

Cabinet

- Date and Time - **Monday 12 December 2022 – 6:30pm**
- Venue - **Council Chamber, Town Hall, Bexhill-on-Sea**
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Councillors appointed to the Committee:

Councillor D.B. Oliver (Leader), S.M. Prochak, MBE (Deputy Leader), C.A. Bayliss, T.J.C. Byrne, K.P. Dixon, K.M. Field, A.K. Jeeawon, H.L. Timpe and J. Vine-Hall.

AGENDA

1. MINUTES

To authorise the Leader to sign the Minutes of the meeting held on 31 October 2022 as a correct record of the proceedings.

2. APOLOGIES FOR ABSENCE

3. ADDITIONAL AGENDA ITEMS

To consider such other items as the Leader decides are urgent and due notice of which has been given to the Head of Paid Service by 9:00am on the day of the meeting.

4. URGENT DECISIONS

The Leader to give details of those reports that have been referred to the Chairman of the Council to consider designating as urgent, in accordance with Rule 17 of the Overview and Scrutiny Procedure Rules contained within Part 4 of the Council Constitution, and to which the call-in procedure will not therefore apply.

5. 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.

6. KING OFFA HOUSING DEVELOPMENT (Pages 3 - 8)

At the discretion of the Leader, the order of the items set out in the agenda may be varied

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Rother District Council putting residents at the heart of everything we do.

7. **FEES AND CHARGES 2023/24** (Pages 9 - 30)
8. **SOLICITOR TO THE COUNCIL** (Pages 31 - 32)
9. **MEDIUM TERM FINANCIAL PLAN 2023-24 TO 2027-28** (Pages 33 - 50)
10. **MID-YEAR TREASURY MANAGEMENT REVIEW** (Pages 51 - 62)
11. **TEMPORARY CLOSURE OF RYE SWIMMING POOL** (Pages 63 - 66)

Malcolm Johnston
Chief Executive

Agenda Despatch Date: 2 December 2022

Rother District Council

Report to: Cabinet

Date: 12 December 2022

Title: King Offa Residential Development – Brownfield Land Release Fund Round 1

Report of: Director – Place and Climate Change

Cabinet Member: Councillor Byrne

Ward(s): Bexhill St Stephens

Purpose of Report: To present details of the Brownfield Land Release Fund Round 1 funding awarded in 2019 for remediation works to the King Offa Residential Development. Requesting approval to progress the project to both procurement, contract and delivery stages assigning the £500,000 grant and a further £305,000 of facilitating costs.

Decision Type: Non-Key

Officer

Recommendation(s): **RECOMMENDATION TO COUNCIL:** That the King Offa Residential Development site be included in the Council's Capital Programme with a budget of £805,000 provided partially from Brownfield Land Release Fund Round 1 grant funding.

AND

It be **RESOLVED:** That:

- 1) subject to full Council approval of the scheme, delegated authority be granted to the Director – Place and Climate Change to accept the £500,000 grant from the Brown Field Land Release Fund Round 1, for the purposes of delivering this project;
- 2) an additional amount of £305,000 from the Capital Programme be authorised to facilitate the delivery of the site to be reimbursed by a capital receipt upon transfer; and
- 3) delegated authority be granted to Director – Place and Climate Change to procure the contractor/s required for the funded works. This will include procuring contractors and entering into other contracts as necessary for the completion of the project works.

Introduction to Brownfield Land release Fund

1. The Brownfield Land Release Fund (BLRF) is a cross-government initiative between the Department for Levelling Up, Housing and Communities (DLUHC) and One Public Estate (OPE) which is delivered in partnership by

the Local Government Association and the Cabinet Office. OPE's joint aim is to bring public sector bodies together, to create better places by using public assets more efficiently, creating service and financial benefits for partners and releasing land for housing and development.

2. The BLRF is set up to help council-led developments with remediation works on previously attributed Brownfield land. This often comprises of disused land traditionally non housing uses such as industrial plots, garages, yards, carparks and other redundant facilities. The fund aims to help councils overcome the difficulties with these plots of land, such as expensive demolition, decontamination and even new services for plots that have previously never been developed.
3. In 2019, officers at Rother District Council (RDC) completed a successful bid for BLRF Round 1 alongside our OPE partner SPACES (Strategic Property Asset Collaboration in East Sussex). This bid was for £500,000 to help being forward the housing element of the wider mixed-use development by funding required demolition and highways works.

Project Background and Progress

4. The site forms part of the Old Bexhill High School site that historically has sat within East Sussex County Council (ESCC) ownership. RDC is in the process of completing the land swap with ESCC which has delayed the developments timeline. It is therefore crucial that RDC procure and spend the funding for the remedial works from BLRF Round 1 in time with the deadline of March 2024.
5. The site was originally allocated in the Rother Local Plan in 2006: Policy BX9 Land off Down Road, Bexhill forming the existing High School and Drill Halls. This policy was superseded by 2019 Development and Site Allocations Local Plan which is forming part of the emerging Local Plan. The residential development forms the northern part of Policy BEX4: Land at Former High School Site and Drill Hall, Down Road; which states:

Either:
a) some 35 houses are provided; or
b) some 36 flats and 18 houses are provided.
In both cases, 30% of the dwelling units shall be affordable.
6. Outline planning permission for Application No. RR/2019/430/P has been approved subject to a Section 106 agreement. The site plan is attached at Appendix 1. The description of the development:
Outline: Mixed use development comprising a leisure centre (D2 Use), ancillary car parking and up to 52 dwellings (C3 Use) including matters of access with all other matters reserved.
7. The Section 106 is still outstanding due to delays with the land transfer from ESCC who is in the process of evicting the current commercial tenant from the land. RDC officers have been working closely with officers from ESCC to complete the land transfer.
8. Since 2019 and the submission of the outline permission, the construction industry has changed significantly, and development costs have increased making many developments unviable. Considering current market trends RDC officers have reviewed the viability of the scheme and re-evaluated the established delivery route for the project. Officers engaged in soft market

testing with local partners, which confirmed that there is appetite within the market to deliver housing on this site. Therefore, once the remediations works have been completed RDC officers will go to the market to request offers to deliver the site from housing developers.

Residential Development Funding

9. The full remediation works budget of £500,000 is funded by the BLRF Round 1 in 2019. The application to OPE was made by RDC and is supported by ESCC as a joint application. The successful bid was assisted by our OPE partner SPACES.
10. The funding requested was detailed as follows:
 - £100,000: Budget estimate for demolition of old refectory building and contamination remediation (based on cost of recent demolition of industrial units and associated mitigation for contamination at Wainwright Road, Bexhill-on-Sea).
 - £400,000: Budget estimate to provide additional lane at the junction of the A259 and Combe Valley Way. Estimate provided by Prime transport consultants as part of the outline planning process in negotiation with Highways England.
11. This report requests an additional £305,000 to be allocated into the capital programme. This allocation will bring the site forward to its next stage. Costs include but is not limited to: Consultants fees; Immediate sites Works; Site security; Legal Fees; Staffing Costs; Valuation; Contingency; and Interest.
12. The King Offa Residential Development site, previously part of the planning application as mentioned above has been reviewed and recommendations agreed previously by Cabinet are summarised as follows:
 - £2m additional to capital programme (Minute CB17/16);
 - appoint an Employer’s Agent and an Architect to carry out detailed design work and preparation of a reserved matters application to be funded from capital project budget previously committed (Minute CB19/32); and
 - the housing development on the site be continued and progressed, including the work required to develop and submit a reserved planning application for the rear of the site (also Minute CB19/32).

Key Risks

13. Listed below are some of the key risks and the relevant mitigations:

RISK DESCRIPTION	MITIGATION
Further Land Swap Delays	Working closely with East Sussex County Council to provide a consistent message to the current tenant that they must leave with court proceedings underway to remove them.
Rising cost implications	The BLRF funding was successfully granted in 2019 and therefore works costs have increased since then. It was pertinent that officers included contingency amounts within the quotes and we therefore are in a position where current development estimates come in under the grant funding. We will continue to work with consultants to make sure mitigation works and designs are efficient and stay within the budgets provided.

RISK DESCRIPTION	MITIGATION
Increase in costs of installations beyond the specified budget	The project team will closely monitor budget as the project progresses and include a contingency against any further quotes. We will work closely with our estates and maintenance team who will advise on particulars of demolition and make sure we are giving the correct brief. The budget requested includes additional consultant fees that may not be required alongside a contingency for unknowns and overspends that arise. This additional spend will only be a last resort if the entirety of the funding is needed for remediation works.
Failure to procure suitable contractor/s	The project team will procure for contractors through the East Sussex Procurement Hub who have of contractors within their frameworks and will complete initial market testing to confirm contractors are available and keen to bid. We will also keep procurement process brief the entice more competitive responses from local companies and those further afield.
Changes to the scheme impacting funding	Due to the current nature of the construction and housing market, particularly post COVID, requirements and sales needs are changing for developers and both affordable providers and for-profit providers. This will mean a review of the scheme currently proposed may change the unit mix, amount and type of development. Whilst the BLRF funding was based on a certain number of units changes to this may affect the funding. This will be mitigated by continued engagement with our OPE partners and sharing sound reasoning and any updates to the scheme as they arise.

Conclusion

14. This report requests for capital funds to be made available to enable officers to facilitate the delivery of remediation works to the King Offa Residential Site, which meets the Council's strategic objective of delivering more homes for the district. Alongside this it will deliver more affordable tenure homes on Council owned land.
15. Once the delivery route has been chosen a report will come to Cabinet requesting disposal of the site, outlining the benefits and capital receipt for the project.

Financial Implications

16. There will be no long-term financial implications to the project once the capital receipt has been received for the site allowing delivery of homes to commence.
17. Any capital receipt surplus will be used to fund other capital schemes and thus reduce the Council's borrowing costs.
18. The short-term implications to the Capital Programme require the funds to be released to enable the spending of grant funding. This will have further implications on the Capital Programme for the short period of time. These financing costs have been anticipated to be £20k per annum.

19. Cabinet resolved to approve project progression in September 2017 (Minute CB17/16 refers), committing £2m and the required resources to bring the scheme forward. In July 2019, Cabinet resolved (Minute CB19/32 refers) that the new approach to developing the old Bexhill High School site Corporate Plan Project be supported by omitting the proposed hotel due to the Ministry of Defence resolving to remain in the Drill Hall, and; separating the housing and leisure elements into two distinct projects to be brought forward separately after outline planning permission has been granted.

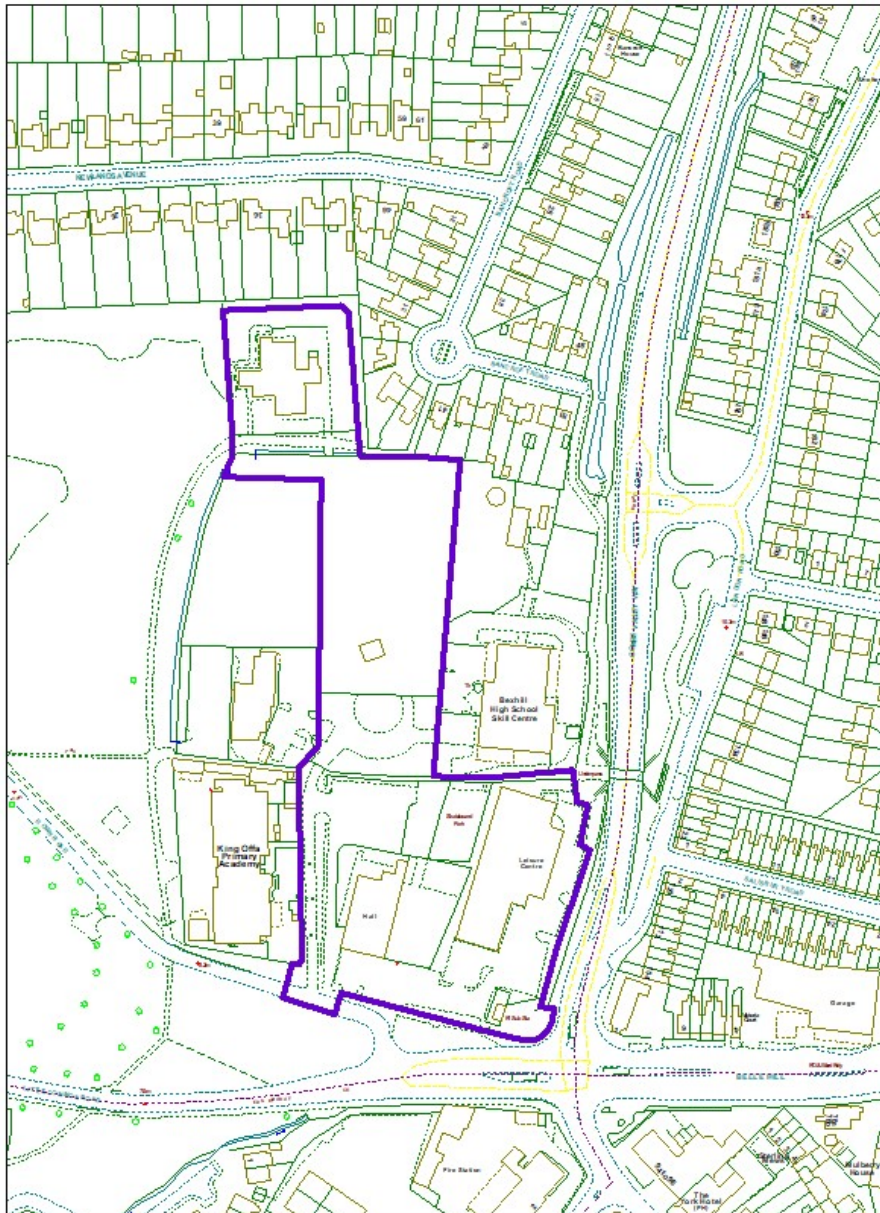
Sustainability Implications

20. The construction works delivered as part of the remediation funded by the BLRF will be procured against high sustainability standards.
21. This project will help to demonstrate both locally and nationally, RDC’s commitment to our Environmental Strategy and Core Plan in every piece of work we do. Showing that any contract should be upheld to high sustainability standards and aim to achieve net zero.
22. The construction works delivered as part of the remediation funded by the BLRF will be procured against high sustainability standards.
23. Each contractor will have to submit sustainability reports as part of Rother’s Improved Procurement Procedures when they are implemented.

