

Overview and Scrutiny Committee

Date and Time - **Monday 18 July 2022 – 6:30pm**

Venue - **Council Chamber, Town Hall, Bexhill-on-Sea**

Councillors appointed to the Committee:

P.N. Osborne (Chair), Mrs V. Cook (Vice-Chair), J. Barnes, J.J. Carroll, C.A. Clark, S.J. Coleman, P.C. Courtel, Mrs D.C. Earl-Williams, P.J. Gray, K.M. Harmer (ex-officio), C.A. Madeley, C.R. Maynard and M. Mooney.

Substitute Members: Mrs M.L. Barnes, L.M. Langlands and R.B. Thomas.

AGENDA

1. MINUTES

To authorise the Chair to sign the minutes of the meeting of the Overview and Scrutiny Committee held on 6 June 2022 as a correct record of proceedings.

2. APOLOGIES AND SUBSTITUTES

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

3. ADDITIONAL AGENDA ITEMS

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

4. DISCLOSURE OF INTERESTS

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

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

5. **TOWN HALL RENAISSANCE PROJECT** (Pages 1 - 86)
6. **ANTI-POVERTY STRATEGY** (Pages 87 - 110)
7. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING DRAFT 2021/22 OUT TURN** (Pages 111 - 118)
8. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING AS AT QUARTER 1 - 2022/23** (Pages 119 - 126)
9. **WORK PROGRAMME** (Pages 127 - 128)

Malcolm Johnston
Chief Executive

Agenda Despatch Date: 8 July 2022

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**Rother District Council's aspiring to deliver
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Rother District Council

Report to: Overview and Scrutiny Committee

Date: 18 July 2022

Title: Town Hall Renaissance Project

Report of: Director – Place and Climate Change

Ward(s): All

Purpose of Report: To present the detailed business case for the redevelopment of the Town Hall site, with a view to gain approval to progress the project, subject to planning permission, to a construction phase, assigning the full and final budget.

Officer

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

- 1) Cabinet be recommended to approve the business case, with any amendments as suggested by the Committee, and recommend to Full Council an amendment of the Capital Programme to reflect proposed budget of £14,998,000;
- 2) Cabinet be recommended, subject to full Council approval of the scheme, to give delegated authority to Director – Place and Climate Change to procure the construction contractor required, and enter into other contracts as necessary, for the completion of the project works;
- 3) Cabinet be recommended, subject to full Council approval of the scheme, to give delegated authority to Director – Place and Climate Change to enter in pre-lease agreements with potential tenants to ensure that space within the new office space is tenanted upon to opening; and
- 4) all delegations be subject to a final affordability check to be conducted by the Chief Finance Officer.

Introduction

1. In February 2021, a paper was presented to Cabinet recommending that, due to the current condition of the existing Town Hall buildings, a wholesale redevelopment approach was necessary (Minute CB20/102 refers). It was made clear at this time that the heritage of the primary Town Hall building would be respected as part of any design process and any development would complement and enhance this part of the site.
2. A budget of £460,000 for the development of a planning application was agreed at full Council subject to a review of the proposals by the Overview and Scrutiny Committee.

The site and Town Hall

3. For the purposes of these recommendations, the Town Hall complex comprises the Town Hall, including all extensions, the property leased to Autolec Motor Factors and all associated access and parking. The proposal no longer includes work to the Amherst Road building, the future of which will be considered as part of a second phase and will be the subject of a separate business case. A location map with indicative boundary, site description and existing buildings analysis is attached at Appendix A.
4. The main core of the Town Hall building is over 120 years old. The costs involved with heating the premises are particularly high as the overall heating system is outdated. Whilst some investment has taken place in recent years for the purposes of meeting statutory safety requirements, the building is in need of major modernisation and refurbishment. Regardless of decisions taken in relation to this project, a new heating system and full-scale rewiring will be needed in the next 5-10 years, along with a significant amount of preventative maintenance to keep the building from deteriorating further. The current Town Hall workspace is inflexible, with small shut off rooms and long corridors. Offices in an agile post-COVID environment need to be open, flexible and multi-purpose.

Design and Planning

5. The existing Town Hall is clearly an asset of historical significance for Bexhill and therefore all scenarios explored sought to retain and refurbish the core elements of the existing property.
6. Following some initial advice from colleagues in planning, it is clear that, whilst the principle of development on this site is not an issue, respect for its heritage value and the relationship with the surrounding area are key considerations of any final design.
7. Robinson Low Francis were appointed in 2021 as the project employer's agent. Austin Smith Lord were appointed as the architects and lead designers. A planning application is being submitted in July 2022. For the purposes of this report, design matters are considered out of scope as these will be considered by the Planning Committee in October 2022.

Rationale for Development

8. The table below provides a high-level summary of the rationale for development. Further details related to these themes are provided at paragraphs 9 – 20.

	Rationale	Implications
Climate Change	The Town Hall's baseline carbon footprint is 104.04 tonnes of CO ₂ e annually. This is primarily due to the antiquated heating system with its unlagged piping, out-dated and	Failure to address this will mean that Rother District Council (RDC) will not meet its organisational net zero position without buying substantial carbon offsets

	<p>inefficient boiler, poor levels of insulation, and high consumption electrical system.</p> <p>The Town Hall is Bexhill's most sustainable employment location. It is within walking distance of two train stations and is served by multiple bus routes from both Hastings and Eastbourne, as well as Bexhill's outer wards.</p>	<p>into the future. Undertaking this level of work as a separate project will likely cost in excess of £3m without the possibility of earning additional income.</p>
Financial	<p>The Town Hall, in its current condition, represents a significant financial liability. There is a requirement for large scale maintenance and improvements over the next 10 years, including replacement of gas boilers and heating systems as well as a renewal of the electrical system which is coming to end of life as well as roof repairs.</p>	<p>Large costs will be incurred in the near future just to maintain compliance with statutory and safety requirements. Operational capacity of the Town Hall will also be affected.</p>
Regeneration/Employment	<p>Non-retail and leisure jobs are critical to a town centre's economic ecosystem. Bexhill town centre does play host to a number of professional services (primarily legal, accountancy, and estate agency), but capacity for this is limited by lack of appropriate property. Relocating high value professional and administrative jobs in to the Town Centre will generate additional economic activity for surrounding businesses. Could host 250 FTE jobs.</p>	<p>The Town Hall is unlikely to return to hosting any significant levels of employment. It offers no commercial opportunity as it exists now and the overall RDC requirement is lower than pre-COVID. Whilst efforts have been made to locate jobs at the Amherst Road building, these arrangements are time limited with that building requiring its own intervention programme.</p>
Staff Welfare and Office Accommodation	<p>Following the COVID-19 pandemic, the work styles at RDC have</p>	<p>If the Renaissance Project were not to proceed then it is likely</p>

	<p>changed immeasurably. Having already reduced our available floor space by 562qm, remaining office space is not conducive to a flexible and agile working environment and it is not uncommon to find a single person sat within an office that has 5 desks.</p> <p>With long corridors, small inaccessible stair cases and constantly changing floor levels, the current building is not suitable for wheelchair users.</p>	<p>that we would need to further consolidate the used office space. There will continue to be large areas of unused space within the Town Hall building.</p> <p>If the Council were required to accommodate a wheelchair user employee, there are only four suitable offices (the current offices for the Chief Executive, Deputy Chief Executive, Director and PAs).</p>
Funding	<p>It is proposed for this scheme to be revenue neutral, in so much as it does not cost the authority and taxpayers any additional money through the revenue budget. The total cost of the scheme for approval at Council will be £14,998,000.</p> <p>There is 2,168sqm of new office space as well as a cafe provided as part of the new build, from which we are looking to generate £524,000 per annum. When combined with anticipated savings on maintenance and energy, the scheme is anticipated to break even in Year 1 whilst providing a £53,000 budgetary surplus by Year 5.</p>	<p>The current rental space at Amherst Road needs significant renovation and therefore many of the current tenancies are not anticipated to last beyond 2025. Without the creation of new lettable office space there is no scope to generate income to offset future costs.</p>

Environment and Energy

- In September 2019, RDC declared a climate emergency and set in motion a plan to make the district of Rother and the Council as an organisation carbon

neutral by 2030. The Council has undertaken a carbon baselining to understand its own footprint; it is eminently clear that the Town Hall contributes heavily to the scope 1 and scope 2 footprint. Appendix B outlines historic and predicted future costs as well as the resulting carbon footprint. The carbon output for the Town Hall related to energy in our carbon baseline control period of 2019/20 was 104.04 tonnes of CO₂e, which is the equivalent of 50 average homes. This reduced during the pandemic when usage of the building was significantly restricted. However, it still represents one of the biggest contributors to the Council's carbon footprint. If the Council is to meet its organisational target of carbon neutrality, then it has to address this.

10. The total energy costs for the Town Hall building in 2021/22 were £36,755. The new energy pricing represents a significant increase and whilst prices have varied, it is anticipated that there will be a 61.1% increase in Town Hall energy bills for 2022/23 which would equate to £59,212. There are further anticipated increases in future years as fuel prices continue to rise to unprecedented levels.
11. It is anticipated that the proposal for a full solar array on the top of the new development, installation of low energy lighting alternatives, introduction of air source heat pumps in the new building, a wholesale replacement of the heating and electrical systems in the older core of the Town Hall, and modern thermal retention systems and insulation throughout both buildings will reduce our energy usage by over 80%, even when factoring in the additional floor space. The commercial case presented later in this report includes annual energy savings of £45,000.

Economic Development and Place Making

12. This development affords a generational opportunity to create a lasting place-making legacy for the town of Bexhill on Sea. Buckhurst Place/Town Hall Square is currently dislocated from the remainder of the town centre by the Buckhurst Road/London Road gyratory and the railway line. The works proposed by East Sussex County Council (Appendix C) would be complementary to a redevelopment of the Town Hall site, creating an accessible and welcoming space to the north of the railway.
13. The submitted design proposal delivers 2,168sqm of new internal lettable area. Based upon the Employment Density Guide (3rd Edition, 2015), this space would be capable of hosting approximately 250 FTE jobs when added to the remaining space in the core Town Hall building. Existing economic growth areas for Bexhill are primarily 'out of town' and therefore, whilst provide significant opportunity for job growth, the direct benefits to the town centre are minimal. With minimal existing public transport links, these areas are less sustainable in environmental terms than the town centre. The Town Hall development presents a unique opportunity to retain and grow the number of jobs within the town centre area.
14. The recent acquisition of the Sainsbury's building, along with existing land ownership, offers the long-term potential to extend the regeneration of the Town Hall square all the way up to the railway line, creating a destination for business, retail, community and residential space.

Securing the future of the Town Hall for the long term

15. Opened on 27 April 1895, the original core of the Town Hall is now over 127 years old. It must be noted that over the last 10 years there has been significant investment in the building, including large scale roof repairs to the east wing as well as upgrades to the glazing undertaken by previous administrations. However, the building continues to deteriorate and requires substantial reactive annual maintenance to keep it operational and compliant. Over the last two financial years almost £85,000 has been spent on general repairs and maintenance, £11,000 on replacing and repairing required safety equipment and £135,000 on larger reactive repairs and refurbishment to meet operational necessity and basic statutory compliance (including new fire doors and fire alarm system).
16. In addition to continued increasing annual maintenance costs there are a number of unavoidable future costs that will be incurred if this project does not proceed. The current building's heating and electrical systems are both nearing end of life. Within the next 5 – 10 years, wholesale removal and replacement will be required. These works will be carried out as part of the Renaissance project and the costs of these works are included in the full cost report provided at Appendix D. However, a standalone piece or pieces of work at a future date would be significantly more expensive and is predicted to cost up to £300,000. As part of the financial appraisal for the scheme, we annualised the savings against costs for these works over the first ten years of operations.
17. Whilst a new building and a refurbished core building will still require annual maintenance, this will be at a significantly reduced level, particularly for the first ten years. These savings have been captured as part of the financial appraisal for the scheme.

The future of the office

18. The current building does not offer the attractive modern working environment expected by many employees. This can cause issues with recruitment and retention as well as overall staff wellbeing. In May 2020, September 2020 and September 2021, staff surveys were carried out to understand how officers are likely to wish to work in the future given the precedent that was set by the organisation's response to flexible and home working during the COVID-19 pandemic. The results of this survey showed that, whilst the staff have adapted well to home working, most would anticipate still working in an office environment between one and three days a week 'post COVID'. As restrictions have eased, the organisation has experienced differing appetites across departments to return to regular office working. A piece of work is being undertaken as part of our ongoing business practice and workforce transformation, led by the Deputy Chief Executive, to establish organisational expectations on future attendance at the office.
19. As part of the Strategic Property Asset Collaboration East Sussex (SPACES) group, officers have been contributing to a pan-East Sussex and Greater Brighton study to ascertain the likely working practices and office requirements of public sector organisations into the future (attached at confidential Appendix E). There are clear differences in approach across local government organisations, the health sector, and the blue-light services. Of particular note, health services are looking to remove administrative staff from clinical

environments such as hospitals, to free up much needed clinical space as well as providing better, more appropriate accommodation for office-based workers.

