



Cabinet

Thursday, 22nd November, 2018 at 5.30 pm
Conference Room, Parkside, Chart Way, Horsham

Councillors:	Ray Dawe	Leader
	Jonathan Chowen	Deputy Leader and Leisure and Culture
	Philip Circus	Waste, Recycling and Cleansing
	Brian Donnelly	Finance and Assets
	Gordon Lindsay	Local Economy
	Claire Vickers	Planning and Development
	Tricia Youtan	Community and Wellbeing

You are summoned to the meeting to transact the following business

Tom Crowley
Chief Executive

Agenda

	Page No.
1. Apologies for absence	
2. Minutes	3 - 8
To approve as correct the minutes of the meeting held on 20 th September 2018 <i>(Note: If any Member wishes to propose an amendment to the minutes they should submit this in writing to committeeservices@horsham.gov.uk at least 24 hours before the meeting. Where applicable, the audio recording of the meeting will be checked to ensure the accuracy of the proposed amendment.)</i>	
3. Declarations of Members' Interests	
To receive any declarations of interest from Members of the Cabinet	
4. Announcements	
To receive any announcements from the Leader, Cabinet Members or the Chief Executive	
5. Public Questions	
To receive questions from and provide answers to the public in relation to matters which in the opinion of the person presiding at the meeting are relevant to the business of the meeting	
6. Medium Term Financial Strategy update	9 - 24
To receive the report of the Cabinet Member for Finance and Assets	

7.	Insurance Contract	25 - 28
	To receive the report of the Cabinet Member for Finance and Assets	
8.	Additional Temporary Accommodation options	29 - 38
	To receive the report of the Cabinet Member for Community and Wellbeing	
9.	Environmental Enforcement Policy	39 - 58
	To receive the report of the Cabinet Member for Waste, Recycling, Street Scene and Fleet Services	
10.	Car parking charges - Hurst Road car park (The Pavilions)	59 - 64
	To receive the report of the Cabinet Member for Local Economy	
11.	Overview & Scrutiny Committee	
	To consider any matters referred to Cabinet by the Overview & Scrutiny Committee – there are no matters outstanding	
12.	Forward Plan	65 - 70
	To note the Forward Plan	
13.	To consider matters of special urgency	

Cabinet
20 SEPTEMBER 2018

Present: Councillors: Ray Dawe (Leader), Jonathan Chowen (Deputy Leader and Leisure and Culture), Philip Circus (Waste, Recycling and Cleansing), Brian Donnelly (Finance and Assets), Gordon Lindsay (Local Economy), Claire Vickers (Planning and Development) and Tricia Youtan (Community and Wellbeing)

Also Present: Councillors: Karen Burgess and David Skipp

EX/20 **MINUTES**

The minutes of the meeting of the Cabinet held on 19th July 2018 were approved as a correct record and signed by the Leader.

EX/21 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/22 **ANNOUNCEMENTS**

The Cabinet Member for Waste, Recycling and Cleansing advised Members that a campaign against fly tipping would start on 21 September 2018 with a launch event in the Carfax.

The Cabinet Member for Local Economy reported that the annual Horsham District Jobs and Skills Fair, held at the Drill Hall on 19th September, had again been a huge success.

The Cabinet Member for Leisure and Culture reminded Members of the opening date of The Bridge. He also referred to measures being taken to deal with rats in Horsham Park and a recent bird trapping incident at Warnham Nature Reserve, Which was being investigated by the RSPCA.

The Cabinet Member for Planning and Development advised that the updated Strategic Housing and Economic Land Availability Assessment (SHELAA) would be made public in December/January, following a fact-checking exercise with the parishes.

The Cabinet Member for Community and Wellbeing reported that the Community Safety Partnership had been advised that total crime figures for the area over the last six months had decreased to 2.9%, whilst crime in West Sussex overall had gone up by 1.9%.

EX/23 **PUBLIC QUESTIONS**

No questions had been received.

EX/24 **LOCAL PLAN REVIEW ISSUES AND OPTIONS CONSULTATION DRAFT -
EMPLOYMENT, TOURISM AND SUSTAINABLE RURAL DEVELOPMENT -
FEEDBACK ON COMMENTS**

The Cabinet Member for Planning and Development reported that, in March 2018, the first stage of the Local Plan Review (Issues and Options - Employment, Tourism and Sustainable Rural Development) had been published for a seven week period of public consultation.

A summary of the responses received together with an outline of the proposed next steps was submitted and approval sought for its publication.

The Planning and Development Policy Development Advisory Group supported the proposal.

RESOLVED

- (i) That the summary of representations submitted in response to the Council's consultation on the Local Plan Review Issues and Options – Employment, Tourism and Sustainable Rural Development be noted, as set out in the report.
- (ii) That the publication of the summary of the representations and Horsham District Council's response be approved as reported.
- (iii) That the proposed next steps in respect of the representations submitted be progressed as reported.

REASONS

- (i) In order to maintain and provide stakeholders with up-to-date information on the Local Plan Review following the processing and analysis of representations and to provide an initial response to the representations.
- (ii) To enable the continued progression of the local plan review in accordance with the Council's published Local Development Scheme (LDS).
- (iii) The preparation of the LDS is a statutory requirement of the Planning and Compulsory Purchase Act 2004 as amended by the Planning Act 2008, Localism Act 2011, Housing and Planning Act 2016 and the Neighbourhood Planning Act 2017.

EX/25 **TO AGREE THE HORSHAM DISTRICT DEAL**

The Leader reported that, in 2015, West Sussex County Council worked with the Boroughs and Districts of West Sussex to identify key issues and priorities in relation to planned growth and development within their boundaries over the coming years. A “Place Plan” had been produced containing demographic and socio-economic information; details of planned housing and economic growth; and planning/economic priorities. The Place Plans supported prioritisation of investment and lobbying to attempt to secure additional funding for infrastructure.

Cabinet subsequently endorsed the “Horsham Place Plan”, which identified the key issues and priorities for Horsham District (Minute No, EX/40 (28.1.16) refers).

The “Horsham District Deal” was a proposed agreement between Horsham District Council and West Sussex County Council to formalise the priorities identified in the “Horsham Place Plan” and to work together to deliver these key projects, including the provision of new homes, employment floorspace and new infrastructure. The four key priorities/projects for the District were:

- West of Horsham and North of Horsham Infrastructure Provision
- Horsham Town Centre- Delivery of a new Town Centre Vision
- Hurst Road – rationalisation of the public estate (West Sussex County Council had forwarded this Council its share of the total funding received from Government following a successful joint bid from both Councils to the Government’s “One Public Estate Programme phase 6” (£60,000 out of a total of £100,000) to progress the Development Brief for Hurst Road)
- Former Novartis Site, Horsham Town – redevelopment of the site.

Cabinet’s approval of the “Horsham District Deal” was therefore sought.

RESOLVED

- (i) That the “Horsham District Deal” be endorsed, so that it can be signed off by the Leaders of Horsham District Council and West Sussex County Council respectively.
- (ii) That the Leader of the Council be authorised to approve minor editorial changes prior to publication.

REASONS

- (i) The agreement between Horsham District Council and West Sussex County Council will ensure that both Councils fully understand and support growth priorities for Horsham as identified in the Deal.

- (ii) To give the Leader of the Council delegated authority to approve minor changes to the document, without the need for it to be referred back to Cabinet.

EX/26 **ROWAN DRIVE, BILLINGSHURST - APPROVAL OF A SUPPLEMENTARY BUDGET**

The Cabinet Member for Community and Wellbeing reported that, on 22nd March 2018, Cabinet had approved the appointment of a contractor to for the construction of 17 residential units on two development sites at Peary Close and Rowan Drive within an approved budget allocation of £3,000,000.

Following the receipt of planning consent for the development at Peary Close, the contract had been let and works had commenced on site, with a target completion date of 17th May 2019.

Consideration of the planning application in respect of the development at Rowan Drive had initially been deferred, owing to objections received during the planning process. The scheme had therefore been redesigned in order to address the key objections and planning permission had been granted at the Planning Committee (South) meeting on 18th September 2018.

Cabinet was advised that three additional cost elements had arisen since March 2018: the cost of the redesign of the development; costs arising from the decoupling of the two construction projects; and the payment of Community Infrastructure Levy (CIL) which was unexpectedly due as temporary accommodation was not excluded from CIL.

Cabinet was therefore now requested to recommend Council to approve an additional capital budget allocation of £175,000, increasing the overall capital budget envelope to £3,175,000, and a supplementary capital budget for this purpose.

RECOMMENDED TO COUNCIL

- (i) That the capital budget envelope be increased from £3,000,000 to £3,175,000.
- (ii) That a supplementary capital budget of £175,000 be approved for this project.

REASON

To enable the Council to provide additional temporary accommodation for eligible families in housing need.

EX/27 **CAR PARKING CHARGES - DUKES SQUARE**

The Cabinet Member for Local Economy reported that Dukes Square Car Park, off Denne Road, was currently available to season ticket holders only, 24hrs a day, seven days a week. The season tickets were predominantly sold to businesses based in the area who required the majority of their parking during core business hours (Monday to Friday, 9am to 6pm).

A number of surveys had highlighted that outside core business hours the car park was rarely used, leaving a number of spaces that could be made available by the introduction of pay and display parking to support visitors to the town centre during the weekends and evenings. This proposal would also address the need for spaces in the area whilst Piries Place car park was unavailable.

It was therefore proposed that a short stay pay and display option with the same tariff as Denne Road car park should be introduced Monday to Friday 6pm to 8pm and Saturday and Sunday all day.

The Local Economy Policy Development Advisory Group supported the proposal.

RESOLVED

- (i) That public pay and display car parking be introduced 6pm to 8pm Monday to Friday; 8am to 8pm Saturday; and 9am to 5pm Sundays and Bank Holidays (with the same tariffs as Denne Rd car park).
- (ii) That the maximum stay be three hours.

REASONS

- (i) The car park is currently a season ticket holder only car park; however surveys indicate that outside of the core working hours there is minimal use. Spaces would be available for public pay and display parking, thus fully utilising the car park.
- (ii) The location of Dukes Square car park is in a prime location for additional parking, especially on the side of town that has temporarily lost Piries Place car park.
- (iii) There is a potential for increasing parking income.

EX/28 **75% LOCALISATION OF BUSINESS RATES 2019-20 PILOT SCHEME**

The Cabinet Member for Finance and Assets reported that, in 2018/19, all councils in West Sussex had agreed to submit a bid for 100% localisation of Business Rates. Unfortunately, this bid had not been successful.

On 24th July 2018, the Ministry of Housing, Communities and Local Government had invited pilot bids for 75% localisation of Business Rates in 2019/20. All the councils in West Sussex had again modelled detailed financial scenarios and were considering whether to submit a bid before the submission deadline of 25th September 2018.

Cabinet was therefore recommended to support the submission of a bid for 75% Business Rate retention in 2019/20.

RESOLVED

That the submission of a bid to the Ministry of Housing, Communities and Local Government for the Council to take part in the 2019/20 pilot for 75% Business Rate retention be approved.

REASON

If taxation receipts grow faster than spending on additional responsibilities, a successful bid should result in a greater share of local taxation being retained in the area, for the benefit of residents and service users.

EX/29 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration.

EX/30 **FORWARD PLAN**

The Forward Plan was noted.

EX/31 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

The meeting closed at 5.57 pm having commenced at 5.30 pm

CHAIRMAN

Report to Cabinet

22 November 2018

By Brian Donnelly (Cabinet Member for Finance and Assets)

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Medium Term Financial Strategy 2019/20 to 2022/23

Executive Summary

The review of the Financial Strategy, as part of the budget setting process, enables a balanced budget target to be established with a focus on an affordable level of Council Tax, delivery of the corporate priorities and policies of the Council and the continued enhancement of value for money and satisfaction with services for the residents of the District.