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		

Chief Executive:	Malcolm Johnston
Report Contact:	Thomas Atkinson
e-mail address:	Thomas.Atkinson@rother.gov.uk
Appendices:	Appendix 1 – location map
Relevant Previous Minutes:	CB13/10 CB14/13.(8.1) & C14.41. CB14/30 (7.1) CB14/33 (6.1) CB15/52.(7.3) CB16/06 CB17/16 CB17/99 CB19/32(10) CB19/72.(12) PL19/93.(7) CB19/98. (13) CB19/107. (6) CB20/13.(13) CB20/22.(8)

SITE PLAN	BEXHILL
RR/2019/430/P	Bexhill Leisure Centre, Down Road.



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Rother District Council

Report to: Cabinet

Date: 12 December 2022

Title: Fees and Charges 2023-24

Report of: Deborah Kenneally, Head of Neighbourhood Services

Cabinet Member: Councillor Jeeawon

Ward(s): All

Purpose of Report: To set out proposed fees and charges for 2023-24

Decision Type: Key

Officer

Recommendation(s): It be **RESOLVED:** That the charges shown in the Appendices (1-9) be approved and brought into effect from 1 April 2023 with the exception of charges in Appendix 6 (b) which will be brought into effect from 15 July 2023.

Reasons for

Recommendations: The recommendations take into account the rate of inflation and any known contract uplifts to ensure that our fees cover the costs of providing our services.

Introduction

1. This report proposes a set of revised fees and charges for a range of services provided by the Council. The Council regularly reviews and revises its rates for fees and charges so that either all or a proportion of the cost of service provision can be met and built into the Revenue Budget accordingly. In most cases the recommended increases to fees and charges are in line with the current cost of inflation as based on the Consumer Price Index (CPI). There is much debate at present about the current higher inflation rate and current indications are that interest rates may begin to wane in a year's time but remain high for the time being. The CPI rate as of September 2022 is 10.1% - this has been rounded down slightly to a proposed increase of 10% to our fees and charges unless otherwise identified. If approved, the new rates for fees and charges will be built into the draft Revenue Budget for 2023/24.
2. It should be noted that if the increases in charges are too high, income levels may drop due to customer resistance and affordability for the customer. Usage and uptake of services needs to continue at optimum levels to support funding of increasing service costs, including administration and contract uplifts where applicable. Failure to achieve sufficient income and thereby reduce subsidy on non-essential services may compromise the Council's ability to fund statutory services and savings may need to be made elsewhere in the budget to mitigate a loss of income.

3. It should also be considered that services delivered by third party contractors to support Council services are liable to additional increase in costs due to staff shortages, rising salary levels and the Government's proposed National Insurance Contribution increase. It is therefore important to future proof the impact of these potential increased costs on service delivery.
4. A review of Neighbourhood Services revenue and expenditure has been undertaken to inform this report, taking into account staffing and contractor costs to provide services, maintenance and equipment costs, and any revenue received. The current cost of living crisis has also been considered when making recommendations.
5. The charges set out are inclusive of value added tax (VAT) at the current rate, where appropriate. Charges are rounded to the nearest 25p if under £50.00 or the nearest £1.00 if £50.00 or over.

Park Activities – Sports Pitches

6. Sports pitches across the District provide areas for local clubs to carry out their activities. These clubs play an important role in maintaining the health and wellbeing of residents as well as providing activities for young people.
7. Current charges for sports pitches help to subsidise the costs to the Council in providing them. The pitches are maintained by our grounds maintenance contractors and their costs are subject to an annual increase based on inflation (RPI). Additional costs in providing services such as showers are also subject to increases in contractor cleaning charges and the cost of utilities. Therefore, officers recommend that an increase of 10% is applied to all charges to cover the effects of inflation. This will not completely cover RDC's costs associated with maintaining and providing sports pitches – the review of income/expenditure predicts a £120,000 deficit in 2022/23.
8. The court booking and payment system trialled at Egerton Park has been successful. Customers not wishing to book are still able to access courts free of charge when they are not in use by a paying customer. Bookings are limited to two hours per day per customer. Some minor changes to the charges were introduced in April 2022 whereby coaches would incur a slightly higher charge and also a one-off annual registration fee enabling their Lawn Tennis Association credentials to be checked, but also affording them slightly enhanced booking rights whereby they could book up to 10 weeks in advance compared to 8 weeks for members of the public. In addition, a nominal charge, half that of the summer season was introduced over the winter months. It is proposed this system be continued for 2023/24.
9. A detailed illustration of the recommended increases to fees and charges for Park Activities and Sports Pitches can be found at Appendix 1.

Parks and Seafront Activities – Special Events

10. The number of events being held on public land within the District was steadily increasing prior to COVID-19. We expect the trend to continue in summer 2023 and event organisers are already starting to place bookings for

next summer. It is important that the level of charges for both charitable and commercial events are not perceived as a deterrent.

11. The administration and the level of associated staff resources required for park events continues to increase and there is an ever more stringent responsibility to ensure that each event has the appropriate safety measures, insurance and risk assessments in place.
12. Work carried out to parks and open spaces by contractors to maintain areas before and after events and to provide assistance during events are subject to annual increases in contract charges based on CPI (Consumer Price Index).
13. Therefore, officers recommend that an increase in line with inflation of 10% is applied to all charges to cover the effects of inflation and work undertaken by officers. This will not completely cover RDC's costs associated with managing events – the review of income/expenditure predicts a £4,200 deficit in 2022/23, however a number of Service Level Agreements offering free land/services to event organisers are ending in 2022 and if these are not renewed, income is likely to increase in 2023 should these events take place.
14. A detailed illustration of the recommended increases to fees and charges for special events can be found at Appendix 1.

Parks and Seafront Activities – Sports, Fitness and Activities Sessions

15. A new charge for small activities with no more than 50 participants per occasion, organised by clubs or other groups where participants pay to take part either through a club membership or as a fee to the organiser was introduced in April 2022 and charges are recommended to continue for 2023/24.
16. The Council has a duty of care to those taking part in activities on land under its management in terms of ensuring that the land is suitable and safe to use for the activities and that appropriate safeguarding measures are in place.
17. At the current time, outside of the established sports and events booking system, no formal process is in place to record what activities are taking place on the Council's land and whether the organisers have appropriate insurances, risk assessments and safeguarding measures in place.
18. Whilst some activity organisers are proactive in liaising with the Council, many others operate without authorisation leaving the Council vulnerable to challenge over fairness and liability and organisers with a lack of certainty as to how to proceed. Officers recommend the introduction of a formal booking process and a nominal fee covering administrative costs in order to protect participants and reduce the risk of culpability to the Council should an incident occur.
19. Officers recommend that an increase of 10% is applied to all charges to cover the effects of inflation. As with sports pitch bookings, this will not completely cover RDC's costs associated with sports activity sessions, however it is important to encourage sports providers to engage with RDC before using our land so that we can ensure sessions are being held safely. A detailed

illustration of the recommended introduction of fees and charges for sports and activities sessions can be found at Appendix 1.

Cemetery Charges

20. In October 2017, officers reported to Cabinet on the provision of cemetery services (Minute CB17/29 refers). This report outlined the challenges for the service and compared charges with other local authorities. These challenges have persisted during 2022/23.
21. The current charges for interments (burials and cremated remains) remained static between 2016 and 2020 to encourage use of local services, a 0.5% increase was implemented in 2021/22, and a 4.8% increase was implemented in 2022/23; however, contractor costs for services have risen annually in line with inflation creating a real terms reduction in income to the Council over the period. The current rates of fees and charges no longer meet the cost to the Council. Therefore, it is recommended that these fees are increased by the rate of inflation of 10% in 2023/24. Cemetery fees and charges remain broadly competitive with neighbouring authorities for example in 2022/23 Hastings Borough Council (HBC) charges £787 for a resident adult interment and Eastbourne Borough Council (EBC) charges £960 – the equivalent 2022/23 fee for an adult interment in Rother District Council (RDC) cemeteries is £1,001.00. EBC, HBC and RDC all double these fees for non-residents.
22. The Council provides a range of memorial services such as installing benches, tree planting, grounds maintenance and the hire of the chapel. It is recommended that the fees for cemetery services are increased by 10% in line with inflation to match the equivalent rise in the Council's costs.
23. The proposed uplift should cover RDC's costs associated with providing cemetery and memorial services – the review of income/expenditure predicts that the services will break even in 2022/23. A detailed illustration of the recommended increases to fees and charges for cemetery services can be found at Appendix 2.

Beach and Foreshore

24. Beach hut sites are extremely popular and remain in high demand. The average sale price of beach huts on Bexhill beach has increased over the past 12 months (from £25,000 in 2020 to £34,000 in 2021 and £45,000 in 2022). Due to the increase in value and demand for beach huts, the recommendation therefore is for the licence fee for beach huts to rise above inflation by 16% to £650 per annum in 2023/24.
25. RDC currently charges a minimum of £2,000 or 10% of the sale price (whichever is higher) when beach hut ownership is transferred. Given the increase in sale prices during 2022 (average £45,000), it is recommended that the minimum transfer fee be held at £2,000 in 2023/24 as most hut owners are already paying the higher 10% transfer fee.
26. It is recommended that seasonal tent sites charges increase also above inflation by 16% in line with other beach hut licences.

27. For other foreshore services, a review of neighbouring councils indicates that Rother are charging considerably less than HBC (the only neighbouring council offering a comparable service) for winches and equipment boxes – Rother fees are approximately 40% less than Hastings for these services. Individual boat licences for RDC are also approximately 40% less than HBC. It is therefore recommended that boat licence fees are increased by 20% in 2023/24 (from £77 to £85), whilst winches and equipment box fees are increased by 23% in 2023/24 (from £40.50 to £50.00). It is recommended that commercial fishing boat fees are increased by the rate of inflation of 10% as these sites are not in demand and we currently have no take up whilst sailing/angling boat site fees are increased above the rate of inflation by 20% (from £51 to £56).
28. Income from beach and foreshore activities does not cover the cost of managing our coastline, however this income offsets some of the costs to RDC and is an important revenue stream to maximise. A detailed illustration of the recommended increases to fees and charges for Beach Activities can be found at Appendix 3.

Car Parking

29. In October 2020, the Overview and Scrutiny Committee formed an Off-Street Car Parks Task and Finish Group to consider the impact of Civil Parking Enforcement on its off-street car parks. The Task and Finish Group recommended a number of changes to car park charging, namely the creation of three long-stay car parks with a single “all day” tariff (Gibbet Marsh, Lower Market and Wainwright Road) from 5 July 2021, and standardising chargeable hours across the district at 08:00-19:00 from 27 September 2021.
30. We recommend maintaining current car parking charges during 2023/24. There is a significant cost (£8,000-£10,000) in changing charges across all car parks including new signage and reconfiguration of pay and display machines, therefore a small increase in charges is unlikely to cover costs at this time. Also, in recognition of the current cost of living concerns, holding these tariffs for 2023/24 will help support our businesses, residents and visitors. An increase in permit prices does not require any machine configuration or signage amendments so the cost to the Council of amending permit prices is negligible.
31. It is recommended that nominated parking permit prices across the district (excluding long stay car parks) are increased by 43% from £350 per annum to £500 per annum. For Nominated permits at £500 per annum this equates to a charge of £1.37 per day over 365 days; or for someone parking 5 days a week, 48 weeks a year, this equates to a charge of £2.08 per parking session (the daily tariff in these car parks is between £5 and £15). This represents a considerable saving against the daily parking tariffs. From April 2016 to late 2019, nominated permits were charged at £498.50 per annum so a charge of £500 would still be in line with 2019 charges. This charge was reduced in late 2019 to £321 in line with the lower nominated permit price charged at Gibbet Marsh car park, which is now a long stay car park.
32. It is recommended to increase the Nominated permit price at the three long stay car parks as listed in paragraph 29 by the rate of inflation at 10%, thereby maintaining a lower annual charge than other RDC car parks to increase the

use of these 'further out of town' facilities. Hastings Borough Council charges £765.00 for a nominated car park permit in 2022/23.

