

**THE CABINET**  
**27<sup>TH</sup> JANUARY 2011**

Present: Councillors:  
Robert Nye Leader  
Andrew Baldwin Housing & Community Development  
David Jenkins Strategic Planning  
Gordon Lindsay Finance & Assets  
Roger Paterson Local Economy & Leisure  
Peter Rowlinson Planning & the Environment

Apologies: Ray Dawe Deputy Leader and Performance & Service  
Delivery  
Roger Arthur Operational Services

Also present: Councillors: John Bailey, George Cockman, Leonard Crosbie,  
Duncan England, David Holmes, Christian Mitchell, David Sheldon

EX40 **RECORD OF THE MEETING OF 9<sup>TH</sup> DECEMBER 2010**

The record of the meeting of the Cabinet held on 9<sup>th</sup> December 2010 was approved as correct and signed by the Leader.

EX41 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

EX42 **ANNOUNCEMENTS**

There were no announcements.

EX43 **PUBLIC QUESTIONS**

Mr Robert Mayfield asked the following question:

“In the light of the apparent zero budget set for the Old Town Hall until 2014, what are the Council’s plans for immediately enabling the Horsham public to use and promote their building for community and artistic use once more please; or what alternative to the aforementioned for the Old Town Hall is being planned?”

The Cabinet Member for Finance & Assets gave the following reply:

“We recently requested a market update from our property agent and, as a result, we intend to re-market the Town Hall seeking a restaurant tenant in accordance with the original Council decision. We are confident that we will attract significant commercial interest and, as a result, the cost of improving and maintaining the building will not be a burden on future Council Tax payers. In addition we are likely to achieve a significant annual sum in rent which will help to keep the Council Tax down in future.

EX43 Public Questions (cont.)

I am due to receive a report shortly seeking authority for the expenditure required to fund the marketing exercise. Pending the completion of the marketing exercise and the grant of a lease to a suitable restaurant operator, we will not offer the building for general hire. The Town Hall is expensive to operate and maintain. The income from lettings prior to January 2010 was considerably below the operating costs. Maintaining this position helps the Council to better manage its finances and avoid a business rates liability of about £1000 per month.

The Council also considers that suitable alternative venues are available to hire in the Town for public, community or artistic use.”

**REPORT BY THE DIRECTOR OF CORPORATE RESOURCES**

EX44 **Budget 2011/12 and Medium Term Financial Strategy**

The Director of Corporate Resources reported that the budget for 2011/12 had been prepared against the background of a Council decision that it should not rely on any use of reserves for day to day expenditure. Due to the severity of the reductions in Government grant, a balanced budget for 2011/12 would only be achievable by making significant cuts in a wide range of budgets and, in some cases, redundancies. Most of the savings proposals included in the draft budget had previously been the subject of extensive consultations but the higher than anticipated cut in government grant had necessitated further savings to be identified since that time. In terms of reserves, the Medium Term Financial Strategy still assumed that at least £4,000,000 would be available by the end of the original period (2013/14).

The current financial settlement was for a two year period and it was difficult to know what reductions, if any, in grant might occur in the following two year period (2013/14 and 2014/15). The projections had therefore been estimated on the basis that the total reduction in grant over the period of the Medium Term Financial Strategy would be closer to 40% rather than the 25% assumed when the original savings list had been drawn up.

There was also continued uncertainty around the state of the economy and a significant part of the Council's budget was based upon the generation of income from various services. Clearly it would be necessary to monitor levels of income closely so that any action required to maintain the budget in balance could be undertaken at an early stage. It was imperative that the Council monitored its financial position closely and continued to look at more efficient ways of working.

A summary of the main comments received in response to the consultation on the savings proposals and the proposed responses was provided. In particular, it was noted that there was now no proposal to reduce Discretionary Rate Relief or the grant to Age Concern. Also, whilst there was now no proposal to stop the

EX44 Budget 2011/12 and Medium Term Financial Strategy (cont.)

payment of professional subscriptions generally, each case would be reviewed as the current subscriptions expired to ensure that payments were restricted to officers who required their professional qualification to undertake their duties and only in exceptional circumstances would a second professional subscription be funded. It was estimated that, in this way, a small saving could be achieved.

