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Cabinet

Thursday, 9th June, 2022 at 5.30 pm
Conference Room, Parkside, Chart Way, Horsham

Councillors:	Jonathan Chowen	Leader and Local Economy
	Tony Hogben	Deputy Leader and Finance & Parking
	Toni Bradnum	Recycling & Waste
	Liz Kitchen	Community Matters
	Lynn Lambert	Planning & Development
	Christian Mitchell	Horsham Town
	Roger Noel	Leisure & Culture
	James Wright	Environment & Rural Affairs
	Tricia Youtan	Housing & Public Protection

You are summoned to the meeting to transact the following business

Jane Eaton
Chief Executive

Agenda

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

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| 6. | Using the 2021/22 surplus to help support local residents in need, topping up the 2022/23 Transformation Fund, and earmarking an inflation reserve. Plus increases to the Drill Hall revenue and Community Development revenue budgets and Horsham Park skate park capital 2022/23 budgets, and utilising the UK Shared Prosperity Funding | 9 - 20 |
| | To consider the report of the Cabinet Member for Finance & Parking | |
| 7. | The Forum Fountain upgrade | 21 - 24 |
| | To consider the report of the Cabinet Member for Finance & Parking | |
| 8. | Vehicle Replacement / Refurbishment; two Compact and two Highway Sweepers and one Refuse Collection Vehicle | 25 - 32 |
| | To consider the report of the Cabinet Member for Recycling & Waste | |
| 9. | Tyre Procurement - Contract Award | 33 - 40 |
| | To consider the report of the Cabinet Member for Recycling & Waste | |
| 10. | WEEE & Textiles continuation of service and introduction of Podback | 41 - 50 |
| | To consider the report of the Cabinet Member for Recycling & Waste | |
| 11. | Development of a District wide climate change action plan | 51 - 58 |
| | To consider the report of the Cabinet Member for Environment & Rural Affairs | |
| 12. | Evidence Resourcing - Biodiversity Net Gain in Development | 59 - 64 |
| | To consider the report of the Cabinet Member for Planning & Development | |
| 13. | Allocation of Section 106 Commuted Sum funding for Saxon Weald | 65 - 68 |
| | To consider the report of the Cabinet Member for Housing & Public Protection | |
| 14. | Proposed update to the Board of Directors for the Council owned affordable housing companies | 69 - 74 |
| | To consider the report of the Cabinet Member for Housing & Public Protection | |
| 15. | Overview & Scrutiny Committee | |
| | To consider any matters referred to Cabinet by the Overview & Scrutiny Committee | |
| 16. | Forward Plan | 75 - 82 |
| | To note the Forward Plan | |
| 17. | To consider matters of special urgency | |

Cabinet 24 MARCH 2022

Present: Councillors: Tony Hogben (Deputy Leader), Toni Bradnum, Liz Kitchen, Lynn Lambert, Christian Mitchell, Roger Noel and Tricia Youtan

Apologies: Councillors: Jonathan Chowen and James Wright
Absent: Councillors:

Also Present: Karen Burgess, Ruth Fletcher, Richard Landeryou, Tim Lloyd and Kate Rowbottom

EX/70 MINUTES

The minutes of the meeting of the Cabinet held on 27 January were approved as a correct record and signed by the Deputy Leader.

EX/71 DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest.

EX/72 ANNOUNCEMENTS

Following the Leader's announcement at the Extraordinary Council Meeting on 1 March, Councillor Tricia Youtan, Cabinet Member for Housing & Public Protection, confirmed that the Leader and Chairman of the Council had written, on behalf of all Members, to the Prime Minister and MPs regarding helping Ukrainian refugees entering the UK. She announced that James Cleverly, Minister of State for Europe and North America, had sent a comprehensive reply, which would be forwarded to all Members.

Councillor Toni Bradnum, Cabinet Member for Recycling & Waste, made four announcements:

- The Cabinet Member welcomed Laura Parker, who would be joining HDC shortly as the new Head of Waste.
- Because of escalating fuel prices, the fuel budget for the Waste & Recycling fleet was anticipated to increase by approximately £80,000 this year.
- There had been several complaints about the ongoing problem of litter on dual carriageways. The Cabinet Member would be discussing this with officers.
- The strikes by Adur and Worthing refuse collectors were of concern. She was not aware of any dissatisfaction in HDC's team, but in the light of GMB's demands any settlement could have implications.

EX/73 **PUBLIC QUESTIONS**

No questions had been received.

EX/74 **HIGHWOOD COMMUNITY CENTRE DEVELOPMENT PROPOSAL**

Councillor Roger Noel, Cabinet Member for Leisure & Culture, gave a summary of the report, which outlined the business case for the construction of a new community centre and nursery in Highwood, West Horsham. He summarised the extensive work that had gone into preparing the proposal, including a review of existing facilities, a review of daytime users, including nurseries, to secure an income stream and consultation with local residents. Councillor Noel drew attention to the financial aspects of the scheme, as set out in the report; the recommendation to approve the scheme was on social grounds rather than its financial merits.

Christian Mitchell, Cabinet Member for Horsham Town, and Liz Kitchen, Cabinet Member for Community Matters, both spoke in wholehearted support of the proposal. It was noted that Local Members were also supportive of the proposal.

RESOLVED

- i) To approve the building of a community facility and nursery at Highwood.

RECOMMENDED TO COUNCIL

- ii) To approve a capital budget of £2.75m for this purpose, allocated £2.5m in 2022/23 and £250,000 in 2023/4.

REASON

- i) To provide community facilities in accordance with the Land West of Horsham Masterplan 2008.

EX/75 **NEW COUNCIL CARBON REDUCTION ACTION PLAN**

Councillor Noel reminded Members of the two targets set in September 2020 for the Council to become carbon neutral: for direct emissions by 2030 (eg from HDC's own vehicle fleet and the buildings operated by HDC); and indirect emissions by 2050 (eg from the Council's supply chain).

Work had been identified in a short Action Plan, which was already progressing with some targets completed. The new Plan for April 2022 to March 2025, as set out in Appendix 1 to the report, built on this work. It was an evolving plan that would be updated every six months. It was noted that the £1m included in the budget to tackle climate change would enable the Plan to be realised, including funding energy efficiency measures and the recruitment to a new post

to deliver the climate change plans. Councillor Noel recommended the Plan as being realistic, proactive and practical.

RESOLVED

- i) To approve the Council's carbon reduction action plan for 2022-2025
- ii) To note that progress reports on the action plan will be produced every six months, which will also include an annual update on changes to the Council's carbon emissions.

REASON

- i) The action plan will ensure that the Council makes good progress in achieving its targets to become carbon neutral. The production of progress reports will ensure that regular monitoring of the actions takes place.

EX/76 **ADOPTION OF CONSERVATION AREA APPRAISALS AND
MANAGEMENT PLANS FOR LONDON ROAD AND RICHMOND ROAD,
HORSHAM, AND HORSHAM TOWN CENTRE**

Councillor Lynn Lambert, Cabinet Member for Planning & Development, stated that there was a rolling programme for developing Conservation Appraisals and Management Plans for all 37 conservation areas in the district. So far eleven had been completed.

The three draft Appraisals and Management Plans being considered had gone out to public consultation for five weeks from 14 October. There had been 61 responses, details of which were set out in appendices to the report. Councillor Lambert gave details of the amendments to the draft plans, as set out in the report.

Councillor Mitchell spoke in support of the plans, which would help to preserve and enhance the character of these areas, and supported the rationale for the inclusion or exclusion of specific locations.

Councillor Lambert and the Heritage Officer would be working to identify non-designated heritage assets that fell outside current Conservation Areas. It was confirmed that Dayhurst, North Parade was on the Council's list of locally important historic buildings.

The Cabinet Member confirmed she had engaged with the local community of Norfolk Square who proactively supported the adoption of a Norfolk Square Conservation Area, and she would keep Members updated on progress.

RESOLVED

- i) To approve the revised Conservation Area boundaries for London Road, Richmond Road and Horsham Town Centre, as shown on the Conservation Area designation maps (1, 2 and 3) included in this report.
- ii) To approve the Conservation Area Appraisals and Management Plans for London Road, Richmond Road and Horsham Town Centre, as set out in Appendices 4, 5 and 6 to be used in the determination of planning applications from 25 March 2022.
- iii) To delegate authority to the Cabinet Member for Planning & Development to approve minor editorial changes prior to final publication of the documentation.

REASON

- i) To formally designate the amended conservation area boundaries.
- ii) To provide updated conservation area guidance for residents, occupiers, developers and Members in determining applications.
- iii) To give the Cabinet Member for Planning and Development delegated authority to approve minor changes to the document, without the need for it to be referred back to Cabinet.

EX/77 **DEVELOPER TRANSPORT MODELLING: UPDATE TO FEES SCHEDULE**

Councillor Lambert reminded Members that in March 2019 the Council had commissioned a Strategic Transport Model to support ongoing work on the Local Plan. The proposals set out in the report gave an opportunity to recoup some of the cost of this work by making the Transport Model available to developers for a fee. She emphasised that this was a baseline study, which could not predetermine or give advantage when determining planning decisions.

RECOMMENDED TO COUNCIL

- i) That the proposed new Schedule of Fees with supporting Protocol for third party access to the Horsham Transport Model as set out in Appendix A be approved.

REASON

- i) To ensure that the Council is appropriately reimbursed for expenses incurred in the development of the Horsham Transport Study Model by those seeking commercial use of the model and supporting data, to promote development.

EX/78 **GRANT INCOME FROM GOVERNMENT RECEIVED LATE IN THE 2021/22 FINANCIAL YEAR AND EXTENSION OF BUDGET FOR THE DRILL HALL INTO JUNE 2022**

Councillor Tony Hogben, Cabinet Member for Finance & Parking, introduced the report that related to three separate issues that required the creation of budgets.

Three grants were received unexpectedly late in the Financial Year and, to enable these to have income streams, budgets needed to be created. It was noted that should the grants not be spent by 31 March they could be carried over to the next Financial Year.

A budget to enable the Council to operate the Drill Hall for a further three months was required in the light of delays experienced by the Royal British Legion in finalising the new arrangements.

Standards Committee had recommended that Steyning Parish Council required additional support and a review to address ongoing issues. A budget was required to carry out this work.

RECOMMENDED TO COUNCIL

- i) To approve the creation of a revenue budget in 2021/22 of £100,000 which will be spent on cyber security.
- ii) To approve the creation of a £10,047 revenue budget in 2021/22 in strategic planning to be spent on the introduction of biodiversity net gain.
- iii) To approve the creation of a £35,000 revenue budget in 2021/22 in strategic planning to be spent on establishing a business case to support future funding bids.
- iv) To approve the creation of a revenue budget in Leisure services for the Drill Hall of £9,000 income and £18,600 expenditure, which is a net cost of £9,600 in the 2022/23 budget.
- v) To approve the budget sum of £20,000 in 2022/23 to pay for a review of Steyning Parish Council to be conducted by Hoey Ainscough Associates Ltd.

REASON

- i) The funding will be used on the delivery of our Cyber Treatment Plan and actions to reduce risk created by the use of legacy operating systems.

- ii) The funding will be used in our preparations for the introduction of a mandatory Biodiversity Net Gain requirement, which is due to come into force in 2023.
- iii) The funding will be used to establish a business case to support future funding bids to create a collaborative co-working space in Horsham Town.
- iv) The budget will enable the Council to continue to operate the Drill Hall in the first quarter of 2022 whilst discussions with the Royal British Legion are finalised.
- v) The Budget will allow for alternative action to be taken for dealing with the ever-increasing and continuing code of conduct complaints that have been received from Steyning Parish Council.

EX/79 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration.

EX/80 **FORWARD PLAN**

The Forward Plan was noted.

EX/81 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

The meeting closed at 6.14 pm having commenced at 5.30 pm

CHAIRMAN

Report to Cabinet

9 June 2022

By Tony Hogben (Cabinet Member for Finance and Parking)

DECISION REQUIRED



Not Exempt

Using the 2021/22 surplus to help support local residents in need, topping up the 2022/23 Transformation Fund, and earmarking an inflation reserve. Plus increases to the Drill Hall and Community Development revenue budgets and Horsham Park skate park capital 2022/23 budgets and utilising the UK Shared Prosperity Funding.

Executive Summary

The Council produced a £2.1m operational surplus in 2021/22, in the context of performance recovering from Covid-19 faster than the cautious budget predicted when it was set in lockdown in January 2021. Budgets of £16,345 were carried over to 2022/23 relating to work in Economic Development that will now take place in the first quarter of 2022/23.

The Council received one-off Covid-19 compensation grants from Government for some loss of income and non-ringfenced 'expenditure' grants totalling £1.13m, offsetting the operational budget deficit that was set. The Council's non-operational income from Council tax and these grants meant that a surplus of £2.1m was generated in 2021/22.

This report recommends that £0.3m of the surplus is used in 2022/23 to top up existing discretionary funding schemes that are under pressure from residents struggling with rising costs. The additional funding of these discretionary schemes will help support more people on low incomes and / or the vulnerable, as well as supporting Young People in the district.

The Council is facing significant future costs. Inflation has risen beyond 6%, energy prices are rapidly rising, salary inflation pressures are increasing, an annual cost of £1.3m is estimated for the collection of food waste when it is implemented, and the additional capital spend on decarbonisation could be as high as £30m by the end of the decade. Income in some areas such as parking may not return to pre-Covid-19 levels as customer habits have changed. Implementing a range of actions delivering a better customer journey, efficiency measures, and other income generation areas will help to reduce the forecast budget deficits. This will require further investment in a number of smaller transformational projects.

£0.393m remains unspent in the transformation reserve at 31 March 2022 which will help transform the Council in the future. The report recommends that is topped up by £0.107m effectively funded from the 2021/22 overall budget surplus, giving a total transformation fund reserve of £0.5m in 2022/23.