The 2018/19 Budget was approved in February 2018 and small budget surpluses were projected for 2018/19 and 2019/20, with projected deficits in 2020/21 and 2021/22. Since then, the Council has been working further on income generation, continuing the business transformation journey to the next stage and other efficiency measures to mitigate against the cost pressures that continue to rise. This report sets out the proposed strategy for the period 2019/20 to 2022/23 to establish the context for the Council's budget and medium term financial planning scenarios and assumptions. This is done in the context of high levels of uncertainty from the future of business rates and the Fair Funding Review.

Recommendations

The Cabinet is asked to recommend to Council:

- i) the approval of the Medium Term Financial Strategy 2019/20 to 2022/23, and:
- ii) note the projected balanced budgets and budget gap as detailed in paragraph 3.6 of the report

Background papers

2018/19 budget setting papers to Council on 21 February 2018.

Wards affected: all

Contact: Jane Eaton, Director of Corporate Resources, 01403 215300
Dominic Bradley, Head of Finance, 01403 215302

Background Information

1 Introduction and background

- 1.1 The Medium Term Financial Strategy was last fully reviewed by Council on 21 February 2018 as part of the annual budget setting cycle. At that meeting a balanced budget for 2018/19 was approved. Cabinet and Members have been kept informed via quarterly budget monitoring and presentations since then to keep them informed of progress with the development of the new strategy.
- 1.2 The local government finance system is complex and the medium term future is more uncertain than ever. Predicting what interest rates and energy costs will be in two to five years' time is difficult and further complicated by uncertainty regarding the financial impact of the future income from retained Business Rates and the Fair Funding Review. Councils are affectively in the dark as to how the sector will be financed beyond 2019/20. It is however certain that the direction of travel will remain towards greater fiscal self-sufficiency, and that the amount of money available to district councils will continue to reduce over the next five years. The emergence of a Section 114 notice at a County Council indicates imminent danger in the upper tier sector, unless significant funding changes are made. Funding is therefore highly likely to be 'diverted' from Districts towards County / upper tier authorities that are suffering the most, led by the demands of social care.
- 1.3 Each year as the budget is set, unavoidable growth becomes apparent in the services. This is because of increased responsibilities from legislation, contractual obligations and inflationary pressures. However, the balanced budgets in 2018/19 and 2019/20 remain predicted through a combination of a range of measures including income generation, continuing the business transformation journey to meet the demands and expectations of our customers, and other efficiency measures.
- 1.4 This review ensures that the 2019/20 Budget and resultant Council Tax level will be set within the context of the Council's Corporate Plan priorities and the financial strategy in order to deliver a balanced budget, updated for the latest information and knowledge available to the Council.

2 Relevant Council policy

- 2.1 To deliver a balanced budget over the medium term.

3 Details

Strategic political, economic and regulatory outlook

- 3.1 The offer of a four-year settlement through to 2019/20, which was made by Government in 2016 was accepted and remains in place. This provides a relative degree of certainty in that the Revenue Support Grant and the baseline Business Rates funding level will not get any worse during this period although it does result in a £0.8m reduction in our government funding in 2019/20.
- 3.2 The Local Government Association (LGA) has calculated that the total Core Spending Power of all Local Authorities (defined as baseline funding from government in paragraph 3.1 and income from Council Tax and Business Rates retention) will reduce by £6.75bn over the review period (2015/16-2019/20). The Council's detailed

financial settlement for 2019/20 which we expect to broadly confirm the four-year settlement will probably be communicated to us on 6 December 2018.

- 3.3 UK economists remain divided over whether the UK economic outlook has been affected by the apprehensiveness and uncertainty surrounding the negotiations from Britain's exit from the European Union which is on course to happen at the end of March 2019. In the meantime, EU legislation remains in force.
- 3.4 Whilst the long term future impact remains uncertain it should be noted that interest rate forecasts have been updated based upon outcomes to date, the Bank of England base rate continues to be relatively low, a £445m quantitative easing programme and some reduction in the credit rating of UK banks by investment firms. Whilst the Bank of England raised interest rates to 0.75% in August 2018, they remain at low levels with significant increases not predicted within the period of this MTF5. The value of the pound has decreased since the June 2016 referendum; and remains around 10% lower against the U.S. Dollar and the Euro. Conversely, the FTSE 100 share index has risen significantly from 6,000 at the time of the referendum, and, although it has reduced in recent months, is still around 7,000.
- 3.5 Inflation has fluctuated recently, but fallen slightly overall when compared to 12 months ago, putting slightly less pressure on expenditure. In September 2018 it measured 3.3% under the Retail Price Index (RPI) compared to 4% a year ago, and 2.4% under the Consumer Price Index (CPI) compared to 3% a year ago. The impact from the cost of fuel though is still slowly rising. Both the demand for the Council's services and its income streams are affected by the general economic health of the District, and the prevailing interest rate has a direct impact on interest receipts. Figures from the first half of 2018/19 show Horsham town centre parking behind budget, although this is mostly due to the closure of Piries Place car park as well as the effect of good weather and the world cup. These could though be early signs of a downturn in the local economy. Therefore the uncertainty of the economic and regulatory outlook adds risk to the setting of a precise financial strategy. With this in mind, the assumptions within the MTF5 have been revisited in the sections below.

Budget assumptions

- 3.6 Future budget projections are based on a number of assumptions. Table 1 sets out the budget assumptions at November 2018 and Table 2 the forecast revenue budgets in 2018/19 through to 2022/23. Details of the budget assumptions and the reasons for the change in assumptions are explained in the following paragraphs.

Table 1: Budget assumptions each year

Budget Assumptions	November 2018			
	2019/20	2020/21	2021/22	2022/23
Pay award annual average 2%	£325k	£325k	£325k	£325k
CPI inflationary pressures approx. 2.5% falling back towards 2%	£225k	£225k	£225k	£200k
Pensions revaluation approx. 0%	£0	£0	£0	£0
(Decrease) / Increase in borrowing costs	(£135k)	£75k	£75k	£75k
Increase in dwellings	1,000	1,000	1,000	1,000
Increase in Council Tax at 3.3% in 2019/20 and 2.5% thereafter	£310k	£245k	£260k	£275k
Reduction in government grant funding	£700k*	**£1,000k	**£400	**£0

Minimum level of reserves	£6m	£6m	£6m	£6m
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* Dealing with 'negative' RSG in 2019/20 is under government consultation which may result in this funding being retained in 2019/20. However, it is highly likely that in this scenario, it would be removed in 2020/21 instead, meaning the Council would be no better off, other than in the timing of this being delayed by a year.

** From 2020, 75% localisation of Business Rates growth is expected to end other forms of grant funding, such as RSG, but also result in a significant re-baselining of NDR income at a much lower level as well. By 2021/22, the Council would not have any non-specific government funding.

Table 2: Revenue budget assuming around £600k of previously identified income and efficiency actions for 2019/20 are implemented

November 2018	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
Net expenditure	10,714	11,120	11,675	12,265	12,825
Funded by:					
Council Tax	(9,144)	(9,585)	(9,965)	(10,365)	(10,775)
Government grant – RSG negative	0	695	0	0	0
Government grant - Business Rates	(1,899)	(1,980)	(410)	0	0
Additional Business Rates retained	(200)	(100)	0	(50)	(50)
Collection Fund (surplus) / deficit	(82)	-	-	-	-
Total funding	(11,333)	(10,970)	(10,375)	(10,415)	(10,825)
Net (surplus) / deficit	(611)	150	1,300	1,850	2,000
Forecast at M6*	(515)				

* Due to impact of M6 forecast of £96k overspend against net expenditure

Inflation cost pressures and interest rates

- 3.7 Local Government pay is negotiated nationally and the Council has no direct influence on the settlement. The local government pay award of 2% in 2018/19 indicated the uplifting of the 1% public sector pay cap, so a 2% pay increase each year through to 2022/23 has been budgeted in the MTFS above. In expenditure terms this equates to approximately £325k of additional expenditure per annum.
- 3.8 Economic forecasters are also predicting a diverse range on inflation over the next three years, reflecting the uncertainty of exit from the European Union. The MTFS currently budgets for a 2.5% increase in inflation on the expectation that inflation will remain at or near current levels. The Bank of England suggested in its August 2018 inflationary forecast CPI has peaked and will end 2018 at 2.5% and slowly fall back towards its own target of 2% by 2021. RPI tends to be around 0.8% higher. Whilst income is also affected by inflation, inflation also increases our expenditure that offsets the increases in Council Tax and charges. The impact of inflation on the MTFS will be revisited on a regular basis as the monthly statistics are released by the Office of National Statistics.
- 3.9 An increase in pension contributions is not currently anticipated in 2019/20 on the basis of the 2016 triennial revaluation of the Council's Pension Fund and an interim valuation of the pension fund at a £10m asset as at 31 March 2018. In a change to the MTFS, the Council does not now anticipate an increase in the employer contribution levels from 2020/21 onwards. Equally though, it would not be prudent to significantly cut the employer contribution level, as historically, the pension fund has spent more years in deficit than in surplus and the position can quickly decline, due

to changes in actuary assumptions increasing the liabilities, as well volatility of asset values and the value of assets falling. The position will be revisited when the 2019 full triennial revaluation of the Council's Pension Fund funding statement is finalised by the actuary.

- 3.10 The Bank of England base rate increased to 0.75% in August 2018, the highest level since March 2009, but remains at a relatively low level, affecting the Council's income streams from investments. The Council has taken action over the past eighteen months to diversify the investment strategy into non-high street bank style deposit holdings which should help to mitigate the effect by generating more income, but nevertheless, low interest rates impact on the Council's ability to generate income from investments during the period.
- 3.11 The amount of money the Council has on deposit generating interest income is also likely to decrease as the proposed strategy to spend commuted sums on affordable housing will lower the amount of funds held by the Council. Significant capital expenditure is also rapidly reducing other funds held by the Council to the extent that the Council had to borrow short term in 2017/18, which is expected to happen again and eventually transition to long term borrowing by the end of the MTFS. The positive side of the low Bank of England base rate is that the cost of borrowing is also relatively low.
- 3.12 Economic forecasters are again divided on when an upturn in interest rates may occur. At the moment, the MTFS includes only a small increase over the three year period to 1.5%, which is in line with our treasury management advisors' opinion.

Council Tax

- 3.13 The government's 2015 Settlement funding assumptions assumed that all district councils would increase their Council Tax by the larger of 3% or £5 each year over the 4 year settlement period. The Council increased Council Tax by £5 in 2018/19 which equated to an increase of 3.56% compared to 4% RPI in January 2018 at the time the budget was set. It remains the lowest Council Tax in West Sussex and in the bottom quartile of all district councils. RPI is currently 3.3% at September 2018 and this increase has been built into 2019/20. Further ahead, increases at 2.5% have been built into the MTFS projections from 2020/21 through to 2022/23. Every 1% increase in Council tax increases income by approximately £95k.

Localisation of Business Rates

- 3.14 The Council currently retains around 5% or £2m of the £44m Business Rates collected in the district, which is based on a complex calculation involving target rates of collection set by government. Local authorities can increase their business rate income by growing the business rate take in their area; conversely, if collections fall then local authorities bear an element of risk. Local authorities currently share this risk and reward with central government 50:50.
- 3.15 Historical data suggests a fairly 'flat' picture with limited material Business Rates growth envisaged over the period of the MTFS. This area is a 'momentum indicator' where growth is more likely to continue where it is already taking place. At the moment, on average, every successful new business opening is more or less offset by a conversion of a business premise to residential flats (under the permitted development regime introduced by the Government) or a closure. In 2017/18, the

2017 Rateable Value (RV) list fell by over £1.1m. In the first seven months of 2018/19, the RV list has recovered by around £0.42m. Redevelopments in the former Council buildings on North Street, and Piries Place and Swan Walk shopping centre are affecting the RV. In the longer term, these initiatives and those such as the development of North Horsham and the redevelopment of the former Novartis site may offer some upside but at the moment our economic growth as an area is a long way below the desirable level for affluence of its population.

