

## **Rother District Council**

Report to	-	Council
Date	-	21 December 2020
Report of the	-	Cabinet
Subject	-	References from Cabinet Meetings

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The Council is asked to consider recommendations arising from the Cabinet meetings held on 2 November and 14 December 2020 (if any), as set out below.

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### **CABINET – 4 November 2020**

#### **CB20/63. MEDIUM TERM FINANCIAL PLAN – 2021/22 TO 2025/26**

Cabinet received and considered the report of the Assistant Director Resources on the Council's Medium Term Financial Plan (MTFP) 2021/22 to 2025/26. The MTFP set the financial framework for the next five years and would be modified as the financial situation of the Council changed during that period. The following salient points were noted:

- **Budget Process:** The Council followed a three phased budget process. The third phase would commence in January 2021, once the Government settlement had been announced. Any proposed savings would need to be agreed and the Capital Strategy and Revised Capital Programme would be prepared and incorporated into the MTFP.
- **Government Funding:** Since 2010, the Council had seen a substantial fall in income. The Revenue Support Grant ceased in 2019/20. In 2020/21 net business rates income was £3.5m; a reduction of £3.1m. The East Sussex Business Rates Pool enabled the Council to retain a greater share of any business rates growth, as currently only 50% was retained. Members were advised that, in 2021/22, the Government was scheduled to reset how business rates were shared between councils. This could result in a reduction of income in excess of £1m per annum for the Council.
- **News Homes Bonus Grant (NHBG):** The five-year forecast assumed that the NHBG would be reduced so there would be no reliance on this funding.
- **Council Tax:** If Council Tax was increased by 2% (maximum below the referendum rate) then an additional £140,000 of income would be achieved. With the ending of the furlough scheme, it was expected that the number of council tax relief (CTR) claimants would rise. Therefore, it was assumed that the taxbase would fall by 750 Band D equivalent properties in 2021/22 but would improve over the subsequent years to pre-pandemic levels by 2024/25. The additional amount of council tax income raised by 2% would reduce to £70,000. The Anti-Poverty Task and Finish Group had been tasked with considering options regarding the future of the Council's CTR Scheme. Changes to the scheme would not take effect until

April 2022, therefore it was proposed that the current scheme be affirmed for 2021/22. The Assistant Director Resources advised that Council Tax and Business Rates reminder letters were being rolled-out to businesses and residents over the next few weeks to those who had not made any contact with the Council. Councillors were urged to encourage businesses / residents who were financially struggling to contact the Council for assistance.

- **Cost Pressures:** It was predicted that the base Revenue Budget would increase by £648,000 for homelessness demands, £190,000 staffing costs based on the current workforce, £51,000 on major service contracts, the impact of COVID-19 across all services including £730,000 on leisure / sport services (De La Warr Pavilion and Freedom Leisure), as well as projects identified within the new Corporate Plan.
- **Cost Saving and Income Generation:** There were five main workstreams designed to deliver the income and savings required to minimise the amount of reserves used to balance the budget over the next five years, namely Business Transformation Programme; Devolvement and Service Prioritisation, Income Generation (Property Investment Strategy and off-street car park income), reduced staffing structure, and shared services.
- **Reserves and General Fund Balance:** The latest financial monitoring suggested an overspend of £1.9m at outturn, reducing Reserves to £12.7m after funding capital expenditure. The current MTFP estimated that £11.5m of reserves would be needed to support the Revenue Budget over the next five years (including £2.3m to support the Capital Programme). By the end of 2025/26 revenue reserves and balances would be approximately £3.5m depending on the final outturn for 2021/22. If business rates growth was reset to the 2020/21 baseline reserves would be completely depleted by 2024/5.
- **Capital Programme:** Totalled £186m and included £80m for housing development through the Council's new housing company. Investment would increase the Council's exposure to borrowing which would need to be reflected in the Treasury Management Strategy. Through the East Sussex Rough Sleeping Initiative, the Council had received positive feedback that £430,000 of government funding (60% match-funded) would be granted to provide accommodation in Rother during 2020/21. The Council would be required to fund the outstanding 40% capital contribution which equated to £285,000 and could do this from within the £3m already allocated to the Temporary Accommodation project.
- **Treasury Management:** The level of borrowing was expected to peak at £93m excluding housing development.
- **Budget Consultation:** Would be held between 1 December 2020 and 31 January 2021. An interim report on the consultation would be reported to the Overview and Scrutiny Committee on 25 January 2021.

