

Rother District Council

Report to	-	Council
Date	-	24 February 2020
Report of the	-	Cabinet
Subject	-	References from Cabinet Meetings

The Council is asked to consider recommendations arising from the Cabinet meetings held on 13 January and 10 February 2020, as set out below.

CABINET – 13 January 2020

CB19/81. THE PROGRESSION OF THE ROTHER DISTRICT PUBLIC REALM STRATEGIC FRAMEWORK

Cabinet received and considered Minute OSC19/38 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 25 November 2019 regarding the progression of the Rother District Public Realm Strategic Framework (PRSF). The OSC had requested a number of minor amendments that had been incorporated into the draft in respect of Strategic Objective 3, promoting the natural environment and climate change references.

Further to the OSC's suggestion to discuss the strategic framework at the forthcoming Parish Conference it was noted that the Agenda for this was already quite full and there was no guarantee that this could be included. The PRSF would be promoted to the Parish and Town Councils across the district in any event, once adopted.

The introduction of a PRSF would help drive a cultural step change to embed the goal of achieving a quality public realm in Rother, support planning policies in the Rother District Core Strategy, and the Corporate Plan Vision, including the delivery of a number of the Broad Outcomes of the Corporate Plan. It would encourage a more co-ordinated and consistent approach to public realm design, quality and appearance throughout the district and promote local distinctiveness, helping to deliver community and civic pride in the environment, and economic prosperity and regeneration initiatives.

Whilst Cabinet was supportive of the PRSF in principle, it was considered that quite often it was the small things that contributed to a communities' well-being and sense of pride for their town / village and these should not be lost in the bigger picture.

Subject to the current review of the Corporate Plan it was likely that the delivery of the PRSF would be a priority project in the new Corporate Plan. It was requested and agreed that Strategic Objective 1 also be amended to incorporate the unique 15th century historical landscape which was a major heritage asset. Cabinet paid tribute to the work that had gone into the production of the PRSF and was pleased to recommend its adoption to Council, as amended.

RECOMMENDED: That the Rother District Realm Strategic Framework be approved and adopted, as amended.

(Link to Framework:

<https://rother.moderngov.co.uk/documents/s1889/Appendix%201%20-%20Public%20Realm%20Strategic%20Framework.pdf>

(Cabinet Agenda Item 8)

CB19/82. **SOUTH EAST CHARTER FOR ELECTED MEMBER DEVELOPMENT**

Cabinet received and considered Minute 7 arising from the Member Development Task Groups' (MDTG) last meeting that had considered the Council's recommitment to the South East Employers (SEE) Charter for Elected Member Development. The Council's current SEE Charter for Elected Member Development status would expire in March 2021 and the Council needed to recommit in January 2020 to ensure adequate time for renewal.

Cabinet acknowledged the high level training and development offer at the Council and noted that the introduction of the Charter back in 2007 had been instrumental to the current success. However, as a culture of continuous learning and development for Members was now well embedded, the renewal fee (confirmed as £2,000) could be put to better use and used to fund training and development. It was therefore agreed by Cabinet to recommend to Council that the Council should not re-apply for Charter Status.

Members were reassured that retention of the Charter was not the key driver for the current standard and level of training and support provided to Members; moving forward it would be for Members to ensure that the Council maintained the offer at the current levels.

RECOMMENDED: That the Council does not recommit to renewing the South East Charter for Elected Member development when it expires in March 2021.

(Cabinet Agenda Item 11)

Cabinet – 10 February 2020

CB19/90. **HOUSING ALLOCATIONS POLICY**

Cabinet received and considered Minute OSC19/49 arising from the meeting of the Overview and Scrutiny Committee (OSC) held on 27 January 2020 that had considered the revised Housing Allocations Policy that had been subject to consultation.

The purpose of the policy review and consultation was to ensure that the draft Housing Allocations Policy continued to effectively support the Council to promote socially, economically and demographically balanced communities. A revised Allocations Policy also allowed the

Council to ensure it was compliant with new legislation and guidance that had been introduced since the inception of the existing policy.