33. We have observed a significant increase in the costs of managing Camber car parks, and in particular Western car park. In addition to recent improvements to the car park surface, general signage and payment machines, we increased the security at the car parks to combat increased levels of anti-social behaviour during peak season and we expect this requirement to continue next season. It is proposed that the summer season Camber car parks tariffs from 0-6 hours are increased by the rate of inflation at 10%. For the 6+ hours tariff, an above inflation increase of 20% is recommended – this is needed to ensure that it is not cheaper for customers to purchase a lower tariff and then top up during their visit. These increases will help to off-set the increased costs in providing the Camber services. There is a possibility that Old Lydd Road car park may become unavailable during season 2023 due to Council plans to redevelop this site. We will utilise the site for parking for as long as possible.
34. A detailed illustration of the current and inflationary increases to fees and charges for car parking can be found at Appendix 4.

Filming

35. 1066 Film Office (part of HBC) manages filming requests on behalf of RDC. The Film Office manage all enquiries, paperwork, including ensuring that risk assessments and public liability insurance are in place, granting licenses, and collecting payments from those carrying out still photography and filming on RDC land.
36. RDC is responsible for giving permission for filming to take place, checking documentation where required and any on site liaison with the film companies.
37. 1066 Film Office take 10% of the revenue to cover their costs and RDC receives the remaining 90% up to £30,000 revenue and thereafter HBC receives 25% of the revenue.
38. An overview of filming charges, which are outlined by RDC but to a degree negotiated by HBC 1066 Film Office according to film companies' individual requirements and the Film Office experience and expertise, can be seen in Appendix 5.

Bulky Waste Collections

39. The recommendation is that the fee for Bulky Waste Collections of one to three items (the most popular booking accounting for 93% of collections) stays the same at £40. The fee for four to six items is recommended to be increased from £73 to £75 and the fee for seven to nine items is increased from £108 to £110. These charges are proposed to increase below the rate of inflation as we do not wish to make it more attractive for customers to book multiple separate collections rather than one larger collection if needed.
40. A review of neighbouring councils indicates that HBC charges £35 for one to three items and Wealden District Council charges £55.

41. It is important that the set of charges for bulky waste collection does not deter people from using the service and so increase fly tipping. Fly tipping increased during the pandemic, exacerbated by the social distancing measures and the Household Waste Sites being closed or operating on a restricted basis, but the rate is now slowly reducing.
42. These recommendations will go some way to offsetting the annual uplift charges although these are not yet confirmed for 2023/24.
43. There is a risk that an increase in price may deter residents from using the service and increase fly tipping. However, the recommendation for fees for the most popular booking of one to three items remains the same, thus mitigating the risk.
44. A detailed illustration of the recommended increases to fees and charges for Bulky Waste Collections can be found at Appendix 6.

Garden Waste Collections

45. The annual charge for the garden waste collection service was increased from 15 July 2022 to £50 per bin per annum for all customers subscribing to the service.
46. The cost of the service to the Council is approximately £625,000 per annum plus the costs to administer the service and provide new and replacement containers. It is projected that in 2022/23 the present charge of £50 per subscription would generate an income to the Council of approximately £1m across the present 20,500 customers. It is anticipated that there will be a considerable uplift in the cost for the new financial year, along with an increase in container costs and equipment due to the availability of certain materials, shortage of HGV drivers, increased use of Agency staff, fuel and utility costs.
47. In July 2021, the Council introduced garden waste permit stickers at a baseline cost of approximately £20,000 per annum. This has been successful in sustaining the number of household subscribers as it is clearer which containers have been paid for to be collected under the subscription service.
48. It is recommended therefore that the subscription cost for garden waste service be increased from £50 to £55 per bin which would increase the revenue to the Council to approximately £1.1m.
49. There is a risk that the higher cost of the service will deter some residents from renewing their garden waste collection subscription in July 2023. It is felt that this risk is unlikely to occur, but it is a possibility.
50. The garden waste subscription charge in neighbouring authorities are:
 - HBC £73
 - Lewes £70
 - EBC £57
 - Wealden £55

51. A detailed illustration of the recommended increases to fees and charges for Garden Waste Collections can be found at Appendix 6.

Localism Act 2011 - Appendix 7

52. To ensure that the costs of providing non-statutory services are covered by the user, officers in the Environmental Health and Licensing Service have previously identified two areas where a charge can be levied under Section 3 of the Localism Act 2011:

a. Food Hygiene Rating Scheme (FHRS)

A revisit to rate a premises under the FHRS is not a statutory duty and it is therefore recommended that the scale of fees shown in Appendix 7 is approved. As a Council we would want food businesses to have the highest rating and therefore the fee only reflects the costs incurred by the Council.

b. Health Certificates (for food exported)

The Council receives requests for health certificates which must be signed by Environmental Health Officers or Official Veterinary Surgeons. If the health certificates are not correct and do not have a wet signature, the Port Health Authority of the importing country will reject the consignment of food. By issuing health certificates the Council is supporting local businesses to export food. The fees in Appendix 7 are recommended to cover the Council's costs, which are only sufficient if businesses provide adequate time and accurate information to allow certificates to be produced efficiently.

Statutory Fees - Environmental Health Service - Appendix 8

53. Fees can only be set which reflect the costs incurred by the Council. Therefore, some fees have not been increased, as the cost incurred by the Council have not increased significantly. An exception to this is the fee for pavement licences, which allow tables and chairs to be placed on the highway. This was introduced as a temporary measure during the pandemic with a highly subsidised fee. The increased fee for serving notices under the Housing Act 2004 is also recommended for approval.

Proof of life verification for Foreign Pensions

54. Rother is looking to introduce a charge of £25 from April 2023 to carry out 'proof of life' verification for foreign pensions as set out at Appendix 9. Historically this process has been completed free of charge by the customer service team, however, we are wanting to align with East Sussex County Council and numerous other Local Authorities that charge for this service.
55. The process takes around 20 minutes to complete and involves seeing a customer face to face, checking photo ID, completing and placing an official stamp on a form issued by the customers foreign pension provider to confirm that they are still alive. This then enables the customer to continue to receive their foreign pension for a further year. This is a discretionary service and has

a cost attached to provide this service in terms of officer time to complete the check.

56. The cost of this service that other local authorities charge ranges from free to £35 pounds.
57. Rother completes between 100 to 150 proof of life verification request per year.

Local Authority	Proof of Life Charge
East Sussex County Council	£10
North Hertfordshire Council	£10 (voluntary donation)
York Council	£25
North Norfolk District Council	£10
Dorset Council	£15
Guildford Borough Council	Free
Worcestershire County Council	£10
Wolverhampton City Council	£15
Thurrock	£35

Reference

[Proof of life for foreign pensions | East Sussex County Council](#)

[Foreign Pensions: Proof of Life and Residence | North Herts Council \(north-herts.gov.uk\)](#)

[Proof of life and residence for foreign pensions – City of York Council](#)

[Home | Foreign pension: proof of life and residence \(north-norfolk.gov.uk\)](#)

[Proof of life and residence for foreign pensions - Dorset Council](#)

[Foreign Pension: Proof of Life and Residence | Foreign Pension: Proof of Life and Residence | Worcestershire County Council](#)

[Foreign Pension: Proof of Life and Residence | City Of Wolverhampton Council](#)

[Proof of life | Citizenship, nationality and proof of life | Thurrock Council](#)

Conclusion

58. The increases recommended within this report support the Medium-Term Financial Strategy of the Council, ensure that non-statutory services are broadly self-funding and ensure that income levels are protected against the effects of inflation.
59. Members are requested to consider the proposals and determine the range of charges applying for 2022/23.

Financial Implications

60. The financial implications have been discussed with the Section 151 officer and are detailed within the report. The increases are anticipated to yield additional income of about £160,000 in a full year.

Sustainability Implications

61. It is crucial that the Council's fees and charges are increased to take into account the rate of inflation and any known contract uplifts to ensure that our fees cover the costs of providing our services. Failure to cover costs will have an effect on the levels of service that can be offered moving forward.

Environment

62. It is important to note the potential impact on the environment if charges for items such as bulky waste collections for example become prohibitive to many people and so increase the likelihood of inconsiderate and anti-social behaviour such as fly tipping. Likewise, careful management of 'special events' is required to ensure any impact on the environment, such as litter, is dealt with in the appropriate manner.

Risk Management Implications

63. As highlighted within this report, if the increases in charges are too high, income levels may drop due to customer resistance and affordability for the customer. Failure to achieve sufficient income and to reduce subsidy on non-essential services may compromise the Council's ability to fund statutory services in the future.

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	Yes	Exempt from publication	No
Risk Management	Yes		

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Deborah Kenneally / Lynsey Goodwill
e-mail address:	Deborah.kenneally@rother.gov.uk / lynsey.goodwill@rother.gov.uk
Appendices:	1-8 provide detailed illustrations of the recommended increases to fees and charges
Relevant Previous Minutes:	None
Background Papers:	None
Reference Documents:	None

PARKS ACTIVITIES

Unless stated all charges include VAT @ 20%

Sports Bookings

	Current Charges per Booking per Pitch (2022/2023)			Proposed Charges per Booking per Pitch (2023/2024)		
	Adult (over 18)	Youth (12 – 18)	Under 12s	Adult (over 18)	Youth (12 – 18)	Under 12s
Football Pitch	£85.00	£18.50	£14.50	£93.50	£20.25	£16.00
Cricket Pitch	Adult (Over 18)	Colts		Adult (Over 18)	Colts	
	£82.00	£18.00		£90.00	£19.75	

		Current Charges per Booking per Pitch (2022/2023)	Proposed Charges per Booking per Pitch (2023/2024)
Stoolball Pitch	Casual Games	£28.50	£31.25
Additional Charges	Showers	£29.50	£32.50
	Closed Gate	£49.50	£55.00
	Cancellation (pitch fees)	£24.00	£26.50

Egerton Park tennis, pickleball and kickabout courts.		Current Charges per Booking per Court per half hour (2022/2023)	Proposed Charges per Booking per Court per half hour (2023/2024)
April to Sept inclusive	Member of the public	£1.50	£1.75
	Coach	£2.00	£2.25
	Bexhill Tennis Club*	£1.50	£1.75
Oct to March inclusive	Member of the public	£0.75	£0.75
	Coach	£1.00	£1.00
	Bexhill Tennis Club*	£2.00	£2.25
Annual one-off admin fee	Coaches	£50.00	£55.00

*For courts in addition to the two courts leased to the Club.

Sports, Fitness and Activities Sessions

		Current Charges (2022/2023)	Proposed Charges (2023/2024)
Commercial Session	Per Session (up to 1 hour per day)	£10.00	£11.00
	Per Session (more than 1 hour per day)	£20.00	£22.00
	Annual one-off admin fee	£50.00	£55.00
Charitable Session	Per Session (up to 1 hour per day)	£3.00	£3.25
	Per Session (more than 1 hour per day)	£5.00	£5.50
	Annual one-off admin fee	£10.00	£11.00

Parks and Seafront - Events and Fairs

		Current Charges (2022/2023)	Proposed Charges (2023/2024)
Commercial Event – Small	Per Day	£122.00	£134.00
Commercial Event – Med	Per Day	£363.00	£399.00
Commercial Event – Large	Per Day 1 – 4	£680.00	£748.00
	Per Day 5 +	£523.00	£575.00
Charitable / Not for Profit – Small	Per Day	£65.00	£71.50
Charitable / Not for Profit – Medium	Per Day	£202.00	£222.00
Charitable / Not for Profit – Large	Per Day 1 – 4	£373.00	£410.00
	Per Day 5 + days	£297.00	£327.00
Damage Deposits	Small Events	£347.00	£382.00
	Medium Events	£576.00	£634.00
	Large Events	£1,152.00	£1267.00

CEMETERY CHARGES

	Current Charges (2022/2023)	Proposed Charges (2023/2024)
INTERMENTS – For the burial of:		
The body of a child up to 18 years old	£0.00	£0.00
The body of a person whose age at the time of death exceeded 18 years. At 1.52m (5') deep	£1,001.00	£1,101.00
Each additional 0.61m (2') depth	£400.00	£440.00
Cremated remains - internment	£274.00	£302.00
EXCLUSIVE RIGHTS – For the Exclusive Right of Burial at the time of interment, for 50 years, including the preparation of the Deed of Grant		
Full size plot (2.74m x 1.22m)	£1,001.00	£1,101.00
Small size plots (1.37m x 0.61m)	£495.00	£545.00
Garden of Remembrance at Rye (0.69m x 0.61m)	£284.00	£313.00
Plot Reservation for 5-year period		
Full size plot (2.74m x 1.22m)	£253.00	£278.00
Small size plots (1.37m x 0.61m)	£127.00	£140.00
Garden of Remembrance at Rye (0.69m x 0.61m)	£73.00	£80.00
OTHER CHARGES		
Use of Chapel	£203.00	£223.00
Transfer of burial rights	£129.00	£142.00
Search fee – 10 years to present	No Charge	No Charge
Search fee – before 10 years	£129.00	£142.00
d) Disinterring: Double appropriate re-opening fees, plus any additional charges to be determined by the proper officer according to the circumstances.		

