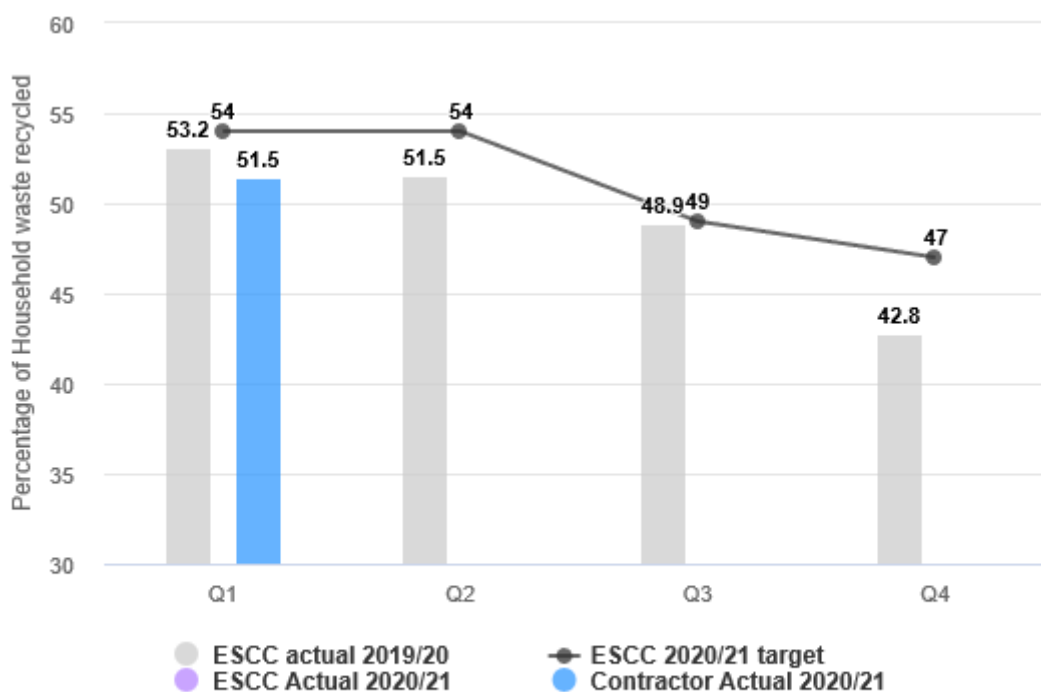
11. The ongoing issues of COVID-19 and the impact on the construction industry is well documented. The provisional figures for new additional homes are 8 units for quarter 1 against the target of 85.
12. The Government is setting out a range of measure in the Business and Planning Bill to address these issues. It is likely that construction rates for the remainder of the financial year will remain below target.
13. There have been some delays to the expected completions of affordable home schemes this first Quarter of 2020/21 at Rosewood Park, Bexhill and Banky Fields, Ticehurst. In total we received 23 completions in Quarter 1 including units at Preston Hall Farm, Bexhill and Banky Fields, Ticehurst. We are currently expecting 19 completions during Q2 of 2020/21.
14. All schemes have experienced some delays due to the Government restrictions and programmes have been delayed and will remain subject to change. So far this has resulted in a reduction from the original supply target of 115 total expected completions for 2020/21, to 82 completions.

15. The prevention of homelessness and the accuracy in recording positive outcomes was improving prior to the COVID-19 Pandemic; 3.2 in 1,000 households being prevented in 2019/20 compared to 2.3 in 2018/19. The trend has unfortunately been reversed during quarter 1 2020/21 as people were unable to move into new properties in both the private and social housing sectors. Given the scale of the challenges faced it is important to note we only experienced a 0.5-point drop per 1,000 households in quarter 1 2020/21 compared to the same period in 2019/20 - from 0.75 per 1,000 to 0.70.
16. The lifting of COVID-19 restrictions did initially provide an upturn in tenancies secured via the Rother Tenant Finder Service during July. However, the trend seems to be reversing across the county and we are concerned to observe that the rental market is slowing down considerably.
17. There is also a concern that the present embargo on evictions could lead to a flood in evictions once the embargo is lifted in August. We are informed that the court eviction processes mean we will begin to see possession orders being issued by the courts in around December 2020. In response we are reviewing our incentive schemes within the Rother Tenant Finder service. We are also undertaking a county-wide review in order to standardise our incentive schemes and launch a more proactive advertising campaign to secure more tenancies for homeless groups.
18. We continue to see a decrease in the time people spend in TA which is positive and is the result of a greater number of social housing tenancies coming available following the COVID-19 Pandemic. However, we are continuing to see a rise in new cases entering TA which has the effect of reducing the average time a household has been accommodated.
19. We have seen a steady increase in the total number of homeless accommodated in TA due to COVID-19, from 51 households in February 2020 to the 80 households in June 2020. There are a much greater number of single people being accommodated since the Government's announcement that bring 'everyone in' meaning that all rough sleepers are to be accommodated where possible.
20. We are working with the other local housing authorities in East Sussex to bid collectively for various pots of funding being made available to support the cohort of rough sleepers accommodated. There is both capital and revenue funding available to increase the support available to rough sleepers where they are presently accommodated (in B&B type accommodation) and funding to purchase accommodation to provide supported housing solutions for former rough sleepers.

## WASTE & RECYCLING

### Household waste Re-used, Composted and Recycled

1. This measurement is the percentage of collected household waste sent to be re-used, recycled and composted.
2. There are two measurements. The first based on data reported by East Sussex County Council which includes all waste collection streams and is reported one quarter in arrears. The second measurement is provided by our contractor and includes most but not all waste collection streams; this measurement is not the official result but gives an indication of likely outturn.



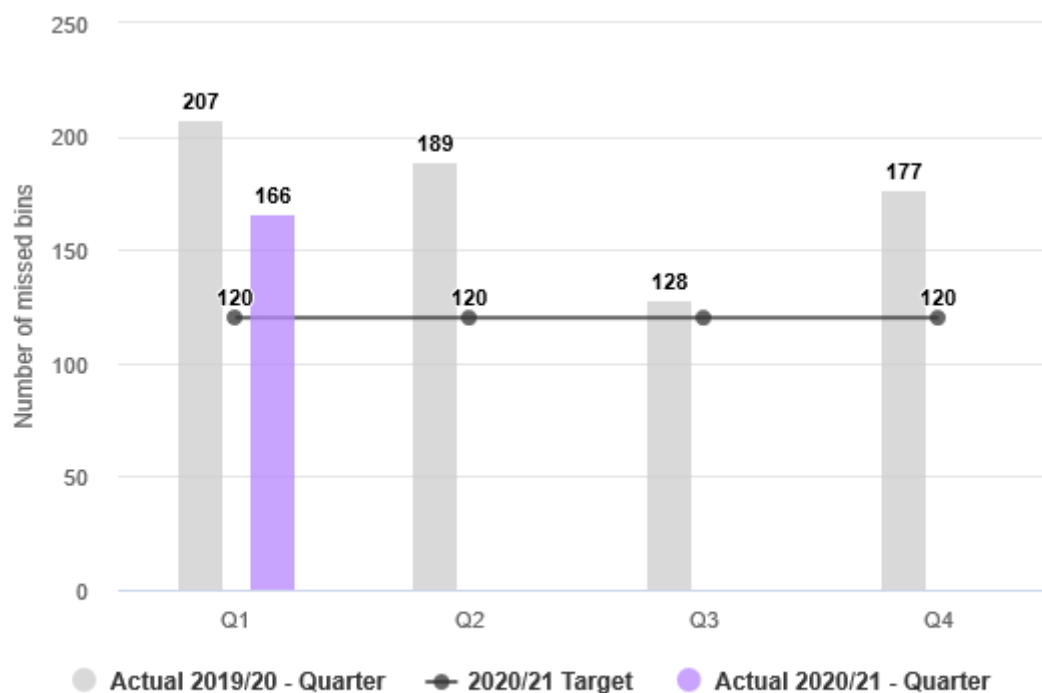
### Waste Re-Used, Composted and Recycled

