

Cabinet
24 NOVEMBER 2022

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

Apologies: Councillors: Christian Mitchell and James Wright

EX/44 **MINUTES**

The minutes of the meeting of the Cabinet held on 29 September were approved as a correct record and signed by the Leader.

EX/45 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/46 **ANNOUNCEMENTS**

There were no announcements.

EX/47 **PUBLIC QUESTIONS**

No questions had been received.

EX/48 **UPDATE ON THE COUNCIL'S FINANCIAL POSITION IN 2022/23 AND MEDIUM-TERM FINANCIAL STRATEGY UPDATE 2023/24 TO 2026/27**

Councillor Tony Hogben, Cabinet Member for Finance & Parking, introduced the report on the Council's financial position in 2022/23 and Medium-Term Financial Plan, and how key points and assumptions had changed since the update to Cabinet in September.

He stated that a further rise in inflation had put additional pressure on costs, particularly for building materials and maintenance. The rise in interest rates meant that the Council's investment income was of some help in covering these additional costs. Parking income had also recovered well, and the proposed increase in fees and charges would also help to balance the budget in 2023/24.

The Cabinet Member summarised the reasons for continuing economic pressure and uncertainty, as set out in the report, and stated that the indicative figures for the 2023/24 budget were still liable to amendment and change before being brought to Council in February 2023.

Since publication of the report the Government's Budget on 17 November announced protection of funding for the NHS and Education budgets. It could

be inferred from this that other government department budgets, including Local Government, may fall. The provisional settlement would be received in December.

Later years in the Medium-Term Financial Strategy remain very uncertain, with the impact of Government funding, inflation, fees and charges, business rates and levelling up all key variables. The estimated £1.3m cost of food waste collection from autumn 2024 remains a major factor in the projections from 2024/25 onwards. However, the Cabinet Member advised that it was becoming more likely that the Government's implementation of food waste collection legislation would be postponed to a later year.

RESOLVED

- (i) To note the changes in the Council's financial position in 2022/23 and medium-term.

RECOMMENDED TO COUNCIL

- (ii) That the charges from 1 April 2023 for the garden waste subscription service are increased from £44 for the first bin to £49 and for any subsequent bin increased from £35 to £41.
- (iii) That Fixed Penalty Notices for littering and fly tipping be raised from £75 to £150 with a £110 early payment fee (currently £50).
- (iv) To increase the car park advertising fees as set out in Appendix 3.
- (v) To approve the creation of a revenue budget in Leisure services for the Drill Hall of £9,000 income and £27,100 expenditure, which is a net cost of £18,100 in the 2022/23 budget.
- (vi) To increase the capital budget for the Highwood Community Centre project by £150,000, from £2.75m to £2.9m.

REASON

- (i) The Council needs to acknowledge the effects that high levels of inflation will have on its financial position both in the short and medium-term. This has moved the council from what has been a long-term healthy financial position to one with predicted deficits unless action is taken on fees and charges. Given the level of uncertainty in the projections, the economy and proposed Government action, the report does not recommend direct action to reduce expenditure at this stage.
- (ii) to (iv) Council required to approve fees and charges, as per the constitution.

- (v) Council is required to set the revenue budget, as per the constitution. The budget will enable the Council to continue to operate the Drill Hall for the final quarter of 2022/23.
- (vi) Council is required to set the capital budget, as per the constitution.

EX/49 **HORSHAM CARFAX MARKETS OPERATOR CONTRACT AWARD 2023 - 2026**

Councillor Jonathan Chowen, Leader and Cabinet Member for the Local Economy, introduced the report on behalf of Councillor Christian Mitchell, Cabinet Member for Horsham Town. The contract specifications for the Carfax markets operator was informed by the results of a comprehensive strategy report, lessons learned from the current contract and the Council's latest economic strategy. The successful market operator's bid exceeded these specifications and would bring enhancements to the current operation, as detailed in the report.

