

Rother District Council

Report to:	Council
Date:	20 May 2024
Title:	References from Cabinet
Report of:	Cabinet
Purpose of Report:	To receive the recommendations from the Cabinet meetings held on 4 March, 8 April and 13 May 2024 as set out below.

CABINET – 4 MARCH 2024

CB23/73. **PURCHASE OF FORMER SIDLEY HIGHWAYS DEPOT SITE, ELVA WAY, BEXHILL AND FOOD WASTE COLLECTIONS ‘NEW BURDENS’ CAPITAL FUNDING**

Consideration was given to the report of the Head of Neighbourhood Services which sought approval to set aside capital funding to purchase the former Sidley Highways Depot at Elva Way to use as a waste depot and agree a lease with the waste contractor, and increase the Capital Programme to purchase suitable vehicles and containers to comply with Government legislation for the Council to deliver a weekly food waste collection service from 1 April 2026.

The Council formed part of the East Sussex Joint Waste Partnership (ESJWP) with Hastings Borough Council and Wealden District Council to deliver a waste collection service. The contract was outsourced to Biffa Municipal Limited until June 2026 and included an option to extend to 2033 with the ability to introduce food waste collections. However, the contract did not require Biffa to provide depot space.

Members were advised that the current depot facilities would not have the capacity to accommodate the additional vehicles for the collection of food waste and therefore it was critical that an additional suitable depot space was identified and acquired. Unfortunately, at present the Council did not own a suitable site. Alternative options were also considered, such as land purchase etc. as identified within the report. However, the site at Elva Way owned by East Sussex County Council (ESCC) became available and was considered suitable, subject to planning permission and operating licences, as it had previously been used as a highways depot.

The site was not leasable, and Biffa had confirmed that it was suitable for a waste depot, however further investment would be required to make it fit-for-purpose. It was considered that as the land had been used as a waste depot previously, obtaining necessary operators' licences would be relatively straightforward, and although not large enough to accommodate the whole Rother service, it would offer future potential to deliver an in-house waste collection service. The Council had been

given the opportunity to purchase the land at an agreed price, prior to it being advertised on the open market, and subject to the transaction being completed as soon as possible. A request for depot 'New Burdens' funding was sent to the Department for Environment, Food and Rural Affairs (DEFRA) on 8 February 2024 based on the purchase of the site, however funding was not guaranteed.

DEFRA funding has been made available, subject to ministerial approval for councils to purchase food waste vehicles and containers. For Rother, this would amount to £1.42m (£716,000 vehicles / £326,000 containers). Funding was expected to be received before 31 March 2024. However, it would not be sufficient to cover all costs and the ESJWP would shortly be submitting evidence to DEFRA to request additional funding.

After discussion, Cabinet felt that the former Sidley Highways Depot at Elva Way would be suitable to operate the waste collection services and provided long-term investment opportunity for the Council. Some residents were concerned at the potential for disturbance due to the proximity of their gardens that backed on to the site, however all necessary steps would be taken to mitigate against any disruption. Members were also reassured that localised employment opportunities would be realised.

It was therefore, recommended that the Capital Programme be increased to purchase and refurbish the site, as well as £1.42m, plus an additional £300,000 to implement the weekly food waste collections and cover the shortfall. Delegated authority was also granted, as requested, to adjust finances as required and to complete the purchase to ensure that the site was fully operational by 1 April 2026.

At the conclusion of the debate on this item, the Leader paid tribute to and gave thanks to Madeleine Gorman, Waste Partnership Manager who would be retiring in the near future. Madeleine had worked at Rother District Council for many years as a Head of Service before taking on the role of Partnership Manager for the Joint Waste, Recycling, Beach & Street Cleaning Partnership contract. Her expertise, detailed knowledge and partnership management would be greatly missed.

RECOMMENDED: That:

- 1) the Capital Programme be increased by £1.75m for the purchase and refurbishment of the former Sidley Highways Depot, Elva Way; and
- 2) the funding from the Department of Environment Food and Rural Affairs for the implementation of weekly food waste collections of £1.42m be added to the Capital Programme plus a further amount of £300,000 be approved to cover the funding shortfall.