- 3.16 In comparison with other authorities though, the Council is comparatively less at risk as it has relatively few single significant sites in respect of business rate valuations. For example, it is not the site of a power station, airport, major retail park or regional distribution centre. Some risk does exist however, principally around outstanding rates appeals for which the Council would have to bear its share of lost revenue should those appeals prove successful. The Council had a provision of £1.84m for business rate appeals at 31 March 2018. The slow rate at which the Valuation Office is tackling the backlog of appeals makes the Council sceptical that the provision for appeals will fall in the near future.
- 3.17 Earlier this year, Government announced its revised intention of allowing local government to retain 75 percent of growth of locally collected rates from 2020, rather than 100 percent. How this will happen and what impact it will have on local government remains uncertain. No formal legislation has been put forward by Government. The Council is part of a 75% Business Rates pilot bid for 2019/20 with all the local government authorities in West Sussex, but as this is just a pilot and is only for one year, it is unclear how this might transition into a long term model for the 2020s.
- 3.18 Business rate income will continue to be distributed around the country as before. The 75% localisation refers to the level of growth (or fall) from the baseline that is likely to be significantly reset. The Council will also continue to share this growth (or fall) with West Sussex County Council, although the current share of District 80:20 County is likely to change.
- 3.19 In addition, based on the criteria for the pilot schemes, the Council expects that any 75% localisation of Business Rates will involve the replacement of other funding streams and is also likely to come with additional responsibilities that would give rise to additional costs. It is possible that the New Homes Bonus could be made part of this too.
- 3.20 Furthermore, the increase in the Business Rates multiplier has been switched from RPI to CPI. The multiplier is the annual increase in Business Rates determined by the government. CPI tends to go up more slowly than RPI so this change is likely to reduce the buoyancy in the Business Rates yield. Over time this will have a significant impact on the resources that are available to local government as a sector.

Fair Funding Review

- 3.21 The Government has consulted on the Fair Funding Review of relative needs and resources and cost drivers and updating the current needs assessment formulae. This attempts to weigh up a range of cost drivers such as population, rurality, deprivation, demand for social care, transport, waste disposal and fire and rescue

service. The output from this will feed into the overall settlement offer for 2020 onwards.

- 3.22 All the signs and indications so far is that districts and especially those which have low need and a higher proportion of wealth will lose the most. Some extrapolations, if all worst case scenarios happen, could see this Council lose up to £7m funding per annum. If previous changes are a guide, there will be some transitional arrangements, which will dampen the effect, but government has already indicated that any period will be short in order to redistribute funding as quickly as possible.
- 3.23 At this point it is difficult to calculate the effect of both the Fair Funding Review and the effect of business rates localisation. Not enough detail is known about the potential changes but the Council can conclude that there is a high degree of uncertainty, especially beyond 2020. The Council has made the assumption that a significant re-baselining of business rates will occur. Including the £700k 'negative' RSG, the Council estimates a Business Rate income of about £400k in 2020 rather than the current £2m, with this falling to zero in 2021/22 once the damping effect from the Fair Funding Review wears off. The Council will revisit the impact of this as it learns more of how the scheme will work and will feed this into a future MTFs.

New Homes Bonus (NHB)

- 3.24 The New Homes Bonus provides an incentive payment for local authorities to stimulate housing growth in their area. The calculation is based on Council Tax statistics submitted each October. In two-tier local government areas this payment is currently split in the ratio 20% to county councils, 80% to district councils. NHB is currently not ring-fenced and can be spent at the Council's discretion.
- 3.25 The incentive has been sharpened since its introduction reducing the payment from six years to four years, and introducing a 0.4% baseline which needs to be exceeded before any NHB payments are made. For this Council, this means that approximately 240 band D equivalent dwellings need to be built before any grant is received.
- 3.26 Appendix A (figure i) models the estimated income based on the number of dwellings in the Council Tax Base form at October 2018 based on the current format. This is not however thought to be a likely scenario. The growth of additional dwellings has fallen from an average of 1,100 per year over the last three years to 845 added between October 2017 and October 2018. This results in a lower payment.
- 3.27 Government has previously indicated further sharpening is likely; the most probable being an increase in the baseline, meaning a reduction in the future amounts the Council will receive. Appendix A (figure ii) models three years of payments, and (figure iii) models a 0.7% baseline scenario in 2019/20 which is more akin to the national average increases in growth in the council tax-base. Even more pointed sharpening might combine this with payments for only 3 years, as modelled in Appendix A (figure iv).
- 3.29 Over the summer though, there were suggestions the Government believes the grant has been unsuccessful in delivering housing. This could lead to it being altered or withdrawn in 2020 and there is a suggestion the £900m funding may be

used as a counterweight in any 75% localisation of Business Rates scheme that may happen in 2020. This is modelled in Appendix A (figure v). Due to this overhanging threat, during 2017/18 and 2018/19, the Council removed its revenue reliance on NHB to zero in contrast to the £1.17m that was included in the 2016/17 revenue budget.

- 3.30 The principle of using any NHB reserve to strengthen the Council's ability to generate income from appropriate investments in order to receive income to support future service delivery and secure the delivery of infrastructure to serve the needs of the district's resident is unchanged.
- 3.31 The NHB reserve stood at £4m at 31 March 2018. Depending on the severity of the sharpening of the scheme, the reserve is forecast to be between £nil and £5.2m by 31 March 2023, after allowing for additional allocations to fully fund the new Broadbridge Heath leisure centre and then annual investment of £3m in property if funds allow. This is also subject to continued house building continuing at a similar rate.

External financial pressures

- 3.32 The introduction of the Homelessness Reduction Act in April 2018 led to a significant increase in the cost of homeless services during 2018/19, which is being felt by districts all across the County, largely due to longer stays in bed and breakfast accommodation required by the Act. The overall increase for homeless accommodation provision in the first half of the year is in the region of 40 households when compared to the last four years. The forecast for 2018/19 is a £300k overspend in housing and the MTFS has built this additional spend into the budget.
- 3.33 West Sussex County Council (WSSC) has found around £146m of efficiencies over the last eight years. However, WSSC has recently identified the need to save a further £145m over the next four years to balance their budgets over the medium term financial strategy. WSSC are considering some tough options as part of the 2019/20 budget setting process. WSSC are targeting some discretionary service areas, which could impact on the Council if these reductions go ahead.
- 3.34 One proposed discretionary reduction is funding housing related support, which is currently commissioned by County through contracts with voluntary sector organisations. Closure of services such as at the Y Centre building in Horsham could lead to an increase in the numbers unintentionally homeless people that Horsham District Council would have a statutory duty to house. Consequently this could lead to more demand for housing services provided by the Council, therefore increasing costs.
- 3.35 The Council's income may also be affected by some of WSSC's decisions. For example, WSSC currently pay funding for recycling credits above the statutory minimum level to encourage levels of recycling and reduce the amount of residual waste. WSSC are proposing paying only the statutory minimum, which would result in a reduction of income to the Council for the recycling credits.

Capital programme

- 3.36 The 2018/19 capital programme includes the completion of the Broadbridge Heath Leisure centre, Piries Place car park, building temporary accommodation and commercial investment property, with the programme totalling £27.2m. At month 6,

having spent £6.8m (25%), capital budget holders are optimistically anticipating that £18.6m (68%) will be spent by 31 March 2019. This compares to the 2017/18 outturn of £28m (61%) of the £46.1m capital budget which included the one-off purchase of the £15m Forum investment property. Excluding the Forum though, the Council spent £13m of £31.1m, or only 42% of the programme.

- 3.37 Of the currently identified £8.6m slippage in 2018/19, a number of schemes are behind schedule; £2.5m on other commercial investment property, £1.5m on temporary and affordable housing; relating to both housing enabling grants and delay to an in-house temporary housing development, and £1m for the Council's share of the capital works being undertaken in the Swan Walk shopping centre.
- 3.38 The provisional 2019/20 capital programme includes around 20 new capital programme bids totalling £2.4m that have been put forward for consideration and the business cases are currently being reviewed. Amongst the schemes are improvements to parks and countryside, parking and property. The two-stage challenge process will refine this list before the capital programme is finalised in January 2019.
- 3.39 When the unspent 2018/19 programme is re-profiled and added to the new programme, approximately £15m is expected in the programme in 2019/20. The programme includes £3m on investment property, £2.5m on re-providing a running track and £1m disabled facilities. A large capital programme impacts on the Council's minimum revenue provision (MRP is a prudent mechanism to pay back the capital), and any interest payments on any borrowing if needed. Estimated MRP expenditure of around £0.9m per annum is forecast each year from 2019/20 across the MTFs. The 2020/21 capital programme is already indicatively forecast to be around £8m before any new schemes are considered.

Reserves and reserve strategy

- 3.40 The Council holds two types of reserves, earmarked reserves and general revenue reserves. Earmarked reserves are funds received for a specific purpose. For example, grant funding that can only be expended on particular purposes. Details of the earmarked reserves held by the Council at 31st March 2018 are shown in table 3 below.

Table 3: Earmarked reserves

Earmarked Reserves at 31 March 2018	£'000
Neighbourhood Planning Grant	278
S106 reserves	752
NNDR reserve	1,435
Council Tax localisation	293
Health and Wellbeing	197
Transformation fund	94
BBH leisure centre (NHB)	1,382
Other	786
Total	5,581

- 3.41 General reserves are reserves held to ensure that the Council has sufficient funds to deal with any emergency or uncertainty. The Council also uses its general fund reserves to fund capital expenditure and redundancy payments. General reserves at 31st March 2018 were £11.6m. Of this, £0.5m of the 2017/18 revenue budget

surplus has subsequently been added into the earmarked transformation reserve to fund one-off up-front costs of business transformation in 2018/19.

- 3.42 The Council agreed in October 2012 on a minimum level of general reserves of £6m. From 2020 onwards income from central government is uncertain due to the consultation around business rate localisation and the Fair Funding Review. The Council's current strategy on reserves gives sufficient flexibility and headroom to deal with any issues that arise. The Council will however need to implement efficiencies and planned income schemes, together with the potential actions set out later below, to be able to balance budgets through to the end of the MTFs. Any use of reserves in this period is not sustainable and must only be a temporary measure, and / or to fund transformation. The general fund balance is predicted to be around the £6m mark at the end of 2022/23.

Efficiencies and planned income

- 3.43 Over the 2015 to 2019 settlement period, the Council has already implemented many schemes to ensure that it can continue its business transformation journey to meet the demands and expectations of its customers in the face of financial and demographic pressures. The ongoing process of transformation will deliver a stronger Council which will be more productive and better equipped to serve customers. It will also help to protect front-line services whilst ensuring that the Council has a strong and responsive support services.
- 3.44 Efficiencies and income helped to close the £4.2m budget gap that was identified for the end of the MTFs period of 2019/20 back in February 2016. The Council has also undertaken productivity reviews of front-line services and incorporated the findings into the current budgets where savings or income have been identified. This has helped to mitigate against some of the unavoidable cost increases each year.
- 3.45 A number of new and revisited schemes for the medium term have been identified during 2018, reviewed for feasibility and will be further developed during 2019, for future budgets in the 2020s. These are being designed now to start to bring these additional savings and income ideas into practice during the next six to twelve months to avoid the need for any step-changes. This includes replacing our technology with cheaper, Cloud based options and increasing the amount of self-service using the internet. At this point, around £2m of reasonable ideas have been identified, although the challenging part is translating the ideas into actual savings and income.

