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Cabinet

Thursday, 21st March, 2024 at 5.30 pm
Conference Room, Parkside, Chart Way, Horsham

Councillors:	Martin Boffey	Leader
	John Milne	Deputy Leader and Planning and Infrastructure
	Mark Baynham	Finance & Resources
	Colette Blackburn	Climate, Action & Nature Recovery
	Ruth Fletcher	Local Economy & Place
	Jay Mercer	Environmental Health, Recycling & Waste
	Jon Olson	Leisure, Culture & Green Spaces
	Sam Raby	Housing, Communities & Wellbeing

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 - 18
<p>To approve as correct the minutes of the meeting held on 25 January (<i>Note: If any Member wishes to propose an amendment to the minutes they should submit this in writing to committeeservices@horsham.gov.uk at least 24 hours before the meeting. Where applicable, the audio recording of the meeting will be checked to ensure the accuracy of the proposed amendment.</i>)</p>	
3. Declarations of Members' Interests	
<p>To receive any declarations of interest from Members of the Cabinet</p>	
4. Announcements	
<p>To receive any announcements from the Leader, Cabinet Members or the Chief Executive</p> <p>To consider a matter of General Exception</p> <p>A general exception has been used with regard to the publication of the Notice of Key Decision for Item 5 regarding the Local Authority Housing Fund – Round 3.</p> <p>General Exception Notice</p>	
5. Local Authority Housing Fund Round 3 (LAHF R3) in 2024-25 and 2025-26	19 - 26

- To consider the report of the Cabinet Member for Finance and Resources
6. **Commercial Food Waste** 27 - 36
To consider the report of the Cabinet Member for Environmental Health, Recycling & Waste
 7. **Domestic Food Waste Weekly Collections** 37 - 48
To consider the report of the Cabinet Member for Environmental Health, Recycling & Waste
 8. **An Additional Service for the Isolated Property Rounds** 49 - 54
To consider the report of the Cabinet Member for Environmental Health, Recycling & Waste.
 9. **Drill Hall** 55 - 64
To consider the report of the Cabinet Member for Local Economy and Place
 10. **One-Off Cost of Living Supplement** 65 - 68
To consider the report of the Cabinet Member for Finance & Resources
 11. **Cleaning Services Contract** 69 - 78
To consider the report of the Cabinet Member for Local Economy and Place
 12. **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
 13. **Overview & Scrutiny Committee**
To consider any matters referred to Cabinet by the Overview & Scrutiny Committee
 14. **Forward Plan**
To note the [Forward Plan](#)
 15. **To consider matters of special urgency**

Cabinet
25 JANUARY 2024

Present: Councillors: Martin Boffey (Leader), John Milne (Deputy Leader), Mark Baynham, Colette Blackburn, Ruth Fletcher, Jay Mercer, Jon Olson and Sam Raby

Also Present: Emma Beard, Tony Bevis, Philip Circus, Paul Clarke, Nigel Emery, Claudia Fisher, Nick Grant, Warwick Hellawell, Liz Kitchen, Joanne Knowles, Lynn Lambert, Richard Landeryou, Alan Manton, Roger Noel, David Skipp, John Trollope and Belinda Walters

EX/64 **MINUTES**

The minutes of the meeting of the Cabinet held on 23 November and 11 December were approved as a correct record and signed by the Leader.

EX/65 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

EX/66 **ANNOUNCEMENTS**

There were no announcements.

EX/67 **PUBLIC QUESTIONS**

No questions had been received.

EX/68 **PLANNING SKILLS DELIVERY FUND – APPROVAL OF BUDGET**

Councillor John Milne, Cabinet Member for Planning and Infrastructure, introduced the report on the Planning Skills Delivery Fund. He explained that Cabinet was recommended to ask Council to increase the strategic planning and development management budgets so that Strategic Planning and Development Management could receive an allocated grant from the Department for Levelling Up, Housing and Communities(DLUHC).

Notification of the receipt of the grant was only advised in December 2023 and not known when the 2023/24 annual budget was set. The grant was for the sum of £308,333, £250,000 would be used to help deliver solutions to water neutrality and £58,333 to assist with reducing the backlog of planning applications.

Further information was awaited from DLUHC which would set out more detail as to how the grant can be spent. Discussions were also planned with the

Council's water neutrality partners in other affected Local Authority areas to consider the options for using the water neutrality funds in due course.

In response to comments raised regarding the rationale used to divide the funding, it was explained that the grant of £250k was a joint bid submitted on behalf of the Council and neighbouring water neutrality partners which enabled more funding to be applied for. The £58,333 grant was specifically allocated to Development Management.

In response to comments raised regarding lobbying the Government to assist Parish and Neighbourhood Council's Plans and controlling speculative development, the Cabinet Member advised that the Memorandum of Understanding was awaited from DLUHC. This would offer specific advice on where money could be spent. It was also stated that assistance was being provided by the Council for Neighbourhood Planning groups as part of the work of the Strategic Planning team.

RECOMMENDED TO COUNCIL

- i) To approve the receipt of a grant for the sum of £308,333 for Strategic Planning and Development Management (government grants received).
- ii) To approve an increase in the Strategic Planning 2023/24 revenue income and expenditure budgets of £250,000 to cater for the receipt and expenditure of the grant.
- iii) To approve an increase in the Development Management 2023/24 revenue income and expenditure budgets of £58,333 to cater for receipt and expenditure of the grant.

RESOLVED, subject to Council approval:

- i) that monies be spent in accordance with any conditions attached to the same; and Page 17 Agenda Item 6
- ii) that authority be delegated to the Head of Strategic Planning to spend the grant monies, in the sum of £250,000, to procure additional project support for the delivery of the Sussex North Offsetting Water Scheme.
- iii) that authority be delegated to the Head of Development Management and Building Control to spend the grant monies, in the sum of £58,333 to procure additional support to reduce the planning application backlog.

REASON

- i) By increasing the revenue income and expenditure budget in Strategic Planning and Development Management will allow the Council to receive and spend the grant offered by DLUHC.
- ii) Council must approve an increase to the budget and the Cabinet must approve expenditure in excess of £250,000.
- iii) To provide funds to help deliver the Sussex North Offsetting Water Scheme (SNOWS).
- iv) To provide additional resource to reduce the planning application backlog.

EX/69 **LOCAL AUTHORITY HOUSING FUND TOP UP**

Councillor Mark Baynham, Cabinet Member for Finance & Resources introduced the report on the Local Housing Fund Top Up. On the 5 January 2024, Government had invited local authorities to express their interest in increasing their delivery of the Local Authority Housing Fund in 2023/24. The first two rounds of funding were designed to meet the housing requirements of Ukrainian and Afghan families fleeing conflict, and to assist local authorities in meeting the needs of people facing homelessness in the area.

The Council had applied for an allocation of up to £0.76m from Government and will add £1.02m of its own funding to provide up to 2 large resettlement homes and up to 2 temporary accommodation homes by 29 March 2024. The Cabinet was recommending approval of the receipt of grant funding, as well as the capital expenditure, and acquisition of properties, to Council.

Councillor Sam Raby, Cabinet Member for Housing, Communities and Wellbeing was encouraged that the Council were applying for additional funding and felt this supported and reflected what the residents wanted in the district.

In response to concerns regarding tight time frames, the Cabinet Member stated that further information from Government was due to be received on 2 February and that the Council could return unspent funding to the Government should it wish to or not be able to deliver the housing within these deadlines.

RECOMMENDED TO COUNCIL

- iii) To proceed with the application for, and receipt of, the grant allocation for the Council to provide or facilitate the provision of up to 2 large resettlement homes and up to 2 temporary accommodation homes.

- ii) To approve capital spend of up to £1.78m in the 2023/24 capital programme, provided that the actual required spend, which is dependent upon the value of the unknown grant allocation, is reported to full Council at its next ordinary meeting.
- iii) To approve the acquisition by Horsham District Council of up to 4 properties using the funds earmarked for this initiative, provided that any such acquisitions are undertaken in consultation with the Cabinet Member for Finance & Resources, and Cabinet Member for Housing, Communities & Wellbeing.

REASON

- iii) To apply for, receive and use the grant to help purchase / provide more affordable homes for the district.
- ii) The Full Council must approve the capital budget.
- iii) Subject to Council approval, to avoid the requirement to seek Cabinet's approval for the purchase by Horsham District Council of each individual property that would otherwise be required to give effect to this initiative.

EX/70 **ANNUAL PLAN 2024/25**

Councillor Martin Boffey, Leader of the Council, introduced the report which set out the Council's Annual Plan for 2024/25 which sits under the Council Plan for 2023-2027 and outlined the projects and workstreams that the Council aimed to achieve in the financial year.

The projects set out in the Plan contained four main themes: Supporting people and communities; Inspiring greener futures; Building a thriving Economy and Always listening, learning and improving.

Under each category subheadings were included which contained keys areas of work the Council would focus on from now until March 2025. Throughout the year the Annual Plan will be reviewed against set performance indicators to ensure they match the needs set out in the plan.

The Leader advised that since October 2023, within the four areas of commitments, over 40 items had been completed and more projects and action would be continuing to complete within the year or as multi-year projects. Over £500k had been committed to local initiatives and more projects were planned to support businesses and communities. There was an emphasis on providing good jobs, homes, health, accessible countryside and affordable fun.

Councillor Jon Olson, Cabinet Member for Leisure, Culture and Green Spaces stated that he was encouraged that over two thirds of the Plan had been completed this year and was pleased to see a mixture of actions and

deliverables. He was encouraged that there was scope to develop a Cultural Strategy and felt that the new approach to consider the Plan at Council on an annual basis promoted transparency.

Councillor Sam Raby, Cabinet Member of Housing, Communities and Wellbeing, had attended the Cost of Living Summit and identified the importance of supporting families with the cost of living crisis and connecting partner agencies to help provide a good quality of life. He felt the Plan would assist with this.

Further discussion included the proposed mandatory food waste collections and frequency of collections. Consultation work had taken place and Member briefings would take place on 22 February to consider the best way forward. It was also requested that a review of pesticides on Council land took place – if this was applicable, as part of the ‘Inspiring Greener Futures’ priority in the Annual Plan.

RECOMMENDED TO COUNCIL

- i) To approve the Annual Plan for 2024/25 financial year for adoption.

REASON

- i) The Annual Plan is an operational plan which identifies projects to be undertaken during a financial year and which gives effect to the themes contained in the Council Plan 2023-2027 which constitutes the Council’s Policy Framework.

EX/71 CLIMATE ACTION STRATEGY

Councillor Colette Blackburn, Cabinet Member for Climate Action & Nature Recovery introduced the report on the adoption of the District wide Climate Action Strategy.

Members were reminded that in June 2023, Council declared a climate and ecological emergency and this strategy would be a key factor in tackling this.

Consultation and community engagement had taken place throughout summer 2023 on the draft Strategy which had confirmed that it reflected the priorities of the local community, although some changes were identified.

Changes raised by both residents and businesses had been incorporated. The most significant amendment was raising the prominence of water related issues. A communications plan would also be developed during 2024 to support residents and businesses on making changes to tackle climate change and barriers that may be encountered.

Ongoing monitoring of the strategy will take place via an online platform 'One Planet' and progress updates would be provided to Cabinet annually and the Strategy will be reviewed biennially.

Councillor Jay Mercer, Cabinet Member for Environmental Health, Recycling & Waste spoke of his support for the Climate Action Strategy and importance of engaging with whole communities for longer term success.

Members were keen to acknowledge that it was important to all take ownership of the Strategy and future Member briefings would be beneficial. Work is currently progressing on the One Planet online platform and it was envisaged that Members would gain access to this as soon as possible. It was felt that yearly reviews of the Strategy could be beneficial however the Cabinet Member advised that regular reports would be provided to Councillors, this could be reviewed in the future but currently the full review would remain as biennially.

RESOLVED

- i) That the Climate Action Strategy for the Horsham District as contained in the appendix attached to this report be adopted.
- ii) That authority be delegated to the Director of Communities in consultation with the Cabinet Member for Climate Action and Nature Recovery to update the Climate Action Strategy and make amendments provided that any such changes do not undermine the Climate Action Strategy's core values.
- iii) That the actions that have been undertaken be noted, and that the actions that will be required to be undertaken by the Council, as contained in, and in order to give effect to the Climate Action Strategy be approved.

REASON

- i) The Climate Action Strategy provides the framework for collective action across the district on climate change, demonstrating Council leadership on this important issue, as well as what actions partnerships and the wider community should be taking to reduce carbon emissions and to adapt to the changing climate.
- ii) This will allow minor amendments to be made to the Strategy as opportunities arise and for the actions in the Strategy to be implemented.

EX/72 **CAPITOL THEATRE REFURBISHMENT**

Councillor Jon Olson, Cabinet Member for Leisure, Culture and Green Spaces introduced the report on and summarised the reasons for refurbishment of the Capitol. The key reasons were to enable the multi-arts community venue to remain a modern, thriving cultural venue but also an energy efficient building which would contribute towards the Council's carbon reduction plans required to reach its net zero target.