This report also recommends the Council sets aside £1m of the 2021/22 surplus into an earmarked inflation reserve to help fight the costs of inflation in 2022/23.

The Trustees at the Royal British Legion are reviewing the current condition of the Drill Hall. This review and subsequent agreement of legal terms over the Drill Hall may take a further three to six months. This report requests that the budget for operating the Drill Hall in 2022/23 is extended to 31 December 2022 whilst this work takes place. The net cost for this six-month period is estimated to be £20,000. This will enable the discussions and legal work to continue, and the Drill Hall to remain open during this time.

Following the ongoing conflict in Ukraine, central Government announced two resettlement schemes, the Extended Family Visa Scheme and Homes for Ukraine Sponsorship Scheme to support families to a place of safety in the UK. The Council is working with West Sussex County Council to support the resettlement and community support of Ukrainian families across the Horsham District. Funding in support of this work is currently estimated to be £0.3m, taking place in 2022/23.

Feedback from the consultation of users of the Horsham Park skate park identified a strong desire for higher ramps and an improved plaza area that will make the skate park more accessible to a greater number of users. The improvements come at a cost of £20,000 which require additional capital budget approval.

On 13 April 2022, allocations for the UK Shared Prosperity Fund were announced and more details have since emerged. Councils are strongly encouraged to work with other authorities to agree and commission people and skills activity, or business support activity over a larger scale representative of the full labour market or business base. Horsham has been allocated £1m of funding over three years, starting with £150,000 in 2022/23. A further £20,000 has also been made available to undertake the initial preparatory work including developing the local investment plan for submission in the summer. The funding is aimed at supporting local businesses, Communities and Place and people and skills.

Recommendations

That the Cabinet is recommended to:

- i) Recommend to Council that £0.3m of the 2021/22 surplus is used to further fund existing discretionary schemes in 2022/23 as set out in Appendix A.
- ii) Approve the transfer of £106,499 from the General Fund reserve to the earmarked transformation reserve.
- iii) Delegate to the Chief Executive, in consultation with the Leader and Cabinet Member for Finance and Parking, the authority to use the transformation fund as appropriate.
- iv) Approve the transfer of £1m of the surplus into an earmarked inflation fund, for use in 2022/23 should current price increases cause an overspend.
- v) Recommend to Council to approve an increase in the revenue budget in Leisure services for the Drill Hall of £17,000 income and £37,000 expenditure, which is a net cost increase of £20,000 in the 2022/23 budget.
- vi) Recommend to Council to approve a £300,000 increase in the revenue income and expenditure budgets in Community Development in 2022/23.
- vii) Recommend to Council to add an additional £20,000 to the £0.25m already in the 2022/23 capital programme to help deliver a better skate park in Horsham Park.
- viii) Recommend to Council that £50,000 of income from the UK Shared Prosperity Fund and corresponding expenditure is added to the Economic Development. 2022/23 revenue budget.

- ix) Recommend to Council that £120,000 is added to the 2022/23 capital programme which will be fully funded by the UK Shared Prosperity Fund.

Reasons for recommendations

- i) Additional funding will help those on low incomes and / or are vulnerable as well as supporting Young People.
- ii & iii) To top up of the earmarked transformation reserve for projects that will help transform the Council in the future; effectively funded from the 2021/22 budget surplus.
- iv) Inflation is over 6% and is causing significant price rises, and this, coupled with high salary pressures, is likely to cause a deficit in the 2022/23 outturn.
- v) The budget will enable the Council to continue to operate the Drill Hall through to the end of the calendar year whilst discussions with the Royal British Legion are finalised.
- vi) to help the resettlement and community support of Ukrainian families across the Horsham District
- vii) Feedback from the consultation with users at the Horsham Park skate park requested higher ramps and an improved plaza area that would be more accessible to more users.
- viii) To develop and then help deliver a local investment plan for the UK Shared Prosperity Fund.
- ix) To enable capital investment spending under the UK Shared Prosperity Fund to support local businesses, Communities and Place and people and skills.

Background papers: 2022/23 budget and MTFs papers from 27 January 2022 Cabinet meeting and 9 February 2022 Council meeting.
Extension of Budget for Drill Hall into June 2022 Report to Cabinet on 24 March 2022.

Wards affected: All

Contact: Dominic Bradley, interim Director of Resources, 01403 215300

Background Information

1 Introduction and background

- 1.1 The cost-of-living crisis is creating pressure on many households in the district who are struggling to pay rising energy and food bills. Those on lower incomes and the vulnerable are particularly affected. Inflation is rising steeply, causing higher costs for both residents and the Council.
- 1.2 The transformation earmarked reserve was set up in 2016/17 to help fund business transformation within the Council. Cabinet transferred £0.5m from the 2015/16 budget surplus and has topped up the fund each year since.
- 1.3 The following amounts have been spent on transformation through the reserve since 2016/17, unlocking opportunities to enable future savings:
 - £387k in 2016/17
 - £518k in 2017/18
 - £239k in 2018/19
 - £123k in 2019/20
 - £111k in 2020/21
 - £107k in 2021/22
- 1.4 £393k remains unspent in the reserve at 31 March 2022 and will be made available in 2022/23.

2 Relevant Council policy

- 2.1 The Council continues to provide the quality, value for money services that people need throughout the 2020s. Continue to manage our finances prudently and identify and deliver business transformation to help balance our budgets as funding from central government reduces.

3 Details

- 3.1 The Council tax increase in 2022-23 of 2.9% will increase the amount of Council tax collected in the year by approximately £0.3m. The report recommends that £0.3m of the surplus from 2021/22 is used in 2022/23 to top up largely existing discretionary schemes further supporting residents on low incomes that are struggling with rising costs and also providing services to help young people. A list of the discretionary funds is set out in Appendix A.
- 3.2 The Council holds a number of earmarked reserves and spends them on the purpose for which they were earmarked. Where the Council receives grants and contributions in year, but does not spend them, Cabinet may transfer the unused portion to earmarked reserves for use in future years. The Council can also choose to move funds from the general fund reserve to earmarked reserves to cover future costs.
- 3.3 The Council is facing significant future costs. Inflation has risen beyond 6%, salary inflation pressures are increasing, an annual cost of £1.3m is estimated for the collection of food waste when it is implemented, and the additional capital spend on decarbonisation could be as high as £30m by the end of the decade. Income in some areas such as parking may not return to pre-Covid-19 levels as customer habits have changed. Implementing a range of actions delivering a better customer journey, efficiency measures, and other income generation areas will help to reduce

the forecast budget deficits. This will require further investment in a number of smaller transformational projects.

- 3.4 Projects to facilitate transformation include areas such as ICT to help unlock further digital change to deliver a restructuring of products and services, changing the way we operate to better serve our customers and preventing re-keying of data. Environmental Health has just completed a move to a new Cloud-based system, to be followed by Building Control and then Planning. The Council is also growing our own staff through development, learning and coaching to encourage cultural change within the organisation. Further understanding of food waste collection and the impact on residents is needed to be able to implement an efficient food waste collection service when the time comes.
- 3.5 This report proposes Cabinet move £0.107m from the General Fund reserve balance to top up the earmarked transformation reserve to £0.5m for this purpose in 2022/23. This will help transform the Council in the future. The schemes upon which this earmarked transformation reserve will be spent will be authorised by the Chief Executive in consultation with the Leader and Cabinet member for Finance and Parking, and then follow normal financial authorisation and budget process procedures. Appendix B contains a snapshot of the transformation fund at 31 March 2022 with anticipated estimated future expenditure.
- 3.6 This report recommends the Council sets aside £1m of the 2021/22 surplus into an earmarked inflation reserve to help fight the costs of inflation in 2022/23. This will only be used in 2022/23 should the Council experience overspends against expenditure, and if unused, will otherwise be returned to the general fund at year-end.
- 3.7 The Trustees at the Royal British Legion are reviewing the current condition of the Drill Hall. This review and subsequent agreement of legal terms over the Drill Hall may take a further three to six months. This report requests that the budget for operating the Drill Hall in 2022/23 is extended to 31 December 2022 whilst this work takes place. The net cost for this six-month period is estimated to be £20,000. This will enable the discussions and legal work to continue, and the Drill Hall to remain open during this time.
- 3.8 Following the ongoing conflict in Ukraine, central Government announced two resettlement schemes, the Extended Family Visa Scheme and Homes for Ukraine Sponsorship Scheme to support families to a place of safety in the UK. The Council is working with West Sussex County Council to support the resettlement and community support of Ukrainian families across the Horsham District. Funding in support of this work is currently estimated to be in the region of £0.3m to be received and spent in 2022/23.
- 3.9 Feedback from the consultation of users of the Horsham Park skate park identified a strong desire for higher ramps and an improved plaza area that will make the skate park more accessible to a greater number of users. The improvements come at a cost of £20,000 which requires additional capital budget approval.
- 3.10 On 13 April 2022, allocations for the UK Shared Prosperity Fund were announced and more details have since emerged. Councils are strongly encouraged to support Communities and Place, agree and commission people and skills activity, or business support activity over a larger scale representative of the full labour market or business base. Horsham has been allocated £1m of funding over three years:
 - 2023/23 £150,000 minimum 10% capital

- 2023/24 £270,000 minimum 13% capital
- 2024/25 £580,000 minimum 20% capital

3.11 A further £20,000 has also been made available to undertake the initial preparatory work including developing the local investment plan for submission in the summer.

4 Next steps

4.1 Once approved, the Chief Executive in consultation with the Leader and Cabinet Member for Finance and Parking will consider the appropriate schemes and authorise expenditure from the transformation fund against these schemes as appropriate.

4.2 Approval is required from Council for the budgets for the discretionary schemes, the Drill Hall revenue and skate park capital budgets and the UK Shared Prosperity Fund revenue and capital budgets in 2022/23.

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

5.1 The Finance and Assets Policy Development Advisory Group discussed the proposals on 7 May 2022. Note that the UK Prosperity Fund and Horsham Park skate park information was identified after 7 May.

6 Other courses of action considered but rejected

6.1 Not spending £0.3m on further discretionary measures in 2022/23 would retain this money in reserves for future use, but not help support those on lower incomes at a time when some residents are struggling now.

6.2 Not spending on transformation would save the Council up to £0.5m, but would not transform the Council or unlock efficiencies for future years.

6.3 The £107k of surplus from 2021/22 would otherwise go into the general reserve and used to fund any deficit that would occur if transformation does not take place at the required rate. This would not be sustainable.

6.4 Closing the Drill Hall was rejected, because there are regular users who require hire of the facilities which we do not want to let down. The Council also wishes to pass these regular users over to the new operator of the Drill Hall, which will help with their income, thereby making it more likely to succeed.

6.5 Undertaking the expansion of the Horsham Park skate park plaza at a later date was considered, but rejected due to the cost efficiency of undertaking the work at the same time.

6.6 Not using the UK Shared Prosperity Fund allocation was rejected as this is likely to bring benefits to both residents and businesses of the district.

7 Resource consequences

7.1 The 2021/22 surplus would otherwise be transferred into the general fund reserve. Spending £0.3m further supporting residents in need will reduce the level of reserves available in the future.

- 7.2 Transformational spend from the earmarked reserve will help the delivery of efficiencies and income which will help towards balancing the budget over the medium-term. The transfer of £1m into an earmarked inflation fund will only be used should price and salary pressures cause an overspend in 2022/23. Any significant overspend in these areas will be offset by drawing down against this earmarked reserve.
- 7.3 The estimated revenue impact for continuing to operate the Drill Hall until 31 December 2022 is £17,000 income and £37,000 expenditure, which is a net cost of £20,000 in the 2022/23 budget.
- 7.4 The £0.3m income and expenditure budgets in Community Development will have no overall net effect on the cost of the service to the Council as it will be fully funded, but will impact on officer time and therefore could lead to capacity issues. This will be managed within the service.
- 7.5 The skate park's additional £20,000 capital budget is an 8% increase to the already approved £0.25m capital budget taking the total cost to £270,000.
- 7.6 The UK Shared Prosperity Fund should have nil net impact as expenditure of £170,000 in 2022/23 will be funded from the grant. £120,000 will go into the capital programme with the remaining £50,000 to be spent in revenue helping to devise and deliver the projects. Time spent by officers will be absorbed into current roles although could lead to capacity issues.

8 Legal consequences

- 8.1 There are no legal consequences of this scheme.

9 Risk assessment

- 9.1 Corporate Risk CRR01: Failure to achieve the required level of savings and income in the Medium-Term Financial Strategy.

10 Procurement implications

- 10.1 There are no procurement implications associated with this report.

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

- 11.1 This report tops up existing discretionary schemes, which already support vulnerable groups and have regard to equalities. The Communities team already works closely with Young People. These schemes will continue to follow existing equalities procedures.
- 11.2 The design of the skate park enables users of all abilities to access the facility. The Sports Development team will also work with under-represented groups to enable increased participation.

12 Environmental Implications

- 12.1 Additional quantities of concrete will be needed for the Horsham Park skatepark development. This will be mitigated by the use of low-carbon concrete mix, which has a footprint of 0.312 tCO₂ eq/m³, which is almost a third lower than standard mixes and by using a shallower fill of concrete.

13 Other Considerations

- 13.1 There are no GDPR / Data Protection implications arising from this report.
- 13.2 Outdoor youth facilities can sometimes attract crime and disorder, however the skate park in Horsham Park has a strong history of preventing anti-social behaviour. The proposed changes to the skate park design are also responding to the consultation with the users and therefore should have a strong sense of ownership from the community.

