

**CABINET**

6 September 2021

Minutes of the Cabinet meeting held at the Council Chamber, Town Hall, Bexhill-on-Sea on Monday 6 September 2021 at 6:30pm.

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

Other Members present: Councillors J. Barnes (in part), J.J. Carroll (in part), P.C. Courtel, B.J. Drayson, L.M. Langlands, Mrs E.M. Kirby-Green (in part), C.R. Maynard (in part), A.S. Mier and P.N. Osborne.

Advisory Officers in attendance: Chief Executive, Assistant Director Resources, Director of Place and Climate Change, Head of Environmental Services, Licensing and Community Safety (in part), Finance Manager, Housing Development Manager (in part), Development Projects Manager (in part), Corporate Programme and Projects Officer (in part) and Democratic Services Officer.

Also present: 42 members of the public via the YouTube live broadcast.

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Publication Date: 9 September 2021

The decisions made under PART II will come into force on 17 September 2021 unless they have been subject to the call-in procedure.

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CB21/24. **MINUTES**

(1)

The Chairman was authorised to sign the Minutes of the meeting held on 28 June 2021 as a correct record of the proceedings.

CB21/25. **APOLOGIES FOR ABSENCE**

(2)

An apology for absence was received from Councillor T.J.C. Byrne.

CB21/26. **DISCLOSURE OF INTERESTS**

(5)

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

Drayson	Agenda Item 7 – Personal Interest as a Director of Alliance Homes (Rother) Limited.
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Vine-Hall	Agenda Item 10 – Personal Interest as the Chairman of Sedlescombe Parish Council.
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Mr Johnston	Agenda Item 13 – Personal and Prejudicial Interest
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as the Chief Executive and Head of Paid Service.

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

CB21/27. **APPOINTMENT OF CHIEF EXECUTIVE**  
(13)

Members considered the report of the Leader of the Council on the appointment of the Chief Executive and Head of Paid Service.

Following a successful performance review and initial year in the role, Cabinet recommended that Malcolm Johnston be appointed to the role of Chief Executive and Head of Paid Service on a substantive basis with immediate effect.

**RECOMMENDED:** That Malcolm Johnston be appointed Chief Executive and Head of Paid Service on a substantive basis.

(Mr Johnston declared a Personal and Prejudicial Interest in this matter as the Chief Executive and Head of Paid Service and left the meeting during the consideration thereof).

**PART II – EXECUTIVE DECISIONS** – subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules by no later than 4:00pm on 16 September 2021.

CB21/28. **REVENUE BUDGET AND CAPITAL PROGRAMME OUTTURN 2020/21**  
(6)

Consideration was given to the report of the Finance Manager on the Draft Revenue Budget and Capital Programme Outturn 2020/21, which updated Members on the Council's finances as at the end of March 2021 and included a draft outturn for 2020/21. Members were advised that the information was subject to the external audit of the Council's financial accounts due to commence in September 2021. The report had also been considered by the Overview and Scrutiny Committee on 19 July 2021; no comments or recommendations were made.

The Council incurred a deficit of £1.284m, of which £367,000 was unplanned in 2020/21, which was an improvement of £1.310m on the Quarter 3 forecast. The Cost of Services showed a deficit of £2.441m, which reduced to £2.050m after changes in non-service budgets. This reduced further to £367,000 mainly due to additional grant income from the Ministry of Housing, Communities and Local Government (MHCLG).

The main reasons for the variations as detailed in the report included the reduction in the net cost of the Council's pandemic response, a £50,000 grant to the Sussex Wildlife Trust, £50,000 decrease of the outturn on commercially let properties and a decrease in the net costs of Housing Benefits.

The council tax collection rate was 96.60% against the budgeted yield, which was 2.88% lower than last year and 0.38% lower than the previous quarter expected.

Business Rates Collection Fund was 94.01%, which was 4.71% lower than last year and 1.97% lower than the previous quarter.

Based on the current collection rates, the Collection Fund was in deficit by £11.168m at the end of the financial year, but this would not affect the 2020/21 position because the impact would be spread over the next three financial years. This had been reflected in the Revenue Budget for 2021/22.