The Economic Development Officer confirmed that, whilst the Carfax Market and Horsham General Market in West Street were the only ones directly under contract to the Council, the Economic Development Team were engaging with other market operators across the district with a view to actively supporting them. The Leader emphasised that the new contract would bring economic and social benefits, helping to keep Horsham an attractive and vibrant place.

RESOLVED

To approve the award to Supplier A Limited as Horsham Carfax Markets Operator for a period of three years with an option to extend for one additional year starting 1 January 2023.

REASON

The tender received from Supplier A meets and exceeds the Council's requirements and aspirations for this Contract.

EX/50 **PROCUREMENT FOR COMMERCIAL WASTE AND MIXED RECYCLING DISPOSAL TENDER AWARD**

Council Toni Bradnum, Cabinet Member for Recycling & Waste, introduced the recommendation to approve the award for commercial waste and mixed recycling disposal following a comprehensive tender process. The tender was valued at approximately £1m per year over a five-year contract, with the option to extend for two years.

She itemised the different service requirements, as set out in the report, and advised that bids that had been received for general trade waste, wood waste, and bulky bags. There had been no bids for the mixed dry recycling, commercial paper and cardboard, or commercial food waste. The Head of

Recycling & Waste advised that there had been no bids for commercial paper and cardboard because the disposal of these items was not considered of economic value.

The Cabinet Member confirmed that where bids had not been received alternative solutions were being investigated, including options that involved continuing to work with WSCC to ensure satisfactory collection and disposal.

RESOLVED

- (i) To approve the award of the contracts for commercial waste to the highest scoring tenderer(s), 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 tenderer(s) for the commercial waste contracts.

REASON

- (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).
- (ii) The service has grown and changed over the period of the current contract, with the inclusion of bulky bags and due to procurement regulations and we are now required to re tender for the services again. The Tender is worth £5m (£1m per year) over a five-year contract term with the option to extend for two years.

EX/51 **REFUSE VEHICLE REFURBISHMENT TENDER AWARD**

Councillor Toni Bradnum, Cabinet Member for Recycling & Waste, advised that the Council's fleet of twenty-two refuse collection vehicles (RCVs) were in need of refurbishment as they were reaching the end of their useable life.

The proposed capital investment would extend the life of the vehicles for a further six years. She stated that the cost of purchasing a fleet of new vehicles at this stage would far exceed the cost of refurbishment, but in six years' time technological advances would make the purchase RCVs powered by alternative fuel sources viable. The strategy also contributed to the Council's carbon reduction targets.

The Leader and Cabinet Member for Finance & Parking both expressed their support for delaying the purchase of new vehicles on economic and environmental grounds.

RESOLVED

- (i) To approve the award of the contract for Refurbishing the Refuse Vehicles to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- (ii) To delegate authority to the Director of Communities in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into a contract with the highest scoring bidder for the Refuse Vehicles Refurbishment Contract once the capital budget has been approved by Council.

RECOMMENDED TO COUNCIL

- (iii) To approve a capital budget of £566,520 in 2023/24 and £623,172 in 2024/25 for the refurbishment of 21 vehicles.

REASON

- (i) and (ii) To refurbish our RCV fleet over the next two years will enable the vehicles to be used for a further six years to allow alternative fuel options to be more available at a reasonable cost and refuelling infrastructure to be in place.
- (iii) The constitution requires full Council to set capital budgets.

EX/52 APPROVAL OF BUSINESS CASE FOR HORSHAM DISTRICT HOMES FOR AFFORDABLE HOMES IN LONDON ROAD, HORSHAM

Councillor Tricia Youtan, Cabinet Member for Housing & Public Protection, reminded Members that in March 2019 affordable rental housing in the District. Horsham District Homes Limited (HDH), development company, and Horsham District Homes (Holdings) Limited (HDHH) were both incorporated in 2019.