The importance of the Capitol for the community was highlighted. The last refurbishment was in 2003 and many of the fixtures and fittings are reaching end of life expectancy. It is also the Council's highest emitter of Co2 and investment will look to reduce this considerably. The investment would also improve the front of house space, and increase seating capacity which would attract better theatre touring products on offer.

The investment would also look to improve front of house space, more effective use of existing foyers and improve commercial food and beverage offering.

Investment in the Capitol would reduce the annual subsidy for running the theatre but spending £10.7m from reserves will have a larger negative impact on the council's revenue from the reduction in investment income based on forecast interest rates.

Councillor Colette Blackburn, Cabinet Member for Climate Action & Nature Recovery was supportive of the plans and welcomed improvements to reduce the carbon emissions.

In response to concerns raised regarding the high cost of refurbishing the Capitol as a non-statutory expenditure, Councillor Martin Boffey, Leader of the Council stated that it was an excellent capital investment and refurbishment was necessary after the last refurbishment in 2003.

In response to comments regarding those residents living south of the district not benefiting from the theatre, the Cabinet Member advised that visitor numbers had been evaluated from around the district. A number of residents living in the south were also visiting and enjoying the Capitol. He concluded the majority of residents were in favour of the refurbishment and recognise the importance of the Capitol's cultural offer to the wider Horsham District.

RESOLVED

- i) That subject to the budget allocation, that the refurbishment of the Capitol be approved (option 4, as detailed in paragraph 3.16 of this report).
- ii) That the award of contracts (required to facilitate the recommended refurbishment) to the winning suppliers (i) named on existing framework

agreements, and/or (ii) following a procurement exercise, and/or following the grant of a procurement exemption; be approved; and

- iii) That authority be delegated to either the Director of Communities or Head of Legal and Democratic Services, in consultation with the Cabinet Member for Leisure, Culture and Green Spaces, to finalise the terms of and enter into the required contracts above-noted.

RECOMMENDED TO COUNCIL

- i) To approve a capital budget of £10.7m for the refurbishment works, profiled across the capital programmes budget for the following financial years: 2023/24, 2024/25, 2025/26 and 2026/27;

REASON

- i) To reduce carbon emissions at The Capitol, meeting the Council's aspiration for direct emissions to become net zero by 2030.
- ii) To ensure The Capitol remains up to date and able to provide and attract a mix of high-quality performances and entice new productions by replacing end-of-life fixtures and fittings, increasing and improving seating in the auditorium and cinemas and enhancing the overall customer experience and offer.
- iii) To reduce ongoing revenue costs of running The Capitol.
- iv) To maintain and improve the cultural and social benefits of continuing to provide a multi arts community venue.
- v) The Full Council must approve the capital budget. vi) To facilitate the refurbishment works being undertaken and to delegate authority to award associated contracts for this purpose.

EX/73 2024/25 BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2027/28

Councillor Mark Baynham, Cabinet Member for Finance & Resource introduced the report on the Council's Budget 2024/25 and Medium-Term Financial Strategy to 2027/28.

He summarised the key points which were:

- that net expenditure has increased by £0.8m from 2023/24 which was primarily a result of inflation.
- £14.5m budget will be set.
- Basic Council Tax for most residents will rise by 2%.
- Council tax base band D will be £170.28 which is an increase of £3.34
- £10.5m Capital Programme to support infrastructure in the environment

He highlighted that there was significant uncertainty in the medium term, with the risk of a gap growing and likely deficit by the end of the decade which would be carefully managed. He felt the budget was prudent but realistic and designed to support the ambitious Annual Plan. He mentioned that part of the Annual Plan was to ensure the Council set a balanced budget.

Final settlement information was likely to be available from Government in February.

In response to concerns raised regarding budgetary provision to support Parishes with Youth Services, Councillor Sam Raby, Cabinet Member for Housing, Communities and Wellbeing advised that plans were in place to review Youth Services this year.

In response to the issue raised regarding a 9% increase in rural car parking charges affecting already struggling businesses in the district, the Cabinet Member stated that charges were still comparably lower than other authorities and that the increase would support scheduled car park improvements.

RECOMMENDED TO COUNCIL

- i) That the level of Council Tax for 2024/25 increases from £166.94 by £3.34 (2%) to £170.28 at Band D.
- ii) That the net revenue budget set out in Appendix A for 2024/25 of £14.538m is approved.
- iii) That £0.6m of the £3.55m Funding Guarantee grant received in 2024/25 is used in Revenue to balance the budget, £0.55m to be used to fund up to £195 for working age and pension age claimants on Council Tax Support, with the remainder earmarked against potential overspend in 2024/25 and as a reserve to help resolve future budget deficits in the Medium-Term Financial Strategy.
- iv) That Special Expenses of £456,865 set out in Appendix C and a Band D charge of £37.21 are agreed in respect of the unparished area for 2024/25
- v) That the capital programme for 2024/25 set out in Appendix D be approved and that the indicative capital budgets in the programme for future years be noted.
- vi) That the projected future budgets on the revenue account in 2025/26 to 2029/30 are noted and the Medium-Term Financial Strategy continues to be reviewed and refined to ensure that decisions are taken in 2024 to set a balanced budget in 2025/26.

- vii) That the Minimum Revenue Provision Statement set out in Appendix E is approved.
- viii) That the Capital Strategy, Treasury Strategy, Investment Strategy and prudential indicators and limits for 2024/25 to 2027/28 set out in Appendix F are approved.
- ix) To note the statement on the robustness of the level of reserves in Appendix G.
- x) That the increases to fees and charges set out in Appendices H to H (iii) are approved.

REASON

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.

EX/74 **COUNCIL TAX PREMIUMS**

Councillor Mark Baynham, Cabinet Member for Finance & Resources stated that following Government's Levelling-Up and Regeneration Act coming into force in October 2023, Councils can now charge higher Council Tax on properties that are defined as long-term empty homes and properties that are only occupied occasionally (second homes). It was proposed that the premiums would be introduced from 1 April 2024 for empty properties and 1 April 2025 for second homes.

This additional charge was intended to encourage owners to bring properties back into use and also support the supply of available homes to rent or buy in Horsham.

Councillor Sam Raby, Cabinet Member for Housing, Communities & Wellbeing spoke in support, as the initiative would help reduce the Council's housing waiting list.

Councillor Jon Olson, Cabinet Member for Leisure, Culture & Green Spaces stated that this was a positive recommendation as empty homes are often a contentious issue for residents. He was pleased however that some discretion remained for particular circumstances.

Following additional questions, the Cabinet Member advised that further information and guidance is awaited from Government.

RECOMMENDED TO COUNCIL

- i) From 1 April 2024, to approve that empty and substantially unfurnished properties be charged an additional 100% council tax premium (twice the current Council Tax amount) after one year.
- ii) From 1 April 2025, to approve that dwellings with no resident and which are substantially furnished are charged 100% council tax premium (twice the current Council Tax amount).

REASON

i) & ii) To reduce the number of empty homes within the District and to encourage the use of premises as main residences by local residents rather than second homes.

EX/75 **2024/25 COUNCIL TAX REDUCTION SCHEME AND HOUSING BENEFIT MODIFIED SCHEME**

Councillor Mark Baynham, Cabinet Member for Finance and Resources stated that the Council Tax Reduction and Housing Benefit Modified Schemes provided by the Council would remain unchanged for 2024/25, other than those prescribed by Government amendments.

Following the publication of the Cabinet report, the Department for Levelling Up, Housing and Communities (DLUHC) advised the Council that new legislation would come into effect from 9 February which had implications for the proposed Council Tax Reduction Scheme.

Amended regulations require pension age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system. The annual update also provided an opportunity to ensure that residency requirements for accessing both pension age and working age LCTS remain consistent with the UK's immigration policy.

The current Council Tax Reduction Scheme provided by Horsham District Council provides financial support for people on low incomes to help them afford their Council Tax payments. The Council also has a local modified scheme which disregards war disablement pension and war widow pension from the housing benefit calculation.

Both schemes are reviewed annually and review work showed that both schemes currently remain affordable for the Council and provide a good level of support to less well-off residents.

RECOMMENDED TO COUNCIL

- i) That there are no changes in the Council Tax Reduction scheme for 2024/25, other than the updates prescribed by Government as detailed in paragraph 1 of this paper and the Appendix to this supplementary paper.
- ii) The adoption of, with no changes to, the existing modified schemes under Housing Benefit subsidy for 2024/25 whereby the Council locally and voluntarily disregards war disablement pensions or war widow pensions in the housing benefit calculation.

REASON

i) & ii) The Council Tax Reduction and locally modified schemes are annual schemes requiring an annual review and approval, even when no changes to the scheme are being proposed. Review work on the scheme showed the schemes remains affordable for Horsham District Council and provides a good level of support to our less well-off residents.

EX/76 2024/25 BUSINESS RATES DISCRETIONARY CHARITABLE RELIEF

Councillor Mark Baynham, Cabinet Member for Finance & Resources introduced the report which recommended no change to the existing scheme.

The Council provides Business rates discretionary rate relief to charities and not for profit organisations under s47 of the Local Government Finance Act 1988, and the current scheme grants charitable relief up to 100% for eligible residents.

The scheme is reviewed annually, and it was proposed that the current scheme would remain unchanged for 2024/25.

RECOMMENDED TO COUNCIL

- i) To refer the Discretionary rate relief scheme for 2024/25 (“the Scheme”) as detailed in the appendix to full Council for approval and adoption; and
- ii) To delegate the award of discretionary relief, in accordance with the Scheme, to the Director of Resources in consultation with the Cabinet Member for Finance and Resources.

REASON

- i) Discretionary rate relief is an annual scheme and therefore require an annual review and approval.

EX/77 **ELECTORAL PRINT TENDER**

Councillor Mark Baynham, Cabinet Member for Finance & Resources stated that following a robust tendering process, authority was sought to award a contract for the design, supply, print and postage of all relevant material in relations to elections and electoral registration.

The Council received four bids and the winning supplier provided the most competitive price and quality. The contract would commence on 1 April 2024, for a 6-year term. It was noted that the cost of elections conducted on behalf of other authorities will be reimbursed.

RESOLVED

- i) That the award approve of the contract for electoral print to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt); be approved.
- ii) That authority be delegated to the Chief Executive/Electoral Registration Officer/Returning Officer, in consultation with the Head of Legal & Democratic Services to finalise terms and conditions of and enter into a contract with the highest scoring bidder for the electoral print contract

REASON

- i) The Council must competitively tender if the value of the goods or services exceeds the current threshold of £213,477 (inclusive of VAT). The current annual spend on electoral print exceeds this threshold.
- ii) To obtain authority to award the subject contract to the winning bidder pursuant to a legally compliant procurement process.

EX/78 **WEST CHILTINGTON LANES CONSERVATION AREA**

Councillor John Milne, Cabinet Member for Planning and Infrastructure introduced the report on West Chiltington Lanes Conservation Area (previously known as Wells Cottages). He explained that there was a legislative duty on local planning authorities to review whether any parts or further parts of their area should be designated as conservation areas.

In September 2022 Cabinet agreed to undertake public consultation regarding a new proposed designated conservation area in West Chiltington which encompassed a number of buildings collectively know as Wells Cottages.

The public consultation exercise was held in January 2023 and the report to Cabinet set out key issues raised by respondents.

The Cabinet were recommended to designate the Wells Cottage area of West Chiltington as a designated conservation area to be called the West Chiltington Lanes Conservation Area to provide a wider sense of place and adopt a final version of the Conservation Area Appraisal and Management Plan.

Councillor Ruth Fletcher, Cabinet Member for Local Economy & Place was pleased to support the proposal and acknowledged the area has a very special character which needed to be preserved.

Other Members supported the proposal, thanked Cabinet and Officers for the hard work undertaken and supported the change in the name of the area.

The Cabinet Member advised that discussions and communication was on-going with the Parish Council and residents.

RESOLVED

- i) That the designation of the West Chiltington Lanes be approved, (as shown on the Conservation Area designation map (Map 1) included in this report) as a conservation area.
- ii) That the Conservation Area Appraisal and Management Plan for the West Chiltington Lanes be approved and adopted as set out in Appendix 2.
- iii) That authority be delegated to the Cabinet Member for Planning & Infrastructure to approve minor changes prior to final publication of the Conservation Area designation map and Conservation Area Appraisal and Management Plan.

REASON

- i) To formally designate the new conservation area boundary.
- 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 Infrastructure delegated authority to approve minor changes to the Conservation Area designation map and Conservation Appraisal and Management Plan, without the need for it to be referred back to Cabinet.

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 7.17 pm having commenced at 5.30 pm

CHAIRMAN

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Report to Cabinet

21 March 2024

By the Cabinet Member for Finance and Resources

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Local Authority Housing Fund Round 3 ("LAHF R3") in 2024-25 and 2025-26

Executive Summary

On 7 March 2024, the Department for Levelling Up, Housing, and Communities (DLUHC) confirmed it would be launching a third round of the Local Authority Housing Fund (LAHF R3), to the value of £450 million, to run over the financial years 2024-25 and 2025-26.

The third round of the Local Authority Housing Fund (LAHF R3) will:

- support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.
- continue to provide resettlement housing for those on the Afghan Citizens Resettlement Scheme (ACRS), expecting these homes to become available to support wider local authority general housing and homelessness responsibilities after the resettlement needs of the eligible cohort have been addressed.