Polarity: Higher is better



### Missed bins for every 100,000 collections

3. This measurement is calculated by dividing the number of missed bins by the total number of collections and multiplying by 100,000 so the data is comparable across all waste collection services.
4. The contract target for 2020/21 is no more than 120 missed bins per 100,000 collections.



Missed bins for every 100,000 collections

Polarity: Lower is better

### Waste & Recycling Summary

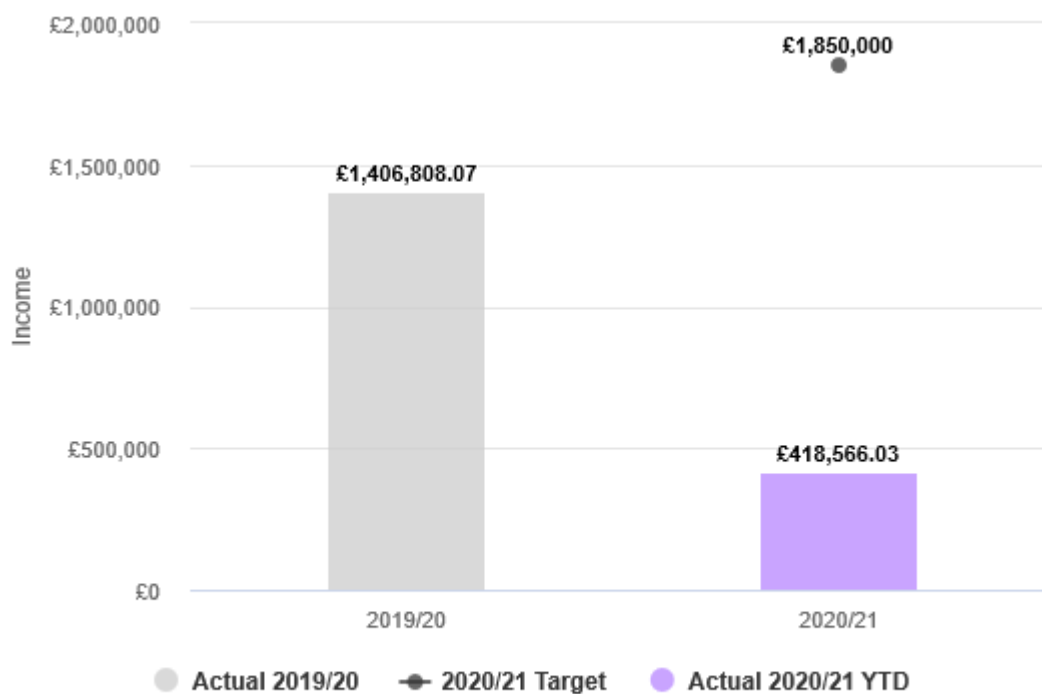
5. The overall number of missed bins for waste collections has seen an increasing trend following a contract low in April 2020 of just over 55 missed bins per 100,000. Note, there were no garden waste rounds in April and the lockdown had the effect of freeing up roads and resources, thereby increasing efficiency of service.
6. The missed bin rate has subsequently risen reaching a high of 259 missed bins per 100,000 in June. This trend has been seen across all types of collections and has been impacted by a rising rate in whole rounds not completing on the scheduled day. We understand from Biffa that during this period a high turnover rate in drivers has resulted in training drivers on unfamiliar rounds during May and June. Biffa have now assured us that the problem with employee turnover is rectified and it is expected that there will be a reduction in the number of missed bins in the coming months. Indeed, we have seen a reduction in total missed bins across all waste streams between June and July 2020 from 760 to 450.

7. Contractor waste reused, composted and recycled overall for quarter 1 is 51.5% against an annual target of 51%. This is lower than expected for the first quarter due to no garden waste collections in April, and only partly recovered in May 59.2% and June 53.9%.

## ASSET INCOME

### Net Income from All Investment Assets

1. This measurement is forecast annual net income from investments calculated from gross income less expenditure excluding borrowing and interest payments.
2. The Asset Income total does not include 'community' assets which might also generate an income such as sports facilities, allotments etc.
3. The target for 2020/21 is £1,850,000. This does not include any provision for income from any new property purchases achieved in the year.

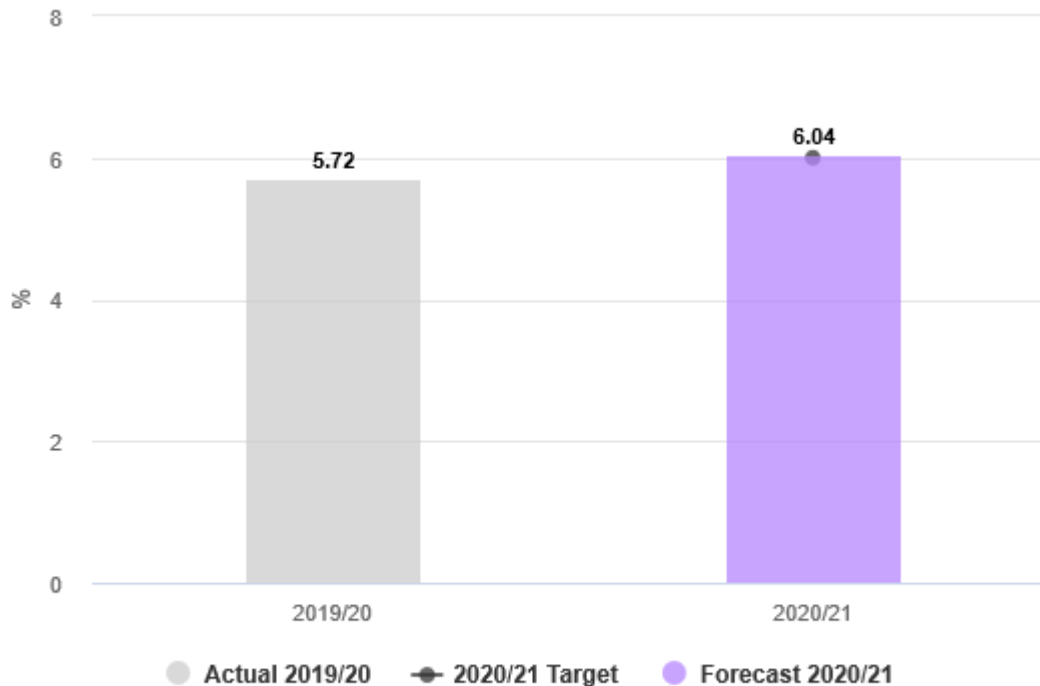


### Net Income from all Investment Assets

Polarity: Higher is better

### Investment Asset: Return on Investment %

4. The Council calculates its return on investment based on the valuation of the investment assets, their combined income and combined expenditure.
5. The target for 2020/21 is a 6% return on investment.