Appendix A - £0.3m set aside for discretionary support

Area	£	Description
Discretionary Housing Payments support	£90,000	Helping those on benefits. Note Government reduced the pot from £184,450 in 2021/22 to £128,080 in 2022/23, so over half this additional support takes it back to previous levels.
Hardship fund and helping people with debt	£35,000	Similar to DHP, but helping to support households that are not benefit recipients. Fund to be administered by housing team and identified through homeless prevention routes and in partnership with community advice services.
Horsham Matters Fuel cost	£15,000	Provide grant to Horsham Matters to expand their fuel crisis support. Anticipated impact likely to be experienced Autumn/Winter 2022 into 2023.
Additional co-located advice workers in partnership with Citizens Advice (CA)	£60,000	Everyone knows Citizens Advice are the go-to organisation for support but they are over-subscribed. Additional funding could secure a couple of volunteers to become paid members of staff and provide the equivalent of two full time posts. These posts could be co-located in community services to access additional wrap around support more easily.
Mentoring scheme for Young People	£80,000	Expanding the funding from WSCC to provide a scheme that would fit alongside and would be similar to 'Esteem' which offers social, wellbeing, mentoring and volunteering opportunities to young adults across Sussex.
Increase Young People intervention courses	£15,000	Train appropriate staff (wardens for example) to be able to run courses such as understanding teenage behaviour.
Hub for Young People	£1,000	Provide the Health and Wellbeing Centre for one or two afternoons a week as a space for professionals to be and for young people to drop in. Minimal costs to make an area of the space more youth focused and making it available for appropriate staff to access.
Support for staff on lowest grades	£4,000	Supporting the Council's lowest paid workers through means such as subsidising parking charges to help them afford to come to work.
Total	£300,000	

Appendix B – The Transformation Fund Reserve

Actual spend in 2021/22 and indicative areas of spend in 2022/23:

2021/22		2022/23	
389,336	<i>balance brought forward</i>	393,501	<i>balance brought forward</i>
110,664	<i>In year addition</i>	106,499	<i>In year addition</i>
500,000		500,000	
-19,502	<i>Food waste trial</i>	-12,186	<i>Food waste trial residual</i>
-41,136	<i>Backfill for the digitalisation project</i>	-83,000	<i>Backfill for the digitalisation project</i>
-18,000	<i>Licence and implementation tech costs for the PRS digitalisation project.</i>	-50,000	<i>Licence and implementation tech costs for the PRS digitalisation project.</i>
-13,710	<i>Technical kit for hybrid working in all 2nd floor meeting and Director rooms</i>	-8,000	<i>Carbon audit of a Council building to enable future grant funding</i>
-14,151	<i>Conference room video streaming</i>	-35,000	<i>Creation of large meeting room on second floor of Parkside incl Tech</i>
-106,499	<i>indicative spend in year</i>	-188,186	<i>indicative spend in year</i>
393,501	<i>balance</i>	311,813	<i>balance</i>
			<i>* 2022/23 costs are indicative estimates only.</i>
			<i>Appropriate additional items may be added as required via SLT and Leader and Cabinet Member for Finance and Parking approval</i>

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Report to Cabinet

09 June 2022

By Cabinet Member for Finance and Parking

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Forum Fountain Upgrade

Executive Summary

This report seeks capital funding of £120,000 to upgrade the Forum fountain treatment system to support interactive play.

Due to children playing in the fountain, that is not designed for that purpose, high levels of bacteria build up in periods of hot weather. This risk has been managed to date by shutting down the fountain for it to be cleansed, treated and retested. This process can take up to three weeks.

The installation of a Pool Water Treatment Advisory Group compliant treatment system for an interactive splash pad will minimise bacterial risks experienced with the existing fountain and will mean that the fountain can be left operational in the hot summer months.

Recommendations

That the Cabinet is recommended:

- i) To agree that the Forum fountain should be upgraded to a splash pad
- ii) Recommend to Council that a capital budget be created for £120,000 in 2022/23 for this purpose.

Reasons for Recommendations

- i) The Forum fountain is located within a public open space without controls on its use as an interactive facility. An upgrade of the treatment system will mean that residents can enjoy the feature safely.
- ii and iii) The constitution states that only full Council can approve changes to the budget

Background Papers

Nil

Wards affected: Horsham Denne ward

Contact: Elizabeth Williams, Property Management Team Leader, ph 07717 807 835

Background Information

1 Introduction and Background

- 1.1 The existing fountain was constructed as part of the mixed-use Forum development in 2004. It is categorised as a display fountain with 49 jets that 'dance' at varying heights.
- 1.2 The dosing equipment and tank are located in a room beneath the Piazza and the nearby playground respectively. The equipment is limited to operation in weather five degrees or higher and therefore the fountain operates annually from April to October. The system reuses the tank water.
- 1.3 With warmer summer temperatures a greater number of residents and their young children congregate and play in the fountain. This results in an increase of bacteria. Bromine dosing can combat low levels of bacteria but excessive bromine dosing, would be necessary for higher levels of bacteria, which elevates the risk of chemical burns.
- 1.4 During sustained periods of hot weather the bacteria levels result in the fountain being shut down for a full clean of the pipes and tank. For this process and to obtain clear laboratory results can take 2-3 weeks, during this period the fountain cannot be safely operated.
- 1.5 It is recommended to upgrade the fountain treatment system to an interactive splash pad, so that it can continue to be run during the hottest months and children are able to play in the water safely.

2 Relevant Council policy

- 2.1 An interactive splash pad aligns with the Corporate Plan by providing leisure activities for the wellbeing of our community.

3 Details

- 3.1 The existing system has been reviewed by Ustigate, a company with 56 years' experience in providing splash pads. With advances in technology, making equipment smaller, they have confirmed a PWTAG (Pool Water Treatment Advisory Group) compliant dual tank dosing system can be accommodated within the existing infrastructure arrangement.
- 3.2 In addition to the treatment system the surface drains can be upgraded, shifting from a latticed open drain, which has the potential to trap the toes of small children, to a perimeter drain with a grate over the top.
- 3.3 It is estimated the cost of the upgrade will be £120,000 including consultant fees to develop the scope, sterilisation and recommissioning of existing equipment, installation of new M&E equipment, building of the new tank and treatment facility and the replacement of the paving and surface drains.

- 3.4 Maintenance currently costs £11,000 per annum. The maintenance cost for the new treatment system is estimated at £20,000 per annum.
- 3.5 The work on site is estimated to take 6 weeks with a lead time of another 6 weeks for equipment. It is expected that the works would be undertaken in late autumn this year, depending on the result of the competitive tender and contractor availability.

4 Next Steps

- 4.1 To prepare a scope for the upgrade of the system to a PWTAG compliant splash pad followed by a competitive tendering exercise.

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

- 5.1 The proposal was presented at the Town Centre PDAG and the Finance and Parking PDAG, where it was supported.

6 Other Courses of Action Considered but Rejected

- 6.1 The other course of action would be to continue with the existing arrangement which includes significant risk to Council if someone became ill. In addition, the fountain operation would continue to be intermittent throughout warmer periods while the system was fully cleaned of any bacteria build up.

7 Resource Consequences

- 7.1 This decision will increase the capital programme in 2022/23 by £120,000. The £120,000 capital expenditure will impact on the Minimum Revenue Provision which the Council must charge to its revenue budget each year to 'fund' this capital expenditure.
- 7.2 Annual revenue costs will also increase. The current maintenance costs are £11,000 per year if additional cleansing is not required, which is unlikely. The maintenance costs will increase to £20,000, an 82% increase of £9,000 per annum.

8 Legal Considerations and Implications

- 8.1 The work will be competitively tendered in accordance with procurement rules.
- 8.2 A warranty for the work will be included.

9 Risk Assessment

- 9.1 An existing risk exists where a member of the public could become ill because of exposure to unsuitable levels of bacteria.

9.2 A construction risk assessment and method statement will be carried out prior to work taking place **10 Procurement implications**

10.1 The main contractor will be procured via lot 3 of the Essex Procurement Hub Playground Gym and Urban Play Framework, in accordance with the Council's Procurement Code. The procurement process will be overseen by a Procurement Officer.

11 Environmental Implications

11.1 The proposed upgrade reuses 50% of the freshwater intake. Uses for the wastewater include watering neighbouring planters or for use as grey water in the nearby toilets. Connection of this is not included in the estimate.

12 Other Considerations

12.1 Although the fountain is located in a public open space, the fountain is within the overall Piazza where CCTV cameras are sited and maintained by Sussex Police as part of the Town Centre CCTV system.

Report to Cabinet

9th June 2022

By the Cabinet Member for Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Vehicle Replacement / Refurbishment; Two Compact and Two Highway Sweepers and one Refuse Collection Vehicle

Executive Summary

The purpose of this report is to advise on the need to replace our two compact town centre sweepers, to replace or refurbish our two highway, 15T sweepers and to refurbish one RCV (refuse collection vehicle).

The sweepers are all reaching the end of their useable life. They are increasingly costly to maintain and this also leads to more time off the road when we can't use them.

The recommended option for the two compact town sweepers is to purchase two electric sweepers. This will lead to a reduction in our carbon emissions and meets the Council's approach to climate change and reduction in emissions.

The recommended option for the highway sweepers is to refurbish them to enable us to use them for another 5 years plus. These will still run on HVO (Hydro treated vegetable oil) which is a carbon saving fuel as we are concerned about the range and the restricted charging capabilities of existing electric models for a rural district, but this will fit in with the corporate plan to reuse and HVO still reduces carbon emissions.

Our refuse collection fleet comprises various aged vehicles of differing sizes from 15 tonnes to 26 tonnes. In order to help meet our emission targets by 2030 we will need to replace these vehicles with alternative powered vehicles, these can be either BEV (Battery Electric Vehicles) or Hydrogen. Currently the cost of these vehicles is high (£450,000 each for a BEV version, £600,000 each for a hydrogen version). Battery range is also very poor and the charging infrastructure within our District does not meet HGV charging requirements.

In order to allow the cost of these vehicles to become more reasonable and charging infrastructure to be installed we are considering the option to extend the lives of our current vehicles. This will be achieved by refurbishing the vehicles in order to re-use, this will follow our climate strategy of reducing carbon emissions compared to building new vehicles. They will still use HVO saving 90% of emissions compared to diesel and will allow a minimum of 6 years further life in which time BEV and Hydrogen technology will be established. Charging and hydrogen refuelling infrastructure will also be more established.

Recommendations

That the Cabinet is recommended :

That the Cabinet is recommended to approve the following:

- i) The purchase and contract award of two electric compact sweepers for the town centre and install electric charge points in Black Horse Way Car Park at a cost of £400,000.
- ii) The refurbishment and contract award of one of the collection vehicles RCV's at an estimated cost of £80,000.
- iii) To approve the refurbishment of the two highway sweepers at a cost of £101,000.

Reasons for Recommendations

- i) The two town centre sweepers have reached the end of their useable life. We need to replace as they have become unreliable and expensive to repair. Electric vehicles are best suited for this purpose as the majority of vehicles/sweepers cover short journeys, they are also quieter for early morning use. Some infrastructure work is required to install charge points within Black Horse Way Car Park which is Council property. We are awaiting quotes for this work. The town centre cleansing team will become emission free with 2 x Battery Electric Vehicles (BEV) compact sweepers. This will be in line with our climate change action plan and will be highly visible to the general public in the town centre.
- ii) To refurbish one 26 tonne refuse collection vehicle. This will enable the vehicle to be used for a further 5-6 years to allow alternative fuel options to be more available at a reasonable cost and refuelling infrastructure to be in place.
- iii) Highways sweepers – these are reaching the end of their useable life. To refurbish them means we are reducing our maintenance costs and ensuring we don't have increased downtime.

Background Papers

- Investment and Business Case Horsham District Council Vehicle replacement strategy 9th September 2021.
- Capital vehicle replacement schedule December 2021.
- Horsham District Councils Three year programme to reduce the councils carbon emissions; working towards the approved carbon neutral targets.

Wards affected: All wards will be affected as the highway sweepers cover the whole district. The electric sweepers will only operate in the town centre.

Contact:, Laura Parker, Head of Car Parking and Waste. 07799459364.
Mark Neal, Transport Manager 07826858184.

Background Information

1 Introduction and Background

- 1.1 Purchasing two electric compact sweepers means that the town centre cleansing team will be emission free. This will have a positive impact on the local community and those who use the town centre. It will be quieter for early morning use and is in line with the Council's carbon strategy.
- 1.2 The RCV's have been inspected and found to be in need of refurbishment in the bodies and cabs. This is work which needs to be carried out to extend their useable life with reduced downtime and maintenance costs.
- 1.3 The highway sweepers are reaching the end of their economic life. The option to replace these with electric vehicles has been explored but concluded to be too expensive with not enough range. To refurbish them means we are reusing them and also ensuring we reduce our maintenance and downtime costs.

2 Relevant Council policy

- 2.1 A cared-for environment, replacing existing vehicles with alternatively fuelled alternatives to help reduce carbon emissions and help towards the protection of our environment.

3 Details

- 3.1 It is proposed that the Council replace the Capital vehicle replacement schedule December 2021.
- 3.2 By replacing the vehicles according to the Replacement Schedule, the Town Centre Cleansing Team will be the first to become emission free. Electric vehicles are best suited for this purpose as the majority of vehicles/sweepers cover short journeys and they are also quieter for early morning use. Some infrastructure work required to install charge points within Black Horse Way Car Park which is Council property.
- 3.3 The compact vehicles have been trialled for suitability using electric sweepers and both management and drivers agreed they were capable of the scope they need to fulfil for town centre sweeping.
- 3.4 Larger sweepers need to have their life extended by another 5 years to then fit in with the replacement schedule. Currently the electric versions do not have enough range to enable us to meet our cleansing schedules on the bigger roads in the District and are also costly to purchase. A trial was carried out using an electric highway sweeper and it was established that it could not meet the mileage requirements each day. Refurbishing these two sweepers means we extend their economic life whilst keeping costs down. Maintenance costs will reduce and the vehicles are able to be used to their full potential enabling us to fulfil the cleansing schedules required.