20. One other key finding is that all organisations are now taking a far more flexible approach to office-based workers, recognising that office locations should not be a deterrent in recruitment. There is a shared ambition to offer collaborative workspace throughout the county to enable sharing of desks across organisations. This is following a pilot study in Kent, led by the County Council in partnership with the district and boroughs. What has yet to be determined is how this operates on a commercial basis to support development of new suitable space in required locations. Bexhill has often been overlooked as a strategic office location because of its proximity to Hastings. As the third biggest town in East Sussex and its profile as a largely residential town, Bexhill does offer the opportunity for a range of public sector services to provide a high-quality office environment close to where their workers live. As such, we have been engaged in a range of discussions with partners, details of which are provided later in the report.

Financial Case and Commercial Strategy

21. The Town Hall Renaissance Project is designed to be self-funding, with no additional revenue burden to the Council. The new modern accommodation exceeds the needs of the Council and, as stated above, there are significant economic benefits to Bexhill and the wider Rother District by increasing jobs hosted in the area. As such the financial case is based upon renting space to tenants on a commercial basis.
22. The Council already has a number of tenants in situ at the Amherst Road former-treasury building, which is rented out at comparatively low cost but is of a particularly low quality. Officers engaged heavily with the original tenants about moving over once the new building is complete, all of whom have also helped to shape the internal layout requirements. The Council has also attracted new tenants to the Amherst Road building, whose interest was based on an initial short-term lease in preparation for moving into the new building. The Amherst Road building does not reflect a long-term option for our tenants, without significant investment. The details of potential tenants, level of commitment, and preliminary space need is detailed in Confidential Appendix F.
23. The initial expectation was that the whole of the new building would be taken up by public sector organisations. As organisations begin to shape their 'post-COVID' working patterns and office requirements it may be that this will need to be supplemented by the inclusion of private sector organisations. Officers are working with commercial agents to ascertain the likely levels of demand for this type of Town Centre work space. There is also potential to operate this space as an innovation/start-up centre, supporting new businesses to grow, much like Napier House which has shown consistently high levels of occupation.

Funding and Income

24. In order for the scheme to be considered self-funding, the combined annual income and net savings resulting from the development must at least match and preferably exceed the annual costs associated with servicing the borrowing.
25. £460,000 was approved by Council (Minute C20/62 Refers) in February 2021 to develop a design and bring forward a planning application. There have since been additional costs incurred as a result of extra works commissioned to limit future development risks. These additional costs have included a planning performance agreement with the Local Planning Authority (LPA) to enable the additional resource required by them to ensure that proper pre-planning advice could be provided as well as ensuring that an independent appraisal of the scheme is provided by an outside consultant, additional project management resources to cover long-term staff sickness, and a series of additional surveys that de-risk the development going forward and ensure that no further works or delays are needed when the procurement of a contractor is undertaken (including bat surveys and ground stability surveys, amongst others). These additional costs have been included in the overall cost of the scheme and have been agreed by the Section 151 officer (Chief Finance Officer) as necessary.
26. 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 £650,000 including aborted works costs.
27. Officers have produced a discounted cash flow document (Confidential Appendix G) based on a prudent approach to potential costs and income. A series of assumptions have been made based on stakeholder and tenant engagements, information provided by consultants, and information from the Council's Chief Finance Officer. These are detailed in the table below:

Cost/Income/Saving	Assumption	Notes
Savings on energy costs	£45,000/annum	As outlined above, this is factored in over the lifetime of the appraisal
Savings on maintenance	£54,000/annum	Includes annualised savings as outlined above. Only factored in for first 10 years of the appraisal.
Average interest rate for borrowing	3.25%	As advised by CFO and based on current rates of interest.
Rent reviews and increases	1%/annum	Factored in as a rent increase of 5% once every 5 years
Professional fees on construction	10%	Industry standard assumption and reflective of current fee structure.

28. Based on these assumptions the basic annual cash flow for the year 2025 is shown below (this is shown in greater detail in Appendix G):

Total Cost of Project	£14,998,000
Net Income	£524,536
Cost of borrowing including repayment	£610,873
Savings over current costs	£99,000
Sinking fund for future maintenance	£14,040
Deficit/Surplus on current revenue budget	-£1,377

29. By the year 2035, following two rent reviews and loss of annualised maintenance savings the annual cash flow shows:

Net Income	£639,313
Cost of borrowing including repayment	£610,873
Savings over current costs	£45,000
Sinking fund for future maintenance	£14,040
Deficit/Surplus on current revenue budget.	£59,400

Key Risks

30. Whilst a comprehensive risk register has been developed, listed below are some of the key risks and the relevant mitigations:

Risk	Mitigation
Cost of build increases	The current appraisal has taken a prudent approach to contingency as well as accounting for the increase in materials prices. We are currently appraising the appropriate procurement route for this scheme but an award of contract in line with expectations is critical and will give certainty of costs. Limiting delays in the governance and planning processes helps to ensure that the projected prices remain assured.
Un-rented commercial space	Potential tenants are being asked to commit to Heads of Terms based upon the required rent. We have engaged with a long list of public sector organisations who are interested in taking on space. Should there be supplementary space available then commercial tenancies would be considered and made available to ensure maximum income.
Planning Permission	The project undertook a planning performance agreement with the LPA. This has funded additional input and advice from the LPA as well as a series of meetings on the appropriateness and merits of the design. The LPA are still to make their recommendation on this proposal, and this will be influenced by the response from statutory consultees. The RDC Planning Committee will make the final adjudication on the scheme.
Ground conditions and other unknowns	To reduce the risk of discovering unfavourable ground conditions or ecological factors, the decision was taken to bring forward a series of surveys necessary for planning discharges in advance of the planning application. This

	included bat surveys and ground stability surveys among others.
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Conclusion

31. This project represents a once in a generation opportunity to transform the Town Hall and the surrounding area of Bexhill. It will 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.
32. The whole project is 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. Whilst recognising that there are risks involved in the financial case, a great deal of work has gone into liaising and engaging with potential tenants. There are high levels of take up on a building which has not yet received planning and formal legal agreements will be concluded at the earliest possible point, whilst negotiations continue with other potential tenants.
33. The project team have sought to engage with the public at the earliest opportunity in the design process. A recent public exhibition was undertaken in the Town Hall and online, with an opportunity to complete a short feedback survey. In total, 765 people engaged with the materials. 66 people responded to the survey with the proposals receiving very favourable feedback. Positive responses (Strongly Agree/Agree) made up between 56% and 91% on all questions. However, limited information was provided regarding the business case for the scheme as well as the principle behind the development. As such, a further engagement process will be undertaken following the consideration of this report, giving members of the public the opportunity to respond to the issues considered herein. This feedback will then be provided to Cabinet for their consideration for making a recommendation to Council.
34. Following a review of the evidence provided, it is recommended that the Overview and Scrutiny Committee resolve a recommendation to Cabinet that this project proceed to construction, and that the necessary amendments to the Capital Programme are agreed at full Council. It is proposed that the relevant authorities be delegated to the Director – Place and Climate Change to progress the award of contracts and agreement of tenancies.

Financial Implications

35. The development would require a significant capital input with the need to at least cover, and preferably exceed, borrowing costs through the generation of rental income and delivering savings against existing expenditure.

Environmental

36. One of the main drivers of the redevelopment proposals for the Town Hall and associated buildings is to enable the organisation to meet its own carbon neutrality targets. Failure to address the environmental impact of the Town Hall, being the largest administrative building for the organisation, would likely lead to inability to meet these targets.

Sustainability

37. As with the environmental impact, this project is aimed with ensuring the Council's main administrative building can operate sustainably into the future whilst being able to adapt to new ways of working.

Risk Management

38. A full project risk register has been developed and will be maintained through the lifetime of the project.

Equalities and Diversity

39. Equalities Impact Assessments will be carried out as part of this project to understand how the building needs to accommodate the needs of all users in line with statutory requirements, promoting inclusivity, diversity and wellbeing.

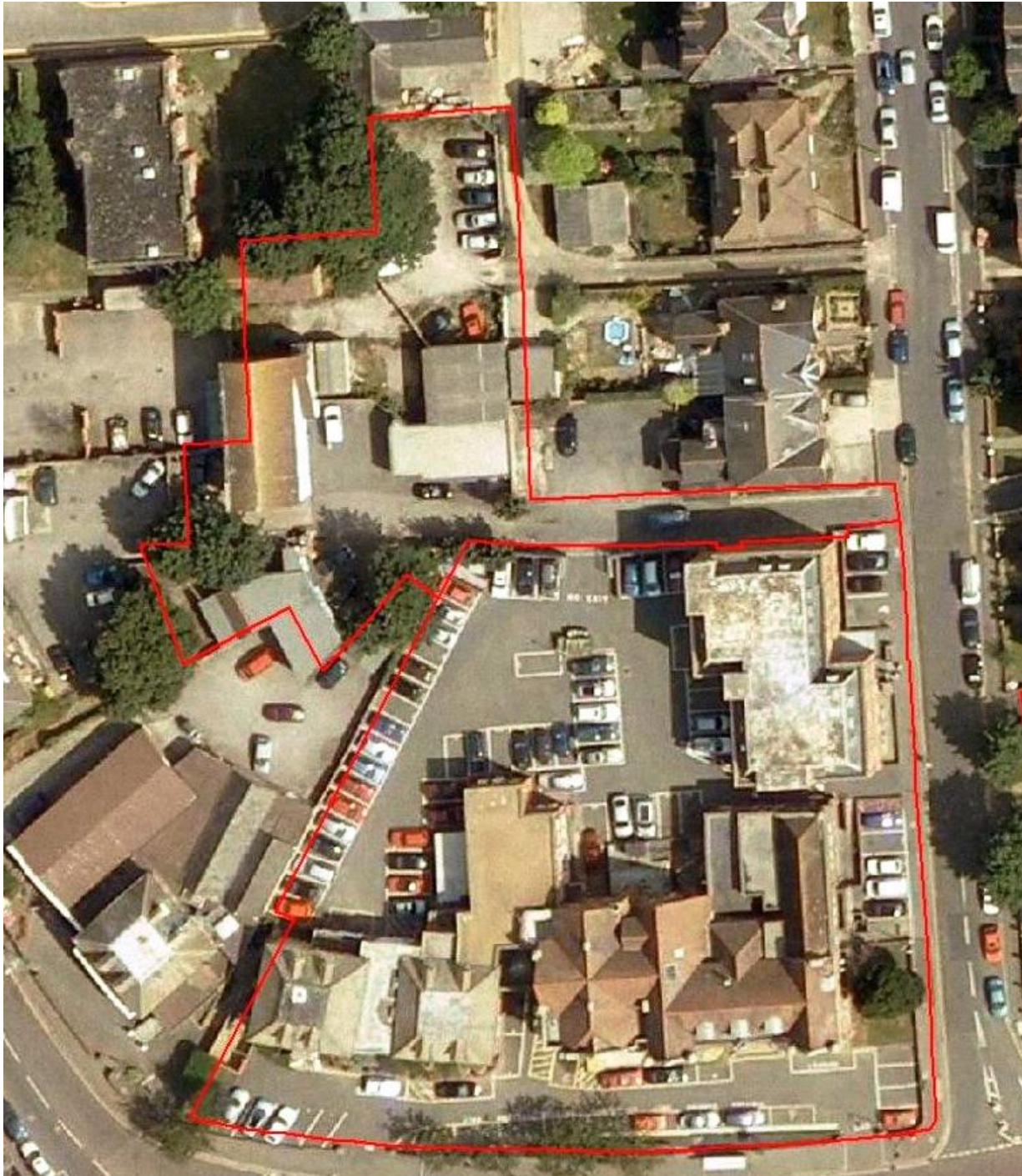
Consultation

40. Following the final recommendations by this Committee, there will be a further four weeks of public engagement. This will include the opportunity to comment on the business case and commercial strategy outlined in this report. The outcomes of this engagement will then be reported to Cabinet alongside the recommendations from this Committee enabling an informed decision to be made.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	Yes
Crime and Disorder	No	Consultation	Yes
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	Yes		
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Ben Hook		
e-mail address:	ben.hook@rother.gov.uk		
Appendices:	A Site layout and description		
	B Maintenance and Energy Costs		
	C ESCC Consultation Designs		
	D RLF Cost Report. (Confidential)		
	E SPACES future of the Public Sector Office (Confidential)		
	F Tenants and space need details (Confidential)		
	G Financial Appraisal Discounted Cash Flow (Confidential)		
Relevant Previous Minutes:	CB18/73: February 2019		
	CB20/102: February 2021		
	C20/62: Full Council February 2021		
Background Papers:	None		
Reference Documents:	N/A		

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Site location map with indicative boundary



Site description

The Town Hall complex comprises the Town Hall, including all extensions, the Amherst Road building, the property leased to Autolec Motor Factors and all associated access and parking. There is an opportunity to review how this site could be developed to support regeneration, environmental, and potentially housing, objectives.