Cabinet was supportive of the Council maintaining the current CTR Scheme for 2021/22. Members agreed to maximise the annual increase in Council Tax within the Government's referendum limit, additional NHBG funding be used to reduce the amount of drawdown from reserves, the Council remained part of the East Sussex Business

Rate Pool, and delegated authority be granted to the Assistant Director Resources, in consultation with the Cabinet Portfolio Holder for Finance and Performance Management to finalise the consultation wording.

The MTFP highlighted the challenges the Council continued to face due to the reduction in central Government support, the impact of COVID-19 and both lockdown periods. Motivation and reorganisation of resources were required to ensure the Council was focused on delivering the MTFP.

**RECOMMENDED:** That the:

- 1) current Council Tax Reduction Scheme be affirmed and continue for the 2021/22 financial year; and
- 2) Treasury Management Strategy be updated with regard to borrowing as outlined in the report.

AND

Cabinet also **RESOLVED:** That:

- 1) the financial forecast and proposed way forward be noted.
- 2) Council maintain its policy of maximising the annual increase in Council Tax within the Government's referendum limit;
- 3) any additional funding from New Homes Bonus Grant be used to reduce the amount of reserves being applied to support the Revenue Budget;
- 4) the Assistant Director Resources be authorised to finalise the wording of the consultation literature in conjunction with the Cabinet Portfolio holder for Finance and Performance Management; and
- 5) the Council continues to be part of the East Sussex Business Rate pool in 2021/22 and that the Assistant Director Resources be granted delegated authority to finalise the necessary agreement with the Member authorities in consultation with the Cabinet Portfolio Holder for Finance and Performance Management.

(Cabinet Agenda Item 6)

#### CB20/64. **ECONOMIC RECOVERY ACTION PLAN**

In June 2020, the Economic Recovery Steering Group was established to consider the impact of COVID-19 on the local economy and agree and recommend a recovery strategy and action plan for Cabinet and full Council approval.

On behalf of Team East Sussex (TES), East Sussex County Council (ESCC) commissioned consultants to develop an East Sussex Recovery Plan; all local authorities were consulted. It was noted that

the TES plan had guided the development of the Council's own Economic Recovery Plan (ERAP) appended to the report at Appendix 1. The ERAP would become the principal work plan for the Regeneration team as the Council continued to respond to the impact of COVID-19.

The ERAP set out six broad ambitions, namely thinking local, acting local; building skills, creating jobs; fast-forwarding business; better places, fuller lives; cleaner energy, greener transport; and the future is digital.

It was noted that £26,305,750 grant funding had been administered by the Council to 2,312 local businesses. Deferring rentals had also been agreed to assist commercial tenants with cashflow during the lockdown period.

In order to assist the tourism and hospitality sectors, a weekly COVID Culture forum was established between the local authorities and ESCC to understand the impact suffered during lockdown measures. Partnership working also assisted organisations with applying for grant funding, where appropriate.

Cabinet was fully supportive of the ERAP and agreed that the Overview and Scrutiny Committee be kept abreast of progress every six months.

**RECOMMENDED:** That the Rother Economic Recovery Action Plan be approved and adopted.

AND Cabinet also **RESOLVED:** That officers report to the Overview and Scrutiny Committee every six months on progress against the actions set out in the Plan.

(Councillor Field declared a Personal Interest 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 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).

(Cabinet Agenda Item 10)

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## Cabinet – 14 December 2020

### CB20/77. **PROCUREMENT STRATEGY**

Cabinet received and considered Minute AS19/56 arising from the meeting of the Audit and Standards Committee held on 18 May 2020 that had considered the Rother Procurement Strategy (PS).

The PS had been developed by the East Sussex Procurement Hub (ESPH) which consisted of a 3-way partnership between Hastings Borough Council, Rother District Council and Wealden District Council who were the hosts. Earlier in the year, Members views had been sought on the PS to ensure that it met legal requirements and policy objectives. The PS would be annually updated, and Members would be kept abreast of any significant changes. A copy of the PS was detailed at Appendix A to the report.

The Key Performance Indicators identified at Appendix 3 would be used to measure the ESPH progress during 2020/21. It was clarified that the 1.5% qualifying budget saving was a local standard that had been set by ESPH and would be kept under review. Members were pleased to note that the PS would comply fully with the Modern Slavery Charter 2015 and contribute towards the Council meeting its commitment to being carbon neutral by 2030.