DLUHC has allocated the Council £1.029m in grant for 5 homes; two temporary accommodation, two standard resettlement homes and one large resettlement home. The Council can return unspent funding to the Government should it wish or be unable to deliver all the housing. The Council's contribution is expected to be £1.276m.

Recommendations

That Cabinet recommends to Council to:

- i) Proceed with the application for, and receipt of, the grant allocation for the Council to provide or facilitate the provision of 2 resettlement homes and 2 temporary accommodation homes and 1 large (4+bed) resettlement home.
- ii) Approve capital spend of £2.305m in the 2024/25 capital programme.
- iii) Approve the revenue grant income and spend of £8,000 in 2024/25.

Subject to Council approval, Cabinet is also recommended to:

- iv) Approve the acquisition by Horsham District Council of up to 5 properties using the funds earmarked for this initiative, provided that any such acquisitions are undertaken in consultation with the Cabinet Member for Finance & Resources, and Cabinet Member for Housing, Communities & Wellbeing.

Reasons for Recommendations

- i) To apply for, receive and use the grant to help purchase / provide more affordable homes for the district.

- ii) & iii) Full Council must approve the capital budget.
- iv) Subject to Council approval, to avoid the requirement to seek Cabinet's approval for the purchase by Horsham District Council of each individual property that would otherwise be required to give effect to this initiative.

Background Papers

- Cabinet 20 July 2023
- Cabinet 26 January 2023
- Cabinet 23 March 2023
- Cabinet 25 January 2024
- <https://www.gov.uk/government/publications/local-authority-housing-fund-round-3/local-authority-housing-fund-round-3-prospectus-and-guidance#how-lahf-r3-funding-is-allocated>

Wards affected: All

Contact: Dominic Bradley, Director of Resources, dominic.bradley@horsham.gov.uk

Background Information

1 Introduction and background

- 1.1 On 7 March 2024, the Department for Levelling Up, Housing, and Communities confirmed it would be launching a third round of the Local Authority Housing Fund (LAHF R3), to the value of £450 million, to run over the financial years 2024-25 and 2025-26.
- 1.2 The third round of the Local Authority Housing Fund (LAHF R3) will:
 - support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty. This will reduce the usage of Bed & Breakfast accommodation and will enable local authorities to grow their housing stock, creating sustainable assets to help manage local housing pressures.
 - continue to provide resettlement housing for those on the Afghan Citizens Resettlement Scheme (ACRS). We expect these homes to become available to support wider local authority general housing and homelessness responsibilities after the resettlement needs of the eligible cohort have been addressed.
 - Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

2 Relevant Council policy

- 2.1 Supporting People and Communities - improving access to affordable housing.

3 Details

- 3.1 The capital grant allocation offer was for £1.029m. With this funding the Department for Levelling Up, Housing and Communities (DLUHC) expects the Council to provide a minimum of 5 homes:
 - A minimum of **2** homes for the Temporary Accommodation (TA) element
 - A minimum of **2** homes for the resettlement element
 - **1** homes for the large resettlement element (4+bed)
- 3.2 The funding includes £21k per property for any additional spend required on getting these homes into use.
- 3.3 DLUHC have removed the requirement for local authorities to match fund a specific percentage on each home, with full fungibility across the fund elements (TA & resettlement). The Council must agree to deliver the minimum number of TA homes and resettlement homes in exchange for their funding allocation, providing maximum flexibility and simplifying delivery.
- 3.4 Round 3 differs from earlier rounds by:

- Increasing the programme timeframe to a full two years, increasing scope for a wider range of delivery options, including new supply.
- Introducing a 10% new supply uplift to support the growth of overall housing supply.
- Providing revenue funding to local authorities to support programme delivery. The Council will receive £8,000 in revenue funding.

3.5 DLUHC has used a median property price in the area of £440,000. The Grant offered is set out below, alongside which an estimate of the Council's contribution based on the median property price. The standard sized houses are 40% grant funded. The large resettlement home is 50% grant funded. A non-ringfenced additional £21k grant per property is grant funded, that can be spent on things like refurbishments, energy efficiency measures, legal costs, decoration, furnishings, or otherwise preparing the property for rent.

#	Type	Grant	£21k	HDC	HDC %
2	Standard temp	£352,000	£42,000	£528,000	60
2	Standard resettlement	£352,000	£42,000	£528,000	60
1	Large (4+ bed) resettlement	£220,000	£21,000	£220,000	50
	Sub-totals	£924,000	£105,000	£1,276,000	55
	Grant / Council totals	£1,029,000		£1,276,000	
	Total Expenditure	£2,305,000			
	Number of units		5		
	Average	£205,800		£255,200	£461,000

3.6 The objectives of the LAHF R3 are:

- Reduce local housing pressures by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
- Reduce emergency and temporary accommodation costs.
- Provide sustainable housing to those on the Afghan Citizens Resettlement Scheme (ACRS) at risk of homelessness, so that they can build new lives in the UK, find employment and integrate into communities.
- Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.
- Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

3.7 To facilitate delivery of new housing, an additional 10% uplift is added to the grant per property for each unit which the local authority agrees will be delivered as a new home. For this uplift, new homes refer to:

- homes that will be delivered in FYs 2024/25 or 2025/26 as direct new developments
- 'off-the-shelf' new build homes purchased from developers
- conversion of use (which delivers an extra residential unit)

- change of use (which delivers an extra residential unit)

3.8 This could produce a further £92,400 of funding, reducing the amount that the Council would need to contribute. However, this has not been factored into the business case, on the basis that water neutrality has drastically reduced the opportunities for new buildings in the district. The Council will however explore all opportunities to deliver new homes where appropriate.

4 Next steps

4.1 We must complete our validation form by 28 March 2024 to express our interest in taking up the allocation to DLUHC. The formal Memorandum of Understanding will only be returned when Council have approved the recommendations contained in this report on 24 April 2024. The DLUHC deadline for signed MOUs is 31 May 2024.

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

5.1 Due to the timing of the announcement, the paper was unable to be included in the forward plan for the requisite 28-day period. The Chairman of Overview and Scrutiny Committee was informed of the late addition to Cabinet papers. Neither the Housing, Communities & Wellbeing Policy Development Advisory Group nor the Finance & Resources Policy Development Advisory Group have met to consider the scheme. However, the groups were emailed instead. Initial feedback from both PDAGs indicates a broad support of the initiative.

5.2 The Monitoring Officer and the Director of Resources & Section 151 Officer, the Head of Finance & Performance (deputy Section 151 officer), the Head of Housing & Community Services and the Head of Property & Facilities were all consulted to ensure legal and financial probity.

6 Other courses of action considered but rejected

6.1 The Council could choose not to take part in the funding and not provide further homes. This has been rejected at this stage in favour of accepting the funding, and then working through the delivery to ensure the delivery of as many homes as possible in the timeframe to help fulfil the UK's humanitarian duties and also increasing TA stock to reduce homelessness.

7 Resource Consequences

7.1 Capital spend of £2.305m in the 2024/25 capital programme, albeit £1.029m (44.6%) is funded by Government grant.

7.2 Capital expenditure can have a revenue impact from the Minimum Revenue Payment (MRP), although this is not the case if the expenditure is funded from reserve, rather than internal or external borrowing. The Director of Resources will determine the best source of funding as it will depend on the level of capital receipts and other capital expenditure during 2024/25, otherwise reserves will be used. At

31 March 2023, the Council had approximately £26m of useable general fund reserve, which is in excess of the £6m minimum level of general fund reserves.

- 7.3 Eligible costs funded by the grant and the £21,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items.
- 7.4 The Council will be able to charge Local Housing Allowance rates of £276.16 per week for a three-bedroom house in the Horsham, Southwater and Billingshurst areas. This equates to around £14,360 per annum, less management fees and sinking fund contributions of approximately 20% gives a net income of around £11,500 per annum. This is a 2.5% yield based on a total purchase cost of about £461,000 but is a return of 4.5% on the average £255,000 that the Council would be directly funding. The equivalent return on a four-bedroom larger home using a similar methodology is 5.8%. As part of the allocation, the Council must include one four-bedroomed home. It will depend on what is available on the market and at what price as to whether we are able to purchase any further four-bedroomed homes.

8 Legal Considerations and Implications

- 8.1 Section 31 of the Local Government Act 2003 enables central government to make a grant for any purpose, capital or revenue, to any local authority. A grant made pursuant to this section will be (i) for such amount, and, (ii) paid on such conditions as may be determined by the relevant minister.
- 8.2 Section 1(1) of the Localism Act 2011 provides that a local authority has power to do anything that individuals generally may do. The Council has the power, therefore, to accept and receive grant funding.
- 8.3 The Council should (i) comply with the terms of and conditions attached to the grant, and, (ii) complete any legal documentation which is required to give effect to the receipt and use of the said grant.
- 8.4 The grant funding will be managed in accordance with the Financial Procedure Rules (inter alia paragraph 4e.33 External Funding) contained in the Council's constitution.
- 8.5 The Council will comply with any applicable statutory provisions relating to providing the TA. Section 120 of the Local Government Act 1972 enables local authorities to acquire property for any of its functions or for the benefit, improvement or development of its area. In addition, section 9 of the Housing Act 1985 enables a local housing authority to provide housing accommodation by erecting houses, converting buildings into houses or by acquiring houses.

9 Risk assessment

- 9.1 The Council may not be able to deliver the number of houses that are required in the timeframe available, or that it will cost more than envisaged per property. This is mitigated by the fact that the Council can return unspent funds.

10 Procurement implications

- 10.1 The Council will ensure that it has a compliant procurement process for the appointment of the estate agents who will be instrumental in sourcing the properties and may be paid a small fee upon successful purchase of a house within the scheme. Should the Council, as a lead authority, forward any related funds to a third party, the Council would be responsible for ensuring that any third parties are procurement compliant and this would be reported to Government.

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

- 11.1 In the short term, the accommodation would be for use by families fleeing conflict from Afghanistan, but it is hoped that there will come a time that these families can return home once the sanctuary is no longer needed. Providing TA for use by Afghani families will help to ensure that other families on the homeless register are not disadvantaged.
- 11.2 The TA would then be available to supplement the Council's present TA housing stock for use by the homeless. This would help to reduce the number of people on the housing waiting list and would be done in accordance with the Council's existing criteria and priorities. Therefore, an Equalities Impact Assessment is not required.

12 Environmental implications

- 12.1 The search criteria for the houses contains a minimum EPC rating of C, with the option of undertaking any improvement work at the same time as any refurbishment of the property if needed, to improve this rating further.

13 Other considerations

- 13.1 There are no GDPR/Data Protection or Crime & Disorder implications arising from this report. The sensitivities of people who are already on the housing waiting list have been considered, as they may be feeling that those fleeing conflict have been prioritised ahead of them. However, the Council has a role in helping to fulfil the UK's humanitarian duties to assist those fleeing war. Longer term, the fund will also create a lasting legacy for UK nationals by providing a new and permanent supply of accommodation to help address local housing and homelessness pressures.

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Report to Cabinet

Thursday, 21 March 2024

By the Cabinet Member for Environmental Health,
Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Commercial Food Waste

Executive Summary

This report considers the implications and processes for introducing a commercial food waste collection service by 31 March 2025 as required through the Environment Act 2021.

There are several projects which will form the process of introducing weekly food waste collections which include vehicle procurement, receptacles procurement, space to park the new vehicles, communications and recruitment to increase establishment.

This report sets out all the associated projects and considerations to enable us to deliver a commercial food waste collection service by January 2025 to meet the deadline for businesses to recycle all recyclable waste streams by 31 March 2025.

Recommendations

That the Cabinet is recommended:

- i) To approve the implementation of a weekly food waste collection to our commercial waste provision before 31 March 2025.
- ii) To recommend to Council to approve capital expenditure of £130,000 required to purchase the vehicle and £5,000 for containers in 2024/25.
- iii) To recommend to Council that the revenue expenditure of £51,903.75 and the income of £32,500 with a net expenditure of £19,400 required for the transition to commercial food waste collections in FY24/25 is approved. This expenditure includes staff wages and the ongoing running costs.

Reasons for Recommendations

- i) The Environment Act 2021 requires businesses, except micro-firms, to recycle all recyclable waste stream, excluding garden waste and plastic film. As a commercial operator we are not obliged to collect food waste but if we don't then we will likely lose income from businesses who will need to use the service.
- ii) The commercial waste service does not currently offer a food waste offering within the current service provision. To provide a comprehensive competitive commercial waste service a food waste service is required to ensure we are offering businesses all waste streams. Businesses are required to separate their waste in line with legislation by 31 March 2025.
- iii) Full Council approve capital and revenue budgets.

