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Cabinet

Thursday, 25th November, 2021 at 5.30 pm
Conference Room, Parkside, Chart Way, Horsham

Councillors:	Paul Clarke	Leader
	Tony Hogben	Deputy Leader and Horsham Town, Parking & Communications
	Chris Brown	Local Economy
	Philip Circus	Environment, Waste, Recycling & Cleansing
	Lynn Lambert	Planning & Development
	Richard Landeryou	Finance & Assets
	Roger Noel	Leisure & Culture
	Claire Vickers	Community & Wellbeing
	Tricia Youtan	Housing & Public Protection

You are summoned to the meeting to transact the following business

Glen Chipp
Chief Executive

Agenda

	Page No.
1. Apologies for absence	
2. Minutes	3 - 6
To approve as correct the minutes of the meeting held on 7 October 2021 (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.)	
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	

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| 6. | Update on the Council's financial position and Medium-Term Financial Strategy
To consider the report of the Cabinet Member for Finance & Assets | 7 - 18 |
| 7. | Service Provision of the Revenues and Benefits from April 2023
To consider the report of the Cabinet Member for Finance & Assets | 19 - 28 |
| 8. | Tender of the Council's contract for Arboriculture Services
To consider the report of the Cabinet Member for Leisure & Culture | 29 - 40 |
| 9. | Community Advice Partnership Agreement
To consider the report of the Cabinet Member for Community & Wellbeing | 41 - 46 |
| 10. | Overview & Scrutiny Committee
To consider any matters referred to Cabinet by the Overview & Scrutiny Committee | |
| 11. | Forward Plan
To note the Forward Plan | 47 - 52 |
| 12. | To consider matters of special urgency | |

Cabinet
7 OCTOBER 2021

Present: Councillors: Paul Clarke (Leader), Tony Hogben (Deputy Leader), Philip Circus, Lynn Lambert, Richard Landeryou, Roger Noel and Claire Vickers

Apologies: Councillors: Chris Brown and Tricia Youtan

Also Present: Councillors: Karen Burgess, Peter Burgess, Ruth Fletcher, John Milne and Christian Mitchell

EX/39 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/40 **ANNOUNCEMENTS**

There were no announcements by Cabinet Members.

Councillor Peter Burgess, the Council's Armed Forces representative, announced that there would be a Remembrance Parade on Sunday 14 November. The format of the day has yet to be decided and a programme for the occasion would be available in about a fortnight. He urged Members to attend the event, or one of the other Remembrance ceremonies taking place in towns and villages in the district.

EX/41 **PUBLIC QUESTIONS**

No questions had been received.

EX/42 **DRILL HALL**

Councillor Roger Noel, Cabinet Member for Leisure & Culture, gave a brief summary of the report on the proposal from the Royal British Legion to lease the Drill Hall from the Council for 30 years at a peppercorn rent. Cabinet had considered the future of the Drill Hall in January 2020 because of concerns regarding the building's condition, its poor thermal performance and running costs.

The strong community response had shown how important the Drill Hall was to the local community and Cabinet had agreed to ask for bids from organisations or community groups to run the building. The Horsham Branch of the Royal British Legion put forward the only viable proposal to create a home for Horsham's various military and service organisations. The proposal also included making the hall available for hire to the broader community, and upgrading and improving the building, including its thermal performance.

The Cabinet Member stated that the proposal would provide vital support to local veterans, military personnel and their families. He confirmed that there had been

overwhelming support for the proposal from members of his Policy Development Advisory Group.

The Monitoring Officer assured Members that the terms of the lease would specify what was expected in terms of ensuring continued use of the hall by community groups, and a schedule of works would be carefully considered before the terms of the lease were finalised.

Members were supportive of the proposal, which secured the long-term future of the fabric of the building and its continued use as a valued resource for the local community. The Armed Forces representative acknowledged the hard work that the RBL had put into preparing their proposal and those who had taken it through to completion.

TO RECOMMEND TO COUNCIL

- i) That the Drill Hall is leased to the Horsham Branch, Royal British Legion from 1 April 2022 for a period of up to 30 years.
- ii) To delegate authority to the Director of Place in consultation with the Head of Legal & Democratic to finalise the legal documentation and enter into a lease, subject to applicable consents, with the Horsham Branch, Royal British Legion for the Drill Hall.
- iii) To delegate authority to the Director of Place to agree and finalise a schedule of works with the Horsham Branch, Royal British Legion to improve the Drill Hall.

REASON

The Horsham Branch, Royal British Legion (RBL) have expressed an interest in running the Drill Hall. This will have the following benefits:

- i) The Drill Hall will continue to be available for community activities and events. The RBL have also expressed an ambition to grow and develop the role of the Drill Hall for the community.
- ii) The fabric of the Drill Hall will be improved and become more energy efficient.
- iii) The Council will make an annual revenue saving.
- iv) It will provide a focal point for the Armed Forces in the District.

EX/43 **BUDGET FOR CONSULTANCY SUPPORT FOR THE GATWICK PLANNING CONSENT ORDER**

The consultation by Gatwick Airport Ltd on the Development Consent Order (DCO) to bring the standby runway into routine use would end on 1 December.

Councillor Richard Landeryou, Cabinet Member for Finance & Assets, stated that it was important the Council's response clearly set out the impact a second runway would have on residents in the district, and that the response identified any necessary mitigations should the Secretary of State be minded to approve the DCO.

In order to work within the legislative timescales there was a need to prepare a comprehensive consultation response quickly. Given the complexity and scale of the consultation, a budget to pay for consultants with specialist skills and knowledge was required.

The Director of Place explained that a number of consultants with different specialisms were required and, after the consultation period, work may continue on more detailed studies. The consultation was being coordinated with other local authorities so that technical studies and analyses could be shared. She confirmed that, although work would be shared, each local authority would make their own consultation response.

The Cabinet Member advised that a reserve budget rather than a revenue budget was proposed as the extent of work required going forward was uncertain; the proposed budget was a reasonable expectation, based on costs being shared with the other local authorities involved.

TO RECOMMEND TO COUNCIL

- i) To set up an earmarked reserve of £100,000 for use on consultants for the Council's response to the Development Consent Order;
- ii) To delegate to the Director of Place in consultation with the Cabinet Member for Planning and Development the uses of this budget/reserve.

REASON

- i) A budget is needed to ensure the Council gains the advice it needs to ensure optimal outcomes for the Development Consent Order.
- ii) The delegation is needed because we do not yet know the full detail of the work involved and the Consultation process has a tight set legislative timeframe to work within.

The meeting closed at 6.10 pm having commenced at 5.30 pm

CHAIRMAN

Report to Cabinet

25 November 2021

By the Cabinet Member for Finance and Assets



DECISION REQUIRED

Not Exempt

Update on the Council's financial position and Medium-Term Financial Strategy update

Executive Summary

This report updates the Council's financial position under the ongoing impact from COVID-19 in 2021/22 and how the Medium-Term Financial Planning scenarios and assumptions have changed since the budget was set in February 2021 and since the update in September 2021.

A high level of uncertainty remains as the economy emerges from a pandemic induced recession. Factors of particular concern are the increase in unemployment as furlough ends in the hospitality and leisure sectors that dominate our local economy, the risk of further variants and another local or national lockdown, implications from the Brexit agreement, Government's plans for the reform of business rates and the potential introduction of price limits on garden waste. In these circumstances it is fortunate that the Council has kept high levels of reserves and thus is able in the short term to have time to make considered decisions.

This report gives a snapshot of where we think our finances are today and also projects over the medium-term. Officers have revisited the assumptions based on the latest income data and wider information from Government. The spending review on 27 October 2021 indicated a three-year settlement is more likely than not, and gave us more clarity on Government's approach to funding local government for the next three years, although until the draft settlement is announced, it does little to increase the certainty of our funding.

A 1.25% National Insurance levy was announced in September 2021 and the impact of this has been reflected in the revised projected deficit figures.

The estimated £1.3m cost of food waste collection from 2023 remains the major factor in the projected £1.2m predicted deficits from 2023/24 onwards that end the period at £1.7m. A small surplus is projected in 2022/23 if income from the leisure centres and parking continues to return as expected.