A summary of spend on the Capital Programme by project for 2020/21 and financing sources was shown at Appendix A to the report. The final Capital outturn for 2020/21 was £5.476m, which was £8.043m lower than the revised budget. Schemes that were underspent were largely affected by timing changes to planned expenditure due to the pandemic and this would be reflected in the 2021/22 Capital Programme. Other reasons for the underspend related to slippage on a housing and commercial development scheme and in respect of the land swap at the former Bexhill High School site.

The net impact on Reserves of the 2020/21 outturn was a reduction of £1.761m, which was an improvement of £515,000 on the previous forecast.

The final Council outturn for 2020/21 was a deficit of £1.284m which included the impact of the COVID-19 pandemic. Officers continued to submit financial assessments of the impact of the pandemic to the MHCLG. It was not clear at this stage whether further grant funding over and above what had already been notified to the Council, would be forthcoming. The Council's Medium Term Financial Plan reflected the additional use of reserves this year above the original budget but expected, with the delivery of savings and extra income, to be in surplus by 2024/25, when the Council would be able to start rebuilding its reserves.

**RESOLVED:** That the report be noted.

CB21/29.  
(7)

## **FUNDING RESIDENTIAL DEVELOPMENT**

Alliance Homes (Rother) Limited (AH) was established to aim to complete 1,000 new homes by 2035. AH's approved Business Plan sought to deliver a programme of 335 new homes at an estimated cost of £80m and these costs were reflected in the Capital Programme, approved in February 2021. It was anticipated that most of these costs would be met through loan funding at commercial rates provided by the Council as the sole Shareholder.

Dependant on cashflows, it was not expected that the maximum lending facility of £80m would be needed, however the capacity to fund the programme was necessary to enable AH to enter into contracts with development partners. Projects would be staggered to ensure

cost-effective, efficient development which could be appropriately resourced.

Council lending was likely to be short-term on the basis that the new homes would be disposed of to either a registered social landlord (affordable homes) or direct to market, which had the benefit of recycling receipts from the disposals into repaying borrowing or further schemes to minimise the cost of borrowing.

Concern was aired regarding openness / transparency / process issues and the significant levels of funding required and whether full Council approval should be sought. Members were reminded this was a line of finance, over a period of time, that would enable the Council to provide homes for the district. It was also clarified that the Business Plan and principle of spending £80m had already been formally approved and adopted by the Council.

Cabinet was supportive of the recommendations proposed and agreed that the Council entered into a separate loan agreement for each scheme delivered by AH subject to the overall limit of £80m. Each loan would be subject to specific conditions as determined appropriate by the Finance Manager, as well as state subsidy compliant. It was also agreed that delegated authority be granted to the Chief Executive and Finance Manager in consultation with the Portfolio Holder for Finance and Performance Management to approve each loan. It was noted that advice would be sought from the Council's treasury advisors regarding the most appropriate loan structure to adopt. Cabinet also agreed that the Audit and Standards Committee and Overview and Scrutiny Committee should be encouraged to review and scrutinise the borrowing and activities of Alliance Homes (Rother) Limited.

Cabinet was pleased to note that all projects would be developed using modern energy efficient methods which would contribute towards the Council's carbon reduction ambition and acknowledged the work of the Development Projects Manager in progressing the Blackfriars project.

**RESOLVED:** That:

- 1) the provision for a lending facility of up to £80m to Alliance Homes (Rother) Limited to build out residential schemes, in support of their Business Plan 2020-23 (and any subsequent update) be approved;
- 2) the approval of each loan be delegated to the Chief Executive and Finance Manager, in consultation with the Portfolio Holder for Finance and Performance Management;
- 3) separate loan agreements, secured on the assets of Alliance Homes (Rother) Limited, be entered into for each specific residential scheme, the terms and conditions of which to be approved to the satisfaction of the Finance Manager;
- 4) the £80m lending facility as set out in the approved Capital Programme be funded through internal and external borrowing as appropriate; and

- 5) the Audit and Standards Committee and Overview and Scrutiny Committee be encouraged to review and scrutinise the borrowing and activities of Alliance Homes (Rother) Limited.

