

## OVERVIEW AND SCRUTINY COMMITTEE

18 July 2022

Minutes of the Overview and Scrutiny Committee held at the Town Hall, Bexhill-on-Sea on Monday 18 July 2022 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chair), Mrs V. Cook (Vice-Chair), J. Barnes, Mrs M.L. Barnes (substitute), J.J. Carroll, C.A. Clark, S.J. Coleman, P.C. Courtel, P.J. Gray, K.M. Harmer (ex-officio), C.A. Madeley, C.R. Maynard and M. Mooney.

Other Members present: Councillors G.S. Browne, B.J. Drayson (in part), L. Hacking, Mrs E.M. Kirby-Green (in part) (remote), L.M. Langlands and G.F. Stevens (in part) (remote).

Advisory Officers present: Chief Executive, Deputy Chief Executive, Chief Finance Officer, Director – Place and Climate Change, Head of Housing and Community, Project Manager and Democratic Services Officer.

Also present: 1 member of the public in the room and 22 members of the public via the live webcast.

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### OSC22/9. **MINUTES**

The Chair was authorised to sign the Minutes of the meeting of the Overview and Scrutiny Committee held on 6 June 2022 as a correct record of the proceedings.

### OSC22/10. **APOLOGIES AND SUBSTITUTES**

An apology for absence was received from Councillor Mrs D.C. Earl-Williams.

It was noted that Councillor Mrs Barnes was present as a substitute for Councillor Mrs D.C. Earl-Williams.

### OSC22/11. **DISCLOSURE OF INTERESTS**

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

Maynard      Agenda Items 5 and 6 – Personal Interest as an executive Member of East Sussex County Council.

### OSC22/12. **ANTI-POVERTY STRATEGY**

It was agreed by the Chairman to vary the order of the Agenda and for Members to discuss Items 6, 7 and 8 before Item 5.

Members received the report of the Head of Housing and Community, which outlined the results of the six-week consultation (approved by Cabinet in March 2022) of the Anti-Poverty Strategy and recommended that the new Anti-Poverty Strategy be adopted.

25 local organisations had responded to the consultation, including seven parish and town councils, 13 charities and voluntary agencies, three public sector organisations and two political parties (branches). In addition, a response had been received from the Council's Planning Policy team. A large amount of written testimony had been received and a summary of the consultation responses was in Appendix B to the report.

A range of organisations fed back that the delivery of the Strategy would need to be integrated with a range of existing strategies, including the Housing, Homelessness and Rough Sleeping Strategy, Local Plan, Economic Development and the Hastings and Rother Food Network's 'Food Insecurity Strategy for Rother'. In particular, the consultation responses from East Sussex County Council (ESCC) Public Health and the local Clinical Commissioning Group (CCG) drew attention to the strong alignment between the objectives within the draft Anti-Poverty Strategy and the drivers of broader health inequalities across the Health and Social Care sectors. Members noted that the Integrated Care System, pioneered by East Sussex County Council, brought wider partners together. The theme of inequality of outcomes in health, housing and income chimed closely to the areas of poverty identified within the Anti-Poverty Task and Finish Group's (APT&FG) evidence gathering and strategy development.

As previously reported, the APT&FG had identified that the objectives and actions identified within the Strategy and its action plan needed to be delivered by a multi-agency Anti-Poverty Steering Group (APSG) to ensure objectives remained achievable; progress reports on the action plan would also be fed to the Rother Local Strategic Partnership (LSP). The LSP would support and monitor the progress of the Strategy Action Plan through the promotion of its objectives through the East Sussex Strategy Partnership. The LSP would also support the coordination of existing resources and influence future service commissioning through its networks. The membership of the APSG and terms of reference were still to be finalised and would be chaired by one of the Strategy Leaders in Public Health East Sussex; however, the group would likely be very similar to that which had developed the strategy and its action plan. The Steering Group could be requested to report back to the Committee at regular intervals.

The development of the Strategy had highlighted that the causes of poverty were multiple and complex and its symptoms wide ranging. The effects of poverty were felt by a range of different sectors of the community across different demographic groups and geographic locations. Many of the causes of poverty could not be influenced effectively at a local level and the Council could not effectively tackle the symptoms of poverty on its own. A partnership approach that coordinated the 'whole system' of services supporting those experiencing poverty was therefore important.

**RESOLVED:** That:

- 1) the Anti-Poverty Strategy be recommended to Cabinet and full Council for adoption; and

- 2) Cabinet and full Council note that an Anti-Poverty Steering Group will form to oversee the delivery of the Strategy Action Plan as well as inform the development of a broader health and wellbeing strategy for Rother.