As more information becomes available during 2021/22, there will be further updates, with the focus on how quickly our income comes back and also the work needed to set balanced budgets across the medium-term which is likely to require substantial action.

Recommendations

The Cabinet is asked to:

- i) note the changes in the Council's financial position in 2021/22 and the medium-term.
- ii) Recommend to Council that the charges from 1 April 2022 for the garden waste subscription service are increased from £42 for the first bin to £44 and for any subsequent bin increased from £33 to £35.
- iii) Recommend to Council approval and creation of a £2,500 revenue budget for a short breaks funding grant from West Sussex County Council and matching expenditure in the 2021/22 leisure services budgets.
- iv) Recommend to Council approval and creation of a £99,271 revenue budget for Contain Outbreak Management Fund (COMF) grant funding from West Sussex County Council and matching expenditure in the 2021/22 environmental health service budgets.
- v) Recommend to Council approval and creation of a £139,000 revenue budget for Contain Outbreak Management Fund (COMF) grant funding from West Sussex County Council and matching expenditure in the 2021/22 housing services budgets.
- vi) Recommend to Council approval and creation of a £78,946 revenue budget for Winter 2021 COVID-19 rent arrears financial support grant funding from Department for Levelling Up, Housing & Communities and matching expenditure in the 2021/22 housing services budgets.
- vii) Subject to the safety net being put in place, recommend to Council that it approves the Council joining the West Sussex Business Rates pool in 2022/23.

Reasons for Recommendations

- i) The Council needs to acknowledge the effects of the local situation occasioned by the COVID-19 pandemic and the continued impact this is having on its financial position both in the short and medium-term. This has moved the council from what has been a long-term healthy financial position to one with predicted deficits. However, given the level of uncertainty in the projections, the economy and proposed Government action the report does not recommend direct action to reduce expenditure at this stage.
- ii) The costs of running the garden waste service increase by inflation, and this price increase is passing this cost onto users of the service.
- iii) The short breaks grant will be spent on a Family Fun Day at Chanctonbury Leisure Centre for disabled children and young people before the end of March 2022. This will form an additional part of the Reaching Higher project.
- iv) The COMF grant will be spent preventing health inequalities and on COVID-19 risk management.
- v) The housing COMF grant will be spent on a range of interventions and housing solutions to support those affected by homelessness and risk of homelessness associated with COVID-19
- vi) The Winter 2021 COVID-19 rent arrears financial support grant will support low-income private renters with COVID-19 related arrears to avoid eviction or find a new home.
- vii) Joining the West Sussex business Rates pool should benefit the County and therefore the district by retaining locally generated business rates, using it to further support the economic regeneration of the wider West Sussex area.

Background papers:

- Budget and Medium-Term Financial Strategy report Cabinet 28 January 2021 (approved by Council on 10 February 2021).
- 2020/21 Financial Outturn report Overview and Scrutiny Committee 2 June 2021
- Report on the Council's Finance and Performance (M6) Overview and Scrutiny Committee 22 November 2021
- Update on the Council's financial position and Medium-Term Financial Strategy update 23 September 2021

Wards affected: All

Contact: Jane Eaton, Director of Corporate Resources, 01403 215300

Background Information

1 Introduction and background

- 1.1 The budget was set by Council in February 2021 under national lockdown from COVID-19, in the middle of an associated recession causing a severe impact with lower levels of income and increasing expenditure at the Council.
- 1.2 £0.57m of Government general COVID-19 grant funding during 2021/22 helped set a balanced budget, despite the anticipated reduction in parking income and higher expenditure needed to keep our leisure centres open.
- 1.3 Over the medium-term, it is uncertain how quickly income will return during a recession and changing customer habits mean income is not anticipated to return to the pre-pandemic levels. This, together with expenditure on new services such as food waste collection, contribute to a predicted significant gap of £1.7m in the Medium-Term Financial Strategy in future years if actions are not taken. One assumption that has been included is that the Council increases Council tax by an indicative 2% per year.
- 1.4 To rebalance its position, the Council will need to reconsider carefully its service offers and ways in which it can generate more income. The ongoing unpredictable nature of the effects of the pandemic and Government plans mean that it is essential to maintain reserve levels and they cannot be seen as an alternative to taking decisions to bring the budget back to balance. The good news is that these decisions do not have to be rushed.

2 Relevant Council policy

- 2.1 The Council has a record of providing high quality, value for money services and to continue to achieve this the Council will need to consider what action to ensure money is available for our key services.

3 Details

- 3.1 The forecast outturn at Month 6 for 2021/22 is a £1m surplus, of which £0.9m of the forecast underspend is from leisure facilities as the current performance and activities are ahead of Places Leisure's cautious budget estimate. The current perspective is based on no further COVID-19 restrictions. There is a risk that further variants and restrictions later in the year may change this.
- 3.2 Income from parking, property and leisure services has significantly reduced in the first third of the year when compared to 2020/21, but is on track against the lowered levels that were budgeted in 2021/22. The difficulty feeding into the Medium-Term Financial Strategy will be predicting how quickly the levels of income come back. Leisure income is returning faster than parking income.
- 3.3 The updated budget position including the current year forecast and revised interim Medium-Term Financial Strategy is set out in table 1. This assumes a forecast operational underspend at M6 of £1m in 2021/22, largely from the leisure centres recovering better than Places Leisure anticipated.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Table 1: interim MTFS Sept 2021	£000	£000	£000	£000	£000	£000
Estimated net expenditure	11,201	13,072	12,460	13,930	14,190	14,740
<i>In year budget adjusts [Ec Dev £45k and £15k Spatial Planning, Leisure net £190k]</i>		250	-	-	-	-
<i>Overspend / (M6 forecast underspend)</i>	4,547	(1,067)	-	-	-	-
Estimated net expenditure	15,748	12,255	12,460	13,930	14,190	14,740
Funding: Council Tax	(9,922)	(10,251)	(10,608)	(10,980)	(11,390)	(11,810)
Government grant CTS	-	(146)	-	-	-	-
Baseline Business Rates	(2,052)	(2,052)	(2,052)	(1,750)	(1,500)	(1,250)
Collection Fund (surplus)/deficit	(53)	(12)	-	-	-	-
Total Funding	(12,027)	(12,461)	(12,660)	(12,730)	(12,890)	(13,060)
One-off COVID-19 funding	(4,701)	(571)	-	-	-	-
Q1 (only) income loss grant		(410)	-	-	-	-
Estimated £150 CTS spend		78	-	-	-	-
Salary pressure less unused redundancy provision		50	-	-	-	-
Net (Surplus) / Deficit	(980)	(1,059)	(200)	1,200	1,300	1,680

3.4 Government extended the 75p in the pound scheme grant compensation from 'lost income' from sales, fees and charges to the end of June 2021. The grant in 2021/22 is based on income against the 2020/21 budget, but reduced by any savings in those income areas, meaning only net (rather than gross) income losses can be claimed. The scheme does not cover any commercial or investment income losses. A claim was submitted on 5 October 2021 for £0.41m of income loss grant from the scheme, largely from the parking and leisure areas.

- 3.5 £146k of Council Tax Support (CTS) grant was given to the Council to compensate the Council for the likely reduction in Council Tax income, due to an increase in those of working age claiming CTS. In March 2021, Council agreed to work with West Sussex County Council and extend the £150 scheme during 2021/22, to help support our most vulnerable working age families in a year when their income is likely to be adversely affected. The cost of the Council's contribution this year is currently estimated at £78k, although the exact amount will depend on how many working families apply for council tax support before 31 March 2022.