The main Town Hall is mostly three storeys with south facing frontage, although several single and double storey extensions have been added over the years. The Amherst Road building is four storeys with a mansard roof and solar panels installed. Autolec is two storeys.

There is access and parking to the front for a small number of cars (20), with the main rear car park for 50 cars being accessed from Amherst Road. This rear access is shared with Autolec Motor Factors and the adults' day care centre adjacent to the Amherst Road building.

The Town Hall car park is exited via a narrow drive between the main building and the Amherst Road building. An overflow car park is situated to the north of the site, providing parking for around 15 cars. Its surface is unmade, and it shares access with residential units.

None of the buildings in the boundary are listed and the site does not fall within the conservation zone. However, it is acknowledged that the original main core of the Town Hall building is of local heritage significance and valued by the community.

The site sits within policy BEX12 of the Development and Site Allocations (DaSA) Local Plan. London Road and Town Hall square are earmarked for public realm and traffic movement improvements with plans being developed by East Sussex County Council (ESCC).

Existing buildings analysis

	Town Hall		Amherst Road		Autolec Motor Factors	
Year built	1894 (core)		1989		1909	
GIFA	2,412m ²		1171m ²		N/A	
EPC rating	E		D		No assessment available	
Solar energy	No		Yes		No	
No of RDC desks/seats	127		80		N/A	
No of formal meeting rooms	4		0		N/A	
Electric kWh / annual cost 2019	300,000	£53,397	82,123	£12,810	N/A	N/A
Gas units / annual cost 2019	17,600	£6,518	8041	£3,593	N/A	N/A
Water units / annual cost 2019	1140	£2,153	468	£684	N/A	N/A
Sewage units/annual cost 2019	2000	£3,263	383	£975	N/A	N/A
Total utilities annual cost 2019	£65,331		£18,062		N/A	
Repairs cost 2019	£44,418.70		£20,071.56		£N/A	
Additional information	Informal meeting rooms: Leaders Room plus interview rooms 2018/19 repairs £43k,		EPC rating of D prior to Photovoltaics – not reassessed since. RDC floors 2&3 G/F let to DWP 3 rd floor let to ESCC + NHS – costs are recovered alongside rental income 2018/19 repairs £30k		Let to Alliance Automotive UK LV LIMITED 3-year lease term commenced on 31 March 2014 up until and including 28 February 2017. No repair/maintenance costs. £15,500 annual income	

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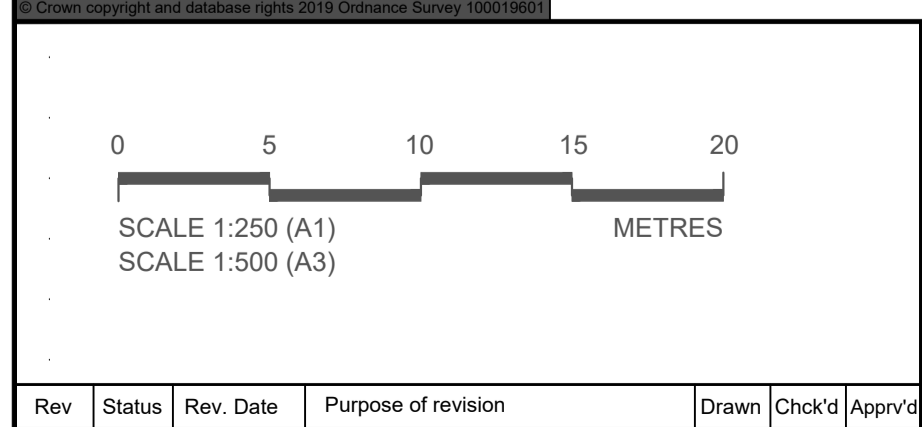
Town Hall Electricity 01/04/21-31/03/22		
Total Cost Units of Electricity	Total Cost Including Standing Charges and Climate Change Levy	Total Cost Including VAT
£24,286.82	£27,810.13	£33,372.16
Total Number of Units Day	116796	
Total Number of Units Night	33123	
Town Hall Gas 01/04/21-31/03/22		
Total Cost Units of Gas	Total Cost Including Standing Charges and Climate Change Levy	Total Cost Including VAT
£6,415.53	£8,944.88	£10,733.8
The gas contract expires end of September 2024, the next price rise is expected to be on 1 October 2022.		

The contract for the Town Hall electricity has recently been renewed with the new prices as follows:

New Prices (April 2022)			
Standing Charge (p/day)	Availability (p/kVA/day)	Day Rate (p/kWh)	Night Rate (p/kWh)
246.195	4.126	36.067	23.390
Previous Pricing 2021/22			
356.42	3.68	19.07	13.18

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	Existing trees to remain
	Proposed trees
	Trees to be removed
	Proposed evergreen shrubs
	Proposed annual planting displays
	Proposed shade herbaceous planting
	Proposed informal sweeps of spring bulbs planted in the grass
	Proposed amenity grass
	Proposed resurfacing of footway with red hot rolled asphalt
	Access Road paved in HRA contrasting to that used on the footway and the road carriageway
	Proposed Tegula surfacing
	New Bus Shelters - subject to review
	Existing refurbished benches
	Memorial
	Existing refurbished bins
	Existing wall retained
	New wall constructed to match existing
	Existing post box
	Existing Victorian lamp post
	Proposed cycle stands
	Proposed location of the reinstated Victorian lamp post
	Victorian lamp post to be removed and reinstated in a different location
	Proposed location of the reinstated CCTV post
	CCTV post be removed and reinstated in a different location
	Relocated bollards
	Proposed signage



Project	LONDON ROAD, BEXHILL	Status	PRELIMINARY			Revision	P02			
		Scale	1:250			Date	DEC 2020			
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Rother District Council

Report to: Overview and Scrutiny Committee

Date: 18 July 2022

Title: Anti-Poverty Strategy

Report of: Joe Powell (Head of Service Housing and Community)

Ward(s): All

Purpose of Report: To recommend to Cabinet and full Council the new Anti-Poverty Strategy for adoption.

Officer

Recommendation(s): It be **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.

Introduction

1. On 28 March 2022, Cabinet approved the draft Anti-Poverty Strategy for consultation (Minute CB21/96 refers). Following a six-week consultation, officers have considered the responses received and made some amendments to the Policy. The purpose of this report is to present the results of the consultation of the Anti-Poverty Strategy and recommend that the new Anti-Poverty Strategy be adopted. The draft Anti-Poverty Strategy can be found at the following link:

[Anti-Poverty Strategy – Rother District Council](#)

2. In Autumn 2021, a multi-agency event was held at The Pelham, led by the Council in partnership with Rother Voluntary Action (RVA). Attendees were presented with the findings of the Anti-Poverty Task and Finish Group (APT&FG) based on the evidence gathering sessions it had undertaken. The objectives were reviewed and supported by those present at the event with a series of priority actions also identified. These actions have been captured within the draft Action Plan appended to the draft Anti-Poverty Strategy at Appendix A. The following objectives were included in the draft strategy:
 - **Coordination:** develop local strategic commissioning and operational structures to coordinate services designed to alleviate poverty.
 - **Access:** maximise the accessibility of services so that those in the greatest need can be reached.
 - **Promotion:** promote information, advice and support to service users and professionals.

3. The group also identified that the objectives and actions identified within the Strategy and its action plan need to be delivered by a multi-agency Anti-Poverty Steering Group (APSG) to ensure objectives remain achievable; progress reports on the action plan will also be fed to the Rother Local Strategic Partnership (LSP). The LSP will support and monitor the progress of the Strategy Action Plan through the promotion of its objectives through the East Sussex Strategy Partnership. The LSP will also support the coordination of existing resources and influence future service commissioning through its networks.
4. The emerging rise in the cost of living perhaps makes the delivery of the Strategy even more relevant than when the Strategy was first conceived, prior to COVID-19 pandemic. The proposed APSG will play a key role in both delivering the Strategy Action Plan while also expanding the scale and scope of the Strategy objectives to ensure we keep pace with the increased levels of poverty and demanded services we are likely to see in future years.

The Consultation

5. 25 local organisations responded including seven town and parish councils, 13 charities and voluntary agencies also responded alongside three public sector organisations and two political parties (branches). In addition, we had a response from the Council's Planning Policy team.
6. A large amount of written testimony was received, which is available for Members to review upon request. We are unable to publish this information within the main report, given the confidential nature of much of the information provided.
7. An executive summary of the consultation responses can be found at Appendix B.

Health and Wellbeing

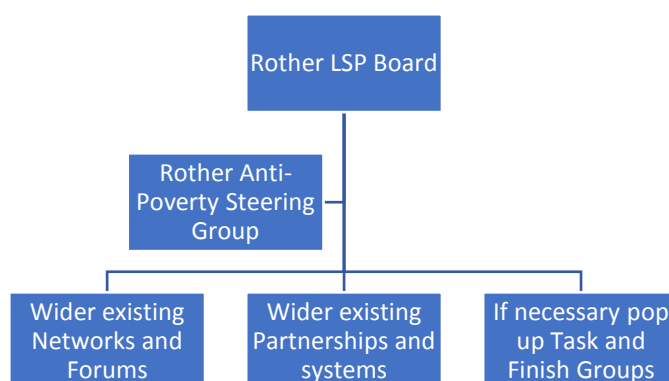
8. A range of organisations fed back that the delivery of the Strategy will need to be integrated with a range of existing strategies, including the Housing, Homelessness and Rough Sleeping Strategy, Local Plan, Economic Development and the Hastings & Rother Food Network's 'Food Insecurity Strategy for Rother'. It is intended that the terms of reference and membership of the APSG will include the relevant organisations required to deliver the Strategy Action Plan and report progress to the LSP.
9. In particular, the consultation responses from East Sussex County Council 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 boarder health inequalities across the Health and Social Care sectors. Members should note that a new **Integrated Care System (ICS)** was introduced on 1 July 2022 and will bring wider partners together to achieve four key areas:
 - Improving **outcomes** in population health and healthcare.
 - Addressing **inequalities** in outcomes, experience and access.
 - Enhancing **productivity** and value for money.
 - Supporting broader social and economic **development**.

10. The Rother Anti-Poverty partnership recognises the strategic alignment highlighted by public health and the CCG between its objectives and that of the wider ICS. In particular, the theme of **inequality of outcomes** in health, housing and income chime closely to the areas of poverty identified within the APT&FG's evidence gathering and strategy development. The [Health Foundation](#) have explored the main drivers of health inequalities in depth, these are:

- **Money and resources** - There is a well-established link between money and resources and variations in health.
- **Work** - Unemployment, work quality, job security, can all have considerable influence on health.
- **Housing** - Housing affordability, quality and security can have a significant impact on people's lives, influencing their wellbeing and health.
- **Transport** - Transport can affect health directly, in terms of air pollution or active travel.
- **Neighbourhood and surroundings** – Neighbourhood and environment can have a marked impact on health and wellbeing. For example, access to good-quality green space is linked to improvements in physical and mental health, and lower levels of obesity.
- **Family, friends and communities** – Family and friends build the foundation for good health through positive relationships and networks for support and skill development, opportunities for social participation.

Anti-Poverty Steering Group (APSG)

11. As already highlighted, the APSG will work to oversee the Strategy Action Plan and ensure actions are delivered and updates provided to the Rother LSP. The membership of the APSG, terms of reference and nominated chairperson are still to be finalised; however, the group will likely be very similar to that which has developed the strategy and its action plan.
12. The partnership is also supportive of working together to better integrate strategic approaches across all related areas. The APSG will actively work to evolve and develop the scope of the existing Anti-Poverty Strategy into a wider Health and Wellbeing Strategy for Rother, that pulls together the various **inequalities of outcome** experienced by our local communities.