### ROI from all Investment Assets

Polarity: Higher is better

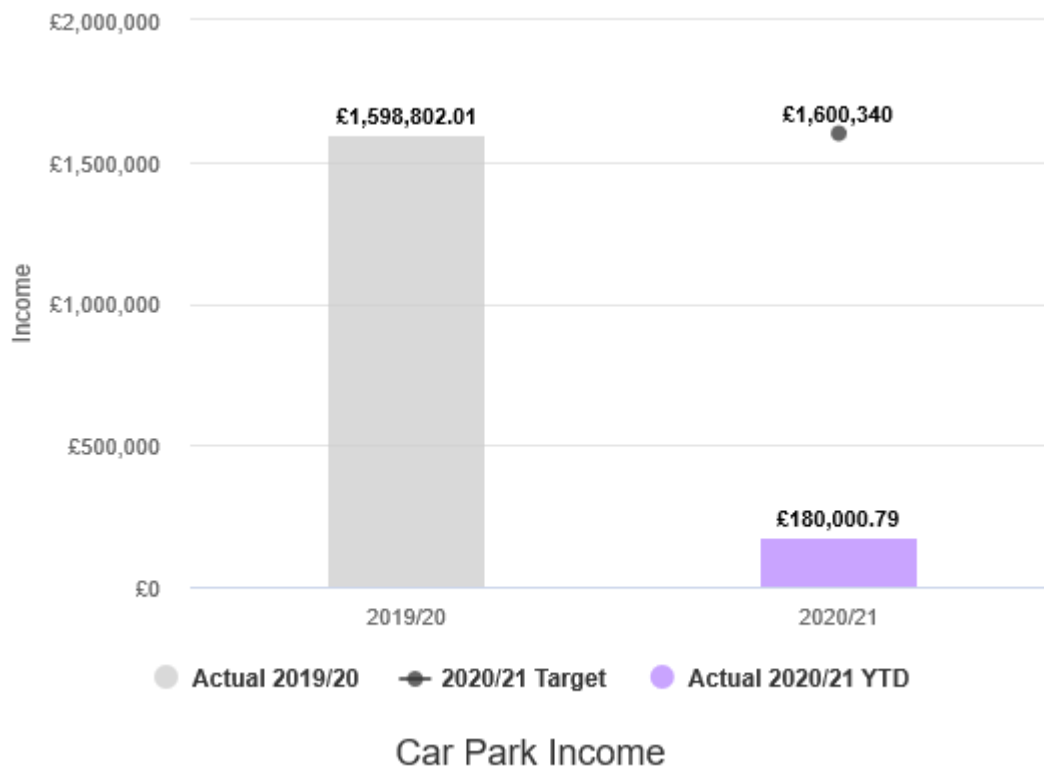
### Asset Income Summary

6. No invoices were sent out at the beginning of Quarter 1 due to the onset of the COVID-19 pandemic. This was to enable tenant businesses to better manage cashflows during this period. Retrospective invoices have now been sent to all tenants and the Estates and Finance Teams are working closely with tenants to discuss flexible payment terms as necessary.
7. The income shown in the graph is the expected income due from Q1 rather than the actual. Q2 reporting will provide greater detail on non-payment of invoices and rent relief required by tenants which will affect the overall income generated for the year.

## OTHER INCOME

### Car Park Income

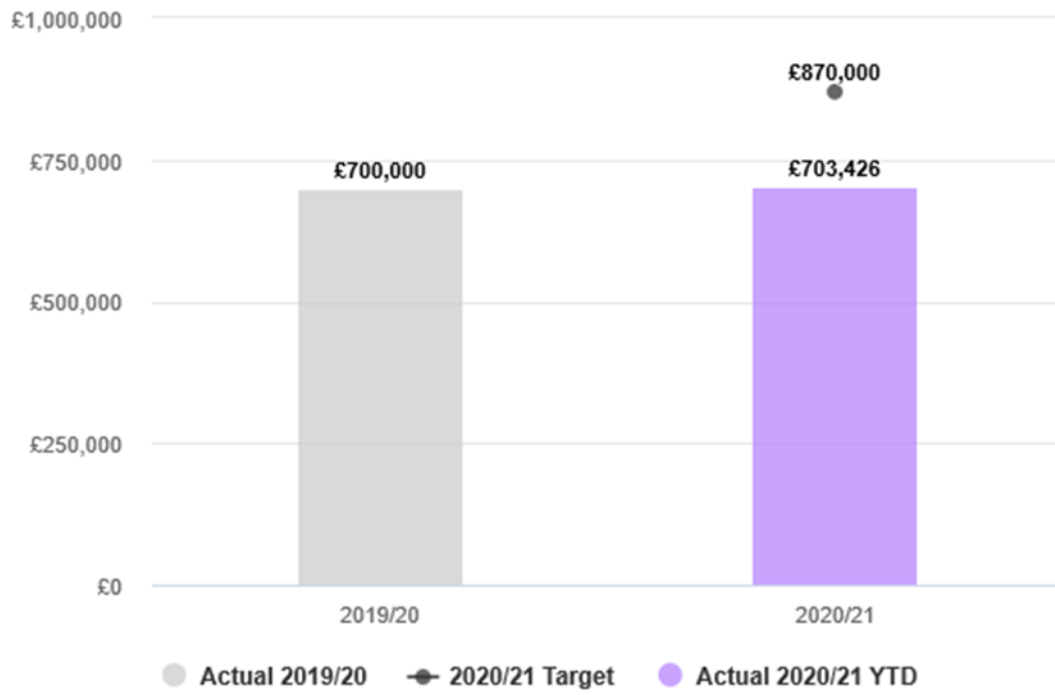
1. This measurement monitors the income received from RDC owned car parks.
2. The target for 2020/21 is £1,600,000.