Cabinet also **RESOLVED:** That delegated authority be granted to the Director - Place and Climate Change, in consultation with the Cabinet Portfolio Holder for Neighbourhood Services, Tourism and Joint Waste Contract:

- 1) to complete the purchase of former Sidley Highways Depot, Elva Way and complete all necessary procurement and refurbishment to make the site operational as a waste depot from 1 April 2026;
- 2) to take the necessary steps to agree a lease of the former Sidley Highways Depot to the Waste, Recycling, Street & Beach Cleansing Contractor Biffa; and
- 3) delegated authority be granted to the Deputy Chief Executive, in consultation with Cabinet Portfolio Holder for Finance and Governance, to adjust the financing should further central Government funding for the depot site and food waste collections be made available.

(Councillors Field, Mrs Kirby-Green and Maynard each declared an Other Registrable Interest in this matter in so far as they were Members of East Sussex County Council (ESCC) and as the matter directly related to the finances of the ESCC, in accordance with the Members' Code of Conduct left the meeting during the consideration thereof.)

(Cabinet Agenda Item 8)

CB23/74.

CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGY 2024/25

The CIPFA 2021 Prudential and Treasury Management Codes required local authorities to prepare a Capital Strategy (CS) report, which was contained at Appendix A to the report. The Strategy aimed to give Members an overview of the Council's approach to capital. The objectives of the Code were to ensure, within this clear framework, that the capital investment plans of local authorities were affordable, prudent and sustainable. Detailed at Appendices B-G to the report were the Treasury Management Strategy, Credit and Counterparty Risk, Scheme of Delegation and Role of Section 151 Officer, as well as the Annual Investment Strategy.

The Council was required to receive and approve at least 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 were scrutinised by the Audit and Standards Committee (ASC) prior to making recommendations to full Council.

In addition to the three main reports, from 2023/24 quarterly reporting (end of June/end of December) was also required. However, these additional reports did not have to be reported to full Council but did require to be adequately scrutinised. This role was also undertaken by the ASC.

The expectation was that 2024/25 would see a return to some sort of stability in the investment environment following the turbulences resulting from the post-pandemic economic climate and spiralling levels

of inflation. The strategies proposed in the report, together with the interest rates forecast, were in line with the assumptions made when preparing the 2024/25 Revenue and Capital Budgets. The costs of treasury operations were contained within the 2024/25 Revenue Budget.

RECOMMENDED: That:

- 1) the Capital Strategy as set out at Appendix A to the report be approved and adopted;
- 2) the Treasury Management Strategy as set out at Appendix B to the report be approved and adopted;
- 3) the Annual Investment Strategy as set out at Appendix C to the report be approved and adopted;
- 4) the Minimum Revenue Provision Policy Statement 2024/25 be approved as submitted;
- 5) the Prudential and Treasury Indicators as set out within the report be approved;
- 6) the authorised limits in the report be approved; and
- 7) delegated authority be granted to the Deputy Chief Executive (Section 151 Officer), in consultation with the Cabinet Portfolio Holder for Finance and Governance to further develop guidance in relation to non-treasury investments in line with best practice.

(Cabinet Agenda Item 10)

CABINET – 8 APRIL 2024

CB23/87. **TEMPORARY ACCOMMODATION INVESTMENT STRATEGY AND TEMPORARY ACCOMMODATION PURCHASES**

Cabinet considered the report of the Head of Housing and Regeneration which sought approval for additional funding to purchase Temporary Accommodation (TA) properties for homeless households and to amend the Council's Temporary Accommodation Investment Strategy (TAIS). Since its inception in 2019, the TAIS had been successful and achieved all aims and objectives set. The Housing Team now possessed the knowledge, experience, and skills to effectively purchase, refurbish, and manage the Council's own TA. Service improvements would be ongoing.

To date, the Council had spent c£5.4m and was forecast to spend a further c£6m in 2023/24 which left an unallocated balance of approximately £1.1m in 2024/25. To date, 30 general needs TA units and 12 Housing First units had been purchased, with a further seven units due to be completed shortly.