4 Next Steps

- 4.1 The replacement schedule budget has been agreed for this financial year to include the purchase of two electric compact sweepers, refurbishing an RCV and refurbishing the two highway sweepers.
- 4.2 Infrastructure needs to be budgeted for the charge points and management systems that monitor charge point outputs.
- 4.3 The electric sweepers were put out to a mini competition through a framework agreement, with two quotes received. An evaluation meeting took place on 16th May and a moderation meeting will take place on 18th May to score the two quotes submitted.
- 4.4 We need to obtain quotes through a mini competition process to refurbish the RCV's. This will be carried out as soon as possible through a compliant framework agreement.
- 4.5 Quotes to refurbish the highway sweepers have been obtained from Scarab.

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

- 5.1 A presentation was given to PDAG on the 24th May 2022 which after discussion ended with a positive outcome and the group agreeing with the above recommendations.

6 Other Courses of Action Considered but Rejected

- 6.1 The Council can continue using the current sweepers but this is not recommended as they are old unreliable vehicles and we would not be able to fulfil our cleansing duties due to downtime and costs.
- 6.2 The Council can continue using the current RCV's but this is not recommended as they are becoming unreliable and need to have their economic life extended.
- 6.3 It has been considered to replace all sweepers with BEV's but the technology and range (infrastructure) is not in place. It is also cost prohibitive when considering the 15t sweepers each costing £370k.

7 Resource Consequences

7.1 The estimated capital cost in 2022/23 for the four sweepers is £0.5m which breaks down as follows:

Type	HVO	BEV
2 x Highway sweeper refurbishment	£101,000	
2 x electric precinct sweeper		£394,000
Charging infrastructure		£6,000
Total	£101,000	£400,000

7.2 The capital costs are already included in the 2022/23 capital programme budget. The charging infrastructure includes an estimate for a 2 port 7.4kW charge point at Blackhorse Way Car Park which charges over a 12 hour window.

7.3 The proposed options will help the delivery of efficiencies and income which will help towards balancing the budget. The reduction on the revenue budget per annum is estimated in the table below:

Change	HVO Highway Sweepers	BEV Compact Sweepers
Maintenance costs	- £12,000	- £14,000
Electric based on the two compact sweepers completing 3,120 hrs a year (2 x 1,560 hrs)	-	£3,500
HVO Costs per annum (Compact 2,666hrs = 7,300 litres fuel) HVO £1.95ppl	-	-£14,000
Servicing costs	£950	£8,500
Tax / MOT	£500	0
Total	£-10,550	-£16,000

7.4 The electric savings are based on 3,120 annual hours. Comparisons based on the savings of the cost £1.95ppl on HVO but an increase in electricity use at £0.14pp kw.

7.5 As vehicles age, maintenance costs and downtime increase, which can lead to periods without sweeping or additional hire costs. All the sweepers were near the end of life, so the maintenance cost savings shown above are based on the 2021/22 outturn, and would only increase in future years.

7.6 The additional capital cost of two new electric compact sweeper vehicles over their HVO counterparts is £230,000. Whilst the revenue savings are estimated at £16,000 per year, and the investment does not fully pay back financially over the

expected useful economic life of the vehicle, the two electric sweepers will save 43 tonnes of carbon per year over the same period, providing some value for money.

7.7 This compared to the additional capital cost of two new electric highway sweeper vehicles over their HVO counterparts which was calculated at £360,000, combined with the fact that electric was unable to deliver the required operational range meant that this was discounted on both financial value and non-financial grounds.

RCV Refurbishment

7.8 We are awaiting for the mini competitive process to go ahead but have estimated the following:

- Yr 1 22/23 £80,000 for one vehicle
- Yr 2 23/24 £800,00 for 10 vehicles
- Yr 3 24/25 £880,000 for 11 vehicles

7.9 The costs will be subject to review once we have received the mini tender results. One of our vehicles is a 16 plate so this is why we need to refurbish it this year to reduce the maintenance and downtime costs.

8 Legal Considerations and Implications

8.1 The approaches are compliant with the council's Procurement Code and the Public Contract Regulations and will be undertaken in conjunction with the council's Shared Procurement Service. Legal colleagues will support the provision of requisite legal document.

9 Risk Assessment.

If the proposed options are not approved, then there is a significant risk of the current revenue budgets being affected due to increased costs of repairing and maintaining our aging fleet. There is also a significant risk to the Council Operators Licence which has strict guidelines on the upkeep and maintenance of our heavy goods vehicles.

9.1

Risk description	Score	Mitigating Actions/Contingencies
Infrastructure for vehicle charging is in development stage	Medium	Watching brief on infrastructure development. Replace smaller vehicles e.g. sweepers. Optimisation of load capacity and load management strategy
Market for BEV cleansing vehicles is emerging but not fully	Medium	Ongoing discussion with industry experts, trial of electric

established like cars and vans		sweepers have taken place.
Battery life of vehicles is only 4 to 5 years and disposal is via hazardous waste route	High	Battery technology is developing with faster charge and alternatives to Lithium cells. Arrange battery replacement warranty with supplier.

9.2 Assumptions

1. Technology will improve within next 5 to 6 years including vehicles and batteries
2. Alternative technologies such as Hydrogen (already in use in Scotland and N America) will become available for larger vehicles (RCVs and large sweepers)
3. Charging infrastructure will improve with a move toward smart charging at charge-points to manage demand in real-time.
4. Introduction of lower time of use (ToU) tariffs using multiple charge-points not exceeding maximum power capacity at the site.
5. Advancement of different types of ultra-low emission vehicles (ULEVs) including zero emission, extended range electric vehicles, plug-in hybrids for larger (HGV) and fuel cell electric (FCEV- hydrogen vehicle)
6. Government will adhere to is zero carbon emission target with potential stretch-targets introduced following COP26.

9.3 Issues

Issue description including impact	Score	Mitigating Actions/Contingencies
Political support for switching to electric vehicles	Med	Agreement to commit to replacement programme by SLT followed by Member briefings including Informal Cabinet
Ensure sufficient on-site charging capacity for new vehicles	High	Assessment of current site capacity and identification of additional capacity against growth in fleet
New vehicles can be serviced by workshop staff	Med	Training of workshop staff on maintenance of new vehicles as part of purchase agreement

10 Procurement implications

10.1 The Council will comply with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes is being overseen by the Council's Procurement Manager and supported by a Procurement Officer.

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

11.1 The recommendation has no negative impact on any particular groups and an Equalities Impact Assessment is not required.

12 Environmental Implications

12.1. Suppliers will be assessed on their approach to sustainability (for example carbon reduction and neutrality, waste, etc.) as part of the quality evaluation process for each mini competition undertaken.

12.2 Increased reliance on electricity but with emissions savings from reduced use of HVO. Re-use of existing vehicles also fits in with our sustainability and environmental strategy.

13 Other Considerations

13.1 The mini competition will ensure GDPR and data protection processes are in place and compliant with all relevant legislation.

13.2 Crime and disorder incidents are unlikely to occur but do need to be taken into consideration for potential vehicle or infrastructure vandalism. Monitoring processes are in place to deter this behaviour.

Report to Cabinet

9 June 2022

By the Cabinet Member for Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Partially Exempt

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

Procurement for Supply & fit of Tyres and Associated Services Contract

Executive Summary

The purpose of this report is to approve the award of contract for the Supply and Fit of Tyres following a comprehensive tender process. A tender process was originally undertaken in December 2021 and January 2022, however the original process was not completed as an internal review identified that some key procurement checks had not been sufficiently carried out. The review led to a re-evaluation of the tenders received, and this report sets out the results from the further review.

The Council is acting as the Lead Authority to undertake a procurement process for the supply and fitment of tyres for all Council vehicles, in collaboration with four other Councils. The contract will commence in August 2022 for a three-year term, with a two-year optional extension period subject to the supplier's satisfactory performance. The Council spends approximately £45k p.a., with an estimated total value of £225k over the five-year contract period.

Recommendations

That the Cabinet is recommended :

- i) To approve the award of the contract for Fit and Supply of Tyres 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 contract with the highest scoring bidder for the Tyres contract.

Reasons for Recommendations

- i) Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT). Horsham District Council currently spends £45,000 per annum on tyres and associated services, which therefore exceeds this threshold over the contract term.

- ii) The Council has not competitively procured this contract previously but does have a long-standing agreement in place with the current supplier. The contract is therefore to be brought into compliance, and to formalise the relevant contract management arrangements.

Background Papers - None.

Wards affected - All wards.

Contact: Mark Neal, Transport Manager
Telephone: 07826 858184

Becca Williams, Procurement Manager
Telephone: 01403 215050

Background Information

1 Introduction and Background

- 1.1 The Council has had a long-standing arrangement in place with a supplier for the requirements detailed below; however this has not been competitively procured previously, and there is currently no formal contract in place. A compliant route to market was therefore needed, which has also provided the opportunity to formalise and improve contract management arrangements, assess the quality of suppliers' provision of goods/services, and ensure greater control over costs during the contract term.
- 1.2 Currently Horsham District Council spends £45k per annum on Tyres and associated services. It was identified that several other local authorities also had a similar requirement and therefore decided to undertake a collaborative procurement to benefit from aggregation of expenditure with the following Councils:
- Adur and Worthing Councils
 - Chichester District Council
 - Crawley Borough Council
 - Reigate and Banstead Council
- 1.3 Across all the authorities participating in the procurement the contract value per annum is estimated at £204k (based on 2020) expenditure.
- 1.4 All the Councils manage a fleet of various types of vehicles. Each Council has a very similar Fleet Tyre Policy but have always worked as separate entities. The Councils have decided to work in a more collaborative way. The aim of this collaboration is to help the Councils to achieve savings, to facilitate the sharing of knowledge and best practice and to help to ensure consistency for the Supplier and the Councils. This is in respect of tyre requirements, customer service and the ability to share information and resources. The overall objectives are to ensure that all Council fleets are working as efficiently as possible, keeping vehicle down-time to a minimum, to only use remould tyres where possible to ensure the Council fleets have less impact on the environment and to ensure fleets are as sustainable as possible in order to meet the Council's sustainability targets.
- 1.5 The Council decided to conduct a mini competition utilising Crown Commercial Services framework. RM6142 - Supply of tyres, glass and fast fit solutions. The decision was made to utilise a framework rather than conduct an open tender to save time, it also has the advantage of aggregation of expenditure and pre procurement checks of the suppliers on the framework.

2 Relevant Council policy

- 2.1 The approaches are compliant with the Council's Procurement Code and supporting policies such as the Sustainable Procurement Charter and sought to obtain value for money supplies/services for the Council.

- 2.2 As part of the procurement process, the organisations which submitted a tender for each contract were assessed on the basis of their approach to a number of factors including health and safety and sustainability.

3 Details

- 3.1 A mini-competition was conducted utilising Crown Commercial RM6142- Supply of Tyres, Glass and Fast-Fit solutions, Lot 2 Supply, fit and management of tyres and associated products and services. All suppliers on this Lot were invited to submit a bid in response to the Council's requirements. The tender documents were issued on 22nd November 2021 via the Councils e-tendering portal.
- 3.2 The Council received three bids prior to the deadline of 20th December 2021.
- 3.3 Appendix 1 (Exempt) details the outcome of the evaluation process.
- 3.4 The tender documentation included a contract in a draft form. This ensures that all contractors understand the nature of the contract that they will be expected to enter into.
- 3.5 During the tender preparation processes, suppliers raised clarification questions, which were answered. Clarification information was shared with all bidders through the procurement portal.

4 Next Steps

- 4.1. Bids for each tender process were evaluated on the basis of the Most Economically Advantageous Tender (MEAT), which combines price and quality. The financial viability of the bids received was assessed by authorised officers from each authority and service representatives from the councils independently evaluated each bidder's quality submission.
- 4.2. The individual quality scores were presented at a moderation meeting by the service representatives from the Councils, which was attended by a Senior Solicitor, the Shared Procurement Service Manager, Procurement Officer and Procurement Project Support Officer. The scores were moderated and agreed at this meeting.
- 4.3 The price scores were added to the quality scores to identify the winning Tenderer, who will be awarded the contract.

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

- 5.1 Key managers including the Fleet Manager and Assistant Resources Manager responsible for overseeing these contracts were part of the project team and were responsible for defining the requirements. Managers from all collaborating authorities were consulted on the approach to each tender and assisted in the development of the tender documents.

- 5.2 The Director of Community Services and Cabinet Member for Environment, Waste, Recycling and Cleansing were consulted on and approved the approach for each tender.
- 5.3 The Head of Legal and Democratic Services (Monitoring Officer) and Interim Director of Resources have been consulted, and any recommendations have been incorporated into the report.

6 Other Courses of Action Considered but Rejected

- 6.1 An open tender was considered; however, a new Crown Commercial Services tyres framework was available. This offered a quicker compliant route to market. A decision was made to run a mini-competition instead of a direct award to ensure the councils were receiving best value for money, as well as giving the councils embed sustainability as part of the requirements.

7 Resource Consequences

- 7.1 Collaborating and using the Crown Commercial Service Framework has the benefit of reduced pricing through aggregation of expenditure. This will help keep costs for each individual Council to a minimum and reduce costs.
- 7.2 The Council anticipates the price per tyre will be slightly lower than current prices and the Council should be able to get more wear out of the tyres. HDC will now have the ability to ensure better tyre management by using Direct Tyre Managements digital monitoring portal, tyre positions swapped to even out wear across all tyres, tyres turned on rims and tyre treads re-cut. HDC will be able to monitor work carried out in real-time from the office.
- 7.3 The Council is not expecting any significant cost increases in the future but external market factors may lead to an increase in the cost of raw materials. Any request for a price increase due to inflationary increases or increases in the pricing of raw materials outside of the supplier's control will be on an annual basis and any increase will be at the Council's discretion.