Potential actions

- 3.46 Having implemented the rural car-parking strategy, changes to the waste collection service, increased garden waste charges and significantly increased the property investment portfolio, much of the 'big ticket' decision making has already been incorporated into the budgets. Whilst there is a predicted surplus in 2019/20 due to actions already taken, continuing action is needed to fund further transformation and help to prepare for the deficits that are currently predicted in the 2020s.
- 3.47 When the budget report is presented to Cabinet at the end of January 2019, it will include the anticipated savings from the business transformation programme, other

service efficiencies and income. These proposals reduce the deficits in the latter years as shown in table 4:

Table 4: Possible budget in the future after further actions taken:

	2018/19	2019/20	2020/21	2021/22	2022/23
November 2018	£000	£000	£000	£000	£000
Net expenditure	10,714	11,120	11,675	12,265	12,825
Funded by:					
Council Tax	(9,144)	(9,585)	(9,965)	(10,365)	(10,775)
Government grant – RSG [negative]	0	695	0	0	0
Government grant - Business Rates	(1,899)	(1,980)	(410)	0	0
Additional Business Rates retained	(200)	(100)	0	(50)	(50)
Collection Fund (surplus) / deficit	(82)	-	-	-	-
Total funding	(11,333)	(10,970)	(10,375)	(10,415)	(10,825)
Net (surplus) / deficit	(611)	150	1,300	1,850	2,000
Total of anticipated savings and income		(800)	(1,650)	(1,850)	(1,900)
Revised (surplus) / deficit if all savings and income achieved.		(650)	(350)	0	100

- 3.48 Taking this action now would help to close the budget gap to a more manageable amount in the future. It is also expected that as the Council gets to these years, the budgets would be firmed up with actual efficiencies and income to balance the budget. Not introducing some of the savings and income now would risk a cliff edge in 2020/21. In addition, implementing the savings and income ideas for a full year effect requires the preparatory work being undertaken prior to the beginning of the financial year and brings with it the key risk of slippage, as well as unachievable targets.

4 Next steps

- 4.1 On 24 January 2019, the 2019/20 Budget will be taken to Cabinet to recommend approval at the 13 February 2019 full Council meeting where the Council Tax for 2019/20 will be set. The MTFs will also be updated at this time to take account of the Autumn Budget and our settlement plus the final details of the 2019/20 Budget.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 The proposed MTFs, assumptions and some potential actions were considered by the Finance and Assets Policy Development and Advisory Group at its meeting on 5 November 2018. The Group were supportive of the proposals and assumptions used.
- 5.2 The Chief Executive, the Directors and the Head of Finance have been extensively involved in preparing the medium term financial strategy and fully supportive of its contents. The Monitoring Officer has also been consulted during the preparation of the document and is supportive of its contents.

6 Other courses of action considered but rejected

- 6.1 Not taking actions set out in this report would put at risk the ability of the Council to deliver the balanced budget in 2019/20 and reduce the budget deficits projected for 2020/21 through to 2022/23. Therefore, not taking any action has been rejected.

7 Resource consequences

- 7.1 The size of the Council's workforce has reduced overall since 2016 as set out in table 5, which also partly reflects the end of the Census ICT partnership which Horsham hosted where some staff TUPEd back to the two partnering local authorities. During 2018, headcount has increased due to the recruitment of apprentices, neighbourhood wardens, and permanent waste and recycling loaders and planners.

Table 65: Resources:

Date	Full Time Equivalents (FTE)
31 March 2016	422
31 March 2017	417
31 March 2018	398
31 September 2018	409

- 7.2 The precise figure of any future reductions over the MTFs, currently estimated at between 10 and 15 posts, will be firmed up as detailed plans for the individual elements are finalised. In accordance with the Organisational Change Policy the Council will take steps to avoid compulsory redundancies as far as possible through a combination of vacancy control, redeployment and, in appropriate cases, voluntary redundancy.

8 Legal consequences

- 8.1 There are no legal consequences as a result of this report.

9 Risk assessment

- 9.1 The Council's reliance on central government funding and balancing the medium term financial plan is captured on the corporate risk register at CRR01. This is regularly reviewed and updated and is monitored at Audit Committee on a quarterly basis.

10 Other Considerations

- 10.1 There are no consequences of any action proposed in respect of Crime & Disorder or Human Rights. Some of the new income proposals intended to help fill the gap may have positive or negative equalities or sustainability impacts. Individual impact assessments of these will be completed alongside the business case of each proposal.

New Homes Bonus (NHB) – November 2018

Appendix A

The mechanism of NHB has been sharpened since 2017/18. The Council received five years of payments in 2017/18, which reduced to four years in 2018/19. A 0.4% baseline was also introduced, which needs to be exceeded before any NHB payments are made. For 2018/19, measured against the total band D equivalents in the district, 0.4% equates to approximately 240 additional houses a year before we receive anything. The projected figures in figure (i) in *red italics* assume nothing changes and that the baseline and four years remains the same. Note that the number of band D equivalents built between October 2017 and October 2018 fell to 845 in comparison to an average of 1,100 in the previous three years.

Nothing changes - unlikely	Figure i	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 years in 2017/18	2011/12	379	379	379	379	379	379						
4 years from 2018/19	2012/13		390	390	390	390	390						
	2013/14			397	397	397	397	397					
	2014/15				776	776	776	776					
	2015/16					994	994	994	994				
	2016/17						1,462	1,462	1,462	1,462			
0.4% baseline	2017/18							1,186	1,186	1,186	1,186		
0.4% baseline	2018/19								1,185	1,185	1,185	1,185	
0.4% baseline	2019/20									810	810	810	810
0.4% baseline	2020/21										810	810	810
0.4% baseline	2021/22											810	810
0.4% baseline	2022/23												810
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,643	3,991	3,615	3,240
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	2,500	0	0	0
Used for investment property										3,000	3,000	3,000	3,000
One-off neighbourhood warden grant									150				
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	177	-857	991	615	240
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	3,361	4,352	4,967	5,207

The government has retained the option of making adjustments to the baseline in future years, which is much more likely. Some further scenarios have been modelled. An increase in the baseline of 0.1% is equivalent to approximately 61 band D dwellings, which at the standard 2018/19 payment of around £1,590 per dwelling (of which 80% comes to the District) would reduce NHB by £78k to the Council.

In each of the modelled scenarios, the assumption is that house building continues at the same current rate, which may not be the case if the economy slows down.

Figure (ii) models a reduction of payments to three years with current 0.4% baseline.

Sharpened a little	Figure ii	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 years in 2017/18	2011/12	379	379	379	379	379	379						
4 years from 2018/19	2012/13		390	390	390	390	390						
3 years from 2019/20	2013/14			397	397	397	397	397					
	2014/15				776	776	776	776					
	2015/16					994	994	994	994				
	2016/17						1,462	1,462	1,462				
0.4% baseline	2017/18							1,186	1,186	1,186			
0.4% baseline	2018/19								1,185	1,185	1,185		
0.4% baseline	2019/20									810	810	810	
0.4% baseline	2020/21										810	810	810
0.4% baseline	2021/22											810	810
0.4% baseline	2022/23												810
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	3,181	2,805	2,430	2,430
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	2,500	0	0	0
Used for investment property										3,000	3,000	3,000	3,000
One-off neighbourhood warden grant									150				
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	177	-2,319	-195	-570	-570
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	1,899	1,704	1,134	564

Figure (iii) models four years of payments with a 0.7% baseline scenario.

Sharpened a little	Figure iii	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 years in 2017/18	2011/12	379	379	379	379	379	379						
4 years from 2018/19	2012/13		390	390	390	390	390						
	2013/14			397	397	397	397	397					
	2014/15				776	776	776	776					
	2015/16					994	994	994	994				
	2016/17						1,462	1,462	1,462	1,462			
0.4% baseline	2017/18							1,186	1,186	1,186	1,186		
0.4% baseline	2018/19								1,185	1,185	1,185	1,185	
0.7% baseline	2019/20									570	570	570	570
0.7% baseline	2020/21										570	570	570
0.7% baseline	2021/22											570	570
0.7% baseline	2022/23												570
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	4,403	3,511	2,895	2,280
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	2,500	0	0	0
Used for investment property										3,000	3,000	3,000	3,000
One-off neighbourhood warden grant									150				
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	177	-1,097	511	-105	-720
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	3,121	3,632	3,527	2,807

Figure (iv) models a pointed sharpening of both a reduction to three years of payments and a 0.7% baseline.

Sharpened a lot	Figure iv	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 years in 2017/18	2011/12	379	379	379	379	379	379						
4 years from 2018/19	2012/13		390	390	390	390	390						
3 years from 2019/20	2013/14			397	397	397	397	397					
	2014/15				776	776	776	776					
	2015/16					994	994	994	994				
	2016/17						1,462	1,462	1,462				
0.4% baseline	2017/18							1,186	1,186	1,186			
0.4% baseline	2018/19								1,185	1,185	1,185		
0.7% baseline	2019/20									570	570	570	
0.7% baseline	2020/21										570	570	570
0.7% baseline	2021/22											570	570
0.7% baseline	2022/23												570
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	2,941	2,325	1,710	1,710
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	2,500	0	0	0
Used for investment property										3,000	3,000	2,500	2,000
One-off neighbourhood warden grant									150				
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	177	-2,559	-675	-790	-290
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	1,659	984	194	-96

Figure (v) models the NHB scheme ending with no new payments in 2020/21.

removed completely	Figure v	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
5 years in 2017/18	2011/12	379	379	379	379	379	379						
4 years from 2018/19	2012/13		390	390	390	390	390						
3 years from 2019/20	2013/14			397	397	397	397	397					
No new payment in 2020/21	2014/15				776	776	776	776					
	2015/16					994	994	994	994				
	2016/17						1,462	1,462	1,462				
0.4% baseline	2017/18							1,186	1,186	1,186			
0.4% baseline	2018/19								1,185	1,185	1,185		
0.4% baseline	2019/20									810	810	810	
Ended	2020/21												
Ended	2021/22												
Ended	2022/23												
		379	769	1,166	1,942	2,936	4,398	4,815	4,827	3,181	1,995	810	0
Used to fund revenue		0	0	1,166	1,166	1,166	1,166	700	0	0	0	0	0
Used for BBH leisure centre		0	0	0	0	0	2,000	5,000	4,500	2,500	0	0	0
Used for investment property										3,000	3,000	1,500	0
One-off neighbourhood warden grant									150				
Added to / (drawn from) Reserves		379	769	0	776	1,770	1,232	-885	177	-2,319	-1,005	-690	0
Total Reserve figure		379	1,148	1,148	1,924	3,694	4,926	4,041	4,218	1,899	894	204	204

Reliance on NHB to support revenue is being tapered down over the period from 2017/18 to 2018/19. This tapering period will enable the Council to take measures to increase income and phase in additional spending reductions to balance the budget as new homes bonus cannot be considered a permanent source of income, especially if it is included in 100% localisation of business rates. The table also assumes that NHB reserve is used to fully fund the capital project at Broadbridge Heath (BBH) leisure centre in addition to the £4m allocated in 2016/17 and in 2017/18 as previously approved by Cabinet. And that the £3m of commercial property investment each year starts to be funded from NHB once the BBH leisure centre is paid for, thus financing the purchases and reducing the MRP charge of an unfinanced asset.

Report to Cabinet

22 November 2018

By the Cabinet Member for Finance and Assets

DECISION REQUIRED



**Horsham
District
Council**

Insurance Contract

Executive Summary

The Council's insurance contract is due to expire on 1 April 2019 and in order to meet the timescales in implementing a new contract Cabinet is recommended to delegate the authority for its award to the Cabinet Member for Finance and Assets and Director of Resources.

Recommendations

That the Cabinet is recommended:

- i) to delegate the Contract Award of the insurance contract to the Director of Resources in conjunction with the Cabinet Member for Finance and Assets.

Reasons for Recommendations

The Council is going out to joint tender with several other local authorities and therefore needs to be able to meet their tendering timescales. The councils are due to make the contract award on 14 January 2019.

It would not be possible for the Council to make the contract award in time for commencement of the contract without using the Delegated Authority route.

Background papers

The documents used in the preparation of, or referred to in, the report should be specified here. You do not need to include published works, nor confidential or exempt documents.