Expenditure pressures:

- 3.6 Inflation and pay increases are an area of significant concern in our projections. The national pay award for 2021/22 is still being negotiated. The budget was set with no increases, based on the Prime Minister's statements at the time. However, an offer of 1.75% from the National Employers is on the table, although it has been rejected by Unions. This equates to approximately £0.28m of additional budgetary pressures. If the redundancy provision is unused in 2021/22, this would bring down the impact on the financial year to £50k, which is shown in table 1.
- 3.7 The assumption of medium-term salary increases at 1% are also at risk of increase if inflation starts to rise, but currently equate to approximately £160k a year. In addition, we are beginning to see greater pay pressures in our professions where the increase of home working means officers who would work for us to avoid the daily commute to London are now moving into consultancy or London-based jobs because they pay better, often 20% to 30% better, than we do.
- 3.8 In September 2021, Government announced a 1.25% increase in national insurance for employees and employers, to help fund health and social care. The impact of this cost of approximately £125k has been reflected in the projected figures.
- 3.9 During 2021, we have been working with Ricardo (consultants during the successful introduction of alternate weekly rubbish collection), on the options and estimated costs of food waste collection. The indicative cost is £1.3m which is currently built into the Medium-Term Financial Strategy in 2023/24. This could reduce to £1m by adopting a 3:2:1 collection system for refuse (every three weeks), mix-dry recycling (fortnightly) and food waste (weekly). A trial of 100 households is being undertaken to ascertain the impact the different options might have.
- 3.10 Supporting leisure services cost the Council close to £1.8m in 2020/21 taking into account both expenditure and income, net of grant funding. Support in 2021/22 was budgeted at £1.1m, but is forecast at a £0.9m underspend against this. The pressure here has subsided and Places Leisure are forecasting paying some of the management fee to us in the last quarter of 2021/22. The return to full income from the management fee contract is expected by 2023/24, and the MTFS reflects a weighting more to 2022/23.

Income pressures:

- 3.11 The Medium-Term Financial Strategy models an indicative 2% Council tax increase per year, adding an increase in income of approximately £225k each year on average over the period. A 2% increase equates to approximately £3.25 each year for a band D equivalent on average over the period. District Councils may be able to increase by £5 a year if the current legislation is extended, although this will not be confirmed until the December Settlement.

- 3.12 As the number of people on Council Tax Support (CTS) increases, it reduces the income the Council collects from Council tax. There were an average of 2,765 working age families on CTS during 2019 and current levels are nearly 800 higher. The next few months will inform us whether as furlough ends, the number on CTS goes up, or if the economy grows, those on furlough and those on CTS find employment. The Medium-Term Financial Strategy is currently weighted towards a gradual reduction of those on CTS over the period, back towards the pre-pandemic levels.
- 3.13 In May 2021, Government consulted local authorities on the future of garden waste charges. Options included completely removing any charges and making it free. Whilst we do not expect this to happen, if it did, it might cost the Council somewhere between £2.2m and £2.5m in income and additional expenditure servicing houses that currently do not subscribe to our service.
- 3.14 The Controlled Waste Regulations 2012 allows us to set a 'reasonable charge' for garden waste collections, to cover the costs of the operation of the service plus administration. The current charge of £42 a year is below the £43 average charge set by collection authorities in England. Waste & Resources Action Programme (WRAP) analysis indicates that a 'reasonable charge' is between £18 and £30 per household per year. If Government introduced a cap at £30 it would reduce our income by approximately £0.4m. This is a more likely option and this reduction in income is currently modelled in the Medium-Term Financial Strategy in 2023/24.
- 3.15 To help the annual process of garden waste billing run smoothly, this report recommends to Council that the charges from 1 April 2022 for the garden waste subscription service are increased from £42 for the first bin to £44 and for any subsequent bin increased from £33 to £35. This earlier notification will inform customers of the price increase at the same time as reminding them about their forthcoming subscription renewal. Income will increase by approx. £70k depending on whether the price increase causes any drop-off in subscriptions.
- 3.16 £1.2m of car parking income was taken out of the 2021/22 budget compared to 2019/20 as lockdowns struck. Over the course of the Medium-Term Financial Strategy, £1m is being added back into the budgets, weighted towards 2022/23 and 2023/24, as we expect frequency to rise and dwell times to increase as people get used to living with COVID-19. Ticket sales are nearing 90% of previous levels, but with shorter dwell times. However, despite housing numbers continuing to grow, it is anticipated that some customer habits may never recover to former levels, such as in season ticket sales as hybrid home and office working patterns take hold. A review of pricing is taking place, to model different options that could be implemented in the future. Prices were last increased across selected car parks in 2018/19.
- 3.17 Government consulted on the future of business rates retention in 2019, but Brexit and then COVID-19 has meant that the government has not introduced any changes. We currently receive just over £2m of income as part of the annual settlement but expect this will reduce as part of any changes to the current business rates system which is attracting increasing calls for reform. However, with 1 April 2022 fast approaching, and little time for a consultation now the world has changed, it is increasingly likely that any change will be postponed until 1 April 2023. The Medium-Term Financial Strategy models a £1m reduction over four years from 2023/24 in a gradual removal of the grant funding. There is a risk that the change may be more pointed than that, removing more grant in a quicker timescale.

- 3.18 In the meantime, authorities in West Sussex have another opportunity to form a business rates pool in 2022/23. A West Sussex business Rates pool should benefit the County and therefore the district by retaining locally generated business rates, using it to further support the economic regeneration of the wider West Sussex area. This retention has been estimated at between £3m and £5m across the County, depending on the make-up of the pool and how well business rates perform. This report recommends that Horsham join the pool with West Sussex County Council and the districts of Arun, Adur and Mid Sussex, to maximise the amount of local retention. Horsham were part of the pool in 2020/21, but the pool disbanded in 2021/22 due to the perceived risk from the level of economic uncertainty on business rates under Covid-19.

Budgets and the Medium-term

- 3.19 The Reaching Higher project team within leisure services applied for and were successful in obtaining additional grant funding from West Sussex County Council. The short breaks grant will be spent on a Family Fun Day at Chanctonbury Leisure Centre for disabled children and young people before the end of March 2022. This report recommends to Council approval and creation of a £2,500 revenue budget for a short breaks funding grant from West Sussex County Council and matching expenditure in the 2021/22 leisure services budgets.
- 3.20 In October 2021, West Sussex County Council announced a distribution of additional Contain Outbreak Management Fund (COMF) within the county. The Council's share is £99,271 funding on work to prevent health inequalities and on COVID-19 risk management. This report recommends to Council approval and creation of a £99,271 for the income and expenditure revenue budgets in 2021/22 within environmental health services.
- 3.21 In November 2021, Heads of Housing across West Sussex were tasked with identifying options for distribution of additional Contain Outbreak Management Fund (COMF) within the county. The Council's potential share, subject to proposals being approved is £139,000. Proposals include an enhanced rent in advance offer for private renters, pump-priming a proposed Private Sector Leasing scheme to bolster access to temporary accommodation options and reduce reliance upon bed and breakfast accommodation and funding to support a localised "Everybody In" instruction from December 2021 to March 2022. This report recommends to Council approval and creation of a £139,000 for the income and expenditure revenue budgets in 2021/22 within housing services.
- 3.22 In October 2021 the Department for Levelling up, Housing & Communities announced an additional £65 million will be made available to local authorities in 2021/22 through the Homelessness Prevention Grant to support local authorities to help vulnerable households with rent arrears to reduce the risk of them being evicted and becoming homeless. The Council's share is £78,946 and is to support low-income private renters with COVID-19 related rent arrears to avoid eviction or find a new home where necessary in order to prevent homelessness, with local authorities able to target funding to those who need it most and help them get back on their feet.
- 3.23 The current Medium-Term Financial Strategy does not take into consideration any predicted costs of addressing the reduction of carbon in the district which are likely to be significant over the remainder of the decade to get close to achieving the 2030 carbon neutral target. Implementing the action plan to achieve it will considerably impact the Council's financial position in the medium and long term. The carbon reduction plan will therefore need to be reviewed alongside the Council's

decisions made in the revenue and capital budgets and the need to set a balanced budget, as is required by law, and which maintain sufficient reserve levels.

- 3.24 The spending Review on 27 October 2021 indicated clear policy intentions of Government to increase public spending. Local Government's funding allocations are better than expected compared to recent years, although less favourable than other parts of the public sector, and they are still heavily reliant on Council Tax increases. Until the December Settlement is announced, we do not know the future of New Homes Bonus or whether we will continue to receive the one-off Lower Tier Services Grant which prevented the overall funding level decreasing in 2021/22.
- 3.25 The overall position of funding for the Council across the later periods of 2023/24 to 2025/26 after Government grants is currently forecast to be in the region of between a £1.3m shortfall and a £1.7m shortfall, excluding the cost of carbon reduction. Given the level of uncertainty about the future of the Council and the Council's funding position, the likely balancing in 2022/23, and the strength of the reserves position it is proposed to not spend time drafting detailed savings proposals this autumn unless Councillors are minded to not increase Council Tax next year. Once the settlement for 2022/23 is known, and more details are available on the garden waste, food waste, carbon reduction, business rates and income recovery positions, the Council will seek immediate savings should it need to do so. These savings, if needed, may mean the closure or reduction of popular non-statutory public services.