(When it first became apparent, Cllr Drayson declared a Personal Interest in this matter as a Director of Alliance Homes (Rother) Limited and remained in the meeting during the consideration thereof).

CB21/30.  
(8)

## **PUBLIC SPACES PROTECTION ORDER**

The Council had made a Public Spaces Protection Order (PSPO) to control anti-social behaviour. The PSPO was due to expire in November 2021, therefore there was an opportunity to review the Order. To justify including controls within the PSPO, evidence that a problem existed or was likely to occur was required. Therefore, the Parish and Town Councils had been consulted and the results analysed to evidence whether controls were necessary.

PSPOs were designed to ensure the law-abiding majority could enjoy public spaces, safe from anti-social behaviour. Specified restrictions could be set by the Council, namely blanket restrictions or requirements against certain behaviours, as well as restricting access to public rights of way where anti-social behaviour was evidenced. They had a three-year duration or could be shorter where appropriate. More than one restriction could be added to the same PSPO, meaning that a single PSPO could deal with a larger range of behaviours. The breach of a PSPO was a criminal offence although enforcement officers could issue a fixed penalty notice of up to £100 if appropriate, but a fine of up to £1,000 could be made on prosecution. PSPOs could be enforced by council officers and the Police.

It was proposed to consult the public about making a new PSPO which replicated the existing controls with the addition of a control prohibiting wanton or dangerous cycling, hover boards, scooting, skating or skateboarding on the Bexhill Promenade. A copy of set controls that could be included in the public consultation and a copy of Thanet District Council's Order were attached at Appendices A and B respectively to the report.

Cabinet agreed that the additional controls identified at Appendix A should be included in the public consultation. It was noted that the results of the consultation and approval to proceed with a new PSPO would be reported back to Cabinet in December 2021.

### **RESOLVED:** That:

- 1) the additional controls identified in Appendix A to the report be included in the public consultation; and
- 2) public consultation be carried out about making a Public Spaces Protection Order and the outcome of the consultation and approval to proceed with a new Order be reported back to Cabinet in December 2021.

CB21/31. **HOUSING DEVELOPMENT; COMMUNITY LED HOUSING PROGRAMME**

(9)

Consideration was given to the report of the Housing Development Manager, which updated Members on the Community Led Housing (CLH) Programme including project progress.

In July 2017, £100,000 was approved of the Council's Community Housing Fund (CHF) allocation (totalling £748,899) towards establishing the Sussex Community Housing Hub (SCHH) on a 4-year Service Level Agreement (SLA). The SCHH offered a 'one stop shop' for all forms of community led schemes and provided essential support for communities wishing to deliver CLH projects. Appendix A to the report detailed the range of services provided under the SLA. It was proposed to renew the SLA for a further 4-year term ensuring that the Council had the required specialist expertise and access to funding to progress future projects. It was also noted that the SCHH had become a Registered Provider (RP) which presented a significant opportunity to expedite growth of the CLH sector, as well as reduce potential risks of delivering smaller Section 106 rural housing sites. RP status also enabled SCHH to apply for Homes England (HE) capital grant funding.

Previously, full Council approved ringfencing £50,000 of the CHF allocation for revenue spend, to support start-up fees of CLH groups and pre-development costs, as well as meeting any funding gaps to ensure community groups had the financial means to progress schemes. This sum was almost depleted and to ensure enough funding was available, it was recommended that the remaining CHF allocation totalling £303,200.38 be ringfenced for both capital and revenue requests accordingly.

The report identified three current and two new emerging\* CLH schemes in Rother, as follows:

- **Main Road, Icklesham:** A rural exception site delivered by Icklesham Parish Community Land Trust (IPCLT) in partnership with Hastoe Housing Association. In June 2021, construction commenced on 15 affordable homes, subject to Section 106 agreement. The scheme achieved HE funds, and the Council had committed £297,000 of capital CHF. Work was expected to be completed during the summer of 2022.
- **Cemetery Lodge, Bexhill:** In September 2019, approval was granted to sell the Cemetery Lodge site to Bexhill Community Land Trust (BCLT) subject to progressing a planning application within 12 months. In May 2021, the Cemetery entrance was permanently closed, and construction of a new entrance commenced. To deliver a larger housing scheme, plans had progressed to redevelop and further optimise the site with the adjoining landowner. A design workshop was held with the Council's Planning Department to progress the scheme and a Heritage Statement commissioned by BCLT for planning requirements. It was proposed to retain Cemetery Lodge. The report apprised Members of the covenant restrictions attached to the site. It was anticipated that the site could deliver up to 39 dwellings (56% to 70% affordable housing);

