

Rother District Council

Report to	-	Council
Date	-	16 September 2019
Report of the	-	Cabinet
Subject	-	References from Cabinet Meetings

The Council is asked to consider recommendations arising from the Cabinet meetings held on 29 July and 2 September 2019, as set out below.

CABINET – 29 July 2019

CB19/28. COMMUNITY GOVERNANCE REVIEW – BEXHILL-ON-SEA

In 2016/17 and in accordance with the provision of the Local Government and Public Involvement in Health Act 2007, the Council carried out a Community Governance Review (CGR), as a result of receiving a valid petition. As a CGR had been carried out within the previous two years, the Council could not be compelled through a petition to carry out a further review. However, on 22 May 2019, the Council passed a motion for officers to report on the required procedure to establish a Town Council for Bexhill by 2021. Therefore, the report of the Executive Director set out the considerations for the Council in conducting a new CGR of Bexhill-on-Sea, incorporating all nine wards.

Full Council was required to agree the Terms of Reference (ToR) for the CGR which specified the area under review and detailed what the Council wanted to achieve; draft ToR were attached at Appendix A to the report.

It was proposed that a Steering Group comprising seven Members was appointed in accordance with political balance requirements to manage the process and draft ToR for the Steering Group were set out at Appendix B to the report. This would result in seat allocation of three Conservative Members, two Association of Independent Members, one Liberal Democrat/Green Member and one Labour Member. It was noted that all Members of the Council would have the opportunity to contribute to the review.

Under the terms of the 2007 Act, the Council was obliged to consult with the local government electors for Bexhill-on-Sea, take into account any representations made and ensure the outcome of the review, including any decisions were well publicised. One of the key roles for the Steering Group would be to determine the consultation and communication programme for the CGR. As a result of the feedback received in 2017, it was proposed that only one six week consultation period be held.

The Council would be required to complete the review within 12 months of the start of the CGR, including any consequential

recommendations to the Local Government Boundary Commission for England. A draft timetable complying with the requirements of the 2007 Act was included within the ToR for the Steering Group at Appendix B.

The review would be completed once the Council approved the Reorganisation of Community Governance Order. Copies of the Order and associated maps would be deposited at the Council offices and published on the website. The Order would take effect for financial and administrative purposes on 1 April in the designated year.

Cabinet had sought advice from the Sussex Association of Local Councils who had advised that as the Council had conducted a full CGR in 2016/2017, it would not be necessary to repeat this process again, and that a consultation would only be required. For public clarity, it was also felt that the Council should not be seen to be “going over old ground”. Therefore it was proposed that recommendation 1) be reworded as follows: the draft ToR for a Community Consultation to consider the implementation of a new Parish Council covering the Bexhill-on-Sea area of Rother District Council be approved and updated accordingly. It was also suggested that the membership of the Steering Group be increased from seven to nine Councillors to ensure an equal balance of Bexhill Members were represented.

The Executive Director advised that in order to implement a CGR, it was essential that the Council conformed to the relevant local government legislation. Failure to conduct a thorough CGR could result in reputational damage and expose the process to the risk of legal challenge. This advice had been confirmed by the Council's Legal Team.

With regards to the increased membership, the Executive Director confirmed that the amended seat allocation would be as follows: three Conservative Members, three Association of Independent Members, two Liberal Democrat/Green Member and one Labour Member. Group Leaders would need to provide the names of the Steering Group membership before the full Council meeting scheduled to be held on 16 September 2019.

After discussion, Cabinet reiterated that, the proposed amendments be forwarded to full Council for consideration.

RECOMMENDED: That:

- 1) the draft Terms of Reference for a Community Consultation to consider the implementation of a new Parish Council covering the Bexhill-on-Sea area of Rother District Council be approved and updated accordingly; (Attached as Appendix A to this report).
- 2) a politically balanced Community Consultation Steering Group be established comprising nine Members; and

- 3) the proposed timetable for the review be agreed as set out at Appendix B to the report. (Attached as Appendix B to this report).

(Councillors Mrs Bayliss, Coleman and Courtel each declared a personal interest in this matter as they were members of Democracy4Bexhill and in accordance with the Members' Code of Conduct remained in the room during the consideration thereof).

