

Overview and Scrutiny Committee
18 MARCH 2024

Present: Councillors: Paul Clarke (Chairman), Sam Bateman (from 5.41pm), Tony Bevis, Philip Circus, Mike Croker, Len Ellis-Brown, Nigel Emery, Alex Jeffery, Liz Kitchen, Dennis Livingstone and Belinda Walters

Apologies: Councillors: Anthony Frankland and Jonathan Taylor

Also Present: Councillors: Jay Mercer and Claire Vickers

SO/53 **MINUTES**

The minutes of the meeting held on 22 January 2024 were approved as a true record and signed by the Chairman.

SO/54 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

SO/55 **ANNOUNCEMENTS**

The Chairman announced that there was the potential of receiving a further sum of money from central government for purchasing a number of homes and invited the Director of Resources to provide further details.

The Director of Resources reported that the Council had been informed by government on 7 March that it had been allocated a £1 million grant under the Local Authority Housing Fund (LAHF) Round 3. If accepted, the Council would need to add £1.3 million of its own funds and use the combined sum to purchase five further homes: two standard size resettlement homes, one large resettlement home and two temporary accommodation homes. The scheme was similar to previous LAHF schemes except that there was a proposed uplift of 10% on the government grant if new homes were delivered. The Council had until the end of March to express its interest in the allocation.

Following the update, Members made comments and asked questions. Among the points raised were:

- The total amount involved across the three schemes. The Director of Resources confirmed that the total amount across Rounds 1, 2 and 2.5 was a government grant of £4.2 million and a Council contribution of £5.25 million. Including Round 3, the total government grant was £5.2 million and the total Council contribution was £6.5 million. This was to provide 29 homes.
- Whether the expected financial benefits from Rounds 1 and 2 had been realised. The Director of Resources confirmed that overall the yield for Round 1 was around 5.26% and the yield for Round 2 was 5.16%

(without the government grant the yield would be just under 3%). This exceeded the yield that the Council generally hoped to receive for housing of between 4% and 5%. He advised that he thought the scheme had been worthwhile financially, considering that the Council was receiving perhaps 5% interest on average on funds held in the bank and there was the potential for the interest rate to fall. Additionally, the scheme enabled the Council to provide affordable housing.

- The impact of the scheme on the Council's housing waiting list. The Director of Resources explained that, unlike the first scheme which involved only resettlement homes, later schemes involved a combination of resettlement homes and temporary accommodation homes. In the longer term, it was hoped that those living in resettlement homes would be in a position to return to their homeland or move on from that accommodation. The Director of Communities confirmed that the homes would become Horsham District Homes stock after six years, at which point they could be used for those on the Council's housing waiting list.

SO/56 **DRILL HALL**

The Director of Communities provided an update on the Drill Hall.

The Drill Hall was acquired by the Council in 2001. There was a proposal in 2020 to use the site to build affordable housing, but this was met with significant local concern and the Cabinet agreed to allow a period of time for community organisations to develop a bid to acquire the site.

The Horsham branch of the Royal British Legion submitted a proposal, the terms of which were a 30 year lease with a right to buy at the end of the lease term. This proposal was approved by Council but did not proceed as it was subsequently not supported by the national Royal British Legion as they considered that it did not represent value for money for their members.

The Council was approached by another organisation, Lifespring Church, in May 2023 with a proposal that they acquire the site on the same terms as approved for the Royal British Legion. Lifespring Church was based in Southwater but worshipped in Horsham town on Sundays, and it was proposed that the site would become their new headquarters.

Lifespring Church would invest a significant sum of money into the site and would provide a range of community support including a foodbank, advice services and after school activities. The site would also be available for community organisations to hire.

Lifespring Church had engaged with all current users of the site and only one tenant would not be able to stay as the arrangement that was in place did not fit with their business model. The Council would consider whether it could accommodate this tenant.

The Drill Hall was a failing building. Three of its four boilers had failed and it was no longer possible to purchase spare parts for them. The building would close once the final boiler had failed and would require significant investment if retained by the Council.

The Drill Hall was also an Asset of Community Value which meant that, if Cabinet approved the disposal, there would be a window of opportunity for any other community organisations to express an interest in, and to develop a bid for, acquiring the site. The Council would have to consider any such bid.

The Council would seek to ensure, as part of the sale, that covenants were put in place to secure that the site was used for community purposes in the very long term, as well as overage to secure a financial benefit to the Council or its successors in the event that the site was able to be sold for some other purpose.

A proposal to dispose of the site to Lifespring Church was promoted in September 2023 and community feedback was encouraged. Whilst there had not been a lot of feedback, the main objections were (i) that the site should be owned and managed by the Council and (ii) objections in relation to religious organisations.