**RECOMMENDED:** That the Procurement Strategy at Appendix A to the report, be approved and adopted.

(Cabinet Agenda Item 7)

CB20/78. **COMMUNITY GOVERNANCE ORDER – THE PARISH COUNCIL OF BEXHILL-ON-SEA**

Following the Community Governance Review (CGR) of Bexhill-on-Sea and the subsequent recommendations approved by full Council in September to establish a Parish (Town) Council for Bexhill-on-Sea, the Council was required to approve a Community Governance Order (CGO), as attached at Appendix A to the report. The report detailed the process to ensure that the new Parish (Town) Council was established with effect from 1 April 2021. The Community Governance Review Steering Group (CGRSG) had considered all relevant matters at their meeting held on 24 November 2020 and their views had been acknowledged in the recommendations proposed.

To ensure the establishment of the Parish (Town) Council for Bexhill-on-Sea was successful, the Council had appointed Surrey Hills Solicitors to provide legal expertise and the Surrey and Sussex Association of Local Councils (SSALC) to provide practical support.

To enable the final recommendations to be enacted, full Council was required to approve a CGO in exercise of the powers conferred by sections 86, 98(3), 98(4), 98(6) and 240(10) of the 2007 Act. It was noted that it would not be possible to finalise all matters prior to seeking full Council approval of the CGO and therefore delegated authority would be required for the Chief Executive (CE) and the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council) to confirm the CGO and make minor and consequential amendments and to enter into any consequential, ancillary or supplemental agreements to effect the creation of the Parish (Town) Council and the transfer of assets rights and liabilities.

During the review it had been agreed that as initially no services were being transferred, the budget costs would be the minimum required for the Parish (Town) Council to operate in its first year and the work required to identify these costs had not yet been completed. As the CGRSG was scheduled to reconvene in January 2021 to consider budgetary requirements and any stakeholder representations it was necessary to formally expand their terms of reference. Recommendations from the meeting would be made to the CE and Cabinet Portfolio Holder for inclusion in the CGO subject to proposed delegation being approved.

SSALC had recommended that the Council appointed an interim administrator who had previous experience and the necessary skill set to successfully create a new Parish (Town) Council. SSALC had recommended an appointee and preliminary discussions were held with a view to an appointment commencing on 1 January 2021 for a seven month period (expiring 31 July 2021) for an average of 15 hours per week (with flexibility).

Working with the CGRSG, as appropriate, the interim administrator would establish the initial governance structure, arrange the appointment of the permanent Parish (Town) Clerk, set up other policies and procedures, organise briefings for prospective councillors, identify and secure accommodation, draft the cycle of meetings, arrange asset transfer and any other governance issues. The interim administrator would also oversee the inauguration of the new Parish (Town) Council, election of Chairman/Mayor, establishment of committees and hand-over to the permanent Parish (Town) Clerk, once appointed by the new Parish (Town) Council.

Clarity was sought on the responsibility of costs. The Chief Executive stated that legal advice received had advised that set-up costs of the establishment of the Parish (Town) Council before 1 April 2021 would be the responsibility of Rother District Council. Subsequent costs would be the responsibility of the Parish (Town) Council and set in their precept including the cost of the election.

Cabinet was supportive of the recommendations proposed and agreed the appointment of the new interim administrator and that the CGRSG's revised Terms of Reference, as detailed at Appendix B to the report, be approved.

**RECOMMENDED:** That the Chief Executive, in consultation with the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council) be granted delegated authority to finalise and agree the Community Governance Order (CGO) and make minor and consequential amendments to the CGO and to enter into an consequential, ancillary or supplemental agreements to effect the creation of the Parish (Town) Council and the transfer of assets rights and liabilities.

AND Cabinet also **RESOLVED:** That:

- 1) an interim Parish (Town) Council administrator be appointed for up to seven months with effect from 1 January 2021 (expiring 31 July 2021), with terms and conditions to the satisfaction of the Chief Executive and the Cabinet Portfolio Holder for Economic Development and Regeneration (Transition Bexhill Town Council); and
- 2) the expanded Terms of Reference of the Community Governance Review Steering Group be approved, as attached at Appendix B.

(Cabinet Agenda Item 11)

Councillor D.B. Oliver  
Leader of the Council