(Cabinet Agenda Item 6)

CB19/29. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING
QUARTER 1 2019/20**

Members received and considered the report of the Executive Directors on the Revenue Budget and Capital Programme Monitoring Quarter 1 2019/20. The report contained details of the significant variations of the Revenue Budget and updated Capital Programme.

Since the last report to Cabinet, there had been two reportable variations. In April, the Council acquired Glovers House, Bexhill, as part of its regeneration agenda, for the sum of £7.8m including costs. This would generate an annual rent of £425,000 rising to £475,000 in December 2020.

Overall the cost of services identified a small deficit of £58,000 which was 0.4% greater than the revised budget. Members were advised it was too early to predict the year end position as a result of the new waste contract, volatility in planning application income and the delivery of the Property Investment Panel. The main reasons for the variations were attributed to underspends/savings on employment related costs, staff vacancies and recycling credits. The deficit was attributed to election costs, software upgrades, costs associated within the Acquisitions, Transformation and Regeneration service, and resources for the Rother 2020 programme and Property Investment Strategy.

Investment returns were in-line with the budget. The final year end position would depend on treasury management and property investment decisions made between now and March 2020.

The Council Tax collection rate was comparable to previous years and the Business Rates collection performance was slightly lower compared to the same period last year. At this stage, the outturn for both was expected to be broadly in line with the original estimate.

No significant variances were predicted to the Capital Programme 2019/20 estimated spend of £24m, as identified in Appendix A to the report. Appendix B to the report, showed the Capital Programme for the period 2019/20 to 2023/24 which had been updated to take account of any slippage in the 2018/19 financial year.

Overall the Council's overspend was expected to be £58,000. Officers would be investigating mitigation measures during the financial year.

RECOMMENDED: That the updated Capital Programme at Appendix B to the report, be approved. (Attached as Appendix C to this report).

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

(The Leader had accepted this item onto the Agenda as an Additional Agenda Item in order for Members to be kept abreast of the Council's financial position).

(Cabinet Agenda Item 12)

CABINET – 2 September 2019

CB19/38 PROPOSED FORMAL SUBSTITUTE PROCEDURE FOR COMMITTEES

Members received and considered Minute OSC19/14 arising from the Overview and Scrutiny Committee (OSC) meeting held on the 22 July 2019 that had considered a recommendation from the Member Development Task Group regarding introducing a formal substitute procedure for Committees.

Research had been undertaken with neighbouring authorities to devise a simplistic, uncomplicated procedure that suited the Council's decision making structure and available resources. It was noted that provision already existed in the Council's Constitution for Group Leaders to change membership and appoint substitute members to Task and Finish Groups. The OSC was supportive of the recommendations and noted a number of key points outlined in the draft procedure.

Cabinet was keen to introduce the changes and recommended that full Council approve and adopt the procedure identified at Appendix A to the report with effect from 17 September 2019. It was also recommended that Group Leaders nominate one substitute Member each in respect of Licensing and General Purposes Committee, OSC and Planning Committee at the full Council meeting scheduled to be held on 16 September 2019 and that the Council's Constitution be amended accordingly.

RECOMMENDED: That:

- 1) the proposed substitute procedure for formal committees, set out at Appendix A to the report be recommended for approval and adoption by full Council; (Attached as Appendix D to this report).
- 2) the system be implemented with effect from 17 September 2019;
- 3) Group Leaders be requested to nominate one substitute Member each in respect of the Licensing and General Purposes Committee, the Overview and Scrutiny Committee and the Planning Committee at the full Council meeting to be held on 16 September 2019; and

4) consequential amendments be made to the Council's Constitution.

(Cabinet Agenda Item 6)

CB19/39. **PROVISION OF TEMPORARY ACCOMMODATION**

Consideration was given to the report of the Executive Director which identified various options for the Council to acquire property to use as temporary accommodation. Under the Housing Act 1996, the Council had a duty to accommodate homeless households. Investing in property meant that the Council had greater control over the quality and quantity of provision, whilst reducing the net cost of provision.

The Council would continue to use a number of privately owned (15 including eight self-contained properties) well-managed temporary accommodation establishments. The budget for 2019/20 was £775,000 offset by £369,500 of income predominantly recovered through housing benefit; net cost was £385,500.