Cemetery Charges

The whole of the foregoing fees and charges will be doubled in the case of any person who at the time of death was not a Council Tax payer or resident of the Rother District and has not so resided at any time during the twelve months preceding his or her death.

CEMETERY CHARGES – *continued*

	Current Charges (2022/2023)	Proposed Charges (2023/2024)
GROUNDWORK – maintenance and planting in respect of Bexhill Cemetery only		
Lawn Sections		
Twice yearly planting with bedding plants	£165.00	£182.00
For Exclusive Burial Rights	£2,207.00	£2,428.00
Traditional Sections		
Turfing of a grave space	£187.00	£206.00
Maintenance with twice yearly planting per annum	£494.00	£544.00
MEMORIALS		
Permission to erect a memorial – (Cemeteries Only)	£129.00	£142.00
Permission to insert an additional inscription – (Cemeteries Only)	£52.00	£57.00
Commemorative BENCHES AND TREES		
Commemorative Benches		
10-year scheme, including installation, plaque and 10-year maintenance.	£741.00	£815.00
Cost of bench to be in addition - selection of four benches provided at current cost plus 5% charge.	On request	On request
Replacement / Additional Plaque for bench (not including inscription)	-	-
Replacement / Additional Plaque for bench, including inscription - maximum of four lines of text	£167.00	£184.00
Commemorative Trees		
Planting of a commemorative tree, including ground preparation, soil nourishment, stabilisation and protection of the sapling. Cost price plus 5% charge (not including tree)	£238.00	£262.00
A selection of trees and shrubs are available for planting, cost for the supply of the tree will be provided at time of request, current cost plus 5% charge	On request	On request
Plaque – including up to four lines of inscription	£68.00	£75.00
Installation and Plaque Mount for commemorative tree	£200.00	£220.00
Additional line of engraving on plaque	£7.75	£8.50
FOR INSCRIPTIONS IN THE BOOK OF REMEMBRANCE		
Up to five-line entry	£274.00	£301.50
Standard Embellishments (Extra)	£416.00	£458.00

BEACH AND FORESHORE

Unless stated all charges include VAT @ 20%, beach hut and tent license charges include VAT@ 12.5%

	Current Charges 2022/2023	Proposed Charges 2023/2024
Beach Hut Site Licenses – Annual charge per hut East/West Parade	£560.00	£650.00
Glyne Gap	£560.00	£650.00
Beach Hut Site Licenses – Seasonal charge per site Tent Sites, 6 months only	£386.00	£448.00
Beach Hut Site Transfer Fee per hut	£2,000.00 (or 10% of sale price, whichever is higher)	£2,000 (or 10% of sale price, whichever is higher)
Foreshore License –Annual charge per item: One Boat Site	£77.00	£85.00
Winches – Annual charge per winch	£40.50	£50.00
Equipment Boxes – Annual charge per box	£40.50	£50.00
Sailing/Angling Boat Site	£51.00	£56.00
Commercial Fishing Boat Site	£383.00	£421.00

CAR PARK PERMITS

Unless stated all charges include VAT @ 20%

	Charges 2022/2023	Proposed Charges 2023/2024
Annual Permit for One Car – All Car Parks	£858.00	£944.00
Half Yearly Permit for One Car – All Car Parks	£525.00	£578.00
Nominated Permit for One Car – Single Named Car Park	£350.00	£500.00
Lower Market, Battle (long stay)– Annual Permit per Car	£323.00	£355.00
Wainwright Road, Bexhill (long stay) – Annual Permit per Car	£323.00	£355.00
Western Road, Bexhill – Annual Permit per Car	£754.00	£830.00
Gibbets Marsh, Rye (long stay) - Annual Permit per Car	£323.00	£355.00
Gun Gardens, Rye – Annual Permit per Car	£1,149.00	1264.00
The Strand, Rye – Annual Permit per Car	£690.00	£759.00

Car Parks – Camber Summer Tariffs (1 April – 30 September)

	Charges 2022/2023	Proposed Charges 2023/2024
Up to 1 hour	£2.50	£3.00
1 – 3 hours	£6.50	£7.00
3 – 6 hours	£12.50	£14.00
6+ hours	£15.00	£18.00

N.B There is a possibility that Old Lydd Road car park may become unavailable for parking during the summer season as the Council plans to use this land for redevelopment.

All other current car park tariffs, including pay and display charges are available online at www.rother.gov.uk/carparks

FILMING CHARGES

1066 Filming Location Charges

Fees – per day, not including VAT Per day = 12 hours (extra charged per hr after).

Half day rate discretionary

All locations except Camber <i>Camber Sands charges in red</i>	Charges Stills Photography	Charges Live Filming or Video
Student – evidence of uni place needed <i>(no filming over summer school holidays in Camber Sands unless approved by CO)</i>	Admin fee £50 +VAT	Admin fee £50 + VAT
Small Scale: Unbranded editorial or small private / start up production company / photographer. <i>(no filming over summer school holidays in Camber Sands unless approved by CO)</i>	All £550+ (plus VAT) (£325 + VAT half day) <i>Camber £600+ (plus VAT) (£425 half day)</i>	All £850+VAT - 650+ (plus VAT) (£325+ VAT half day) <i>Camber £850+ (plus VAT) (£425 + VAT half day)</i>
Medium scale: Nationally known newspapers / magazines Mid - famous brands TV programmes and documentaries <i>(no filming over summer school holidays in Camber Sands unless approved by CO)</i>	All £850+ (£425 + VAT half day) <i>Camber £1,000+ (£500 + VAT half day)</i>	All £1,700 +VAT, £1,500 + VAT £1,000+ (£500 + VAT half day) <i>Camber £1,500+ (£850 + VAT half day)</i>
Large Scale: Major Feature Film Commercial for large famous brand <i>(no filming over summer school holidays in Camber Sands unless approved by CO)</i>	All £1,500 - £2,500+ (£750 - £1,250 + VAT half day) <i>Camber £2,000 - £3,000 (£1,000 - £1,500 + VAT half day)</i>	All £2,000 - £5,000+ (£1,000 - £2,500 + VAT half day) <i>Camber £3,000 - £5,000 (£1,500 - £2,500 + VAT half day)</i>

Please note:

- Special requirements for car parking will be negotiated on a case by case basis
- Standard charges assume the land / asset remain open and that normal services are not disrupted - where this is not the case, charges will be negotiated on a case by case basis to account for any loss of income, costs incurred and service disruption.
- Bespoke requests may incur additional charges
- All fees and charges are subject to review and may change

WASTE CHARGES

Unless stated all charges include VAT @ 20%

Bulky Waste Charges (a)

	Charges 2022/2023	Proposed Charges 2023/2024
Up to 3 items	£40.00	£40.00
4 – 6 items	£75.00	£79.00
7 – 9 items	£110.00	£118.00
Additional items above, per 3 items	£40.00	£40.00

Garden Waste Charges (b)

	Charges 2022/2023	Proposed Charges 2023/2024 (From 15 July 2023)
Annual charge per container	£50.00	£55.00

Food Hygiene Rating Scheme (FHRS)

Unless stated all charges include VAT @ 20%

	2022/23	2023/24
First request for an inspection for FHRS scoring within three months of planned inspection	£150.00	£176.00
Further request for an inspection for FHRS scoring within three months of planned inspection	£200.00	£234.00
First request for an inspection for FHRS scoring after three months of planned inspection	Free	Free
Further request for an inspection for FHRS scoring after three months of planned inspection	£200.00	£234.00
Replacement FHRS sticker	£25.00	£29.00

Note: a discretionary service, fees should be set to reflect costs incurred, so the service can be provided

Health Certificates (for food exported)

Unless stated all charges include VAT @ 20%

[INTERNAL] EXPORT HEALTH CERTIFICATES FOR FISH AND MOLLUSCS, INCLUDING INSPECTION

	2022/23	2023/24
First hour (minimum)	£100.00	£120.00
Subsequent hours or part thereof	£100 per hour	£100 per hour

Note: a discretionary service, fees should be set to reflect costs incurred, so the service can be provided

HEALTH CERTIFICATES (for other food exported)

	2022/2023	2023/2024
First certificate issued	£70.00	£82.00
Subsequent certificates issued on the same working day (same batch)	£20.00 each	£20.00 each

Note: a discretionary service, fees should be set to reflect costs incurred, so the service can be provided

ADMINISTRATION (including withdrawn applications, photocopying and scanning) costs: £30 per hour or part thereof

Environmental Health Fees required to be set by statute*Other fees are set by the Licensing and General Purposes Committee***HMO Licences (5 years)**

	2022/23	2023/24
Initial (first) Application Fee	£920.00	£920.00
Initial Issuing Fee	£50.00	£50.00
Combined Fee (if paid at the same time)	£950.00	£950.00
Additional fee if premises inspected and found not to be licensed	£300.00	£300.00
Renewal Application Fee	£650.00	£650.00
Renewal Issuing Fee	£50.00	£50.00
Combined Fee (if paid at the same time)	£680.00	£680.00

CARAVAN SITES (MOBILE HOMES)

Relevant Protected Sites	Band				
	A (2 – 5)	B (6 - 24)	C (25 - 99)	D (100+)	E (Single unit sites and family sites)
Annual Fee	No Fee Charged	£185.00 Plus £0.50 per unit for registration of fit and proper person	£215.00 Plus £0.50 per unit for registration of fit and proper person	£285.00	No Fee Charged

Initial application to be registered as fit and proper person: £90 (£80 in 2022/23)
Appointed Manager Fee: £100

If an application to be included on the register is not approved the fee will not be refunded.

SCRAP METAL DEALER LICENCE (3 years)

	2022/23	2023/24
New Application	£500.00	£500.00
Renewal	£400.00	£400.00
Variation	£60.00	£70.00

OTHER FEES

	2022/23	2023/24
Service of Housing Act Notice	£350	£390
Temporary Road Closure Order Fee for Remembrance Day and during additional Bank Holiday weekends associated with Royal events are free	£100	£110
Environmental Information Request	£90	£105
Pavement Licences	£50 Reduced fee during pandemic	£200
Administration fee if an application withdrawn	N/A	From £100

Proof of life verification for Foreign Pensions

Proposed new charge

	Proposed Charge 2023/2024 (From 1 April 2023)
Proof of life verification for Foreign Pensions (per application)	£25.00

Rother District Council

Report to:	Cabinet
Date:	12 December 2022
Title:	Solicitor to the Council
Report of:	Malcolm Johnston, Chief Executive
Cabinet Member:	Councillor Oliver
Ward(s):	N/A
Purpose of Report:	To confirm the change in designation of the Solicitor to the Council.
Decision Type:	Non-Key
Officer	
Recommendation(s):	Recommendation: It be RESOLVED: That Clare McGough, Head of Legal and Governance Services for Rother and Wealden District Councils be designated as Solicitor to the Council for Rother District Council, with immediate effect.
Reasons for Recommendations:	To ensure that the Solicitor to the Council is formally designated and is therefore able to act on behalf of Rother District Council in all necessary legal proceedings.

Introduction

1. The Council's legal services are provided under a shared service agreement with Wealden District Council which came into being in June 2012. In December 2018, Wealden District Council's Legal Services Manager, Kristina Shaw-Hamilton was designated as the Solicitor to the Council for Rother District Council.

New Designation

2. Following a re-organisation at Wealden District Council Clare McGough has now been appointed to Kristina Shaw-Hamilton's former role as Head of Legal and Governance Services and it is appropriate for the designation to pass to Clare McGough with immediate effect.
3. Constitutionally, the Solicitor to the Council is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Solicitor to the Council considers that such action is necessary to protect the Council's interests.
4. All current delegations to the Solicitor to the Council will therefore be undertaken by Clare McGough.

Conclusion

5. It is necessary to have a designated Solicitor to the Council and following a reorganisation at Wealden District Council, the designation will change from Kristina Shaw-Hamilton to Clare McGough with immediate effect.

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
Risk Management	No	Exempt from publication	No

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Lisa Cooper, Democratic Services Manager
Email address:	lisa.cooper@rother.gov.uk
Appendices:	None.
Relevant Previous Minutes:	None.
Background Papers:	None.