8 Legal Considerations and Implications

- 8.1 The approaches are compliant with the council's Procurement Code and the Public Contract Regulations and were undertaken by the council's Shared Procurement Service.

9 Risk Assessment

- 9.1 It is considered that there is a low risk of suppliers being unable to supply tyres; however, there is a risk that suppliers may struggle to meet required response times due to Covid-19 and potentially a shortage of technicians who have left the industry.

10 Procurement implications

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

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

- 11.1 The tender documentation and contract ensure that the resulting contractor has a duty to comply with all equalities legislation and pays due regard to any possible future impacts on human rights.

12 Environmental Implications

- 12.1 Suppliers were assessed on their approach to sustainability (for example carbon reduction and neutrality, waste, etc.) as part of the quality evaluation process for each tender. For the Tyres tender, suppliers were also assessed on their provision for Tyre Disposal and any recycling or re-use of the components of your tyres.
- 12.2 The Tyres tender has been designed to reduce the impact on the climate by specifying the use of remoulded tyres where possible. Remoulded tyres save roughly 80% of the materials required to manufacture a new tyre, equating to approximately 68 litres of oil, 44kg of rubber, and 63kg of CO₂ on every casing. HDC purchased 172 remould truck tyres last financial year which saves approximately 11,500 litres of oil, 7,500 kg of rubber and 10,800 kg of CO₂ per annum using remoulded tyres.

13 Other Considerations

- 13.1 In respect of the Tyres tender, prospective suppliers had to demonstrate robust Safe Working Method Statements and successfully demonstrate how they would manage any sub-contractor relationships.

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

9 June 2022

By the Cabinet Member for Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

WEEE & Textiles continuation of service and introduction of Podback

Executive Summary

The purpose of this report is to advise on the need to continue services for the collection of small WEEE (Waste Electrical and Electronic Equipment recycling), Textiles and Batteries in line with the objectives outlined in the Council's Corporate Plan as well as to fulfil requirements from the Government's Resources & Waste Strategy for England. This is expected to lead to new legislation mandating the separate collection of small WEEE and textiles by 2025.

Three different options are available for the WEEE and textiles service that has been trialled since May 2021.

Option 1 – to continue with the current service and introduce Podback.

This is the **Recommended** option as it offers the Council a series of benefits including financial, reputational, and increased recycling rates. Podback will also pay one third of the running costs.

Option 2 – to continue with the current service (just WEEE and Textiles) with the Council funding the service. **Not Recommended.** The Council would continue to fund all the costs of running the current service and would not increase recycling rates.

Option 3 – stop the service. **Not Recommended.** New legislation is anticipated to mandate collection of WEEE and Textiles by 2025.

The service to date has been popular between May 21 and March 22 the Council has collected over 11,300 bags of WEEE and Textiles. This represents 11.5 tonnes of WEEE and 21 tonnes of textiles. In the same period, we have collected 4.9 tonnes of batteries. Out of the 11,300 bags of textiles only 4 bags have been rejected due to contamination and the textile off taker Wilcox suggests that a booking system generates higher-quality textile items. Providing a collection service for households for this material stream is the most effective way of targeting the material and stopping it from going to waste. This insight, as well as the reduced usage of bring banks in general, proves that the concept of a collection service (as opposed to increased bring banks) is the way forward to provide the most convenient recycling method for residents.

Option one is recommended as the most favourable strategy to continue to deliver the service and enhance recycling rates with Podback funding reducing the costs of the scheme. Initial talks with Podback's representatives; Eunomia have been established and as long as the appropriate paperwork and modelling is completed within a timely manner,

it is expected that the Council could start the 12-week mobilisation process in June 2022 which will then launch Podback in September 2022.

Recommendations

That the Cabinet is recommended:

- i) To approve the introduction of the Podback scheme and continue the WEEE & Textiles Service in its current format.
- ii) to recommend Council approve a revenue income budget of £14,440 from Podback for the recycling and waste service in 2022/23.

Reasons for Recommendations

- i) Podback funding will reduce the costs of the scheme and increase recycling rates
- ii) Under the constitution, only full Council can approve budget changes

Background Papers

- WEEE Project bid
- PDAG updates in form of presentation 15th March 2022

Wards affected: All wards

Contact: Abigail Nye Commercial Manager/ Laura Parker Head of Parking and Waste

Background Information

1 Introduction and Background

- 1.1 In May 2021, Horsham District Council, in partnership with West Sussex County Council, launched a trial project to collect small WEEE, Textiles and Batteries for reuse and recycling. Results from Waste Composition Analyses shows that approximately 830 tonnes of textiles and 130 tonnes of small WEEE are disposed of within the residual waste stream every year within the Horsham district. This trial would provide an opportunity for residents to reuse or recycle these items, improving the Council's overall recycling rate and providing a reduction in the disposal costs for WSCC. The initial trial was funded by WSCC through the improvement fund, this funding has been extended up until the end of June 2022. We will then need to fund the project to continue. Introducing Podback, a new coffee pod recycling service offsets some of these costs as they contribute money towards our costs for providing the service.
- 1.2 There are three options to consider. Option one which is the recommended option is to introduce Podback to the service. Option two is to continue the service as it is, and to cover the costs and Option three is the stop the service.

2 Relevant Council policy

- 2.1 The report demonstrates responsibility under the corporate plan under section 4.3 Minimise Waste and increase re-use and recycling. This links in with points 4.3.4 Investigate the introduction of kerbside collection of textiles and electricals goods.

3 Details

- 3.1 The Recycling and waste department currently has a WEEE & Textiles service on a trial which is provided at the kerbside on a dedicated vehicle. This has been in a partnership with West Sussex County Council since May 2021. This project was funded by West Sussex County Council for the trial period. The funding was extended up until the end of June 2022. There are three different options for continuing the service beyond the trial.
 - Option 1 is to introduce Podback into the service. This is our recommended option as it will bring us an income as Podback fund part of the service so therefore reduces our costs to run the service.
 - Option 2 is to continue running the trial service permanently as it is.
 - Option 3 is to stop the service completely and not to provide a WEEE and Textiles service at the kerbside in the district.
- 3.2 Podback will fund the element of collections provided for coffee pods only, representing one third of the annual running costs of the collection van, collection operative, as well as 12 days salary for the reporting manager. The Council will therefore be required to continue funding the collections of WEEE and Textiles. A breakdown of the costs that Podback will cover is listed below:
 - One third of the operating costs for the van annually

- One third of the operator's salary
- 12 days per annum of the Manager's salary
- Website amendment costs
- Booking's system amendment costs
- All communications
- Remedial works to the inside of the van to contain coffee pod bags (if necessary)

- 3.3 This funding could therefore represent £12,510 or one third towards the £35,210 annual running costs of the operator, van, and management as well a £7,140 one-off contribution to modification costs and also part up-front funding for the van purchase that the Council was looking to acquire anyway as part of the fleet replacement strategy. These costs are detailed in further detail in Appendix 1. Podback assumes an 8.4% participation in the scheme, which could represent 5,500 households within the Horsham district taking part. However, Horsham district residents are likely to have more coffee machines than average due to the demographics of the Horsham district; therefore, it is assumed that more households than this could take part.
- 3.4 It is expected that the collection of coffee pods could be managed within the current resource of the collections of WEEE & Textiles without compromising the fast-booking slots that customers are currently used to.
- 3.5 Podback are keen to work with local councils to offer a kerbside collection for coffee pods which offer residents a much greater outlet for disposal of these items and therefore contribute to the end producer responsibility which is the purpose of their scheme. This in turn will also reduce the amount of coffee pods, WEEE & textiles currently present in the waste stream.
- 3.6 Some of the benefits with deploying this strategy include:
- The service will continue in its current form, which residents are now used to receiving resulting in reputational benefits to the Council
 - The service continuation means the tonnage collected for recycling will go towards the Council's NI192 Recycling Rate
 - Further reputational benefits are to be had with the introduction of a new recycling service for coffee pods
 - Further increased tonnages of coffee pods collected for recycling will go towards the Council's NI192 Recycling Rate, as well as removing this material from the residual waste stream
 - Funding will represent one-third of the running and start-up costs for the service
- 3.7 If we were not to introduce Podback and continue the service in its current form we would still achieve some of the benefits in option 1. This would however be at a higher cost to the Council, and we may not increase our recycling rate or remove coffee pod material from the waste stream so therefore option 1 would be recommended over this option.
- 3.8 If we were to stop collections this would reduce the Council's costs but would bring substantive reputational risk to the Council for stopping the service. It would also

compromise the NI192 Recycling rate in two ways by reducing the tonnages for recycling and also increasing residual waste tonnage.

- 3.9 There is increasing pressure from the government around kerbside recycling, and it is expected that the government will mandate this service from 2025. It is considered more appropriate for the council to continue the service and monitor how it is delivered to help shape future waste collection methodology as part of the wider waste strategy including delivering food waste.

4 Next Steps

- 4.1 Following approval of the recommended option 1, approval would be sought from Council on 22 June 2022 to amend the 2022/23 revenue budget to include the income from Podback.
- 4.2 The 12-week mobilisation period would then be actioned. Within this mobilisation period the relevant changes to the booking form and vehicle amendments as well as a communication plan. This would then lead to a launch of the introduction of Podback 12 weeks after approval. This is expected to be in September 2022.

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

- 5.1 The continuation of the service and the introduction of Podback has been presented to Senior Leadership team as well as the Cabinet Member for Waste and Recycling and deputy Cabinet Member. There have been previous updates of the WEEE & Textiles service to the Waste and Recycling PDAG of the service in its current provision. The introduction of Podback to the service was presented to the Waste and Recycling PDAG on 24 May 2022 in form of a presentation. It was agreed that within the initial trial of pod back the uptake of the service would be reviewed to demonstrate any future efficiencies of the service as well as regular updates on uptake of the service. It was agreed that the service will explore alternative models for the service with community groups during the initial trial period.
- 5.2 The report and options have been reviewed and consulted with the Interim Director of Resources to ensure financial suitability of the scheme.

6 Other Courses of Action Considered but Rejected

- 6.1 Options of where residents have options to dispose of WEEE & Textiles within the district have been considered however have been dismissed due to the limitations that these services provide. Small WEEE disposal routes are limited and will only provide a service in certain conditions and textile routes are limited. There are limited locations where recycling of coffee pods can be taken to, this is only available to people who are able to access these sites.

7 Resource Consequences

- 7.1 The current service (option 2) budget has already been approved through the annual approval of budget 2022/23. Option 2 means that the cost to continue the service in its current form is £35,210.
- 7.2 Income from Podback (option 1) reduces the overall cost to the Council by £12,510 per full year. Appendix 1 sets out the breakdown of the income in detail including the one-off income for the modification of the booking system and internal re-design of the van. The one-off modification costs and pro-rated annual income for seven months of operation in 2022/23 is estimated to be £14,440.
- 7.3 There will be limited requirements from IT to make changes to the booking form to enable residents to book the collection through the existing booking form. Following initial discussions within the waste and tech team, Podback could be introduced fairly easily into the current booking system in place for WEEE & Textiles. A separate web page will be set up, directing customers to the same online form but with the additional option to collect coffee pod bags.

8 Legal Considerations and Implications

- 8.1 The approach has no legal considerations or implications due to the fact that currently it is not a statutory service. There is an expectation that the provision of kerbside collections of WEEE & Textiles will be mandated by 2025 so the continuation of the service will be compliant with our statutory requirements.

9 Risk Assessment

- 9.1 The risks associated with the proposal have different impact depending on the option pursued. Option 1 poses 5 potential risks however these risks have been assessed and the mitigation points explored to ensure that the recommended option does not pose unnecessary risk. These risks and benefits are detailed in Appendix 2
- 9.2 The recommended options pose the least risk to the Council, option 2 poses a higher financial risk to the Council and option 3 poses a high reputational risk to the Council.

10 Procurement implications

- 10.1 The paper has been reviewed by recruitment and there are no concerns with the Podback scheme.

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

- 11.1 Equality analysis will need to be undertaken to ascertain the potential impact on staff, service users, vulnerable groups and wider communities groups that share protected characteristics and take actions to mitigate any negative impact as each project is developed and implemented.
- 11.2 Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and promote equality in relation to Race, Disability, Gender including gender reassignment, Age, Sexual Orientation, Pregnancy and maternity, Religion or belief. The Council also has a duty to foster good relations,

and to consider the impact of its decisions on human rights. The law requires that this duty to pay 'due regard' is demonstrated in the decision making process. Therefore, your report should contain a statement as to whether the recommendation has a particular impact on any of the above groups and whether an Equalities Impact Assessment is required.

12 Environmental Implications

- 12.1 Suppliers will be assessed on their approach to sustainability (for example carbon reduction, and neutrality, waste, etc.) Introducing Podback contributes to end producer responsibility goals and provides a further recycling service at the kerbside to ensure removal from the main waste stream. Carbon reduction in regard to journeys made has been considered and it is estimated that the service currently excluding Podback reduces vehicle journeys by 43 miles on average compared to the householder taking to the household waste recycling centre. This equates to a reduction of approximately ½ tonne of CO₂.

13 Other Considerations

- 13.1 All options will ensure GDPR and data protection processes are in place and compliant with all relevant legislation.
- 13.2 Crime and disorder incidents are unlikely to occur but do need to be taken into consideration for potential vehicle or infrastructure vandalism. Monitoring processes are in place to deter this behaviour.