4 Next steps

- 4.1 On 27 January 2022, the 2022/23 Budget will be taken to Cabinet to recommend approval at the 9 February 2022 full Council meeting where the Council Tax for 2022/23 will be set. The Medium-Term Financial Strategy will also be again updated at this time to take account of any further legislative, economic and financial developments and our draft settlement, if known at that date.

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

- 5.1 The Finance and Assets Policy Development Advisory Group discussed the immediate and longer-term impact of expenditure and income pressures on the Medium-Term Financial Strategy on 8 November 2021 together with the implications and some consideration of possible options in order to balance future budgets.
- 5.2 The Chief Executive, the Chief Financial Officer, the Directors, the Head of Finance and Performance and other Heads of Services have been extensively involved in preparing the immediate budget forecast and are already thinking of ways to address the medium-term financial gap. They are 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 Making cuts to popular non-statutory services such as parks and countryside, planning enforcement and cultural and leisure services this autumn was considered. This was rejected because the scale of the proposed deficits in the future is very uncertain. While designed to protect services this approach does risk the Council

having greater difficulties balancing its financial position in two to three years' time and this could have a damaging impact on reserves.

7 Resource consequences

- 7.1 Specific actions to address the financial gaps are not detailed in this report. Over the next few weeks, detailed budgets are being worked up and brought back in a later Medium-Term Financial Strategy that feeds into the February 2022 annual budget setting process.
- 7.2 As the financial implications of carbon reduction are not included in this financial plan adoption of the 2030 carbon neutral target and action plan to achieve it will considerably worsen the Council's financial position in the medium and long term.

8 Legal consequences

- 8.1 The Council is required under the Local Government Finance Act 1992 to produce a 'balanced budget'. This report indicates the Council is heading towards a balanced budget for 2022/23 but may face difficulties in future years.
- 8.2 This report sets out the Council's current and expected financial position. The Director of Corporate Resources has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 8.3 The Local Government Act 1999 places a duty on the Council as a 'Best Value' authority to secure continuous improvement in the way its functions are exercised so as to secure economy, efficiency and effectiveness.

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.
- 9.2 Many figures provided in this report are estimated at this stage. There is a risk that further COVID-19 variants and waves could increase the income and expenditure pressures the Council faces and increase the range of losses.
- 9.3 There is a moderate risk that customer habits will have changed for paid services such as parking and the cultural and leisure offers and that income will not return to previous levels, meaning the original financial position will not be recoverable. Services such as the Capitol and leisure centres are staying in touch with customers to try to prevent this.
- 9.4 There is a moderate risk that the Government's proposals for business rates reform will worsen the financial situation earlier or more deeply than current predicted.
- 9.5 We are working with Southern Water, Natural England and the Environment Agency on the matter of water neutrality in the district as part of our work on the local plan evidence base. Until this is fully resolved, there is uncertainty and therefore moderate risk surrounding the medium-term impact of being unable to determine current planning applications positively unless it can be demonstrated they are 'water neutral' and/or that they do not result in a significant effect. Should water neutrality statements be required to support every medium and large-scale planning

application, this may delay or reduce the number of medium and large-scale planning applications which therefore may reduce income to the Council.

10 Procurement implications

10.1 There are no procurement implications arising from this report.

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 There are no equality or human rights implications arising from this report because there are no decisions for cuts in this report at this stage.

12 Environmental implications

12.1 There are no environmental implications because there are no decision for cuts or growth at this stage of our budget development.

13 Other considerations

13.1 There are no other considerations to take into account at this stage of developing the Medium-Term Financial Strategy.

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Report to Cabinet

25 November 2021

By the Cabinet Member for Finance & Assets

DECISION REQUIRED



Not Exempt

Service Provision of the Revenues and Benefits from April 2023

Executive Summary

In May 2017 the Cabinet agreed the delegations of the Council's Revenues and Benefits Services to a group of Northamptonshire and Cambridgeshire Local Authorities known as LGSS. LGSS was subsequently disbanded by the Councils involved and since 5 November 2021 Horsham's service is solely provided by Milton Keynes Council. The Revenues and Benefits agreement expires on 31 March 2023.

The service provided to Horsham District Council under these arrangements has been of good quality and the service costs less than at other similar Councils in West Sussex.

Milton Keynes Council has offered to continue this arrangement on a permanent basis from 1 April 2023 with an exit arrangement in which either side can give eighteen months' notice. This report looks at the quality and cost of the service, the cost of change and the alternative partnership arrangements Milton Keynes' Council has suggested. The report concludes this offer still provides the best price and quality service, and avoids the considerable cost of change. The report recommends Cabinet approves the new arrangement and delegate the detail of the final agreement to the Director of Corporate Resources in consultation with the Cabinet Member for Finance & Assets and the Monitoring Officer.

Recommendations

That the Cabinet is recommended:

- i) to agree to secure the provision of the revenues and benefits service through a local authority partnership with Milton Keynes Council
- ii) to delegate to the Director of Corporate Services the negotiations to secure the agreement and all legal documentation with Milton Keynes in consultation with the Cabinet Member for Finance & Assets and the Monitoring Officer.

Reasons for Recommendations

- i) The arrangements with Milton Keynes' and its predecessor LGSS Partnership provided the Council with a cost effective, good quality service.

Background Papers

None

Wards affected: All

Contact: Jane Eaton, Director of Corporate Resources, 01403 215300

Background Information

1. Introduction and Background

- 1.1. The Council delegated its Revenues and Benefits services a group of Northamptonshire and Cambridgeshire Local Authorities known as LGSS from 1 April 2018. The Revenues and Benefits agreement expires on 31 March 2023.
- 1.2. Horsham District Council has four options for the future provision of its services:
 - a) Remain with the existing partnership.
 - b) Continue with a partnership arrangement but change to new one.
 - c) Outsource the services to a private sector provider.
 - d) Bring the services in house.
- 1.3. With less than eighteen months remaining before the expiry date Cabinet needs to decide now if it wants to outsource the services to a private sector provider or bring the service in-house due to the lead in times for this change. Remaining in partnership would not have such a long lead in time.
- 1.4. Following a Cabinet decision in January 2017, Horsham District Council issued notice on its 11-year involvement in the CenSus Revenues and Benefits partnership on 8 March 2017. This decision was reached after several years of substantial housing benefit subsidy losses, totalling to over £600,000. Following some work carried out by LGA provided consultants the Council decided, in May 2017 to move its service to a local authority partnership based in Northamptonshire called LGSS.
- 1.5. Over the three and a half years since LGSS took over running the service Horsham District Council's Revenues and Benefits Service has operated well. There have been no further losses of housing benefit subsidy, and other performance indicators also improved until the COVID recession hit. That said a large historic error found in the records in the 2020/21 year does increase the risk of a further loss in November 2022. In 2020/21, due to the impact of the lockdowns on employment, benefits caseload increased leading to an increase in processing times. Since the lockdowns many businesses have not returned to paying their business rates in the way they had before, despite the reliefs given by Government. During the lockdowns it was the expertise of LGSS's management that led to our successful application of all business rate reliefs and administration of the many business grants the Government gave us to give to businesses.