Polarity: Higher is better

## Garden Waste Income

3. This indicator is to measure garden waste income.
4. The Target for 2020/21 is £870,000.

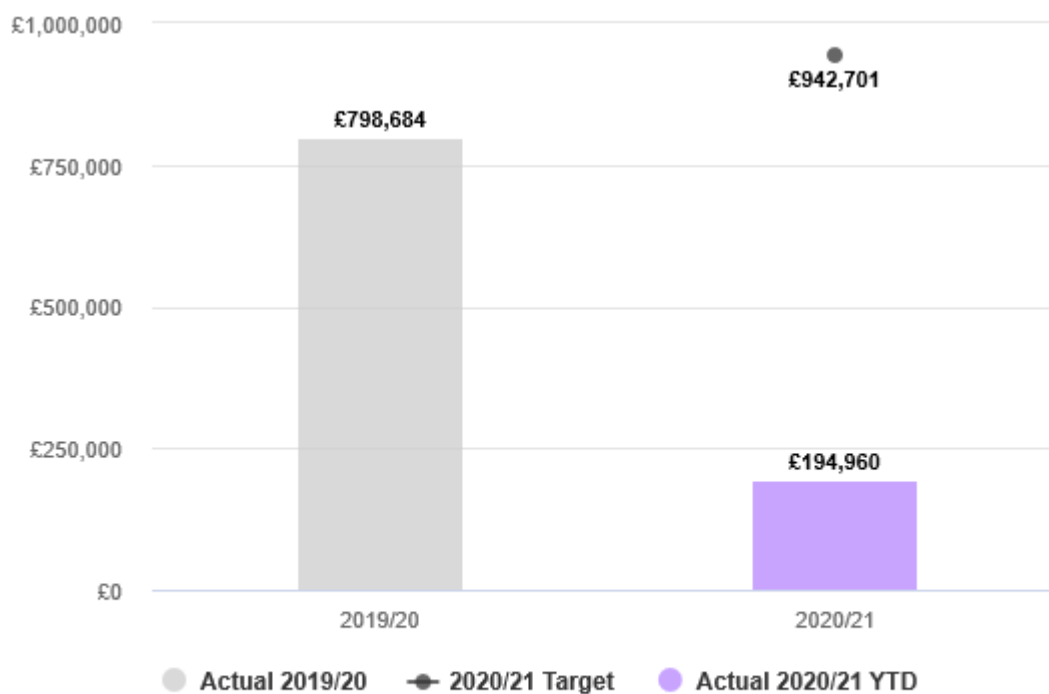


### Garden Waste Income

Polarity: Higher is better

## Planning Income

5. This measures the income received for planning applications, land charges and pre-planning advice.
6. The target for 2020/21 is £940,000.



## Planning Income

Polarity: Higher is better

## Other Income Summary

7. The forecast car park income is predicted to be £250k under target for 2020/21. This is due to the impact of COVID-19 pandemic and the resulting closure of car parks at Camber Sands and no parking charges/fines during April across the district and little income in May during the 'lockdown' period.
8. Car park income for June 2020 was 10% higher than the average for the month in the previous 3 years and exceeded its target for £5k. Camber Western car park saw its second highest income taken in one month (during the last 5 years) of £76,654 (highest was £79,352 taken in Sept 2018).
9. The garden waste renewal process completed on 15 July 2020, with all new bin deliveries completed on time to new customers. A final sweep up of outstanding payments will continue through August. At present figures show 19,473 active accounts of which 18,742 were scheduled for renewal with 831 new customers registered since April 2020.

10. A reduced subscription of £5 was offered on renewal following disruptions to the garden waste collection service during April and May due to COVID-19. The predicted income based on this change is £744, 053. This is approximately £135,000 lower than the target set for 2020/21.
11. COVID-19 has impacted the planning income received during quarter 1. It is hoped the income will pick up throughout the year.



## Rother District Council

**Report to:** Overview and Scrutiny Committee

**Date:** 14 September 2020

**Title:** Tourism Events Funding

**Report of:** Head of Service – Acquisitions Transformation and Regeneration

**Ward(s):** All

**Purpose of Report:** To present the position on Events Funding and the impact of COVID-19 and suggested options.

### Officer

**Recommendation(s):** It be **RESOLVED:** That Cabinet be requested to:

- 1) authorise the constitution of a Bexhill Marketing Group under the proposed Terms of Reference (Appendix A);
- 2) allocate the £9,000 from the Council's Events Budget to Bexhill Marketing Group, to support the marketing and promotion 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.

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### Introduction

1. This report reviews the allocation of funding for visitor events and needs to be considered in light of the impact of COVID-19 has had on the events industry. In June 2019 Cabinet 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 (Minute CB19/04 refers).

### Background

2. The allocated events budget was specifically to be used for pump priming new visitor events to help with start-up costs and to help existing visitor events with financial support towards new activity which will attract a new visitor audience.
3. The current policy and guidelines for the allocation of event funding are as follows:
  - a) two bidding rounds of funding to be offered in each financial year, in March and September;

- b) weightings to be introduced within a scoring system for funding applications, with a greater weighting awarded to those events planned for shoulder-season;
  - c) Council funding to be awarded to event organisers who can show growth within their event to increase visitor numbers to the district and add to the local economy; and
  - d) consideration be given to partnership funding for events from East Sussex County Council and / or from parish and town councils.
4. Further concessionary support is also being provided to events by the Council, which includes the use of Council owned land at no additional cost, usage of car parks, additional refuse collection and street clean-up services.
5. The events budget is managed by officers in consultation with the Cabinet Portfolio Holder for Communities, Culture and Tourism. The budget available is £18,000 per annum and covers Bexhill, Rye and rural Rother; but not Battle which has a separate arrangement which is detailed below.

### **Impact of COVID-19**

6. The COVID-19 crisis has resulted in the cancellation of all events planned for this year which would otherwise have received Council support and accordingly all applications have been postponed. Funding that would have been allocated towards events this year has therefore not been spent and it is recommended that this funding be rolled forward to the next financial year. This will enable the Council to support more events as we seek to restart the visitor economy in 2021.
7. Events for 2021 remain uncertain and this industry has been severely damaged by COVID-19 with many firms going into receivership. Therefore, event planning for 2021 remains speculative.

### **Town Events Programmes – current position**

#### Battle

8. As mentioned above, Battle has a separate arrangement in which £9,000 funding is allocated to the area. This continues to be spent on tourism marketing through an established marketing group comprising key stakeholders in Battle including Battle Chamber of Commerce, Battle Town Council, English Heritage, local businesses, event organisers and Battle Museum. Activity includes the production of an annual visitor guide, PR campaign, social media campaigns and events postcards.

#### Bexhill

9. The Cabinet Portfolio Holder for Communities, Culture and Tourism has 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 exists 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 is attached as Appendix (A).

10. It is proposed that £9,000 of the events budget (equivalent to the amount previously ringfenced for Bexhill events), be devolved to the Bexhill Marketing Group. In the future, a legally constituted Accountable Body will need to be identified to enter into a Service Level Agreement with the Council, in order to receive and pay funds and be accountable for the use of the Council's funding. In Battle, this role is currently undertaken by the Chamber of Commerce; but any legally constituted body on the Marketing Group could fulfil this role.
11. It is proposed the Rother District Council can undertake the role of Accountable Body for the first year of this arrangement, until an appropriate external partner can be identified. However, the Council does not have the resources to provide secretariat support for this group, which it will have to provide itself.