The actual costs avoided by the Council annually, based on 30 general needs TA units, was £390,000. The increased cost avoidance was

supported by the Council becoming a Registered Provider (RP), which enabled eligibility for additional funding. In total, the Council had secured approximately £3.5m additional funding. Homes England grant schemes could provide up to 30% match-funding against future Council investment.

As of February 2024, 172 households in TA were funded from the Council's Revenue Budget. At present, a further investment of £9m meant that 50 units could be purchased and avoid further costs of £564,000 annually (a return investment of 6.3%). It was noted that properties purchased with grant funding must be used for TA for 30 years. The Council could dispose of these properties later; however, a proportion of the funding must be paid back.

The average net cost to the Council of TA through private providers, per size of household, was illustrated in Appendix A to the report. The average length and cost of stay in TA was 70 (£3,266) and 80 (£5,005) days for single people and families, respectively. Based on a 2-bed house Council-owned property, an annual cost would be £6,813 compared to £16,860 private rented property.

The report outlined the investment over the next 5-6 years, which identified the costs that could be avoided by using Council-owned properties. At present, the forecast indicated an impact of £68,000 2024/25, £204,000 2025/26 and £341,000 2026/27 onwards. Reserves would need to be used to fund the TA costs. Costs monitoring would be ongoing.

Members were advised that the financial assessment should be read in conjunction with the TAIS at Appendix B to the report, which outlined the approximate number and types of property the Council would target for use as TA alongside how these properties would be purchased, managed, repaired and maintained. It was noted that despite the national picture, empty homes were not such an issue in the Rother district and the Council's Empty Homes Steering Group was proactive in identifying and working with these properties / owners; it was second home ownership and the prevalence of internet-based holiday lettings which were more of a concern.

Cabinet was supportive of the proposals in the report, which would reduce the drain on the Council's resources, ensure decent homes standards were maintained for TA and improve the Council's asset base. Cabinet paid tribute to the work of the Housing Team, particularly now that the expertise and experience to manage properties was in-house.

RECOMMENDED: That:

- 1) the amended Temporary Accommodation Investment Strategy be approved;
- 2) the current 'Housing - Temporary Accommodation Purchase' capital budget of £12.476m be increased by a further £12m to enable the acquisition of additional temporary accommodation, to be funded by

£9m of borrowing and £3m anticipated grant provision from Homes England;

- 3) the additional revenue impact for 2024/25 of £68,000 be approved, to be funded from reserves if service savings are not forthcoming and that the future estimated revenue impacts be noted;
- 4) delegated authority be granted to the Head of Housing and Regeneration to complete property purchases as required, in consultation with Section 151 Officer;
- 5) delegated authority be granted to the Head of Housing and Regeneration to receive Capital Grant Awards to support the purchase of temporary accommodation, in consultation with Section 151 Officer; and
- 6) delegated authority be granted to the Head of Housing and Regeneration to make amendments to the Temporary Accommodation Investment Strategy from time to time in consultation with the Cabinet Portfolio Holder for Housing.

(Cabinet Agenda Item 7)

CB23/88.
(8)

LONG TERM PLAN FOR TOWNS FUNDING FOR BEXHILL 2024-25

Cabinet considered the report of the Head of Housing and Regeneration which sought approval for the Long-Term Plan for Towns (LTPT) grant funding to be formally received by the Council and added to the Council's Revenue and Capital budgets. The funds would be provided directly to each delivery organisation following approval by the Bexhill Town Board.

The LTPT was a government initiative administered through the Department of Levelling Up and Communities (DLUHC). It was a regeneration initiative that aimed to support improvements to UK towns, boosting economic growth, improving infrastructure, enhancing social well-being and reducing disparities in areas most in need.

The total grant allocation over the 10-year period of LTPT was £19.510m across revenue and capital. £50,000 revenue funding had been paid in 2023/24, as initial capacity funding for the Council to do the work necessary to establish the Town Board by 1 April 2024. The provisional revenue allocation for 2024/25 was £449,000, the remaining £4,075,000 revenue funding was split across the budget years 2025/2034. The capital allocation totalled £14.936m between 2024 and 2034, with exact spend to be decided through the Town Board. It was noted that the allocation of funding was to the whole of Bexhill within the municipal boundary, including Little Common and Sidley.

