



### OVERVIEW AND SCRUTINY COMMITTEE

16 October 2023

Minutes of the Overview and Scrutiny Committee meeting held at the Council Chamber, Town Hall, Bexhill-on-Sea on Monday 16 October 2023 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chair), Mrs V. Cook (Vice-Chair), J. Barnes (MBE), Mrs M.L. Barnes, S. Burton, C.A. Clark, B.J. Coupar, C.A. Creaser, T.M. Killeen (MBE), M.C. Legg, C.R. Maynard and S.B. McGurk .

Other Members present: Councillor R.A. McCourt.

Other Members present remotely: Councillors C.A. Bayliss, D.B. Oliver and J. Stanger.

Advisory Officers in attendance: Chief Executive, Interim Deputy Chief Executive, Head of Digital and Customer Services (in part), Revenue and Benefits Manager, Housing Needs Operations Manager (in part), Operations Team Leader and Democratic Services Officer.

Also Present: 25 members of the public via the live webcast.

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#### OSC23/25. **MINUTES**

(1)

The Chair was authorised to sign the Minutes of the meeting of the Overview and Scrutiny Committee held on 11 September 2023 as a correct record of the proceedings.

#### OSC23/26. **APOLOGIES AND SUBSTITUTES**

(2)

There were no apologies for absence.

#### OSC23/27. **DISCLOSURE OF INTERESTS**

(4)

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

Clark                      Agenda Item 8 – Personal Interest as a Member of East Sussex County Council.

Maynard                  Agenda Items 7 & 8 – Personal Interest as an Executive Member of East Sussex County Council.

## OSC23/28. **DIGITAL AND CUSTOMER SERVICES STRATEGY PRESENTATION**

(5)

Members received a presentation from the Head of Digital and Customer Services on the creation of a Digital and Customer Services Strategy. The presentation outlined for Members why a strategy was required, the changing expectations of the Council's customers, themes, strategic aims and objectives of a strategy, service priorities, how the success of a strategy would be measured and finally how the development of a strategy could be taken forward, either officer led or through a Member led Task and Finish Group (T&FG). The aim was to take a completed strategy to full Council for adoption in May 2024.

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

- Members were keen to ensure that any consultation involved engaging with key groups to gain feedback on the accessibility of customer services;
- there were individuals in all age groups who could not access technology and this should be borne in mind when developing a strategy;
- when going out to consultation, residents who had and had not engaged with the Council should be consulted with, to understand the reasons for not engaging and the experiences of those who had. A T&FG could also gather evidence from different types of groups through their work; and
- Members were aware of a group in Etchingham, based at the station, assisting residents with access to services. Officers were already in contact to understand how they could be supported.

Members agreed that the development of a strategy should be taken forward by a T&FG. Councillors Mrs Cook, Legg, Stanger and Winter had put themselves forward for membership of the Group, which the Committee were happy to agree. A Terms of Reference (ToR) would be written as soon as possible and, in order not to delay matters further and to be able to meet the deadline of submitting a strategy for adoption by the Council in May 2024, it was agreed that these would be submitted to the Chair as soon as possible for approval by the Committee via email.

**RESOLVED:** That:

- 1) a Digital and Customer Services Task and Finish Group be established, comprising of Councillors Mrs V. Cook, M.C. Legg, J. Stanger and C.J. Winter to lead in the development of a Digital and Customer Services Strategy and report back to the Overview and Scrutiny Committee in April 2024, for onward recommendation to Cabinet and Council in May 2024; and

- 2) the Terms of Reference be circulated to the Chair and Members of the Overview and Scrutiny Committee by email after the meeting for approval.

OSC23/29. **DISCHARGE OF HOMELESSNESS DUTY TO A SUITABLE PRIVATE RENTED PROPERTY POLICY**

(6)

Members received the report of the Head of Housing and Regeneration which gave details of the proposed Discharge of Homelessness Duty to a Suitable Private Rented Property Policy. The policy outlined the criteria for how offers of private sector accommodation were made when discharging the Council's homelessness duties under the Housing Act 1996 (as amended) and Homelessness Reduction Act 2017.

Following amendments to the Housing Act 1996 (as amended) in November 2012 by the Localism Act 2011, the Council could discharge its accommodation duties owed to homeless applicants by making an offer of social housing, suitable private sector accommodation or suitable supported accommodation.