It was noted that, of the original savings proposals totalling £1,600,000, only four had been removed completely, namely savings on Discretionary Rate Relief, a cut in Age Concern grant, the deletion of the Director of Corporate Resources post when he retired and anticipated savings on customer services. However, as the actual reduction in Government grant was higher than had been anticipated, there was a further gap of over £500,000 that needed to be closed before a balanced budget for 2011/12 could be achieved. Therefore, details of additional changes proposed to close the gap were submitted for approval as part of the budget for 2011/12.

More than 60% of the revenue budget comprised staff costs. Corporate Management Team had therefore been exercising control over vacancies for some time and critically appraising whether posts needed to be filled, whether hours could be reduced or if there were alternative methods of providing particular services. However, some redundancies were unavoidable and the budget proposals for 2011/12 would result in the following redundancies: three part-time staff (1.3 full-time equivalents) in Leisure Services and one full-time equivalent post in Secretarial Support to Directors and Heads of Service. These would be in addition to the 16 redundancies from the Acorn Plus and Hop Oast restructuring in the current year. The costs of the redundancy of these posts and the costs associated with redundancies approved in the current year needed to be approved and it was hoped that full costings would be available for consideration by Council at its meeting on 16<sup>th</sup> February 2011.

The propose revenue budget indicated that the Council would have to finance net expenditure of £12,801,000 from Council Tax and Government grant, a reduction from the current year's total of £13,898,000. The reduction was due to the transfer of concessionary fares to West Sussex County Council and the savings proposed to produce a balanced budget.

One area where grant from the Government had increased was in relation to the Council's statutory homelessness duties. A specific homelessness grant of £106,000 in the current year had been included in the budget and it was intended to use some of this to appoint a temporary post (2 years) of Lettings Officer to enable the Council to facilitate the movement of people away from the housing register to tenancies in the private rented sector. It was expected that this would also reduce the burden on the Council's temporary accommodation and Bed & Breakfast budgets.

EX44 Budget 2011/12 and Medium Term Financial Strategy (cont.)

Whilst the pressure to find savings and additional sources of income in the budget had severely restricted the opportunity for new growth items, there were some unavoidable items of growth (e.g. fuel) and some reductions in income estimates and interest receivable which were included in the draft budget.

The strategy in the Medium Term Financial Strategy was to build up reserves for future development opportunities and consequently little new capital expenditure was proposed. Changes to the capital programme approved during the year were reported together with details of the following new items of growth requiring approval: replacement of telephone system; replacement of core disk storage; and purchase of houses for temporary accommodation purposes.

Details of the proposed repairs and renewals programme and a schedule of fees and charges for 2011/12 were submitted.

The budget proposals assumed that the Council would wish to freeze Council tax at current levels for 2011/12, taking advantage of the funding available from the Government (£203,000 in 2011/12 and each of the subsequent three years), but that the freeze would not be extended beyond next year, given the importance of Council tax as an income source to the Council. In order to receive the Government funding, it would be necessary not to increase the average charge across the whole District in 2011/12 and the Special Charge of £23.72 proposed for next year would achieve this objective.

In accordance with Section 25 of the Local Government Act 2003, the Director of Corporate Resources reported on the robustness of estimates and the adequacy of reserves.

It was considered that the Council would wish to retain the main thrust of its Medium Term Financial Strategy, by approving a balanced budget each year and maintaining a sufficient level of reserves to support suitable investment opportunities. The future financial projections had therefore been revised (based on assumptions in respect of future increases in Council tax and pay awards; an average investment return of 1%; and further cuts in Government grant), demonstrating that the Council would still have significant budget gaps to close. With a forecast deficit of over £1,000,000 in 2012/13, action needed to be commenced immediately to look at possible solutions and Corporate Management Team had already started work on identifying future areas of savings and additional sources of income.

At its meeting on 16<sup>th</sup> February 2011, the Council would also be approving a new District Plan for the years 2011/2015. It was noted that none of the reductions in the Council budget meant that the priorities in the proposed Plan could not be achieved but the lower level of resources available would inevitably result in a

EX44 Budget 2011/12 and Medium Term Financial Strategy (cont.)

more focussed approach to the delivery of those priorities. It was therefore proposed that the link between policy prioritisations and finance should be maintained through a review of the District Plan alongside the preparation of the budget each year.