Conclusion

13. The development of the Strategy has highlighted that the causes of poverty are multiple and complex and its symptoms wide ranging. The effects of poverty are felt by a range of different sectors of the community across different demographic groups and geographic locations. Many of the **causes** of poverty cannot be influenced effectively at a local level and the Council cannot effectively tackle the **symptoms** of poverty on its own.
14. A partnership and approach that coordinates the 'whole system' of services supporting those experiencing poverty is therefore important. The Strategy proposed has been developed between key local partners to ensure that the objectives identified are relevant and that the actions proposed ambitious while being measurable and achievable within the resources available locally.
15. The proposed APSG will be well placed to deliver the strategy action plan and provide periodic progress updates to the Rother LSP which can, in turn, monitor APSG performance; further, the APSG will be able to build-upon the work of the APT&FG and develop the Anti-Poverty Strategy into a broader Health and Wellbeing approach, that is better aligned to the emerging priority aims of the new ICS and other existing local strategies.

Legal Implications

16. An Equalities Impact Assessment will need to be completed before a final Strategy is adopted.

Environmental Implications

17. Current and future district environmental strategies and interventions will need to consider the needs of those experiencing poverty of access to adequate income, health, housing and education and ensure these needs are met.

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

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Joe Powell
e-mail address:	joe.powell@rother.gov.uk
Appendices:	A – Draft Anti-Poverty Strategy B – Consultation Plan and Questionnaire
Relevant previous Minutes:	OSC19/48 CB21/18
Background Papers:	None
Reference Documents:	None

Anti-Poverty Strategy 2022-2027

FOREWORD

Every person should have the right to live a fulfilling life in a fair and equal society. In essence, this strategy derives from that very simple foundation.

When it comes to living a fulfilling life, poverty can be a significant inhibitor, and this is exacerbated by inequalities within society. People with greater socioeconomic circumstance have a greater array of life chances and more opportunities to lead a flourishing life whilst those at the other end of the scale experience worse outcomes in all areas, be that health, education, employment, civic engagement or simply in their access to basic human rights. The right to a warm home, the right to nutritious food, the right to safe water and refreshment, the right to sanitation and cleanliness. It is unavoidable that poverty, however it is defined, both results in and often stems from inequality and unfairness within society.

In 2022, poverty and its associated inequalities seem particularly prevalent. A decade-long programme of austerity, alongside stagnant wages and low economic growth had already plunged many people into hardship by the end of the previous decade. Since then, a global pandemic and a cost of living crisis has enveloped many of those in socioeconomic difficulty and rendered their situation worse, as well as furthering the gaps between the richest and poorest in our society. As a result, many people are looking to local authorities for help. With resources stretched at every level of local government and following the withdrawal of most central government funds however, the options open to councils in tackling poverty have rarely been as limited.

Despite this, the 2019-formed coalition administration at Rother District Council made a clear commitment in the council's corporate plan to improve the accessibility and effectiveness of local hardship services, the results of which include this strategy.

The strategy itself is a culmination of work done by the cross-party Anti-Poverty Task and Finish Group, set up by the council's Overview and Scrutiny committee, in collaboration with wider authorities, outside bodies and the voluntary sector. In many ways, this is just the start of a new approach to tackling poverty and inequality within the District and following its initial remit, to improve the coordination, access and promotion of related services, it is hoped that the recommendations from this strategy create a launch pad for further work across all aspects of governing as we work with partners to pursue a fairer society for all.

It has been an honour to chair the Anti-Poverty Task and Finish Group and lead on this politically alongside a dedicated team of officers and external advisers. It is important that this strategy is implemented in a meaningful way to strengthen Rother's connections with groups and charities in the voluntary and community sector, who are on the front lines tackling poverty, as well as improving how our own services are delivered and that work continues beyond this. This is a precise, strategic plan with short term aims and the call for a wider look at Health and Wellbeing, with a focus on health inequalities, should be heeded.

To quote Nelson Mandela, "Overcoming poverty is not a gesture of charity. It is the protection of a fundamental human right, the right to dignity and a decent life."

Cllr Sam Coleman

Chair of the Anti-Poverty Task and Finish Group

INTRODUCTION

“Poverty is not simply about not having enough money or going without luxuries. It is about struggling to get through each day. About constantly making sacrifices; about living in a state of worry verging on perpetual fear, about never knowing how you will survive the week; about never having a few days away, let alone a holiday. It is about your children being haunted by the prospect of being stigmatised, humiliated and bullied. About pensioners not knowing how they can carry on living yet dreading imposing a burden on relatives when they die.... Most of those in poverty cannot help being in their situation. No one chooses to be poor.”¹

Many of the drivers of health inequality are common to housing, income and food inequality and it is an ambition of the Anti-Poverty Strategy partnership to develop greater strategic alignment with wider health and wellbeing aims and objectives. The intention of the partnership is to integrate our identified anti-poverty objectives into a wider Health and Wellbeing Strategy for Rother, that seeks to tackle inequality in our communities more widely.

In January 2020 the Overview and Scrutiny Committee approved the formation of an Anti-Poverty Task and Finish Group (APT&FG). The aim of the APT&FG was to investigate the effects of income, health and housing poverty on local people and the services that support them.

The APT&FG held two events at the end of 2020 to gather evidence from external partners and internal Council colleagues and meet its objectives. The objectives were:

- To undertake a review of the accessibility of appropriate financial products, including an analysis of the forms of less appropriate forms of credit and the extent of their use.
- To assess how residents are educated about finances and consider what improvements can be made to financial literacy in the district.
- To consider the impact of Council Tax Reduction policy and the accessibility of Council Tax Reduction to those experiencing financial hardship.
- To consider the impact of Council administered discretionary housing benefit payments (DHP) its accessibility and the processes used to allocate DHP to those at risk of homelessness.
- To investigate the availability of financial advice, homelessness advice, employment and training advice and the role of the Council in supporting these.
- To investigate the availability of affordable fuel, food and other provisions and the Council’s role in supporting these.

The evidence gathering sessions provided reassuring evidence of the levels of commitment to alleviating the symptoms of poverty amongst the agencies in attendance. There is a great deal of service activity locally and an impressive level of knowledge and expertise within both Council and partner services. However, the evidence gathering sessions identified areas for improvement. The way in which services are **coordinated** is sometimes disjointed and there was evidence of service duplication, particularly in the provision of benefits and budgeting support. In addition, while a wide range of specialist services are available to residents, they are not always delivered in a way that makes them **accessible** so that crisis situations can be prevented from developing; and finally, the way in which service information is

¹ Reporting poverty in the UK, A practical guide for journalists, page 9 Revised edition 2009, Copyright: Society of Editors. Published by: Joseph Rowntree Foundation

promoted to service users and between professionals is uncoordinated at times and very focussed online. It was identified that a multi-agency Anti-Poverty Strategy may well offer partners a means of achieving improvements in these areas.

VISION

To work together to tackle the symptoms of poverty in order to reduce its impact and create a fair, healthy, prosperous, thriving and sustainable Rother, now and for future generations to come.

AIMS and OBJECTIVES

The aim of the strategy is for statutory and community services operating in the Rother district to work together to reduce levels of poverty through:

- **Coordination:** develop local strategic commissioning and operational structures to coordinate services designed to alleviate poverty.
- **Access:** maximise the accessibility of services so that those in the greatest need can be reached.
- **Promotion:** promote information, advice and support to service users and professionals.

CHALLENGES

Co-ordination

- There are a high number of services available locally and there was concern that these may not be being coordinated between service providers and commissioners effectively at strategic levels.
- There was evidence that there is no group locally coordinating the operational delivery of benefits advice, homelessness support, housing quality and food and fuel poverty services.
- Every contact counts: a similar concern that front-line staff did not know what services are available locally and are unable to advise people holistically.
- Barriers to data sharing need to be overcome so that organisations can share information between teams and organisations to share information to assist individuals effectively.
- The provision of affordable childcare is crucial in supporting access to employment as well as lifting children out of the effects of poverty through improved educational attainment.

Further challenges identified related to the accessibility of services and their promotion:

Accessibility

- Access to the internet is imperfect, particularly in rural areas and service providers should not assume internet access is effective across all demographics and geographical locations.
- There is a lot of reliance locally on signposting individuals to services through online routes and the telephone when many vulnerable people may not be able to access online or telephone services.

- Service locations are distant from one another and not always in convenient locations.
- Rural areas are challenging places in which to deliver services; however, there is limited use of technology and utilising existing community locations such as parish / town council buildings to deliver services.
- There needs to be an upskilling of RDC staff so that residents are provided with information and the right advice at the right time – making every contact count.

Promotion

- There is a low level of knowledge amongst professionals and service users of the existing East Sussex Community Information Service.
- Literacy levels among some is limited - with the average reading age being nine years old nationally - are services therefore reaching those with low literacy levels effectively, through written communication and promotion?
- There is an overwhelming amount of information produced that promotes different services and it is not coordinated through a central group that could target vulnerable groups collectively.

HEALTH INEQUALITIES

In order to achieve service coordination and improve accessibility local services will need to take a 'whole systems approach' to service commissioning and delivery. It is an ambition of the Anti-Poverty Strategy partnership to develop greater strategic alignment with wider health and wellbeing aims and objectives. The [Health Foundation](#) have explored the main drivers of health inequalities in depth, these are:

- **Money and resources** - There is a well-established link between money and resources and variations in health. Poverty – having inadequate resources to meet basic human needs – is particularly associated with worse health. This is especially the case for persistent poverty. Employment is a key challenge in coastal communities and impacts health in multiple ways. ONS analysis shows that the unemployment and part-time employment rate is higher in coastal towns. There is also a greater dependency on the public sector for employment in coastal communities¹.
- **Work** - Unemployment, work quality, job security, can all have considerable influence on health. The nature of people's work matters for health, but also impacts other factors that influence health, such as having sufficient income and forming social connections.
- **Housing** - Housing affordability, quality and security can have a significant impact on people's lives, influencing their wellbeing and health.
- **Transport** - Transport can affect health directly, in terms of air pollution or active travel. It can also affect health indirectly through its relationship with other wider determinants of health, such as providing access to public services and an individual's place of work.
- **Neighbourhood and surroundings** – Neighbourhood and environment can have a marked impact on health and wellbeing. For example, access to good-quality green space is linked to improvements in physical and mental health, and lower levels of obesity. Access is likely to be worse for people in deprived areas, and areas with higher proportions of minority ethnic groups. Air pollution also impacts on health, cutting short an estimated 28,000-36,000 lives a year in the UK, with exposure linked to both poverty and deprivation.

- **Family, friends and communities** – Family and friends build the foundation for good health through positive relationships and networks for support and skill development, community cohesion and connection, opportunities for social participation, and shared ownership or empowerment which provides a sense of control and collective voice.

Addressing challenges of this scale should not be under-estimated and will require us all to work together as a whole system in order to drive change and improve the lives of our people and place. We will commit to:

- Framing and examining all that we do through a health and environmental lens to deliver against the vision of this strategy
- We can take the lead by making positive changes by enacting on what we can control
- Use our influence to engage with others to make changes beyond what we control

NATIONAL CONTEXT

Pre-pandemic, up to 14.5 million people were in poverty when taking housing costs into account which is one in every 4 people in the UK. However, estimates of a further 700,000 people experienced hardship during the pandemic which pushes the poverty figure in the UK to more than 15 million. In 2019/20 there were 4.3 million children living in poverty in the UK – 31% of all children. Of children living in lone-parent families, 49% are in poverty – lone parents face a higher risk of poverty due to lack of an additional earner, low rates of maintenance payments, gender inequality in employment and pay, and childcare costs.

People who are living in poverty are more likely to be affected by: under-achievement at school, unemployment, health problems (physical and mental), substance misuse, debt, poor quality accommodation and insecure housing and homelessness. The average reading age of the UK population is 9 years – that is, they have achieved the reading ability normally expected of a 9-year-old.

Eight in ten people claiming universal credit in November were in work or looking for work. More than 30% of couple households with one full-time earner are in poverty, nearly as high as the rate of hardship for families without any full-time workers. The number of working families struggling to make ends meet hit a record high just before the pandemic, with one in six working households – or 17.4% – living in poverty.

POPULATION DEMOGRAPHY

Rother's population as of 2020 was 96,700 from 90,588 in 2011 (Census). Almost half live in the main urban town of Bexhill, 4,745 live in Rye, 7,125 live in Battle, with the remaining living in the rural villages and hamlets spread throughout the district. Rother has one of the oldest populations (with a median age of 52 years). In fact, 9.24% of Rother's population is aged 80+, almost double the national average (4.96%).