Wards affected: All

Contact: Dominic Bradley, Head of Finance, 01403 215302

Background Information

1 Introduction and background

- 1.1 The Council's current insurance contract with Zurich Municipal Insurance Ltd commenced on 1 April 2014 for an initial 3 year period with the option to extend for up to 24 months. The contract has been extended subsequently up to the full permissible extension period and the current contract expires on 31 March 2019. The Council currently pays approximately £450k per year in insurance premiums.
- 1.2 As the contract falls within the scope of the EU Procurement Directives, the Procurement and Finance teams have explored several options regarding the route to the market based on finance and resource implications.
- 1.3 Consequently the Procurement and Finance teams have determined that the best route to market is a joint tender in conjunction with the following other local authorities – Eastbourne Borough Council, Hastings Borough Council, Lewes District Council, Rother District Council, Wealden District Council and Mid Sussex District Council. Their insurance services contracts expire at the same time as Horsham's. The tender process is managed by the East Sussex Procurement Hub which is a shared procurement service hosted by Wealden District Council to co-ordinate joint procurement on behalf of its members.
- 1.4 The councils mentioned above (with the exception of Mid Sussex District Council) had previously gone out to tender together and felt that they had achieved financial savings and benefits from representing a larger share of the market.

2 Relevant Council policy

- 2.1 Procurement Code – Adhered to alongside advice and support from the Shared Procurement Service.
- 2.2 Anti-Fraud & Corruption – All bidders to be vetted in regards to this.

3 Details

- 3.1 The East Sussex Procurement Hub, in conjunction with those other local authorities, carried out an investigation of the insurance market in June 2018 and determined that the best outcome for the councils would be to go out to tender for the appointment of an Insurance Broker. It was felt that a broker would ensure more competition within the market, assist the councils in constructing tender documentation to approach the market as well as providing brokerage services during the lifetime of the contract.
- 3.2 A mini competition for the appointment of an insurance broker was carried out under the Crown Commercial Services Insurance Services II framework agreement (RM3731) on 10 July 2018 with tenders back on 6 August 2018. Four responses were received and after evaluation and subsequent due diligence processes, Portmore Insurance Brokers Limited were appointed as the councils' insurance broker.

- 3.3 The Councils went out to mini-competition under the framework on 22 October 2018, with the tenders due back on 10 December 2018. Evaluations of the tenders will take place from 10 December until 14 January 2019 when the Contract will be awarded.
- 3.4 Therefore, given the timescales involved, it is not possible to achieve approval of the Contract award other than by delegated authority.

4 Next steps

- 4.1 The Contract Award to be approved by the Director of Resources in conjunction with the Cabinet Member for Finance and Assets on 14 January 2019.
- 4.2 New Insurance Contract to commence 1 April 2019.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 The draft report was considered by the Finance and Assets **Policy Development Advisory Group** on 5 November 2018. The Group were supportive of the proposed process and actions.

6 Other courses of action considered but rejected

- 6.1 Council to carry out tender process alone through a framework agreement or open tender– it was felt that there would be little resource or financial advantage to this option given the insurance market.

7 Resource consequences

- 7.1 Until the tender process has been completed the Council is not able to quantify the financial implications but it is anticipated that there will be a financial saving on this contract due to the economies of scale.

8 Legal consequences

- 8.1 The Council has power under section 1 of the Localism Act 2011 to enter into a contract for the provision of insurance cover to protect its assets, liabilities and risks
- 8.2 The tender is EU compliant, ensuring maximum exposure in the market place and the process is being managed by East Sussex Procurement Hub and the appointed insurance brokers Portmore Insurance Brokers Limited.

9 Risk assessment

- 9.1 Risks are considerable should the Council not have an insurance contract in place from 1 April 2019.

10 Other considerations

- 10.1 There are no significant consequences of this proposed action in respect of Crime & Disorder; Human Rights; Equality & Diversity and Sustainability.

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Report to Cabinet

22nd November 2018

By the Cabinet Member for Community and Wellbeing

Part exempt – see appendix



DECISION REQUIRED

Additional Temporary Accommodation Options – Copnall Court - Saxon Weald Lease

Executive Summary

The council is proposing to lease nine units of accommodation from Saxon Weald to be used as temporary accommodation for homeless households. This proposal would reduce the council's reliance upon bed and breakfast which would improve the outcomes for homeless families and reduce the council's expenditure on bed and breakfast accommodation.

The council has a statutory duty to provide interim accommodation for people in urgent need of housing. The council owns and manages 70 units of accommodation and in addition, leases a further six units from Stonewater Housing Association. Demand for short-stay accommodation has risen sharply in the past 12 months and this is anticipated to continue. The introduction of the Homeless Reduction Act (HRA) has highlighted the need to work proactively with households at risk of homelessness, this new way of working has added to the service households are now able to access.

Section 1.3 below demonstrates the increase in demand for bed and breakfast accommodation. Households placed in bed and breakfast accommodation are required to pay rent by their own means or through housing benefit payments. The amount that can be recharged is capped at the single room local housing allowance rate of £138.46 per week and covers approximately a third of the cost to secure a placement.

The use of bed and breakfast accommodation is therefore placing a significant financial burden on the council. The predicted annual net cost for supplying this bed and breakfast accommodation will be in the region of £300,000 during 2018/19.

The council is proposing to lease nine units of accommodation from Saxon Weald to be used as temporary accommodation. The units are new build properties and benefit being modern, energy efficient and in a central accessible location within the district. The proposal would see the council lease the units from Saxon Weald for a period of ten years and return them in a habitable and compliant condition after this period.

Using these properties as temporary accommodation will enable the Council to keep households owed a homeless duty closer to support networks, children's schooling and

employment that might otherwise be jeopardised if bed and breakfast accommodation is secured outside the Horsham District.

This approach will help to provide a rapid response to an urgent need for additional suitable temporary accommodation demand now.

Recommendations

Cabinet is asked to:

- i) Approve the proposal to lease nine flats at Copnall Court, Broadbridge Heath from Saxon Weald to let as temporary accommodation to homeless households as an alternative to bed and breakfast accommodation often outside the Horsham District.
- ii) Approval for the signing of the lease to be completed by Delegated Authority the Head of Legal Services in consultation with the Cabinet Member for Community and Wellbeing.

Reasons for Recommendations

- i) To support the council to meet its statutory responsibility to provide short-stay temporary accommodation. The current level of temporary accommodation does not meet current levels of demand.
- ii) Securing accommodation within the district will enable the council to meet its statutory housing duties at a lower cost than the current alternative of placing households in bed and breakfast accommodation. Local accommodation will also keep households closer to employment, children's schooling and social and support networks.

Background Papers

None

Wards affected: Broadbridge Heath

Contact: Rob Jarvis, Head of Housing Services 01403 215449

Background Information

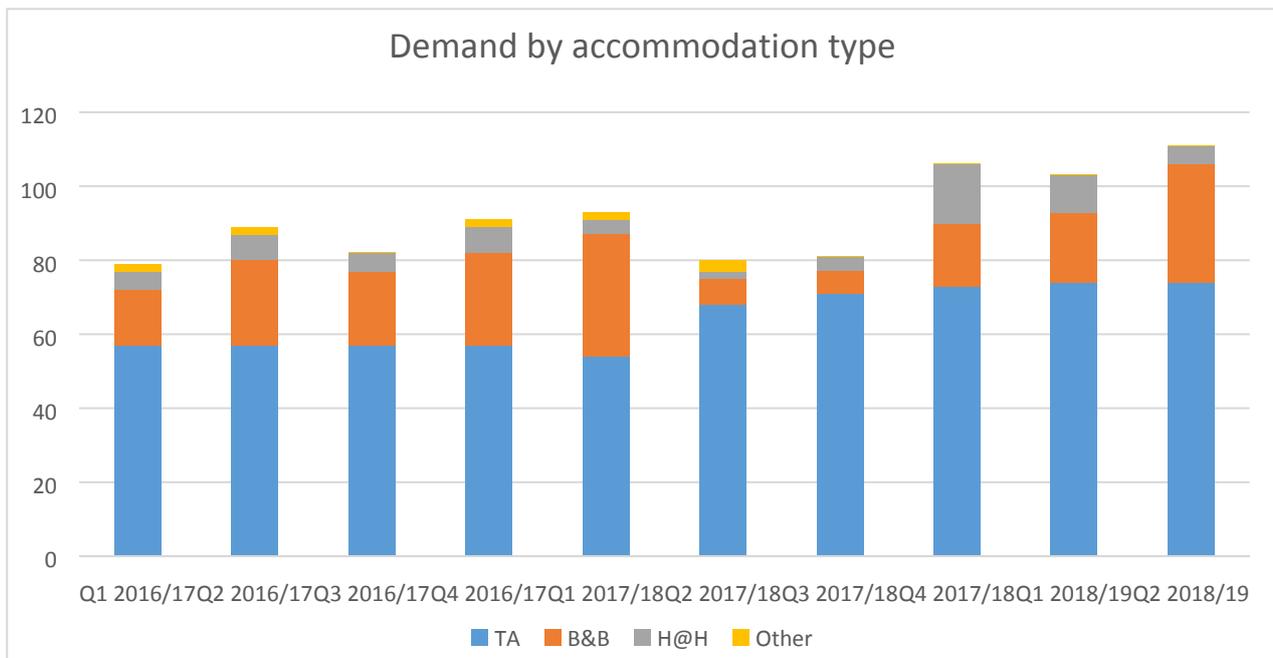
1 Introduction and Background

- 1.1 The purpose of this report is to request cabinet approval the proposed lease on nine flats from Saxon Weald. The annual cost of the lease is detailed within the exempt appendix.
- 1.2 Horsham District Council has a statutory duty to provide short stay temporary accommodation to all applicants who are deemed to be, eligible, homeless and in a priority category under the homelessness legislation. In order to meet this duty it has its own stock of temporary accommodation and leases a block of flats from a Registered Provider. These units total 76 and are split as follows:

	Flats	Houses
Studio / bedsits	8	0
One bedroom	32	0
Two bedroom	23	0
Three bedroom	3	10

However, demand is significantly outstripping supply and Bed and Breakfast (B&B) establishments are increasingly being used to deal with the growing pressure of homelessness. Keeping families in B&B accommodation can often be unsuitable for long periods and can be of great strain for those involved.

- 1.3 The graph below demonstrates the how the current demand is being met and shows an increase in reliance on bed and breakfast accommodation since Q3 2017/18.



- 1.4 The reduction in use at the end of quarter two in 2017/18 was in response to the handover of seventeen units of accommodation at Burstow Court, Horsham. Since the end of quarter three we have seen a marked increase in demand for bed and breakfast accommodation.
- 1.5 The cost of providing bed and breakfast accommodation is expected to be in the region of £300,000 for the 2018/19 financial year. This is the net cost after income collected through housing benefit payments or rent from households not in receipt of housing related benefits.
- 1.6 The Council has secured planning permission to develop two further sites as temporary accommodation in Peary Close, Horsham and Rowan Drive, Billingshurst. These are estimated to be ready for occupation summer and winter 2019 respectively.
- 1.7 A review of our affordable housing position was approved by Cabinet November 2017 and noted the unlikely need for additional temporary accommodation beyond those units proposed at Peary Close and Rowan Drive. Since the report there has been a sustained increase in demand for homeless services which has been further compounded by the extension of service households are now entitled to as a result of the implementation of the Homeless Reduction Act (HRA).
- 1.8 Given the pressures we are facing now it is proposed that we consider alternative methods to access additional units of accommodation that could be used as temporary accommodation.

2 Relevant Council policy

- 2.1 Leasing accommodation from Registered Providers is nothing new, the Council already has an arrangement with Stonewater (Registered Provider) for six units in Pulborough. This arrangement has been in place since 2004. Leasing accommodation from Registered Providers supports the Council's statutory responsibility to provide accommodation for households in housing need. The Council has a shortfall of accommodation, which means that there is often no alternative but to rely upon expensive bed and breakfast accommodation.

3 Details

- 3.1 The Council currently manages 76 units of temporary residential property throughout Horsham District. This is used to discharge the Council's statutory duty pursuant to Part VII of the Housing Act 1996 (as amended). The demand for homeless accommodation has continued to increase following the implementation of the Homeless Reduction Act 2018, as the duties towards homeless households are expanded.
- 3.2 In addition to the increase in demand and expanded duties towards homeless households, the turnover rate of households in our temporary accommodation has slowed down. At the end of July the average number of weeks spent in all forms of temporary accommodation was 44 weeks, this compares to 37 weeks for the same period for July 2016/17.

