

OVERVIEW AND SCRUTINY COMMITTEE

22 January 2024

Minutes of the Overview and Scrutiny Committee meeting held at the Council Chamber, Town Hall, Bexhill-on-Sea on Monday 22 January 2024 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chair), J. Barnes (MBE), Mrs M.L. Barnes, S. Burton, C.A. Clark, C.A. Creaser, M.C. Legg, C.R. Maynard, S.B. McGurk and C. Pearce (Substitute).

Committee Members present remotely: Councillors Mrs V. Cook (Vice-Chair) and J. Stanger (Substitute).

Other Members present: Councillors B.J. Drayson.

Other Members present remotely: Councillors H.L. Timpe.

Advisory Officers in attendance: Chief Executive, Interim Deputy Chief Executive, Director - Place and Climate Change, Head of Digital and Customer Services, Environment Strategy Officer, Development Manager, Corporate Programme, Risk and Improvement Manager, Head of Service Neighbourhood Services, Head of Service Environmental Services, Licensing and Community Safety, Head of Service Housing and Regeneration, Housing Needs Operations Manager, Revenue and Benefits Manager and Democratic Services Officer

Also Present: 15 members of the public via the live webcast.

OSC23/40. **MINUTES**

(1)

The Chair was authorised to sign the Minutes of the meeting of the Overview and Scrutiny Committee held on 20 November 2023 as a correct record of the proceedings.

OSC23/41. **APOLOGIES AND SUBSTITUTES**

(2)

An apology for absence was received from Councillor B.J. Coupar.

It was noted that Councillor Pearce was present as substitute for the vacant seat on the Committee and Councillor Stanger was present as substitute for Councillor Coupar.

OSC23/42. **DISCLOSURE OF INTERESTS AND DISPENSATIONS**

(4)

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

Maynard Agenda Item 7 – Other Registerable Interest as an Executive Member of East Sussex County Council and Lead Member for Adult Social Care and Health.

There were no dispensations noted.

OSC23/43. **DRAFT REVENUE BUDGET 2024/25 PROPOSALS**
(5)

Members considered the report of the Interim Deputy Chief Executive and S151 Officer on the draft Revenue Budget, which outlined the predicted financial position and key issues that Members needed to consider as part of the budget setting process. The Committee had been requested to consider the draft budget and make recommendations to Cabinet, to be considered at its meeting on 5 February 2024.

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

- non-pay budgets had been set on a cash limited basis, with a 0% inflation increase applied, except for contracts where specific indices were relevant;
- with effect from September 2024, an increase of 2% had been applied to salaries and an allowance of 4.5% assumed for staff turnover;
- the use of transfers between existing budgets had been applied enabling funding to be re-directed into priority areas;
- where applicable, income budgets had been increased in line with the fees and charges proposed by Cabinet on 6 November 2023;
- where relevant, the prevailing Public Works Loan Board (PWLB) interest rates would be used for capital appraisals (currently c5%);
- returns on investment had been calculated using the following rates: Bank current and deposit accounts up to 5.35%; Investments with other institutions/local authorities – up to 4.50%; and Property Fund investments – 4.00%; and
- an assumed Council Tax collection rate of 98.3% (unchanged from last year).

The following key issues were highlighted:

- the draft Local Government Finance Settlement (LGFS) announced by Government on 18 December 2023 applied to 2024/25, did not guarantee any future funding streams beyond the following year and was again a further single year settlement. The Government had reaffirmed its commitment to undertake a Fair Funding review and a reset of the business rates system in the next Parliament;
- the Council's Core Spending Power (CSP) had been set at £12.9m, an increase of £0.6m from 2023/24, equating to 5.1%;
- the Settlement Funding Assessment (SFA) consisted of the Council's share of business rates income and Revenue Support Grant (RSG). The baseline funding figure had increased from the

2023/24 figure by £0.1m and there was also an increase of £0.1m due to the freezing of the business rates multiplier, taking this support to £0.5m. However, because the expected share of business rates income comfortably exceeded £3.0m, the Council yet again would not receive an RSG. The Department for Levelling Up, Housing & Communities (DLUHC) had confirmed, in common with previous years, that councils would not be required to pay over negative RSG;