**RECOMMENDED TO COUNCIL**

- (i) That the level of Council tax for 2011/12 remains at that for 2010/11 equating to £135.54 at Band D.**
- (ii) That Special Expenses of £263,980 (equating to a Band D equivalent of £23.72) be agreed in respect of the unparished area for 2011/12 .**
- (iii) That the net revenue budget for 2011/12 of £12,801,000 be approved, as submitted.**
- (iv) That the revised budget for 2010/11 of £15,782,000 be approved.**
- (v) That the repair and renewals programme be approved, as submitted.**
- (vi) That the capital programme be approved, as submitted.**
- (vii) That the Medium Term Financial Strategy be confirmed as agreed last year and the need to make every effort to secure further efficiency savings so the Council is best placed to respond to the current financial outlook be endorsed.**
- (viii) That the schedule of charges for 2011/12 be noted.**

**REASON**

***To meet the Council's statutory requirement to approve a budget.***

**REPORT BY THE LEADER**

EX45 **Our District Plan Priorities 2011**

The Leader reported that the Council's existing Corporate Plan 2008-11 would expire on 31st March 2011. A new draft Plan – called the District Plan – had been prepared for the four year period 2011-15 and was now submitted for approval. The draft District Plan had been subject to consultation with the general public, staff and partner organisations and Councillors. Details of feedback from the consultation were reported.

A report to Cabinet in March 2010 had set out the proposed approach towards

EX45 Our District Plan Priorities 2011 (cont.)

producing the new District Plan 2011-15, which involved having a clear political vision for the Council, extending consultation with the local community, including minority groups wherever possible, and using data profiles to underpin the Plan with an evidence base.

Members, Parish & Neighbourhood Councils, Community Partnerships and Council staff had been involved at an early stage in shaping priorities and the Scrutiny & Overview Committee had also reviewed the draft Plan at a meeting in November 2010.

In addition to collating input from consultees, Government policy was tracked following the General Election in May 2010, to identify new policies that would affect the Council's own policy in future years. A key policy shift, on which detail had only recently been published in the Decentralisation and Localism Bill 2010, concerned the Big Society concept and the move to decentralising power from the state to individuals and communities. The impact of this Bill upon the District Plan would need to be assessed once the content had been fully evaluated.

The format of the District Plan had been determined following the review of other, high-achieving Councils to identify good practice and it had been developed around six main themes:

- Economic Development
- Efficiency and Taxation
- Arts, Heritage and Leisure
- Living, Working Communities
- Environment
- Safer and Healthier

High level priorities had been identified under each theme and more detailed proposals, with SMART targets, would be contained within Service Plans which were currently being developed.

The District Plan had been developed alongside the draft budget, as the importance of having affordable ambitions expressed within the Plan had been recognised. It was proposed that the close link between policy prioritisation and finance would be maintained through a review of the Plan alongside the preparation of the budget each year.

The Leader thanked everyone who had been involved with the development of the new District Plan and, in particular, Councillor Ray Dawe and Jill Scarfield, Head of Strategic Planning & Performance.

EX45 Our District Plan Priorities 2011 (cont.)

**RECOMMENDED TO COUNCIL**

*That the District Plan be adopted.*

**REASON**

*To provide a business plan for the Council for the next four years to succeed the existing Corporate Plan.*

EX46 Adoption of a List of Buildings of Local Special Architectural or Historic Interest (“Local List”) for Horsham Town

The Leader reminded Cabinet that, in May 2010, it had agreed to pursue public consultation on a list of buildings of local special architectural or historic interest (Minute No. EX70 (13.5.10) refers).

Consultation on the proposed “local list” had been undertaken between 28th June and 26<sup>th</sup> July 2010 and a summary of consultation responses received together with officer comments and clarifications was submitted for information. The majority of responses to the consultation had been positive and resulted in largely supportive comments towards the inclusion of individual buildings and the criteria adopted. However, details of some minor changes proposed to the draft document as a result of comments made were reported.