Background Papers

None

Wards affected: All

Contact: Abigail Nye, Commercial Manager (Recycling & Waste)

Background Information

1 Introduction and Background

- 1.1 Horsham District Council provides a commercial waste service that collects dry mixed recycling and residual waste, which may include food from 1,851 businesses across the Horsham District as well as in Mid Sussex and Crawley. We are able to collect commercial waste from outside of the District and do this where this geographically suits us to increase our income.
- 1.2 This service provides a financial return for the Council, which for 2023/24 is forecast to be a surplus of £115,000.
- 1.3 As part of the Government's Simpler Recycling announcement on the implementation of the Environment Act 2021, there is a requirement for all non-household municipal premises, except micro-firms (ten employees or less), to arrange separate food waste collections. This needs to be in place by 31 March 2025 and does not have to be weekly. Businesses will also be required to recycle all recyclable waste streams, excluding garden waste and plastic film.
- 1.4 Micro-firms with fewer than ten full-time equivalent employees have an extended deadline of 31 March 2027.
- 1.5 This report sets out a proposal to introduce a food waste collection service as part of the Council's Commercial Waste service. Essentially, if the Council wants to continue to provide a commercial waste service, it will need to provide food waste collection as otherwise competitors will have a more attractive overall offer that the Council couldn't match.
- 1.6 We have undertaken a market research exercise with three other competitors to identify our potential market position for food waste collections. We know that we are at the top end of the pricing schedule compared to our competitors. This includes our potential pricing structure as well as costs to us.
- 1.7 Accordingly, the Council will need to have regard to the following considerations to facilitate the implementation of a food waste collection service:
 - Vehicle and container procurement – decision on number and size of vehicles to procure.
 - Depot size constraints to accommodate the new vehicles.
 - Recruitment – the need to employ additional drivers and loaders.

2 Relevant Council policy

- 2.1 The introduction of commercial food waste collections will support the Inspiring Greener Futures Council Plan Theme which states "We aim to be a net zero council by 2030 and a net zero district by 2050. Horsham District will be held in high regard for best practice in rewilding, regenerative farming and recycling".

3 Details

3.1 Existing interest

Of the 1,851 of our commercial waste customers, just over 200 are in the food and accommodation sectors and 10% of all of our customers have already expressed an interest in a food waste service. To ensure that the service remains profitable we would have a target of signing up 250 customers ahead of launching the new service.

The intention would be to launch the service in January 2025 as businesses are required to have a service in place for 31 March 2025. Businesses will want to secure contracts in advance of this date to ensure their own compliance and we need to ensure we are able to provide a service to meet these expectations of the businesses.

3.2 Vehicle Procurement

The intention is to use one 12 tonne vehicles to deliver this service. The lead in time to receive new vehicles is up to 18 months and so action needs to be taken to secure vehicles as soon as possible. It may be possible to purchase an ex-demonstration vehicle, which could be acquired more quickly, although if that is not possible, there may be a need to hire a vehicle for a period of time.

3.3 Container Procurement

We will offer customers the option of either 140L or 240L containers. We intend to purchase a stock of 300 bins at a cost of £5,000.

3.5 Communications/ Marketing

The introduction of the new commercial food waste service will be built into our marketing plan for 2024/25. We will market to existing customers to inform them of the legislation change along with their responsibilities.

3.6 Financial impact

There are capital costs to set up the service as well as ongoing running costs set out in the table below:

		Year 1 25/26	Year 2 26/27	Year 3 27/28 (2 vehicles)	Year 4 28/29 (2 vehicles)	Year 5 29/30 (2 vehicles)
<i>Estimated number of lifts</i>		350	500	800	1,000	1,000
Income @ £10 per lift		(182,000)	(260,000)	(416,000)	(520,000)	(520,000)
Staffing costs		73,000	73,000	146,000	146,000	146,000
Vehicle running costs		62,000	62,000	124,000	124,000	124,000
Disposal costs		22,568	32,240	51,584	64,480	64,480
(Profit) / Loss before depreciation		(24,432)	(92,760)	(94,416)	(185,520)	(185,520)
Depreciation	vehicles	18,571	18,571	37,143	37,143	37,143
	Containers	968	1,383	2,213	2,766	2,766
Net (Profit) / Loss		(4,892)	(72,805)	(55,060)	(145,611)	(145,611)

The prices above are based on 2024/25 prices and do not include inflation or salary increases.

Market research has been undertaken to help establish our pricing structure to customers. This is detailed in appendix A and works out at an average charge of £10 per lift (£9 per lift for a 140L bin and £11 per lift for a 240L) for each food waste bin. We project to make a small profit in year 1 as we expect that we can achieve our minimum levels within six months of launching the service. In year two we project to be at 500 lifts per week. In year 3 we project to have increased demand and therefore capacity to add another round. This will continue to grow into year four and five to generate a profit. There is also an opportunity to recalibrate the existing service by looking at our rounds efficiency.

We recommend the start-up of the service in January 2025. This will allow us to start growing the service before April 2025 when food waste collections become mandatory for businesses. The impact on the 2024/25 budget will be:

		FY24/25 Jan - March
Estimated number of lifts		250
Income @ £10 per lift		(£32,500)
Staffing costs		£18,250
Vehicle running costs		£15,500
Disposal costs		£4,030
Marketing		£3,000
Hire	vehicles	£10,000.00
Depreciation	Containers	£1,123.75
Cost sub total		£51,903.75
Net (Profit) / Loss		-£19,403.75

Whilst this shows a loss, it will allow us to start building the food waste business and help to generate a small profit in year 1.

3.7 Disposal Options

Officers have investigated various options for disposing of the food waste. It is recommended that we enter into a contract with Biogen (based in Basingstoke), who have offered a competitive gate fee and have confirmed that they would be able to accept our waste immediately. This would be operated via a transfer station at Hookwood.

There would be potential to renegotiate rates and locations with WSCC once the domestic food waste disposal route is up and running and able to accept material.

4 Next Steps

- 4.1 The key activity is to work with the procurement team to source and purchase a suitable vehicle. If a vehicle is not able to be secured in time for go live in January 2025, then a rental vehicle will be secured for the interim. Hire costs would be expected at £800 per week for a 12 tonne hire vehicle at £800 per week which totals £10,000 for the three month period. If we had to hire from April 2025 then the impact on profit is shown below:

Number of weeks on hire following launch April 25	Cost £	Total (profit)/loss impact
12 weeks	£10,000	£484
26 weeks	£21,000	£6,821
38 weeks	£31,000	£12,178
52 weeks	£41,600	£18,136

- 4.2 Officers will also progress the procurement of the waste containers, the recruitment of staff and finalise arrangements with the preferred disposal site.

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

- 5.1 The Environmental Health, Recycling and Waste Policy Development Advisory Group received a presentation on commercial food waste on 18 January 2024.

Members supported the introduction of such a service. This report was due to be discussed by the PDAG on 14 March and a verbal update on their discussions will be provided at the Cabinet meeting.

- 5.2 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity.

6 Other Courses of Action Considered but Rejected

- 6.1 The alternative option would be to not introduce a commercial food waste collection service, which is not recommended. Although the consequence to businesses should they not have separate recycling waste streams in place by 31 March 2025 is currently unknown, the requirement for separate food waste collections is a statutory requirement. If we were not to implement a food waste service, we would have a high risk of losing a large proportion of our commercial customers and the service would quickly become unviable. This is because all business with over 10 FTE will be required to have food waste collections and won't want to use two contractors to empty their different waste streams.

7 Resource Consequences

- 7.1 Capital expenditure

Capex	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Vehicle	£130,000	-	£130,000	-	-	£260,000
Bins	£5,000	£2,000	£3,000	£5,000	£2,000	£17,000
Total	£135,000	£2,000	£133,000	£5,000	£2,000	£277,000

The majority of costs are from the two vehicles that the service would need to buy as it expands the food waste offering.

- 7.2 Revenue expenditure and income; assuming we don't need to hire a vehicle beyond 31 March 2025 and assuming growth targets in bin lifts are met.

	2024/25	2025/26	2026/27	2027/28	2028/29
Income	(£32,500)	(£182,000)	(£260,000)	(£416,000)	(£520,000)
Exp	£51,900	£177,100	£187,200	£360,900	£374,400
Net	£19,400	(£4,900)	(£72,800)	(£55,100)	(£145,600)

- 7.3 A loss is anticipated in 2024/25 as the service operates from 1 January 2025 as there will be some initial costs to start with until the service is large enough to generate profit and cover the ongoing revenue costs.

- 7.4 Note there is a revenue cost of £800 per week to hire a vehicle until the vehicle arrives. This is included in the 2024/25 figures, but not in later years. Hiring a truck

for more than 3 months into 2025/26 would change the profit into a loss. The 2025/26 budget will be set with more of an understanding of the lead times.

- 7.5 HR consequences. To operate one round requires one driver and one loader which will mean increasing the establishment in 2024/25.

8 Legal Considerations and Implications

- 8.1 The legal implications have been incorporated into this report. Otherwise, the requirements relating to the collection of waste for non-domestic premises are contained in the Environmental Protection Act 1990 as amended by the Environment Act 2021.

9 Risk Assessment

- 9.1 This is considered to be a low-risk project as in the event that the project fails all of the resources can be transferred to the domestic food waste offering. The vehicle will be able to be transferred, as well as staff and also containers as these containers are the same containers used for domestic household refuse and recycling.

9.2

Risk	Action to reduce risk
Project delay – it is possible that there will be a delay to the project for several reasons such as procurement taking longer than predicted or unable to recruit staff	<p>Ensure the project team is running and keeping on track with various projects.</p> <p>Seek early Cabinet and Council approval</p> <p>Use established procurement frameworks and work closely with procurement.</p> <p>Ensure all stakeholders are kept updated and engaged</p> <p>Engage with the agencies to use temp staff if required.</p> <p>Hire a vehicle for a temporary vehicle whilst awaiting delivery of vehicle</p>
There is a risk of losing revenue to existing customers if we did not implement a commercial food waste service.	If we lost 10% of our customer base, we would lose £109k from our existing revenue.
If the legislation start date was to be delayed then we could lose customer sign ups	Unlikely that this would happen and we have already had several enquiries from business about food waste. If we had to drop the service then we would

	be able to transfer the vehicle, containers and staff to the domestic food waste.
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10 Procurement implications

- 10.1 The Council will comply with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes will be overseen by the Council's Senior Procurement Manager and Senior Solicitor ensuring compliance.

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

- 11.1 It is not considered that there are any such implications arising from this report.

12 Environmental Implications

- 12.1 Food waste will be diverted from the residual waste stream and recycled, leading to waste minimisation.
- 12.2 The impact of operating an additional refuse collection vehicle would be an increase in carbon emissions of 9 tonnes per annum. It should be noted that the vehicle will run on HVO fuel, and therefore produces significantly lower levels of CO₂. If the vehicle was powered by traditional diesel, it would produce an additional 90 tonnes of CO₂.
- 12.3 The food waste processed through anaerobic digestion will go for agricultural closed loop recycling. Recycling the waste, rather than treating it as residual waste will have a positive environmental impact.

13 Other Considerations

- 13.1 The procurement 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.

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Report to Cabinet

Thursday, 21 March 2024

By the Cabinet Member for Environmental Health,
Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Domestic Food Waste Weekly Collections

Executive Summary

This report considers the implications and processes for introducing a weekly food waste collection for all Horsham residents, including flats, by 31 March 2026 as set out in the Government's Simpler Recycling announcement.

There are several projects which will form the process of introducing weekly food waste collections which include vehicle procurement, caddy procurement, vehicle storage, routing of rounds, communications and recruitment to ensure a successful District wide roll out. There will also be the need to work with West Sussex Waste Partnership and to establish post implementation monitoring to establish the success of the new service.

There also needs to be a decision made on the frequency of residual waste collections taking into account the Simpler Recycling recommendations which are set out in this report.

This report sets out all the associated projects and considerations to enable us to deliver the most effective food waste collection service and meet the deadline of 31 March 2026.

Recommendations

That the Cabinet is recommended:

- i) To approve the introduction of a weekly domestic food waste service before 31 March 2026 to all residents in Horsham District.
- ii) To approve the collection frequencies, as follows:
 - Residual Waste: fortnightly
 - Dry Mixed Recycling: fortnightly
 - Garden Waste: fortnightly
 - Food waste: weekly
- iii) To recommend to Council that capital expenditure of up to £2,617,000 required to purchase the vehicles (to include in cab technology and CCTV), caddies and bins, is approved. This will be spent across 2024/25 and 2025/26 and profiled

into the capital programme in the relevant year by the Director of Resources when the lead times for each capital items are known.

- iv) To recommend to Council that revenue expenditure of £25,000 in 2024/25 for route planning required for the transition to weekly food waste collection is approved.

Reasons for Recommendations

- i) The Environment Act 2021 set into legislation various requirements for local councils and specifically mandated for all waste collection authorities (WCAs) in England to provide a weekly collection of food waste from households.

On 21 October 2023, Government announced 'Simpler Recycling' waste reforms which stated the new requirement must be provided by 31 March 2026.

- ii) The roll out of weekly food waste collections encompasses a number of projects as detailed in the report, which will all feed into achieving the delivery of the service by 31 March 2026.
- iii) Full Council must approve capital and revenue expenditure.

Background Papers

Ricardo report for Horsham District Council modelling food waste, residual, recycling and garden collections.

Wards affected: (All Wards);

Contact: Laura Parker, Head of Recycling & Waste.

Background Information

1 Introduction and Background

- 1.1 The Environment Act 2021 set into legislation various requirements for local authorities and specifically mandated for all waste collection authorities (WCAs) in England to provide a weekly collection of food waste from households.