an indicative plan was attached at Appendix B to the report. HE funds were being sought. Progression was dependent on further land negotiations, with or without the covenant and final agreement of an equivalent value of social housing land to offset the covenant accordingly.

- **Land at Fairview, Guestling:** Identified for a rural exception CLH scheme. The SCHH had commissioned a Housing Needs Survey; distributed to 1,129 households (24% response rate). The results indicated strong support for a CLH scheme. Guestling Parish Council would be taking the lead to progress a scheme. It was proposed that the land be sold and to progress the sale delegated authority be granted to the Director of Place and Climate Change.
- **Battle\*:** 200-dwelling scheme which presented a significant opportunity for a CLH group to acquire homes for local people in perpetuity. A formal steering group had been established and was meeting regularly to consider all options. The finalised scheme must demonstrate long-term housing management arrangements, remain deliverable in order to ensure HE funds and completed in summer 2023.
- **Northiam\*:** 34-acre site acquired by Northiam Parish Council and CLH group established. SCHH commissioned to undertake Housing Needs Survey and would be assisting with progression of a CLH scheme.

Cabinet approved all recommendations proposed and was fully supportive of the delivery of CLH schemes, increasing affordable housing projects (in perpetuity) and potentially attracting future funding opportunities to the district.

**RESOLVED:** That:

- 1) the progress of the Community Lead Housing Programme in Rother be noted;
- 2) the Service Level Agreement with the Sussex Community Housing Hub be renewed for four years, for the sum of £100,000 on updated terms and conditions to be agreed by the Portfolio Holder Housing and Homes and Director of Place and Climate Change;
- 3) the remaining Rother District Council Community Housing Fund totalling £303,200.38 to be combined for both capital and revenue funding requests;
- 4) to agree in principle that the value of the covenant placed by the Council on land adjacent to 276 Turkey Road be removed, subject to an equivalent value provided in the form of land for additional affordable housing, over and above any Local Plan requirement, and that delegated authority be granted to the Director of Place and Climate Change to agree the final terms;
- 5) in the first instance, the additional affordable housing to be offered to Bexhill Community Land Trust, to enable the affordable tenure to be secured legally in perpetuity;

- 6) the Director of Place and Climate Change be granted delegated authority to sell the site of Cemetery Lodge to Bexhill Community Land Trust and final terms of sale, for the purposes of delivering a Community Led Housing scheme, subject to achieving full planning permission and incorporating Cemetery Lodge as part of any final scheme; and
- 7) the Director of Place and Climate Change be granted delegated authority to sell the Land at Fairview, Guestling for the purposes of an affordable or community led housing development subject to agreeable terms to the satisfaction of the Director of Place and Climate Change.

CB21/32.  
(10) **COMMUNITY GRANTS SCHEME - ROUND 1**

The Council's Community Grants Scheme (CGS) made provision for up to £130,000 per annum to be made available to community groups or organisations that met the grant's criteria of the Scheme. The Panel had delegated authority to grant awards up to £1,000 and it was noted that no applications were received in Round 1 for these.

Round 1 of the Rother CGS for 2021/22 closed on 15 July 2021. A total of eight applications were received. Two applications did not meet the CGS criteria, and both applicants had been informed and / or provided with alternative funding suggestions. The Panel met on 1 August 2021 and recommended awards for six applications from Beulah Baptist Church, Bexhill Cricket Club, Bexhill Senior Citizens Club, Burwash Weald and Common Memorial Fund, Sedlescombe Parish Council and The Pelham, as set out in the report; (each application was summarised in Appendix A to the report). If agreed, this would result in a maximum of £115,000 being awarded in Round 1, leaving £10,000 for Round 2 and other small grants for the remainder of the financial year 2021/22. It was noted that small grant applications were accepted all year round through the on-line application process. Support and guidance could be obtained via Rother Voluntary Action (RVA) and applicants were recommended to contact RVA before submission of an application; £5,000 was available for 2021/22.