3.3 The proposal would see the Council agree a ten year lease with Saxon Weald to rent six one bed flats and three two bed flats at Copnall Court, Broadbridge Heath

3.4 The alternative net cost of providing nine households with bed and breakfast accommodation for a year is approximately £80,000. It is expected that this proposal will reduce the Councils bed and breakfast annual expenditure. The full cost and savings of this proposal are detailed within the exempt appendix.

4 Next Steps

4.1 Approval of proposal to lease the nine units of accommodation from Saxon Weald for a period of ten years. The proposed start date of this lease will is expected to be the beginning of December 2018.

5 Outcome of Consultations

5.1 The Director of Corporate Resources and S151 Officer support this proposal.

5.4 Community and Wellbeing Policy Development Advisory Group were appraised of the concept to lease accommodation from registered providers at the meeting held 29 October 2018 and supported the concept on the basis that it provided a better outcome and was more cost effective alternative to bed and breakfast accommodation.

6 Resource Consequences

6.1 The analysis of cash flows in the appendix shows providing temporary accommodation in this way will have a positive financial impact for the Council of approaching £50,000 a year throughout the 10 year period, after allowing for potential exit costs and voids. The risks of Horsham District Council not needing this type of temporary accommodation are low.

7 Legal Consequences

7.1 The Council has several and specific powers to acquire property by agreement to discharge its housing functions including S17 Housing Act 1985, Section 120 Local Government Act 1972 and the general power of competence in section 1 Localism Act 2011.

8 Risk Assessment

8.1 The proposal would see an increase in the number of temporary accommodation units available to the Council to meet its homeless obligations.

8.2 The Council has been reliant upon bed and breakfast accommodation to meet demand for homeless accommodation consistently since 2007. It is not anticipated that demand will reduce during the period of this proposed lease but if it does and properties are at risk of being vacant, the Council will work with neighbouring District, Borough and County Council colleagues to also enable them to temporarily reduce their reliance upon bed and breakfast accommodation.

9 Other Considerations

- 9.1 The proposal improves the outcomes for households being provided with homeless accommodation.
- 9.2 The provision of self-contained accommodation will help reduce crime and disorder by providing accommodation and support services for some of the more vulnerable people in the district.
- 9.3 The use of self-contained accommodation can promote rights under Article 8: Right to respect for private and family life.

10 Exempt Appendix

- 10.1 Heads of terms drawn up in agreement between the council and Saxon Weald. These heads of terms will form the basis of the lease agreement.
- 10.2 Financial analysis of the proposal which evidences the costs, savings and financial impact to the council.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Report to Cabinet

22 November 2018

By the Cabinet Member for Waste, Recycling and
Cleansing



**Horsham
District
Council**

DECISION REQUIRED

Not Exempt

Environmental Enforcement Policy 2018

Executive Summary

Horsham District Council ('the Council') has a wide range of powers to employ officers authorised to investigate environmental crime and undertake the appropriate enforcement action in relation to breaches of legislation and environmental criminal offences. The sanctions may vary between administering simple cautions and warnings, Fixed Penalty Notices ('FPN') or prosecution in the criminal courts.

This policy has been drafted to incorporate the Legislative and Regulatory Reform Act 2006 which is a Statutory Code of Practice enacted on 6th April 2008. The code sets out the way in which compliance and enforcement actions must be undertaken, including the publication of an enforcement policy. The policy also covers investigatory powers related to the Environmental Protection Act 1990 and Cleaner Neighbourhoods Act 2006 under relevant sections therein.

The policy also takes into account the Principles of Good Enforcement as outlined in the Enforcement Concordat: Good Practice Guide for England and Wales, produced by the Department of Trade and Industry (DTI) 2003.

Recommendations

That the Cabinet is recommended:

- i) To note the contents of this report and approve the Environmental Offences Enforcement Policy ('the Enforcement Policy').
- ii) To grant authority for the adoption of the all relevant enforcement powers by the Council contained in the Enforcement Policy.

Reasons for Recommendations

The Council requires an enforcement policy to ensure that Authorised officers can investigate environmental crimes and undertake the appropriate enforcement action where subsequent evidence proves that an environmental offence has taken place.

In addition the policy outlines:

- Standards: the principles that will be used
- Openness: clear and open provision of information
- Helpfulness: helping by advising on and assisting with compliance
- Complaints about the service: having a clear complaints procedure
- Proportionality: ensuring that enforcement action is proportionate to the risks involved in the process
- Consistency: ensuring consistent enforcement practice

Background Papers

Clean Neighbourhoods (Prevention/Enforcement) Strategy 2007 – 2012.

Wards affected: All Wards

Contact: John McArthur Head of Service Waste, Recycling, Street Scene & Fleet – 01403 739388

BACKGROUND INFORMATION

1. Introduction and Background

- 1.1. The purpose of this report is to introduce a policy relating to the general principles and outcomes related to the Council's enforcement powers in investigating and tackling environmental crime. The policy specifies the procedures to be followed by officers in taking enforcement action and the standards that they will adhere to.
- 1.2. Environmental offences are criminal offences which can be tried in the criminal courts. Each Authorised Officer is responsible for his or her decision regarding enforcement action and as such, there is a clear need to demonstrate that decisions are taken in an objective and responsible way in order that there is confidence in the fairness of those decisions. The Council does hope to influence behaviour through education and the clear communication of information. Should this approach fail or a significant breach of legislation has been committed, the Council's Authorised Officers will then take enforcement action as necessary and proportionate.

2. Relevant Council policy

- 2.1. The Council's Policy for issuing FPN's was adopted in 2017, the policy in conjunction with the Enforcement Policy will ensure that the Council has a uniform approach to issuing FPN's for environmental offences.

3. Details

- 3.1. The policy is attached as Appendix A
- 3.2. The introduction of a dedicated Enforcement Officer within Operational Services enables the Council to investigate environmental crimes in a proactive manner in line with The Legislative and Regulatory Reform Act 2006 which is a Statutory Code of Practice which as such requires a policy that clearly outlines how and when any action should be taken.
- 3.3. The revised policy specifies under which circumstances an FPN can be issued together with the actions to be taken by officers duly authorised to issue such notices.
- 3.4. The policy allows officers to offer advice on compliance, issue cautions and fixed penalties as well as producing evidence files for prosecution. This will increase the Council's ability to tackle environmental issues.

4. Next Steps

4.1. The Enforcement Policy is being submitted to Cabinet for approval. If it is approved it will then be communicated as appropriate.

5. Views of the Policy Development Advisory Group and Outcome of Consultations

5.1. The policy was reviewed by the Policy Development Advisory Group on 22 October 2018. The Policy Development Advisory Group fully endorsed and supported the introduction of the Enforcement Policy.

5.2. The Monitoring Officer and Director of Corporate Resources have been consulted with regard to the Enforcement Policy.

5.3. The Director of Community Services and the Cabinet Member for Waste, Recycling and Street Scene have also been consulted.

6. Other Courses of Action Considered but Rejected

6.1. There are no other realistic courses of action if the Council wishes to take appropriate action against those who do not comply with relevant legislation. Without the Enforcement Policy, the Council is at risk of challenge to acting disproportionately or unreasonably.

7. Resource Consequences

7.1. The approach of issuing FPN's for environmental offences allows an offender to discharge their criminal liability and avoid prosecution through the courts. This must not be seen as a way to raise revenue; indeed the way in which the Council makes use of receipts from any FPNs issued is governed by the relevant legislation. Similarly, awards made by the Court with regard to costs allows the Council; to recoup reasonable costs related to bringing any case. Therefore changes will have no impact on the council's budget.

8. Legal Consequences

8.1. The Environmental Protection Act 1990 imposes duties under Sections 89(1) and (2) on certain landowners and occupiers to keep specified land clear of litter and refuse, and on local authorities and the Secretary of State to keep clean public highways for which they are responsible. Under Section 88 of the Environmental Protection Act 1990, Authorised Officers of the Council can issue FPN's as an alternative to prosecution.

8.2. The Council can as the Principle Litter Authority set the amount of penalty in the FPN dependent in accordance with the maximum amount prescribed in legislation for that particular offence, for a serious waste related offence such as fly tipping the Council has set the maximum penalty at £400 and £75 for depositing litter.

8.3. The points below cover legislation and policy that is applicable:

- The Clean Neighbourhoods and Environment Act 2005
- The Environmental Protection Act 1990
- The Police reform Act 2002
- Council Policy for issuing Fixed Penalty Notices 2017.

9. Risk Assessment

9.1. If the Enforcement Policy is not adopted, then the Council is at significant risk of challenge whenever enforcement action is undertaken, for example when FPN's are issued for environmental offences or when a prosecution is undertaken in line with the Enforcement Policy, it will be clear in defending a challenge that the Council has acted in accordance with the Enforcement Policy.

9.2. To ensure that the Enforcement Policy is kept up to date, the Head of Waste, Street Scene & Fleet Service will review the Policy annually.

10. Other Considerations

10.1. The Council has a duty under Section 17 of the Crime and Disorder Act 1998 to prevent crime and disorder, including anti-social behaviour and behaviour that adversely affects the environment. The adoption of this policy increases the Council's ability to meet this requirement and improve the quality of life for residents across the district.

10.2. Any enforcement activity undertaken will be done so in line with Articles 6, 7 & 8 of the Human Rights Act 1998.

10.3. Equalities Impact Assessment completed



NOVEMBER

2018

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1. Introduction

- 1.1. This policy has been developed for use by officers who are authorised ('Authorised Officers') by Horsham District Council ('the Council') to investigate Environmental Offences and take any action considered appropriate in the circumstances.
- 1.2. This policy sets out what members of the public can expect from the Council and its Authorised Officers in the enforcement of Environmental Offences. It also establishes the framework within which enforcement action will be taken and the procedures to be followed when the Council's Authorised Officers are taking such action.
- 1.3. The Legislative and Regulatory Reform Act 2006 introduced a Statutory Code of Practice on 6th April 2008 which sets out the way in which compliance and enforcement actions must be undertaken, including the publication of the enforcement policy.
- 1.4. This policy document is available to members of the public via the Horsham District Council website and copies can be made available in larger print and other formats upon request.

2. The Principle of Good Enforcement

- 2.1. This policy takes into account the Principles of Good Enforcement as outlined in the Enforcement Concordat: Good Practice Guide for England and Wales, produced by the Department of Trade and Industry (DTI) 2003.
- 2.2. The outlined principles include:
 - Standards: Setting clear standards;
 - Openness: clear and open provision of information
 - Helpfulness: helping by advising on and assisting with compliance
 - Complaints about the service: having a clear complaints procedure
 - Proportionality: ensuring that enforcement action is proportionate to the risks involved in the process
 - Consistency: ensuring consistent enforcement practice

3. Enforcement Action

- 3.1. Environmental offences are criminal offences which can be tried in the criminal courts, being the Magistrates' Court and the Crown Court. Each Authorised Officer is responsible for his or her decision regarding enforcement action and as such, there is a clear need to demonstrate that decisions are taken in an objective and responsible way in order that there is confidence in the fairness of those decisions. The aim of this policy is to change the behaviour of the offender and to improve the quality of life and

the environment of the District. This can be achieved through education as well as enforcement. Should this approach fail or a significant breach of legislation has been committed, it is legitimate for Authorised Officers to then take enforcement action as necessary.

In making decisions in relation to enforcement, Authorised Officers will consider:

3.1.1. **NO ACTION**

- If an investigation reveals that no offence has been committed or that an offender cannot be identified then no further action shall be taken

3.1.2. **INFORMAL ACTION**

- To facilitate compliance with the legislation, informal action may be used to address issues in the form of offering advice and recommendations for action, either verbally or by letter. Such action may be appropriate in the following circumstances:
 - When an offence was committed by genuine mistake or accident
 - Where the offence has been committed by a child or young person
 - When there is insufficient evidence for formal action
- In addition to the above circumstances, Authorised Officers will assess each case individually and use their own discretion as to the required course of action.
- When giving verbal advice, Authorised Officers will ensure that breaches of legislation are made clear and understood by recipients.
- Authorised Officers will ensure that when writing advisory enforcement letters that they contain all information necessary to identify any breach of legislation, indicating specific legislation contravention.