### Rye and Rural Rother

12. A request has been received by Rye Bay Marketing Ltd to assist with the shortfall in the 2021 funding for their annual Rye Visitor Guide. In 2020, 130,000 copies of the 50-page guide were printed, but due to the impact of the COVID-19 pandemic on the summer season, only 50% of the guides have been distributed. These guides are privately funded through advertising revenue, and with many contributing businesses experiencing significant losses, the future of this guide remains in doubt.
13. In most years, £9,000 would have been spent on part-funding events in the town through the RDC events budget. This year, as no events have been supported through this fund, it is recommended that the Committee request that Cabinet 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.
14. On-going, the remaining £9,000 from the annual budget will continue to be ringfenced for the support of events in Rye and rural Rother under the existing guidelines for events support and administered by RDC officers in consultation with the Lead Member.

### **Options**

15. In light of the Council's own financial position, the underspend of the £18,000 event budget could be used to reduce the Council's forecast overspend as reported to Cabinet Quarter 1 financial monitoring report.

### **Conclusion**

16. The proposals in the report would devolve support to marketing and events in Bexhill to a stakeholder group with the benefit of funding from the Council and help Rye Marketing produce its promotional material for 2020/21.

<b>Other Implications</b>	<b>Applies?</b>	<b>Other Implications</b>	<b>Applies?</b>
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

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Executive Director: Dr Anthony Leonard

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Proper Officer:	Malcolm Johnston – Head of Paid Service
Report Contact Officer:	Ben Hook - Head of Service – Acquisitions Transformation and Regeneration
e-mail address:	<a href="mailto:ben.hook@rother.gov.uk">ben.hook@rother.gov.uk</a>
Appendices:	A – Suggested Terms of Reference
Relevant previous Minutes:	CB19/04
Background Papers:	Tourism Task & Finish Group.
Reference Documents:	CB19/04

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## Bexhill Marketing Group

### Terms of Reference

#### Aims

To oversee and monitor local tourism marketing activity for Bexhill and surrounding area, to share information and best practice and to disseminate information to colleagues and decision-makers.

To become a constituted body that can hold and manage the annual £9,000 tourism events grant currently administered through Rother District Council (RDC).

#### Scope

- To develop a marketing strategy and campaign for Bexhill and the surrounding Bexhill area including Little Common and Sidley, incorporating printed material, advertising, PR, website, e-marketing, and other media as appropriate.
- To identify appropriate delivery mechanisms.
- To agree the allocation of the available budget, including but not limited to the £9,000 tourism grant from RDC, plus anticipated advertising revenue and other sources.
- To identify and pursue opportunities for additional revenue generation.
- To monitor the delivery of the marketing strategy and review activity as necessary.
- To ensure that the marketing campaign complements other local tourism marketing strategies and avoids duplication as far as possible.
- To respond to requests for Bexhill event support.

#### Desired Outcomes

1. To increase visitor footfall to Bexhill especially focusing on the shoulder months to extend the season.
2. A co-ordinated marketing strategy for Bexhill and the surrounding area.
3. Additional revenue streams brought in to support further marketing activity.
4. 'Buy-in' of key stakeholders.
5. To support the development and promotion of a variety of high-quality visitor events within Bexhill and surrounding local area.

#### Permanent Membership:

RDC: Cabinet Portfolio Holder for Communities, Culture and Tourism & 1 officer	2
1066 Country - Bexhill representative	1
De La Warr Pavilion	1
Brochure Connect	1
Bexhill Museum	1
Bexhill Chamber of Commerce	1

## **Yearly membership:**

Active event promoter (held an event in the last 12 months)	1
Accommodation provider (1 year term)	1
Local business representative (1 year term)	1
Co-opted members (1 year term)	2

Members will be responsible for representing the views of their organisations and for advising their respective organisations of the decisions of the Bexhill Marketing Group.

Any member put forward to represent an organisation for a 1 year term will be voted on by the permanent members.

Advisors - other parties may be invited to meetings by prior agreement of the Chairman in order to inform discussions but will not have a vote.

Up to two co-opted members may also be invited to join, by approval of the group.

Nominated representatives and nominated deputies, to be reviewed annually. There will be no duplication of roles so that one individual can only represent one organisation at the group.

## **Frequency of meetings**

Quarterly meetings will be the minimum requirement with additional meetings as necessary.

## **Quorum**

A minimum of six representatives from the full membership will be required for a quorum. Decisions will be reached by consensus wherever possible, but in the absence of a consensus approval of decisions will be made by a simple majority of those present.

## **Election of Chair**

The marketing group will elect its Chairman on an annual basis from the permanent membership.

## **Minutes**

The Marketing Group will provide the secretariat and minutes will be issued for public release following each meeting. Any confidential items will be marked as such and should not be distributed beyond the membership of the Marketing Group.

## Rother District Council

<b>Report to:</b>	Overview and Scrutiny Committee
<b>Date:</b>	14 September 2020
<b>Title:</b>	Revenue Budget and Capital Programme Monitoring – Quarter 1 2020/21
<b>Report of:</b>	Antony Baden – Finance Manager
<b>Cabinet Member:</b>	Councillor Dixon
<b>Ward(s):</b>	All
<b>Purpose of Report:</b>	To agree the forecast for the financial year ending 31 March 2021.
<b>Decision Type:</b>	Non-Key
<b>Officer Recommendation(s):</b>	It be <b>RESOLVED:</b> That the report be noted.

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This report, considered by Cabinet on 7 September 2020, has been referred to this Committee for Members' information. The report has been reproduced as submitted to Cabinet.

### Introduction

1. This report updates Members on the Council's finances as at the end of June 2020 and projects a provisional outturn for 2020/21. The financial position for the Council is shown in the table overleaf and further analysis is shown in subsequent paragraphs.
2. Since the detailed budget was approved by Cabinet on the 10 February 2020 there have been the two reportable virements, which have been reflected in the table above. Firstly, savings of £422,000 have been achieved by reducing the staffing structure and incorporating them into departmental budgets, leaving a balance of £78,000 as shown in line 17(v) of the table in paragraph 1. Secondly staff turnover of £282,000 was originally budgeted centrally in line 12 of the table in paragraph 1 but has now been consolidated into departmental salary budgets.