The proposed Discharge of Homelessness Duty to a Suitable Private Rented Property Policy (DSPRP Policy) was attached to the report at Appendix 1. To have a formal policy in place would enable the Council to transparently make an offer of a private sector tenancy inside or outside of the Rother District Council area to all households where a suitable property had been identified and leave it less open to formal appeal from customers.

Customers would be advised of the options that the Council had available to support them with securing accommodation from the outset of their housing journey and would be given a clear idea of affordability in relation to rental costs for accommodation based on their personal circumstances. All offers of accommodation would be made in writing and the customer would have the opportunity to view the property prior to accepting the offer.

The Committee was asked to recommend the proposed DSPRP Policy and to recommend that authority was delegated to the Head of Housing and Regeneration to make any changes that might be required to the DSPRP Policy in future.

Members were advised that any property offered to the Council for private rental was either inspected by officers or the landlord was verified as 'fit and proper' and confirmation received that all necessary safety certificates were in place.

Councillor McCourt, the Cabinet Portfolio Holder for Housing who was in attendance, explained that the Policy amalgamated and simplified the processes that were already in place. The numbers currently in temporary accommodation (TA) were continuing to increase, so the

flexibility to discharge the Council's duty was welcomed. As a result, waiting times would be decreased, it would be more cost effective for the Council and reduce the cost of TA, which currently accounted for 11% of the Council's budget. Councillor McCourt commended the Housing Needs Operations Manager and the rest of the team.

**RESOLVED:** That Cabinet be requested to consider that:

- 1) the Discharge of Homelessness Duty to a Suitable Private Rented Property Policy be recommended to Council for adoption; and
- 2) the Head of Housing and Regeneration be granted delegated authority to make any further changes that may be required to the Discharge of Homelessness Duty to a Suitable Private Rented Property Policy in the future.

OSC23/30. **MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2028/29**  
(7)

Members received the report of the Interim Deputy Chief Executive (Section 151) which outlined the financial issues affecting the Council and their impact on the financial forecast over the coming years, which would be considered by Cabinet at their meeting on 6 November 2023. The updated Medium Term Financial Strategy (MTFS) was attached at Appendix 1 to the report and currently showed a gap of just under £0.5m which needed to be addressed to balance the 2024/25 budget. To close this gap, it was currently proposed to use reserves.

The savings and efficiencies totalling £3.3m that the Council had identified to help support the 2024/25 budget could be found within Appendix 2 to the report. The draft capital budget was included within Appendix 3 to the report, while the fees and charge proposals for the next year were covered by Appendix 4. Appendix 5 to the report included a risk assessment for the next year's budget, along with a sensitivity and scenario analysis at Appendix 6.

Members noted that the assumptions that had been made in terms of future central Government funding would not be confirmed until the Provisional Settlement was announced, the date of which was currently anticipated to be around the end of December 2023 and as such were subject to change. A further budget report would be submitted to Cabinet and Council in February 2024.

The following salient points were noted:

- MTFS: supported the delivery of the Corporate Plan outcomes and helped ensure a focus on the Council's medium term budget position. The MTFS established how the Council's priorities would be achieved by setting out the framework within which resources were available over the medium term and the financial challenges facing the Council in terms of future funding gaps. The strategy explored some of the Council's plans for addressing the budget

deficit and considered some of the assumptions included. The MTFS was linked to and underpinned several of the Council's key strategy and policy documents.