The decision-making body for funding priorities would be the new local decision-making body – the Bexhill Town Board. The LTPT guidance stated that the Town Board should involve people from the local community, including businesses, working with central and local government representatives to identify and address regeneration

priorities. The Council would be the accountable body for the spend, as well as having a representative on the Town Board and was likely to become a delivery partner for some projects.

The funding would be released by DLUHC subject to a 10-year vision statement and 3-year investment plan. The Levelling Up Partnership Manager, supported by Council Senior Managers and Members, would work with the Town Board to develop both the vision statement and the investment plan, drawing on learning from direct community engagement. The 10-year vision and 3-year, evidence-based, investment plan must have formal Town Board approval.

DLUHC required the establishment of the Town Board by 1 April 2024, with a Chair and Membership identified and with draft Terms of Reference developed for consideration by the Board. The recently appointed Levelling Up Partnership Manager would support the Chair and the Membership and the meetings of the Town Board and any required sub-groups. They would also lead on community engagement, drawing in the expertise of colleagues and partners as appropriate. It was recognised that this new way of working would be challenging for the community and business sectors who would be the decision makers, via the Town Board.

A full economic and social impact assessment would be undertaken for the Town Board programme, alongside that for the Levelling Up Partnership projects funding (elsewhere on the agenda). This would be completed by 1 August 2024 as part of developing the evidence based 3-year investment plan.

The LTPFT governance arrangements would need to provide the Council with a level of assurance that satisfied its position as accountable body for the grant and minimise financial risks to the Council. Members noted that the governance arrangements were subject to change as the Council collaborated with stakeholders to ensure that it was able to achieve the assurances it needed as the accountable body. This was a fast-moving initiative with a complex relationship between its different elements and regular updates would be provided.

Cabinet was delighted to agree that the LTPT grant funding be formally received by the Council and added to the Council's Revenue and Capital budgets. Members agreed to grant delegated authority to the Chief Executive, in consultation with the Section 151 Officer, for approval of the governance arrangements when finalised. Members also agreed to grant delegated authority to the Head of Housing and Regeneration to enter into relevant agreements with third party entities, as agreed by the LTPT Board and for the purposes of delivering the programme, in consultation with the Cabinet Portfolio Holder for Finance and Governance.

RECOMMENDED: That £14.936m (2024/2034) be added to the Capital Programme and phased in-line with the 10-year drawdown schedule, for the Long Term Plans for Towns. Additionally, £449,000 revenue funding for 2024/25 only.

Cabinet also **RESOLVED:** That:

- 1) the receipt of £0.94m grant funding from the Department of Levelling Up Housing and Community's Long-Term Plan for Towns Fund in 2024/25 as detailed in the report, be approved;
- 2) the Councils' role as the accountable body for the Long-Term Plans for Towns and delegated authority be granted to the Chief Executive, in consultation with the Section 151 Officer, for approval of the governance arrangements when finalised, be accepted; and
- 3) delegated authority be granted to the Head of Housing and Regeneration to enter into relevant agreements with third party entities, as agreed by the Long-Term Plans for Towns Board and for the purposes of delivering the programme, in consultation with the Cabinet Portfolio Holder for Finance and Governance.

(Cabinet Agenda Item 8)

CB23/89. **LEVELLING UP PARTNERSHIP FUNDING AND PROJECTS**

Cabinet considered the report of the Director – Place and Climate Change which sought approval for the Department of Levelling Up, Housing and Communities (DLUHC) grant funding for the Levelling Up Partnership Programme 2024/25 to be formally received by the Council and added to the Council's Revenue and Capital budgets. The funds would be provided to delivery organisations in-line with decisions made by DLUHC.

This funding was separate to the funding previously reported (the Levelling Up Fund), which was allocated by DLUHC to the De La Warr Pavilion and Sidley; it was a range of capital and revenue projects Rother-wide to boost economic growth and community infrastructure across the district.