Housing tenure nationally is 63.3% owner occupied; 16.7% private rented; 17.6% social rented. This compares to Rother at 73.5% owner occupied; 14% private rented; and 10.4% social rented. Noticeably the size of the social rented sector in Rother is significantly less than that nationally, which indicates a potential imbalance in housing tenures locally, placing greater pressures on the private rented sector to accommodate our housing need than nationally.

In Rother the percentage of adults whose current marital status is separated or divorced is significantly higher compared to England however lone parent households are significantly lower. The percentage of the population who provide 50 or more hours per week unpaid care is significantly higher compared to the national average.

LOCAL CONTEXT

10530 people in Rother are affected by income deprivation²

Rother now ranks as 135 out of 317 Local Authorities in terms of rank of average rank³ compared to 148 (out of 326) in 2015. There are two neighbourhoods among the most deprived decile (compared to 1 in 2019), and 42 neighbourhoods out of 58 ranked as relatively more deprived in 2019 than in 2015. Twenty-three LSOAs⁴ in Rother rank more deprived decile than in 2010, compared to 7 which rank as relatively less deprived. Table 1 demonstrates Rother's rank across Local Authorities broken down into subjects in terms of rank of average rank.

Table 1

Domain	Rank (2015)	Rank (2019)
<i>Overall</i>	<i>148</i>	<i>135</i>
Income	151	143
Employment	122	113
Education	132	153
Health	174	148
Crime	252	221
Barriers to housing & services	121	55
Living environment	132	107

Sidley is in the Top 10 neighbourhoods experiencing deprivation in East Sussex, with the other nine in that Top 10 being in Hastings. Altogether six LSOAs in Rother are among the most deprived 20% in England, four in Bexhill (3 in Sidley and 1 in Central), one in Rye and one in Eastern Rother. 8.5% of the Rother District population have no qualifications, this is nearly twice as many as the South East figure (4.8%).

² Ministry of Housing, Communities and Local Government (MHCLG), Indices of Deprivation, 2019

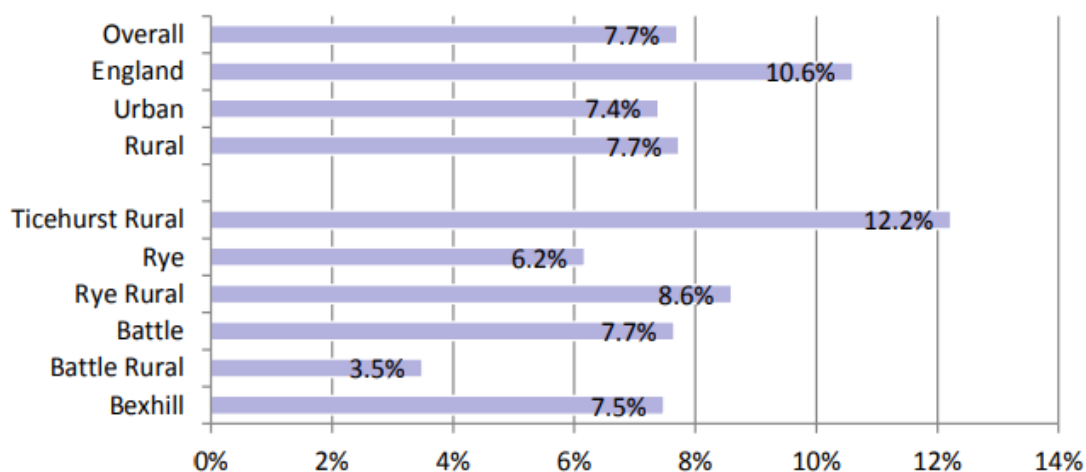
³ Rank of Average Rank – this measure summarises the average level of deprivation across an area, based on the population weighted ranks of all the LSOAs within it.

⁴ Lower-Layer Super Output Areas (LSOAs) are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 Lower-layer LSOAs in England. LSOAs are a standard statistical geography produced by the Office for National Statistics for the reporting of small area statistics.

Qualifications (Jan 2020-Dec 2020)				
	Rother (Level)	Rother (%)	South East (%)	Great Britain (%)
NVQ4 And Above	17,800	35.4	45.1	43.1
NVQ3 And Above	23,800	47.4	63.8	61.3
NVQ2 And Above	35,300	70.3	80.5	78.1
NVQ1 And Above	44,100	87.7	90.2	87.7
Other Qualifications	#	#	5.0	5.9
No Qualifications	4,300	8.5	4.8	6.4

Source: ONS annual population survey

Fuel poverty refers to a household unable to afford an adequate standard of warmth and pay for other energy bills to maintain their health and wellbeing. If a household has to spend more than 10% of their income on heating, they are classed as being in fuel poverty. Using the 'Low Income High Costs' definition of fuel poverty adopted by the government in 2013 and excluding social housing stock, overall, the results show that 7.7% of households in Rother are in fuel poverty. Overall, there is a slightly higher incidence of fuel poverty in rural than in urban areas, with the highest incidence found in Ticehurst (rural).



Rother has significantly higher levels of people with long term health problems or a disability than seen nationally. High numbers of households with long term health problems and disabilities will add pressure to existing services, and housing provision; careful planning is required to ensure the needs of all types of households are met on new build housing development. Rother has amongst the highest levels of self-reported bad health and Limiting Long-Term Illnesses or disability of all the districts/boroughs. Life expectancy at birth and age 75, and all-age, premature and preventable mortality are similar to East Sussex.

Type	People with long-term health problem or disability	Day-to-day activities limited a little	Day-to-day activities limited a lot	People without long-term health problem or disability
England and Wales	17.9	9.4	8.5	82.1
South East	15.7	8.8	6.9	84.3
Rother	23.4	12.8	10.7	76.6

Rother has similar income and employment deprivation to East Sussex, including the percentage of older people affected by income deprivation and children in low income families, rates of working age people claiming ESA, JSA and UC, households with dependent children and no adults in employment (Census 2011) and households in fuel poverty. There are 3,944 Universal Credit claims under Bexhill Job Centre Plus as of December 2021 which is broken down to 1094 searching for work and 1410 in work.

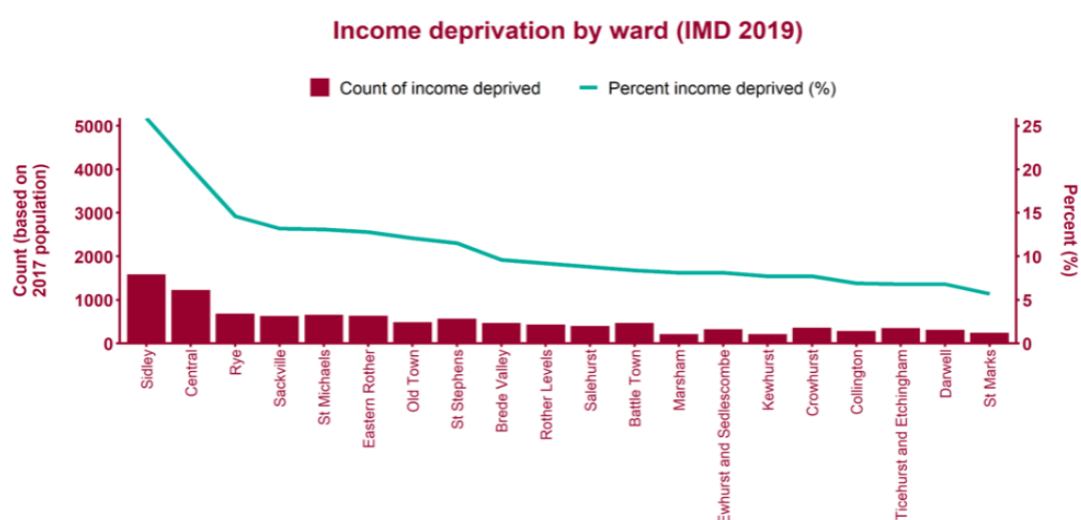
Earnings by place of residence (2021)			
	Rother (Pounds)	South East (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	579.8	660.1	613.1
Male Full-Time Workers	639.4	709.1	655.5
Female Full-Time Workers	528.5	584.6	558.1
Hourly Pay - Excluding Overtime			
Full-Time Workers	14.98	16.97	15.65
Male Full-Time Workers	16.48	17.91	16.26
Female Full-Time Workers	14.15	15.65	14.86

Source: ONS annual survey of hours and earnings - resident analysis
Notes: Median earnings in pounds for employees living in the area.

Economic activity and inactivity in 2011

This dataset shows economic activity and inactivity amongst those aged 16-74 from the 2011 Census.

Economic activity category	All people aged 16-74	All economically active	Employee	Self-employed	Unemployed	Economically active full-time student	All economically inactive	Long-term sick or disabled	Looking after home or family	Retired	Economically inactive student (including full-time students)	Other economically inactive
Geography												
England and Wales	100.0	69.7	52.2	9.7	4.4	3.4	30.3	4.2	4.3	13.8	5.8	2.2
South East	100.0	71.9	54.2	11.0	3.4	3.3	28.0	2.9	4.4	13.7	5.2	1.8
East Sussex	100.0	68.1	48.2	13.4	3.6	2.8	31.9	4.1	4.2	17.8	4.0	1.8
Rother	100.0	63.4	43.2	14.8	3.2	2.1	36.6	4.1	4.3	22.5	3.8	1.9

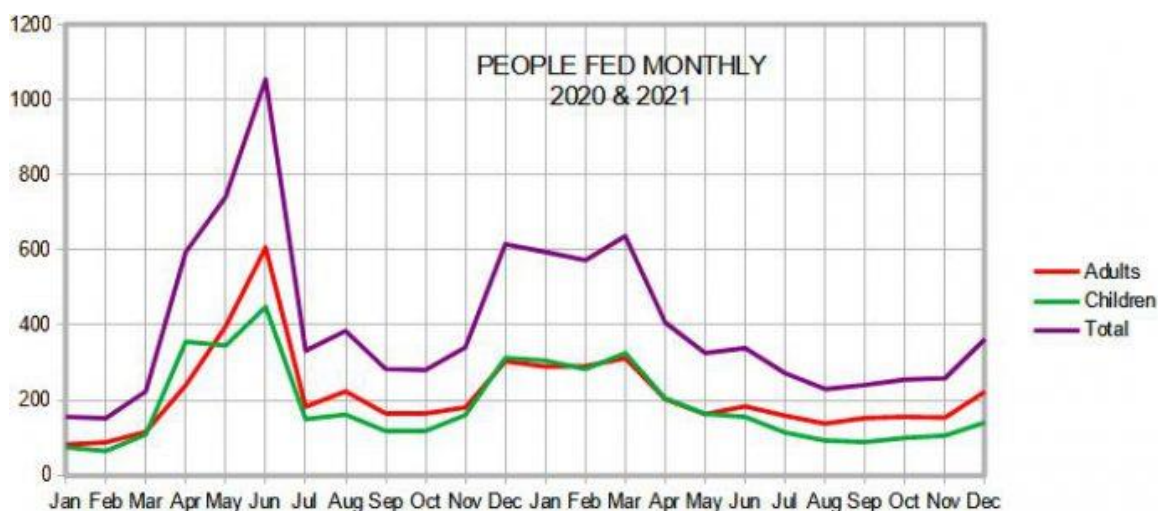


Benefit capped households 2015-2020

Month	Nov 15	Nov 16	Nov 17	Nov 18	Nov 19	Nov 20
Geography						
England	18,866	23,600	57,405	54,456	68,907	165,213
South East	2,086	4,357	7,792	7,664	11,101	27,451
East Sussex	138	421	434	466	673	1,685
Eastbourne	23	110	107	132	159	393
Hastings	48	37	162	137	153	372
Lewes	39	113	22	27	173	400
Rother	9	69	68	76	86	209
Wealden	20	94	73	105	117	318

In the first three quarters of 2021/22, Bexhill foodbank has fed 7,254 people – 4,830 adults and 2,424 children. They have processed on average 50 vouchers a week of mixed family groups, many of which are single working people. In the year 2020/21, a total of 12,651 people were fed through Bexhill foodbank. The foodbank does not just support households with food but hosts advice sessions through Hastings Advice and Representation Centre (HARC) where the majority of enquiries led to charitable applications and discretionary housing payment applications. The main need stems from shortfalls in rent support. They are also seeing high utility debt, the worst being £6K for just one household. Rye Foodbank have also hosted advice services since April 2021 and have had to be versatile in their approach due to the continued pressures of COVID, so not only have HARC held face to face sessions but they have also conducted sessions through Zoom.