- Corporate Plan 2020-2027: set out the intent and ambition of the authority for the period 2020–2027. Following the recent elections in May 2023, the Cabinet was working on a new Corporate Plan, and this was expected to be in place by July 2024 and would therefore influence the financial planning from 2025/26 onwards.
- National and Global Pressures: financial pressures such as the Net Zero agenda, the ongoing impact of the war in Ukraine, the highest inflation for the last 40 years, rising interest rates, uncertainties over Government policy and an uncertain economic outlook continued to impact on the Council's business.
- Local Pressures: a number of issues were affecting the Council's budget at a local level including the Council's largest contract (waste management and street cleansing), which had seen significant increases due to inflationary pressures and also temporary accommodation (TA) costs, which had tripled over the last 4 years.
- Fees and Charges: The budget for fees and charges was increased in line with CPI inflation, unless there had been specific reasons for higher or lower increases, or alternatively the Council was not able to influence them. Due to the budgetary and inflationary pressures experienced at the end of last year, fees and charges for 2023/24 were increased by 10% in line with inflation. The recommendation for 2024/25 followed on a similar basis with a general increase proposed of 6.8% based on CPI as of July 2023 and was included as part of the main MTFS report to be considered alongside the budget pressures in a more joined up way.
- Funding Changes: The Government had previously committed to undertaking a Fair Funding review and a reset of the business rates system, but this was not addressed as part of this Spending Review. However, it has reaffirmed its commitment to do this in the next Parliament. The settlement, issued by the Department for Levelling Up, Housing and Communities, was once again for one year only for district councils, which impacted on the Council's ability to plan for the medium-term.
- Income: The Council derived a limited and reducing amount of funding from Central Government; the main sources of income were locally raised taxes, fees and charges and specific grants.
- Closing the Budget Gap: Medium-term sustainability of the Council's financial position was vital and underpinned the new 'Fit for the Future' financial resilience programme. The main workstream areas were summarised in section 11 of the MTFS. As a result of this work, the previous £1.9m annual Financial Stability Programme (FSP) savings had been removed from future forecasts to be replaced with the Fit for the Futures workstream savings projections. A detailed budget review had taken place to identify efficiencies, savings, and additional income and draft proposals were contained within Appendix 2.
- Consultation: The budget cycle for 2024/25 was outlined in the report and would enable the Council to consult on the budget and

savings proposals in November and December, before considering the feedback in February ahead of setting the council tax.

- Risk, scenario, and sensitivity assessment: A comprehensive financial risk assessment was undertaken for the revenue and capital budget setting process, to ensure that all risks and uncertainties affecting the Council's financial position were identified as far as was practical. These were reviewed each year as part of the refresh of the MTFs and future year's budget forecasts. The key strategic financial risks to be considered in developing the MTFs were included within Appendix 5.

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

- in order to help address increasing homelessness, Members agreed to recommend to Cabinet that the Town Hall buildings currently not in use and in need of updating, be repurposed for use as temporary housing, using capital that had previously been set aside to purchase TA;
- Members were disappointed to see a recommendation that there be a decrease in outreach services in Battle and Rye. Members were advised that data collected had shown a decline in footfall for these services and would be further explored when developing the Digital and Customer Services Strategy;
- the staff pay award of 2% built into the budget for future years was a continuation of previous projections. It was noted that the pay award was reviewed each year, but estimates and assumptions had to be made to inform the budget setting process;
- Members noted that tough decisions had to be made and stakeholders should be engaged with in order to ensure quality discretionary services could be maintained;
- further work was required on the increase in staffing costs. Staff vacancies were reviewed and their need challenged and new roles scrutinised. The incremental rises within pay grades also contributed to increasing costs;
- the Council was involved in a wide range of commercial activity, having already invested in a number of industrial properties. Further growth could be made in those activities that had been particularly successful, such as car parking, where the Council was often the only provider. Visitors and tourists to Rother were therefore contributing to the costs of services provided for the district through parking charges;
- the Council had many areas of expertise such as a parking enforcement team and in the provision of digital services. Members agreed and recommended to Cabinet that the Council should look to expand such services and market to others;
- the Council promoted and received income from filming in the district, which was a shared service with Hastings Borough Council;
- Members were pleased to note the revised car park charges in Camber;
- Members welcomed the increase in car park charges across the district, as charges had not been increased since 2016. Although

smaller increases on an annual basis would be preferable, Members noted the cost of making smaller changes on a more regular basis;

- the fine for fly-tipping was set nationally at a maximum of £50k plus a potential prison sentence; and
- Members noted that the Council's bulky waste service, which offered very good value for money, required promotion to draw residents' attention and to help reduce the amount of fly-tipping across the district. The Committee agreed to recommend to Cabinet that bulky waste charges remain the same and that the service be promoted to residents via the MyAlerts system.

