

## **Rother District Council**

Report to	-	Council
Date	-	21 February 2022
Report of the	-	Cabinet
Subject	-	References from Cabinet Meetings

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The Council is asked to consider the recommendations arising from the Cabinet meeting held on 7 February 2022 as set out below.

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### **CABINET – 7 February 2022**

#### **CB21/75. DRAFT REVENUE BUDGET 2022/23**

Consideration was given to the report of the Chief Finance Officer on the draft Revenue Budget for 2022/23. The budget had been scrutinised by the Overview and Scrutiny Committee (OSC) on 24 January 2022 and a copy of the Minutes arising from the OSC meeting had been appended to the report for Cabinet's consideration. Also appended to the report were details of the summary draft Revenue Budget, the summary information for each service area, special expenses for 2022/23 and the Council's revenue earmarked reserves.

The following key issues were highlighted:

- the Council Tax referendum principle for Rother would allow an increase in Council Tax of 2% or £5 whichever was the greater. For 2022/23, to ensure the Council remained within the referendum limit, it was assumed that an increase of £4.67 (2.47%) to £193.38 would be agreed for a Band D property;
- the following minor changes had been made namely increases of £6,000 to the Expenditure Budget and £193,000 following a review of the Collection Fund surplus, as well as the transfer of Bexhill Town Forum budget to Christmas Lighting in Special Expenses (no overall change);
- the 2022/23 Revenue Budget net expenditure was £16.736m; and
- the call on Revenue Reserves in 2022/23 would reduce by £188,000 to £3.108m.

The budget consultation closed on 31 January 2022 and 275 (266 residents) responses had been received. A summary of the results had been disseminated to Members prior to the meeting. It was disappointing to note that environmental services such as public safety and licensing were not considered priority services; both of these services were essential to ensuring that the public were kept safe. Members felt that awareness of these services should be increased via the Council's communications platforms.

Cabinet noted the OSC's comments, particularly with regard to using pre-fabricated / modular buildings for temporary accommodation on

Council-owned sites. It was confirmed that where possible and, if appropriate, all modern methods of building (modular and timber framed) constructions would be considered.

It was clarified that the Council Tax Reduction Scheme would be effective from 1 April 2022.

The draft Revenue Budget had been balanced for 2022/23 by the planned use of £3.296m from Reserves. This was not sustainable, and it would be imperative that the Council delivered on key initiatives such as the Financial Stability Programme and Property Investment Strategy which were aimed at generating income and cost savings. Without action, the financial forecast showed Reserves would be under considerable pressure and may fall below acceptable levels over the next five years. This was attributed to several reasons but in particular the Council Tax freeze from 2011-2015 and significant increased costs of the joint Waste and Recycling contract. The Council would also be vulnerable to being able to cope with unexpected costs that arose. There were also risks regarding the impact of the Fair Funding Review and the income from business rates. Delivering a sustainable future remained a significant challenge for the Council.

**RECOMMENDED:** That consequent to the deliberations of the Overview and Scrutiny Committee that the:

- 1) level of Special Expenses as set out at Appendix C to the report be approved;
- 2) net expenditure of £16.763m for 2022/23 be approved;
- 3) amount of reserves set out in Appendix D to the report be approved; and
- 4) council Tax for 2022/23 at Band D be increased by £4.67 (2.47%) and set at £193.38.

(Cabinet Agenda Item 6)

## CB21/76. **CAPITAL STRATEGY 2022/23 TO 2026/27**

In accordance with the CIPFA 2017 codes for Prudential and Treasury Management, the Council was required to have a Capital Strategy (CS). It was noted that the codes were being updated and therefore it might be necessary to amend the CS.

The draft CS 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 CS was intended to be a longer-term view of investment and go beyond the detailed five-year Capital Programme (CP) and would need to be updated occasionally to reflect delivery of the CP's objectives.

The Council's CP at Appendix B to the report totalled £132m, although £80m was unsecured funding. A significant part of the CP related to the Council's approved Property Investment Strategy (PIS) and loan funding to the Council's company Alliance Homes (Rother) Ltd. To date, approximately £20.6m had been expended or committed on 11 PIS properties/sites. Income of approximately £1.1m was included within 2022/23 Revenue Budget for PIS assets that had been acquired.

The updated CP continued to minimise the use of Revenue Reserves to fund capital expenditure. For 2022/23, some £1.0m was planned to be used, but this reduced thereafter. Largely this would be replaced by low cost borrowing where appropriate which, whilst having a revenue impact, was spread over a longer time period. Appendix B to the report showed the investment in approved schemes over the next five years and, also where schemes were part or fully funded. Environmental aspects would be considered in all projects.

The draft CP showed that the Council aimed to make a significant commitment to invest in the district to improve it economically and socially, to ensure it remained an outstanding place to work and live in.

**RECOMMENDED:** That:

- 1) the Draft Capital Strategy 2022/23 to 2026/27 be approved and adopted; and
- 2) the updated Capital Programme 2021/22 to 2026/27 be approved.

(Cabinet Agenda Item 8)

**CB21/77. DEVELOPMENT AT BEECHING ROAD, BEXHILL**

Consideration was given to the confidential report of the Director – Place and Climate Change regarding proposals for comprehensive redevelopment at Beeching Road and Wainwright Road, Bexhill. The Director – Place and Climate Change outlined the history of the area and current position. The importance of maintaining the confidentiality of this matter was reiterated to Members.

After consideration of several proposed redevelopment options, Cabinet recommended that the sum £15m be added to the Capital Programme. It was agreed that delegated authority be granted to the Director – Place and Climate Change to enter all necessary contracts, leases and agreements to facilitate the redevelopment of land at Beeching Road and Wainwright Road, Bexhill, in consultation with the Property Investment Panel and the Cabinet Portfolio Holders for Strategy and Transformation and Finance and Performance Management.

**RECOMMENDED:** That the sum of £15m be added to the Capital Programme.

Cabinet also **RESOLVED:** That delegated authority be granted to the Director – Place and Climate Change to enter all necessary contracts, leases and agreements to facilitate the redevelopment of land at Beeching Road and Wainwright Road, Bexhill, in consultation with the Property Investment Panel and the Cabinet Portfolio Holders for Strategy and Transformation and Finance and Performance Management.

(This matter was considered exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended).

(Cabinet Agenda Item 12)

Councillor D.B. Oliver  
Leader of the Council