Appendix 1- Breakdown of costs and annual funding from Podback

Item	Yearly cost (22/23)	Annual Funding from Podback	Remaining cost to the Council
Van maintenance	£850	£284	£566
HVO	£3,020	£1,007	£2,013
Tax	£259	£87	£172
1 x Cleansing Operative at G2 FTE (including on-costs)	£28,000	£9,333	£18,667
12 days Manager's Salary at G6	£3,082	£1,800	£1,282
Total annual	£35,210	£12,510	£22,700
<i>Pro-rated 1 Sept 2022 to 31 March 2023</i>		£7,300	
Booking modification costs	N/A	£6,490	N/A
Other costs (internal design)	N/A	£650	N/A
One-off modification costs		£7,140	
2022/23 financial year income		£14,440	

Appendix 2- Risks and Mitigation

The risks and mitigation for Project are outlined below:

Risk no.	Risk	Mitigation
1.1	The cost of HVO fuel increases due to external factors leading to the fund not covering the costs	The costs within the budget appraisal have for HVO have been costed with high mileage in mind, which is not necessarily realised within the day to day running of the service. Should costs increase beyond the generous estimation within the budget appraisal it is likely to be minimal however will represent a cost to HDC.
1.2	HDC will be tied into a contract with Podback with contractual obligations	Standard contract received, Legal Team have checked over standard contract and have no concerns. CDC contacted and have no concerns other than rectification of missed collections within 24 hours as part of the KPI's (not so much of an issue on a booking service). Enter into a contract for 12 months initially on a trial basis (to July 2023) to assess the service in line with HDC monitoring of all material streams and deliverability.
1.3	Popularity of service results in existing resource becoming over-subscribed	Tech Team alter the form to ensure that bookings do not exceed the daily capacity of the team (however this results in an additional risk – see risk no. 1.4).
1.4	Popularity of all services results in booking delays for customers with days only available weeks in advance, discouraging residents from using the services and resulting in reputational damage, reduced tonnages as well as customers improperly disposing of WEEE, Textiles and coffee pods in their residual waste bins for ease	Based on CDC sign-ups (1,200 since July with minimal communications) and the capacity of the existing resource, it is anticipated that this could be a small risk that will require little mitigation Podback will fund additional resources if they are required to collect coffee pods – it has been confirmed that this will form part of the contingency costs.
1.5	Logistics of collecting three separate material streams together causes increased time required for the collections team to separate within the vehicle	Single disposal points at Hop Oast provided by off-takers (including Podback) will reduce trips to transfer stations / off-site disposal points Vehicle can be modified with funding from Podback to provide easier storage of materials while in transit.
1.6	Funding with Podback is based on a limited timeframe, resulting in	Increasing Government pressure and regulations in line with Extended Producer Responsibility

	possible cessation of the service after the funding ends	(polluter-pays principle) would likely see this service expanded, rather than reduced Explore options after contract end date Consider entering into a longer-term contract if this is available.
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Report to Cabinet

9th June 2022

Cabinet Member for the Environment and Rural Affairs



**Horsham
District
Council**

DECISION REQUIRED

Not Exempt

Development of a District wide climate change action plan

Executive Summary

The report recommends that a Climate Change Panel is established to assist with the development of a climate change action plan for the District. The Panel will consist of experts on a range of subjects associated with reducing carbon emissions and preparing for a changing climate. The Panel would be preceded by a workshop with Council officers to identify existing projects, as well as realistic new opportunities.

The information from this process and the ideas from a Horsham District Climate Change Group, which met during 2021, would feed into the discussion of the Climate Change Panel. Consultants would be used to facilitate the workshop with Council officers and run the meetings of the Panel. This will ensure a degree of independence and that there is a focused and structured discussion. The output will be an achievable and realistic climate change action plan for the District. The plan would go beyond actions for the Council and identify where other organisations need to take the lead and where wider engagement and action will be essential.

The report requests a revenue budget of £50k to procure the consultants and a further revenue budget of £20k for climate change communications. The latter will be important once the plan has been developed, to raise awareness of actions that businesses and residents can take. It will also be essential to obtain the buy-in of key partners to support the delivery of the plan.

Once the plan has been produced stakeholder events will be held to galvanise action but also capture more ideas from the community and other organisations. So the plan will need to continually evolve.

Recommendations

That the Cabinet is recommended:

- i) To approve the establishment of a Climate Change Panel which will input to the development of a District wide climate change action plan
- ii) To request that full Council approves a revenue budget of £70k in 2022/23 to support the development of the plan

- iii) To approve the procurement of a consultant to facilitate a workshop with Council officers, as well as the meetings of the Climate Change Panel, and assist with the production of a District wide climate change action plan

Reasons for Recommendations

- i) A new Panel of experts will give external input to the development of a District wide strategy and plan to generate new ideas and increase the legitimacy of the plan.
- ii) Budget is required to secure a consultant to facilitate the meetings of the Climate Change Panel, support the drafting of the action plan and the follow up engagement to gain support from partners and the wider community to deliver the action plan.
- iii) Ensure that the Councils procurement process are followed.

Background Papers

Cabinet report 24 March 2022 - New Council Carbon Reduction Plan (April 2022 to March 2025).

Horsham Carbon Audit – District wide carbon reduction study and carbon audit of the Local Plan Review. AECOM (2021)

Background Information

1 Introduction and Background

- 1.1 The Council has two approved targets for the organisation to become carbon neutral and at its meeting on 24th March 2022 Cabinet approved a three-year action. This will make significant progress to meeting its 2030 target for the Councils direct emissions to be carbon neutral. Direct emissions relate to those generated from the gas and electricity used in its operational buildings, and the fuel used in its fleet vehicles.
- 1.2 This demonstrates the Council is taking the lead to reduce its own carbon emissions and tackling climate change. However, its total emissions represent a small percentage (1%-2%) of the greenhouse gas emissions for the Horsham District. Whilst there are many projects taking place that will contribute to reducing the District wide emissions, an overarching strategy and action plan is required to drive forward action on reducing emissions and to prepare for changes to the climate. The Council cannot achieve this alone and will need to work with and inspire others to take action.
- 1.3 This report proposes establishing a Climate Change panel involving experts in subjects that are central to tackling this wide ranging issue, and to use consultants to facilitate this process. This will build on the work that the Council is already doing and set a framework for engaging with partners and the wider community. A revenue budget is required to employ consultants to help facilitate the production of the plan and to implement the engagement and communications, given the importance of this to encourage climate change action.

2 Relevant Council policy

- 2.1 The Cared for Environment section of the Corporate Plan 2019-2023 includes a priority to “*work with partners towards becoming a carbon neutral District*”. This report suggests a way forward in relation to this priority.

3 Details

The need for a climate change plan

- 3.1 The UK has a legally binding target to become net zero carbon by 2050. All levels of Government and sectors need to play their part in reaching this target. The emissions of gases that contribute to the changing climate across the Horsham District have fallen by about 33% over the last 14 years. However, much of this has been due to Government policy, particularly support to install renewable and low carbon technology, such as offshore wind farms. This has resulted in less reliance on coal fired power stations and a significant move towards the electricity grid being decarbonised.
- 3.2 Although many of the changes that are required to meet net zero are established at a national level, action at a local level is essential. The Committee for Climate Change estimates that “*around a third of the UK’s emissions are dependent on sectors that are directly shaped or influenced by local authority practice, policy or partnerships*”. Some of this is through direct action by reducing emissions from its

buildings and vehicles. The Council is showing leadership in this area through its carbon reduction targets and a three-year action plan. However, this only represents 1%-2% of the emissions for the whole District.

- 3.3 The Council can have a direct influence on tackling climate change across the District through delivery of its duties and services, such as planning, building control and economic development. Procurement is another powerful way to leverage influence, by supporting businesses in its supply chain to reduce their carbon emissions. Many of these will be local companies. Councils are also very familiar at working in partnership and can bring organisations together to help move to a low carbon world. Another important role for Councils is in terms of engagement and communications on climate change. Horsham District Council has increased its communications on climate change issues which is essential in raising awareness.

Action to date

- 3.4 There are many projects and initiatives being undertaken across the Council that are helping to reduce emissions and prepare for a changing climate. However, there is no overarching strategy and action plan for the District. Such a plan will identify further actions that the Council can take but it will also be important for partners to be part of the delivery and for businesses and residents to be engaged to take action.
- 3.5 A Horsham District Climate Change Group was formed last year with stakeholders from a range of sectors, including businesses, Parish Councils, community groups, the education and social housing sectors. Whilst the Group suggested some useful ideas, these were mostly directed at the Council and not actions others could lead on or implement. Some single issues, such as Gatwick Airport, dominated the discussion. There was a mixture of technical and non-technical people on the group, and it became clear that a realistic and achievable plan was not likely to be produced from this approach.
- 3.6 A consultant, AECOM, was commissioned to analyse the existing energy use, carbon dioxide emissions, and low and zero carbon energy generation in the Horsham District. Although focused on information that supports the development of planning policy on these issues, the study provides useful information on these issues and what interventions could be used to reduce energy use and carbon emissions, as well as the potential to increase low and zero carbon energy generation across the District.

Proposed new approach

- 3.7 This report recommends establishing a Climate Change Panel consisting of experts in the areas where action needs to be taken, such as reducing energy use and increasing the take up of renewable and low carbon technology. The first step would be to hold a workshop with officers from across the Council to identify existing projects but also realistic new opportunities. This information combined with the ideas from the previous Climate Change Group, will feed into the discussion of the Climate Change Panel. The data and potential scenarios from the AECOM report will also provide useful information for the Panel.
- 3.8 The Panel meetings will be facilitated by a consultant, which will give some independence to the process and ensure that there is focused and structured discussion. The output will be an achievable and realistic action plan.

- 3.9 The advantage of this approach is that it is likely to generate new ideas, using a facilitator will give some independence to the process and an action plan can be developed quickly.

4.0 Next Steps

- 4.1 Once the Council has approved the plan, an extensive stakeholder engagement process will be undertaken to galvanise action in the community and obtain the support and involvement of key partners. This will involve in depth approaches, for example, using focus groups and workshops, as well as newly emerging participatory techniques. The climate change plan will need to continually evolve and so ideas that come forward from this engagement process can also be included in the plan.

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

- 5.1 The Environment and Rural Affairs Policy Development Advisory Group received a presentation on the proposal in this report on 16th May. The Group had some initial reservations about the approach, as it wanted to ensure that there would be adequate resident and business engagement. However, the additional budget would cover the costs of initial engagement once the plan is produced. The plan would continually evolve and could incorporate ideas and actions suggested throughout the engagement process.
- 5.2 The Monitoring Officer made minor amendments to the report and the Interim Director of Resources comments are included in section 7 of this report.

6 Other Courses of Action Considered but Rejected

- 6.1 The first option that was rejected was not to develop a Climate Change Action Plan for the District. However, the Council's Corporate Plan recognises that it needs to work with partners for the whole District to become carbon neutral. A plan would be an ideal way to draw in partner organisations to implement climate change actions. It would also provide a framework to draw together the current and future actions.
- 6.2 The Council could develop a plan itself, drawing on internal expertise and expanding on the work that already contributes to reducing carbon emissions and preparing for the impacts of a changing climate. However, external expertise will give the plan greater legitimacy and to obtain broader views and ideas, and ultimately buy-in from partners to deliver their responsibilities and the community to take action.
- 6.3 The Council could run a Climate Assembly to help inform the development of the plan. An Assembly usually consists of about 50 residents who reflect the local population in terms of age, gender, socio-economic, race and other factors and are selected at random. They would hear expert speakers on a range of climate change issues and would be able to question them. After a period of deliberation the Assembly would agree recommendations to the Council on the actions that they felt

are important in reducing carbon emissions and preparing for a changing climate. These would form the basis of a District wide action plan.

- 6.4 A review of Climate Assemblies that have already taken place determined that this approach costs between £70k and £140k, largely depending on the number of residents attending the assembly. For example, the Climate Assembly for Adur and Worthing cost £70k and for Devon it was £140k. However, this does not include associated costs, such as communications which is essential to ensure that the assembly is effective. The estimated budget required for this would be an additional £20k. Furthermore, additional capacity would need to be required in the Communications Team which would add £50 to the cost. Overall the cost for implementing this option for the Horsham District would be a minimum of £160k.
- 6.5 In summary, Climate Assemblies deliver recommendations to form an action plan that are reflective of the local population which can help with buy-in and be used as a platform for communicating the issues to a wider audience. However, this is a very resource intensive process, both in terms of cost and staff time and is likely to deliver similar recommendation to other climate assemblies. The money spent on an assembly would be better used on implementation, such as grants and advice for business and targeted engagement with residents.
- 6.6 Another option is to reconstitute the Horsham District Climate Change Group which included external stakeholders from different sectors. This group met several times and suggested some useful ideas. However, the group was too focused on what the Council could do rather than a broader perspective on what actions other organisations, residents and businesses needed to take. A new Panel of “experts” will deliver this but the support and input of those involved in the original Group will still be essential in delivering the action plan.

7 Resource Consequences

- 7.1 There will be staff implications from holding the Council officer workshop, establishing, and running the Climate Change Panel, as well as engagement after the action plan has been produced. An additional member of staff is being recruited to help deliver this work and a consultant would be used to facilitate the Panel meetings, reducing the impact on staff resources. This cost is already included in the 2022/23 budget.
- 7.2 There are financial implications from this report. An additional revenue budget is required for consultancy to facilitate the workshop with Council officers, as well as sessions with the external experts, to ensure that there is independent oversight. Consultancy advice and support will also be required for stakeholder engagement once the plan has been drafted. A £50k budget for consultants to facilitate a workshop with staff from across the Council and then the sessions of the Climate Change Panel which would involve experts on key subjects, such as energy, retrofitting buildings and transport. Given the importance of communication to raise awareness on the need to take action on climate change, a £20k budget is also requested for this work once the plan is produced.
- 7.3 The Interim Director of Resources is supportive of this approach. It balances a necessary cost of specialist input with the fact that money spent on consultants could be used on implementation. From a resource perspective, the Climate

Change Panel is viewed as better value for money than a Climate Assembly, with a much lower direct cost and is much less resource intensive.