Line	Rother District Council General Fund Summary	Final 2019/20 Actual £ (000)	Revised 2020/21 Budget £ (000)	2020/21 Estimated Outturn £ (000)	2020/21 Variance £ (000)
1	Executive Directors & Corporate Core	2,217	1,999	1,999	0
1a	Executive Directors & Corporate Core - Coronavirus related	0	0	23	23
2	Environmental Services	321	575	537	(38)
2a	Environmental Services - Coronavirus related	0	0	43	43
3	Strategy and Planning	759	950	978	28
3a	Strategy and Planning - Coronavirus related	0	0	186	186
4	Acquisitions, Transformation and Regeneration	(223)	(321)	(318)	3
4a	Acquisitions, Transformation and Regeneration - Coronavirus related	0	0	200	200
5	Housing and Community Services	7,634	8,262	8,361	99
5a	Housing and Community Services - Coronavirus related	0	0	1,806	1,806
6	Resources	3,873	3,152	3,152	0
6a	Resources - Coronavirus related	0	0	732	732
<b>7</b>	<b>Total Cost of Services</b>	<b>14,581</b>	<b>14,617</b>	<b>17,699</b>	<b>3,082</b>
8	Interest from Investments	(508)	(400)	(252)	148
9	Capital Expenditure Charged to Revenue	416	1,359	1,839	480
10	MRP	29	242	242	0
11	Interest payments	286	610	610	0
12	Salaries turnover	0	0	0	0
13	(i) Increase income - Property Investment Strategy	0	(544)	0	544
14	(ii) Increase income (net) - other	0	(14)	0	14
15	(iii) Lean and Demand	0	(90)	0	90
16	(iv) Service Prioritisation	0	(100)	0	100
17	(v) Reduced Staffing Structure	0	(78)	0	78
<b>18</b>	<b>Net Cost of Services</b>	<b>14,804</b>	<b>15,602</b>	<b>20,138</b>	<b>4,536</b>

Line		Final 2019/20 Actual £ (000)	Revised 2020/21 Budget £ (000)	2020/21 Estimated Outturn £ (000)	2020/21 Variance £ (000)
19	<b>Special Expenses</b>	(674)	(687)	(687)	0
	<b>Business Rates</b>				
20	Local Share of business rates	(7,609)	(7,157)	(7,157)	0
21	s31 Grants including additional MHCLG funding (pandemic response)	(2,080)	(1,892)	(1,872)	20
22	Tariff	5,715	5,121	5,121	0
23	Levy	0	195	195	0
	<b>Non-Specific Revenue Grants</b>				
24	New Homes Bonus Grant	(449)	(247)	(247)	0
25	Rural Services Delivery Grant	0	(50)	0	50
26	Local Council tax Support Grant	(96)	(102)	(102)	0
27	Benefits Administration Grant	(214)	(238)	(206)	32
28	New Burdens Grant & Other Non-Specific Grants	0	0	(61)	(61)
29	Homelessness Grant - New Burdens	(237)	(126)	(126)	0
30	Flexible Homeless Support Grant	(276)	(275)	(276)	(1)
31	Coronavirus Grant - 1st tranche	0	0	(42)	(42)
32	Coronavirus Grant - 2nd tranche	0	0	(961)	(961)
33	Coronavirus Grant - 3rd tranche	0	0	(166)	(166)
35	Coronavirus Grant - Homelessness/Rough Sleeping	0	0	(6)	(6)
36	Coronavirus Grant - Partial reimbursement of sales, fees & charges	0	0	(341)	(341)
37	<b>Council Tax Requirement (Rother only)</b>	<b>(6,829)</b>	<b>(7,019)</b>	<b>(7,019)</b>	<b>0</b>
	<b>Other Financing</b>				
38	Collection Fund (Surplus)/Deficit	337	(849)	(849)	0
39	s31 Grants including Hardship Fund grant (pandemic response)	0	0	(651)	(651)
40	Contribution from reserves to fund capital expenditure	(416)	(1,359)	(1,839)	(480)
41	Contributions to/(from) Earmarked Reserves	(1,769)	0	0	0
<b>42</b>	<b>Total Income</b>	<b>(14,597)</b>	<b>(14,685)</b>	<b>(17,292)</b>	<b>(2,607)</b>
<b>43</b>	<b>Net Deficit/(Surplus)</b>	<b>207</b>	<b>917</b>	<b>2,846</b>	<b>1,929</b>



## Review of significant variations

3. The above table shows that at the end of Quarter 1 the Council is predicted to incur a deficit of £1.929 million. The Cost of Services at line 7 in the table shows a deficit of £3.082 million and non-service budgets increase the forecast over spend to £4.536 million as shown in line 18. This is reduced by £2.607 million mainly due to additional grant income from the Ministry of Housing, Communities & Local Government (MHCLG) as detailed in lines 21 to 39 of the table.
4. The Council's response to the COVID-19 pandemic has 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 is forecast to be £1.719 million and is summarised in the table below.

	<b>£ million</b>
Expenditure/Income shortfalls arising from COVID-19	£3.886
MHCLG Grant Funding	(£2.167)
<b>Net Impact on Reserves</b>	<b>£1.719</b>

5. All forecasts include inherent risks and the level of uncertainty surrounding the pandemic means it is highly likely that subsequent forecasts will fluctuate significantly during the financial year. The Government has warned of further outbreaks with local lockdowns, and these could further increase costs, especially during the winter months. The Assistant Director, Resources will work closely with Heads of Services and Members to reduce the overspend and its impact on reserves.
6. The main reasons for the variations are detailed in the paragraphs 7 to 29 below. The variances specifically relating to Departments have been split between those arising as a result of the pandemic and those arising as part of normal operational activities.

### Executive Directors – Deficit £23,000

7. The forecast overspend relates to costs incurred in response to the pandemic, e.g. hand sanitiser, officer overtime, personal protective equipment. The department also spent £11,000 on the provision of a Community Hub Point, which has been a focal point for the co-ordination and delivery of essential services such as food parcels to elderly and vulnerable residents during lockdown

### Environmental Services – Deficit £5,000

8. As a result of the pandemic, Environmental Services is forecast to under achieve its income budgets by £43,000 in the areas of Food Safety training (£15,000), Licensing (£18,000) and Pest Control (£10,000). However, this is mainly offset by vacant posts (£31,000) in the Pollution and Food Safety teams, which are expected to be recruited to in Quarter 2. Other minor variances of £7,000 make up the remaining difference.

9. The MHCLG have indicated that the Council can claim funding of up to £86,000 for costs incurred in the 'Reopening the High Street' initiative. This is being managed by the Environmental Services department and is expected to be a nil cost.

### **Strategy and Planning – Deficit £214,000**

10. Strategy and Planning department is forecast to overspend by £214,000 with the largest element of this being a predicted shortfall of £186,000 against Planning fees (£150,000) and Land Charges income (£36,000), both of which are expected to suffer a downturn due to the pandemic.
11. The department continues to experience recruitment difficulties and is forecast to under spend its salary budget by £75,000 so it has engaged consultants at a predicted cost £112,000 to cover the vacancies. This has resulted in a net overspend of £37,000. Other minor variances of £9,000 are forecast to reduce the overspend but Members should be aware that there is a risk of further overspends arising if potential appeals on applications are upheld.

### **Acquisitions, Transformation & Regeneration – Deficit £203,000**

12. The pandemic is expected to have a major impact on the Acquisitions, Transformation & Regeneration department's property rental income. No rents have been written off yet, but it is prudent to assume that this situation may change in the current financial year so a shortfall of £200,000 has been included in the forecast. Other minor budget variances are predicted to increase the forecast overspend by £3,000.