- the small Business Rates Multiplier for 2024/25 would remain frozen again at 49.9p, but councils would be compensated for any reduction in income because of this decision. The Government had committed to reimburse councils for any negative impact on its business rates income arising from the implementation of the 2023 revaluations;
- the East Sussex Business Rates Pool for 2024/25 would be retained;
- the Council Tax referendum principle for Rother would allow an increase in Council Tax by the higher of 3% or £5. Members could decide to set a higher increase but would need consent via a local referendum. A 3% increase would yield approximately £38k more than an increase of £5. It was assumed that the Council would increase Council Tax by the maximum allowed, which was 3% in this case;
- for 2024/25, to ensure the Council remained within the referendum limit, an estimated increase to about £204.56 for an average Band D property was anticipated and this would be confirmed in phase three of the budgeting process. Including growth, this would generate c£0.368m extra income;
- Members noted that the LGFS also included council tax setting flexibilities for precepting authorities, as outlined in the report;
- the 2024/25 Council Tax base had been calculated at 39,197.50 and showed an increase of 676.70 Band D equivalents since December 2022, due to an increase in chargeable dwellings and eligible discounts, a continued post-COVID reduction in Council Tax Reduction Scheme claimants and estimated growth and associated discounts;
- new Government funding streams in relation to 'Extended Producer Responsibility for Packaging' Schemes had been rescheduled to October 2025. With the details of the new scheme being unknown at the time, no additional income had been factored into the estimates for 2025/26 and future periods;
- a further round of New Homes Bonus (NHB) grants had been announced as part of the 2024/25 LGFS; the Council's allocation for the next financial year was £136k;
- in response to inflationary pressures, the DLUHC would combine the NHB legacy payments with the Lower Tier Service Grant; the Council's allocation would be £778k;
- service grants had been reduced to £15k for 2024/25;
- to implement the requirements of the Elections Act 2022, the Council would receive £32k, as well as an unspecified amount to administer the impact of business rate revaluations (£20k had been included within the budget); and

- the draft Revenue Budget for 2024/25 proposed the use of just over £0.6m (£2.2m originally budgeted for 2023/24) from Usable Revenue Reserves, which would reduce Reserves to £4.5m by 31 March 2025. There was a further reserve requirement of £30.1m in 2025/26 before contributions of (£1.0m) in 2026/27 and a further (£1.3m) in 2027/28, which would take reserve levels back up to around £6.7m.

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

As part of the production of the Medium Term Financial Strategy forecasts in November 2023, a detailed budget review took place to identify efficiencies, savings, and additional income to help support frontline services, to balance the budget, and make the Council's future financial position as resilient as possible. The draft proposals totalled £3.3m, with the efficiencies, income and savings identified coming from several areas, were detailed in the report, the Council's new 'Fit for the Future' financial resilience programme. Following more detailed work on the proposals, total savings of £3.1m had been included within the provisional budget figures.

The Council's auditors, Grant Thornton (GT), recommended that reserves needed to be at least 5% of net General Fund expenditure. However, it was the view of the Interim Deputy Chief Executive and S151 Officer that the GT recommended levels were not sufficient and that reserves in the region of £4m were more reasonable. Based on the Council's current budget forecasts, reserves were currently forecast to be about 31% of the Council's Net Revenue Expenditure by the end of 2024/25 and this was forecast to increase to 47% by the end of 2027/8.

There was currently a fundamental review of the capital programme being undertaken to ensure that capital schemes remained affordable and continued to deliver the outcomes originally anticipated. There were no new proposals or capital growth items included within the updated programme, found at Appendix D to the report, except for any recent Committee decisions regarding capital investment and budget levels.

The gross capital budget was £202m, with £33m having been spent in prior years, leaving a balance of £169m to be spent in the current and future financial years, with a forecast of £20m for 2023/24. The remaining £149m scheduled between 2024/25 and 2028/29 was subject to the ongoing capital programme review and business case re-appraisal.

The budget consultation closed on 17 December 2023, details of which could be found within Appendix E to the report. In general terms, respondents were supportive of the proposals.

Following the introduction of the Levelling Up and Regeneration Act 2023, there were opportunities for the Council to consider changes to its approach relating to certain discretionary areas of the Council Tax to improve outcomes for residents, full details of which were contained within Appendix F to the report. The changes provided by the Act concerned empty properties and second homes; the former could be introduced by April 2024, the latter required the decision to be taken at least 12 months before the financial year to which it would apply, so would therefore not take effect until the 2025/26 financial year.