The “local list” document would form part of the local evidence base of the historic environment in the District and the inclusion of a building on the list would be a material consideration in the determination of any application affecting the property and its setting.

**RESOLVED**

That the “local list” document be adopted as policy.

**REASON**

To assist in the identification of heritage assets that are important to the area.

**REPORT BY THE CABINET MEMBER FOR FINANCE & ASSETS**

EX47 Replacement Data Centre

The Cabinet Member for Finance & Assets reported that the existing Data Centre had been located in Park North for around twenty years. Changes in technology and ways of working now placed a significant burden on the existing infrastructure, which had reached the end of its working life.

EX47 Replacement Data Centre (cont.)

There was a significant and increasing risk, which had been identified in the Corporate Risk Register, of service interruption due the failure of the power supply and the air handling units. Whilst these risks had been mitigated, this had been at additional cost. A Data Centre failure at Horsham would also affect the Council's CenSus partners.

Following discussions with Members, three options had been considered for replacing/upgrading the Data Centre based on established technology:

- In-house provision – upgrade and build on existing Data Centre facility
- Local authority partnership – join with West Sussex County Council outsource contract with Capita to use County Hall North
- Outsourcing – Using a third party hosted facility

In addition, options for Disaster Recovery had been assessed against each of these options for recommendation to the CenSus Joint Committee.

Taking into account the advantages, disadvantages, costs and future opportunities of each option, the relocation to County Hall North in partnership with Capita and West Sussex County Council was considered to be the most advantageous option for both the Council and the CenSus Partnership.

**RESOLVED**

- (i) That Option 2 – West Sussex County Council/Capita Hosted Provision (County Hall North) be approved as the preferred solution for the replacement Data Centre and that the Head of Corporate Support Services be authorised to implement the proposal subject to agreed project management procedures.
- (ii) That the CenSus Joint Committee (via the Programme Management Board) be recommended to incorporate the Disaster Recovery solution for Option 2 into the CenSus ICT Strategic Plan.

**RECOMMENDED TO COUNCIL**

- (iii) ***That the current capital budget of £450,000 be reduced to £220,000.***

**REASON**

To allow the replacement Data Centre project to proceed and to incorporate Disaster Recovery into the CenSus/HDC ICT provision.

## **REPORT BY THE CABINET MEMBER FOR LOCAL ECONOMY & LEISURE**

### **EX48 Leisure Management Options Appraisal**

The Cabinet Member for Local Economy & Leisure reported that the Council's existing Leisure Management Contract would expire on 30<sup>th</sup> November 2012 and a new contract would therefore need to be let with effect from 1<sup>st</sup> December 2012.

Although this was a discretionary service, it was recognised that sport, leisure and cultural services played a vital role in delivering the Council's corporate objectives and the priority at this time was to ensure that these services achieved best value and delivered a quality service to the local communities and visitors to the District.

In addition to the facilities currently operated under the existing management contract with D.C. Leisure, there was an opportunity to explore whether there would be any advantage in including additional leisure and cultural facilities in any future contract arrangement, such as The Capitol, The Drill Hall, Horsham Museum and Rookwood Golf Course. There was also the potential to incorporate other independently operated leisure facilities such as Henfield Leisure Centre, Chanctonbury Leisure Centre and Southwater Leisure Centre. Another option would be to consider the benefits of combining the procurement process with other neighbouring authorities.

Whilst considering the management options available, it would also be important to take account of issues that might impact on future arrangements, such as future investment/capital funding; building maintenance arrangements; Dual Use Agreements; and service quality.

Details of the potential management options were submitted, together with a brief summary of their relative advantages and disadvantages.

#### RESOLVED

- (i) That a form of contract that it is open to Private Contractors and Existing Trusts be adopted.
- (ii) That the inclusion of cultural facilities in the Leisure Management Contract be ruled out, with the provision of such facilities being considered separately.
- (iii) That formal discussions with the operators of independent Leisure Centres be entered into with a view to including them in the Leisure Management Contract if appropriate.
- (iv) That formal discussions with neighbouring Councils be entered into with a view to determining whether to

EX48 Leisure Management Options Appraisal (cont.)

proceed with the joint procurement of a Leisure Management Contract.