8 Legal Considerations and Implications

- 8.1 The Climate Change Act 2008 (2050 Target Amendment) Order 2019 introduced a target for at least a 100% reduction of greenhouse gas emissions (compared to 1990 levels) in the UK by 2050. This is a legally binding target.
- 8.2 Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of their functions. Furthermore, section 2(1) of the Local Government Act 2000 introduced a power that permits local authorities to do anything that they consider likely to promote or improve the economic, social and environmental well-being of their area.

9 Risk Assessment

- 9.1 There is a risk that external experts will not want to be part of the Climate Change Panel. In order to reduce this risk different attendees from each subject area will be identified. Therefore, this is not considered to be a high risk. A medium risk is that the Panel will not produce actions that are appropriate for a District and/or are not deliverable and practical. This will be managed by using an experienced facilitator to guide the discussions.
- 9.2 The highest risk is during the engagement phase of the proposal, with the difficulty and impact of a lack of engagement from partners to deliver the action and from residents and businesses to take action. Expert input will be sought and best practice in this area will consistently be reviewed, in order to increase success on this difficult aspect of the project.

10 Procurement implications

- 10.1 The procurement of consultants to support the actions in this report will adhere to the Councils Procurement Code. As this is likely to be approximately £50k this will require a three quotes process.

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

- 11.1 There is the potential for the impacts of a changing climate for have an unequal impact on society, with more vulnerable groups potentially being impacted the most. The development of the plan will need to ensure that the burden of implementing low carbon actions does not fall disproportionately onto those that can least afford to make the changes that will be required. It will be important for this to be central to the development of the action plan. Furthermore ongoing engagement will need to be inclusive to include all sections of society.

12 Environmental Implications

- 12.1 The primary outcome from the actions in this report is to produce a District wide climate change action plan which will reduce greenhouse gas emissions. In doing

this they will be other environmental benefits, such as a reduction in the use of natural resources, and improvements to local air quality.

13 Other Considerations

- 13.1 There are no crime and disorder implications from this report. The stakeholder engagement work will adhere to the Data Protection Act 2018 and the Councils processes for distributing and storing information.

Report to Cabinet

9 June 2022

By the Cabinet Member for Planning and Development

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Evidence Resourcing – Biodiversity Net Gain (BNG) in Development

Executive Summary

A statutory requirement is being introduced for new development to deliver 10% biodiversity net gain. One mechanism to deliver this requirement will be through Local Plans. In order for the Council to deliver against its environmental priorities, there is an aspiration to exceed the biodiversity net gain target above the national 10% standard.

In order to require biodiversity net gain above the national standard, further evidence is required in order for this to be supported by a Local Plan Inspector. This work requires specialist ecological input. The report therefore seeks an additional budget of up to £20,000 to fund the additional work which is required.

Recommendations

Cabinet is recommended to:

- i) Recommend to Council that a revenue expenditure budget of £20,000 in Strategic Planning in 2022/2023 be approved to enable the commissioning of consultants to assess the deliverability of a higher % threshold than the statutory 10% biodiversity net gain target.

Reasons for Recommendations

- i) Additional resourcing is required to provide robust evidence to enable the Council to justify setting a higher biodiversity net gain target in the Local Plan than the statutory 10%. This will ensure that the Council delivers against its high environmental aspirations as set out in the Corporate Strategy.

Background Papers:

None.

Wards affected: All.

Contact: Catherine Howe, Head of Strategic Planning

Rebecca Fry, Senior Planning Officer, ext 5522.

Background Information

1 Introduction and Background

- 1.1 The Environment Act 2021 is introducing a statutory requirement for new development to deliver at least 10% biodiversity net gain (BNG). The Government has indicated that Regulations will follow that will govern the ability of planning authorities to set higher targets than this national standard.
- 1.2 A key priority of the emerging Local Plan is that it delivers development to the highest possible environmental standards. In order for the Council to exceed national biodiversity net gain targets in the Local Plan the Council will require robust evidence to justify this, in order for the Local Plan to be found sound by the Inspector at examination. This report sets out the approaches and anticipated costs required to explore the potential to require the Local Plan to exceed the 10% biodiversity net gain requirement.

2 Relevant Council policy

- 2.1 The preparation of a new Local Plan and the protection of the environment are key priorities set out in the Council's Corporate Plan. The protection of the environment is also a requirement of the current Horsham District Planning Framework (HDPF). In particular, Policy 31 already requires that development proposals contribute to the enhancement of biodiversity.

3 Details

- 3.1 The most recent iteration of the National Planning Policy Framework (NPPF) requires local authorities to set policies which ensure development delivers 'measurable' gains to biodiversity. The Environment Act now enshrines the minimum level to be delivered at 10% over existing levels on the site.
- 3.2 As part of the emerging Local Plan, draft Local Plan policies had been prepared that required the 10% biodiversity net gain. At the time of policy drafting, the Environment Act had not received royal assent, and it was envisaged that the Local Plan would be adopted prior to the secondary regulations on biodiversity net gain taking full effect. At that time there was limited clarity on the final regulatory framework with no certainty that higher levels of net gain could be successfully implemented or enforced.
- 3.3 By virtue of the delay in the Local Plan due to Water Neutrality, together with emerging indications that the Government may allow planning authorities to set a higher threshold than the national 10% standard, it is considered there is now potential to explore the ability to set higher biodiversity net gain threshold in this Local Plan.
- 3.4 In order to meet Local Plan tests of soundness, any increase in the requirement for biodiversity net gain over the national threshold must be evidence based. As part of the ongoing Local Plan preparation process, an ecological assessment of a range

of potential development sites has already been undertaken which indicates that that the delivery of 10% BNG is deliverable on-site with the exception of a small number of very small sites. These would require off-site biodiversity net gain to be delivered if allocated. To date the Council lacks evidence to show that a higher %BNG threshold can readily be delivered and is 'feasible and achievable' in practical terms.

- 3.5 This requires the procurement of a further ecological report to test the ability of potential local plan sites to deliver a range of different BNG thresholds (e.g. 12%, 15%, 20%) to establish what level of provision is practicable. In addition, a 'green call for sites' may be required to identify the potential for local off-site offsetting. The reason for this is that a higher biodiversity net gain thresholds are more likely to require offsite and on-site enhancements to meet the targets.
- 3.6 Further detail on the financial consequences of this work is set out in section 7 under resource consequences.

4 Next Steps

- 4.1 If additional budgetary provision is agreed for the updated evidence base work, the next steps will be to appoint consultants in accordance with the Council's procurement processes and procedures. The outcome of this work would also need to be tested through the overall Local Plan viability assessment to ensure that the level of biodiversity net gains set is financially viable.

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

- 5.1 Feedback from discussions at the Planning and Development PDAG meetings has made clear that is a widespread aspiration for Local Plan policies to set as high environmental standards as possible.
- 5.2 The Interim Director of Resources and monitoring officer and procurement have been consulted and their comments and feedback has been incorporated into this report.

6 Other Courses of Action Considered but Rejected

- 6.1 The Council could decide not to explore higher thresholds and instead to apply the statutory minimum 10% BNG threshold to new development in the Local Plan, with higher standards to follow in a later Local Plan once more is understood as to how the Environment Act provisions (and new Levelling Up and Regeneration Bill) are operating in practice. This would remove the need for evidence to justify the setting of a higher threshold in the Local Plan and therefore the need for additional budget. However, this course of action would prevent the Council from setting higher targets for biodiversity net gain in the emerging local plan as there would be no evidence to justify any such policy provision. A decision not to pursue this course of action would also limit the Council's ability to progress the environmental aspects of the Council's corporate plan.

7 Resource Consequences

- 7.1 At present this work has not been programmed within the Strategic Planning budget (as the Local Plan timetable was programmed to be at a more advanced stage than is the case, following the Position Statement on Water Neutrality from Natural England which has delayed plan preparation). The appraisal work requires specialist ecological expertise and therefore cannot be carried out in-house. This work would include assessment of land submitted to the Council as part of a 'green call for sites' which would seek submission of land which is available for biodiversity net gains where on site provision is not possible. In total the additional ecological assessment is estimated to cost up to £30,000.
- 7.3 The Government have recently awarded Local Authorities grant funding to help implement biodiversity net gain. The award to HDC is £10,000. It is proposed this funding be used to fund the 'green call for sites' element of the study. This data will help the Council understand the potential for biodiversity offsetting within the District irrespective of the percentage of biodiversity net gain set in the Local Plan. Therefore whilst the overall cost for the work is estimated at £30,000 the additional budget request is for £20,000.
- 7.3 The Local Plan viability assessment report will also require a further update to take account of the outcome of any increased costs of higher levels of biodiversity net gain. Additional costs are likely to be in the region of £1,500. Budgetary provision for additional viability work has already been programmed with the Strategic Planning use of consultant budget.

8 Legal Considerations and Implications

- 8.1 There are no specific legal implications arising from this report. The Council is already seeking to meet its legal obligations through the preparation of a Local Plan that will be the minimum required 10% biodiversity net gains on new development. Indications are that the regulations which emerge from the Environment Act may allow Local Authorities to seek higher targets. This work would be in accordance with any such provision that is made.

9 Risk Assessment

- 9.1 There are a number of risks associated with this work. These are summarised as follows:
- Whilst the study will investigate to what extent an increase in biodiversity is possible over the 10% minimum, the study may conclude that this is the maximum level possible. Whilst there are benefits in understanding 'the art of the possible' there is a risk that the additional financial outlay will not be able to lead to more aspirational policies than are already drafted.
 - Whilst the Environment Act now has royal assent many of the provisions will be delivered through subsequent regulations which have yet to be finalised. There remains a risk that the final regulations may not allow Local Planning

Authorities (LPAs) to require more than 10% BNG, or if it does, it could also allow site promoters to 'trade' their on-site excess with developments to bring forward an average 10% over the district as a whole. If this is the case, the ability of the council to require higher levels of biodiversity provision will be prevented even if the evidence indicates that this is possible.

- Pilot schemes for BNG elsewhere in the country have shown that in some cases there is a need to balance the ability to deliver high levels of biodiversity net gain with the provision of other community facilities such as sport, play space, allotments. This is both a function of financial viability considerations and the finite size of development parcels to deliver a wide range of different land uses.
- To date, no other local plan has been successful in securing higher levels of BNG in their emerging plans to date – most simply 'encourage' or are preparing Supplementary Planning Documents. This does not mean that this is not possible, but it is clear that the evidence bar to include a higher policy requirement is high.
- The recently published Levelling Up Bill indicates the Government may set national 'development management policies' this introduces uncertainty over the implications of this on the ability for planning authorities to set a different % BNG threshold. The precise implications of this remain unclear and will emerge through further government consultations.

9.2 The above risks highlight that as a result of government uncertainties, or as a result of the report findings there is still no guarantee that the Council decides to set a higher threshold than the statutory 10% BNG. If there is no additional evidence to justify this, the Policy would not be found 'sound' by a Local Plan inspector and would be removed.

10 Procurement implications

10.1 There are no specific procurement implications arising from this report. In the event that additional resourcing is secured the commissioning of a consultancy to undertake the projects proposed would be carried out in accordance with the Council's Procurement Code.

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

11.1 There are not Human Rights or Equality & Diversity implications arising from this report. The setting of the highest possible biodiversity net gain % threshold will help protect biodiversity for everyone.

12 Environmental Implications

12.1 If it is agreed to provide an additional budget for this ecological assessment work, and the outcomes evidence that it is practical and financially viable to require increased levels of biodiversity net gains as a result of development which takes

place in the District, the Local Plan will help deliver environmental improvements which help to protect and enhance key habitats and species in the District.

13 Other Considerations

- 13.1 There are no GDPR, data protection, or Crime and Disorder implications arising from this report.

Report to Cabinet

9 June 2022

By the Cabinet Member for Housing and Public Protection



DECISION REQUIRED

Not Exempt

Allocation of Section 106 Commuted Sum funding for Saxon Weald

Executive Summary

Horsham District Council and Saxon Weald have a longstanding record of collaborative working. This approach has, in part, enabled the Council to achieve the high number of affordable homes provided in the district year on year.

Working in partnership with Council Officers and with grant funding from Section 106 commuted sum funds, an opportunity to maximise the number of affordable rented homes has been identified.

Saxon Weald secured planning permission August 2021 under reference DC/19/0412 to redevelop a site of accommodation at The Cobblers in Slinfold which will deliver 12 properties. To be policy compliant the site would need to deliver 20% of those units as affordable properties, this equates to 2.4 units. With the S106 commuted sum grant from the Council, the number of affordable homes that will be delivered increases to 12.

It is proposed to provide Saxon Weald with a grant of £360,000 to facilitate the delivery of all 12 properties as affordable rented properties. The Cobblers was an older block of accommodation designated for residents over 55 years of age. It provided bedsits with shared bathing facilities that was deemed no longer fit for purpose.

The proposed development would provide:

One Bed Flats	Two Bed Flats	Total
8	4	12

The 4 ground floor units will be delivered with wet rooms making them accessible for tenants that may have limited mobility.

The Council will receive 100% initial nomination rights to the properties and 75% subsequent nomination rights to the scheme secured through a scheme specific nominations agreement.

The grant funding by the Council will be secured in perpetuity through a separate legal agreement.

Recommendations

Cabinet is asked to:

- i. Approve the expenditure of £360,000 which is funded from Section 106 receipts secured for new affordable housing. This funding will enable the development to deliver all 12 units as affordable rented homes.

Reasons for Recommendations

- i) To assist the Council in achieving its target of delivering 240 affordable homes a year.
- ii) To assist Saxon Weald to deliver much needed affordable accommodation for households in housing need on the Council's housing register.