During the debate the following points were made:

- the leases on the public conveniences in Devonshire Square, Bexhill and Channel View East, Bexhill had been taken over by Bexhill Town Council (BTC);
- discussions were taking place with Pett Parish Council to share the cost of opening Pett Level public conveniences during the summer season;
- discussions were also taking place with the Bexhill Old Town Preservation Society, Sedlescombe Parish Council and various sports clubs concerning public convenience leases, and with Rye and Battle Town Councils on the devolution of further services;
- the proposed changes to Council Tax Premiums on second homes could double the income received;
- the Council's early vision to invest in its own temporary accommodation (TA) had saved approximately £8m. Homelessness costs equated to approximately 14% of the net revenue budget;
- Members congratulated the Chief Executive and Interim Deputy Chief Executive on the savings plan that had been built into the budget;
- the Council continued to experience recruitment difficulties and Members felt uneasy about the pay award budget;
- the Council was undertaking a light touch capacity study to look at redeveloping the Town Hall site and developing a business plan proposal for the provision of residential accommodation, a recommendation that had originated from this Committee;
- DLUHC was exploring the possibility of additional capital flexibilities, one being the use of capital receipts to meet general budget pressures, of which Members raised concerns. A detailed plan to address budget challenges was required, as this was not sustainable;
- Members noted that the Council's CSP had only increased by £1m since 2015/16, representing an 8% increase over the entire nine-year period;
- the funding paid to the De La Warr Pavilion (DLWP), which was owned by the Council, brought in further funding which would be lost if the Council was to reduce its contribution;
- the current Service Level Agreement with the DLWP was due to expire in due course and discussions would be taking place concerning funding arrangements and the Council's requirements of

the DLWP. Members agreed that the DLWP was an asset to the district; and

- a number of reports on the projects of the capital programme would be presented to Members over the coming year. The next Members' Briefing would include information on some of the schemes.

It was agreed that the above comments would be submitted to Cabinet.

RESOLVED: That the comments of the Overview and Scrutiny Committee be considered by Cabinet when setting the 2024/25 Draft Revenue Budget at its meeting on 5 February 2024.

OSC23/44. **KEY PERFORMANCE INDICATORS 2024/25**
(6)

Members received the report of the Corporate Programme, Risk and Improvement Manager, which gave details of the current Key Performance Indicators (KPIs), broken down into eight service areas: Environmental Health, Housing, Customer Services, Neighbourhood Services, Estates, Corporate Core, Planning Development Management and Revenues and Benefits.

Appendix B to the report detailed the current KPIs within the eight service areas. Quarterly KPI Performance Reports were expressed in a table format which showed the target and quarterly achievement against that target, expressed by three symbols for 'on target', 'not achieving target' or 'improving towards target'. Managers provided a commentary on each of their KPIs, explaining reasons why they were not being met or providing any other pertinent or contextual information. Members would also be provided with an annual State of the District Report, showing details of any wider changes to profiles, demographic, housing and economic landscape of the district to ensure monitoring was realistic and current.

A Senior Leadership Team led Performance Board had been established in July 2023 as part of the new Governance arrangements to sit alongside the (officer led) Risk and Programme Boards, which brought together Heads of Service and relevant Service Managers to discuss performance and service risks collectively and individually across the Council.

Appendix A to the report provided details of Members' feedback and recommended amendments to the existing KPIs. Members had requested that the district's performance be rated against the OFLOG Local Government Authority's Comparison Data and would therefore be shown as a RAG rating (red/amber/green) from the start of the 2024/25 monitoring cycle. However, the OFLOG data only covered some areas of the Council's work and was not aligned to the KPIs.

A new KPI for Progress of the Climate Strategy had been added to the set and Members noted that the words 'Scope 1 and 2' would be added to describe the organisation emissions, which were those directly under

the control of the Council. Scope 3 emissions would be included at a later stage when service contracts were renewed.

Minor changes had been recommended to the Planning Development and Revenues and Benefits KPIs and a reduction in the number of KPIs for Customer Services was proposed, to focus on key performance areas and to reflect the channel shift towards digital. Contextual information would also be provided in the main body of the performance report for Customer Services, to provide more information about types of enquiries received.

Since the paper had been published, officers recommended that the Housing KPI for Average weeks a household was in temporary accommodation before placement, be changed from Not Set to 15 weeks, which Members were happy to agree.

Members recommended and agreed that Planning Development KPIs P3 and P4 be combined, to read 'Major and minor development planning appeals allowed by the Planning Inspector', with the target of 10%, as the Government took this measurement as one rather than two.