On 21 October 2023, Government announced 'Simpler Recycling' waste reforms which stated the new requirement must be provided by 31 March 2026. The statement also included information on how local councils would be funded to deliver the new, additional burden. Funding is intended to cover all reasonable costs associated with:

- capital expenditure for vehicles and containers. On 9 January 2024, Defra confirmed the funding allocation amounts which will be paid to councils in the 2023/24 financial year in the form of government grants.
- resource transitional costs (such as vehicle routing, communications, and project management) to be paid in the 2024/25 financial year; and
- support for ongoing service delivery costs to be provided from 1 April 2026.

Delivery of the project will ensure compliance with Government legislation. It will also support the Council Plan relating to recycling targets and waste minimisation.

In 2023 the Council commissioned waste consultants Ricardo to carry out modelling work for both 1-2-2 (weekly food, fortnightly recycling and fortnightly refuse) and 1-2-3 (weekly food, fortnightly recycling and three weekly residual) collections. The results of this modelling along with government legislation will form the basis of this report.

- 1.2 The key decisions from this report are the following:

- Decision on frequency of collections for residual waste
- Vehicle procurement - decision on number and size of vehicles to procure.
- Container procurement – decision on type, number and size of caddies and wheelie bins (for communal flats) to order.

There are also other complex projects which need to be considered as the project develops:

- Depot size constraints to accommodate the new vehicles
- Re-routing of all rounds including residual, recycling, garden and adding in food
- Recruitment – the need to employ additional drivers and loaders
- Service mobilisation and roll out
- Communications plan

- 1.3 All Horsham residents will be impacted by the roll out of the service as they will all be provided with a weekly food waste collection service and collection days for other receptacles may also change.

2 Relevant Council policy

- 2.1 The introduction of weekly food waste collections will support the Inspiring Greener Futures Council Plan Theme which states “We aim to be a net zero council by 2030 and a net zero district by 2050. Horsham District will be held in high regard for best practice in rewilding, regenerative farming and recycling.

3 Details

- 3.1 Decision on frequency of collections for residual waste, 1-2-2 or 1-2-3.

We know that at present, around 40% of the waste (by tonnage) that goes into residual waste bins in the Horsham District is food waste. The Government announcement of the introduction of mandatory food waste recycling had been anticipated since 2021, and during that period it was considered that the most cost-effective method of collecting waste following the introduction of the food waste recycling would be a 1-2-3 service. This would mean that we would collect food waste on a weekly basis, dry mixed recycling every two weeks and residual waste every three weeks. The rationale for this thinking was that once food was taken out of the residual bins, providing there was a solution for nappy products, there was little, if anything, that would rot or cause smells in the residual bin.

Ricardo were commissioned in early 2023, in advance of the Government announcement, to produce a report setting out the various options and costs for the introduction of a food waste collection. This report sets out that a 1-2-3 collection is the lowest cost solution only when there is no provision for the collection of absorbent hygiene products (AHP) – commonly known as nappies.

It is considered that for residents who use nappies (for both children and older people) a three weekly collection would be unacceptable. The main reason for this is the smell and the second is around the capacity of our bins to accommodate these for a three-weekly period. If we were to introduce a weekly AHP collection service, the cost would increase by an estimated £1.1m per annum.

Furthermore, the Government has mandated that Local Authorities collect residual waste no less frequently than fortnightly. They have advised that this minimum standard provides a backstop, not a recommendation. If the Council takes the decision to go against government recommendations and introduce a three weekly residual waste collection, we will likely not be eligible to receive any government new burdens funding for the initial capital and ongoing revenue costs. This will have a significant impact on Council funds which would have to be found from our own budget.

It is hoped that in the future, the Government will change its stance on collection frequency once food waste collections are embedded. It is anticipated that one of

the impacts of food waste recycling will be that the amount of food that is wasted will reduce. When people see what they are throwing away, it is hoped that people will change their shopping, cooking and eating behaviours to waste less and save money. It may be that at a later date it would be appropriate to review frequency collection and introduce a 1-2-3 service.

It is therefore recommended that Horsham District Council introduces a 1-2-2 service. This would be a weekly food waste service, and two weekly dry mixed recycling and residual waste collections.

The estimates from Ricardo suggest that a 1-2-3 service would increase our recycling rate from 51.6% to 71% and a 1-2-2 service would increase it to 69%. Both of these figures would put Horsham District in the top performers nationally.

3.2 Vehicle Procurement

The Ricardo report modelled 15 tonne vehicles and 7.5 tonne vehicles for food waste collections. Whilst 7.5 tonne vehicles are cheaper, we would require an additional vehicle, driver and loader. Given the Council's local knowledge and experience of running collection services in the Horsham District there are also concerns that using 7.5t vehicle we would not be able to accommodate two tip runs and required vehicle cleaning into the driver's working hours.

We will need to purchase 11 frontline vehicles (9 x 15t and 2 x 7.5t) plus 3 spare vehicles to cover repairs, servicing and maintenance (2 x 15t and 1 x 7.5t).

12t vehicles are also being considered instead of 15t as the amount of waste they'll take is similar. 7.5t vehicles will be used for the rural rounds as they don't need to take so much weight but need to travel further distances in narrow lanes.

3.3 Container Procurement

A key element of procurement will be the purchase of the caddies that will be used to place food waste in. We will work in partnership with the West Sussex Waste Partnership (WSWP) on the procurement of caddies. This will include a 5 litre kitchen caddie for residents to store inside their homes as well as a 23 litre caddie for residents to leave their food waste out for collection.

Communal properties will also require 140 litre bins to store food waste in bin stores as well as 5 litre caddies for the residents.

A survey of all the flats and bin stores in the district will need to be commissioned so we can establish how many 140 litre wheeled bins will be required.

We also need to source a storage facility for the caddies and communal 140 litre bins before and during delivery and a company who will deliver to each household.

There will be circa 55,000 properties to deliver the two caddies, liners, and a leaflet to. Kitchen caddies, and communal 140 litre wheelie bins with leaflets will be delivered to circa 10,000 flats, and signs will be installed in bin stores.

3.4 Depot size constraints

The Hop Oast depot does not currently have the parking capacity to accommodate the additional vehicles we will require. Officers are working with the property team and West Sussex County Council on a separate project to source the additional space required. This will come at an additional cost which has not been included in the Ricardo modelling. Defra has not confirmed if this will be included as part of the new burdens funding, but we will apply for additional funding once we know costs. Reports will be developed for consideration on this matter at the appropriate time.

3.5 Round rerouting

The introduction of a food waste service will also prompt a need for a review of the collection rounds to ensure we have the most efficient rounds for all our collection services. This includes refuse, recycling and garden waste in order to balance the rounds to work more efficiently. This is a separate project to be undertaken and will also be at an additional cost, which is not included in the Ricardo modelling.

3.6 Recruitment

There will need to be a recruitment drive to recruit drivers and loaders. Consideration will need to be given to the fact that all District and Boroughs in the local area will be recruiting and so there will be a competition for staff. Time and resource will also need to be given to inducting and training new staff.

There may also be a need to recruit temporary staff to include a recycling engagement officer to assist with the successful roll out of the food waste collections. The customer contact centre may also need temporary staff to cover the predicted rise in queries from residents.

3.7 Service mobilisation

An internal project manager has been appointed and the service mobilisation will be managed with regular communications, meetings and project plans.

A detailed project plan will be required to manage the various components of this roll out and to ensure all departments are working alongside each other. There needs to be an in depth understanding of the risks involved and a proactive and whole Council approach to manage the roll out to ensure its as smooth as possible. Consideration also needs to be given to a phased roll out i.e., one phase per month over five phases to help manage a smooth service delivery.

3.8 Communications

A service change communication strategy will be developed, and we will work with the WSWP to ensure consistent and easy to understand material.

4 **Next Steps**

4.1 Vehicle Procurement

To work with the procurement team to source and purchase suitable vehicles.

Container Procurement

To complete the flats project to establish the type and quantity of containers which are required for flats. To work with the procurement team to source and purchase suitable containers.

Depot size constraints

To work with the property team to source depot space to accommodate the new vehicles and establish costs that will be associated with this.

Round rerouting

To source software through a company which specialises in this specific technology and establish costs which are associated with this and set a project plan to implement.

We are not using our in-house systems due to the complexity of routing the different rounds and material flows and the capacity our inhouse team have.

Recruitment

To work with HR and communications to develop a strategy to recruit the necessary staff.

Service mobilisation

To work with the project manager to establish a mobilisation plan and detailed implementation strategy.

Communications

To continue work with WSWP and our internal communications team to establish an effective Communications Strategy to engage and inform residents.

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

- 5.1 A Members forum took place on 22 February 2024 which was open to all Councillors. Ricardo presented to all Cabinet members. Members were supportive of the need to keep fortnightly residual waste collections to comply with government standards set and due to the small cost difference.

A discussion will also take place at the Environmental Health, Recycling & Waste PDAG on 14 March 2024 and the outcome will be reported verbally to the Cabinet meeting.

- 5.2 The Monitoring Officer and the Director of Resources were both consulted to ensure legal and financial probity.
- 5.3 There is a working group with West Sussex Waste Partnership to work with each other and share ideas and plans for the implementation of weekly food waste collections. These will be ongoing up to and beyond the roll out of collections.

6 Other Courses of Action Considered but Rejected

- 6.1 Do nothing – not recommended. Although the consequence of not delivering the project by 31 March 2026 is currently unknown, the requirement for separate food waste collections is a statutory requirement.
- 6.2 Accelerate delivery to commence service prior to 31 March 2026 – not recommended. This option is unrealistic considering the known market constraints.
- 6.3 Change residual collections to three weekly – not recommended due to the potential backlash from residents when recycling capture rates only change by 1.8% and we will risk not receiving any further government funding due to their current stipulation to remain weekly or fortnightly as a maximum for residual waste collections.

7 Resource Consequences

7.1 Project delivery costs

Capital funding allocations have been released by DEFRA and should be received by 31 March 2024. HDC will receive £1,486,27, which has been calculated by DEFRA using a central formula to cover vehicle and caddy purchases plus containers for communal properties. However as detailed below, it falls a long way short of the expenditure we will incur.

Cost	£ Required	Source	To fund
Capital expenditure one off.	£2,617,000	New Burdens Funding from Government £1,486,271 £1,130,729 unfunded.	Vehicles including spares. In-cab tablets and software. Caddies – Kitchen and Kerbside. Communal bin store containers
Transition revenue costs – All estimated and spread over 2024/25 (£25,000) and 2025/26 (£310,000).	£335,000	New burdens funding may be available in 2024/25 (to be confirmed) otherwise funded through the Council's earmarked food waste	Route planning Communications Container roll out Temporary staffing

		implementation reserve	
One-off capital cost – depot expansion / additional vehicle parking	TBC.	Unknown. Application for New Burdens funding or unfunded.	Additional parking space is required for the new food waste vehicles, options are currently being explored.

The cost of depot expansion and / or additional vehicle parking is currently being explored and is unknown. Should this be required, this will have a further capital impact, which may be unfunded.

7.2 Impact on the 2025/26 revenue budget and on going costs:

Cost	£ Required	Source	To fund
Annual revenue From 2025/26	£1,800,000	Ongoing revenue budget to come from additional new burdens funding and / or council revenue budget. This will included in the budget setting programme for 2025/26.	Vehicle Maintenance and fuel. Permanent staff to include drivers, loaders, additional supervisor and additional workshop fitter. Ongoing communications. Container stock.

As the capital allocations have shown, there is a strong likelihood that ongoing new burdens revenue funding will not cover all our costs. Note this is already an assumption in our Medium-Term Financial Strategy. Note also that a revenue saving of approximately £100,000 for a 1-2-3 service would be significantly outweighed by the loss of any capital and revenue funding from Government.

7.3

Cost	£ Required	Source	To fund
2025/26 Revenue cost just for year 1 to hire a vehicle plus driver and loader	£192,000	To come from new burdens funding and council budget. This will included in the budget setting programme for 2025/26.	1 x hire vehicle 1 x driver and 1 x loader

7.4 HR consequences – we will need to employ the following staff which will mean increasing the establishment during 2025/26:

- HGV Drivers x 14 to include 3 pool staff
- Loader x 14 to include 3 pool staff
- Service Delivery Manager x 1 to manage additional staff
- Workshop Fitter x 2 to service and repair 14 new vehicles
- Recycling Education Officer (temporary post to assist with project roll out)

8 Legal Considerations and Implications

8.1 The legal implications have been incorporated into this report. Otherwise, the requirements relating to the collection of waste are contained in the Environmental Protection Act 1990 as amended by the Environment Act 2021.