Background Papers

Affordable Housing Investment Report – considered by Cabinet November 2017

Wards affected: Slinfold

Contact: Ailsa Keogh, Affordable Housing Enabling Officer – 01403 215202

Background Information

1 Introduction and Background

- 1.1 The purpose of this report is to seek the Cabinet's approval to grant fund the development of 12 new affordable rented homes by Saxon Weald in Slinfold.
- 1.2 These affordable rented units will directly reduce the number of households on Horsham's Housing Register with an identified housing need.

2 Relevant Council policy

- 2.1 The Corporate Plan 2019-2023 identifies a strong, safe, and healthy community as one of the five identified themes. Within this theme, examples of what success looks like include "We will increase the supply of affordable homes and reduce rough sleeping"
- 2.2 The Council's Housing Strategy 2021-26 identifies five objectives and includes "Deliver the number and size of affordable homes that our communities and residents need in line with planning policies.

3 Details

- 3.1 The site has been subject to planning considerations with planning permission granted in August 2021.
- 3.2 If approved, the funding will be paid in two instalments with 50% of the funding paid when the development starts on site and the remaining 50% at the point of practical completion.
- 3.3 A legal agreement will be entered into to secure the funded units remain as affordable rented homes in perpetuity.

4 Next Steps

- 4.1 Funding will be paid as described in section 3.2.
- 4.2 Once the scheme is completed, the Council's housing team will nominate households from its housing register to the vacant properties. The nomination rights will be secured through a site-specific nomination's agreement.

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

- 5.1 The Housing and Public Protection PDAG was consulted on the 29th March 2022 with members supporting the proposals to allocate the requested commuted sums.

6 Other Courses of Action Considered but Rejected

- 6.1 Not supporting the scheme would result in the level of proposed affordable homes not being delivered and the additional affordable rented homes not being provided to assist those with a housing need on the Council's Housing Register.

7 Resource Consequences

- 7.1 The Council has a capital budget for Housing Enabling Grants. This is funded from Section 106 receipts which have been secured through the planning system and the funds used exclusively for the provision of affordable housing in the District. It is proposed that the grant of £360,000 for this new affordable housing development is paid from this budget. The capital budget for housing enabling grants in 2021/2022 is £1m. The proposed timing of the payments will mean that £180,00 is spent early in 2023 and the further £180,000 towards the end of 2023 or beginning of 2024. Therefore, the proposed expenditure would fall within the limits of the approved annual capital programme.

8 Legal Consequences

- 8.1 The Council has a general power of competence under Section 1 Localism Act 2011 and specific powers under the Housing Act 1985 and the Local Government Act 1988 to provide financial assistance to facilitate the provision of housing. Grant is being allocated in accordance with the criteria in which it has been received, "For the delivery of affordable housing".
- 8.2 The Council have powers to restrict the use of land pursuant to S106 of the Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 1991). A legal agreement will be entered into by the Council and Saxon Weald which secures the funded units of affordable rent in perpetuity.

9 Risk Assessment

- 9.1 There are no direct risks associated with this report.

10 Other Considerations

- 10.1 Access to housing is vitally important to preventing people from turning to crime
- 10.2 The Council is obliged (a) to give positive effect to the Convention rights and (b) not to infringe those rights as scheduled in the Human Rights Act 1998. Of particular relevance to the proposal are Article 8 (right to respect for private and family life) and Article 1 of the First Protocol (right to property). Hyde Housing will have primary responsibility – however, the Council will be deemed to have met its statutory duty under the 1998 Act.

As said, the Council is required to consider not only the detrimental effects on citizens' Convention rights but also positively to enhance those rights. Providing affordable housing through the scheme highlighted in this report will enable those in need to have a home of their own.

- 10.3 The scheme will contribute to meeting the housing need of persons in the District.
- 10.4 Delivering affordable housing and preventing homelessness are fundamental to establishing and maintaining sustainable communities.

Report to Cabinet

9 June 2022

By the Cabinet Member for Housing & Public Protection



DECISION REQUIRED

Proposed update to the Board of Directors for the Council owned affordable housing companies

Executive Summary

In March 2019, Cabinet approved the creation of two companies for the purposes of providing affordable rental housing in the District. Horsham District Homes Ltd (HDH), the development company, was incorporated in August 2019 and Horsham District Homes (Holdings) Ltd (HDH(H)) was incorporated in December 2019.

The board of Directors are in place to control the operation and management of the Company. A shareholder's agreement is in place between the Council and the Companies and details matters that are reserved to Cabinet for approval. The appointment and the appointment terms of any Council appointed Directors and the removal of any Council appointed Directors are reserved matters.

Due to the imminent departure of the Director of Community Services from the Council it is necessary to amend the Board of Directors for the housing companies.

Recommendations

That the Cabinet is recommended to:

- i) Note the resignation of Adam Chalmers from the Board of Directors of HDH and HDH(H).
- ii) Delegate, to the Chief Executive, the approval of the appointment of the new Director of Community Services to the Board of Directors of HDH and HDH(H).
- iii) Approve the appointment of Rob Jarvis, Head of Housing and Community, to the Board of HDH Limited in the interim.

Reasons for Recommendations

- i) Clause 6.1 of the shareholders agreement states that there shall be a minimum of three Directors and no more than six, all of whom shall be appointed by the Council through giving notice in writing.
- ii) Clause 6.2 of the shareholders agreement states the Company shall review its Board every year to ensure that the composition and membership of the Board is such that the ability to sufficiently understand the Company's obligations and make sufficiently robust decisions in relation to those obligations.

Background Papers

Cabinet report 21 March 2019

Wards affected: All

Contact:

Adam Chalmers, Director of Community Services, 01403 215250

Background Information

1 Introduction and Background

- 1.1 The Council incorporated two housing subsidiary companies in 2019. The shareholders agreement between the Council and the Company says that the Board must review the composition of the Board every year.
- 1.2 Due to the imminent departure of the Director of Community Services from the Council the Board have decided to propose changes to Board members. As part of the shareholders agreement, changes to the Board are matters reserved to Cabinet.

2 Relevant Council policy

The 2019 to 2023 Corporate Plan sets out the Council's strategic objectives and includes creating great places for people to live and work and creating a strong safe and healthy community. Paragraph 3.2.2 of the corporate plan states the objective of using the Council's affordable housing company to build affordable homes in areas of high demand.

3 Details

- 3.1 The current Directors, appointed during 2019, are:

Horsham District Homes Limited	Horsham District Homes (Holdings) Limited
Adam Chalmers	Adam Chalmers
Brian Elliott	Brian Elliott
Samantha Wilson	Samantha Wilson
	Rob Jarvis

- 3.2 Adam Chalmers will be leaving Horsham District Council in mid-June 2022 and the Board have reviewed the impact of this on the Companies. Clause 6.1 says there shall be a minimum of three Directors, it is recommended that Rob Jarvis is appointed to the Board of Horsham District Homes as an interim arrangement until such time as the Director of Community Services post at the Council is recruited to. At this time the new post holder will take up the role of Director on both housing companies.

4 Next Steps

Within 14 days of the change, submit to Companies House, the documentation to formally remove Adam Chalmers from the Board of HDH and HDH(H) and appoint Rob Jarvis to the Board of HDH.

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

- 5.1 The report was shared with the members of Housing and Public Protection PDAG who fully support the proposals in this report.

6 Other courses of action considered but rejected

Wait for the new Director of Community Services to be in post before making any changes to the Board. This was rejected due to Adam's notice period ending before a suitable replacement is appointed.

7 Resource consequences

- 7.1 There are no significant resource implications.

8 Legal consequences

- 8.1 The Companies Act 2006 states that changes to the Board are reported within 14 days of the change.
- 8.2 The delegation with regard to decision-making for the Housing Companies are subject to the Articles and the Shareholders Agreement which states, 'the Board shall have full and complete authority, power and discretion to direct, manage and control the Business and the affairs and assets of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incidental to the management of the Business with exception of Reserved Matters, the appointment and the appointment terms of any Council appointed Director and the removal of any Council appointed Director are Reserved Matters'.

9 Risk assessment

- 9.1 Samantha Wilson was appointed interim Head of Finance and Performance and Deputy S151 officer on 28 April 2022. The Monitoring Officer and interim Director of Resources have considered any potential conflict of interest in the role as deputy S151 and being the Finance Director of the companies.
- 9.2 Samantha continuing as a Director ensures that clause 6.1 of the shareholders agreement requiring a minimum of three Directors is met. The risk of conflict of interest is currently considered low. This is due to the fact that the development company is unlikely to be able to push forward with further development at a time when the impact of water neutrality is restricting development and that the Council collect the rents of any existing tenants within the holding company on behalf of the company.
- 9.3 The risk will be regularly reviewed, and once the new Director of Communities is in post.

10 Procurement implications

10.1 There are no procurement implications associated with this report.

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

11.1 There are no equalities and human rights implications associated with this report.

12 Environmental Implications

12.1 There are no environmental implications from this report.

13 Other Considerations

13.1 There are no GDPR / Data Protection or Crime & Disorder implications arising from this report.

FORWARD PLAN

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

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

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

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

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

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

To contact Committee Services:

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

Tel: 01403 215123

Published on 01 June 2022

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 and Date of Policy Development Advisory Group for consultation	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.	Using the 2021/22 surplus to help support local residents in need, topping up 2022/23 Transformation Fund, and earmarking an inflation reserve. Plus increases to the Drill Hall and Community Development revenue budgets and Horsham Park skate park capital 2022/23 budgets and utilising the UK Shared Prosperity Funding	Cabinet	9 Jun 2022	Open	Dominic Bradley, Interim Director of Corporate Resources dominic.bradley@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)
	S106/Commuted Sum Funding - The Cobblers, Slinfold	Cabinet	9 Jun 2022	Open	Rob Jarvis, Head of Housing & Community Services robert.jarvis@horsham.gov.uk Cabinet Member for Housing and Public Protection (Councillor Tricia Youtan)
3.	Park Place Bin Store	Cabinet Council	9 Jun 2022 22 Jun 2022	Open	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Cabinet Member for Horsham Town (Councillor Christian Mitchell)
4.	The Forum Fountain upgrade	Cabinet Council	9 Jun 2022 22 Jun 2022	Part exempt	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Cabinet Member for Horsham Town (Councillor Christian Mitchell)

	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.	Sweepers - Vehicle Replacement	Cabinet	9 Jun 2022	Part exempt	Laura Parker, Head of Parking & Waste Laura.Parker@horsham.gov.uk Cabinet Member for Recycling and Waste (Councillor Toni Bradnum)
6.	Tyre Procurement - Contract Award	Cabinet	9 Jun 2022	Part exempt	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for Recycling and Waste (Councillor Toni Bradnum)
7.	WEEE and Textiles - Options paper decision	Cabinet	9 Jun 2022	Part exempt	Laura Parker, Head of Parking & Waste Laura.Parker@horsham.gov.uk Cabinet Member for Recycling and Waste (Councillor Toni Bradnum)
8.	Evidence Resourcing - Biodiversity Net Gain in Development	Cabinet Council	9 Jun 2022 22 Jun 2022	Open	Catherine Howe, Head of Strategic Planning catherine.howe@horsham.gov.uk Cabinet Member for Planning and Development (Councillor Lynn Lambert)
9.	Producing a Climate Change Action Plan for the District	Cabinet	9 Jun 2022	Open	Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for the Environment and Rural Affairs (Councillor James Wright)

	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)
10.	Housing Company - changes to the Board of Directors	Cabinet	9 Jun 2022		Adam Chalmers, Director of Community Services adam.chalmers@horsham.gov.uk Cabinet Member for Housing and Public Protection (Councillor Tricia Youtan)
11.	Annual update to Pay Policy Statement - Financial Year 2022/23	Council	22 Jun 2022	Open	Robert Laban, Head of HR & OD robert.laban@horsham.gov.uk
12.	Tendering of Residential Management Services	Cabinet	21 Jul 2022	Part exempt	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)
13.	Norfolk Square - proposed Conservation Area	Cabinet	21 Jul 2022	Open	Catherine Howe, Head of Strategic Planning catherine.howe@horsham.gov.uk Cabinet Member for Planning and Development (Councillor Lynn Lambert)
14.	CIL Governance for the unparished area of Horsham Town	Cabinet Council	21 Jul 2022 7 Sep 2022	Open	Emma Parkes, Head of Development & Building Control emma.parkes@horsham.gov.uk Cabinet Member for Planning and Development (Councillor Lynn Lambert)

	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)
15.	Extension of Parking Charge Increases to Additional Car parks	Cabinet Council	21 Jul 2022 7 Sep 2022	Open	Marc Rankin, Head of Environmental Health & Licensing and Interim Head of Parking marc.rankin@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)
16.	Procurement of Contractor - Highwood Community Centre	Cabinet	21 Jul 2022	Part exempt	Brian Elliott, Head of Property & Facilities brian.elliott@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)
17.	Budget and Medium-Term Financial Strategy update	Cabinet	29 Sep 2022	Open	Dominic Bradley, Interim Director of Corporate Resources dominic.bradley@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)
18.	Housing Register review	Cabinet Council	29 Sep 2022 14 Dec 2022	Open	Rob Jarvis, Head of Housing & Community Services robert.jarvis@horsham.gov.uk Cabinet Member for Housing and Public Protection (Councillor Tricia Youtan)

	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)
19.	Proposed Conservation Area - Wells Cottages and Rusper Conservation Area review	Cabinet	29 Sep 2022	Open	Catherine Howe, Head of Strategic Planning catherine.howe@horsham.gov.uk Cabinet Member for Planning and Development (Councillor Lynn Lambert)
20.	Budget and Medium-Term Financial Strategy update	Cabinet Council	24 Nov 2022 14 Dec 2022	Open	Dominic Bradley, Interim Director of Corporate Resources dominic.bradley@horsham.gov.uk Deputy Leader and Cabinet Member for Finance & Parking (Councillor Tony Hogben)

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