The amount of people fed through Rye Foodbank 2020 & 2021

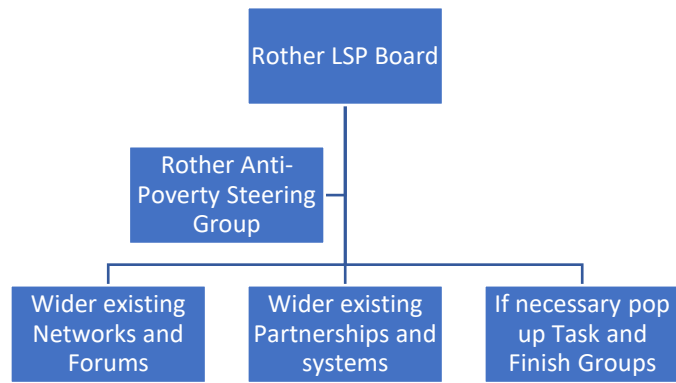


NEXT STEPS

Tackling the causes of poverty requires a commitment from all partners to joint work in partnership to overcome these issues and make a real difference to the lives of local people who are being directly impacted by living in poverty.

This strategy sets out our approach for tackling poverty across Rother District against a backdrop of growing demand for services, reducing public sector budgets and increases to the daily cost of living. The partnership acknowledges there are limits on the impact local action can have on some aspects beyond their control, for example, those driven by central government policy, and therefore the actions they will take will be localised.

There is a commitment from voluntary, statutory and business sectors to alleviate poverty. Delivery of the strategy will be overseen by the Rother Local Strategic Partnership (LSP) and there will be an annual report produced which will: detail the successes and progress made towards meeting the objectives, outline priorities to action for the year ahead, and look at the poverty challenges and responses from partners. The initial Action Plan can be found in Appendix A, with the provisional timeline for the strategy detailed overleaf.



ACTION PLAN

	Action	When?	Who?	Progress
C O O R D I N A T I O N	Form a local Anti-Poverty Strategy Steering Group (APSSG) – coordinate homelessness and anti-poverty strategies and be governed by the LSP	Spring 2022	RDC, RVA	A date for the first APSSG meeting has been set.
	APSSG to develop a framework to increase levels of officer co-location between services in community locations.	Summer 2022	RDC, RVA	Options to co-locate Council services in community locations, including remote access, are in place
	APSSG to engage with local strategic leaders to act as consultee to regional and sub-regional commissioners	Summer 2022	All	The APSSG will inform future commissioning via the LSP.
A C C E S S	Deliver new Bexhill place-based Hub and new rural virtual Hubs	Spring 2023	RDC, RVA	We are working to identify potential sites and routes to delivery.
	APSSG to support existing service hubs with more targeted signposting	Summer 2022	APSSG	A more refined action plan will be developed by the APSSG
	The APSSG to collaborate to form a Street Sheet to map the services available	Winter 2022	APSSG	To be developed via the APSSG
	The APSSG to collaborate to Increase social prescribing through GP surgeries	Summer 2022	APSSG	To be developed via the APSSG
P R O M O T I O N	The APSSG to develop a training resource video of local services for residents and frontline staff	March 2023	APSSG	To be developed via the APSSG
	The APSSG to work together to improve accessibility to information, including through digital channels.	March 2023	APSSG	To be developed via the APSSG

	The APSSG to develop an annual Anti-Poverty networking event for local services	August 2022	APSSG	To be developed via the APSSG
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CASE STUDIES

“My wife cooked and cared for me. Since her death 2 years ago, I have been trying to cook for myself but it has been quite difficult, partly due to my inability to cook but also due to the fact that I have severe arthritis which makes it difficult for me to regularly prepare a full, healthy meal. The food bank and Warming Up the Homeless have been really helpful with supplying me with food, as in addition to my health issues, I haven’t got much money to spare for food” - Male, 70

“I lost my job during the pandemic last year, and I have been unable to find another job since. As I live on my own and have no help from family, the benefits I get are not enough to cover my living costs and after I have paid all the bills, there is very little left for food. I feel embarrassed about having to visit the foodbank, but I know it’s necessary if I want to eat!” - Female, late 20s

“I am a single mum, working full time with two children. My childcare costs, even with help of UC, cost half my wages. I literally pay to go to work. I am having to apply for food vouchers through the Household Support Fund to get me and my children through. I don’t know what we’ll do when the fuel prices rocket in Spring as I already enter my overdraft each month. I would be better off not working, how is that possible!”- Female, 45

Poverty Definitions

Poverty in the UK tends not to be absolute, but relative poverty.

- Absolute poverty: When basic human needs are lacking, e.g. clean water, nutrition, health care, education, clothing and shelter.
- Relative poverty: When someone's resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities. Nonetheless, relative poverty is still a serious issue.
- Relative income poverty: Households whose combined income is 60% or less of the average (median) British household income in that year (after housing costs). Such a level of income restricts one's ability to fully participate in society. This is the most common measure of poverty and is used by the UK Government. References made to poverty within this strategy are to relative income poverty.

The sociologist Peter Townsend, who was a founding member of Child Poverty Action Group, defined poverty in 1979:

"Individuals, families and groups in the population can be said to be in poverty when they lack resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged and approved, in the societies in which they belong."

This shows how important it is to understand that poverty is relative – you are poor if you are unable to live at the standard that most other people would expect. A child can have three meals a day, warm clothes and go to school, but still be poor because her parents do not have enough money to ensure she can live in a warm home, have access to a computer to do her homework, or go on the same school trips as her classmates. More than 2,500 children in Rother are living in poverty.

List of websites and documents:

Child Poverty Action Group - <https://cpag.org.uk>

Joint Strategic Needs & Assets Assessment - www.eastsussexjsna.org.uk

Office for National Statistics - www.ons.gov.uk

Joseph Rowntree Foundation – www.jrf.org.uk

Rother District Needs and Assets Profile 2017 from the East Sussex Joint Strategic Needs & Assets Assessment

Child Poverty Act 2010 (abolished in 2016 by the Welfare Reform and Work Act)
Warm Homes and Energy Conservation Act 2000

Fuel Poverty (England) Regulations 2014

Health & Social Care Act 2012

[Council Plan 2021/22 | East Sussex County Council](#)

[East Sussex Strategic Partnership - Pride of Place \(essp.org.uk\)](http://essp.org.uk)

[Healthy Hastings and Rother - NHS East Sussex CCG](#)

ⁱ [Chief Medical Officer's Annual Report 2021 - Health in Coastal Communities \(publishing.service.gov.uk\)](#)

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Summary Report of the Consultation on the draft Anti-Poverty Strategy

Open 4 April to 15 May 2022

Executive Summary

1. A large amount of written testimony received, which is available for Members to review upon request. We are unable to publish this information within the main report, given the confidential nature of much of the information provided.
2. 25 local organisations responded including seven town and parish councils, 13 charities and voluntary agencies also responded alongside three public sector organisations and two political parties (branches). In addition, we had a response from the Council's Planning Policy team.
3. The number of the general public that responded were as 66, with 18 (28%) indicating they would be affected personally by an anti-poverty strategy.
4. All of the main themes and proposed actions had majority support from both local organisations and the residents. The table below shows the percentage of those responding who either agreed or strongly agreed with the proposed objectives and actions of the Strategy and its Action Plan.

Coordination	Organisations	Public
Is a key challenge in Rother	94%	92%
Action: Anti-Poverty Steering Group	88%	83%
Action: Quarterly reports to Rother LSP	88%	76%
Action: Engage local leaders as consultees	73%	76%
Accessibility	Organisations	Public
Is a key challenge in Rother	94%	83%
Action: Bexhill hub and rural virtual hubs	81%	67%
Action: Support existing hubs signposting	86%	72%
Action: Street Sheet mapping services	88%	76%
Action: Social prescribing through GPs	94%	75%

Promotion	Organisations	Public
Is a key challenge in Rother	94%	83%
Training video on local services	81%	62%
Training video on statutory services	69%	60%
Anti-Poverty networking event for services	69%	73%

Main Themes

5. Many responses mentioned that existing resources needed to be used more effectively rather than setting up new projects and that the strategy have more focus on improving digital inclusion.
6. The consultation drew out other strategies that are being worked on that the Anti-Poverty Strategy would need to align itself with, for example, Hastings & Rother Food Network's '*Food Insecurity Strategy for Rother*' and our own Planning Policy team's work on a '*Live Well Locally*' strategy.
7. We received some additional information and suggestions that the Council was asked to consider, so as to enrich the draft strategy, support its delivery and inform future strategy development, some example suggestions were:
 - a. That Citizens Advice would like to add to the data already provided at the 'evidence gathering' stage of the strategy formation and inform the direction of the strategy delivery.
 - b. That service data from the Bexhill and Battle foodbanks continue to be used to inform the implementation of the strategy and the formation of future strategies.
 - c. That Public Health at East Sussex County Council feed in information and research about poverty, to include its causes and influences, in order to better align to the emerging objectives of the Integrated Care System (ICS).
 - d. A request from the NHS East Sussex Clinical Commissioning Group for a more specific reference to how reducing poverty addresses one of the wider determinants of health.
 - e. A request from Brede Parish Council for an extension of the strategy with links into related strategies that address the causes of poverty and deprivation such as housing, economic development, the Local Plan.

Rother District Council

Report to:	Overview and Scrutiny Committee.
Date:	18 July 2022
Title:	Revenue Budget and Capital Programme Monitoring draft 2021/22 out turn
Report of:	Antony Baden – Chief Finance Officer
Ward(s):	All
Purpose of Report:	To note the draft financial out turn for 2021/22 based on expenditure and income to the 31 March 2022
Officer Recommendation(s):	It be RESOLVED : That the report be noted.

Introduction

1. This report updates Members on the Council's finances as at 31 March 2022. The Revenue Budget and Capital Programme positions are summarised in Appendices A and B, respectively. The impact of the forecast on the Council's reserves is summarised in Appendix C. The report also includes a brief update on the Collection Fund performance. Members will note that all numbers in this report are subject to external audit and potential change.
2. There has been one reportable virement since the last financial update to Members. Car Parking fees paid by card attract a commission charge from the card provider. The budget of £5,000 was held by the Resources department but this should be charged to the Housing & Community Services department as they receive the income.

Revenue Budget

3. The Revenue Budget draft out turn as of 31 March 2022 indicates a surplus of £1.256m against the approved budget drawdown from reserves of £2.7m. This represents an improvement of £1.128m since the Quarter 3 forecast. The position is summarised in Appendix A and material variances that have been identified since the last forecast are explained in paragraphs 4 to 12.

Corporate Core – Surplus £47,000

4. The draft out turn position has improved by £71,000 since the Quarter 3 forecast due to a further underspend in Election expenses (£53,000) and reduction in the running costs of Administrative offices.

Environmental Services – Surplus £158,000

5. The draft underspend shows an increase of £58,000 since the last forecast as a result of salary savings from staff who were redeployed to work on Covid safety work, which was funded by grants.

Strategy and Planning – Deficit £463,000

6. The forecast deficit has decreased by £214,000 since Quarter 3 mainly due to a £56,000 reduction in the cost of appeals and an underspend of £111,000 on the Local Development Framework costs, which have been delayed until 2022/23. Also, additional income of £52,000 was generated in relation to the administration of Developer receipts and Government grants.

Acquisitions, Transformation and Regeneration – Surplus £65,000

7. There have been no significant changes since the last forecast.

Housing, Community and Neighbourhood Services – Surplus £564,000

8. The draft out turn shows a major improvement of £532,000 since the Quarter 3 forecast. The main reasons are outlined below:
 - a. Additional Car Parking income - £65,000.
 - b. Refund of business rates on public conveniences - £15,000.
 - c. Underspend on leisure facilities operated by Freedom Leisure due to the receipt of the National Leisure Relief Fund grant - £185,000.
 - d. Additional income from filming and savings on utilities at Camber and Bexhill beaches - £50,000.
 - e. Various savings on Grounds Maintenance & repairs in Parks- £94,000.
 - f. Additional income from garden and bulky waste collections - £88,000.
 - g. Other smaller favourable variances - £35,000.

Resources – Deficit £292,000

9. The deficit reported in the last quarter has reduced by £64,000 due to the receipt of a central government grant in respect of council tax discounts for family annexes.

Net Financing Costs – Surplus £820,000

10. There have been no significant changes since the last forecast.

Financial Stability Programme (FSP) – Deficit £436,000

11. There have been no significant changes since the last forecast. The savings identified relate mainly to staff costs recharged to capital programme schemes.

Income – Surplus £793,000

12. Further central government grants of £132,000 have been received since the last forecast, the largest of which was £97,000 in relation to Homelessness Prevention. The Council also received other smaller grants to help offset the cost of administering COVID-19 grant payments to businesses and individuals.