- (v) That procurement processes be set in place to ensure that the new contract commences on 1st December 2012.
- (vi) That a minimum length of contract of 10 years with an option to extend for a further period in order to encourage investment proposals as part of the tendering process be agreed.
- (vii) That condition surveys of the Leisure Centres be undertaken within 6 to 12 months to inform the procurement process.
- (viii) That it be noted that the procurement process will be controlled and monitored in accordance with the Prince Lite Project Management protocols that have been established.

REASON

To ensure that a Leisure Management Contract that achieves best value and maintains and enhances the quality of service delivery for residents and visitors to the Leisure Facilities is let by the due date of 1<sup>st</sup> December 2012.

**REPORT BY THE CABINET MEMBER FOR OPERATIONAL SERVICES**

EX49 **On-Street Parking Services – Renewal of Agency Agreement**

The Leader presented the report of the Cabinet Member for Operational Services which reminded Members that, in March 2006, the Council had entered into an agreement with West Sussex County Council to carry out the enforcement of on-street parking regulations. This agreement would end on 31 March 2011 and the County Council had asked if this Council would consider extending the contract for three years with the possibility of a further two year extension following review.

It was considered that the contract had worked well for this Council, allowing the operation of a single enforcement regime in car parks and on street which was locally accountable and provided for a more efficient service. It was noted that the County Council met any deficit on the account above the agreed contributions from the County, which would remain at £100,000 per annum, and the District

EX49 **On-Street Parking Services – Renewal of Agency Agreement (cont.)**

Council. An extension to the contract would ensure that these advantages were retained. If the contract were not extended the County Council would need to find alternative arrangements to enforce parking on-street whilst the District Council would retain responsibility for off-street enforcement.

RESOLVED

That the extension of the Agency Agreement for On-Street Parking for three years from 1<sup>st</sup> April 2011, with the possibility of a further two year extension following review, be agreed and that approval be given to the signing of the required Deed of Variation.

REASON

To provide the continued operation of a single enforcement regime in car parks and on street.

**SCRUTINY & OVERVIEW COMMITTEE – MATTERS REFERRED TO CABINET**

EX50 **Western Sussex Hospitals Application for Foundation Trust Status**

The Scrutiny & Overview Committee of 8<sup>th</sup> November 2010 had requested that Cabinet write in support of the Western Sussex Hospitals application for Foundation Trust status.

It was noted that the Cabinet Member for Housing & Community Development had written in support of the application.

EX51 **Special Charge**

The Scrutiny & Overview Committee of 8<sup>th</sup> November 2010 had recommended that Cabinet consider the Special Charge based on the percentages agreed by the Budget Review Working Group.

Cabinet noted that no change in percentages had been proposed as a result of the special Working Group set up to examine this issue and indicated that it would be happy to consider the current percentage charge in relation to the Drill Hall during next year.

EX52 **Procurement**

The Scrutiny & Overview Committee of 8<sup>th</sup> November 2010 had recommended that Cabinet consider the issue of procurement carefully to ensure sufficient resources were available to deliver an effective service.

EX52 Procurement (cont.)

The Cabinet Member for Finance & Assets advised that the joint procurement initiatives between Crawley, Horsham and Mid Sussex Council had been successful and their work would be important in the near future as all three Councils were looking to renegotiate/retender some large contracts. It had been agreed that a further resource for one year of a Procurement Support Officer should be jointly financed to ensure adequate resources were available. The cost to Horsham for this initiative was approximately £6,000 and this had been included in the budget for 2011/12.

EX53 Minority Faith & Ethnic Communities

Cabinet was advised that the Scrutiny & Overview Committee, at its meeting on 8<sup>th</sup> November 2010, had approved the final report of its Social Inclusion Working Group on Minority Faith & Ethnic Communities. The Working Group had undertaken a review with a view to encouraging better understanding, awareness, tolerance and respect for minority faith and ethnic groups across the District.

The Working Group had noted how useful and timely the review had been as it linked with work that had recently been started to identify hard-to-reach groups and promote social inclusion within the District. The review had also helped inform the draft District Plan.