Whilst the Council was consulted regarding strategic priorities, the final decisions on which projects would be allocated funding, and the amounts provisionally awarded, were made by DLUHC as a result of direct liaison with community and business projects and representatives. The grant award was for 2024/25 spend and contained both Capital and Revenue funding.

The prospective deliverers of the funded projects and project overviews were found at Appendix A to the report; projects needed to be delivered by March. DLUHC had also funded several other projects, for which East Sussex County Council was the accountable body and these were listed for information at the end of Appendix A to the report.

Reporting of delivery progress and spend to DLUHC would be undertaken by the Levelling Up Partnership Manager, approved by the Director – Place and Climate Change, in line with DLUHC grant agreement requirements to be advised. All projects would be screened and assessed, if necessary, under Subsidy Control regulations and an

initial communications plan had been developed with the Marketing Communications Account Manager.

A full economic and social impact assessment would be undertaken for the Levelling Up Partnership (LUP) programme, alongside that for the 3-year investment plan for the Bexhill Town Board (elsewhere on the agenda). This would be ongoing and completed by 1 August 2024.

The Council would be the accountable body for the LUP funded projects. Grant agreements between the Council and each individual grant recipient would make clear the terms under which the grant was awarded and minimise any risk to the Council as accountable body; however, given the complexity of this programme which covered 13 distinct projects, it was important that a robust programme management and performance monitoring approach was followed, to ensure the terms of the grant agreements were met.

The award of LUP funding represented much needed investment in community building infrastructure and capacity building, that underpinned social capital and reduction in social and health inequalities. Cabinet was delighted to receive this funding from Government, although some rural Members were disappointed at the allocation of projects supported and felt that the rural areas, which also had significant levels of poverty, had been overlooked. It was noted that officers and political leaders had promoted projects across the whole of the district and the issues pertaining to the rural areas had been highlighted.

Cabinet was pleased and enthusiastic to receive the LUP funding, allocated by DLUHC for projects across Rother, being added to the 2024/25 Capital Programme and Revenue Budgets and agreed that, subject to full Council approval of the programme of projects outlined in the report, the Director – Place and Climate Change be granted delegated authority to agree terms and conditions of the grant, in consultation with Cabinet Portfolio Holder for Regeneration and Economic Development.

Cabinet also agreed that delegated authority be granted to the Director – Place and Climate Change, in consultation with legal colleagues and the Council's Section 151 Officer, to extend Levelling Up Partnership grant funds to third party entities via individual grant agreements.

RECOMMENDED: That the Levelling Up Partnership funding allocated by the Department of Levelling Up, Housing and Communities for projects across Rother be added to the 2024/5 Capital Programme and Revenue Budgets at the amounts £18.080m and £0.410m, respectively.

Cabinet also **RESOLVED:** That:

- 1) subject to full Council approval of the programme of projects outlined in this report, the total of £18,490,000 Levelling Up Fund be accepted, and the Director – Place and Climate Change be granted delegated authority to agree terms and conditions of the grant, in

consultation with Cabinet Portfolio Holder for Regeneration and Economic Development;

- 2) delegated authority be granted to the Director – Place and Climate Change, in consultation with legal colleagues and the Council's Section 151 Officer to extend Levelling Up Partnership grant funds to third party entities, as decided by the Department of Levelling Up, Housing and Communities allocation advice, via individual grant agreements; and
- 3) the Councils' role as the accountable body for the Levelling Up Partnership be noted.

(Cabinet Agenda Item 9)

CABINET – 13 MAY 2024 – TO FOLLOW

Councillor D.B. Oliver
Leader of the Council

Report Author Contact Officer:	Prepared by Democratic Services Manager Lisa Cooper
e-mail address:	lisa.cooper@rother.gov.uk
Appendices:	A – Capital Strategy (See Cabinet Report 4 March) B – Treasury Management Strategy (See Cabinet Report 4 March) C – Annual Investment Strategy (See Cabinet Report 4 March)
Relevant Previous Minutes:	NONE
Background Papers:	NONE
Reference Documents:	NONE