3.1.3. **FORMAL ACTION**

- Authorised Officers will consider the use of the following formal action as outlined in points 3.1.4 to 3.1.7 in accordance with the relevant legislation, working practices and guidance.

3.1.4. **FORMAL ACTION - STATUTORY NOTICES**

- Notices served by Authorised Officers of the Council can require offenders to cease contravening activities, or give offenders reasonable time to rectify a contravention. Notices may require contravening activities to cease immediately where circumstances relating to health, safety or environmental damage demand. In other circumstances, the offender will be provided with a reasonable time to comply with the requirements of the notice. Where the offender fails to comply with a notice, the Council may consider prosecuting the offender.

3.1.5. **FORMAL ACTION - FIXED PENALTY NOTICES (FPN)**

- FPNs are available as an alternative to prosecution for some low-level environmental offences. FPN's will be issued under specified legislation. In order to ensure that FPN's are issued in an equitable, practical and consistent manner, Authorised Officers shall adhere to the procedure as set out in the Council's Policy for issuing Fixed Penalty Notices 2017.
- The offences where an FPN can be issued are:
 - Littering
 - Littering from vehicles
 - Fly-tipping
 - Failure to produce a waste transfer note
 - Domestic waste receptacle offences
 - Industrial and commercial waste receptacle offences

3.1.6. **FORMAL ACTION - FORMAL CAUTION**

- Formal Cautions may be considered as an alternative to prosecution. According to the Home Office Circular 18/1994, the purpose of a formal caution is to:
 - Deal quickly and simply with less serious offences
 - Divert less serious offences away from the courts
 - To reduce the likelihood of repeat offences

3.1.7. **FORMAL ACTION - PROSECUTION**

- Where the circumstances warrant it (such as the failure to pay the FPN) and alternative action such as informal action are considered inappropriate, considerations for prosecution taken into account will be:
 - Flagrant Breach of Law – When an offence has been committed and the environment has been affected
 - Failure to comply with a Statutory Notice – When officers have issued notices and given advice but the offenders behaviour persists
 - Failure to pay or accept a Fixed Penalty Notice
 - When an Authorised Officer is deliberately obstructed from carrying out their duties
 - When circumstances have been identified warranting prosecution, all details regarding the incident will be considered in a consistent, fair and objective manner. Any decisions will be made in conjunction with the Street Scene Services Manager and the Council's Head of Legal and Democratic Services.

4. Authorisation

- 4.1. Only an Authorised Officer who is authorised by the Council may undertake environmental enforcement action. Such action will only be taken by Authorised Officers who are trained and authorised to do so.
- 4.2. Each Authorised Officer must carry with them at all times their Authorisation Card, signed by the Chief Executive, which displays their photograph, name and title together with the wording:

AUTHORITY TO ISSUE FIXED PENALTY NOTICES

This is to certify that the Officer whose photograph is shown overleaf has been authorised by Horsham District Council to issue fixed penalty notices for environmental offences; breaches of a PSPO; to enforce District Byelaws; & require the name & address of persons believed to be committing a relevant offence.

5. The Regulation of Investigatory Powers Act 2000

- 5.1. The Regulation of Investigatory Powers Act 2000 (RIPA) governs the use of covert surveillance by various public bodies, including local authorities. In circumstances where it is deemed appropriate and the circumstances justify such an approach, officers may apply for authority to undertake covert surveillance in accordance with the Horsham District Council RIPA policy. No form of covert surveillance or enforcement must be undertaken without prior approval in line with this policy.
- 5.2. Further guidance should be sought from the Legal Services Department prior to any activity that could be deemed to be covert surveillance under the terms of the Act.

6. The Human Rights Act 1998

- 6.1. In deciding whether to undertake enforcement action, particularly a prosecution, the rights and freedoms given to individuals under the Human Rights Act 1998, in particular taking account of Article 6, the right to a fair trial and Article 8 the right to respect for private and family life, homes and correspondence, will be considered. In taking enforcement action, officers must ensure that their actions are Proportionate, Legal, Accountable and Necessary

7. Equalities and Diversity

7.1. The Council recognises there is diversity within the community and care will therefore be taken to ensure its enforcement actions are clearly understood by providing written information in an appropriate language whenever necessary and possible. The Council can provide an interpreter service or translation covering many languages if those involved have difficulty in speaking or writing English.

7.2. All Authorised Officers undertaking enforcement duties will ensure that all persons dealt with will receive fair and equitable treatment irrespective of their background or protected characteristic in the Equality Act 2010. These characteristics are:

- Age;
- Disability;
- Race;
- Religion or belief;
- Sex;
- Sexual orientation;
- Gender Reassignment
- Marriage/Civil Partnership Status; or
- Pregnancy/Maternity Status

7.3. In accordance with the Council's Policy for issuing FPN's, they will not be issued to persons under the age of eighteen, however a warning letter may be issued and with the young person's parents or guardian informed of the offence. Depending upon the seriousness of the offence other interventions (including court action) will be considered by Legal Services.

8. The Investigation of Offences

8.1. When the Council becomes aware that an Environmental Offence may have taken place, an Authorised Officer will begin an investigation.

8.2. Whilst gathering evidence, Authorised Officers will be governed by the Police and Criminal Evidence Act 1984 ('PACE'). If any questioning takes place, over and above, establishing the identity, address, date of birth (and in the case of dog fouling establishing if a dog is with a particular person) then the suspected offender **must** be cautioned if any of his/her answers are to be admissible in court. The Caution is worded below:

“You do not have to say anything. But it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence”

8.3. When an offence has been committed and a person to be questioned is not suspected as the possible offender for that offence, the Caution would not be given prior to asking any questions. The Caution will be given if the person being questioned subsequently says anything that may indicate that they are the offender or may have participated in the offence.

8.4. Authorised Officers may ask questions to find out whether an offence has been committed, whether anyone saw it being committed and whether anyone has any other information that might be useful in the investigation. Having determined that an offence has been committed, Authorised Officers may wish to question all those who might have been involved.

8.5. Police assistance may be requested in the following circumstances:

- 2.1.1. where an offender is being questioned by an Authorised Officer and the offender refused to give their details
- 2.1.2. Suspicion that the offender has given false details
- 2.1.3. The offender become abusive or physically aggressive

Further action can be taken against an offender for the failure to give their details, or provide false details.

8.6. Where possible, pocket notebook entries should be completed by the Authorised Officer and signed by the offender.

8.7. The Council operates a zero tolerance policy on abuse and aggression towards its staff and will take all action necessary against offenders who assault our staff.

Appeals against a Fixed Penalty Notice

8.8. Authorised officers of the Council will only issue a FPN where they consider that there is adequate evidence of an offence that will support a prosecution in court. However, if it is believed that the offence in question did not take place or that the issue of the FPN was incorrect, a challenge to the Director of Community Services can be made along with opting not to pay the FPN and attending court, if summonsed, to present the case. Should the case proceed to court the Council will, in addition to any fine imposed, seek to recover its costs associated with the prosecution. The Council retains the right to review any FPN issued before prosecuting. However, in most cases the Council will proceed to prosecute for the non-payment of FPNs.

8.9. Regulation 14 of The Littering From Vehicles Outside London (Keepers: Civil Penalties) Regulations 2018 ('the 2018 Regulations') allows a person whom a penalty notice is given may make written representations to HDC if it appears to the person that one or more of grounds A to L of Regulation 14 applies. A copy of the 2018 Regulations can be provided upon request.

9. Prosecutions and the Code for Crown Prosecutors

9.1. When a prosecution is being considered, a request will be made by the Street Scene Manager to the Head of Legal and Democratic Services to consider the tests required under the Code for Crown Prosecutors.

9.2. The required tests, which govern the decision making process can be found at: https://www.cps.gov.uk/sites/default/files/documents/publications/code_2013_accessible_english.pdf, are as follows:

10. Prosecutions in Court

10.1. Once a decision is made to prosecute an offender for an Environmental Offence, the Legal Services Department will obtain a Summons from the Magistrates' Court.

10.2. The Summons legally requires the offender to appear at Court to answer to a formal charge for the offence committed.

10.3. If the offender fails to attend Court as summoned, the Council may proceed in the offender's absence by either proving the matter in absence or obtaining a warrant for their arrest, which is executed by the Police.

11. Complaints Procedure

11.1. The Council has a formal complaints procedure which ensures that any complaint is dealt with quickly, consistently and helpfully. Complaints can be conducted in writing, by telephone, email or completing a complaint/suggestion form online to the Council.

12. Document Review

12.1. The Environmental Offences Enforcement Policy will be reviewed at annually by the Head of Waste, Recycling, and Street Scene & Fleet Services in consultation with the relevant Cabinet Member and Head of Legal and Democratic Services. Reviews will also take place periodically as necessary following legislative changes. Views on the Policy and its implementation will be sought to ensure it continues to meet the principles of good enforcement.

The Environmental Offences Enforcement Policy to be adopted by the Council at the meeting of the Cabinet held on November 22nd 2018.

Equalities Impact Assessment – Environmental Enforcement Policy

Names of Team members (min of 2 – Author, manager and or staff member/equality lead) and Lead Officer/Director	John McArthur: Service Manager
Consultation mechanism (names of equality groups liaised with) i.e. Access Forum, Staff Group	<p>Previous discussions between the Head of Waste, Recycling, Street Scene & Fleet Services and the Director of Community Services</p> <p>Assisted Collections Strategy document has been completed. Further discussions to be held with the Member of Environment, Cllr. Philip Circus.</p> <p>Consultation with the Policy Development and Advisory Group (PDAG).</p> <p>It may be considered that staff undertake a refresher training course on Equalities.</p>
Date Equality Impact Assessment submitted to Member for Environment, Cllr. Philip Circus	7 th November 2018
Are there resource implications to deliver actions from this EIA? If yes, please detail	There may be resource implications for the authority related to the supply of an interpreter for those whose first language is not English.
Name of policy/strategy	Environmental Enforcement Policy 2018
Aim of policy/strategy (maximum 100 words)	<p>Horsham District Council has a wide range of environmental crime enforcement duties employing officers authorised to investigate environmental crime collating information in order to secure an appropriate sanction related to any breach of legislation.</p> <p>Enforcement policy.</p>

IMPACT ASSESSMENT

Does the policy/strategy target or exclude a particular equality group listed?

(Consider Direct Discrimination)

Race		No
Disability/carer		No
Gender/gender identity		No
Age		No
Sexual orientation		No
Religion & Belief		No
Marriage & Civil Partnership		No
Gender Reassignment		No
Pregnancy & Maternity		No
Age		No

The Council will consider Equalities and protected characteristics at all stages of any enforcement action taken.

Does the policy/strategy affect any of the equality groups listed disproportionately?

(Consider Indirect Discrimination)

(List all negative and positive impacts)

Race		YES
Disability/carer		YES
Gender/gender identity		No
Age		YES
Sexual orientation		No
Religion & Belief		No
Marriage & Civil Partnership		No
Gender Reassignment		No
Pregnancy & Maternity		No
Age		YES

Race / Language / Disability: If English is not a person's first language, then the Council would look to provide an interpreter / translation during any relevant part of any investigation to ensure that the person can exercise their rights and understand the action being taken. If a person may have impairments which affect their ability to understand, the Council will ensure that they are accompanied by an appropriate person to assist them and provided with appropriate assistance.

Age: FPN's will not be issued to persons under the age of eighteen, however a warning letter may issued and with the young person's parents or guardian informed of the offence. Depending upon the seriousness of the offence other interventions (including court action) will be considered by Legal Services.

What evidence has been used to

A review of other

make these judgements? Please tick one or more

Comparisons between similar functions / policies either internally or with other District Councils	Yes	local authority application processes including neighbouring authorities.