(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).

OSC22/13. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING DRAFT 2021/22 OUT TURN**

Members received and considered the report of the Chief Finance Officer on the Draft Revenue Budget and Capital Programme Outturn 2021/22, which had been referred to the Overview and Scrutiny Committee for Members' information and for any recommended actions to Cabinet as necessary. This report updated Members on the Council's finances as at the end of March 2022 and included a brief update on the Collection Fund performance. Members noted that all numbers in the report were subject to external audit and potential change.

There had been one reportable virement since the last financial update to Members. Car Parking fees paid by card attracted a commission charge from the card provider. The budget of £5,000 was held by the Resources department, but this should have been charged to the Housing and Community Services department as they received the income.

The Revenue Budget draft out turn as of 31 March 2022 indicated a surplus of £1.256m against the approved budget drawdown from reserves of £2.7m. This represented an improvement of £1.128m since the Quarter 3 forecast. The position was summarised in Appendix A to the report and material variances that had been identified since the last forecast were explained in the report. These included: an underspend in Election expenses; salary savings from staff redeployed to work on Covid safety work funded by grants; a reduction in the cost of planning appeals; an underspend on the Local Development Framework costs; additional car parking income; additional income from garden and bulky waste collections; an underspend on leisure facilities due to the receipt of the National Leisure Relief grant; and further government grants received since the last forecast, the largest of which was £97k in relation to Homelessness Prevention.

The Capital Programme draft out turn as at 31 March 2022 was £12.3m, which was £66.2m lower than the revised budget and £3m lower than the Quarter 3 forecast. The main variances were outlined in the report and the overall position was summarised in Appendix B to the report. Where schemes were forecast to underspend, it was still expected that they would be completed in future years. A revised programme was approved by Cabinet on 7 February 2022 as part of the Council's Capital Strategy and future cashflows would continue to be monitored and reported until scheme completion.

The impact on reserves was a total draft drawdown of £2.121m against the planned use of £3.319m, which meant the Council had used £1.198m less from its reserves to fund the revenue budget and some capital schemes.

The council tax collection rate at the end of Quarter 4 was 98.01% of the collectable debit and 100.98% of the budgeted yield. Both figures were higher than the corresponding figures for 2020/21 by 1.25% and 4.38% respectively.

The business rates collection rate at the end of Quarter 4 was 96.99% of the collectable debit, which was 2.98% higher than the corresponding figure in 2020/21. The improvement was possibly as a result of the lifting of lockdown restrictions.

The draft revenue out turn for 2021/22 showed an overall deficit of £1.444m, which was £1.256m lower than the approved planned use of reserves. However, whilst this was clearly a positive outcome for the Council, budget pressures were expected to continue into 2022/23 and budget monitoring would play a crucial role in helping the Council achieve its Financial Stability objective laid out in the Corporate Plan.

The draft Capital Programme out turn indicated an underspend of £66.156m against the revised budget. However, this was largely due to the pace of the programme continuing to be slowed by the impact of the pandemic. Any scheme slippage would be carried forward into 2022/23 but would also be subject to review by the Finance department and Heads of Service.

Members thanked the Chief Finance Officer and his team for their work on the Council's finances.

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

OSC22/14. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING AS AT QUARTER 1 - 2022/23**

Members received and considered the report of the Chief Finance Officer on the Revenue Budget and Capital Programme Monitoring Quarter 1 2022/23. The report contained details of the significant variations of the Revenue Budget and updated Capital Programme and included a brief update on the Collection Fund performance.

Since the detailed budget had been approved by Cabinet in February 2022, there had been one reportable virement. The budget for the Bexhill Town Forum (£5,000) was transferred to Acquisitions, Transformation and Regeneration to fund Christmas lights in Bexhill.

The revenue forecast indicated a surplus of £347,000, against the approved budget drawdown from reserves of £3.2m. The main reasons for the variations were detailed in the report, which included external staff resources for the Planning department, increasing number of clients in temporary accommodation, additional car parking income, external staff to manage the Council's housing company accounts, financing costs, additional interest income from investments and

several small grants from the Department of Levelling Up, Housing & Communities.

The Capital Programme comprised a range of strategic projects that spanned more than one year and many operated for several years or had recurrent investments. Projects that had not spent all their allocation in the year of inception had the remaining funding carried forward into the next financial year, known as 'slippage'. The Chief Finance Officer was working with Heads of Service to undertake a fundamental review of slipped capital schemes in 2021/22 and 2022/23 and the outcome would be reported to Members in the Quarter 2 monitoring report.