Capital Programme

13. The Capital Programme draft out turn as at 31 March 2022 is £12.3m, which is £66.2m lower than the revised budget and £3m lower than the Quarter 3 forecast. The main variances are outlined in paragraph 16 and the overall position is summarised in Appendix B.
14. Main variances between the revised budget and draft out turn are as follows:
 - a. Barnhorn Road development (£3.2m) – the scheme has been delayed due to extensive design work being carried out in conjunction with key third parties. Project costs are now being reviewed, including inflationary pressures, to assess options on the next steps.
 - b. Blackfriars Housing (Infrastructure) development (£8.1m) – the scheme experienced some delays in 2021/22 but is still progressing.
 - c. Temporary Accommodation purchases (£6.3m) – the pandemic restricted the Council's ability to identify suitable property purchases, but this situation has already improved in 2022/23.
 - d. Mount View Street Development (£2.5m) – costs were not as high as originally anticipated but the intention remains that the Sussex NHS Partnership Trust will exercise their option to purchase a portion of the land for the development of a new mental health hospital. This will create a capital receipt for the Council, which will offset these costs.
 - e. Housing Company (£25.0m) – it is anticipated that the Council will significantly increase its borrowing to the Housing Company once the Blackfriars Infrastructure development has been completed in 2022/23.
 - f. Site redevelopment in Beeching Road/Wainwright Road (£15m) - Cabinet approved this sum to be added to the capital programme on 7 February 2022 for the site redevelopment. Cash flow timings cannot be determined at this stage, but they will be reported to Members through the quarterly monitoring updates.
15. Where schemes are forecast to underspend, it is still expected that they will 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 will continue to be monitored and reported until scheme completion.

Impact of the revenue and capital draft out turn on Reserves

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

Collection Fund

17. 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 are higher than the corresponding figures for 2020/21 by 1.25% and 4.38% respectively. In the case of the budgeted yield, the Council budgeted for a collection rate of 98.3% therefore whilst it did not collect every single penny of council tax owed, it did exceed its target. Collection performance is shown below:

	2021/2022	Equivalent Period 2020/2021
Income Received	£82,171,920.61	£77,503,276.12
Income Received as a % of collectable debit	98.01%	96.75%
Budgeted yield (at 98.3% collection)	£79,751,694.59	£77,625,639.38
Income Received as a % of budgeted yield	100.98%	96.60%

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

	2021/2022	Equivalent Period 2020/2021
Collectable debit	£13,511,807.25	£8,220,438.35
Income Received	£13,105,659.63	£7,727,892.59
Income Received as a % of collectable debit	96.99%	94.01%
Amount outstanding for year	£406,147.62	£492,545.76

Conclusion

19. The draft revenue out turn for 2021/22 shows an overall deficit of £1.444m, which is £1.256m lower than the approved planned use of reserves. However, whilst this is clearly a positive outcome for the Council, budget pressures are expected to continue into 2022/23 and budget monitoring will play a crucial role in helping the Council achieve its Financial Stability objective laid out in the Corporate Plan.
20. The draft Capital Programme out turn indicates an underspend of £66.156m against the revised budget. However, this is largely due to the pace of the programme continuing to be slowed by the impact of the pandemic. Any scheme slippage will be carried forward into 2022/23 but will also be subject to review by the Finance department and Heads of Service.

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:	Antony Baden
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Appendices:	Appendix A Revenue Budget Forecast Appendix B Capital Programme Forecast Appendix C Impact on Reserves
Relevant Previous Minutes:	None.
Background Papers:	None.
Reference Documents:	None.

Revenue Budget 2021/22 Draft Out Turn as at 31 March 2022

Line	Rother District Council General Fund Summary	Draft 2020/21 Actual £ (000)	Original 2021/22 Budget £ (000)	Revised 2021/22 Budget £ (000)	2021/22 Draft Outturn £ (000)	2021/22 Draft Variance £ (000)	Change in Previous Quarter Variance £ (000)
1	Corporate Core	2,117	2,034	1,985	1,938	(47)	(71)
2	Environmental Services	507	658	609	451	(158)	(58)
3	Strategy and Planning	1,030	1,090	1,043	1,506	463	(214)
4	Acquisitions, Transformation and Regeneration	(392)	(297)	(319)	(384)	(65)	(24)
5	Housing, Community & Neighbourhood Services	9,539	8,739	8,680	8,116	(564)	(532)
6	Resources	4,256	3,350	3,288	3,580	292	(62)
7	Total Cost of Services	17,057	15,574	15,286	15,208	(78)	(960)
8	Net Financing Costs	118	1,101	1,101	281	(820)	3
9	Salaries turnover	0	(288)	0	0	0	0
10	Financial Stability Programme - savings/cost reductions	0	(632)	(632)	(196)	436	(38)
11	Net Cost of Services	17,175	15,755	15,755	15,292	(462)	(996)
	Income						
12	Special Expenses	(687)	(692)	(692)	(692)	0	0
13	Net Business Rates & Section 31 Grants	(4,142)	(3,747)	(3,747)	(3,745)	2	2
14	Non-Specific Revenue Grants	(3,194)	(1,653)	(1,653)	(2,436)	(783)	(121)
15	Council Tax Requirement (Rother only)	(7,019)	(7,097)	(7,097)	(7,097)	0	0
	Other Financing						
16	Collection Fund (Surplus)/Deficit	(849)	134	134	120	(14)	(14)
17	Total Income	(15,891)	(13,054)	(13,054)	(13,849)	(793)	(132)
18	Contribution from Reserves/Funding Gap	1,284	2,700	2,700	1,444	(1,256)	(1,128)

Capital Programme 2021/22 Draft Out Turn as at 31 March 2022

		2021/22 Actuals to Month 12	2021/22 Revised Budget	2021/22 Draft Outturn	2021/22 Draft Variance
Line		£ (000)	£ (000)	£ (000)	£ (000)
	<u>Acquisitions, Transformation and Regeneration</u>				
	Other Schemes				
1	Community Grants	117	130	117	13
2	Cemetery Entrance	64	172	64	108
3	Rother Transformation ICT Investment	233	384	233	151
4	Corporate Document Image Processing System	15	435	15	420
5	1066 Pathways	68	66	68	(2)
6	Ravenside Roundabout	0	200	0	200
7	Development of Town Hall Bexhill	303	460	303	157
	Property Investment Strategy				
8	Office Development NE Bexhill	0	0	0	0
9	Mount View Street Development - Public commercial	0	964	0	964
10	PIS - Beeching Road/Wainwright Road	4	963	4	959
11	PIS - Barnhorn Road	246	3,402	246	3,156
12	PIS - Beeching Road 18-40 (Creative Workspace)	582	582	582	(0)
13	PIS - 35 Beeching Road	0	0	0	0
14	PIS - 64 Ninfield Road	19	19	19	0
15	PIS - Buckhurst Place	0	0	0	0
16	PIS - Beeching Road/Wainwright Road development	0	15,000	0	15,000
	Housing Development Schemes				
17	Community Led Housing Schemes	0	600	0	600
18	Mount View Street Development - Housing	4,490	6,940	4,490	2,450
19	Blackfriars Housing Development - infrastructure only	2,613	10,728	2,613	8,115
20	Rother DC Housing Company Ltd	105	25,000	105	24,933
21	RDC Housing Investment	0	101	0	101
	<u>Housing and Community Services</u>				
22	De La Warr Pavilion - Capital Grant	56	54	56	(2)
23	Sidley Sports and Recreation	615	811	615	196
24	Land Swap re Former High School Site	0	1,085	0	1,085
25	Bexhill Leisure Centre - site development	0	0	0	0
26	Bexhill Leisure Centre - refurbishment	0	140	0	140
27	Disabled Facilities Grant	1,347	1,625	1,347	278
28	New bins	181	125	181	(56)
29	Bexhill Promenade - Outflow pipe	9	100	9	91
30	Bexhill Promenade - Protective Barriers	45	47	45	2
31	Bexhill Promenade - Shelter 1	16	0	16	(16)
32	Bexhill Promenade Water feature	0	0	0	0
33	Fairlight Coastal Protection	9	0	9	(9)
34	Housing (purchases - temp accommodation)	938	7,281	938	6,343
	Strategy & Planning				
35	Payments to Parishes - CIL	40	88	40	48
	Executive Directors & Corporate Core				
36	Accommodation Strategy	0	0	0	0
	Resources				
37	ICT Infrastructure – Ongoing Upgrade Programme	2	0	2	(2)
38	ICT Infrastructure Replacement Programme	111	123	111	12
37	Invest To Save initiatives (Financial Stability Programme)	29	750	29	721
	Total Capital Programme	12,257	78,375	12,257	66,155

		2021/22 Actuals to Month 12 £ (000)	2021/22 Revised Budget £ (000)	2021/22 Outturn £ (000)	2021/22 YTD Variance £ (000)
	Funded By:				
	Capital Receipts	0	1,085	0	1,085
	Grants and contributions	3,749	14,346	3,749	9,189
	CIL	233	88	233	48
	Borrowing	7,492	37,532	7,492	30,750
	Capital Expenditure Charged to Revenue	678	324	678	151
	Borrowing - Alliance Homes (Rother) Ltd	105	25,000	105	24,933
	Total Funding	12,257	78,375	12,257	66,156

Reserves

	Draft 2020/21 Actual £ (000)	Original 2021/22 Budget £ (000)	Revised 2021/22 Budget £ (000)	2021/22 Draft Outturn £ (000)	2021/22 Draft Variance £ (000)
Revenue Reserves and General Fund - Opening Balance	(14,970)	(13,209)	(13,209)	(13,209)	0
Use of Reserves to Fund Capital Expenditure	477	619	619	678	59
Use of Reserves to Balance Budget incl deficit	1,284	2,700	2,700	1,444	(1,257)
Balance 31/3/20	(13,209)	(9,890)	(9,890)	(11,088)	(1,198)

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Rother District Council

Report to:	Overview and Scrutiny Committee
Date:	18 July 2022
Title:	Revenue Budget and Capital Programme Monitoring as at Quarter 1 - 2022/23
Report of:	Antony Baden – Chief Finance Officer
Ward(s):	All
Purpose of Report:	To note the estimated financial out turn for 2022/23 based on expenditure and income to the end of Quarter 1, 30 June 2022.
Officer	
Recommendation(s):	It be RESOLVED : That the report be noted.

Introduction

1. This report updates Members on the Council's financial position as at 30 June 2022 and projects a provisional outturn for 2022/23. The revenue budget and capital programme statements are summarised in Appendices A and B, respectively. The impact of the forecast on the Council's reserves is summarised in Appendix C. The report also includes a brief update on the Collection Fund performance.
2. Since the detailed budget was approved by Cabinet on 7 February 2022, there has been the one reportable virement, which is reflected in Appendix A. The budget for the Bexhill Town Forum (£5,000) was transferred to the Acquisitions, Transformation and Regeneration to fund Christmas lights in Bexhill.

Revenue Budget

3. The revenue budget forecast as at 30 June 2022 indicates a surplus of £347,000 against the approved budgeted drawdown from reserves of £3.2m. The position is summarised in Appendix A and the main variances are explained in paragraphs 4 to 7.

Strategy and Planning – Deficit £122,000

4. The forecast includes an overspend of £242,000 on external staff resources employed to improve the delivery of the Planning function. However, much of this cost is offset by additional income from the processing of planning applications, (£120k). Furthermore, larger planning applications are managed through the Council's Planning Performance Agreement framework, which is a project management tool that essentially guides applicants through the entire process thus increasing efficiency.

Housing and Community Services – Deficit £304,000

5. The forecast deficit is mainly attributable to additional costs of £152,000 in relation to the increasing number of clients in temporary accommodation and an estimated overspend of £175k to fund Rough Sleeping initiatives. The Head of Service is seeking additional funding to offset some of these costs.
6. The overspend is partially offset by additional car parking income of £42,000, although this in turn is slightly reduced by several minor overspends.

Resources – Deficit £103,000

7. The forecast deficit is mainly due to the cost of external staff (£55,000) working on the accounting arrangements required to manage the Council's housing company. Other overspends are predicted on External Audit fees (£17,000) and essential financial system developments (£24,000).

Net Financing Costs – Surplus £786,000

8. The budget was calculated on the assumption that the pace of the Council's capital programme would accelerate significantly once lockdown had finished. However, expenditure has not increased as quickly as had been hoped. This has led to a significant reduction in financing costs (£591,000) although Members will note that these costs will increase once the capital programme gathers pace. Members should note that Financing costs will be subject to a detailed review as part of the Medium-Term Financial Planning process to be reported later this year. The review will be crucial in determining affordability, particularly in view of high inflation and recently increasing interest rates.
9. Interest income from investments is expected to yield an additional £190,000 due to the interest rate increases referred to in paragraph 8. At the time that the budget was calculated, the Council's call account investments attracted very low rates of between 0.05% and 0.27% but recent changes have seen the average rate reach 0.76%. Further expected increases will probably see these rates climb further during 2022/23.

