

CABINET

9 January 2023

Minutes of the Cabinet meeting held at the Town Hall, Bexhill-on-Sea on Monday 9 January 2023 at 6:30pm.

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

Other Members present: Councillors J. Barnes (remote), J.J. Carroll, S.J. Coleman (remote), Mrs. V. Cook (remote), P.C. Courtel, C.A. Madeley (remote – in part), C.R. Maynard (remote), P.N. Osborne and G.F. Stevens (remote).

Advisory Officers present: Chief Executive, Deputy Chief Executive, Chief Finance Officer, Interim Chief Finance Officer (in part), Director – Place and Climate Change, Head of Housing and Community (in part), Head of Neighbourhood Services and Democratic Services Manager.

Also Present: 12 members of the public via the live webcast.

Publication Date: 12 January 2023

The decisions made under PART II will come into force on 20 January 2023 unless they have been subject to the call-in procedure.

CB22/57. MINUTES

(1)

The Chair was authorised to sign the Minutes of the meeting held on 12 December 2022 as a correct record of the proceedings.

CB22/58. APOLOGIES FOR ABSENCE

(2)

An apology for absence was received from Councillor K.P. Dixon.

CB22/59. DISCLOSURE OF INTERESTS

(5)

There were no declarations of interest made.

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

CB22/60. TEMPORARY ACCOMMODATION INVESTMENT STRATEGY UPDATE

(7)

Cabinet considered the report of the Head of Housing and Community which sought approval to amend the Council's Temporary

Accommodation Investment Strategy (TAIS) to include the ability to purchase residential property which encompassed an element of commercial use as part of the freehold. These properties were typically town centre located and were competitively priced compared to purely residential properties and offered the Council an additional potential income stream.

The TAIS at Appendix A to the report outlined the approximate number and types of property the Council would target for use as temporary accommodation (TA) alongside how these properties would be purchased, managed, repaired and maintained. Since 2019, the Council had allocated £9m to purchase accommodation for temporary use by homeless households.

All prospective purchases would be independently valued and kept within the existing strategy's indicative prices detailed at Appendix B to the report; this figure would include all renovation works required to bring the properties up to the necessary building control standards.

Purchase and management would be overseen by the Council's Estates Team, repair and maintenance of the commercial element would depend on the terms of the existing lease and overseen by the Housing Needs team.

Cabinet was supportive of the amendment to the TAIS, as this enabled the Council to secure freehold flats, conveniently located in central locations and generate income through retail leases. It also provided the Council an opportunity to improve the local area as part of the regeneration agenda through the letting of any currently empty commercial premises that were purchased. However, to ensure Member oversight of the financial impact, any purchases of TA that encompassed an element of commercial use would be subject to approval by the Property Investment Panel.

RECOMMENDED: That the amended Temporary Accommodation Investment Strategy be approved subject to the additional requirement for purchases that encompass a commercial element to be approved by the Property Investment Panel.

PART II – EXECUTIVE DECISIONS – subject to the call-in procedure under Rule 16 of the Overview and Scrutiny Procedure Rules by no later than 4:00pm on 19 January 2023.

CB22/61. **DRAFT REVENUE BUDGET 2023/24 PROPOSALS**
(6)

Consideration was given to the report of the Chief Finance Officer on the preparation of the draft Revenue Budget for 2023/24. The report outlined the likely financial position, cost pressures and key issues that Members needed to consider as part of the second phase of the budget setting process. Appended to the report were details of the summary draft Revenue Budget, the summary information for each service area, main changes from the 2023/24 budget and the Council's usable revenue reserves.

The following assumptions had been made in calculating the draft Revenue Budget:

- inflation of 4.57% applied to non-pay budgets except for contracts where specific indices were applied;
- with effect from September 2023 salaries had been increased by 3% and an allowance of 1% assumed for staff turnover;
- the use of transfers between existing budgets had been applied enabling funding to be re-directed into priority areas;
- interest rates of between 3.2% and 4.4% had been used to calculate the financing costs on capital investment schemes;
- between 0.05% to 4.40% interest rates had been used to calculate investment returns; and
- an assumed Council Tax collection rate of 98.3%.