The benefits to the new policy included more sensitive and responsive criteria and it incentivised clients to work with the Council to secure accommodation in the private rented sector as well as pursue social housing options. It was noted that residents who had a council or housing debt of £1,000 and who were not making any attempt to repay the debt were disqualified from making an application. Members were reassured that residents in this position were given guidance and support and signposted to relevant support agencies.

RECOMMENDED: That the new Housing Allocations Policy be approved and adopted, as submitted.

(Attached as Appendix 1 to this report)

(Cabinet Agenda Item 9)

CB19/91. **DRAFT REVENUE BUDGET PROPOSALS 2020/21**

Members gave consideration to the Executive Directors' comprehensive report and appendices on the draft Revenue Budget proposals for 2020/21. The budget proposals had been scrutinised by the Overview and Scrutiny Committee (OSC) on 27 January 2020 and a copy of the Minutes arising from the OSC meeting had been appended to the report for Cabinet's consideration. It was noted that the budget had been prepared ahead of the finalisation of the Council's new Corporate Plan and it was likely that the Council's finances, staffing and physical resources may need to be redirected into new priorities and services over the coming months. Appendix A to the report summarised the draft Revenue Budget; Appendix B to the report showed the detailed budgets over the various services the Council provided and Appendix C to the report detailed the proposed Special Expenses for 2020/21.

Since publication of the report and following the outcome of a detailed review of the likely outturn of the 2019/20 non-domestic rates (NNDR) there was expected to be a surplus of approximately £1.8m with Rother's share equating to some £758,000. This additional income would be a one-off change in 2020/21. This figure reduced the amount of reserves required to support the Revenue Budget and a revised Budget Summary (Appendix A to the report) and projected Reserves and Balances (Appendix D to the report) had been circulated to all Members prior to the meeting.

Members were reminded that the Council no longer received any Revenue Support Grant from the Government and would be wholly reliant on revenue from business rates, council tax, charges for services and income generation. Other Government grants included £247,100 New Homes Bonus and approximately £125,000 relating to the impact of the Homelessness Act which whilst not ring-fenced, would be targeted towards homelessness.

The Council Tax and Referendum Limit that applied to the Council for 2020/21 allowed an increase of up to 2% or £5 whichever was the greater. To ensure the Council remained within this limit (after taking account of the increase in Special Expenses), the budget assumed an increase of £4.65 (2.6%) to £184.10 at Council Tax Band D for 2020/21. This brought an additional income of £177,000 based on the 2020/21 taxbase. Changes brought about through the Housing, Homelessness and Rough Sleeping Strategy, in accordance with legislation to increase the Council Tax premiums for empty homes from 2020/21 may also increase revenue.

The Council's Capital Programme totalled some £62.7m with £11.8m currently without secured funding. A significant part of the programme related to the Council's approved Property Investment Strategy, a review of which was underway and would be presented to a future Cabinet meeting. It was noted that the Council was not able to borrow to invest in property funds; this could only be financed by cash. Whilst the investments in property funds yielded a higher return, the funds may need to be drawn back to reserves to balance the budget but would be kept in the property funds for as long as possible to maximise the return.

The net Revenue Budget before Government grants and other funding was expected to be £15.602m. This included revenue support for the Capital Programme of £1.359m funded from reserves. The underlying revenue spend was therefore £14.243m. In preparing the draft Revenue Budget a number of financial issues were still uncertain, as follows:

- Income generation – the draft budget included the need to deliver an additional £558,000 of income over that already achieved.
- Managing homelessness – homelessness continued to be a considerable social and financial challenge for the Council.
- Waste Collection and Street Cleaning contract – the new waste collection and street cleaning contract saw an increase in contract cost of £1.5m in a full year.
- Delivering efficiencies identified through lean and demand project – realisation of the savings identified through this work had produced both cash and time savings and further work was continuing.
- Voluntary Redundancies – a total of 18 posts had been identified and accepted; it was likely that this number would reduce as the process progressed. The likely total cost of the redundancies was between £400-£500k and would be funded from reserves.