Whilst the Council's reserves provided some level of comfort over the short term and had been used to address budget deficits previously, this was not a sustainable financial strategy for the medium to long term. The reserves would fall below the recommended £5m minimum level if ongoing savings were not delivered. Substantial work had been undertaken through the budget savings exercise as part of the new Fit for the Future programme, which was looking to ensure future resilience of the Council's finances and to replenish reserves to above minimum levels. This had helped to offset the significant spending pressures which the Council was experiencing in relation to homelessness, inflationary pressures and increasing uncertainty around future funding levels, all of which were impacting on the medium-term projections.

**RESOLVED:** That Cabinet be requested to consider that:

- 1) the Town Hall buildings currently not in use and in need of updating, be repurposed for use as temporary housing, using capital that had previously been set aside to purchase temporary accommodation;
- 2) the Council's commercial activities, such as parking enforcement, to be expanded further and the services marketed to others;
- 3) bulky waste charges remain the same and the service be promoted to residents via the MyAlerts system; and
- 4) the financial forecast and proposed way forward be noted.

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

OSC23/31. **COUNCIL TAX REDUCTION SCHEME**  
(8)

Members received the report of the Revenue and Benefits Manager which outlined a proposed consultation with both the public and the Major Precepting Authorities in respect of proposed changes to the

Council's Council Tax Reduction (CTR) Scheme with effect from 1 April 2024.

The current CTR scheme administered by the Council was divided into two schemes, with pension age applicants receiving support under the rules prescribed by central Government, and the scheme for working age applicants being determined solely by the local authority. When CTR was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit (CTB) scheme as the basis of awarding support. However, due to the reduction in funding from central Government, the Council had, since 2016, also required working age applicants, even those on the lowest income, to pay a minimum payment of 20%.

Significant improvements had been made to the working age scheme with the introduction of a banded scheme in 2019; consideration of further changes was now required to improve the scheme further, given the financial pressures being experienced by low-income households.

Under the CTB scheme, almost 75% of working age applicants would not have been required to pay any Council Tax and would have received full (100%) support. Since the CTR scheme's introduction, low-income taxpayers, the poorest households, had been unable to pay the balance leading to additional costs, court, enforcement action and, in some cases, the amounts demanded had been written off as uncollectable. Whilst the overall level of council tax collection had remained relatively stable at around 98%, the collection levels for working age CTR applicants was significantly lower.

With the difficulties in collection experienced, the relatively high level of arrears and the administration costs, it may have no longer made the amounts economically viable to collect, notwithstanding the negative effects to those poorest households. In addition, the costs of administration of these cases by the Council had increased significantly over the years; these costs were borne mainly by the Council.

The proposed changes in the scheme for 2024/25 were to increase the working age maximum to 100% and to remove the £5 per week minimum payment. The minimum payment was where any entitlement below £5 was not currently paid. When CTR was first introduced in 2013, this resulted in a significant cost reduction. However, with the introduction of Rother's current scheme in 2019, it now effected very few CTR recipients and therefore should have been removed when the banded scheme was introduced. The proposed 2024/25 discounts available based on current income thresholds were outlined in the report for Members' information.

The current scheme cost the collection fund around £8.2m. The proposed changes, taking into account an estimated 5% overall increase in the Council Tax charge for 2024/25, would increase costs to around £9.48m. The costs of the scheme were borne directly in accordance with the percentage received from the collection fund. The



proposals would increase the cost of the CTR scheme for 2024/25, however the general increase in the taxbase plus the potential additional income allowed by new legislation (Levelling Up and Regeneration Bill) could offset all the additional costs.

The Council was required to undertake a consultation with both the public and the Major Precepting Authorities when changes to the CTR scheme were proposed. It was therefore proposed to run a six-week consultation exercise during November and December. The consultation would take the form of an online survey, asking stakeholders for their views on the proposal. Details of the consultation documentation were attached to the report at Appendix A and the consultation results would be reported to Members during early 2024.

With the imminent Royal Assent of the Levelling Up and Regeneration Bill, it was the Government's intention to allow English billing authorities to: reduce the minimum period for the implementation of a premium for empty premises from two years to one year; and to allow Councils to introduce a premium in respect of second homes (dwellings that are unoccupied but furnished), of up to 100%. The first could be introduced from 1 April 2024 and the second would require a notice period of one year and therefore the expected start date will be 1 April 2025. The estimated additional income was outlined in the report for Members' information.