1.6. The key performance figures for the service are:

	CenSus	LGSS		
	2017/18	2018/19	2019/20	2020/21
Speed of processing in days	11.07	12.52	7.12	7.48
Local Authority error (0.4% lower threshold)	0.4%	0.3%	0.17%	0.36%
Council Tax in year collection	97.49%	99.72%	98.16%	98.31%
Business Rates in year collection	96.25%	96.76%	97.56%	94.97%

- 1.7. Performance in revenues and benefits services is driven by the type of caseload in the area. In benefits the key factors are the number of working and self-employed claimants leading to slower processing times. In Council Tax the number of bands A-C properties mean collection of higher sums from poorer residents inevitably leading to lower collection rates. In Business Rates more small businesses who bankrupt more frequently and generally pay more slowly lead to lower collection levels. Appendix A shows details of the budgets for each service in West Sussex and the performance. Of these Districts only Mid Sussex has a number of properties, type of businesses and number of households similar to Horsham District's for comparison purposes. In 2020/21 Horsham's performance was better than Mid Sussex's in speed of processing benefits claims and collecting Business Rates but slightly lower in collecting Council Tax. The cost of the service shown is less than half that published for Mid Sussex.
- 1.8. Although LGSS Revenues and Benefits has solid performance and low cost for Horsham District Council there have been considerable issues in the wider Northamptonshire area that have affected our partnership. The lead authority in the wider LGSS partnership, Northamptonshire County Council, got into financial difficulties leading to the Secretary of State deciding to replace Northamptonshire County Council and all the Northamptonshire Districts with two unitary councils, West Northamptonshire Council and North Northamptonshire, from 1 April 2021. West Northamptonshire Council, in partnership with the one remaining unaffected Council, Milton Keynes, was the successor authority for Horsham's Revenues and Benefits Service. West Northamptonshire Council decided it wanted to provide all its services in-house and issued notice to Milton Keynes to exit the arrangement on 5 November 2021. Milton Keynes Council agreed to take over running Horsham District's Revenues and Benefits Service.
- 1.9. The Director of Corporate Resources has discussed the situation in Northamptonshire with the Director at Milton Keynes throughout the period of change. The ex-Northamptonshire County Council server room runs Horsham District Council's Revenues and Benefits system, Academy. Academy is a system provided by Capita. Milton Keynes Council is in the process of moving our Revenues and Benefits computer system away from the closing Northamptonshire County Council server room and into Capita's Cloud. Our solicitors have reviewed the contract in case of future novation. Milton Keynes has retained or acquired many of the key staff from the LGSS team. These include the Horsham Operations Manager, the Business Rates and Recovery Team Leader and our Head of Revenues and Benefits.

- 1.10. Milton Keynes Council has offered to continue the agreement for joint working with Horsham on an indefinite basis from 1 April 2023, with an 18-month notice period should either Council chose to withdraw. Because the old LGSS partnership has now gone, Milton Keynes' Council has asked for a closer working relationship with the Director of Corporate Resources being a full partner of the new partnership board. This type of arrangement falls between the current "bought" service from LGSS and the full politically led partnership Horsham District Council had with the CenSus arrangements.
- 1.11. A review of the reasons for the failure of the CenSus arrangements by an Overview and Scrutiny Task and Finish Group on 26 November 2018 recommended:
- a) Due to the potential risks inherent in joint ventures, partnerships etc between HDC and the public and private sector, when HDC enters into such arrangements with third parties there should be provision in the relevant documentation setting out the terms and conditions of the arrangement for monitoring arrangements by HDC.
 - b) The Overview and Scrutiny Committee should be mindful of the Forward Plan as it can call in any Cabinet decision and ask for pre-scrutiny which provides the ability to comment on the business cases for any such arrangement before the Council is legally committed.

2. Relevant Council policy

- 2.1. Having a good quality benefits service supports the Council's for a strong safe healthy community. Having an effective revenues service supports all the Council's aims because Council Tax and Business Rates make up 32% of the Council's overall income.

3. Details

- 3.1. Milton Keynes' Council has offered to continue a relationship with Horsham District Council to provide a Revenues and Benefits Service. Elements of the service that will remain the same are the provision of senior management and provisions of the technical expertise. Elements that have already changed are the move of the Academy system to the Capita cloud, which is beneficial, and the loss of some of the technical experts to West Northamptonshire, which is potentially damaging. Milton Keynes' are covering this loss through recruiting new experts.
- 3.2. Milton Keynes propose two fundamental changes to the arrangement. The first is they would like a full partnership with Horsham District Council rather than a bought service. Horsham District avoided this proposal in 2017/18 because the LGSS partnership was already large and complex. This new partnership would involve only two Councils and would be managed at officer level with Board meetings. This does not present the challenges on our workload that the full LGSS partnership did. It also presents the opportunity for the two Councils to work together towards some savings in the future.

- 3.3. Milton Keynes has also suggested an open-ended partnership agreement with an eighteen month notice period. This would mean either Council could withdraw, with the relevant notice, but would save the need for ongoing “relets”.
- 3.4. Although details are yet to be finalised, Milton Keynes has suggested the price of the service would remain as at present, subject to any volume changes, and through continuing to work together there will be the potential for future savings.

4. Next Steps

- 4.1. If Cabinet accept the principle of a revised agreement with Milton Keynes then the Director will continue to negotiate the details of the agreement. The delegation in this recommendation allows the Director, in consultation with the Cabinet Lead for Finance & Assets and the Monitoring Officer, to finalise a new open-ended agreement with Milton Keynes providing the costs of the service do not exceed the current costs and inflation. Given their previous recommendation around this type of partnership, Overview and Scrutiny may wish to take an enhanced role in reviewing the development of this agreement.

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

- 5.1. The Finance & Assets Policy Development Advisory Group discussed the future of the Revenues and Benefits Service at their meeting on 13 September 2021. They were broadly in favour of proceeding with the current arrangements.
- 5.2. The Monitoring Officer, Head of Finance & Performance (as a check and balance to the Director of Corporate Resources), the Council’s Procurement Officer, the Head of Customer and Digital and the Senior Leadership Team have been involved in discussions of this proposal.

6. Other Courses of Action Considered but Rejected

- 6.1. The Council could outsource its Revenues and Benefits Service by letting a public procurement compliant contract. The Council considered this course in 2017 but rejected it following market consultation. After reviewing the business sector, nothing significant has changed and we have not undertaken further market consultation. It would be reasonable to assume outsourcing may lead the 4%-10% savings in the last market consultation, but benchmarking suggests Horsham District’s service is already relatively cheap for our area (see appendix A). The cost of change would also need to be considered and transferring our service in 2017/18 cost around £400,000. This idea is rejected on the grounds a relatively small saving would be likely to be offset by the cost and disruption of change.
- 6.2. The Council could bring its service in house. This was rejected in 2017 for seven reasons of which three significant obstacles still apply: the Council’s lack of experience of running such services, difficulties in local recruitment and the cost of senior management input. The time since the Council last ran these services is now five years’ longer. The loss of the Milton Keynes-based experts,

especially in subsidy, business rates and recovery, is now an additional reason to not go for an in-house option.

- 6.3. The Council could move to another partnership. There is a district council partnership in north London that might be interested. Once more the cost of change would come into play and for a relatively cheap reasonable quality service there is no reason to change. A district council partnership risks the loss of the specialisms in the same way as the in-house option because we know from our CenSus' experience small district-based partnerships do not usually have these skills.

7. Resource Consequences

- 7.1. It is not envisaged there will be any increase in the cost of this service and discussions are underway with Milton Keynes' about shared savings from the proposed partnership.
- 7.2. There are no HR implications from a no change option.

8. Legal Considerations and Implications

- 8.1. The Council can enter into a new agreement for the provision of this service with Milton Keynes under section 111 of the Local Government Act 1972 and all other enabling powers.

9. Risk Assessment

- 9.1. A partnership with one Council means there is a higher risk in the future that a change of officers or political direction at Milton Keynes Council, or at Horsham District Council itself, could leave Horsham District Council facing an eighteen month period in which to resupply. The last resupply cost the Council around £400,000 so the risk runs close to the Council's highest risk level, over £500,000.
- 9.2. Revenues and Benefits as a service carries some of the highest financial risks in the Council. The Council still carries on its Corporate Risk Register a high risk of loss of benefit subsidy through error. As has been seen this year these errors can sit in the historic caseload and crystallise years after the original mistake. Losses can also arise from non-payment of Council Tax or Business Rates, as seen during the 2020 lockdowns, exacerbated by the closure of the Courts. They come from any economic downturn as benefits caseloads and requests for Discretionary Housing Payments rise and payment of Council Tax and Business Rates fall. Losses in business rates come from companies that use tax avoidance, or even evasion techniques, and they can come in all parts of the business from fraud. Because this proposal is close to a "stay the same" option there is no reason to think these risks rise or reduce with this decision. Taking any of the alternative options are more likely to increase than reduce these risks due to loss of familiarity with the new service and locality.