The draft Revenue Budget for 2020/21 utilised a total of £3m of earmarked reserves (net of contributions to reserves) to meet specific costs including supporting the Capital Programme. Some £1.6m of this was estimated to be used to balance the overall Revenue Budget. Details of the use and contributions to reserves were set out in Appendix D, as amended, to the report.

The Council's budget and council tax consultation with residents and businesses closed on the 31 January 2020; the results of the

consultation showed a small majority of support for raising Council Tax by £5 based on a Band D property.

The five year financial forecast included a number of assumptions, the main one being the future delivery of recurring savings of £1.3m in 2020/21 rising to around £3m per annum from 2022/23. For the purposes of the forecast, the taxbase had also been projected to increase over the period by 2% per annum. In addition, the forecast assumed an annual 2% increase in Council Tax each year from 2021/22. The devolvement of services and the potential establishment of a Bexhill Town Council and subsequent reduction of Special Expenses for Rother District Council were merely assumptions as no decisions had yet been taken.

Assuming the Council was able to deliver the identified savings, the forecast showed that over the five years, nearly £9m of reserves would be used including £2.5m to support the Capital Programme. If further savings or income could be achieved over the period then this would reduce the call on reserves. It was proposed that the Council's Medium Term Financial Strategy be updated to reflect the latest financial forecast.

The draft Revenue Budget had been balanced for 2020/21. To achieve this, the Council had set itself ambitious but achievable savings and additional income targets. Without action, the financial forecast showed Reserves would be under considerable pressure and may fall below acceptable levels over the next five years. This also increases the Council's vulnerability to being able to cope with unexpected costs that arise.

RECOMMENDED: That:

- 1) the level of special expenses as set out in Appendix C to the report, be approved;
- 2) a net expenditure level for 2020/21 of £15,602,000 be approved;
- 3) the amount of earmarked reserves set out at Appendix D, as amended, be approved; and
- 4) a Council Tax for 2020/21 at Band D be increased by £4.65 (2.6%) and set at £184.10.

(Cabinet Agenda Item 10)

CB19/92. **CAPITAL PROGRAMME 2020/21 TO 2024/25 CAPITAL STRATEGY**

In accordance with the CIPFA 2017 codes for Prudential and Treasury Management, the Council was now required to have a Capital Strategy. The draft Capital Strategy was attached at Appendix A to the report and gave a high-level overview of how capital expenditure, capital financing and treasury management activities contributed to the provision of local public services, along with an overview of how

associated risk was managed and the implications for future financial sustainability.

The Council's Capital Programme at Appendix B to the report totalled some £62.7m, although £11.8m was currently unfunded and showed the investment in approved schemes over the next five years. A significant part of this related to the Council's approved Property Investment Strategy (PIS). To date £28.2m had been expended or committed on seven properties / sites with income in excess of £900,000 per annum secured, with a further £800,000 expected once other developments were delivered.

The draft Capital Programme also sought to minimise the use of Revenue (including Revenue Reserves) to fund capital expenditure. For 2020/21 some £1.359m was planned to be used, reducing to £291,000 thereafter.

The Programme was broadly the same as that reported in November 2019, save for the re-phasing of expenditure in line with the latest information. The Programme also now reflected the cost of the replacement water feature on Bexhill Seafront (£350,000) and the acquisition of Market Square in Battle at a cost of £3.256m including fees. It was noted that this was the interim position subject to the emergence of the new Corporate Plan and would need to be reviewed in the summer.

RECOMMENDED: That:

- 1) the Capital Strategy at Appendix A to the report be approved and adopted; and
- 2) the revised Capital Programme at Appendix B to the report be approved.

(Attached as Appendix 2 to this report)

(Cabinet Agenda Item 11)

CB19/93. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY**

The Treasury Management Statement set out the Council's treasury issues and looked to ensure that the Council met its spending obligations. The Council was required to receive and approve a minimum of three main reports each year to include:

- 1) Prudential and Treasury Indicators and the Treasury Strategy;
- 2) a Mid-Year Treasury Management Report; and
- 3) an Annual Treasury Report.