Rother District Council

Report to: Cabinet

Date: 12 December 2022

Title: Medium Term Financial Plan 2023/24 to 2027/28

Report of: Antony Baden – Chief Finance Officer

Cabinet Member: Councillor Jeeawon

Ward(s): All

Purpose of Report: To consider the recommendations arising from the Overview and Scrutiny Committee meeting held on 21 November 2022, regarding the financial issues affecting the Council and their impact on the financial forecast for the five years ending 2027/28. The report and recommendations arising are reproduced below and the Minutes of that meeting (Appendix D) should be read in conjunction with this report.

Decision Type: Key

Officer

Recommendation(s): It be **RESOLVED**: That:

- 1) the financial forecast and proposed way forward be noted;
- 2) the Council maintain its policy of maximising the annual increase in Council Tax within the Government's referendum limit;
- 3) delegation be granted to the Chief Finance Officer to finalise the wording of the budget consultation literature in consultation with the Cabinet Portfolio Holder for Finance and Performance Management;
- 4) the Council continues to be part of the East Sussex Business Rate Pool in 2023/24 and that the Chief Finance Officer be granted delegated authority to finalise the necessary agreement with the Member authorities in consultation with the Cabinet Portfolio Holder for Finance and Performance Management; and
- 5) officers develop proposals, which will enable the Council to maintain or replenish its level of Revenue Reserves to one third of net expenditure or £5m, whichever was the lesser.

If supported, the recommendations underpin some of the key assumptions within the financial forecast presented in this report. This provides the basis for the development of the detailed revenue budget for 2023/24 and the Capital Programme for approval in February 2023. The forecast also forms the basis of the public consultation on next year's budget and council tax.

Introduction

1. This document sets out the latest forecast budget for 2023/24 and updates the Medium-Term Financial Plan (MTFP) for the period 2024/25 to 2027/28, (see Appendix A). It represents the latest view of the Council's financial position over this five-year period and is subject to confirmation of Government funding and several other factors that may affect the Council's finances.
2. The ongoing lack of certainty surrounding local government funding continues to limit the ability to produce reliable financial forecasts especially in respect of Business Rates income and Government grant. The situation is exacerbated by the economic crisis, rising energy costs and wider global issues.
3. The report describes the financial pressures facing the Council and sets out how it can fulfil its statutory obligation and set a balanced budget. This will again necessitate the need to use reserves, but Members will note that this cannot be a permanent solution and the Council will need to make some difficult decisions over the next 12 months to achieve an affordable and sustainable budget.
4. Members should note that the financial forecast at Appendix A is work in progress and some issues discussed in the report still need to be fully quantified.

The Budget Process

5. The budget process consists of three phases and this report is the result of the first phase. The process is outlined below:
 - i. Phase 1 - Update the MTFP setting out budget pressures and high-level estimates over the next five years;
 - ii. Phase 2 - Produce a detailed draft budget to be considered by Cabinet and referred to Overview & Scrutiny Committee in January 2023;
 - iii. Phase 3 - Finalise the budget, including the Capital Strategy and Capital Programme, for approval by Cabinet and full Council in February 2023.

Local Government Settlement 2023/24 and beyond

6. In June 2022, the Levelling Up Secretary, Michael Gove, made a couple of key announcements concerning local government funding. Firstly, he indicated his intention to introduce a two-year financial assessment with effect from next year. Secondly, he stated that the Department for Levelling Up, Housing & Communities (DLUHC) would complete the local government 'Fair Funding Review' in consultation with local authorities in 2022. He also announced that the DLUHC would look to reduce the number of funding pots that Councils must bid for in order to secure resources for specific initiatives.
7. The funding settlement for 2023/24 is expected around mid-December 2022, but at this stage it is unclear whether it will contain further clarification about the June 2022 announcements.

Cost Pressures

8. **Contractual Inflation** – The base budget has been increased by £543,000 to allow for inflationary increases built into certain service contracts. The largest increases are in the Waste Collection (£410,000) and Grounds Maintenance contracts (£100,000).
9. **Homelessness** - The budget in 2020/21 was increased by £250,000 to meet increasing demand. The Temporary Accommodation (TA) acquisition project has also alleviated budget pressure by reducing the use of private rented accommodation however, as reported to Cabinet in the Quarter 2 monitoring report, volumes have increased again in 2022/23. Therefore, a further £260,000 has been included in the 2023/24 budget.
10. **External Audit fees** – Local authority external audits have received much criticism in recent years from the Financial Reporting Council, mainly over the quality of audits and the delays in completing them. Audit companies responded by stating that such audits would require additional resources to rectify these problems. The contract for delivering the audit is currently with Grant Thornton, but it expires at the end of 2022/23. A procurement process was conducted by the Public Sector Audit Appointments (PSAA) Limited earlier this year on behalf of the Council. The Council has since been advised by the PSAA that our audit costs could increase by £98,000 from 2023/24 onwards.
11. **Net Financing Costs** – The Council continues to deliver an ambitious capital programme, especially with regards to the Property Investment Strategy and TA acquisition programme. Most of the programme will be financed from borrowing, which will incur significant financing costs and presents an affordability risk that has been exacerbated by recent interest rate rises. The budget assumes an underlying borrowing rate of 4%, which is in line with forecasts received from the Council treasury management advisors, however, the Council will be able to use capital receipts of almost £7m to offset its overall borrowing requirement. As a result, the 2023/24 budget includes borrowing costs of £1.4m, rising to £2.1m from 2024/25.
12. The Council has a fixed rate borrowing portfolio of about £32 million, which means that it is protected from interest rate increases. However, Members should note that the financing costs estimates are extremely sensitive to changes in future interest rates and capital expenditure cash flows. Therefore, larger and more complex schemes in the capital programme will be subject to a detailed affordability review before being reported to Members with any recommendations to approve. This is further discussed in paragraph 41.
13. Rising interest rates means that the Council will receive higher than anticipated investment income. The 2023/24 budget has been increased by £183,000 and this additional income will partially offset borrowing costs.
14. **Staffing Costs** – the forecast assumes an annual increase of 3% for the 2023/24 pay award and 2% per annum for each of the following years. This increases the full year budget requirement by approximately £207,000. Staffing budgets have also been decreased by a 1% vacancy allowance to allow for staff turnover, which reduces the budget requirement by about £106,000. The impact of the 1.25% increase in the employer's national

insurance contribution rate had been reversed at the time of writing this report, thus reducing the budget requirement by a further £86,000.

15. **Non-Pay Inflation** – Based on forecast information from Link Asset Services, (the Council's Treasury Management advisors), non-pay inflation has been applied at a rate of 4.57% (£259,000) for 2023/24, 2.69% in 2024/25 (£152,400) and 3.37% (£191,000) per annum thereafter. An increase of 10% for Fees and Charges has also been included although this will be subject to approval by Members in a separate report to Cabinet later this financial year.
16. **Electricity** – The Council re-tendered its electricity contract earlier this year with the new prices being implemented from September 2022. Unsurprisingly, the cost has increased dramatically by 61.16%, which is estimated to increase costs by about £88,000 in a full year.
17. **Budget Contingency** – The 2022/23 revenue budget includes a contingency of £200,000, which was set up to absorb unexpected/additional inflationary cost pressures. The economic outlook remains extremely uncertain so it would be prudent to retain the budget contingency in each year of the financial forecast. However, Members will note that Finance will work with budget holders to contain any cost increases within existing budgets.

Rother District Council Corporate Plan

18. The Corporate Plan was adopted by full Council on 5 July 2021. It includes several priority objectives, some of which may require revenue and/or capital investment. The MTFP forecast does not include any additional funding to deliver these objectives, so any proposals for further investment will need to be considered for affordability. This may also necessitate a need to realign existing resources or make compensatory savings elsewhere from the budget.
19. One of the Corporate Plan's priority objectives is to achieve financial stability by the end of 2025/26. The current forecast in Appendix A shows that without further action, an underlying budget deficit will remain until at least 2027/28 and the Council will not be able to replenish revenue reserves. This issue is discussed further in paragraph 22 below.

Financial Stability Programme (FSP) and Further Savings

20. The FSP was agreed by Cabinet on 29 March 2021 (Minute CB20/120 refers) with the aim of achieving financial stability within five years by delivering cost savings and income. The MTFP forecast includes a savings target of £2.137m in 2023/24 and £2.197m in the following plan years.
21. Significant progress has been made in areas such as the devolution of services and other smaller initiatives will deliver savings of £133,000 in the current financial year. However, further work will be required if the Council is to achieve the targets referred to in paragraph 20 above. The situation will be kept under review by officers and any revision to the delivery timeline will be reported to Members along with any impact on the revenue budget.
22. Even with the achievement of the FSP targets, the Council still faces an underlying budget deficit therefore further savings will have to be identified.

Officers have already held preliminary discussions with Members and will develop proposals as to how the funding gap should be addressed.

Business Rates (Non-Domestic Rates)

23. The Council remains part of the East Sussex Business Rate Pool, which means it retains the levy on business rate growth which would otherwise be returned to central Government. The pooling arrangement will be reviewed, but it has previously been financially beneficial for the Council to remain in the pool so for the purpose of this forecast it is assumed that it will continue to do so. In September the DLHUC wrote to all councils in the pool asking them to indicate their preference, subject to confirmation by the Secretary of State that pooling arrangements will continue in 2023/24. The CFO provisionally accepted the invitation to remain in the pool, but this needs to be approved by Members.
24. There is still no indication as to when the Government will proceed with its Business Rate reset. Their original intention was to reset the baseline (the amount of business rates it expects councils to collect) by 2020, but various events have delayed this, e.g. a snap general election, Brexit, Covid, etc. The risk of a redistribution of business rates away from the Council still exists, but no assumptions have been included in the forecast.
25. In November 2021 the DLUHC announced its intention to implement a system of triennial property revaluations with effect from April 2023. It is not yet possible to predict the impact but the DLUHC have indicated that councils will be compensated for any adverse changes.

Non-Specific Revenue Grants

26. The Council has engaged the services of local government policy specialists LG Futures to forecast likely government grant funding levels from 2023/24. The table below shows the forecast net decreases against the 2022/23 base budget in each year of the MTFP:

2023/24	2024/25	2025/26	2026/27	2027/28
£295,000	£266,000	£257,000	£306,000	£296,000

27. The main change is due to a £408,000 predicted reduction in the New Homes Bonus grant as this assumes that the Government will wind up the scheme by 2026/27. However, it is expected that this will be partially offset by increases in other grants, mainly the Homelessness Preventions and Services grants.
28. The above information will be confirmed in the local government funding settlement and any changes will be reported to Members in January 2023.

Council Tax and Council Tax Base

29. For 2022/23, Council Tax was again only allowed to increase by the maximum of 2% or £5 per Band D average before a referendum would be required. There has been no indication that Government will change these parameters in the funding settlement, so the forecast includes these same assumptions.

30. The Council Tax Base in the forecast allows for an annual increase in new builds from housing developments based on the Council's targets less an allowance for collection losses and Council Tax Reduction claimants. The increases for each year of the MTFP are set out in the table below:

2023/24	2024/25	2025/26	2026/27	2027/28
426.0	462.1	657.4	612.8	572.8

31. The above increases will be reviewed during phase 2 of the budget process once the final council tax base figures are submitted to DLUHC in December.

Collection Fund Surplus/Deficit

32. The forecast Collection Fund outturn for 2022/23, which will impact 2023/24 financial year, will be updated during phase 2 of the budget process.

Revenue Reserves

33. Appendix B sets out the reserves position based on the updated MTFP. The MTFP forecast estimates that a further £5.186m of reserves will be needed to support the Revenue Budget and Capital Programme over the next five years and even at that point, an underlying budget deficit would still exist.
34. By the end of the five-year forecast, the balance of Revenue Reserves is forecast to be about £2.342m, which is well below the £5m level that has previously been used as the Council's preferred minimum level. Members will note that Grant Thornton (the Council's external auditors) recently published a paper entitled 'Lessons from recent Public Interest reports' and it includes a strong emphasis on the importance of maintaining an adequate level of reserves. There is no formal definition as to what constitutes adequate, but Grant Thornton's view is that reserves should be a minimum of 5% of net spending and preferably be somewhere between 5% and 10%. The table below sets out what this would look like for the Council:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000s	£'000s	£'000s	£'000s	£'000s
Forecast Net Spend	15,205	14,814	14,172	14,097	14,404
Reserves @ 5%	760	741	709	705	720
Reserves @ 10%	1,520	1,481	1,417	1,140	1,440
Forecast Reserves	5,110	3,471	2,860	2,593	2,342

35. The above table shows that the Council's predicted level of reserves would remain well above the threshold stated in Grant Thornton's paper. However, Members should note that the paper is only intended as a high-level guide and the judgment on the adequacy of the reserves is the responsibility of the Council. In the view of the Chief Finance Officer (CFO) it would be prudent for the Council to ensure that its Revenue Reserves are at least £5m and where this cannot be achieved in the short term, to develop proposals that replenish reserves to that level. Members will recall that in 2020/21 the Council incurred additional expenditure of £3.3m in response to the pandemic and whilst £2.8m

was covered by central Government grants, this perfectly highlighted the need to maintain a prudent level of reserves. Furthermore, there will also be an expectation on the part of the Council's external auditors that reserves are maintained at a suitable level.