10. Procurement implications

- 10.1. Although in terms of annual value this contract is the Council's highest value contract the fact it is a delegation under section 111 of the Local Government Act 1972 means there are no procurement implications arising from this report.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1. The Revenues and Benefits Service not only works with every householder and business in the district it also works through the benefits service with our most vulnerable residents. There is nothing in this decision that will change the way the service supports customers with protected characteristics. The employees in these services who work for Milton Keynes Council are trained in their Equality Duty.

12. Environmental Implications

- 12.1. Milton Keynes' employs many workers, including those in the Revenues and Benefits field who are designated "home workers". Milton Keynes Council has increased the number of its staff employed in this way since the 2020/21 lockdowns. This means fewer staff commute to work in either Milton Keynes or Horsham in these services than in Horsham District's own services. More home workers and less commuting generally means lower carbon emissions for providing the service. This will not change with the extension of this agreement but has changed since the original agreement with the LGSS Councils began in 2018.

13. Other Considerations

- 13.1. Revenues and Benefits carry one of the highest Data Protection Breach risks in the Council and the volume of transactions means errors will inevitably occur. There are Data Sharing agreements in place between Horsham District Council, Milton Keynes and also with the Department for Work and Pensions. These do not change from this decision and the focus on the General Data Protection Regulation in these services remains high.

WEST SUSSEX BENCHMARKING – REVENUES AND BENEFITS

REVENUES AND BENEFITS							
	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing
Council tax in year collection	96.09%	97.10%	97.19%	96.63%	98.31%	98.53%	96.00%
Business rates in year collection	96.43%	94.00%	95.59%	97.00%	94.97%	93.74%	91.83%
Benefits processing times	6.93	2.5	5.44	Data not published	7.48	8.5	7.48
Cost reported on Councils' websites	£1.746m joint with Worthing, 2020/21 budget	£2.281m Budget 2021/22	£1.876m Budget 2021/22	£1.261m Budget 2021/22	£1.125m Budget 2021/22	£2.554m Budget 2021/22	£1.746m joint with Adur, 2020/21 budget

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Report to Cabinet

25 November 2021

By the Cabinet Member for Leisure and Culture



**Horsham
District
Council**

DECISION REQUIRED

Partially exempt

Appendix 1 exempt under Paragraph 3 of Part 1 of the Schedule 12A to the Local Government Act 1972

Tender of the Council's contract for arboriculture services
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Executive Summary

The current arboriculture contract expires on 31 March 2022. To ensure a smooth transition, the new contract will be in place to start on 1 April 2022. A procurement process has been undertaken and a number of bids were received, as detailed in Appendix 1 (exempt).

The aims of the new contract are:

- To effectively deliver the Council's statutory arboriculture duties including inspections and maintenance of its tree stock and to ensure value for money.
- To support the aims in the Wilder Horsham District initiative ensuring that the environment is protected and wildlife habitats are enhanced.
- To contribute towards the council's sustainability and carbon-reduction ambitions, as detailed in the Corporate Plan.

The arboriculture contract will manage the Council's owned tree stock throughout the District, including trees within the urban landscape, parks, open spaces, hedgerows and areas of ancient woodland.

The scope of the contract includes:

- Tree inspections and reporting;
- Routine maintenance – the management of trees identified through inspection as being dead, dying and/or dangerous and presenting a serious risk to the safety of the public and property; or in need of pro-active management to prevent them from becoming so;
- Emergency response – to deal with dangerous or fallen trees caused by storm damage or other unpredictable events;
- Ash-Dieback disease management – providing best value solutions to address the impact of the disease.

The new contract will be in place for a period of seven years, with the ability to extend up to a maximum of a further seven years (a total of 14 years). The contract period will align with the grounds maintenance contract, should it be of value to combine the two contracts in the future.

The new contract ensures that the Council continues to provide high standards of arboriculture inspections and maintenance alongside a commitment to sustainable practices and reduction in carbon emissions.

Tree inspections and reporting has been included within the new arboriculture contract and partially removed from in-house provision. This is primarily to provide flexibility and ensure that additional resource can easily be provided when needed, in particular due to seasonal pressures. A qualified arboriculture specialist will remain in-house to oversee the contract and carry out spot checks to ensure a quality service. Financial details are included within Appendix 1 (exempt).

Recommendations

Cabinet is recommended:

- i) To approve the award of the Arboriculture Contract to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- ii) To delegate authority to the Director of Community Services in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into the contract with the highest scoring bidder.

Reasons for Recommendations

For the Council to continue to carry out statutory arboriculture services across the parks and countryside portfolio.

Background Papers

None

Wards affected: All

Contact: Vicky Wise, Head of Leisure and Culture

Vicky.wise@horsham.gov.uk

07887 824 675

Background Information

1 Introduction and Background

- 1.1 The current arboriculture contract's term was for ten years, ending 31 March 2022. There is no option to extend for a further period. The new contract will be in place from 1 April 2022.
- 1.2 A joint procurement process has been undertaken for the new arboriculture contract alongside Crawley Borough Council. The tender was put out to the market in two separate Lots which meant that both Councils could tailor their requirements. A joint procurement process was more cost-effective as well as attractive to the market. Seven bids were received, details are within Appendix 1 (exempt).
- 1.3 The grounds maintenance services to be carried out within the contract include:
 - Tree inspections and reporting;
 - Routine maintenance – the management of trees identified through inspection as being dead, dying and/or dangerous and presenting a serious risk to the safety of the public and property; or in need of pro-active management to prevent them from becoming so;
 - Emergency response – to deal with dangerous or fallen trees caused by storm damage or other unpredictable events;
 - Ash-Dieback disease management – providing best value solutions to address the impact of the disease.
- 1.4 The decision as to whether to continue outsourcing the arboriculture services via a contract was reviewed. The benefits to the Council in retaining a contracted service include financial efficiencies due to the market's greater buying power, the ability for scaling up and down (which is particularly important with seasonal pressures and Ash Dieback disease), broader knowledge of a specialist market and easy access to technical knowledge and advice.
- 1.5 Before advertising the contract for tender, the Council's procurement team arranged a market engagement day to gauge interest and to help the Council to gather market information to inform the development of the specification.
- 1.6 The market advised on how the contract could support the Council to achieve its carbon reduction and sustainability ambitions. Discussions included realistic timescales for aspects such as electric equipment, vehicles and machinery, where the market was reducing emissions already and plans for the next few years.
- 1.7 The optimum length of contract was explored with the market – to ensure financial value to the Council, attractiveness to the market (to encourage a competitive tender) and to allow for depreciation of vehicles and machinery (particularly looking at how this could aid reduction in emissions).
- 1.8 As detailed to Cabinet on 4 June 2020, a potential opportunity to align the arboriculture and grounds maintenance contracts was identified. This was explored in detail during the market engagement day. The market's responses showed that it would be advantageous to the Council to retain the arboriculture contract separately

due to the specialist nature of the work. This would continue to ensure quality and close control of outcomes. Moving forward, the contract end dates for both contracts will align to enable them to be combined in the future, if needed.

- 1.9 Various ratios of differing percentages for the evaluation of price versus quality were modelled. Due to the impact of the Covid-19 pandemic and uncertainties regarding pricing within all commercial markets, a potential risk was identified as the market potentially returning bids at a much higher rate. The balance in evaluation criteria was therefore set at 60% weighting for price and 40% weighting for quality. This weighting was to encourage competitive pricing but also highlighting to the market that evaluation of quality was also of high importance to the Council.

2 Relevant Council policy

- 2.1 The Corporate Plan supports the aims of the arboriculture contract in order to provide 'a cared for environment' for the District. Including: (4.1.3) work with partners towards becoming a carbon neutral District; (4.1.8) improve the ecology, wildlife and biodiversity of our parks, open spaces and countryside.
- 2.2 The delivery of the arboriculture service through a single provider supports the objective in the Corporate Plan of being 'a modern and flexible council' and delivering services in an efficient and cost effective manner. Including: (5.3) The Council continues to provide the quality, value for money services that people need throughout the 2020s.