The Directors of HDH had prepared the business case for the construction of eleven affordable homes on the Council-owned site of the decommissioned London Road carpark. These would be paid for through S106 funds that the Council holds, and provide affordable homes at a sustainable location for some people on the Council's housing waiting list.

RESOLVED

- (i) To approve the business case for the construction of eleven homes for affordable rental in London Road, Horsham by Horsham District Homes Limited.
- (ii) To approve the transfer of the land in London Road, Horsham from Horsham District Council to Horsham District Homes Limited for c£200,000 subject to obtaining any consent of the Secretary of State, if required and approval of the final construction costs and appraisal.

- (iii) To approve a loan of up to £2,650,000 to Horsham District Homes Limited for the construction of the eleven properties at London Road, Horsham at the agreed rate of 4% plus base rate.
- (v) To delegate to the Section 151 Officer, in consultation with the Leader and Cabinet Members for (i) Finance and Parking, and, (ii) Housing and Public Protection, authority to agree the final figures in relation to this project, including the transfer value of the land, subject to the transfer value of the project of £2.65m and rental values remaining unchanged.

RECOMMENDED TO COUNCIL

- iv) To: (a) approve the transfer of s106 funds to Horsham District Homes (Holdings) Limited for the purchase, at affordable rent market rate, of the eleven 2-bedroomed homes in London Road, Horsham for a sum of no greater than £2,650,000 plus stamp duty land tax (if applicable given intra-group relief) and agents fees; and (b) to approve the transfer of the homes from Horsham District Homes Limited to Horsham District Homes (Holdings) Limited.

REASON

Approval of the recommendations will allow the details of the transactions to be completed so that the affordable rental properties can be delivered for the benefit of households on the housing list.

EX/53 PROCUREMENT OF MERCHANT ACQUIRING SERVICE

Councillor Tony Hogben, Cabinet Member for Finance & Parking, advised that the Merchant Acquiring Service allows the Council to take card payments for its services. The proposed contract award followed a comprehensive tender process, and the total cost to the Council would be no different to the current service arrangements.

RESOLVED

- (i) To award the contract to supply merchant acquisition service to the Contractor identified in Appendix 1 for a period of two years with the option to extend for a further two years.

REASON

- i) This follows a procurement process using a Crown Commercial Services framework agreement. Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender or utilise a compliant Framework Agreement if the value of the

goods or services exceeds the current threshold of £213,477 (inclusive of VAT).

EX/54 **RESIDENTIAL MANAGEMENT SERVICES TENDER AWARD**

The Cabinet Member advised that the report set out the need to renew the Council's arrangements for the residential management of flats within The Forum and Lintot Square. The new contract would replace the existing one that was due to expire on 31 December 2022. It was noted that the payment was met directly by the leaseholder as part of their service charge and there was no revenue impact on the Council.

RESOLVED

- (i) To approve the award of the contract for Residential Management of Flats at the Forum and Lintot Square to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt).
- (ii) To delegate authority to the Director of Place in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into a contract with the highest scoring bidder for the Residential Management Contract.

REASON

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). While at face value the contract is based on a concession model (service users pay the Supplier for services rendered directly) this does not fall under the definition of a contract governed by the Concession Contracts Regulations (2016) as the Contract Value is largely guaranteed for the supplier (it is a mandatory requirement for service users to pay for the service) so the Public Contracts Regulations (2015) still apply to this contract.

EX/55 **OVERVIEW & SCRUTINY COMMITTEE**

There were no matters currently outstanding for consideration. Cabinet noted the minutes of the Overview & Scrutiny call-in request held on 20 October.

EX/56 **FORWARD PLAN**

The Forward Plan was noted.

EX/57 **TO CONSIDER MATTERS OF SPECIAL URGENCY**

There were no matters of special urgency to be considered.

The meeting closed at 6.00 pm having commenced at 5.30 pm

CHAIRMAN