Financial Stability Programme

10. No variance is reported at this point, but Members will receive a financial update in the early autumn committee reporting cycle.

Income – Surplus £89,000

11. Since the budget was approved, the Council have received several small grants totalling £89,000 from the Department of Levelling Up, Housing & Communities. The largest sum is a New Burdens grant in relation to the administration of the Council Tax rebate scheme announced by the Chancellor of the Exchequer in the March 2022 budget statement.

Capital Programme

12. The Capital Programme comprises a range of strategic projects that span more than one year and many operate for several years or have recurrent investments. Projects that have not spent all their allocation in the year of

inception have the remaining funding carried forward into the next financial year. This is known as 'slippage'. The Chief Finance Officer is working with Heads of Service to undertake a fundamental review of slipped capital schemes in 2021/22 and 2022/23. The outcome of this review will be reported to Members in the Quarter 2 monitoring report.

13. Appendix B shows the original budget approved by Cabinet on 22 February 2022 updated for two new projects (see paragraph 14) and the forecast outturn. The actuals figures represent expenditure incurred during the first three months of this financial year and the resulting variance against the revised budget. The budget figures will be updated in Quarter 2 once the slippage review referred to in paragraph 12 has been completed.
14. The programme includes two new schemes since it was approved. The first is the purchase of a property in Buckhurst Place for £10.5m as part of the £35m approved Property Investment Strategy. The second relates to the redevelopment of a Council-owned site at Beeching Road/Wainwright Road, Bexhill for £15m, (approved by Cabinet on 7 February 2022, Minute CB21/77 refers).
15. The forecast outturns have been derived from reviewing the project cashflows and assessing the expected position at this time. Up to £68m is forecast to be spent in this financial year.
16. As with the revenue budget, the affordability of the Council's capital programme will be reviewed as part of the Medium-Term Financial Planning process.

Impact on Reserves

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

Collection Fund

18. The collection rate at the 31 May 2022 for the Council Tax part of the Collection Fund was 20.86% of the collectable debit, which is 0.08% higher than the corresponding figure in 2021/22. The budgeted yield is 21.27%, which is 0.13% lower than the same period in 2021/22. Collection performance is shown below:

	Equivalent Period	
	2022/2023	2021/2022
Income Received	£86,191,273.81	£82,145,832.70
Income Received as a % of collectable debit	£17,979,374.99	£17,067,823.45
	20.86%	20.78%
Budgeted yield (at 98.3% collection)	£84,513,438.24	£79,751,694.56
Income Received as a % of budgeted yield	21.27%	21.40%

19. The collection rate at the 31 May 2022 for the Business Rates part of the Collection Fund was 21.88% of the collectable debit, which is 0.86% higher than the corresponding figure in 2021/22. Collection performance is shown below:

	2022/2023	Equivalent Period 2021/2022
Collectable debit	£17,690,228.25	£9,892,469.77
Income Received	£3,869,931.93	£2,079,195.11
Income Received as a % of collectable debit	21.88%	21.02%
Amount outstanding for year	£13,820,296.32	£7,813,274.66

20. Collection rates have held up well despite the pandemic, but the current economic situation may well lead to a decline in future collection rates, which will have an adverse impact on the income that the Council receives from Council Tax and Business Rates.

Conclusion

21. The revenue forecast for Quarter 1 2022/23 is a deficit of £2.839m, which is £347,000 lower than the approved planned use of reserves. The Chief Finance Officer will work closely with Heads of Services and Members to reduce areas of overspend and its impact on reserves.
22. The Council's capital programme is forecast to underspend by £42.4m against the revised budget. Slippage relating to schemes in both 2021/22 and 2022/23 will be reviewed by the Chief Finance Officer and Heads of Services and carried forward into the following financial years following if required.

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
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Appendices:	Appendix A Revenue Budget Forecast Appendix B Capital Programme Forecast Appendix C Reserves
Relevant Previous Minutes:	None
Background Papers:	None
Reference Documents:	None

Revenue Budget 2022/23 Forecast as at 30 June 2022

Line	Rother District Council General Fund Summary	Draft 2021/22 Actual £ (000)	Revised 2022/23 Budget £ (000)	2022/23 Estimated Outturn £ (000)	2022/23 Quarter 1 Variance £ (000)
1	Corporate Core	1,938	2,173	2,173	0
2	Environmental Services	451	629	629	0
3	Strategy and Planning	1,506	1,325	1,447	122
4	Acquisitions, Transformation and Regeneration	(384)	(11)	(11)	0
5	Housing & Community Services	8,116	8,211	8,515	304
6	Resources	3,580	3,302	3,405	103
7	Total Cost of Services	15,208	15,629	16,158	529
8	Net Financing Costs	281	1,542	757	(786)
9	Budget Contingency	0	200	200	0
10	Financial Stability Programme - savings/cost reductions	(196)	(635)	(635)	0
11	Net Cost of Services	15,292	16,736	16,480	(257)
	Income				
12	Special Expenses	(692)	(702)	(702)	0
13	Net Business Rates & Section 31 Grants	(3,745)	(3,747)	(3,747)	0
14	Non-Specific Revenue Grants	(2,436)	(1,650)	(1,739)	(89)
15	Council Tax Requirement (Rother only)	(7,097)	(7,392)	(7,392)	0
	Other Financing				
16	Collection Fund (Surplus)/Deficit	120	(59)	(59)	0
17	Contributions to/(from) Earmarked Reserves	0			
18	Total Income	(13,849)	(13,551)	(13,640)	(89)
19	Contribution from Reserves/Funding Gap	1,444	3,186	2,839	(347)

Capital Programme 2022/23 Forecast as at 30 June 2022

Line		2022/23 Original Budget £ (000)	2022/23 Actuals to Month 3 £ (000)	2022/23 Forecast Outturn £ (000)	2022/23 Forecast Variance £ (000)
	Acquisitions, Transformation and Regeneration				
	Other Schemes				
1	Community Grants	130	30	130	0
2	Cemetery Entrance	83	1	191	(108)
3	Rother Transformation ICT Investment	153	(6)	304	(151)
4	Corporate Document Image Processing System	399	0	399	0
5	1066 Pathways	0	0	0	0
6	Ravenside Roundabout	200	0	200	0
7	Development of Town Hall Bexhill	15	105	359	(344)
	Property Investment Strategy				
8	Office Development NE Bexhill	0	0	0	0
9	Mount View Street Development - Public commercial	0	0	0	0
10	PIS - Beeching Road/Wainwright Road	2,590	0	50	2,540
11	PIS - Barnhorn Road	6,099	53	5,167	932
12	PIS - Beeching Road 18-40 (Creative Workspace)	29	6	55	(26)
13	PIS - 35 Beeching Road	0	0	0	0
14	PIS - 64 Ninfield Road	0	0	0	0
15	PIS - Buckhurst Place	10,500	10,122	10,122	378
16	PIS - Beeching Road/Wainwright Road development	15,000	0	0	15,000
	Housing Development Schemes				
17	Community Led Housing Schemes	166	0	0	166
18	Mount View Street Development - Housing	0	0	0	0
19	Blackfriars Housing Development - infrastructure only	7,450	210	4,364	3,086
20	Rother DC Housing Company Ltd	60,492	4	35,962	24,530
21	RDC Housing Investment	0	0	101	(101)
	Housing and Community Services				
22	De La Warr Pavilion - Capital Grant	55	14	53	2
23	Sidley Sports and Recreation	101	119	297	(196)
24	Land Swap re Former High School Site	900	0	1,085	(185)
25	Bexhill Leisure Centre - site development	189	0	115	74
26	Bexhill Leisure Centre - refurbishment	90	2	230	(140)
27	Disabled Facilities Grant	1,625	278	1,500	125
28	New bins	125	(0)	140	(15)
29	Bexhill Promenade - Outflow pipe	80	0	170	(90)
30	Bexhill Promenade - Protective Barriers	0	0	1	(1)
31	Bexhill Promenade - Shelter 1	55	3	39	16
30	Bexhill Promenade Water feature	0	0	0	0
31	Fairlight Coastal Protection	0	0	0	0
32	Housing (purchases - temp accommodation)	4,000	1,459	6,343	(2,343)
	Strategy & Planning				
33	Payments to Parishes - CIL	48	0	96	(48)
	Executive Directors & Corporate Core				
34	Accommodation Strategy	0	0	0	0
	Resources				
35	ICT Infrastructure – Ongoing Upgrade Programme	14	0	12	2
36	ICT Infrastructure Replacement Programme	0	0	12	(12)
37	Invest To Save initiatives (Financial Stability Programme)	350	0	1,071	(721)
	Total Capital Programme	110,938	12,398	68,568	42,370

		2022/23 Original Budget £ (000)	2022/23 Actuals to Month 3 £ (000)	2022/23 Forecast Outturn £ (000)	2022/23 Forecast Variance £ (000)
	Funded By:				
A	Capital Receipts	900	0	1,085	(185)
B	Grants and contributions	9,371	612	6,216	3,155
C	CIL	48	0	96	(48)
D	Borrowing	39,852	11,736	24,796	15,056
E	Capital Expenditure Charged to Revenue	275	46	413	(138)
F	Borrowing and Loan for Rother DC Housing Company Ltd	60,492	4	35,962	24,530
	Total Funding	110,938	12,398	68,568	42,370

Reserves

	Draft 2021/22 Actual £ (000)	Revised 2022/23 Budget £ (000)	2022/23 Estimated Outturn £ (000)	2022/23 Quarter 1 Variance £ (000)	Change in Previous Month £ (000)
Revenue Reserves and General Fund - Opening Balance	(13,209)	(11,088)	(11,088)	0	0
Use of Reserves to Fund Capital Expenditure	678	374	413	39	0
Use of Reserves to Balance Budget incl deficit	1,444	3,186	2,839	(347)	0
Balance 31st March	(11,088)	(7,528)	(7,836)	(308)	0

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OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2022 – 2023		
DATE OF MEETING	SUBJECT – MAIN ITEM IN BOLD	Cabinet Portfolio Holder
18.07.22	<ul style="list-style-type: none"> • Town Hall Renaissance Project • Anti-Poverty Strategy • Revenue Budget and Capital Programme Monitoring Draft 2021/22 Outturn • Revenue Budget and Capital Programme Monitoring as at Quarter 1 - 2022/23 	Oliver Byrne Jeeawon
12.09.22	<ul style="list-style-type: none"> • Built Leisure Facilities Strategy First Draft • Performance Report: First Quarter 2022/23 • Healthy Living Task and Finish Group • First Homes and 100% Affordable Housing 	Timpe Jeeawon Byrne
17.10.22	<ul style="list-style-type: none"> • Medium Term Financial Plan 2023/24 to 2027/28 • Annual Review of the Housing, Homelessness and Rough Sleeping Strategy (2019-2024) 	Jeeawon Byrne
21.11.22	<ul style="list-style-type: none"> • Final Built Leisure Facilities Strategy • Performance Report: Second Quarter 2022/23 • Revenue Budget and Capital Programme Monitoring – Quarter 2 2022/23 	Timpe Jeeawon
23.01.23	<ul style="list-style-type: none"> • Draft Revenue Budget Proposals 2023/24 • Key Performance Targets 2023/24 	Jeeawon
13.03.23	<ul style="list-style-type: none"> • Crime and Disorder Committee: to receive a report from the Community Safety Partnership • Performance Report: Third Quarter 2022/23 • Revenue Budget and Capital Programme Monitoring – Quarter 3 2022/23 	Jeeawon
24.04.23	<ul style="list-style-type: none"> • Call-in and Urgency Procedures • Draft Annual Report to Council 	
ITEMS FOR CONSIDERATION		
<ul style="list-style-type: none"> • Regeneration inc. Leisure Centre, Fountains, Skate Park and Accessibility of Green Spaces across the district • Review of the Economic Regeneration Strategy • Peer Review • Draft Corporate Customer Services Strategy Proposals • Litter Strategy • Review of the Tourism Strategy and the impact of Airbnbs – date TBC • Impact of Airbnb and second homes in Rye/Winchelsea/Camber • Effectiveness of 'MyAlerts' • Update report from the Local Strategic Partnership • Update report from the Health and Wellbeing Board • Corporate Plan review – to be referred back by Cabinet – date TBC • Two six-monthly reviews of the Environment Strategy – date TBC • Review of the Financial Stability Programme – date TBC • A review of Mental Health across the district – date TBC 		

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