The programme included two new schemes since it was approved: the purchase of a property in Buckhurst Place for £10.5m as part of the £35m approved Property Investment Strategy and the redevelopment of a Council-owned site at Beeching Road/Wainwright Road, Bexhill for £15m. The forecast out turns had been derived from reviewing the project cashflows and assessing the expected position at the time. Up to £68m was forecast to be spent in the current financial year.

The forecast impact on reserves was a drawdown of £3.252m, which was £308,000 lower than the planned use of £3.560m.

The collection rate as at 31 May 2022 for the council tax part of the Collection Fund was 20.86% of the collectable debit, which was 0.08% higher than the corresponding figure in 2021/22. The collection rate as at 31 May 2022 for the business rates part of the Collection Fund was 21.88% of the collectable debit, which was 0.86% higher than the corresponding figure in 2021/22. Collection rates had held up well despite the pandemic, but the current economic situation could lead to a decline in future collection rates, which would have an adverse impact on the income that the Council receives from council tax and business rates.

The revenue forecast for Quarter 1 2022/23 was a deficit of £2.839m, which was £347,000 lower than the approved planned use of reserves. The Chief Finance Officer would work closely with Heads of Services and Members to reduce areas of overspend and its impact on reserves.

The Council's capital programme was forecast to underspend by £42.4m against the revised budget. Slippage relating to schemes in both 2021/22 and 2022/23 would be reviewed by the Chief Finance Officer and Heads of Services and carried forward into the following financial years following if required.

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

**OSC22/15. TOWN HALL RENAISSANCE PROJECT**

Members received the report of the Director – Place and Climate Change which presented the detailed business case for the redevelopment of the Town Hall site. A budget of £460,000 for the development of a planning application had been agreed at full Council

in February 2021, subject to a review of the proposals by the Overview and Scrutiny Committee (OSC). Robinson Low Francis were appointed in 2021 as the project employer's agent, Austin Smith Lord were appointed as the architects and lead designers and a planning application was to be submitted in July 2022.

The OSC was requested to recommend to Cabinet that the project proceed to construction and that the necessary amendments to the Capital Programme to reflect a proposed budget of £14,998,000 to be agreed at full Council, following the close of the second consultation phase due to commence shortly.

The Director – Place and Climate Change guided Members through the high-level summary of the rationale for the development as detailed in the report, which included issues such as Climate Change, Financial, Regeneration/Employment, Staff Welfare and Office Accommodation and Funding. Officers had produced a discounted cash flow document for Members' consideration, based on a prudent approach to potential costs and income. A series of assumptions had been made based on stakeholder and tenant engagements, information provided by consultants and information from the Council's Chief Finance Officer.

The project represented a once in a generation opportunity to transform the Town Hall and the surrounding area of Bexhill. It would create the opportunity for jobs to relocate to a sustainable town centre location, reinvigorate Buckhurst Place with additional footfall and employment, set the standard for environmentally friendly office development in the district, and significantly reduce the Council's own organisational carbon footprint. The whole project was to be revenue neutral to the Council by combining new sources of rental income, significant annual savings on maintenance and energy and additional car parking revenue. A great deal of work had gone into liaising and engaging with potential tenants and there had been high levels of take up.

A recent public exhibition was undertaken in the Town Hall and online, with an opportunity for residents to complete a short feedback survey. A further engagement process was to be undertaken following the consideration of this report, giving members of the public the opportunity to respond to the issues considered herein. Feedback was to be provided to Cabinet for their consideration for making a recommendation to Council.

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

- car park spaces currently at the front of Town Hall would be lost, either to the regeneration of Town Hall square by East Sussex County Council (ESCC) or for disabled/drop off use. There would be an overall decrease of approximately 20% from the current number of spaces on the site, but the nearby car park at Wainwright Road could be utilised;
- there were two options in the ESCC Town Hall Square regeneration scheme, but the public consultation had proved

inconclusive. A final decision would be made by ESCC once plans for the Town Hall had been finalised;