36. The forecast level of Reserves is largely dependent on the delivery of the FSP and any additional savings targets as explained in paragraphs 20 to 22. Failure to meet agreed targets will obviously exacerbate the pressure on reserves and mean that they would fall to an unsustainably low level. If this were to be the case the CFO may be obliged to issue a section 114 notice. Under the Local Government Finance Act 1988, a CFO must issue such a notice if they conclude that the Council cannot balance its budget in-year and the necessary action to rectify the situation was not supported by Members. At this point, spending on all but essential services would cease.
37. As mentioned in paragraphs 22 and 36 the Council will need to identify additional savings in order to maintain its reserves at a sustainable level. Once the local government funding settlement has been announced, officers will develop a more detailed plan in the current financial year as to how this will be achieved and will report back to Members in due course.

Capital Programme

38. The draft Capital Programme covering the current MTFP timeframe is shown in Appendix C. It comprises a range of strategic projects that span more than one year and many operate for several years or have recurrent investments. Some projects have recurring investment by the Council to deliver key priorities.
39. Projects that have not spent all their allocation in the year of inception can, if still required, have the remaining funding carried forward into the next financial year. This is known as 'slippage'. The CFO continues to work with Heads of Service to undertake a fundamental review of the capital schemes in 2022/23 and beyond, focusing on outcomes and affordability.
40. For the purpose of this report, slippage from prior year projects has been included in the capital programme in Appendix C, but more accurate cash flows will be developed during phase 2 of the budget process.
41. As mentioned in paragraph 12 capital financing costs estimates are extremely sensitive to changes in interest rates and along with inflation rises, this will have a significant impact on the affordability of some capital schemes. Therefore, larger and more complex schemes will be subject to a detailed affordability review by the CFO and Heads of Service before any proposals are reported to Members for their consideration.

Budget Consultation

42. The Council is required to consult on its budget and council tax proposals with residents and local businesses. The opinions of residents, partner organisations, businesses and other interested parties are an important part of the budget setting process. It is planned to consult between 9 December 2022 and 31 January 2023. An interim report on the consultation will be reported to this Committee on 23 January 2023.

43. The consultation will need to highlight the continuing scale of the financial challenge facing the Council, and its response for dealing with it. Cabinet will be requested to agree that delegation be given to the CFO and Deputy Chief Executive to finalise the wording of the consultation in conjunction with the Cabinet Portfolio Holder for Finance and Performance Management.

Conclusion

44. There is no doubt that the Council’s financial outlook has deteriorated over the last twelve months. Global economic uncertainty, the cost of living crisis and spiralling inflation are predicted to have a major adverse impact on budgets over the next few years. Inflationary pressures alone are predicted to add approximately £1m to the budget deficit in 2023/24 and this will be exacerbated by increasing interest rates, although the Council will seek to offset the latter by use of capital receipts and an increase in investment income. Also, uncertainty around future levels of government grant funding may well worsen the situation.
45. Further savings are inevitable if the Council is to set a balanced and sustainable budget that is not reliant on the use of reserves. Furthermore, resources will probably need to be realigned if the objectives of the Corporate Plan are to be achieved. Therefore, it is essential that the Council maintains an adequate level of reserves and continues to operate within its approved budget each financial year to prevent further unplanned drawdowns. Failure to do so will impact on the Council’s ability to meet its statutory obligations.
46. However, despite the multiple financial pressures, the Council can deliver a balanced budget with a combination of sound financial management and the successful delivery of the FSP and Savings targets. The importance of this last point cannot be overstated and failure to achieve it will result in the Council having to make difficult decisions around the provision of local services.

Financial Implications

47. As outlined in the report.

Human Resources Implications

48. The report does not specifically mention the possibility of changes to staffing levels over the period of the financial forecast. If changes are required, the Council would need to follow its established procedures for this including consultation with the relevant Unions and Staff Side.

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

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Appendices:	A – Financial Forecast B – Revenue Reserves C – Capital Programme D – OSC Minute Extract
Relevant Previous Minutes:	None.
Background Papers:	None.
Reference Documents:	None.

Rother District Council 2022/23 to 2026/27 Medium Term Financial Plan

	Revised 2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)	2026/27 Budget £ (000)	2027/28 Budget £ (000)
Departmental Budgets						
Corporate Core	2,173	2,173	2,173	2,173	2,173	2,173
Environmental Services	629	674	674	674	674	674
Strategy and Planning	1,325	1,063	1,113	1,113	1,113	1,113
Acquisitions, Transformation and Regeneration	(11)	(456)	(1,000)	(1,716)	(1,760)	(1,734)
Housing, Community & Neighbourhood Services	8,211	8,889	8,593	8,581	8,571	8,754
Resources	3,302	3,443	3,443	3,443	3,443	3,443
Total Cost of Services	15,629	15,785	14,996	14,268	14,213	14,423
Net Financing Costs	1,542	889	1,428	1,476	1,455	1,553
Inflation and Staff turnover savings	0	467	386	425	425	425
Budget Contingency	200	200	200	200	200	200
Financial Stability Programme	(635)	(2,137)	(2,197)	(2,197)	(2,197)	(2,197)
Net Cost of Services	16,736	15,205	14,814	14,172	14,097	14,404

	Revised 2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)	2026/27 Budget £ (000)	2027/28 Budget £ (000)
Special Expenses	(702)	0	0	0	0	0
Business Rates - retained share	(3,747)	(3,995)	(3,995)	(3,995)	(3,995)	(3,995)
Non-Specific Revenue Grants (Government)	(1,650)	(1,355)	(1,383)	(1,393)	(1,344)	(1,354)
Council Tax Requirement (Rother only)	(7,392)	(7,623)	(7,983)	(8,303)	(8,620)	(8,934)
Collection Fund (Surplus)/Deficit	(59)	0	0	0	0	0
Total Income	(13,551)	(12,973)	(13,361)	(13,691)	(13,959)	(14,283)
Funding Gap	3,186	2,232	1,452	481	138	121

Revenue Reserves

Potential Use of Reserves	Revised 2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)	2026/27 Budget £ (000)	2027/28 Budget £ (000)
Earmarked Reserves and General Reserves	(11,088)	(7,528)	(5,110)	(3,471)	(2,860)	(2,593)
Use of/(Contribution to) Reserves	3,560	2,418	1,639	611	268	251
Total Reserves	(7,528)	(5,110)	(3,471)	(2,860)	(2,593)	(2,342)

**Rother District Council
Capital Programme Summary**

	Prior year costs	2023/24		2024/25		2025/26		2026/27		2027/28		Project Budget to date
		Revised Budget	Variance (Slippage)	Revised Budget	Variance (Slippage)	Revised Budget	Variance (Slippage)	Revised Budget	Variance (Slippage)	Revised Budget	Variance (Slippage)	
Capital Project	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Acquisitions, Transformation and Regeneration												
Other Schemes												
Corporate Document Image Processing System	15	105	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	120
Rother Transformation ICT Investment	269	268	138	138	38	38	(0)	(0)	(0)	(0)	(0)	537
Community Grants	693	96	(0)	130	(0)	130	(0)	130	(0)	130	(0)	789
Ravenside Roundabout	0	200	100	100	0	0	0	0	0	0	0	200
UK Shared Prosperity Fund	0	334	0	0	0	0	0	0	0	0	0	334
Property Investment Strategy												
PIS - 35 Beeching Road	2,417	0	0	0	0	0	0	0	0	0	0	2,417
PIS - Beeching Road/Wainwright Road	384	3,549	3,549	3,549	3,549	3,549	3,549	3,549	3,549	3,549	3,549	3,933
PIS - Beeching Park Estate	0	450	0	0	0	0	0	0	0	0	0	450
PIS - Barnhorn Road	2,831	7,520	(73)	(73)	0	0	0	0	0	0	0	10,351
PIS - Redevelopment at Beeching Rd - Wainwright Rd	2,050	12,950	5,450	5,450	0	0	0	0	0	0	0	15,000
Housing Development Schemes												
Community Led Housing Scheme - CHF	297	469	0	0	0	0	0	0	0	0	0	766
RDC Housing Company Limited funding	4,000	75,923	45,923	45,923	20,923	20,923	0	0	0	0	0	79,923
RDC Housing Company share investment	0	301	301	301	1	1	1	1	1	1	1	301
Development of council owned sites	87	182	182	182	132	132	0	0	0	0	0	270
Community Led Housing Schemes	0	0	0	0	0	0	0	0	0	0	0	0

Capital Project	Prior year costs	2023/24 Revised Budget	2023/24 Variance (Slippage)	2024/25 Revised Budget	2024/25 Variance (Slippage)	2025/26 Revised Budget	2025/26 Variance (Slippage)	2026/27 Revised Budget	2026/27 Variance (Slippage)	2027/28 Revised Budget	2027/28 Variance (Slippage)	Project Budget to date
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Housing and Community Services												
De La Warr Pavilion - Capital Grant	290	41	41	98	0	0	0	0	0	0	0	331
Land Swap re Former High School Site	0	1,085	0	0	0	0	0	0	0	0	0	1,085
Fairlight Coastal Protection	87	204	104	104	54	54	(0)	(0)	(0)	(0)	(0)	291
Disabled Facilities Grant	6,570	1,625	0	1,625	0	1,625	0	1,625	0	1,625	0	8,195
New bins	536	121	4	129	0	125	0	125	0	125	0	658
Housing (purchases - temp accommodation)	4,670	5,412	412	412	0	0	0	0	0	0	0	10,083
Housing (purchases - temp accommodation)	0	817	817		0		0		0		0	817
Bexhill Promenade - Outflow pipe	28	172	172	172	0	0	0	0	0	0	0	200
Bexhill Leisure Centre - refurbishment	131	9	9	9	(0)	(0)	(0)	(0)	(0)	(0)	(0)	140
Strategy & Planning												
Payments to Parishes - CIL	40	96	0	0	0	0	0	0	0	0	0	136
CIL Scheme 1 Village Hall Energy Project	0	500	500	500	0	0	0	0	0	0	0	500
Resources												
ICT Infrastructure Replacement Programme	137	12	12	12	0	0	0	0	0	0	0	149
New website development	23	9	9	9	0	0	0	0	0	0	0	31
Invest To Save initiatives (Financial Stability Prog)	29	721	721	721	721	721	721	721	721	721	721	750
Total Capital Programme	25,584	113,172	58,372	59,492	25,419	27,299	4,272	6,152	4,272	6,152	4,272	138,757
	Prior year funding	2023/24 Revised Budget	2023/24 Variance (Slippage)	2024/25 Revised Budget	2024/25 Variance (Slippage)	2025/26 Revised Budget	2025/26 Variance (Slippage)	2026/27 Revised Budget	2026/27 Variance (Slippage)	2027/28 Revised Budget	2027/28 Variance (Slippage)	Total Project Budget
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Funded By:												
Capital Receipts	0	1,085	0	0	0	0	0	0	0	0	0	1,085
Grants and contributions	6,954	3,449	921	1,729	54	1,679	(0)	1,625	(0)	1,625	(0)	10,403
CIL	40	596	500	500	0	0	0	0	0	0	0	636
Borrowing	13,461	31,567	10,677	10,802	4,441	4,566	4,271	4,396	4,271	4,396	4,271	45,029
Capital Expenditure Charged to Revenue	1,129	251	50	237	(0)	130	(0)	130	(0)	130	(0)	1,380
Borrowing and Loan for Rother DC Housing Company Ltd	4,000	76,224	46,224	46,224	20,924	20,924	1	1	1	1	1	80,224
Total Funding	25,584	113,172	58,372	59,492	25,419	27,299	4,272	6,152	4,272	6,152	4,272	138,757

Minutes of the Overview and Scrutiny Meeting – 21 November 2022OSC22/33. **MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2027/28**

(5)

Members received and considered the report of the Chief Finance Officer (CFO) on the Council's Medium Term Financial Plan (MTFP) 2023/24 to 2027/28, which would be considered by Cabinet at their meeting on 12 December 2022. The MTFP set the financial framework for the next five years and would be modified as the financial situation of the Council changed during that period. Appendix A to the report gave details of the MTFP forecasting a £2.2m funding gap in 2023/24 but this was subject to confirmation of Government funding and several other factors that might affect the Council's finances. Appendix B to the report illustrated the impact on the Council's Reserves. Members noted that the figures quoted were as robust as possible, but the financial forecast was a work in progress and an update would be reported to Members in January.