How is the effect of the policy/strategy on different equality groups going to be monitored? Please specify for each equality group

Race	YES
Disability/carer	N/A
Gender/gender identity	N/A
Age	YES
Sexual orientation	N/A
Religion & Belief	N/A
Marriage & Civil Partnership	N/A
Gender Reassignment	N/A
Pregnancy & Maternity	N/A

Any adverse impact would be evident in any investigation therefore the policy covers the Equality Act 2010 and the Human Rights Act 1998.

All Authorised Officers undertaking enforcement duties will ensure that all persons dealt with will receive fair and equitable treatment irrespective of their background or protected characteristic in the Equality Act 2010.

<p>Does the document have an access statement offering the document in alternative formats</p> <p>N/A –</p> <p>If no, please add to action plan as evidence that this assessment has assisted.</p>	<p>Do staff dealing with this document know where to get alternative formats if a request is made?</p> <p>N/A – no document.</p> <p>If no, please add awareness training needed to action plan (Equalities Officer can provide)</p>	<p>Does the document need to be translated into key locally used languages?</p> <p>N/A – no document.</p> <p>If yes, how will this be distributed and funded?</p>
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Action Plan (to reduce or eliminate any adverse impacts)

Equality Strand	Action and Resources	Lead Person	Timescale
Race	Interpreter / translation to be provided if English is not the first language.	John McArthur	As required
Age	FPN's will not be issued to persons under the age of eighteen, however a warning letter may issued and with the young person's parents or guardian informed of the offence. Depending upon the seriousness of the offence other interventions (including court action) will be considered by Legal Services.	John McArthur	As required
Disability	The Council will ensure persons are accompanied by an appropriate person to assist them and will be provided with appropriate assistance where necessary.	John McArthur	As required

Report to Cabinet

22nd November 2018

By the Cabinet Member for Local Economy

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Hurst Road Car Park Name Change and Tariff Adjustment

Executive Summary

Hurst Road car park is located on the north side of the park and just off Hurst Rd. Users of Hurst Rd car park are predominately patrons of The Pavilions in the park gym. The car park operates as pay and display and is chargeable Mon – Saturday 7am – 8pm and Sunday and Bank Holidays 9am – 5pm.

The car park is currently well known as The Pavilions car park by the majority of members of public who use the facility. The predominant customer base for this car park are also the leisure centre users.

The minimum purchase time of 3 hours does not reflect the current use of the customer. The majority of the leisure centre customers use the facilities for 1-2 hours. Over the years there have been many queries relating to the tariff and why cheaper shorter stay options are not available.

To ensure success of this facility and the subsequent use of the car park, it is proposed that we review the tariff to introduce these shorter hours, but in a way that doesn't negatively impact on the current income.

It is proposed that the introduction of the 1 and 2 hour tariff (as per the tariff points within the report) will improve turn over within the car park (especially at peak periods) and not reduce the income currently received.

Recommendations.

The Cabinet is recommended:

1. To Introduce new tariff points in Hurst Road CP; to allow for this, increase the current latter tariff points
2. Change the name of Hurst Road Car Park to 'The Pavilions Car Park'

Reasons for Recommendations

The reasons for recommending the change of name:

- I. The majority of people refer to Hurst Rd CP as 'The Pavilions' CP
- II. Link the two entities together helps with finding the facilities.
- III. Very little effort for a perceived larger improvement

The reasons for recommending for the tariff changes:

- I. Currently the tariff is not comparative to other town centre car parks
- II. Requests from users to review and introduce shorter stay lengths
- III. Parking tickets being passed from one customer to another
- IV. To support The Pavilions in the Park, particularly with the introduction of two new gyms into the town

Background Papers

N/A

Wards affected: All town centre wards

Contact: Ben Golds, Head of Parking Services, 01403 215055

Jane Eaton, Director of Corporate Resources, 01403 215300

Background Information

1 Introduction and Background

- 1.1 Hurst Road car park is located on the north side of the park and just off Hurst Rd. Users of Hurst Rd car park are predominately patrons of The Pavilions in the Park Gym. The car park operates as pay and display and is chargeable Mon – Saturday 7am – 8pm and Sunday and Bank Holidays 9am – 5pm.
- 1.2 Recently the car park received significant investment to improve the layout and flow of the car park and increase the number of spaces from 200 to 233. The car park is well used and generated £340k during the 2017/18 financial year.
- 1.3 The current name and tariff structure do not fit in with how the car park is used by its customers, this is why the two are being reviewed.
- 1.4 HDC have engaged with Places Leisure regarding the tariffs and name of the car park. Places Leisure are keen to introduce a 1 and 2 hour tariff into the car park to better meet the needs of their customers. HDC agreed to review the tariff and come back with a proposal.

The objections of the tariff review were to:

- Introduce a 1hr and 2hr tariff
- Avoid negatively impacting on HDC's income
- Keep the tariffs competitive against other car parks within the town.

2 Relevant Council policy

- 2.1 This supports the relevant Corporate Plan priorities set out below:
- 2.2 Economy – Improve and support the local economy
Particularly through the production and implementation, of a strategy for the management of off street car parks across the district.
- 2.3 Efficiency – Great value Services
Through delivering a balanced budget over the medium term.

3 Details

- 3.1 To change the name of Hurst Road car park to 'The Pavilions' car park, and to introduce 1 and 2 hour tariff points within the current tariff structure.
- 3.2 The name change is proposed to better link the two entities (car park and leisure complex) and to call the car park what the majority of people currently know it as. The purpose of the tariff change is to introduce charging points that better fit the need for the car park users.

3.3 Proposed tariff:

Hours	Current Tariff	New Tariff
>1hr		£1.00
2 hrs		£1.60
3 hrs	£1.60	£2.20
4 hrs	£3.30	£3.60
5 hrs	£4.40	£5.00
Evening Charge (6pm-8pm)		£1.00
Sunday and Bank Holidays	£1.50 (all day)	£1.50 (all day)

3.4 Minor changes to the signage, software and order boards, will need to be undertaken, these can be absorbed within current budgets.

3.5 It is expected that these changes will have no impact on income.

4 Next Steps

4.1 There are a number of steps that need to be followed to meet the requirements of the constitution and Traffic Management Act 2004 to change the car park name and tariffs. The remaining steps are:

Date	Action
22 November 2018	Cabinet decision
27 November 2018	Public Consultation
18 December 2018	End of Consultation – 5 day cool off
7 January 2019	Go live

5 Views of the Policy Development Advisory Group and Outcome of Consultations

5.1 The proposal was shared with the Local Economy PDAG group on 31 October 2018 and was supported.

5.2 Director of Corporate Resources supports these proposals.

6 Other Courses of Action Considered but Rejected

6.1 Various tariff options have been reviewed to ensure that all of the objectives are met.

6.2 This proposal does not impact on any future opportunities for this car park.

7 Resource Consequences

7.1 Through profiling current sales and comparing these to similar car parks that do have a 1 and 2 hour tariff it has enabled us to model the potential usage and estimate sales. All of the points within the tariff have been set so that the overall income is not negatively impacted by the introduction of the cheaper tariffs.

- 7.2 The cost to implement the changes are very small with a likely cost of £400, this can be absorbed in current budgets.
- 7.3 These changes do not impact on the need to carry out enforcement within the car park.
- 7.4 There are no HR consequences.

8 Legal Consequences

- 8.1 Changes to a Parking Order Process – To adhere to the Traffic Management Act 2004 the Council will have to undertake a 21day public consultation on the proposed changes, this is through advertisement in the car park and local paper. The Council will then consider any representations and if any amendments will need to be made to the order.

9 Risk Assessment

- 9.1 As with any new parking charges being introduced such as tariff changes there is always the concern of displacement of cars onto surrounding residential roads. This is unlikely within this case as there are very limited areas vehicles can be displaced to, due to limited options within the area and the immediate highway being covered by a controlled parking zone.
- 9.2 Any decision Cabinet make will still be subjected to public consultation as per the Parking Order amendments.

10 Other Considerations

- 10.1 The Councils provision for disabled parking remains unchanged.

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**Parkside, Chart Way, Horsham,
West Sussex RH12 1RL**

FORWARD PLAN

This notice sets out details of key decisions that the Cabinet or a Cabinet Member intend to make, and gives 28 days' notice of the decision under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The notice may also include details of other decisions the Council intends to make.

The reports and any background documents that have been used to inform the decisions will be available on the Council's website (www.horsham.gov.uk) or by contacting Committee Services at the Council Offices.

Whilst the majority of the Council's business will be open to the public, there will be occasions when the business to be considered contains confidential, commercially sensitive or personal information. This is formal notice under the 2012 Regulations that part or all of the reports on the decisions referred to in the schedule may be private because they contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and the public interest in withholding the information outweighs the public interest in disclosing it.

If you wish to make representations about why part or all of the papers should be open to the public, please contact Committee Services at least 10 working days before the date on which the decision is to be taken.

If you wish to make representations to the Cabinet or Cabinet Member about the proposed decisions, please contact Committee Services to make your request.

Please note that the decision date given in this notice may be subject to change.

To contact Committee Services:

E-mail: : committeeservices@horsham.gov.uk

Tel: 01403 215123

Published on 01 November 2018 (amended 13 November 2018)

What is a Key Decision?

A key decision is an executive decision which, is likely –

(i) to involve expenditure or savings of £250,000 or more as well as otherwise being significant having regard to the Council's budget for the service or function to which the decision relates; or

(ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District.

	Subject/Decision	Decision Taker	Date(s) of decision	Is all or part of this item likely to be dealt with in private	Contact Officer Cabinet Member (NB include name, title and email address)
1	Council Tax Reduction Scheme Policy Development Advisory Group 5 November 2018	Cabinet Council	24 Jan 2019 13 Feb 2019	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance and Assets (Councillor Brian Donnelly)
2	Proposal to sell surplus council assets Policy Development Advisory Group 7 January 2019	Cabinet	24 Jan 2019	Part exempt	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Cabinet Member for Finance and Assets (Councillor Brian Donnelly)
3	Council Lottery Policy Development Advisory Group 14 th November 2018	Cabinet	24 Jan 2019	Open	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Councillor Tricia Youtan Tricia.Youtan@horsham.gov.uk

	Subject/Decision	Decision Taker	Date(s) of decision	Is all or part of this item likely to be dealt with in private	Contact Officer Cabinet Member (NB include name, title and email address)
4	Funding for BID for Horsham Town Centre Policy Development Advisory Group 19 December 2018	Cabinet	24 Jan 2019	Open	Clare Mangan, Head of Economic Development clare.mangan@horsham.gov.uk Cabinet Member for Local Economy (Councillor Gordon Lindsay)
5	Affordable Housing Investment - Creation of a Housing Company Joint Finance and Assets Policy Development Advisory Group 7 th January 2019	Cabinet	24 Jan 2019	Open	Rob Jarvis, Head of Housing Services robert.jarvis@horsham.gov.uk Cabinet Member for Community and Wellbeing (Councillor Tricia Youtan)
6	Budget 2019/20 Policy Development Advisory Group 7 January 2019	Cabinet Council	24 Jan 2019 13 Feb 2019	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance and Assets (Councillor Brian Donnelly)

	Subject/Decision	Decision Taker	Date(s) of decision	Is all or part of this item likely to be dealt with in private	Contact Officer Cabinet Member (NB include name, title and email address)
7	Development of industrial units at Oakhurst Phase 4 Policy Development Advisory Groups 7 January 2019	Cabinet	24 Jan 2019	Part exempt	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Cabinet Member for Finance and Assets (Councillor Brian Donnelly), Cabinet Member for Local Economy (Councillor Gordon Lindsay)
8	Re-provision of athletics track Policy Development Advisory Group 16 January 2019	Cabinet	24 Jan 2019	Open	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Deputy Leader and Cabinet Member for Leisure and Culture (Councillor Jonathan Chowen)
9	Conservation Area Appraisals and Management Plans for Slinfold and Warnham Policy Development Advisory Group 14 March 2019	Cabinet	21 Mar 2019	Open	Barbara Childs, Director of Place barbara.childs@horsham.gov.uk Cabinet Member for Planning and Development (Councillor Claire Vickers)

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