Requests for temporary accommodation were increasing. Between March 2015 and March 2019 homeless households had risen from 17 to 57. To date 66 homeless households were in B&B accommodation. Appendix 1 to the report identified the types of households the Council had placed in temporary accommodation during 2018/19. Members noted that the Council had no duty to provide self-contained accommodation for single people. The Council, in collaboration with East Sussex County Council and wider partners was currently reviewing the provision of supported accommodation for all groups and, in particular, single people with complex needs.

Members noted that the average length of stay in temporary accommodation across all household types was 77 days. The net cost of placing single households or childless couples and households with children was on average £1,360 and £2,900 respectively. If the Council purchased its own property, over a twelve month period, average costs of £6,000 – £13,000 per household could be avoided.

The report identified the financial assessment and investment required to purchase a range of properties. It also included an illustration of the costs which could be avoided by placing households in local authority rather than private accommodation. The projections were verified in consultation with neighbouring local authorities who delivered similar schemes. An overall net saving of £70,000 per annum was projected.

The Council's Temporary Accommodation Strategy (TAS) was appended to the report at Appendix 4. The TAS outlined the types of properties the Council intended to acquire, alongside how properties would be purchased, managed, maintained and repaired. Property management risks were outlined in Appendix 5 to the report. An audit of the in-house skills required for property management had been completed and highlighted that resources/expertise would be required for managing rental income recovery and out of hours residents' enquiries. In the short-term, these functions would be externally

purchased while the Council built its own portfolio of properties; ongoing skills reviews would be necessary.

Should the need for temporary accommodation reduce, the Council could review its assets. Assets could be sold and the capital receipt reinvested into Council budgets.

During discussion the following was noted:

- properties would be purchased in urban areas across the district, however specific need at the moment was particularly focused in Bexhill;
- all households would be supported by the Council to acquire any furnishings they required;
- important to establish in-house expertise or collaboration with other local authorities with regard to property management;
- investigate the option of building modular pre-fabrication constructions on Council owned land. This would be an innovative way to build quick tailor-made value for money properties; and
- investigate alternative solutions such as refurbishing empty/derelict buildings or convert/remodel existing buildings.

Cabinet was supportive of the Council building up a portfolio of suitable properties to use as temporary accommodation to meet the varied needs of homeless households across the district. They recommended that the TAS be approved and adopted. It was recommended that the Executive Director be authorised to borrow an initial sum of up to £3m to prioritise the purchase of properties and that the capital programme be amended accordingly.

RECOMMENDED: That:

- 1) the Temporary Accommodation Investment Strategy at Appendix 4 to the report be approved and adopted; (Attached as Appendix E to this report).
- 2) the Executive Director be authorised to purchase properties for use as temporary accommodation at a cost of up to £3 million funded through borrowing; and
- 3) the Capital Programme be amended accordingly.

(Cabinet Agenda Item 12)

Councillor D.B. Oliver
Leader of the Council

Rother District Council

Community Governance Review – Terms of Reference

A community governance review will be carried out by Rother District Council under the provisions of the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”). The review shall comply with the legislative requirements, have regard for the associated statutory guidance and will be conducted in accordance with these terms of reference.

The review will consider the establishment of a Parish Council for Bexhill-on-Sea encompassing all nine District Electoral Wards within the local authority area of Rother District Council.

It shall have particular regard for the need to secure that community governance within the area under review:

- reflects the identities and interests of the communities in that area; and
- is effective and convenient.

When carrying out the Community Governance Review, the District Council must also take into account other existing or potential community governance arrangements.

Following the review the Community Governance Review Steering Group shall make recommendations as to:

- whether or not to establish a new parish of Bexhill-on-Sea, the name of any new parish and the styling (i.e. parish, town, community, neighbourhood or village) of any new parish;
- whether or not any new parish should have a parish / town council (subject to the particular restrictions on recommendations in this area set out in Section 94 of the 2007 Act) and the electoral arrangements of any new parish council – including the ordinary year of election, warding and number of councillors;

The review shall invite and take account of submissions from all interested parties.