3 Details

Tender documentation

- 3.1 Officers prepared a comprehensive set of tender documentation. The key objectives were listed as:
- A collaborative long-term partnership to the mutual benefit of both parties;
 - Continuous improvements in service provision, best practice, quality and cost control;
 - A focus on sustainability and reduction in carbon emissions across the contract term;
 - Value for money, with an open and transparent approach to operating the contract;
 - An excellent responsive service to the Council and other stakeholders;
 - The use of technology to support effective service delivery;
 - An experienced and effective management team to successfully provide the full range of services listed;
 - Continuity of services' including a seamless transfer;
 - A highly skilled flexible workforce.

- 3.2 A set of quality questions were also prepared which allowed the bidders to demonstrate their approach to a number of relevant issues.
- 3.3 The tender documentation was uploaded onto the Council's e-tendering procurement portal and advertised on Find a Tender Service and Contracts Finder. In addition to the evaluation methodology, the tender documentation included contract documentation in an approved form. This process ensures that all contractors are supplied with identical information and understand the nature of the contract that they will be expected to enter into.
- 3.4 During the tender preparation process a number of contractors raised clarification questions, which were answered. Clarification information was shared with all bidders through the procurement portal.
- 3.5 At the tender return date, the Council received seven bids, the details of which are included in Appendix 1 (exempt).

Evaluation of submitted bids

- 3.6 The tenders were assessed independently by officers and against published criteria. The scores were then moderated via a panel, overseen by the Procurement Manager.
- 3.7 On completion of this process an analysis of the total scores was undertaken and a winning bid identified. Due diligence checks have been made on the preferred bidder specifically in relation to their financial stability and insurances. The details of the preferred bidder are included in Appendix 1.

Additional elements to be included within the contract

- 3.8 Inspections are a statutory provision and Council staff currently deliver all inspections of the Council-owned tree stock. Tree inspections will be included within the new contract. There are increasing pressures on the delivery of inspections and the contract enables flexibility and the scaling up of specialist resources when needed. A qualified arboriculture specialist will be retained in-house to manage the contract and carry out spot checks and inspections when appropriate.
- 3.9 The provision for additional inspections of Ash trees and management of Ash Dieback disease is also included within the contract.

Sustainability, carbon reduction and social value

- 3.10 Throughout the tender documentation the importance of the contract delivering continuous improvement and a pro-active approach to improved sustainability practices and reduction in carbon emissions was emphasised. The need to support the Wilder Horsham District ambitions was also highlighted.
- 3.11 Bidders' submissions were evaluated on the evidence of how they would approach reduction of carbon emissions in-line with the Council's stated timelines.

- 3.12 Contractors were also evaluated on their proposals to provide social value including detailing what wider social and economic benefits they would commit to providing throughout the duration of the contract. Aspects such as supporting the local supply chain, ethical purchasing standards, creating jobs for local people, providing work experience and apprenticeship opportunities.
- 3.13 The importance of building effective relationships with the local community and stakeholder groups was also emphasised throughout the tender documentation.

4 Next Steps

- 4.1 To enter into the contract and to ensure mobilisation in time for the expiry of the existing contract on 31 March 2022.

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

- 5.1 The Leisure and Culture PDAG have been updated on the approach to the procurement of the arboriculture contract alongside the grounds maintenance contract procurement. PDAG Members received a written update in May 2021, the arboriculture contract was also discussed on 14 July 2021 and 24 November 2021.
- 5.2 The Monitoring Officer has been consulted and their recommendations have been incorporated in this report.
- 5.3 The Director of Corporate Resources has been consulted.
- 5.4 The Head of Human Resources & Organisational Development has been consulted regarding the proposed changes to staffing responsibilities and the potential redundancy of one part-time post.
- 5.5 Unison has been consulted and all potentially affected Council staff have also been informally consulted regarding possible staffing changes.

6 Other Courses of Action Considered but Rejected

- 6.1 The current contract is not legally able to be extended further, therefore a procurement process to appoint a new contractor is necessary.
- 6.2 The possible delivery of the arboriculture services in-house via Council staff was considered but was rejected as it was likely that costs would increase significantly and the ability to scale up and down with specialised staffing was limited.

7 Resource Consequences

- 7.1 There are pressures on the budget for arboriculture services. Firstly, the amount of work has increased since the last contract was let 10 years ago. This has caused persistent overspends on this budget for the last three years. Secondly, Ash Dieback disease is expected to kill 70%-90% of ash trees within the District over the

next five years plus there are additional known and emerging diseases for other species. This means that there will likely be increasing work throughout the lifetime of the contract, above the current budget. Thirdly, because of the demand for arboriculture services nationally arising from Ash Dieback, the price for tree work has risen and this is reflected in the prices for this contract. The combination of these three pressures on the budget means the arboriculture budget for 2022/23 will need to rise from £260k to £332k. The impact of Ash Dieback may mean that the budget will need to increase further. The Council must expect to see increasing costs above those shown in Appendix 1 (exempt) throughout the life of this contract and these will be presented as part of budget setting each year.

- 7.2 One part-time post will be made redundant due to the inspections being included within the contract. This post is not viable for Transfer of Undertakings Protection of Employment regulations (TUPE). The affected employee has been informally consulted with and the formal redundancy consultation process will begin after the contract is awarded.

8 Legal Consequences

- 8.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code.
- 8.2 In-house legal resources will be used to complete the legal documentation.
- 8.3 The Transfer of Undertakings Protection of Employment regulations (TUPE) apply to the services moving into this contract.

9 Risk Assessment

- 9.1 There are risks with the implementation of a new contract but there is adequate time to ensure a smooth transition and full information is available. It is therefore considered that this risk is controllable. Further details are included within Appendix 1 (exempt).

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement process has been overseen by the Council's Procurement Manager and supported by a Procurement Officer, ensuring compliance.

11 Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 The tender documentation and contract ensures that the resulting contractor complies with all equalities legislation and pays due regard to any possible future impacts on human rights.

12 Environmental Implications

- 12.1 As detailed throughout the report, the reduction in carbon emissions, water, pesticides and waste as well as improvements to sustainable practices is prioritised within the new contract.
- 12.2 Key aims of the contract are to improve biodiversity, where possible, and help achieve the Wilder Horsham District ambitions.

13 Other Considerations

- 13.1 The proposed contract will ensure that the council maintains the arboriculture service to a good standard and is compliant with statutory requirements.
- 13.2 The contract requires the new contractor to ensure GDPR and data protection processes are in place and compliant with all relevant legislation.
- 13.3 Crime and disorder incidents do happen in parks and open spaces. The arboriculture contractor will be required to report to the Council, and other relevant authorities, any concerns regarding evidence of anti-social or criminal behaviour.

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

25th November 2021

By Cabinet Member for Community & Wellbeing



DECISION REQUIRED

Not Exempt

Community Advice Partnership Agreement

Executive Summary

The purpose of this report is to inform the decision-making process concerning whether Horsham District Council enters into a partnership contract (also referred to as Inter Agency Agreement) with West Sussex County Council and all other district and borough councils in West Sussex to collectively fund and procure community advice services.

The Community Advice Services Contract expires on 31 March 2022. The current contract was procured by West Sussex County Council with the support of each District and Borough Council. It is proposed that all district and boroughs within West Sussex again enter into an Inter-Agency Agreement (IAA) to collectively procure and fund the service into the future.

The existing service is funded through our annual strategic grant budget and set within annual budget setting. We have funded community advice services for several years and the work of Citizens Advice as the existing provider of the service has demonstrated year on year the positive impact advice services provide.

The annual funding committed to the joint service will be £93,000 p.a. uplifted annually in line with the consumer price index calculated on the anniversary of the agreement.

Recommendations

That the Cabinet is recommended:

- i) To approve the procurement of a partnership contract/inter-agency agreement with West Sussex County Council and the other West Sussex District and Borough Councils for Community Advice Services for the provision of an independent and comprehensive information and advice service for up to seven years from 1 April 2022.
- ii) Delegate to Cabinet Member for Community & Wellbeing the authority to enter into the partnership contract/inter-agency agreement subject to contract approval by the Monitoring Officer.

To recommend to Council to:

- iii) To approve a budget contribution of £93,000 for up to 7 years, uplifted annually in line with the consumer price index calculated on the anniversary of the agreement, subject to satisfactory service reviews in line with Horsham District Council's corporate priorities and the availability of Horsham District Council funding.

