

**Cabinet**  
**23 JULY 2020**

Present: Councillors: Ray Dawe (Leader), Peter Burgess, Jonathan Chowen (Deputy Leader), Philip Circus, Paul Clarke, Claire Vickers and Tricia Youtan

Also Present: Councillors: Karen Burgess, Lynn Lambert and Tony Bevis

EX/11 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/12 **ANNOUNCEMENTS**

There were no announcements.

EX/13 **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on the 4<sup>th</sup> June 2020 were approved and signed as a correct record.

EX/14 **PUBLIC QUESTIONS**

No questions had been received.

EX/15 **UPDATE ON THE COUNCIL'S FINANCIAL POSITION**

The Leader reported that the 2020/21 Budget had been approved in February 2020 and near balanced budgets were projected through to 2023/24 on the assumption that business transformation continued and the Council generated further income to mitigate against the cost pressures that continue to rise.

The global pandemic of the COVID-19 virus on 11 March 2020 and the subsequent lockdown and associated recession was having a severe impact on residents, businesses and the Council. The immediate effect of reducing levels of income and increasing expenditure at the Council would result in a significant overspend in 2020/21, and much lower levels of income were anticipated in the future. The Council would have to fundamentally review, change or even close its services to ensure it had a balanced budget in the years to come.

The report set out the projected scale of the impact in 2020/21 and how the medium term financial planning scenarios and assumptions had drastically changed. Without action, this would result in a likely budget gap of up to £3m in 2021/22 and significant budget gaps through to 2023/24. The report was written in the context of unprecedented levels of uncertainty. The length and depth of the current recession was unknown and it was essential the Council

kept as much of its reserves as it could this year to give it time to make considered decisions about its future service.

As the situation becomes clearer there would be further updates, detailing the latest information on the scale of the deficit, setting out a more developed response and containing plans to tackle the budget gaps, working towards setting a balanced 2021/22 budget in February 2021.

## RESOLVED

That:

- i) the changes in the Council's financial position in 2020/21 and the Medium Term be noted;
- ii) A reduced 2020/21 capital programme be recommended for approval by Council;
- iii) Delegated authority to the Director of Community Services in consultation with the Leader of the Council, the Deputy Leader and Cabinet Member for Leisure & Culture and the Cabinet Member for Local Economy and Parking to agree any waiving of the monthly management fee from Places Leisure for the required period of financial support until usage recovers towards pre-Covid-19 levels, or ending 31 March 2021;
- iv) Delegated authority to the Director of Community Services in consultation with the Leader of the Council, the Deputy Leader and Cabinet Member for Leisure & Culture and the Cabinet Member for Local Economy and Parking to agree any financial support payments to Places Leisure for the period of closure and for re-opening until usage recovers towards pre-Covid-19 levels, or ending 31 March 2021 be recommended for approval by Council; and;
- v) Delegated authority to the Director of Community Services in consultation with the Leader of the Council, the Deputy Leader and Cabinet Member for Leisure & Culture and the Cabinet Member for Local Economy and Parking to enter into any contract variations in respect of any financial support during the period of closure and for re-opening on the terms recommended Delegated authority be recommended for approval by Council.

## Reasons for Recommendations

The Council needs to acknowledge the severe financial realities it is experiencing and their medium-term implications to prepare for the future

To prioritise capital projects that produce a financial return to the Council and postpone non-essential capital works to preserve reserves in 2020/21 allowing more scope for considering options for rebuilding the Council and our District next year.

EX/16 **TRANSFORMATION FUND - TOP UP FROM THE 2019/20 BUDGET**

The Leader reported that the Council had delivered a £246k revenue surplus in 2019/20 after allowing for budgets that carried over to 2020/21 to cover essential expenditure on projects unavoidably delayed.

The Council's income in a Covid-19 inspired recession was unlikely to be as high as previously estimated and costs continued to rise. Inevitably therefore, balancing the budgets over the medium term relied on implementing a range of actions to help deliver efficiency measures, as well as other income generation. This required further investment in transformational projects.

Setting aside £0.5m in the transformation earmarked reserve for 2020/21 would help transform the Council in the future. £377k remained unspent in the reserve at 31 March 2020; the top up of £123k would effectively be funded from the 2019/20 budget surplus.