The following salient points were noted:

- **Budget Process:** The Council followed a three phased budget process. The first phase was to update the MTFP, which set out budget pressures and estimated the size of the budget deficit over the next five years. The second phase was to produce a detailed draft budget for Cabinet's consideration in January 2023. The third phase was to finalise the budget once the national funding settlement had been announced and incorporate the Capital Strategy and revised Capital Programme into the MTFP for approval by Cabinet and full Council in February 2023.
- **Local Government Funding Settlement:** In June 2022, the Levelling Up Secretary, Michael Gove, announced the introduction of a two-year financial settlement with effect from 2023/24; and that the Department for Levelling Up, Housing & Communities (DLUHC) would complete the local government 'Fair Funding Review' in consultation with local authorities in 2022. He also announced that the DLUHC would look to reduce the number of funding pots that Councils must bid for in order to secure resources for specific initiatives. The funding settlement for 2023/24 was expected around mid-December 2022, but at this stage it was unclear whether it would contain further clarification about the June 2022 announcements.
- **Cost Pressures:** These included inflationary increases built into certain service contracts, increasing demand in Temporary Accommodation (TA), predicted increase in external audit costs, net financing costs due to the planned increase in capital investment on major projects such as the Property Investment Strategy and TA acquisition programme, the annual pay award, non-pay inflation increases, increasing electricity costs and a budget contingency of £200k.
- **Corporate Plan:** The Corporate Plan was adopted by full Council on 5 July 2021 and included several priority objectives, some of which could require revenue and capital investment if they were to be successfully delivered. The MTFP forecast did not include any

additional funding to deliver these objectives, so any proposals for further investment would need to be considered for affordability. This may also necessitate a need to realign existing resources or make compensatory savings elsewhere from the budget. One of the objectives of the Corporate Plan was to achieve financial stability by the end of 2025/26. The current forecast shown in Appendix A to the report showed that without further action, an underlying budget deficit would remain until at least 2027/28 and the Council would not be able to replenish revenue reserves.

- **Financial Stability Programme (FSP):** There were four main work themes designed to achieve financial stability within five years by delivering cost savings and income, namely Service Devolvement, Invest to Save, Income Generation and Service Prioritisation. Significant progress had been made in areas such as the devolution of services and other smaller initiatives, however further work would be required if the Council was to achieve the targets set.
- **Business Rates:** The Council remains part of the East Sussex 50% Business Rate Pool, which meant the Government levy on business rate growth was retained by the pool. The pooling arrangement would be reviewed, but it had previously been financially beneficial and for the purposes of the forecast it was assumed that it would continue. In September, the DLUHC wrote to all councils in the pool asking them to indicate their preference, subject to confirmation by the Secretary of State that pooling arrangements would continue in 2023/24. The CFO provisionally accepted the invitation to remain in the pool, but this would need to be approved by Members.
- **Non-Specific Revenue Grants:** The Council had engaged the services of local government policy specialists LG Futures to forecast likely government grant funding levels from 2023/24 and the information provided forecasted a net decrease of £295,000 compared to the 2022/23 base budget. The main change was due to a £408,000 predicted reduction in the New Homes Bonus grant, as this assumed that the Government would wind up the scheme by 2026/27. However, it was expected that this would be partially offset by increases in other grants, mainly the Homelessness Preventions and Services grants.
- **Council Tax:** For 2022/23, Council Tax was again only allowed to increase by the maximum of 2% or £5 per Band D average before a referendum would be required. The Council Tax Base allowed for an annual increase in new builds from housing developments based on the Council's targets less an allowance for collection losses and Council Tax Reduction claimants. The report had been written before the recent budget, which raised the permitted increase to a maximum of 3% before a referendum was required; however this would only result in an additional £30k per year. The increases for each year of the MTFP, as set out in the report, would be reviewed during phase 2 of the budget process once the final council tax base figures were submitted to the DLUHC in December.
- **Revenue Reserves:** The MTFP report predicted Revenue Reserves to fall to £2.342m by the end of 2027/28, which was well below the £5m level that had previously been used as the Council's preferred minimum level. It was though above the levels indicated in a paper issued by Grant Thornton, which advised that ideally

Reserves should be at least 10% of an authority's net expenditure. The view of the CFO was that the Council should ensure its Revenue Reserves were at least £5m and where this could not be achieved in the short term, they should develop proposals to replenish reserves to that level. He supported this by explaining that the Council's pandemic response meant that it unexpectedly had to find £3.3 million and although most of this was reimbursed by central government grants, it made clear the need to proof itself against unexpected financial shocks.

- **Capital Programme:** The draft Capital Programme was shown at Appendix C to the report and comprised a range of strategic projects that spanned more than one year and many operated for several years or had recurrent investments. Some projects had recurrent investment by the Council to deliver key priorities. Projects that had not spent all their allocation in the year of inception could, if still required, have the remaining funding carried forward into the next financial year, which was known as 'slippage'. Slippage from prior year projects had been included at Appendix C, but more accurate cash flows would be developed during phase 2 of the budget process.
- Capital financing costs estimates were extremely sensitive to changes in interest rates and along with inflation rises, this could have a significant impact on the affordability of some capital schemes. Therefore, larger and more complex schemes would be subject to a detailed affordability review before proposals were taken to Members for consideration.
- **Budget Consultation:** This would be held between 9 December 2022 and 31 January 2023. An interim report on the consultation would be reported to the Overview and Scrutiny Committee on 23 January 2023.

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

- increasing the staff pay award assumption to 4.5% would add a further £90k to the budget requirement in 2023/24 and increase the base budget by approximately £150k to allow for the full year effect;
- the impact of a 100% Council Tax Reduction Scheme was estimated at approximately £711k in total, of which Rother District Council's share would be approximately £77k;
- under the Local Government Finance Act 1988, a CFO must issue a section 114 notice if they concluded that the Council could not balance its budget in-year and the necessary action to rectify the situation was not supported by Members. Members recommended that reserves should be maintained at a level of one third of net expenditure or £5m, whichever was the lesser;
- senior officers across the Council were working with each team to identify savings and look at the consequences of those savings; and
- the total spend on the Town Hall Renaissance Project to date was £667k. A budget for the project had not been included in the MTFP beyond the current year as it was still in the pre-development phase.

Despite the multiple financial pressures, the Council could deliver a balanced budget with a combination of sound financial management and the successful delivery of the FSP and savings targets. The importance of this last point could not be overstated and failure to achieve it would result in the Council having to make difficult decisions around the provision of local services.

RESOLVED: That Cabinet be requested to agree that:

- 1) the financial forecast and proposed way forward be noted;
- 2) the Council maintain its policy of maximising the annual increase in Council Tax within the Government's referendum limit;
- 3) delegation be granted to the Chief Finance Officer to finalise the wording of the budget consultation literature in consultation with the Cabinet Portfolio Holder for Finance and Performance Management;
- 4) the Council continues to be part of the East Sussex Business Rate Pool in 2023/24 and that the Chief Finance Officer be granted delegated authority to finalise the necessary agreement with the Member authorities in consultation with the Cabinet Portfolio Holder for Finance and Performance Management; and
- 5) officers develop proposals, which will enable the Council to maintain or replenish its level of Revenue Reserves to one third of net expenditure or £5m, whichever was the lesser.

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Rother District Council

Report to:	Cabinet
Date:	12 December 2022
Title:	Mid-Year Treasury Management Review
Report of:	Antony Baden – Chief Finance Officer
Cabinet Member:	Councillor Jeeawon
Ward(s):	-
Purpose of Report:	To note the Council's treasury and investment activities for the first half of the 2022/23 financial year
Decision Type:	Non-Key
Officer Recommendation(s):	It be RESOLVED: That the report be noted.

Introduction

1. Cabinet approved the Council's Treasury Management & Annual Investment Strategies at its meeting of the 28 February 2022 (Minute CB21/85 refers). In managing these, the Council follows both the Department of Levelling Up, Housing and Communities investment guidance and the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management.
2. The Treasury Management strategy requires that the following main reports are presented to the relevant committee each financial year:
 - a. Prudential & Treasury indicators and Treasury Strategy;
 - b. A mid-year Treasury Management report; and
 - c. An annual Treasury Management report.
3. The Audit & Standards Committee has delegated responsibility for overseeing the Treasury Management function and ensuring that performance is compliant with the strategy. To this end, it receives quarterly Treasury Management updates thus meeting the requirements of 2(a) and 2(c) above. The Treasury Management strategy requires that the mid-year update (see 2(b) above) should be reported to Cabinet therefore the Quarter 2 update, which was reported to Audit & Standards Committee on the 26 September 2022, is included at Appendix 1 in full. Further commentary is provided in paragraphs 4 to 8.

Financial Investments

4. The Council's total investments fluctuate continuously because it holds its own reserves and significant sums of cash owed to other public bodies, e.g. council tax precepts, shares of business rates. The first two tables in Appendix 1 (Appendix A of the report) show its investments portfolio. As at the mid-year

these were predicted to yield about £600,000 in 2022/23, which is £250,00 higher than the budget.

Borrowing

5. The Council's Capital Financing Requirement (CFR) shows how much of its capital expenditure is financed by borrowing. The CIPFA Code of Practice states that total borrowing should not exceed the CFR. Appendix 1 (Appendix B of the report) shows that the Council's total borrowing as at the 30 September 2022 is £32.152 million and well below the forecast CFR of £85.657 million.

Treasury and Prudential Indicators

6. The Council's borrowing limits are shown in Appendix 1 (Appendix C of the report) and were approved as part of the Treasury Management strategy. Members will note that the Council's current borrowing levels are well within these limits. These will be reviewed for suitability as part of the 2023/24 Treasury Management strategy.
7. The ratio of Net Financing Costs to the Net Revenue Stream is also shown in Appendix 1 (Appendix C of the report) and the current forecast figure is much lower than the original budget due to the underspend on borrowing costs and additional investment income referred to in paragraph 4.

Non-Treasury Investments

8. Appendix 1 (Appendix D of the report) details the properties purchased through the Property Investment Strategy (PIS) and the table in paragraph 10 of Appendix 1 summarises the Council's return on its non-treasury investments. Performance is predicted to exceed the 2022/23 budget and in respect of properties purchased through the PIS, it has exceeded the 2% target set within the strategy.

Other issues

9. The economic outlook remains uncertain and difficult to predict. Inflation is still high and interest rates have risen significantly, although they have also stabilised somewhat over the last few weeks.
10. Members also need to be aware of the IFRS9 statutory override, which allows councils to disregard changes in the value of their pooled investments and protect council taxpayers from market volatility. The Council has two such investments (CCLA and Hermes) originally invested at £8 million. The override expires on the 31 March 2023 and if it was discontinued, any change in values would have to be reflected in the General Fund. This would impact on the Council's usable reserves. As can be seen from Appendix 1 (Appendix A of the report) the Council's investments held a value of £9.104 million at the 31 August 2022, which is £1.104 million more than its original investment.

Conclusion

11. The Council's investment activities to date conform with the approved strategies and the Council has had no liquidity difficulties.

Financial Implications

12. As detailed in the report.

Legal Implications

13. None arising from this report.

Human Resources Implications

14. None arising from this report.

Other Implications

15. None.

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		

Chief Executive:	Mr Malcolm Johnston
Proper Officer:	
Report Contact Officer:	Antony Baden
e-mail address:	Antony.Baden@rother.gov.uk
Appendices:	Appendix 1 – Quarter 2 Treasury Management update to Audit & Standards Committee, 26 September 2022
Relevant Previous Minutes:	CB21/85
Background Papers:	Treasury Management and Annual Investment Strategies Report to Cabinet, 28 February 2022
Reference Documents:	None

Rother District Council

Report to: Audit and Standards

Date: 26 September 2022

Title: Treasury Management Update Report

Report of: Antony Baden – Chief Finance Officer

Purpose of Report: To note the Council's treasury activities for the second financial quarter ending the 30 September 2022

Officer

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

Introduction

1. The Council's Investment Strategy requires regular reports to be presented to this Committee on its treasury management activities. In managing these, the Council has implemented the Department of Levelling Up, Housing and Communities investment guidance and followed the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management.
2. The investment activity to date conforms to the approved strategy and the Council has had no liquidity difficulties. Members are reminded that investment activity is also reported through the Members' Bulletin. This report focuses on the financial period ending the 30 September 2022 and is based on the latest available data.

Financial Investments review

3. As at the 30 September 2022 the Council's estimated total investments were about £38 million with £10 million invested in short term call accounts, £6 million in a fixed term deposit with a local authority and £8 million in Property Funds. The remaining £14 million is held the General account but Members will note that a significant element of this balance relates to cash owed to public bodies, e.g. council tax precepts, shares of business rates.
4. The Council's investments are currently predicted to yield interest income of about £600,000 in 2022/23 but this may be affected by subsequent interest rate changes. As in previous years its Property Funds are predicted to yield a good return, with income currently predicted to be about £342,000, which would yield returns of between 3.06% and 3.68%. Also, due to the recent increases in interest rates, higher than expected returns (£190,000) are also predicted to be gained from its call accounts with a further £68,000 due on the maturity of a loan to a local authority in February 2023. The investment portfolio and Property Fund values are detailed in Appendix A.