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

- it was suggested that all residents should pay a minimum rate of council tax, as the removal of such a requirement would have an adverse effect on all the preceptors;
- the consultation paper should explain the consequences of amending the scheme and offer alternative options;
- the estimated additional income that the Council could receive from introducing a premium for second homes should not be included in the consultation paper as a way to offset the reduction in council tax received, because this was yet to receive royal assent;
- any change to the scheme would affect all preceptors;
- the Council's Exceptional Hardship Fund and Household Support Fund were available to support residents experiencing financial difficulties, without the need to amend the scheme;
- the current economic climate and cost-of-living crisis disproportionately affected the vulnerable, resulting in many of those residents now not being able to afford to contribute. The Council had a duty to support its residents; and
- officers would provide Members with details of the costs involved with chasing unpaid bills after the meeting.

**RESOLVED:** That Cabinet be requested to consider that the Council consult with the public and Major Precepting Authorities on proposed changes to the Council Tax Reduction Scheme for working age applicants with effect from 1 April 2024.

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

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

OSC23/32. **WORK PROGRAMME**  
(9)

Consideration was given to the Overview and Scrutiny Committee's Work Programme. Members were reminded that any Councillor could make a request for an item to be placed onto the Council's Scrutiny Committee Work Programme.

The following additions and amendments were made:

- Report of the Digital and Customer Services Task and Finish Group – April 2024; and
- Impact of Airbnb and second homes in Rye / Winchelsea / Camber from 'Items for Consideration' – April 2024

Members requested that a Task and Finish Group (T&FG) be set up to look at the Council's Planning Enforcement service. In order for Members to understand more about the issues and concerns, it was agreed that a presentation would be given at a Member Briefing session in the first instance, with a view to establishing a T&FG thereafter.

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

**CHAIR**

The meeting closed at 8:46pm

**OVERVIEW AND SCRUTINY COMMITTEE**

<b>WORK PROGRAMME 2023 – 2024</b>		
<b>DATE OF MEETING</b>	<b>SUBJECT – MAIN ITEM IN BOLD</b>	<b>Cabinet Portfolio Holder</b>
<b>20.11.23</b>	<ul style="list-style-type: none"> <li>• Performance Report: Second Quarter 2023/24</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 2 2023/24</li> <li>• Climate Strategy</li> <li>• Allocations Policy</li> </ul>	<b>Jeeawon Field McCourt</b>
<b>22.01.24</b>	<ul style="list-style-type: none"> <li>• <b>Draft Revenue Budget Proposals 2024/25</b></li> <li>• Key Performance Targets 2024/25</li> <li>• Local Plan Consultation Draft (Reg 18)</li> </ul>	<b>Jeeawon Prochak</b>
<b>18.03.24</b>	<ul style="list-style-type: none"> <li>• <b>Crime and Disorder Committee: to receive a report from the Community Safety Partnership</b></li> <li>• Performance Report: Third Quarter 2023/24</li> <li>• Revenue Budget and Capital Programme Monitoring – Quarter 3 2024/24</li> </ul>	<b>Field Jeeawon</b>
<b>22.04.24</b>	<ul style="list-style-type: none"> <li>• Call-in and Urgency Procedures</li> <li>• Draft Annual Report to Council</li> <li>• Review of progress against the recommendations of the Health and Well-Being Task and Finish Group</li> <li>• Report of the Digital and Customer Services Task and Finish Group</li> <li>• Impact of Airbnb and second homes in Rye / Winchelsea / Camber</li> </ul>	<b>Coleman Byrne Timpe</b>
<b>ITEMS FOR CONSIDERATION</b>		
<ul style="list-style-type: none"> <li>• Regeneration inc. Leisure Centre, Fountains, Skate Park and Accessibility of Green Spaces across the district</li> <li>• Review of the Economic Regeneration Strategy</li> <li>• Litter Strategy</li> <li>• Review of the Tourism Strategy and the impact of Airbnbs</li> <li>• Review of the Financial Stability Programme</li> <li>• Update report from the Local Strategic Partnership</li> <li>• Update report from the Health and Well-Being Board</li> <li>• Review of progress against the recommendations of the Health and Well-Being Task and Finish Group (Year 3)</li> <li>• Development of new Housing, Homelessness and Rough Sleeper Strategy</li> <li>• Development of new Corporate Plan</li> </ul>		

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