9 Risk Assessment

9.1 Key risks

Risk	Action to reduce risk
The cost of the projects may increase	<p>Working closely with procurement to ensure we get best value.</p> <p>Working with West Sussex Waste Partnership (WSWP) to ensure we get best value.</p> <p>Track costs with regular reports produced to monitor spend.</p> <p>Ensure finance is included on project board.</p>
Project delay – it is possible that there will be a delay to the project for several reasons such as vehicle or caddy delivery delays.	<p>Ensure the project team is running and keeping on track with various projects.</p> <p>Seek early Cabinet and Council approval.</p> <p>Use established procurement frameworks and work closely with procurement.</p> <p>Ensure all stakeholders are kept updated and engaged.</p>
Poor service quality which may lead to reduced participation rates which will impact on recycling rates and reputation.	<p>Devise an effective communication strategy working with WSWP.</p> <p>Ensure training is delivered on time and effectively.</p> <p>Ensure project team works closely together and all stakeholders are engaged.</p> <p>Ensure rerouting is effective.</p>

Unable to recruit in drivers and loaders to crew the 11 rounds required. All the other neighbouring authorities will also be recruiting staff at the same time meaning there will be increased competition.	Work with HR to attract drivers and loaders to Horsham.
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10 Procurement implications

- 10.1 The Council will comply with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes will be overseen by the Council's Senior Procurement Manager and Senior Solicitor ensuring compliance.
- 10.2 Our Senior Procurement Officer has been advised of the need to deliver the food waste weekly service and the procurement implications this has on the team. He has attended project meetings and will start working on the procurement process when we have approval.

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

- 11.1 An Equality analysis has been undertaken to ascertain the potential impact on staff, service users, vulnerable groups and wider communities' groups that share protected characteristics and the Council will take actions to mitigate any negative impact as each project is developed and implemented.
- 11.2 An Equality Impact Assessment on this policy was undertaken on 28 February 2024 and will be reviewed on 28 February 2027.

12 Environmental Implications

- 12.1 Food waste will be diverted from the residual waste stream and recycled, leading to waste minimisation.
- 12.2 The new service will lead to an increased carbon impact because of the extra vehicles we need to run. There will be an increase of 80 t CO2 eq per annum compared to our current service. This may be mitigated by the anaerobic digestion of the food waste, which is the responsibility of the disposal authority, West Sussex County Council. This will produce renewable energy and can be used to add nutrients to agricultural land as an end product.
- 12.3 The Council's recycling rate will increase by approximately 17.3% from 51.6% (2022/23) to 69%.

- 12.4 There will be a reduction in residual waste of 112kg (kilograms per household per year)
- 12.5 There will be a weekly food waste yield of 113kg/hh/yr (kilograms per household per year)

13 Other Considerations

- 13.1 The procurement 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

Thursday, 21 March 2024

By the Cabinet Member for Environmental Health,
Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Isolated Property Rounds – service increase, budget allocation and contract award

Executive Summary

The Council has a statutory duty to collect domestic waste from all domestic properties within our district. Some of these properties are sited along narrow lanes and tracks that are not accessible using our normal large collection vehicles. We therefore have to use smaller specialised vehicles which are now at collection capacity. Despite this, some of the properties which we are required to collect from are in very long narrow lanes with no space to turn. This means we currently have to reverse our vehicles up narrow lanes which poses a health and safety risk and increases the risk for accidents.

The purpose of this report is to seek approval of additional capital and revenue budgets and the authority to award a contract to purchase an extra suitable vehicle using a recognised purchasing framework and to employ a driver for the vehicle employed on a full-time contract.

Recommendations

Cabinet is recommended to ask Council to:

- i) To approve the additional capital budget in 2024/25 of £130,000 for an electric vehicle and charging point.
- ii) To approve the additional revenue budget expenditure in the recycling and waste service 2024/25 budget of £27,000.

Subject to the approval of the above recommendations, Cabinet is recommended to:

- i) Approve an increase in the waste collection service for the isolated rounds;
- ii) Approve the award of the contract to the winning bidder to purchase a suitable collection vehicle on standard market terms; and
- iii) Delegate authority to the Director of Communities in consultation with the Head of Legal Services to finalise the terms of and enter into a contract with the winning bidder.

Reasons for Recommendations

- i) Full Council must approve the allocation of funds outside of the budget.

Background Papers None

Wards affected: All Wards

Contact: Laura Parker, Head of Recycling & Waste.

Background Information

1 Introduction and Background

- 1.1 Within the Horsham District there are a mixture of urban and rural properties. Some of these properties, mainly within the more rural parts of the District, have either narrow confined access to their properties or long narrow lanes. Some of these lanes have large potholes and are very rough to travel along; this causes damage to the vehicles over a long period of time.
- 1.2 Trying to access these properties with our larger 26 tonne collection vehicles is impossible; we have therefore used smaller vehicles to gain access to these properties.
- 1.3 Historically we had four rounds servicing the isolated properties which was then reduced to three using two 12 tonne vehicles and one 7.5 tonne vehicle. In 2018, these were condensed down to two rounds using 15 tonne vehicles. This was intended to make the rounds more efficient due to the 15 tonne vehicles having the capacity to take more waste. However, this is now causing a few issues as we are trying to drive larger vehicles into some very narrow areas and reversing them up narrow, bumpy tracks for over a mile sometimes as there isn't any turning space for these larger vehicles.
- 1.4 Following on from a recent road traffic collision which involved one of our 15 tonne isolated property vehicles, we have reviewed the capacity of the rounds and concluded that a smaller vehicle is required to access the very narrow and very hard to reach properties to ensure collections are made safely and damage is minimised.

2 Relevant Council policy

- 2.1 Inspiring Greener futures - Purchasing this vehicle to become an integral part of the collection fleet will help work towards helping businesses and residents to waste less and recycle more and an electric vehicle is in keeping with our move to greener technologies.

3 Details

- 3.1 The option to purchase a much smaller 3.5 tonne vehicle was chosen as the most cost-effective way of achieving our goals of being able to collect from narrow access properties to collect waste whilst at the same time not damaging the vehicle and keeping our staff safe whilst travelling the narrow lanes.
- 3.2 An increase in establishment for Recycling and Waste will be required to allow for one driver to operate the new vehicle. It also does not require the driver to have an HGV licence to be able to operate it. A loader will not be required.

4 Next Steps

- 4.1 Once the proposal has been agreed, Procurement and Legal advice will ensure the correct processes and procedures are followed to action the purchase of a suitable vehicle.
- 4.2 Start the recruitment process for a driver.

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

- 5.1 The proposal to purchase a suitable vehicle and employ a driver was discussed at the Senior Leadership Team on the 22 February 2024.
- 5.2 This report was discussed with the Cabinet Member for Environmental Health, Recycling and Waste and taken to PDAG on the 14 March 2024 for the group to discuss.
- 5.3 The Monitoring Officer and the Director of Resources were both consulted to ensure legal and financial probity.
- 5.4 The Head of Human Resources and Organisational Development was consulted on the increase in establishment to one additional driver.

6 Other Courses of Action Considered but Rejected

- 6.1 Continue with the vehicles we have; this is not viable as the collection vehicles are now at full capacity and there are safety concerns when accessing very hard to reach properties.
- 6.2 Ask residents to move bins to end of driveways, we have already carried out a similar exercise and have moved as many bins as possible. Some lanes do not have any space at the end where bins can be safely stored.

7 Resource Consequences

- 7.1 There will be a need to agree extra budget for a vehicle and driver as below;

Capital cost

To purchase an electric vehicle will cost in the region of £120,000 and £10,000 for the installation of a charger at the depot. Note that a suitable diesel (HVO) vehicle would cost in the region of £70,000.

- 7.2 Revenue cost

The electric vehicle will cost £15,000 per annum for electric power and maintenance (electric vehicle). This is £20,000 cheaper than the estimated £35,000 per annum

for HVO diesel and maintenance of a diesel vehicle. The payback on the additional £60,000 of electric vehicle capital costs is three years.

We are currently researching electric vehicles which will provide us with the range and payload required. If this can't be achieved, then we will have to purchase a diesel vehicle.

One driver at Grade 3 SCP 14 plus on costs and conditional overtime is £38,000.

8 Legal Considerations and Implications

- 8.1 The approaches will be compliant with the Council's Procurement Code and the Public Contract Regulations and will be undertaken by the Council's Shared Procurement Service. This will satisfy the monitoring officer that the Council has effected a legally compliant procurement process.

9 Risk Assessment

9.1

Risk	Action to Reduce Risk
Vehicle not delivered on time	Order vehicle as soon as possible and ensure implementation of the extra round when the vehicle has been delivered.
Not being able to recruit a driver	Purchasing a vehicle not above 3.5 tonnes will allow a driver of B Category Licence to be able to drive the vehicle so not relying on LGV Category C licence holders who are in short demand.

10 Procurement implications

- 10.1 The Council will comply with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes will be overseen by the Council's Senior Procurement Manager and Senior Solicitor ensuring compliance.

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

- 11.1 The tender documentation and contract will ensure that the vehicle is purchased through an approved supplier who complies with all equalities legislation and pays due regard to any possible future impacts on human rights.

An Equality Impact Assessment has been considered but not deemed necessary due to there being no discrimination on any groups by implementing this service.

12 Environmental Implications

- 12.1 An additional electric vehicle will keep any additional carbon emissions to a minimum.

13 Other Considerations

- 13.1 The procurement 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

21 March 2024

By the Cabinet Member for Local Economy and Place

KEY DECISION REQUIRED



Not Exempt

Drill Hall, Horsham

Executive Summary

The Drill Hall is a Council owned and managed facility that is in need of significant investment. It is a well-loved, but massively underutilised facility in the heart of Horsham Town. In 2021, Council agreed that the building would be leased to the Horsham branch of the Royal British Legion for a 30 year period with them having the right to buy the building at the end of that period. In autumn 2022, we were advised that the national body of the Royal British Legion did not support the investment in the building. HDC were approached by Lifespring Church in May 2023 with a proposal to acquire the building on the same terms as agreed with the RBL. Discussions have been ongoing since then, and this report recommends that the building be sold to Lifespring Church.

Lifespring have clear plans for the building, including significant investment and improving the community facilities provided at the venue. Their plans will transform the Drill Hall into their home for the church and a thriving community facility that can be used by the whole community.

The building requires significant investment and there is a genuine risk, particularly if Horsham District Council retains ownership, that the Drill Hall will be required to close for a period of time, with significant investment required to bring it up to an operational level.

Recommendations

The Cabinet is recommended:

- i) To approve that the Drill Hall be sold to Lifespring Church, subject to:
 - a) Lifespring obtaining the appropriate planning use class for the building
 - b) Ministry of Defence approval for the sale
 - c) Appropriate covenants being agreed to ensure that the site remains for community use into the long term, with overage clauses to the benefit of HDC also in place should it ever be sold.
 - d) Completion of the Asset of Community Value process
 - e) A satisfactory sale figure for the property being agreed.
- ii) To delegate authority to the Director of Communities, in consultation with the Cabinet Member for Local Economy and Place, to agree the sale once all of the above conditions have been satisfied

Reasons for Recommendations

- i) To ensure a sustainable future for the Drill Hall.

Background Papers

Lifespring Church Proposal Document

District Wide Community Facilities Assessment 2021

(https://www.horsham.gov.uk/_data/assets/pdf_file/0004/104818/FINAL-REPORT-WITH-EXEC-SUM_V3.pdf)

Wards affected: Horsham Town Wards (Denne, Forest, Trafalgar)

Contact:

Paul Anderson, Director of Communities

Background Information

1 Introduction and Background

- 1.1 The Drill Hall forms part of a transfer to Horsham District Council from the Ministry of Defence, of land comprising the Drill Hall, Dukes Square Car Park and other associated buildings in 2001. Parts of the title have been sold on, including Mill River Lodge, Lavinia House and Observer Court, which is social housing to the rear of the site.
- 1.2 There is a restriction in the title that the site is to be used for community purposes, car parking, hostel or flats (but not market housing). This restriction expires in March 2052. The proposal to provide affordable housing fell outside of this covenant, although the Ministry of Defence (MOD) confirmed at the time that it was an acceptable use and considered that it fell within the principles of the covenant.
- 1.3 The building was built in 1927 and while it is in sound structural condition, the building has shortcomings, including that the space lacks flexibility and poor thermal performance when comparing it to modern community use buildings. Substantial expenditure is required to modernise and update the building to make it fit for purpose as a modern facility and to improve the energy efficiency of the building.
- 1.4 In January 2020 Cabinet considered a report that recommended that the Drill Hall would be decommissioned, and the site redeveloped for the provision of affordable housing, with the community facilities being provided at a proposed new community facility at Highwood.
- 1.5 Following a significant public response to the proposals, the Council agreed to commission an independent study of the community buildings and facilities across the district and in Horsham Town; test whether there were organisations or community groups that wanted to manage and run the Drill Hall and to consider viable bids for its ongoing management and; decommission the Drill Hall if no viable bids were submitted and to replace it with affordable housing.
- 1.6 Following the conclusion of that process, in October 2021, Council agreed to lease the building to the Horsham branch of the Royal British Legion (RBL) for a period of 30 years, with the RBL having the right to buy the building at the end of that lease period.
- 1.7 In October 2022, the RBL's Head Office advised that they did not support the investment required into the Drill Hall on the basis that it wouldn't deliver sufficient value for money for their members.
- 1.8 Lifespring Church approached Horsham District Council in May 2023 with a proposal to lease the building on the same terms as offered to the RBL for them to use as the home for their Church and to provide a modern community facility.
- 1.9 Discussions have been ongoing since then, and this report recommends the sale of the Drill Hall to Lifespring Church.