Appendix B

Proposed Timetable	Outline of Action
29 July 2019	Cabinet makes recommendations to Council on the CGR process.
16 September 2019	Full Council approves recommendations from Cabinet, sets ToR for CGR, appoints Steering Group and agrees ToR for Steering Group. East Sussex County Council to be notified of intention to undertake review.
October/November 2019	Meetings of CGR Steering Group to consider the proposed timetable for review, consultation methods etc.
25 November 2019	Report to OSC
2 December 2019	Report to Cabinet
16 December 2019	Report to full Council
6 January – 14 February 2020 (6 weeks)	Formal publication of ToR and launch of public consultation (12 months' timescale starts from now), timetable for review, consultation methods etc.
February/March 2020	CGR Steering Group considers submissions and develops recommendations for submission to the OSC (27 April 2020) for approval by Cabinet (11 May 2020)*
18 May 2020	Publish final proposals.
18 May 2020	Full Council makes final decision and approves the creation of Community Governance Orders (CGO), if any, in relation to any proposed parish / town councils.
Membership	7 Members
Quorum	4
Officer Leads	Malcolm Johnston, Executive Director Lisa Cooper, Democratic Services Manager

Rother District Council – Capital Programme 2019/20 to 2023/24

	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
<u>Acquisitions, Transformation and Regeneration</u>					
Community Grants	130	130	130	130	130
East Parade - project A - Bexhill East Beach	0	360	327	0	0
East Parade - project B - Shelters and Heritage Hub	32	358	0	0	0
Cemetery Entrance	240	0	0	0	0
Community Led Housing Schemes	650	0	0	0	0
Blackfriars Housing Development	3,052	0	0	0	0
Rother 2020 Programme					
Property Investment Strategy	12,238	20,000	0	0	0
Demolition	250	0	0	0	0
Rother 20/20 ICT Investment	390	0	0	0	0
Corporate Document Image Processing System	435	0	0	0	0
<u>Housing and Community Services</u>					
De La Warr Pavilion - Capital Grant	53	0	0	0	0
Fairlight Coastal Protection	70	0	0	0	0
Sidley Sports and Recreation	292	0	0	0	0
Land Swap re Former High School Site	1,085	0	0	0	0
Bexhill Leisure Centre – site development (move to ATR)	2,113	11,810	0	0	0
Disabled Facilities Grant	1,062	0	0	0	0
New Bins	13	0	0	0	0
Replacement/New Bins – New Contract	108	108	108	108	108
Camber Western Car Park	360	0	0	0	0

	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
Bexhill Promenade – Protective Barriers	50	0	0	0	0
Bexhill Promenade – Outflow Pipe	100	0	0	0	0
Housing (purchases – temp accommodation)	1,000	1,000	0	0	0
<u>Corporate Core including Executive Directors</u>					
Accommodation Strategy	TBD				
Lift for Amherst Road Offices	100				
<u>Resources</u>					
Enterprise Resource Planning System upgrade	36	0	0	0	0
ICT Infrastructure – Ongoing Upgrade Programme	166	0	0	0	0
Total Capital Programme	24,025	33,766	565	238	238
Funded By:					
Capital Receipts	3,198	0	0	0	0
Grants and contributions	4,064		0	0	0
Borrowing	12,488	20,000	-	-	-
Capital Expenditure Charged to Revenue	2,765	535	238	238	238
Unfunded	1,510	13,231	327	0	
Total Funding	24,025	33,766	565	238	238

Rother District Council

Appointment of Substitute Members of formal Committees and Sub-Committees

1. There shall be no substitution of members of the Audit and Standards Committee, Cabinet or Licensing Panels. Members of the Cabinet may not be substitutes on Overview and Scrutiny Committee.
2. The political groups may appoint substitute Members from their own group in accordance with this Procedure Rule on committees and sub-committees. Only substitute Members who have undergone related training may be substituted to the Planning Committee.
3. Substitute Members will have all the powers and duties of any ordinary Member of the committee.
4. Political Groups will be permitted to nominate one substitute Member for each relevant Committee on which they have an allocated seat(s).
5. Substantive Members must organise their own substitute arrangements and confirm the attendance of a substitute to the Democratic Services Manager or Officer at least one clear working day prior to the commencement of the meeting (unless there are extenuating circumstances such as a medical emergency or some other family-related emergency); notification by electronic mail or telephone will suffice for these purposes.
6. The Chairman of a relevant meeting will seek confirmation of substitute Members present at the "Apologies and Substitutes" Agenda Item.
7. Substitutes arriving after the commencement of the meeting and for which prior notification has not been received will not be permitted to act as a substitute.
8. Where a substantive Member is substituted on a relevant Committee for more than 50% of the scheduled meetings of that Committee in any civic year, Group Leaders will be alerted and consideration given to the removal of the substantive Member.
9. Substitute Members may attend meetings in that capacity only:
 - i. to take the place of the substantive Member for whom they are the designated substitute;
 - ii. where the substantive Member will be absent for the whole of the meeting;
 - iii. has undertaken the mandatory training in the case of the Planning Committee; and
 - iii. after notifying the Democratic Services Manager no later than 1 clear working day prior to the commencement of the relevant meeting.