Cabinet was reminded that conditions were applied when awarding grants; specifically, that full funding was required to be obtained in advance of any Rother payments being made and that Rother District Council was acknowledged in any publicity and promotional material associated with any project. After discussion, Cabinet approved all six grants.

Members were supportive of a £10,000 Council fund being allocated for supporting community events to celebrate The Queen's Platinum Jubilee (2 June 2022 to 5 June 2022). The Council would match-fund pound for pound to a maximum of £500 per grant. It was agreed that delegated authority be granted to the Chief Executive in consultation with the Chair of the Community Grants Panel to approve grants up to the value of £500. A scheme guide, on-line application process and questions were attached at Appendix B to the report. Members were

encouraged to promote The Queen's Platinum Jubilee and Small Grants schemes within their Wards.

It was noted that the full allocation of funding (apart from £5,000 for small grants) had been allocated and there was no funding available for Round 2 of the 2021/22 CGS.

**RESOLVED:** That:

- 1) the community grants listed below, as recommended by the Grants Panel, be approved subject to specific conditions relating to each application, as follows:

Beulah Baptist Church – £12,500

Bexhill Cricket Club – £5,000

Bexhill Senior Citizens Club – £17,500

Burwash Weald & Common Memorial Fund – £22,500

Sedlescombe Parish Council – £30,000

The Pelham – £27,500

- 2) a fund of £10,000 from the Community Grant Scheme be approved for supporting community events to celebrate the forthcoming Queen's Platinum Jubilee (2 June 2022 – 5 June 2022);
- 3) delegated authority be granted to the Chief Executive in consultation with the Chair of the Community Grants Panel to award or refuse the Queen's Platinum Jubilee Grants 2022 Scheme within the criteria set out within Appendix B to the report; and
- 4) all Members to promote the Queen's Platinum Jubilee Grant scheme within their wards.

(Cllr Vine-Hall declared a Personal Interest in this matter as Chairman of Sedlescombe Parish Council and remained in the meeting during the consideration thereof).

CB21/33.  
(11)

### **DISPOSAL OF LAND AT BLACKFRIARS, BATTLE**

Consideration was given to the report of the Director of Place and Climate Change regarding development of housing at Blackfriars, Battle through Alliance Homes (Rother) Limited (AH). AH was established by the Council to accelerate housing development through the district and to deliver housing on council-owned land.

Past attempts to develop Blackfriars had been unsuccessful, principally due to many constraints including complex ground conditions, land assembly and the need for costly road infrastructure. In February 2018, the Council had provisionally been awarded grant funding by the Ministry for Housing, Communities and Local Government part of Housing Infrastructure Fund to finance the construction of the road infrastructure necessary to develop this site. Whilst working through the design process it became clear that the viability gap on this site had increased and officers successfully re-negotiated a revised offer of

grant funding from £3.24m to £8.7m. It was noted that the funding was specifically for the road infrastructure and could not be used for any other purpose.

The site had full planning permission for the delivery of 200 homes and as of August 2021, the Council was in legal ownership of all the land. It was intended that the housing land would be sold to AH to procure a development partner to deliver the site. Despite AH being owned by the Council, the land must be sold in a manner that demonstrated good value. Valuation, legal and tax advice were required prior to ascertaining the precise framework and structure through which the land would be disposed. It was noted that the Council had invested significant sums in both the acquisition of land and the development of the planning permission which remained unfunded costs at this stage. Whilst the final value would be based on specialist advice, it was expected that the minimum price paid by AH should not be less than the unfunded costs incurred by the Council in making this scheme 'build ready'.

Cabinet agreed that delegated authority be granted to the Chief Executive in consultation with the Portfolio Holder for Finance and Performance Management to agree the terms of the sale between the Council and AH. It was also agreed that, in future, Ward Member(s) were informed of and fully consulted on any projects that were developed within their wards.