The Scrutiny & Overview Committee had requested that Cabinet note and endorse the positive findings of the report and that it continue to work towards promoting knowledge and understanding of minority and ethnic communities in the District. It was noted that the Committee had also asked the Social Inclusion Working Group to continue working with the Equalities Officer to explore ways of encouraging and improving understanding.

The Cabinet Member for Housing & Community Support had considered the Working Group's report and proposed that Cabinet accept the recommendations of the Scrutiny & Overview Committee, which would help meet the obligations of the Council to address Equality and Diversity and to promote social inclusion. This was also consistent with the draft District Plan for 2011-15 priority to "Strengthen relationships and listen to our communities".

RESOLVED

That the recommendation of the Scrutiny and Overview Committee BE accepted and that the Cabinet note and endorse the positive findings of the report and continue to work towards promoting knowledge and understanding of minority and ethnic communities in the District.

EX53 Minority Faith & Ethnic Communities (cont.)

REASON

The Cabinet is required to give due consideration to the recommendation received from the Scrutiny Committee. Specifically this recommendation is made to meet statutory compliance with the former Race Relations Amendment Act 2000 and the newly passed Equality Act 2010 (October 1<sup>st</sup>) and to help meet the obligations of the Council to address Equality and Diversity and to promote social inclusion, consistent with the draft District Plan for 2011-15 priority to “Strengthen relationships and listen to our communities”.

EX54 Street Parking

Cabinet was advised that the Scrutiny & Overview Committee, at its meeting on 8<sup>th</sup> November 2010, had received recommendations from its Street Parking Working Group.

The Scrutiny & Overview Committee had recommended that Cabinet:

- (i) Consider how the Council might implement a local law to prevent pavement parking and how a pilot project may be implemented.
- (ii) Implement a quarterly targeting campaign in an attempt to manage pavement parking.
- (iii) Make representation to West Sussex County Council in regards to local councils funding local Traffic Regulation Orders.

The Cabinet Member for Operational Services had considered the recommendations and a report containing his comments had been circulated with the agenda.

With regard to pavement parking, it was noted that research had been carried out into the possible use of a byelaw or other instrument in respect of this issue which had shown that, whilst a number of authorities had explored the option, few had introduced any schemes. There were some authorities that had had such byelaws for some time but now considered them to be unenforceable. Some of the principal reasons why such schemes were not introduced included: signing the byelaw and the extent of any exceptions to it was difficult, expensive and spoilt the view of any road or area; the enforcement procedure involved providing evidence to the Magistrates Court and was resource intensive; any fine income would be returned to the Treasury rather than the Council and the Council would have to meet all court costs; displacement of parked vehicles to other residential areas; and the level of available parking space in a road would be significantly reduced.

EX54 **Street Parking (cont.)**

The Cabinet Member therefore considered that there would be significant problems and potential expense in bringing forward a pavement and/or verge parking ban and had requested that, before any further action was taken, consultations were held with the Police and West Sussex County Council to establish the current level of complaints and problems with pavement and verge parking. Once this information was available, an informed decision could be made on the justification for establishing and paying for a trial scheme.

On the issue of a parking campaign, the Community Safety Partnership's Road Safety Action Team had carried out a campaign over two months during the summer of 2010 to raise awareness of the dangers of inconsiderate parking/blocking access for emergency services vehicles on a number of roads within the Trafalgar Ward. The Cabinet Member therefore considered that it was appropriate to leave further work on this area to the multi-agency Road Safety Action Team.

Finally, it was noted that as a result of the approach by the Chairman of the Scrutiny & Overview Committee to West Sussex County Council, it had been agreed that Districts and Boroughs could fund their own traffic orders. This would provide flexibility for the Council to pursue its own regulations should it wish, subject to the County Council's permission.

EX55 **FORWARD DECISION MAKING PLAN**

The Cabinet received a schedule detailing the revised forward decision making plan.

RESOLVED

That the Forward Plan of Key Decisions be noted.

REASON

To comply with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and the Council's Constitution.

The meeting closed at 7.10pm having commenced at 5.30 pm.

**LEADER**