Borrowing

- The Council's Capital Financing Requirement (CFR) shows how much of its capital expenditure is financed by borrowing and is summarized in Appendix B. The pandemic again slowed the pace of programme delivery in 2021/22 however, it has already accelerated in the first half of 2022/23 and is expected to continue doing so throughout the year. Members will also note that the capital programme will again be reviewed for affordability as part of the Medium-Term Financial Planning process.
- The value of outstanding loans as at the 30 September 2022 is £32.152 million and the borrowing portfolio is also shown in Appendix B. This is now well below the Council's forecast CFR of £85.657 million as shown in Appendix A although the difference will decrease as the programme delivery accelerates and the Council's borrowing requirement increases.
- Officers will continue to keep borrowing policy under review and use internal balances where possible to minimize borrowing costs.

Treasury and Prudential Indicators

- The Council's Authorised and Operational external borrowing limits are shown in Appendix C and were approved by Cabinet on the 7 February 2022 as part of the Council's Capital Strategy. Members will note that the current borrowing levels shown in Appendix B remain comfortably within both limits.
- The ratio of Net Financing Costs (NFC) to the Net Revenue Stream is predicted to be 5.55% by the end of the financial year, which is 5.83% lower than the original budget. This is due to the delays referred to in paragraph 5 and the additional investment income referred to in paragraph 4, which reduces the NFC. The Prudential Indicators are shown in Appendix C.

Non-Treasury Investments

- The table below shows property rental income for the year against the approved budget and is split between existing assets and those purchased through the Property Investment Strategy (PIS):

Property Type	Budget 2022/23	Q1 Forecast Income	Variance	Return on Investment
	£	£	£	%
Non-PIS	864,615	918,815	(54,200)	6.36
PIS	1,104,550	1,651,050	(546,500)	2.84
Total	1,969,165	2,602,626	(633,461)	

- The additional Non-PIS rent income is due to the rental income from the 2nd floor of Amherst Road. The additional PIS rent income is due to the purchase of Buckhurst Place. Both leases were agreed after Council had approved its budget. Appendix D gives more detail on those properties purchased as part of the PIS.

Economic Update and Outlook

12. At the time of writing there have been no significant developments since the draft 2021/22 treasury management update reported to this Committee on the 20 June 2022. However, Members will be aware that the economic outlook remains extremely uncertain and difficult to predict because the same issues that were dominating the economic scene last time very much remain in place. Officers will continue to monitor closely all economic activity will report any major changes to Members at the earliest opportunity.

Other issues

13. There is currently a government consultation being held regarding the future of IFRS9 statutory override. The current 5-year override, which expires on 31 March 2023 allows councils to override fair value movements on pooled investments (like this council's CCLA and Hermes) in order to protect themselves from market volatility. Such movements are currently reversed from the General Fund and into unusable reserves and as such, they do not have an impact on budget setting. Without the override negative movements in their value would cause a budget deficit and require more funds to be withdrawn from Usable reserves. Treasurer Societies in recent publications have indicated their preference for the override to become permanent. The consultation closes on 6th October 2022.

This council currently enjoys a positive value on the Pooled Investment Funds Adjustment Account of £1.25 million which means that their value is higher by that amount than what was originally invested (See Appendix A).

Corporate Management Team Comments

14. Audit & Standards Committee is recommended to note the report.

Conclusion

15. The investment activity conforms to the approved strategy and the Council has no liquidity difficulties.

Implications

Financial Implications

16. As detailed in the report.

Legal Implications

17. None arising from this report.

Human Resources Implications

18. None arising from this report.

Other Implications

19. None.

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		

Chief Executive:	Mr Malcolm Johnston
Proper Officer:	
Report Contact Officer:	Antony Baden
e-mail address:	Antony.Baden@rother.gov.uk
Appendices:	Appendix A – Investments Portfolio Appendix B – Capital Financing Requirement & Borrowing Portfolio Appendix C – Prudential Indicators Appendix D – Performance of PIS properties
Relevant Previous Minutes:	None
Background Papers:	Capital Strategy Report to Cabinet, 7 February 2022 Treasury Management and Annual Investment Strategies Report to Cabinet, 28 February 2022
Reference Documents:	None

Investments Portfolio

Deposit	Type of account	Maturity Date	Amount £	Interest Rate	Share %
Lloyds - General (RFB)	Call	N/A	13,874,218	1.65%	36.63%
Bank of Scotland (RFB)	Call	N/A	16	0.01%	0.00%
Barclays - Call Account (NRFB)	Call	N/A	5,004,262	0.95%	13.21%
Santander - Call Account	Call	N/A	2,999,214	0.67%	7.92%
Santander - 31 Day Notice Account	31 Days Notice	N/A	2,000,000	1.00%	5.28%
Thurrock BC (LA)	Term deposit	16/02/2023	6,000,000	2.30%	15.84%
CCLA Local Authority Property Fund	Long Term	N/A	5,000,000	3.68%	13.20%
HERMES Property Fund	Long Term	N/A	2,999,998	3.06%	7.92%
Total			37,877,708		100.00%
Total managed in-house			29,877,711		
Total managed externally			7,999,998		
Total Treasury Investments			37,877,708		

Property Funds

Name of Property Fund	Original Investment Value	Value as at 30 th June 2022	Most up to date 31 August 2022	Change
	£	£	£	£
CCLA Local Authority Property Fund	5,000,000	5,963,636	5,817,504	(146,132)
HERMES Property Fund	2,999,998	3,396,850	3,287,205	(109,645)
Total	7,999,998	9,360,486	9,104,709	(255,777)

Capital Financing Requirement

Capital Financing Requirement (CFR)	2022/23 Original Budget £ (000)	2022/23 Quarter 1 Forecast £ (000)
Opening Balance	25,551	25,551
Add unfinanced capital expenditure	75,876	60,758
Less Minimum Revenue Provision (MRP)	(1,053)	(652)
Closing Balance	100,375	85,657

Current Borrowing Portfolio

Borrowing position as at 30th September 2022					
Properties	Amount o/s	Interest Rate	Term	Type	Full Year Repayments
14, Terminus Road	£431,384	2.59%	50	Annuity	£16,102
14, Terminus Road	£431,332	2.58%	50	Annuity	£16,070
Beeching Road	£1,596,542	2.39%	50	Annuity	£56,729
Various	£1,000,000	2.24%	50	Maturity	£22,400
Glovers House & Barnhorn Road	£8,231,481	2.48%	50	Annuity	£297,572
Various	£6,220,986	1.78%	50	Annuity	£190,804
Various	£9,239,784	1.65%	50	Annuity	£273,881
Caerphilly County Borough Council	£5,000,000	1.70%	2	Maturity	£85,349
Total Borrowing	£32,151,509				£958,907

Treasury Indicators (Borrowing Limits)

Treasury Indicators	30th September 2022 £ (000)
Authorised Limit for External Debt	98,629
Operational boundary for External Debt	93,629
Gross External Debt (actual)	32,152
Remaining Authorised Limit for External Debt	66,477

Prudential Indicators

Prudential Indicators	2022/23 Original Budget £ (000)	2022/23 Quarter 1 Forecast £ (000)
Capital Financing Requirement (CFR)	100,375	85,657
Annual Change in CFR	74,823	60,106
In-Year Borrowing Requirements	75,876	60,758
	2022/23 Original Budget	2022/23 Quarter 1 Forecast
Ratio of Financing costs to Net Revenue Stream (%)	11.38%	5.55%

Properties purchased through the Property Investment Strategy

2022/23 Draft Property Investment Performance						
Property	Purchase Price	Acquisition Costs	Total Cost of Purchase	Annual Rent Income	Annual Running Costs	Net Surplus
	£	£	£	£	£	£
14 Terminus Road	850,000	37,485	887,485	(106,000)	2,050	(103,950)
16 Beeching Road	825,000	45,133	870,133	(92,750)	950	(91,800)
18-40 Beeching Road	825,000	60,638	885,638	(90,300)	11,105	(79,195)
1-7, Wainwright Road	1	358,129	358,130	0	0	0
Glovers House, Bexhill	7,450,000	393,952	7,843,952	(475,000)	6,316	(468,684)
Land at Barnhorn Green, Bexhill	600,000	12,387	612,387	0	0	0
Market Square, Battle	3,075,000	181,184	3,256,184	(195,000)	1,623	(193,377)
35, Beeching Road, Bexhill (headlease)	675,000	0	675,000	(100,000)	999	(99,001)
64, Ninfield Road, Sidley	100,000	0	100,000	(9,000)	143	(8,857)
Buckhurst Place	9,650,000	539,500	10,189,500	(583,000)	143	(582,857)
Land at Mount View Street	4,250,000		4,250,000	0	1,880	1,880
16 & 18 Beeching Park Estate	435,000	19,950	454,950	(36,500)	1,750	(34,750)
Total	28,735,001	1,648,358	30,383,359	(1,687,550)	26,957	(1,660,593)

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Rother District Council

Report to: Cabinet

Date: 12 December 2022

Title: Closure of Rye Swimming Pool

Report of: Ben Hook – Director of Pace and Climate Change

Cabinet Member: Councillor Timpe

Ward(s): Rye and Winchelsea

Purpose of Report: To consider the recommendations arising from the Overview and Scrutiny Committee meeting held on 28 November 2022, regarding the closure of Rye Swimming Pool. The Committee received a verbal update and the recommendations and minute arising are reproduced below.

Decision Type: Non-Key

Officer

Recommendation(s): It be **RESOLVED**: That:

- 1) RDC continue to work with Freedom Leisure and Rye Town Council to explore options; and
- 2) a report be brought to the Overview and Scrutiny Committee in the new year outlining the options available and their financial implications.

OSC22/41. **TEMPORARY CLOSURE OF RYE SWIMMING POOL**
(5)

Members received a presentation by the Chief Executive Officer of Freedom Leisure (FL), outlining the reasons for and the events leading up to the temporary closure of Rye Swimming Pool. FL had been operating the leisure centre service for Rother District Council (RDC) since 2006 and had two managing contracts – Bexhill Leisure Centre and Bexhill Leisure Pool until 31 March 2024 and Rye Leisure Centre until 31 March 2026.

FL had experienced dramatic increases to their energy costs, which they had first advised all their clients of in autumn 2021. They were currently in receipt of the Government's Energy Bill Relief Scheme until 31 March 2023, at which point the Government would conduct a review of the protection for 'vulnerable' sectors. In addition, membership of the facilities had only recovered to 80-85% of the pre-COVID-19 levels, inflation was at its highest for 40 years, impacting staff and other costs and the cost of living crisis was impacting consumer behaviour.

Members were presented with a timeline of the events and discussions that had taken place, ultimately leading to the temporary closure of the

swimming pool, together with details of the financial impact and other measures and mitigations that had been taken by FL to offset the additional utility costs and financial pressures.

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

- under the current circumstances, FL would not look to extend their contract in Rye beyond March 2026, as the site was not viable;
- solar photovoltaic (PV) panels might reduce utility bills by 20%, but would take four to five years to pay for themselves;
- opening hours were reduced initially after the COVID-19 pandemic, but were subsequently reviewed and reverted back;
- Rye Leisure Centre served a large catchment area;
- there was little wet facility competition in the district due to its viability;
- £90k had been requested from RDC in order to keep the swimming pool open, which was not possible without RDC making further savings;
- nine primary schools had been using the swimming pool;
- an initial study had been undertaken by RDC with Energise Sussex Coast to consider the installation of solar PV panels at Rye Leisure Centre, but no application had been made to the Community Infrastructure Levy (CIL) Panel yet, as the scheme was still in the feasibility study phase;
- RDC had been working with Rye Town Council (RTC) and FL to explore options to be able to reopen the pool and to look at how the current operating model could be changed in order for it to be viable;
- the two sites in Bexhill previously made a surplus which had been used to underwrite the site in Rye;
- various schemes had been introduced to encourage increased membership, such as GP health referral schemes, increased scope of youth membership and an over 65 membership, different pricing options and revamped catering facilities;
- the RDC representative on the East Sussex Health and Wellbeing Board would raise the issue with the Board;
- in addition to the installation of solar PV panels, heat pumps and the replacement of gas with hydrogen could also be considered;
- RDC had quarterly meetings with senior managers of FL to monitor its management contract (RDC had a lease with East Sussex County Council for the building which was due to expire in 2026, at the same time as the management contract with FL);
- central Government should be contacted via the local MPs as support was needed for the public leisure sector post April 2023, in order to keep open important community health and well-being services; and
- Members recommended that Cabinet be requested to consider that the Council continued to work with FL and RTC to explore options and that a report be brought to the Overview and Scrutiny Committee in the new year outlining the options available and their financial implications.

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

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

Chief Executive	Malcolm Johnston
Report Contact Officer:	Ben Hook, Director of Place and Climate Change
e-mail address:	ben.hook@rother.gov.uk
Appendices:	None.
Relevant Previous Minutes:	None.
Background Papers:	None.
Reference Documents:	None.

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