The Development Projects Manager was congratulated for his hard work in progressing this milestone site and ensuring the inclusion of Ward Member(s) in all discussions and that the community was kept fully informed of all developments. It was suggested that once the approved developer had been announced and affordable housing partner agreed, that a presentation be delivered to full Council on their plans for this landmark project.

**RESOLVED:** That:

- 1) the Chief Executive be granted delegated authority to dispose of land at Blackfriars, Battle (as outlined at Appendix A) to Alliance Homes (Rother) Ltd on terms agreeable to him in consultation with the Cabinet Portfolio Holder for Finance and Performance Management;
- 2) Ward Members be informed of and fully consulted on future projects developed within their wards; and
- 3) a presentation be delivered at full Council by the developer and affordable housing partner on their plans for the site.

CB21/34.  
(12)

#### **PLANNING SERVICE REVIEW - UPDATE**

In March 2021, iESE was engaged to undertake a review of the Council's Planning Service to develop a new vision and mission that encapsulated both Members' and officers' aspirations. The report

identified the key aspects that were reviewed and proposed three main headline recommendations, as outlined at Appendix A to the report, together with an Action Plan. Appendices B and C identified immediate and long-term actions / recommendations respectively, and Appendix D detailed work that had already been started, implemented and / or completed. A Communications Plan had been developed to improve internal and external communications. To deliver on and manage the recommendations proposed, a cross departmental team would be established.

The review had highlighted significant pressures experienced within the Planning Service which included long term recruitment and IT issues. Work / monitoring would be ongoing, as in future, it was essential that the Planning Service delivered a customer focused and reliable service. Additional investment would be met from the Capital Programme.

Members were reminded that additional resources had been enlisted to assist with the backlog of outstanding and new planning applications.

**RESOLVED:** That the outcome of the Planning Service review by iESE and the consequent action plan be noted.

CB21/35. **ADDITIONAL RESTRICTIONS GRANT - DISCRETIONARY BUSINESS GRANTS SCHEME**

(14)

The Council had operated a discretionary business grant scheme in various forms since the first countrywide lockdown in March 2020. The current Additional Restrictions Grant Scheme (ARG) expired on 30 July 2021. In total, the Council had paid out £2,856,772 in grants to businesses, in excess of the £2.7m and qualified to receive a further round of grant funding of £711,303 that would need to be spent by 31 March 2022. Part of the funding was already committed to meet the cost of the grants awarded under the previous scheme, therefore £554,531 was available for the new scheme.

Funding would be used to support businesses forced to temporarily close due to staff self-isolating, rural businesses, empty shops and commercial spaces. It was anticipated that the Council would work in partnership with Business East Sussex Growth Hub and Job Centre Plus, to ensure the funding achieved the best long-term impact for the local economy. There was also the opportunity to provide training and support to businesses.

It was proposed that grant bids would be assessed by the Council's Community Grants Panel (CGP) and that the application deadline be 31 October 2021. Dialogue would be held with the local Chambers of Commerce and Federation of Small Business to establish detailed criteria for the scheme and the Parish and Town Councils consulted to identify viable businesses that required further temporary support.

Cabinet approved the new ARG discretionary scheme and agreed that delegated authority be granted to the Chief Executive in consultation

with the Cabinet Portfolio Holders for Finance and Performance Management and Economic Development and Regeneration to finalise the amounts of grants and detailed criteria. It was agreed to delegate authority to the CGP to approve grants not exceeding available funding and to enlist further business expertise on the Panel.

Members commended the work undertaken by the Revenue and Benefits Team in supporting the local business community, by ensuring funding support was administered efficiently and promptly.

**RESOLVED:** That the:

- 1) new Additional Restrictions Grant Scheme outlined in the report be approved;
- 2) Community Grants Panel be given delegated authority to approve grants to businesses not exceeding the available funds and to enlist further business expertise on the Panel; and
- 3) Chief Executive be granted delegated authority in consultation with the Cabinet Portfolio Holders for Finance and Performance Management and Economic Development and Regeneration to determine the amounts of grants and detailed criteria.

(The Leader had accepted this item onto the Agenda as an Additional Agenda Item in order to maximise the use of the available funding to support local businesses).

**CHAIRMAN**

The meeting closed at 8:18pm.