2 Relevant Council policy

- 2.1 This recommendation is directly linked to the 'Supporting People and Communities' priority, as it will create a significantly improved community facility in Horsham town centre. It also meets the 'Inspiring Greener Futures' priority, as Lifespring Church will significantly improve the carbon efficiency of the building. It is also in line with 'Always Listening, Learning and Improving' as the recommendation will lead to reduced expenditure for the authority. Furthermore, the basis for the recommendation to retain the building as a community facility is following the strong public reaction to the proposals for housing in 2020.

3 Lifespring proposal

- 3.1 Lifespring Church was established in 2019 and has a congregation of around 200 people. Its vision is to 'Love God, Love People, Love Horsham' and it has the ambition to be based in the heart of Horsham town. Since 2019 it has hired the Capitol Theatre for its Sunday worship, and more recently started hiring the Drill Hall on Sundays. Its administrative base is currently in Southwater, from where they also offer a range of community support services including various advice services and a food bank, in partnership with Horsham Matters.
- 3.2 Lifespring have a clear vision for the Drill Hall. As well as becoming the home for the church, they intend to create a community centre and a conference centre.
- 3.3 The community centre would provide accessible space for use by youth counsellors, social prescribers and community support workers etc. It would also provide a family hub providing support and advice on a whole range of services including employment support, welfare and benefits advice and gambling addiction support.
- 3.4 The conference centre would have a capacity of around 300, and would offer catering facilities, a café and break-out space.
- 3.5 More broadly, they would invest in high quality audio-visual facilities to create a music venue and will also use the facility as an art gallery.
- 3.6 Purchasing the facility would allow them to make a significant Capital investment into the building, that they have estimated to be in the region of £3.5 - £4m.
- 3.7 Lifespring initially approached HDC around the possibility of leasing the building on the same terms as had been offered to the RBL. Whilst undertaking due diligence, it became apparent that this wasn't a practical option as there is a piece of legislation (Places of Worship (Enfranchisement) Act 1920) which sets out that any church that is leased a building by a local authority for a period of 21 years or more, has the right to buy the property at market rate. The investment that Lifespring would need to make would not be viable over a 20 year period and therefore the only option available to the Council is around a sale.

4. Factors for Consideration

- 4.1 Section one of this report sets out the background to the Drill Hall. It is important to recognise the current state of repair of the building. It has not had any significant investment since HDC acquired the building in 2001. Of the four boilers that heat the building, three have failed. The boilers are so old that parts can no longer be

purchased and when the final boiler fails, the building will need to close. Replacing the boilers with new gas boilers is not in line with the Council's carbon net zero aims. We have reached the point where a decision has to be made on the future of the building.

- 4.2 The building's current Energy Performance Certificate (EPC) Rating is D. There is a requirement for all commercial buildings to be C rated by 2027 which is another imperative to invest in the building to ensure it can remain operational.
- 4.3 If HDC decided that it wished to retain the building, there would need to be investment of around £1.5m, at a minimum level to bring it in line with basic standards and to achieve the 2030 net zero target. In addition, there would need to be increased revenue spending for the building in terms of management and marketing.
- 4.4 Furthermore, due to the investment needed to bring the building to a decent standard, there are almost no local organisations with the financial backing to acquire the Drill Hall. Following the January 2020 Cabinet meeting, the Council actively sought proposals for groups to take on and manage the facility, there were only three bodies who developed bids, two of which were withdrawn. This left the RBL as the only offer available to consider.
- 4.5 In the period since the RBL withdrew, Lifespring are the only body to have approached HDC. If the desire is to retain the site for community use, they are the only option, unless HDC wanted to fund it. That said, the building is listed as an Asset of Community Value and there is a formal process that must be followed before a sale is confirmed, which is detailed in paragraph 5.3 below.
- 4.6 A key factor around the Lifespring proposal is that as it will be the home for their church, it will have an inherent high level of use. It will be used for worship on a Sunday, and for various church related activities throughout the week, as well as their advice and support provision. That basic core use for the building places them in a stronger position to succeed in community provision. If the Council was to manage the facility, there would be very little in the way of guaranteed, ongoing usage means that there would have to be a significant focus on filling the venue seven days a week. Lifespring would not have this pressure.
- 4.7 Accepting the Lifespring proposal provides the best guarantee that the venue will receive investment in a more timely manner. Lifespring have made good progress on the development of their plans in accordance with the RIBA stages and subject to Cabinet approving this report, will be able to continue with that planning to commence works to the building in early 2025.

5. Conditions of Sale

- 5.1 The Drill Hall is a complex site and the sale won't be a straightforward process. It is therefore recommended that the sale is approved, subject to a series of conditions being met. The most significant complexity is as a result of a restrictive covenant placed on the site by the MOD which sets out that they will receive 85% of any gain from the disposal of the building for non-community facilities. This covenant is in

place until 2052.

- 5.2 The current HDC Local Plan sets out, regarding the site, that “Proposals that would result in the loss of sites and premises currently or last used for the provision of community facilities or services, leisure or cultural activities for the community will be resisted unless equally usable facilities can be conveniently provided nearby. It will be necessary to demonstrate that continued use of a community facility or service is no longer feasible, taking into account factors such as appropriate marketing, the demand for the use of the site or premises, its quality and usability, and the identification of a potential future occupier.” It is considered that the Lifespring proposal clearly meets this requirement.
- 5.3 It is therefore recommended that the sale is agreed subject to the following conditions being satisfactorily met:

Planning Permission: Lifespring are following the RIBA process for the works to the building and have had positive initial pre-application discussions with the HDC Planning Team. The key planning issue that underlines their ambition is around if any changes are needed to the planning use class. The Drill Hall is currently planning use class F2 (Community buildings) whereas a primary use for a church is planning use class F1. It would therefore need to be established what the primary use of the building would be.

It is not recommended that the sale is subject to the plans for all of the works to the building, simply that Lifespring have the right planning permission to use the Drill Hall for their purposes.

Ministry of Defence Approval: We would need confirmation from the MOD that the Lifespring proposal meets their definition of a community facility. We don't anticipate any issues with this, but the process will need to be complete.

Agreement on future covenants and overage clauses: A key aspect of the sale is to ensure that the Drill Hall is secured as a community facility for the long term future. Covenants will be developed to ensure that the site is secured as a community facility into the long term. Overage clauses will also be developed to the benefit of HDC, should the site be sold for non-community purposes.

An agreed sale price: HDC have had the site valued. Local Authorities are under a legal obligation to achieve Best Value for any asset sale under Section 123 of the Local Government Act 1972.

Completion of the Asset of Community Value Process: The Drill Hall is listed as an Asset of Community Value (ACV). That means that any decision to sell the asset triggers the ACV process. The initial stage will be that the decision to sell the asset is advertised and then organisations have a six week period to advise the Council that they would like to develop a bid for the property. There is then a six month period for them to do this. It doesn't require the authority to sell to other bidders, but their bid needs to be considered alongside the existing proposal.

6 Next Steps

- 6.1 The next steps will be around progressing the matters set out in paragraph 5.3. Lifespring will liaise with the Planning Team around the planning requirements. HDC will commence the ACV process. The Property Team will liaise with the MOD and negotiate the price with Lifespring. External solicitors will be used to develop the covenants and overage clauses, and undertake the works required for the sale.

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

- 7.1 The proposal was discussed at the Local Economy and Place Policy Development Advisory Group on 4 March 2024, to which Members of the Housing & Communities and Leisure, Culture and Green Spaces PDAGs were also invited. The group raised no objections around the recommendation that would be made to Cabinet.
- 7.2 An all Member seminar was also held in October 2023 where Lifespring presented their vision for the Drill Hall and took Member questions.
- 7.3 Consultation took place with the community during September/October 2023. The Lifespring proposal was publicised through a joint press release between HDC and Lifespring and was covered in the local media and shared extensively on social media. Officers wrote to all regular users of the Drill Hall to invite feedback and a specific email address set up for public feedback. The overall response was broadly positive that the facility would be improved and community access maintained. The response on social media was similarly positive from an overall perspective. There were a small number of objections, with some people believing that HDC should invest in the building and continue to manage it, and others who objected to a religious organisation acquiring the building. Some objections related to objections to elements of Lifespring's perceived beliefs.
- 7.4 Lifespring engaged directly with current users of the Drill Hall, who expressed their support for the proposals. Lifespring have stated that all the current users of the building will be able to continue to use the building, with the exception of an artist who rents a room there full time. The beer festivals and Sussex Arts Festival will both be able to continue under Lifespring's stewardship.
- 7.5 Prior to the publication of this report, the Leader of the Council and Director of Communities met with Horsham Blueprint, Horsham Society, the Queen's Regiment, the Royal British Legion and the chairmen of Denne, Trafalgar and Forest Neighbourhood Councils on the proposal. They fully understood the recommendations that would be put to Cabinet and indicated their support for the proposal.
- 7.6 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity.

8 Other Courses of Action Considered but Rejected

- 8.1 There are essentially two other options. The first is for HDC to invest in the facility and manage it as a community centre. This would require significant capital investment and ongoing revenue costs that would not deliver any kind of financial

return. In considering this option, it was recognised that this is a failing building and that it is very likely that when the final boiler fails it will need to be closed for a period of time whilst HDC developed a plan for the building, commissioned architects and produced a costs proposal for both short term capital and long term revenue implications. This would undoubtedly lead to a prolonged period of closure.

- 8.2 The second option is to re-consider the original proposal for the site in 2020 was for it to be redeveloped for the provision of affordable housing. This falls within the allowed uses for the site. There was a significant community backlash to this proposal, and it is not anticipated that there will have been a huge shift in the view of residents regarding this.

9 Resource Consequences

Financial overview

- 9.1 Selling the facility will lead to an ongoing Revenue saving of £60,000 pa. It will also ensure that HDC is not required to meet significant capital costs to maintain the facility in the short term and ongoing revenue costs in the long term. None of these costs would deliver a financial return.
- 9.2 We do not have capacity within the legal team to undertake the necessary contract work so external solicitors will be instructed. The cost of this is estimated to be up to £12,000 and will be funded from within existing Property Budgets.
- 9.3 Any redundancy and pension costs would be offset by salary savings, within a payback time of less than two years.

HR and staffing considerations

- 9.4 HDC has a full time member of staff who is responsible for the Drill Hall. He also lives on site. Subject to consultation, it is unlikely that TUPE provisions would apply and the post would become redundant. The Council's Organisational Change Framework sets out the handling of redeployment efforts and redundancy processes that would have to be followed. The officer would be supported by the Housing Team regarding his housing need.

10 Legal Considerations and Implications

- 10.1 The Council have powers under Sections 123 and 127 of the Local Government Act 1972 to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease and granting of easements. The only restriction is that a disposal must be for the best consideration reasonably obtained otherwise consent is required from the Secretary of State.
- 10.2 In ascertaining 'best consideration' the Council is recommended to obtain a realistic valuation at open market so that it can determine whether the proposed price is the best consideration which can be reasonably obtained for the land.

- 10.3 In order for the Consent Order to apply the disposal would need to promote or improve the economic, social or environmental wellbeing of the area. In all cases, disposal at less than best consideration is subject to the condition that the Undervalue does not exceed £2m.

11 Risk Assessment

- 11.1 The most significant risk to HDC is through taking no action. Not proceeding with a sale to Lifespring will expose HDC to significant reputational and financial risks that would develop when the building ceases to become an operational facility through the failure of the boiler system.
- 11.2 There are risks relating to the completion of the sale, should agreement not be reached on the value, covenants or overage clauses. It is considered that the risk of this is relatively low as Lifespring are committed to the site being used as a community facility in the long term. There is also a risk around the MOD not considering the use to meet the community use requirements, although this is considered to be a minimal risk.
- 11.3 There may be a longer term risk around Lifespring not being able to fund all of the works required to operate the building. There is no suggestion today that that is the case. If Lifespring ceased to operate, or had to sell the site, HDC could consider in the future whether it would wish to buy it. That said, this is not considered to be a significant risk in the foreseeable future. Lifespring have access to cash reserves and are able to access funding through borrowing.

12 Procurement implications

- 12.1 There are no procurement implications as a result of this report.

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

- 13.1 Lifespring will make significant improvements to the building that will make it more accessible to the whole community. The facilities for disabled people will be significantly improved compared to the current offer.
- 13.2 Lifespring have been clear that the facility will be available and accessible to everybody in the community, in line with their vision to 'Love God, Love People, Love Horsham'.
- 13.3 There are no practical barriers to accessing the facility. Lifespring have been clear that all current hirers of the facility will continue to be able to hire the venue for the various uses. They have also been clear that people who represent all of the protected characteristics will be able to hire and use the venue.
- 13.4 There will be a number of uses that may not be acceptable, which would be the case for any hall or event space. For instance, Lifespring have set out that they

won't be hosting wedding receptions. Their view is that people can access more appropriate facilities at a hotel, and therefore that won't be an option at the Drill Hall. There will no doubt be other examples, as there are at all venues.

- 13.5 There may be a perception amongst some people that the facilities at the Drill Hall, and the community support that will be provided by Lifespring may not be accessible to everybody, whatever their protected characteristic.
- 13.6 Lifespring have been clear that the building and their services will be accessible to anybody and any group. That said, there will be some types of advice and support that they will not provide and would simply signpost people to other groups. Officers have discussed these matters at length with Lifespring and are content that they will operate fully in line with the Equality Act 2010.