These reports incorporated a number of policies, estimates and actuals which were scrutinised by the Audit and Standards Committee prior to making recommendations to Council.

The Treasury Management Strategy detailed the Council's capital issues and reviewed the position regarding investments, borrowing strategy, economic outlook and policies on the creditworthiness of counterparties.

The Annual Investment Strategy detailed the Council's investment priorities, promoting security, liquidity and investment return. In order to minimise risks, the Council stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list.

The 2020/21 draft Revenue Budget presumed an income of £400,000 from treasury activities which assumed a return of 1.2% from deposit type investments and 3.8% return from property fund investments. The forecast for the next five years saw returns fall, based on the forecast use of cash reserves to support the Revenue Budget. The expectation was that 2020/21 would remain a very difficult investment environment, however the strategies proposed in the report, together with the interest rates forecast, were in line with the assumptions made when preparing the 2020/21 Revenue Budget. It was noted that this was the interim position subject to the emergence of the new Corporate Plan and these would need to be reviewed in the summer.

RECOMMENDED: That the:

- 1) Treasury Management Strategy as set out at Appendix A to the report be approved and adopted;
- 2) Annual Investment Strategy as set out at Appendix B to the report be approved and adopted;
- 3) Minimum Revenue Provision Policy Statement 2020/21 be approved;
- 4) Prudential and Treasury Indicators as set out in Appendix A to the report be approved; and
- 5) authorised limits in the report be approved.

(Attached as Appendix 3 to this report)

(Cabinet Agenda Item 12)

CB19/94. CAMBER WESTERN CAR PARK MANAGEMENT

Consideration was given to the report of the Executive Director that provided the background and history to the management and operational issues at Camber Western Car Park. The car park was located on the outskirts of Camber village and during the summer months provided up to 1,500 parking spaces.

As a result of a traffic management report commissioned in 2017 SmartParking was appointed to manage the car park using an automatic number plate recognition (ANPR) system on a trial basis. The trial had demonstrated that the system was not suitable in the

long-term as the system only led to the car park becoming full more quickly and did not reduce congestion.

Currently there was no operating process in place for the management and enforcement of Camber Western Car Park for the summer season 2020/21. The report outlined two proposals for the future management of the car park: Proposal 1 was to bring back in house the management of the car park using pay and display; or Proposal 2 to bring back in-house the management of the car park using automatic entry and exit barriers. The pros and cons for each proposal were detailed in the report together with a SWOT analysis at Appendix A to the report.

The total capital costs associated with Proposal 1 amounted to an approximate cost of £55,000 for the provision and installation of 10 solar powered payment machines and in addition there would be annual revenue costs of £35,000 in respect of staffing and maintenance.

The total capital costs associated with Proposal 2 amounted to £64,000 for the provision and installation of four ticket machines and barriers and the provision of electricity and in addition there would be annual revenue costs of £41,900 in respect of call handling system, staffing, maintenance and back office costs.

Whilst both proposals met the objectives for managing Camber Western Car Park effectively Proposal 1 was the preferred option as it required less capital investment and would cost less to operate annually as it could be delivered from within existing staffing budgets. There was also less risk of mechanical failure with a barrier free system and the flow of traffic would be smoother without a barrier to navigate. The Council would also be able to maximise income by having an enforcement presence on the ground while also being able to advise and assist the public as required.

Cabinet supported the implementation of Proposal 1 as this offered the best cost solution to maintain the objectives and deliver effective enforcement and management of the car park. Members requested that a profit and loss account of the car parking operation at Camber, taking into account the revenue and running costs, including beach cleaning, be provided to Members in due course.

RECOMMENDED: That the proposal to operate Camber Western Car Park, using in-house Rother District Council officers through the use of pay and display machines as described within Proposal 1 within the report, be adopted.

(Cabinet Agenda Item 15)

Councillor D.B. Oliver
Leader of the Council