**RESOLVED**

That:

- i) The transfer of £0.123m from the General Fund reserve to the earmarked transformation reserve be approved; and;
- ii) The authority to use the transformation fund as appropriate be delegated to the Chief Executive in consultation with the Leader.

Reasons for recommendations

- i) To top up of the earmarked transformation reserve for projects that will help transform the Council in the future; being effectively funded from the 2019/20 budget surplus.

EX/17 **AMENDMENT TO THE COUNCIL'S PRIVATE SECTOR HOUSING POLICY TO REFLECT CHANGES TO THE ELECTRICAL SAFETY SITPRSE REGULATIONS**

Cabinet Member for Community & Wellbeing presented the report and said that it detailed the powers and duties introduced by The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. These related to the Government's response to tackling rogue landlords and improving the private rental sector. They required Landlords to ensure that the fixed electrical installations in their properties were inspected and tested at least every 5 years by a competent electrician. The initial inspections need to be carried out before any new tenancy was granted from 1 July 2020, and by 1 April 2021 for existing tenancies.

## RESOLVED

That:

- i) The changes to Horsham DC Private Sector Housing Enforcement Policy under the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 be noted and agreed;
- ii) The regulations be added under the list of regulations enforced in this Enforcement Policy; and;
- iii) Details of the penalty charges, procedures and appeals in line with other regulations to Horsham DC Private Sector Housing Enforcement Policy under the Housing and Planning Act 2016 be added.

Reasons for Recommendations

- i) to ensure that the powers used to tackle the problem of rogue landlords are effective, appropriate and current.

### EX/18 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration.

### EX/19 **FORWARD PLAN**

The Forward Plan was noted.

### EX/20 **PURCHASE OF PROPERTY IN SLINFOLD BY HORSHAM DISTRICT HOMES (HOLDINGS) LIMITED**

The Cabinet Member for Community Matters and Wellbeing introduced the report and said that on 21<sup>st</sup> March 2019, Cabinet had approved the creation of two companies for the purpose of providing affordable rental housing in the District. Horsham District Homes Limited (HDH), which would undertake development and Horsham District Homes (Holdings) Limited (HDHH) which would manage and own the completed properties.

Horsham District Council was the sole shareholder of HDH. The shareholder agreement for HDH reserved certain matters for Cabinet approval, including the approval of business cases for projects and approval of any loans to be made by the Council to the companies.

The Directors of HDH have prepared a business case setting out an opportunity they wish to pursue, which requires the approval of Cabinet. The opportunity consisted of the purchase of four flats which were being developed by a third party developer in Spring Lane, Slinfold.

RESOLVED

That:

- i) The business case for the purchase of the affordable rental homes in Slinfold by Horsham District Homes (Holdings) be approved; and;
- ii) The transfer of s106 funds to Horsham District Homes (Holdings) for the purchase of the homes be recommend to Council.

Reasons for Recommendations

- i) Approval of the recommendations will deliver four affordable rental homes for the benefit of households on the housing list.

EX/21 **CASH COLLECTION SERVICE TENDER**

The Leader reported that the Council had undertaken a procurement exercise seeking to appoint one contractor to collect, consolidate and bank cash and coins from Council premises and car park machines.

A procurement exercise had been undertaken following an open local tender process under the Light Touch Regime in Public Procurement Regulations 2015. This process had now been completed and a number of bids were received as detailed in Appendix A of the report

Following the procurement exercise, it was recommended to award the contract to Supplier A.

The duration of the contract would be a period of 3 years commencing on 1 November 2020 until 31 October 2023, with an option to extend for a further 24 months.

Resolved

That the cash collection services contract be awarded to Supplier A.

Reasons for recommendations

The recommendation to make the award to Supplier A is the result of a formal evaluation process, leading to the conclusion that their offer is commercially and technically the most economically advantageous tender.

EX/22 **GRANT OF AN OPTION OVER SURPLUS LAND IN STORRINGTON.**

RESOLVED

That the Council enter into an Option Agreement together with a Deed of Release & Grant of Easement with Storrington Parish Council and the Developer by way of formalising the contents of the report.

Reasons for Recommendations

To enable the council to receive a capital receipt for the disposal of surplus land.

EX/23 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

*The meeting closed at 6pm having commenced at 5.30pm*

CHAIRMAN