### **Housing & Community Services – Deficit £1,905,000**

13. The Housing & Community Services department has incurred additional expenditure of £1.806 million to support the pandemic response.
14. The Council owns three leisure facilities in Bexhill and Rye, which are operated by Freedom Leisure under a management agreement at nil cost to the Council. These facilities were closed due to lockdown, which meant that Freedom Leisure were unable to generate income and had to incur some costs. Following a request from Freedom Leisure, Cabinet at its meeting of the 27 July 2020 agreed to provide financial support until the 31 March 2021. The estimated cost is a maximum of £415,000 and has been included in the forecast.
15. The Council also received a request for financial support up to £350,000 from the De La Warr Pavilion Charitable Trust, which was also forced to close during lockdown. Cabinet approved the package at its meeting on the 8 June.
16. Lockdown has increased the department's forecast by £648,000 in respect of managing clients in Temporary Accommodation (TA) and providing accommodation for Rough Sleepers. TA occupations have been much longer than would normally be expected because suitable alternative accommodation has not been available and Housing Benefit payments to clients have also increased. Furthermore, at the beginning of lockdown, the Government instructed Councils to provide accommodation to all rough sleepers, which has

further increased the cost. Officers are currently preparing bids for additional funding in respect of rough sleepers and their needs, which may potentially reduce the overspend.

17. Car Parks were closed at the beginning of lockdown and despite opening a few weeks later indications are that there will be a shortfall of £235,000 on income. Most car parks have experienced a downturn in income with the notable exception being those at Camber where the exceptional weather has resulted in a large increase in the number of visitors once the car parks reopened. This also meant that security was required during the spells of warm weather at a cost of up to £9,000. The forecast also includes a £31,000 shortfall in concession income/rents in parks, promenades and beaches.
18. Some Waste Collection services were suspended during lockdown such as bulky waste and bring banks, however contractor payments continued in line with the procurement notice issued by the MHCLG. This has had no additional financial impact and officers are currently in negotiations with Biffa to obtain some sensible level of recompense for missed collections. It is not possible to quantify at this stage, but any payment would reduce the departmental overspend. The Council suspended the increase in Garden Waste collection charges for existing customers, which have increased the overspend by £93,000. Recycling income is expected to be under budget by £22,000.
19. The department forecast also includes costs of £3,000 for road closure notices.
20. Improvements to the reception area in the Town Hall are predicted to cost £43,000. These works were undertaken early to take advantage of the closure of the reception area during the pandemic. In addition there are minor underspends of £4,000. Neither of these variances are related to the pandemic crisis although the works to the Town Hall reception have enabled social distancing to be implemented more effectively.

### **Resources - Deficit £732,000**

21. The Resources Department's forecast overspend is due entirely to the pandemic. The main cost is a forecast spend of £651,000 on Hardship funding to help residents who are experiencing financial difficulties as a result of the pandemic. This is offset by a Government grant referred to below.
22. Income generated by the Printing team is expected to be £25,000 below target. Technical changes were required to the Academy system in the Revenue & Benefits team, at a cost of £13,000. Additional IT equipment was required to enable most office-based staff to work from home and this has added £43,000 to the overspend.

### **Non-Service Budgets**

23. Interest Income from Investments is expected to be £148,000 below budget as per line 8 of the table in paragraph 1. This is in line with expectations as the pandemic has had a major impact on global financial markets and the forecast will continue to be subject to fluctuations due to the level of uncertainty. The Council has invested £8 million in two property funds and most of its interest

income is returned by these. However, their current market values have fallen by about £0.5 million and could fall further still as the crisis continues but Members should bear in mind that these are long term investments (one of our investment products has been in existence for nearly 50 years) and it is hoped that their values will rise in the future as the general economic picture improves. At this point it is not expected that the Council will need to withdraw these funds and there is no expectation that the loss of capital value will be realised. Furthermore, Property Fund Managers actively manage their portfolios so whilst capital values might reduce it is hoped that actual income will not suffer significantly.

24. The cost of capital schemes funded from the revenue budget is forecast to be £480,000 more than the original budget. This is due to slippage in the programme from 2019/20 and therefore does not represent a further call on reserves than that previously planned for.
25. Members may recall that the revenue budget reported to Cabinet on the 10 February 2020 included several financial issues that would need to be addressed during the financial year. These are summarised in lines 13 to 17 in the table in paragraph 1 and include: -
  - a. Income generation (mainly from property investments);
  - b. The delivery of efficiencies identified through the lean and demand project;
  - c. Savings achieved by reducing staffing structures through voluntary redundancies.
26. Unfortunately, the pandemic has hampered progress on items (a) and (b) and is predicted to increase the overall deficit by £748,000. The cost of voluntary redundancies was £317,000 and was funded from reserves in 2019/20 but they have reduced staffing costs by £422,000, which is £78,000 below the budgeted target.

## **Income**

27. The above paragraphs have detailed the far-reaching impact the COVID-19 pandemic has had on service delivery and budgets. The table in paragraph 4 indicates the cost is currently forecast to be £3.886 million in 2020/21. Some of this has been offset by additional grants of £2.167 million from the MHCLG, leaving a predicted net shortfall of £1.719 million.
28. Non-ringfenced grants have been received at different stages during the crisis and these amount to £1.169 million as shown in lines 31 to 33 of the table in paragraph 1. In addition, specific grants have been received for Hardship Funding (£651,000 in line 38 of the table) and Homelessness (£6,000 in line 34 of the table).
29. The MHCLG have also indicated that they will partially reimburse councils for the loss of income from sales, fees and charges. The details of this process have yet to be released but based on communications to date from the MHCLG it is estimated that a grant of about £341,000 (line 35 of the table) may be forthcoming.

## Impact on Reserves

30. The net impact on Reserves is forecast to be a reduction of £4.685 million against the budgeted figure of £2.276 million. This represents an increase of £2.409 million against the original planned use of reserves with £1.719 million being due to the pandemic, £480,000 due to slippage from 2019/20 in the amount of capital expenditure being funded from revenue and £210,000 due to the other reasons explained in the above paragraphs. The movement in Reserves is summarised in the following table:

	Revised 2020/21 Budget £'000	2020/21 Estimated Outturn £'000	2020/21 Variance £'000
<b>Revenue Reserves and General Fund Balance at 1/4/20</b>	<b>(17,362)</b>	<b>(17,362)</b>	0
Use of Reserves to Fund Capital Expenditure	1,359	1,839	480
Use of Reserves to Balance Budget incl deficit	917	2,846	1,929
<b>Balance 31/3/20</b>	<b>(15,086)</b>	<b>(12,677)</b>	<b>2,409</b>

## Collection Fund

31. The Council Tax part of the Collection Fund is currently 1.58% below the annual estimate. The collection performance to the end of June is shown below:

	2020/2021	Equivalent Period 2019/2020
Collectable Annual debit (at 100% collection)	£78,092,103.06	£75,646,433.54
Income Received	£22,224,554.13	£22,519,449.04
Income Received as a % of collectable debit	28.46%	29.77%
Budgeted yield (at 98.5% collection)	£77,625,639.38	£74,549,856.52
Income Received as a % of budgeted yield	28.63%	30.21%

32. The Business Rates Tax part of the Collection Fund is broadly in line with the annual estimate and last year's performance. The collectible debit and income received are much lower this year due to the additional reliefs announced by the Chancellor in the March budget statement. They have been replaced with additional section 31 grant payments. The collection performance to the end of June is shown below:

	2020/2021	Equivalent Period 2019/2020
Collectable debit	£8,245,788.67	£18,729,443.43
Income Received	£2,695,997.69	£6,075,515.16
Income Received as a % of collectable debit	32.70%	32.44%
Amount outstanding for year	£5,549,790.98	£12,653,928.27

33. The MHCLG have recently announced that any Collection Fund deficits incurred this year can be spread over a three year period. There will be no

impact in the current financial year and any future impact will be included in the Medium Term Financial Plan to be reported to Cabinet later this year.