Members were concerned that the Estates KPI, Income from all assets, had remained the same rather than being increased. The target was a reflection of the anticipated income from assets as they currently stood, as the Property Investment Strategy programme had now come to an end. It was hoped that a programme of rent increases would be driven over the year. Members were happy to recommend the target as written but requested that the Deputy Chief Executive and S151 Officer kept this under review.

The OSC agreed to recommend all the suggested KPIs, as amended, for consideration by Cabinet and requested that KPIs be listed in alphabetical order for ease of reference.

RESOLVED: That Cabinet be requested to approve the following Key Performance Indicators for 2024/25:

- 1) Climate Strategy
 - Scope 1 and 2 emissions reduction: Target 50% reduction
- 2) Corporate Core
 - FOI - % answered in 20 days: Target 100%
- 3) Customer Services
 - Percentage of enquiries that are resolved on the first contact with customer services: Target 85%
 - Channel Shift – online vs traditional: Target 65% online
- 4) Environmental Health
 - % of planning food inspections carried out: Target 90%
 - % of service requests resolved on time: Target 90%

- 5) Estates
 - Income from all assets: Target £2,375,310 (to be kept under review by the Deputy Chief Executive and S151 Officer)
- 6) Housing
 - Number of households either prevented (P) from homelessness or relieved (R) from homelessness: Target 30 per quarter, 120 per annum
 - Average cost per TA Placement: Target £1,200 per month
 - Average Number of weeks spent in TA: Target 15
- 7) Neighbourhood Services
 - Waste collections missed bins/100,000: Target 62/ 100,000
 - % of public land found with unacceptable levels of litter: Target 2.50%
 - % of public land found with unacceptable levels of detritus: Target 7%
 - Fly tips recorded on public land/month: Target 69
 - Fly tip fines issued: Monitor
- 7) Planning Development Manager
 - Percentage of major development applications determined in 13 weeks or agreed extension: Target 80%
 - Percentage of minor development applications determined in 8 weeks or agreed extension: Target 80%
 - Major and Minor development planning appeals allowed by the Planning Inspector: Target 10%
- 8) Revenues and Benefits
 - Percentage of Council Tax owed for the year that has been collected: Target 98.3% yr
 - Percentage of business rates owed for the year that have been collected: Target 98.3% yr
 - Average calendar days to process a new housing benefit claim and/or Council Tax Reduction Claim: Target 20 days
 - Average calendar days to process a change to an existing housing benefit claim and/or Council Tax Reduction Claim: Target 14 days

OSC23/45. **NEW HOUSING ALLOCATIONS POLICY**

(7)

Members received the report of the Head of Housing and Regeneration which presented the findings of the eight-week public consultation on the draft Housing Allocations Policy 2024 (HAP) and the proposed final version of the Policy. Officers had considered the responses received and made some proposed amendments to the Policy accordingly.

The overall aim of the HAP was to provide a framework for the equitable, effective and accountable allocation of social housing. Social housing was in very limited supply and accounted for only 10% of the

total housing stock in Rother; this percentage was below the national average of 17%. Therefore, only those in the highest housing need, with a local connection to the area were likely to obtain social housing. The principal purpose of a HAP was to meet the Council's statutory obligations under Section 166A(1) of the Housing Act 1996.

The consultation ran from 7 July to 4 September 2023 and a total of 111 responses were received. A more detailed report on how the consultation was conducted, as well as the number and type of responses that were received, could be found at Appendix A to the report. The majority of the proposed changes were agreed by most respondents; however, based on a number of comments, there were a few areas of the policy that were amended slightly. These changes were outlined in the report in paragraphs 12 to 14.

In order to implement the new HAP, it would be necessary to reassess all existing households on the register before the new policy could be adopted for new applicants. In the meantime, the present policy would continue to operate as normal. It was proposed that the Council write to all applicants currently on the Housing Register and give them a two-month window to renew their application. A reminder would be sent at four weeks; however, if a household did not respond within the two-month period it would be assumed they no longer wish to be on the register and they would be removed. Within this period, all new applications would be assessed against both the present and proposed policy criteria, prioritised accordingly and allowed to bid as normal.

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

- Members noted that the local connection criteria change meant that those applicants whose only local connection was through relatives would be permitted to join the Housing Register but would only be able to be considered for properties where there was a local letting plan in place for which they met the criteria. Only those applicants with a genuine need would therefore be considered;
- it should be set in stone that a local lettings policy be put in place;
- it was important that older residents were able to stay in their own home; and
- sites should be of mixed-use social housing, i.e. social rent and home ownership, in order to provide a balance. Grants were available to developers to bring forward social housing.