- the planned café space would be let to a local operator to service the building and surrounding area. The kitchen would be limited and the space would be flexible, so could therefore be converted for an alternative use if necessary;
- the carbon emissions saving from the new building were not yet available as this could not be calculated until the design had reached the technical phase;
- the staff survey results showed that, on average, staff favoured working in the office two to three days per week;
- nearby transport links and proximity to population meant the Town Hall site was the most sustainable location for business growth in the district;
- Members raised concerns that an on-site café would take business away from local café's and eateries and that users of the Town Hall should be encouraged into the town centre;
- the new space would provide rentable office accommodation for 250 full time equivalent staff in addition to Council officers. It was anticipated that 400 square feet would be allocated to Council officers in the new building, equating to approximately 40 full time equivalent staff members, which was in line with the number of staff currently present in Town Hall at any one time, following the introduction of new working arrangements;
- Members were concerned that not all residents across the district had been consulted. The next public engagement process would be district wide; the first had been aimed at those residents directly affected by the proposal in the immediate vicinity;
- should the scheme not progress beyond the planning phase, then all costs to date would revert from capital to revenue costs. The total liability to the Council's revenue budget would be approximately £650k, which included costs payable to the design team and works such as bat and ground surveys, which related to costs later in the scheme;
- the current building was only partly suitable for people with disabilities;
- Members were concerned that the project was being rushed in the current challenging climate;
- the current Town Hall was the Council's largest contributor to its carbon emissions;
- the previous report gave details of other options considered with costings;
- the new building would be serviced by an air source heat pump, which would also service the original Town Hall. In very cold conditions, the gas boiler in the Town Hall would be used in addition to the air source heat pump if required;
- ongoing maintenance to the current building would cost approximately £100k per annum in order to comply with current regulations. The Renaissance project would facilitate an option to generate income to pay for building and ongoing maintenance works; and

- Members raised concerns that approval was being sought before results of ongoing work within the public sector on working practices were known.

Members were not prepared to agree the recommendations set out within the report for the reasons above and it was agreed that the results of the public engagement be brought back to the Committee in September, prior to a meeting of Cabinet, to be discussed and that the public engagement be extended to a period of six weeks. The OSC would then reconsider the original recommendations within the report.

**RESOLVED:** That the decision be deferred until the results of the public engagement could be reported to a meeting of the Overview and Scrutiny Committee in September, prior to a meeting of Cabinet, and that the public engagement be extended to six weeks.

(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).

OSC22/16. **WORK PROGRAMME**

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

**RESOLVED:** That the Work Programme at Appendix A be agreed.

**CHAIR**

The meeting closed at 9:21pm



## OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2022 – 2023		
DATE OF MEETING	SUBJECT – MAIN ITEM IN BOLD	Cabinet Portfolio Holder
12.09.22	<ul style="list-style-type: none"> <li>• <b>Built Leisure Facilities Strategy First Draft</b></li> <li>• Performance Report: First Quarter 2022/23</li> <li>• Healthy Living Task and Finish Group</li> <li>• First Homes and 100% Affordable Housing</li> </ul>	Timpe Jeeawon Byrne
17.10.22	<ul style="list-style-type: none"> <li>• <b>Medium Term Financial Plan 2023/24 to 2027/28</b></li> <li>• Annual Review of the Housing, Homelessness and Rough Sleeping Strategy (2019-2024)</li> </ul>	Jeeawon Byrne
21.11.22	<ul style="list-style-type: none"> <li>• <b>Final Built Leisure Facilities Strategy</b></li> <li>• Performance Report: Second Quarter 2022/23</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 2 2022/23</li> </ul>	Timpe Jeeawon
23.01.23	<ul style="list-style-type: none"> <li>• <b>Draft Revenue Budget Proposals 2023/24</b></li> <li>• Key Performance Targets 2023/24</li> </ul>	Jeeawon
13.03.23	<ul style="list-style-type: none"> <li>• <b>Crime and Disorder Committee: to receive a report from the Community Safety Partnership</b></li> <li>• Performance Report: Third Quarter 2022/23</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 3 2022/23</li> </ul>	Jeeawon
24.04.23	<ul style="list-style-type: none"> <li>• Call-in and Urgency Procedures</li> <li>• Draft Annual Report to Council</li> </ul>	
ITEMS FOR CONSIDERATION		
<ul style="list-style-type: none"> <li>• Regeneration inc. Leisure Centre, Fountains, Skate Park and Accessibility of Green Spaces across the district</li> <li>• Review of the Economic Regeneration Strategy</li> <li>• Peer Review</li> <li>• Draft Corporate Customer Services Strategy Proposals</li> <li>• Litter Strategy</li> <li>• Review of the Tourism Strategy and the impact of Airbnbs – date TBC</li> <li>• Impact of Airbnb and second homes in Rye/Winchelsea/Camber</li> <li>• Effectiveness of 'MyAlerts'</li> <li>• Update report from the Local Strategic Partnership</li> <li>• Update report from the Health and Wellbeing Board</li> <li>• Corporate Plan review – to be referred back by Cabinet – date TBC</li> <li>• Two six-monthly reviews of the Environment Strategy – date TBC</li> <li>• Review of the Financial Stability Programme – date TBC</li> <li>• A review of Mental Health across the district – date TBC</li> </ul>		

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