## Capital Programme

34. A summary of spend by project for 2020/21 and financing sources is shown at Appendix A. In addition, Appendix B shows the overall five year capital programme which has been updated for Member decisions and slippage from the 2019/20 outturn. The capital programme totals just under £60m and Members will be aware of additional projects coming forward that will further increase the level of spend and the amount of borrowing required to support this expenditure.

## Conclusion

35. The Quarter 1 forecast out turn for 2020/21 is a deficit of £1.3 million and includes the impact of the Coronavirus pandemic.

## Implications

### Financial Implications

36. In addition to the planned use of reserves, this forecast deficit would reduce the Councils reserves to £13.778 million.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

Executive Director:	Malcolm Johnston / Dr Anthony Leonard		
Proper Officer:	Malcolm Johnston		
Report Contact Officer:	Antony Baden		
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Appendices:	A	Capital Programme – Spend to 30/6/20	
	B	Capital Programme 2020/21 to 2024/25	
Relevant Previous Minutes:	None		
Background Papers:	None		
Reference Documents:	None		

## Capital Programme 2020/21 Spend to 30 June 2020

Line	Original 2020/21 Budget £ (000)	Slippage from 2019/20 £ (000)	Other changes £ (000)	Revised 2020/21 £ (000)
<b>1 Acquisitions, Transformation and Regeneration</b>				
<b>2 Other Schemes</b>				
3 Community Grants	130			130
4 Cemetery Entrance		233		233
5 Rother Transformation ICT Investment	345	39		384
6 Corporate Document Image Processing System	435			435
7 1066 Pathways		93		93
8 Ravenside Roundabout			200	200
9				
<b>10 Property Investment Strategy</b>				
11 Property Investment Strategy - uncommitted	6,820		(6,820)	0
13 Mount View Street Development - Public/Commercial			964	964
14 PIS - Beeching Road/Wainwright Road	3,000			3,000
15 PIS - Barnhorn Road	1,000	(5)		995
16 PIS - Beeching Road 18-40	460	484		944
17				
<b>18 Housing Development Schemes</b>				
19 Community Led Housing Schemes	450			450
20 Blackfriars Housing Development	3,052	(175)	8,448	11,325
21 Mount View Street Development - Housing			3,286	3,286
22 Former Bexhill High School site - Housing				0
23				
<b>24 Housing and Community Services</b>				
25 De La Warr Pavilion - Capital Grant	53		1	54
26 Sidley Sports and Recreation	300			300
27 Land Swap re Former High School Site	1,085			1,085
28 Bexhill Leisure Centre - site development	155	381		536
29 Disabled Facilities Grant			1,625	1,625
30 New bins	125	58		183
31 Bexhill Promenade - Outflow pipe	100			100
32 Bexhill Promenade - Protective Barriers		50		50
33 Housing (purchases - temp accomodation)	2,000	1,000		3,000
34				
<b>35 Strategy &amp; Planning</b>				
36 Highways Work - London Road - Bexhill		300		300
37 Grants to Parishes - CIL		200	(37)	163
38				
<b>39 Executive Directors &amp; Corporate Core</b>				
40 Accommodation Strategy		75		75
41 Lift for Amherst Road Offices		100		100
42				
<b>43 Resources</b>				
44 ICT Infrastructure – Ongoing Upgrade Programme		140		140
45				
<b>46 Total Capital Programme</b>	<b>19,510</b>	<b>2,973</b>	<b>7,667</b>	<b>30,150</b>

Line	2020/21 Budget £ (000)	Slippage from 2019/20 £ (000)	Other changes £ (000)	Revised 2020/21 for CoVID Impact £ (000)
<b>47 Funded By:</b>				
48 Capital Receipts	1,240			1,085
49 Grants and contributions	4,262			14,487
50 CIL				613
51 Borrowing	12,820			12,126
52 Capital Expenditure Charged to Revenue	721			1,839
53 Unfunded	467			0
<b>54 Total Funding</b>	<b>19,510</b>			<b>30,150</b>





## OVERVIEW AND SCRUTINY COMMITTEE

<b>WORK PROGRAMME 2020 – 2021</b>		
<b>DATE OF MEETING</b>	<b>SUBJECT – MAIN ITEM IN BOLD</b>	<b>Cabinet Portfolio Holder</b>
<b>14.09.20</b>	<ul style="list-style-type: none"> <li>• <b>Waste Contract Review</b></li> <li>• <b>Events Strategy</b></li> <li>• Performance Progress Report: First Quarter 2020/21</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 1 2020/21</li> </ul>	<b>Prochak Timpe</b>  <b>Dixon</b>
<b>19.10.20</b>	<ul style="list-style-type: none"> <li>• Medium Term Financial Plan 2021/22 to 2025/26</li> </ul>	<b>Dixon</b>
<b>23.11.20</b>	<ul style="list-style-type: none"> <li>• <b>Report of the Anti-Poverty Task and Finish Group</b></li> <li>• <b>Homelessness and Progress on the Housing Strategy</b></li> <li>• Performance Progress Report: Second Quarter 2020/21</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 2 2020/21</li> <li>• The Pelham – Project Update</li> </ul>	<b>Byrne</b>  <b>Dixon</b>
<b>25.01.21</b>	<ul style="list-style-type: none"> <li>• <b>Draft Revenue Budget Proposals 2021/22</b></li> <li>• <b>Key Performance Targets 2021/22</b></li> </ul>	<b>Dixon</b>
<b>15.03.21</b>	<ul style="list-style-type: none"> <li>• <b>Progress on the Environment Strategy</b></li> <li>• <b>Crime and Disorder Committee: to receive a report from the Community Safety Partnership</b></li> <li>• Performance Progress Report: Third Quarter 2020/21</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 3 2020/21</li> </ul>	<b>Field Dixon</b>
<b>26.04.21</b>	<ul style="list-style-type: none"> <li>• CPE Task and Finish Group</li> <li>• Call-in and Urgency Procedures</li> <li>• Draft Annual Report to Council</li> </ul>	
<b>ITEMS FOR CONSIDERATION</b>		
<ul style="list-style-type: none"> <li>• Regeneration incl Leisure Centre, Fountains and Skate Park</li> <li>• Corporate Plan review – referred back by Cabinet</li> <li>• Review of the Tourism Strategy</li> <li>• Review of the Economic Regeneration Strategy</li> </ul>		

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