Reasons for Recommendations

- i) To enable community advice services to continue to be delivered for residents of the Horsham District, therefore protecting the quality of life of those who live in, work in and visit our district.

Background Papers

None

Wards affected: All

Contact:

Rob Jarvis – Head of Housing and Community Services

Ext 01403 215449

Background Information

1 Introduction and Background

- 1.1 The Community Advice Service in the Horsham district is provided by North South East Citizens Advice. The service is delivered in partnership with Citizens Advice West Sussex and forms a county wide contract for Community Advice Services. The contract expires on 31 March 2022 and was procured by West Sussex County Council with all the West Sussex Local Authorities.
- 1.2 It is proposed that a new county wide advice services contract is procured for West Sussex, led by the County Council with support from the District and Borough Councils. The term will be up to seven years. The advice provided will cover a range of subjects from benefits, housing, consumer rights, education, employment and relationships & family matters to name a few.
- 1.3 The new contract specification will be drafted to reflect the changes in the way people access information and advice where services are delivered to the community.
- 1.4 Horsham's budget for this service is currently £93,000 per annum uplifted each year in line with the consumer price index (CPI). It is proposed that the budget for the funding contribution and the annual uplift are maintained for the term of the contract.
- 1.5 It is also proposed that Horsham District Council continues to procure this service collectively with West Sussex County Council and the other West Sussex District and Borough Councils for a period up to seven years at the current level of funding uplifted annually by CPI.

2 Relevant Council policy

- 2.1 HDC Corporate Plan 2019-2023.

A great place to live – we will plan for communities where people can work, live and prosper. Both our built and natural environments are highly valued and will be well managed to keep our District an attractive place to live. As service that can support residents through a period of crisis, debt or challenge will empower and improve the circumstances of the resident enabling them to thrive.

3 Details

- 3.1 Horsham's budget for this service is currently **£93,000** per annum uplifted each year in line with the consumer price index (CPI). It is proposed that the budget for the funding contribution and the annual uplift are maintained for the term of the contract.

- 3.2 This proposal continues for a renewed period the previous successful joint working with West Sussex County Council and West Sussex Local Authorities to secure community advice services across the county. The contract seeks to continue the provision of generalist advice available to residents across the district. During the COVID-19 pandemic the services continued to be provided but with a shift towards virtual and non-face to face advice sessions. The contract going forward secures a continuation of services using all forms of contact. The service

4 Next Steps

- 4.1 Enter into the partnership contract as per the details in section 3 and provide support to West Sussex County Council as required as per the partnership contract.
- 4.2 Update colleagues and councillors at the appropriate time of successful service provider.

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

- 5.1 Members of the Community & Wellbeing Policy Development Advisory Group supported the recommendations within the report and echoed the value and the great work of the current community advice service provider.
- 5.2 The Council's Monitoring Officer and Director of Corporate Resources, the S151 Officer, have been consulted and their comments have been incorporated into this report

6 Other Courses of Action Considered but Rejected

- 6.1 The Council could seek to secure a service independently of West Sussex and other district & boroughs, the Council is unlikely to be able to provide a service in isolation without the additional funding that is secured by working in partnership.
- 6.2 Do nothing – we could let the service come to an end. We would not only see a significant increase to our services as a result of community advice not being available in respect of matters such as housing and benefits but also from an increased number of residents experiencing debt and financial challenges. Our districts residents are better served with an accessible and free advice service.

7 Resource Consequences

- 7.1 Funding of existing community advice services is set annually within the Council's full budget setting process. Historically this has been funded through Strategic Grants funds and there is no suggestion to change the existing process which has been in place for several years. The cost over the last five years has been £93k p.a. The annual increase linked to Consumer Price Index increases the risk that the cost increases substantially by the end of the contract. A 2% increase year on year would cost £105k p.a. by the end of the contract. And a 3% increase each year would cost £111k p.a. by the end of the contract. CPI inflation was 3.1% in September 2021. The Council's Medium Term Financial Strategy, see elsewhere on this agenda, suggests the Council's overall funding is likely to shrink during this

period. In entering a contract with a CPI increase each year Cabinet is committing the Council to giving an increasing share of its diminishing funds to this service.

- 7.2 A cap on the inflationary increase, such as the lower of 2% or CPI would help limit the potential increases and has been proposed as part of the procurement process.

8 Legal Considerations and Implications

- 8.1 The Council can enter into a new agreement with other local authorities for the provision of this service under section 111 of the Local Government Act 1972 and all other enabling powers.

9 Risk Assessment

- 9.1 Risk assessment and analysis of the risks will be completed through the procurement process. These will include risks around increasing demand, increased reliance if statutory services in areas reduce, ability to recruit and retain volunteers and delivery of service across rural district.

10 Procurement implications

- 10.1 Compliant public procurement will be undertaken by West Sussex County Council on behalf of all district and borough councils within West Sussex.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Having a county wide community advice service enables equal access to all residents to free, impartial advice across a range of subjects, challenges and issues. Accessibility of service from the final service provider will be monitored as part of West Sussex's contract management.

12 Environmental Implications

- 12.1 It is anticipated that the service going forward will utilise existing building and resources but with a shift towards increased virtual and non-face to face contact for residents that want to interact this way.

13 Other Considerations

- 13.1 Additional considerations in terms of data sharing, confidentiality, non-financial staffing support, co-location, reporting, service access will be finalised through the procurement process.

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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 also includes 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 2021

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.	Budget and Medium Term Financial Strategy update	Cabinet	25 Nov 2021	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)
2.	Highwood Community Centre	Cabinet Council	25 Nov 2021 8 Dec 2021	Open	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for Leisure & Culture (Councillor Roger Noel)
3.	Community Advice Partnership Agreement	Cabinet	25 Nov 2021	Open	Rob Jarvis, Head of Housing & Community Services robert.jarvis@horsham.gov.uk Cabinet Member for Community & Wellbeing (Councillor Claire Vickers)
4.	Further Service Provision of the Revenues and Benefits and Internal Audit Services	Cabinet	25 Nov 2021	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)

	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)
5.	Arboriculture Contract Award	Cabinet	25 Nov 2021	Part exempt	Vicky Wise, Head of Leisure and Culture Vicky.Wise@horsham.gov.uk Cabinet Member for Leisure & Culture (Councillor Roger Noel)
6.	Provision of the External Audit of the Annual Accounts	Council	8 Dec 2021	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)
	Annual update to the Pay Policy Statement - Financial Year 2021/22	Council	8 Dec 2021	Open	Robert Laban, Head of HR & OD robert.laban@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)
8.	Council Tax Reduction Scheme	Cabinet Council	27 Jan 2022 9 Feb 2022	Open	Dominic Bradley, Head of Finance & Performance dominic.bradley@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)

	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)
9.	Business Rates Discretionary Charitable Relief	Cabinet Council	27 Jan 2022 9 Feb 2022	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)
10.	Procurement of Horsham Park skate park	Cabinet	27 Jan 2022	Part exempt	Vicky Wise, Head of Leisure and Culture Vicky.Wise@horsham.gov.uk Cabinet Member for Leisure & Culture (Councillor Roger Noel)
11.	Traffic Management Contract Award	Cabinet	27 Jan 2022	Part exempt	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for Environment, Waste, Recycling & Cleansing (Councillor Philip Circus)
12.	Tyre procurement in collaboration with other Local Authorities	Cabinet	27 Jan 2022	Part exempt	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for Environment, Waste, Recycling & Cleansing (Councillor Philip Circus)

	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)
13.	Adoption of Conservation Area Appraisals and Management Plans for London Road and Richmond Road, Horsham, and Horsham Town Centre	Cabinet	27 Jan 2022	Open	Catherine Howe, Head of Strategic Planning catherine.howe@horsham.gov.uk Cabinet Member for Planning & Development (Councillor Lynn Lambert)
14.	Budget and Medium Term Financial Plan	Cabinet Council	27 Jan 2022 9 Feb 2022	Open	Dominic Bradley, Head of Finance & Performance dominic.bradley@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)
15.	Council Tax Resolution 2022/23	Council	9 Feb 2022	Open	Jane Eaton, Director of Corporate Resources jane.eaton@horsham.gov.uk Cabinet Member for Finance & Assets (Councillor Richard Landeryou)