The following key issues were highlighted:

- the draft Local Government Finance Settlement announced by Government in December applied to 2023/24 and 2024/25 only and did not guarantee any future funding streams beyond this two-year period; the Council's Core Spending Power had been set at £12.3m, an increase of £0.9m from 2022/23;
- the East Sussex Business Rates Pool for 2023/24 and 2024/25 would be retained;
- the council tax referendum principle for Rother would allow an increase in council tax of £5 or 3% (1% increase from 2022/23) whichever was the highest; it had been assumed that the Council would increase council tax by the maximum allowed before a referendum was required – for Rother, this was 3% and would raise an additional £30k (approximately); it was noted that other preceptors had greater flexibility to raise income than Rother District Council;
- for 2023/24, to ensure the Council remained within the referendum limit, it was assumed that £198.85 would be agreed for a Band D property;
- the 2023/24 council tax base had been calculated at 38,520.8 and showed an increase of 293.80 Band D equivalents mostly due to an increase in chargeable dwellings and eligible discounts, reduction in Council Tax Reduction Scheme claimants and other minor changes;
- new Government funding streams in relation to 'Extended Producer Responsibility for Packaging' Schemes were anticipated during 2023/24; details would be announced once received;
- the Council was expected to receive Government grants of £1,756m which represented an increase of £106,000 from 2022/23;
- in response to inflationary pressures, the DLUHC would combine the New Homes Bonus legacy payments with the Lower Tier Service Grant; the Council's allocation would be £473,000;
- service grants had been reduced to £92,000 for 2023/24;
- to implement the requirements of the Elections Act 2022, the Council would receive £32,000, as well as an unspecified amount to administer the impact of business rate revaluations (£20,000 had been included within the budget); and
- £2.217m was proposed to be drawn down from Usable Revenue Reserves with a further drawdown of £186,000 to support capital

expenditure; a total drawdown of £2.403m which would reduce reserves to £5.125m by 31 March 2024. Reserves were forecast to reduce to 33% of Net Revenue Expenditure by the end of 2023/24.

It was noted that the Government was aware that many Councils' level of reserves had increased over the two years of the pandemic and were in favour of reserves being used to maintain service levels, provided that an adequate level of Reserves was maintained to support financial sustainability.

The cost pressures that might affect the Council's finances were highlighted within the report and these included contractual inflation, homelessness demands, increased external audit fees, net financing costs, increased staffing costs, non-pay inflation and the recovery of housing benefits overpayments.

In order to give the Council greater budget flexibility and reduce reliance on reserves, it would be essential to deliver the Financial Stability Programme (FSP), including the devolvement of services to some town and parish councils and identify savings from the departmental service planning process. Heads of Service and Service Managers had been tasked with finding savings to build into the 2024/25 budget but ultimately it would be a decision for Members as to where the savings were made.

The budget consultation was currently ongoing and due to close on 31 January 2023; interim results would be reported to the Overview and Scrutiny Committee at their meeting on the 23 January and Cabinet in February.

Members were keen to ensure that the FSP was delivered in order to protect discretionary services, which included the devolvement of services to parish and town councils across the district. Further progress in these areas would be reported to Members in the third phase budget report to Cabinet on the 6 February 2023.

RESOLVED: That the draft Revenue Budget for 2023/24 be approved for consideration by the Overview and Scrutiny Committee at its meeting on the 23 January 2023.

CB22/62.
(8)

LEVELLING UP PARKS FUND GRANT

The Council was pre-selected and eligible to receive a Government Levelling Up Parks Fund (LUPF) Grant of £85,000 to improve quality open green spaces within deprived urban areas across the district. Several open spaces were considered and the children's play area at Sidley House in Bexhill was selected, as it complied with the Government's aims, grant amount and timeframe. A funding application was submitted and approved in October 2022.

The LUPF Grant would be broken down as follows: up to £47,500 for improvements to open space, up to £18,500 for project preparation, creation and maintenance, and up to £19,000 for tree planting and related costs. Recipients were being encouraged to deliver projects

before the end of the financial year, however there was flexibility on timescales allowing works to commence in spring with tree planting commencing in February / March.

Currently the open space/play area at Sidley House was under-used and it was hoped that the improvements would attract new users and provide environmental benefits. All relevant stakeholders e.g. Early Help Service, All Saints CE Primary School, Heart of Sidley and the wider community would be consulted on the project's planning and delivery and subsequent use of the facilities. Dependant on available funding, additional improvements might be made following project delivery.

Following discussion, Cabinet was supportive of the project and agreed that the £85,000 LUPF Grant be formally accepted to deliver open space improvements to Sidley House, Bexhill. The Local Ward Members for Sidley were both delighted with the project that would bring much needed improvements to this local open space within one of the most deprived areas in the South East.

RESOLVED: That the £85,000 Levelling Up Parks Fund Grant be formally accepted to deliver open space improvements to Sidley House, Bexhill.

CHAIR

The meeting closed at 7:25pm