Temporary Accommodation Investment Strategy

1. The Temporary Accommodation Investment Strategy will outline the number and type of properties the Council will target for use as temporary accommodation alongside how these properties will be purchased, managed, repaired and maintained.

Property Purchases

2. The risks of each potential investment will be considered by carrying out due diligence to include the following:
 - Valuation.
 - Market Conditions.
 - Building surveys.
 - Funding options.
 - External red book valuations.
 - Future costs: e.g. ground rent, service charges, major works, and maintenance throughout the lifecycle of the property.
3. The Council has many of the expertise to manage and oversee each property transaction in-house. It is proposed that external specialist property investment advisors be retained on each transaction as required, advising on suitability having undertaken detailed pre-purchase due diligence, including valuation and risk analysis.

Property Standards and Management

4. All property purchased will adhere to decent homes standards or be refurbished to meet these standards. Properties will be inspected by the Council Environmental Health team to ensure compliance with the Housing Health and Safety Rating Systems (HHSRS) standards.
5. The cost of repairs, maintenance and refurbishment are detailed within the property investment appraisal at Appendix 3 within the main report. It is proposed that the repairs, maintenance and refurbishment elements of the portfolio be delivered from existing resources within the Council's Housing Needs team with support from the Estates Maintenance and Private Sector Housing teams. We will contract additional specialist services as required.
6. We will also commission a specialist property management service either from market providers or in partnership with neighbouring local authorities - already managing similar accommodation – to manage the rent collection and tenant liaison responsibilities.
7. Households placed in temporary accommodation owned by the Council will not be required to pay utility bills or Council Tax directly as the accommodation is temporary. The Council will meet these costs and recharge the tenant an affordable personal contribution towards the cost; these personal contributions will be standardised across all types of temporary accommodation provision, including private sector provision.
8. Properties will not contain white goods and temporary accommodation residents will be expected to provide their own existing white goods or they

will be supported to purchase new white goods. All white goods supplied by the temporary accommodation residents will be PAT tested by the Council and replaced as necessary where existing white goods are faulty.

Property Type, Tenure & Location

9. Freehold tenure is preferred to leasehold. Freehold provides greater levels of security than a leasehold asset that would effectively decrease in value over time. However, the Council will consider leasehold properties where leases are in excess of 100 hundred years and where former local-authority flats – managed by Registered Provider partners – are available for purchase, following a due diligence process.
10. Homeless applicants will be accommodated temporarily under the Council's Housing Act powers, which it is able to do when a household is homeless. This is the practice presently in self-contained temporary accommodation operated by private providers and by neighbouring local authorities already managing their own temporary accommodation.
11. The Council will consider opportunities to purchase property for use as temporary accommodation across the whole of the Rother district with a focus on urban areas which are close to amenities, schools and transport links. The Council will focus on purchasing former local authority housing as these tend to be in urban areas as well as having been built to minimum space and decent homes standards.

Property Price

12. Taking all of the above considerations into account, the following specific criteria are proposed:
 - Up to £3m is set aside to purchase 1, 2 and 3 bedroom houses (preferred) and flats (considered).
 - Freehold preferred and leasehold considered where Registered Provider is the Freeholder.
 - Geographically located within the Rother District.
 - Meets decent homes standards or can be affordably refurbished to meet these standards.
13. Funding for the acquisition of assets should be reviewed on a case-by-case basis.
14. An initial budget of £3m will be set aside to invest, with further tranches subject to approval in due course.
15. The Council will review this strategy as the portfolio develops and as the Council's business needs evolve.
16. It is possible that we will experience a reduction in the level of homelessness we experience over time. The exit strategy from the investment will be to first review whether any property owned by the Council can be put to a difference use, for example accommodating households permanently as part of potential future strategic aims; ultimately any asset under Council ownership can be sold and the capital receipt reinvested into Council budgets.