RESOLVED: That:

- 1) the new Housing Allocations Policy 2024 be recommended to Cabinet and full Council for approval and adoption;
- 2) delegated authority be granted to the Head of Housing and Regeneration to formally adopt the Housing Allocations Policy 2024, in consultation with the Cabinet Portfolio Holder for Housing, following the conclusion of the implementation period; and

- 3) delegated authority be granted to the Head of Housing and Regeneration to make any further minor amendments to the Housing Allocations Policy 2024, in consultation with the Cabinet Portfolio Holder for Housing.

(When it first became apparent, Councillor Maynard declared an Other Registerable Interest in this matter as an Executive Member of East Sussex County Council and Lead Member for Adult Social Care and Health, and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof).

OSC23/46. **WORK PROGRAMME**
(8)

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 points were noted:

- there were currently two Task and Finish Groups (T&FG) in operation – the Digital and Customer Services Strategy Task and Finish Group (DCSS T&FG) and the Housing Development Strategy T&FG;
- a Members' Briefing on the Planning Enforcement service had taken place before Christmas, so consideration of a T&FG had been put on hold. A new Local Enforcement Plan was due to be considered by Cabinet at its next meeting;
- Members were requested to consider the list of stakeholders to be engaged with by the DCSS T&FG at its next meeting and advise if any further should be added; and
- all Members were encouraged to spend time with Customer Services Officers in the contact centre and on reception. This would help inform recommendations when the DCSS T&FG reported back to the Committee in April.

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

CHAIR

The meeting closed at 8:26pm

OVERVIEW AND SCRUTINY COMMITTEE

| WORK PROGRAMME 2023 – 2024 | | |
|--|---|---------------------------------|
| DATE OF MEETING | SUBJECT – MAIN ITEM IN BOLD | Cabinet Portfolio Holder |
| 19.02.24 | <ul style="list-style-type: none"> Draft Local Plan Consultation (Reg 18) | Killeen |
| 18.03.24 | <ul style="list-style-type: none"> Crime and Disorder Committee: to receive a report from the Community Safety Partnership Performance Report: Third Quarter 2023/24 Revenue Budget and Capital Programme Monitoring as at Quarter 3 - 2023/24 | Field Jeeawon |
| 22.04.24 | <ul style="list-style-type: none"> Call-in and Urgency Procedures Draft Annual Report to Council Review of progress against the recommendations of the Health and Well-Being Task and Finish Group Report of the Digital and Customer Services Strategy Task and Finish Group Impact of Airbnb and second homes in Rye / Winchelsea / Camber | Coleman Byrne Timpe |
| WORK PROGRAMME 2024 – 2025 | | |
| 03.06.24 | <ul style="list-style-type: none"> Performance Report: Fourth Quarter 2023/24 Annual Work Programme | |
| 08.07.24 | <ul style="list-style-type: none"> Draft Revenue Budget and Capital Programme Outturn 2023/24 Revenue Budget and Capital Programme Monitoring – Quarter 1 2024/25 | |
| 09.09.24 | <ul style="list-style-type: none"> Performance Report: First Quarter 2024/25 | |
| 14.10.24 | <ul style="list-style-type: none"> Medium Term Financial Plan 2025/26 to 2029/30 | |
| 18.11.24 | <ul style="list-style-type: none"> Performance Report: Second Quarter 2024/25 Revenue Budget and Capital Programme Monitoring – Quarter 2 2024/25 | |
| 20.01.25 | <ul style="list-style-type: none"> Draft Revenue Budget Proposals 2025/26 Key Performance Targets 2025/26 | |
| 17.03.25 | <ul style="list-style-type: none"> Crime and Disorder Committee: to receive a report from the Community Safety Partnership Performance Report: Third Quarter 2024/25 Revenue Budget and Capital Programme Monitoring – Quarter 3 2024/25 | |
| 28.04.25 | <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 Litter Strategy | | |

- Review of the Tourism Strategy and the impact of Airbnbs
- Review of the Financial Stability Programme
- Update report from the Local Strategic Partnership
- Update report from the Health and Well-Being Board
- Review of progress against the recommendations of the Health and Well-Being Task and Finish Group (Year 3)
- Development of new Housing, Homelessness and Rough Sleeper Strategy
- Development of new Corporate Plan