14 Environmental Implications

- 14.1 As part of their plans to develop the building, Lifespring will be working towards making the building more thermally efficient while also removing the high carbon gas use in line with HDC's 2030 target. The Drill Hall created 34 tonnes of carbon emissions in 2022/23

15 Other Considerations

- 15.1 None.

Report to Cabinet

21 March 2024

By the Cabinet Member for Finance and Resources.



DECISION REQUIRED

Not Exempt

One-off cost-of-living award

Executive Summary

To offer a “one-off cost-of-living award” supplement to our employees on Grade 4 and below, of £450 p.a., pro-rata, payable monthly from 1 April until the national pay award for 2024/25 can be implemented, but with a maximum duration of nine months (whichever is earlier).

The Unison Regional Officer and the Chair of the Horsham Unison branch confirmed to make a positive recommendation to their members to accept that offer.

Projected costs are around £100,000.

Recommendations

Cabinet is recommended to:

- i) ask Council to approve an increase of £100,000 in the income and expenditure revenue budgets in 2024/25 for the cost-of-living award.

Reasons for Recommendations

- i) To support council employees on lower grades with managing the increased cost of living and bridge the anticipated delay in the national pay settlement for 2024/25.
- ii) Full Council must approve the allocation of funds outside budget.

Background Papers

None.

Contact:

Robert Laban, Head of Human Resources and Organisational Development
Robert.laban@horsham.gov.uk

Background Information

1 Introduction and Background

- 1.1 The trade union UNISON is recognised by the council for collective bargaining. In December 2023, the UNISON Horsham Branch Executive requested the introduction of a “Horsham Weighting” of £750 p.a. on all pay points, at a projected cost of £420,000 p.a. recurring, to better address living in a high-cost area. National pay awards do not address local cost-of-living variations and at times of high inflation the pay in high-cost areas in particular is not keeping up with the rising costs-of-living. That request was deemed as being unaffordable.
- 1.2 UNISON accepted the affordability considerations but put forward anecdotal evidence of council workers having to resort to food banks, with inflationary costs for food not falling in line with the falling headline inflation figures. Following consultation with the Senior Leadership Team (SLT) and UNISON an amended proposal for a “one-off cost-of-living award” supplement (the “award”) was informally put to Cabinet.

2 Relevant Council policy

- 2.1 The recommendation within this report would support lower paid officers and therefore would support the delivery of the Council Plan as a whole.
- 2.2 The council follows the annual National Joint Council (NJC) pay awards and sets out any locally agreed provisions in an annual [Pay Policy Statement](#). Changes to the pay policy and changes that are not within the agreed staffing budget will be decided upon by full Council.

3 Details

- 3.1 The revised proposal concentrates on the lower grades up to Grade 4, spinal column point 20 on the NJC pay scale (up to £15.70 p.h.), rather than being applied to all grades, which makes it more affordable. Just under half of all employees would benefit from the award.
- 3.2 The proposal is for an award of £450 p.a., pro-rata for number of hours worked. That award must be pensionable in line with the Local Government Pension Scheme and attracts Employers’ National Insurance contributions, increasing the costs by 30 percent to around £580 p.a. per full-time equivalent employee (fte).
- 3.3 Costs are around £100,000, as set out in s.7.1. This would add between 1.5 and 1.9 percent to the gross pay for the grades in scope, based on a per annum calculation.
- 3.4 To avoid a ‘cliff edge’ of the award coming to an end, the proposal is linked to the implementation of the annual NJC pay settlement. Historically, these pay settlements happen late in the year and are then backdated to April. For example, in the financial year 2023/24 the pay settlement was paid in December 2023. Therefore, employees do not receive their annual NJC increase on time, which would relieve some of the inflationary pressures, and the proposal will bridge the

time until the NJC pay settlement can be paid and provide some extra help, as it would be additional to the NJC pay settlement. To contain potential costs in case of an even longer NJC pay settlement delay, the award is capped for the duration of 9 months, whichever is earlier.

- 3.5 There are two full incremental points between Grades 4 and 5, providing a good differential between the grades, which avoids a need for introducing gradual steps.
- 3.6 Casual workers on Grade 4 and below should equally be in scope for the award, pro-rata for hours worked.
- 3.7 The award is a “one-off” award payable in 2024 only, from April until the implementation of the NJC pay settlement or until December 2024, whichever is earlier, and payment is calculated for 9 months pro-rata, payable in equal monthly instalments.

4 Next Steps

- 4.1 Once approved, the Pay Policy Statement for 2024/25 (in draft) will reflect the award. Payroll will make a retrospective payment from April 2024.

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

- 5.1 The proposal was not considered by PDAG. SLT and UNISON consulted throughout January and February 2024 and the UNISON Regional Officer, and the Chair of the Horsham Unison branch confirmed that they will make a positive recommendation to their members to accept that offer.

6 Other Courses of Action Considered but Rejected

- 6.1 To bring fewer grades or more grades in scope for the award or increase or decrease the value of the award was considered.
- 6.2 Having the cut-off point at Grade 4 brings almost 50 per cent of employees into scope and was seen as a good balance of maximising the numbers of employees who would benefit with affordability. Although it was recognised that employees on higher grades are also affected by high inflation, it was felt that the effects are more manageable by individuals on higher grades. A lower award would not make a big enough impact on increasing the take-home pay.

7 Resource Consequences

- 7.1 Additional funds became available this year because of a slightly higher Final Settlement from Government in February 2024 than was expected at the Provisional Settlement in December 2023. Therefore, £100,000 has been set aside for the award. Projected costs for the award of £450 p.a. to just over 200 fte plus casual workers, plus 30 per cent on-costs, pro-rata for 9 months’ maximum duration are expected to be at the budgeted figure.
- 7.2 There is no ongoing impact of this award in revenue budget terms on the Medium-Term Financial Strategy, as this is a one-off award.

8 Legal Considerations and Implications

8.1 The legal and governance implications have been incorporated into this report.

9 Risk Assessment

9.1 There is a risk of employees on grades 5 and above being aggrieved for not being in scope for the award. There is, however, clear incremental headroom between grades 4 and 5 of just over £1,000, so an award of £450 p.a. would still provide a good differential between the grades. Also, the award of £450 p.a. would diminish in terms of percentage of salary and would make lesser impact the higher the grade, particularly for those employees on the higher tax rate. Good communication will be important to contain potential resentment and a joint message with Unison is planned to coincide with the publishing of this report.

10 Procurement implications

10.1 Not applicable.

11 Equalities and Human Rights implications / Public Sector Equality Duty

11.1 The male to female ratio of employees in scope for the award is about 60:40 overall, which is due to the large number of mainly male operational employees on Grade 2. The gender ratio is more even for employees on Grade 3 and is reversed for employees on Grade 4, with the male to female ratio being 40:60, albeit on lower numbers.

11.2 Fifty percent of disabled employees would be in scope for the award, slightly higher than the overall employee percentage.

11.3 Slightly more than 50 percent of BME employees would be in scope for the award.

11.4 The male to female ratio of Casual workers in scope for the award is 50:50. The number of disabled or BME Casual workers is too low to make an equality inference.

12 Environmental Implications

12.1 There are no environmental implications.

13 Other Considerations

13.1 The council has excellent relations with its employees and Unison. Demonstrating that we listen to their concerns and offer support, balanced with a need for budgetary constraints, will strengthen that relationship.

13.2 The council provides cost-of-living support to residents, and it is apt to also offer cost-of-living support to its lower graded employees.

Report to Cabinet

21 March 2024

By the Cabinet Member for Local Economy and Place

DECISION REQUIRED

Partially Exempt

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



**Horsham
District
Council**

Cleaning Services Contract - contract award

Executive Summary

The purpose of this report is to seek approval to enter into a contract for the cleaning of the Council's operational buildings with the winning bidders of Lot 1 and Lot 2.

With the expiry of the existing contract ending on 31 May 2024, prices were obtained via an open tender process along with three other Councils to obtain economies of scale in pricing.

Both bidders provided winning scores on a basis of 40% quality and 60% price basis and have provided prices that are within the financial budget for 2024/25.

Recommendations

That the Cabinet is recommended:

- i) to approve the award of the contract to the winning bidders for Lot 1 and Lot 2 of the cleaning contract for the Council's operational buildings on the terms contained in the attached appendix.
- ii) to delegate authority to the Director of Place, in consultation with the Head of Legal & Democratic Services to finalise terms and conditions of and enter into a contract with the highest scoring bidders for the cleaning contract

Reasons for Recommendations

A compliant tender process has taken place to select the winning bidders who have confirmed they can deliver the services for the cleaning of the Council's operational buildings in line with the expiry date of 31 May 2024.

Background Papers

Nil

Wards affected: All wards

Contact: Elizabeth Williams, Head of Property and Facilities, 01403 215 150

Background Information

1 Introduction and Background

- 1.1 The two cleaning service contracts that relate to the Council's operational buildings are due to expire on 31 May 2024. The buildings have been split over 2 Lots according to the type of use and need for flexible cleaning requirements. The current contracts are held by two different suppliers.
- 1.2 Due to the total value of the contracts over the 4-year contract term, an open tender process has taken place. To achieve economies of scale and better pricing, the tender also included buildings from three other Councils who form part of the Council's Shared Procurement Service.
- 1.3 The winning bidders for the separate contracts are different contractors. The costs have increased annually in line with RPI and the real living wage so the new pricing will not have a large impact on the budgeted amounts.

2 Relevant Council policy

- 2.1 The tender specifications include a requirement to use sustainable cleaning products, in line with Council's policy for inspiring greener futures.
- 2.2 The specification also requires contractors to pay employees the real living wage which aligns with always listening and improving and responding to inclusion issues and in accordance with the Council's Sustainable Procurement Charter

3 Details

- 3.1 Lot 1 includes the Council's office buildings, (except Parkside), public conveniences, visitor centres in Warnham and Southwater and the common areas within housing blocks. Lot 2 includes the Horsham Museum and The Capitol.
- 3.2 The tender was based on a combination of 60% price and 40% quality. The quality questions required contractors to:
 - demonstrate experience in delivering the contract,
 - outline their resource strategy
 - advise how they would ensure Health and Safety
 - confirm their contract management set up
 - advise how a sustainable service would be delivered
 - confirm the elements of contract mobilisation
- 3.3 Each question was evaluated by a representative from the four Councils giving a score of 0 for unacceptable to 5 as an excellent response.
- 3.4 The proposed winning bidder for Lot 1 achieved a weighted score of 86.40 and provided a contract price that was placed 4th out of 7 companies.
- 3.5 The proposed winning bidder for Lot 2 achieved a weighted score of 90.15 and provided a contract price that placed 5th out of 6 contractors.

4 Next Steps

- 4.1 Due to the total value of the contract approval is required from Cabinet.
- 4.2 Once approved by Cabinet, due diligence of the tender applications will take place. An intention to award letter will be sent to the contractor and a 10-day standstill period will take place before the contract is finally awarded.

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

- 5.1 Consultation has occurred with the Monitoring Officer and the Director of Resources to ensure legal and financial probity.

6 Other Courses of Action Considered but Rejected

- 6.1 A further lot relating to the public conveniences was considered but rejected due to the small number included in this which would then require additional driving over distances.

7 Resource Consequences

- 7.1 The proposed winning bid for both Lots is included in the exempt appendix. Both Lots are under the budgets included in the 2024/25 budget.

8 Legal Considerations and Implications

- 8.1 The Monitoring Officer is satisfied that (i) the Council has effected a legally compliant procurement process, (ii) the Cabinet has the authority to approve the award of the contract to the winning bidder, and, (iii) the decision to procure the cleaning service contracts that relate to the Council's operational buildings, sits within the Council's budget and policy framework.

9 Risk Assessment

- 9.1 A risk exists in relation to Lot 2 with the proposed refurbishment of The Capitol. However, this was declared at the time of tender.
- 9.2 There is always a risk of a contracting company failing however we have mitigated this by the due diligence carried out on the financial strength of the companies and also included this in the weighting within the quality process.

10 Procurement implications

- 10.1 The tender process was undertaken in accordance with the Public Contracts Regulations 2015 and with the Council's Procurement Code. A Procurement Officer oversaw the procurement process.
- 10.2 The tender and selection process is compliant with the Council's procurement policy.

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

- 11.1 Following the experience of a shortage of staff to carry out the current contract we have committed to paying the real living wage ensuring this supports inclusion.

12 Environmental Implications

- 12.1 The requirement to confirm how the contractor will provide a sustainable service was included as one of the questions forming the quality score.
- 12.2 The winning bidder for Lot 1 explained how they utilise electric vehicle and route minimisation. They also use local suppliers to reduce packaging and actively encourage suppliers to do this. Biodegradable chemical and reusable containers are utilised on a daily basis.
- 12.3 The winning bidder for Lot 2 uses hybrid vehicles. They also committed to alternatives from the current unsustainable products used. They train staff to turn off machines not in use and are committed to a supplier code of conduct.

13 Other Considerations

- 13.1 The proposed contractors both have robust policies in relation to crime and disorder.

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By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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