Following the update, Members made comments and asked questions. Among the points raised were:

- Lifespring Church's finances. The Director of Communities confirmed that they had a decent level of reserves. He advised that a significant portion of the purchase would be funded from the sale of their current building in Southwater (for which they had received an offer) as well as being partly funded through borrowing. He explained that the individual who would be leading on the project had industry experience in acquiring and transforming similar sites, and the Council had confidence in the ability of Lifespring Church to acquire the site and deliver the works.
- Which RIBA stage Lifespring Church was at. The Director of Communities advised that, whilst he could not recall which stage they were at, they would not be spending any further money on the project until they had a commitment from the Council.
- What extra facilities would be provided for the community. The Director of Communities advised that a survey of the community halls in Horsham town that had been commissioned in 2021 showed that, as well as being in poor condition, the Drill Hall was used less than 20% of its available time. Other community halls in Horsham town and Roffey had usage of at least 60% and typically 80%, so it was expected that a good facility would have significantly more community bookings. He explained that the facility would be a quality music venue, which would provide opportunities for bands and musicians as well as comedians and entertainment. Other services would include debt advice, family advice and after school clubs. The building would also be reconfigured to create smaller rooms that could be used by different organisations.

- How much the Council had paid for the Drill Hall and how much it had received from disposing of the parcels of land to the rear of the Drill Hall, adjusted to current values. The Director of Resources confirmed that those figures would be provided if possible.
- That residents had not been asked if their views had changed on the original proposal in 2020 for the site to be redeveloped to provide affordable housing. The Director of Communities explained that the current proposal was essentially a continuation of the decision taken in 2021 to lease the property to the Royal British Legion. The affordable housing proposal had not been explored further as there was not any political desire to do so, but he considered that it was unlikely to be viable given the increase in the cost of development since 2021.
- Whether exploring the provision of affordable housing would jeopardise the proposal with Lifespring Church. The Director of Communities advised that Lifespring Church needed a decision from the Council, otherwise they would be exploring alternative sites.
- The current status of the development plans for the wider Drill Hall site. The Director of Communities advised that a proposal for the garage area was approved by Cabinet in 2022 or early 2023 and was going through the planning process. The proposal relating to QM Studios was not taken forward.
- Whether Lifespring Church was committed to the Equality Act 2010. The Director of Communities advised that they had given the Council that assurance.

SO/57 **AN ADDITIONAL SERVICE FOR THE ISOLATED PROPERTY ROUNDS**

The Chairman welcomed the Cabinet Member for Environmental Health, Recycling and Waste to the meeting.

The Cabinet Member provided an update on the proposed additional service for the isolated property rounds. This was the refuse collection service that the Council provided to residents who lived in rural locations which could not be accessed by regular sized refuse collection vehicles.

The Cabinet Member reported that the isolated property collection service had been reviewed following an accident that had occurred over the Christmas period and it was concluded that a smaller refuse collection vehicle should be purchased.

The Cabinet report recommended the approval of an additional capital budget which would cover the cost of the new vehicle and an additional revenue budget which would cover the cost of a new member of staff.

The Cabinet Member explained that the new vehicle would either be an electric vehicle or a HVO diesel vehicle. An electric vehicle would cost around £130,000 with fuel and maintenance of around £15,000 a year, whereas a HVO diesel vehicle would cost around £70,000 with fuel and maintenance of around £35,000 a year. As the Council replaced its vehicles over a seven year period,

an electric vehicle would be more cost effective provided that it was suited to the task.

Following the update, Members made comments and asked questions. Among the points raised were:

- Whether the Cabinet Member was satisfied that an electric vehicle would be able to cover the distance that would be required. The Cabinet Member advised that this would be reviewed as part of the procurement process.
- Whether the Council distinguished between long lanes which were driveways and long lanes which were highways in terms of waste collection points. The Director of Communities agreed to request an answer to that question.
- The ability to extend the charging point that would need to be installed if an electric vehicle was purchased. The Cabinet Member advised that the operation of The Depot would need to be reviewed as a result of the proposals for food waste collections so there was an opportunity for the purchase to be made so that it aligned with those plans.

SO/58 **ONE-OFF COST OF LIVING SUPPLEMENT**

The Head of HR and OD provided an update on the proposed one-off cost of living supplement.

The proposal, which was the result of negotiations with Unison, was for employees on up to Grade 4 to receive a one-off payment of £450. This would impact around 200 employees and would cost the Council around £100,000. Payments would be spread over nine months and would stop if the national pay award was agreed within that period. This was affordable as the Council had received some funds in the central government settlement that it had not expected. The proposal had been accepted by Unison.

The Head of HR and OD advised that he was satisfied with the proposal from an equalities perspective.

The Committee resolved to go into exempt session prior to asking, and receiving answers to, questions on the proposals.

RESOLVED that, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for this item of business, on the grounds that it involves the likely disclosure of exempt information, as defined in Part I of Schedule 12A of the Act, by virtue of paragraph 4 (information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority).

SO/59 **REPORT ON THE COUNCIL'S FINANCE AND PERFORMANCE**

The Director of Resources introduced the report on the Council's finance and performance. The report identified the revenue position as at month ten, capital expenditure as at month ten, and performance for quarter three.

In terms of revenue performance, a surplus of £350,000 was forecasted as at month ten.

In terms of capital expenditure, expenditure as at month ten was £12.2 million, which was 70.5% of the £17 million capital programme. This was an improvement on the previous year when the outturn was £5.2 million or 43%, but there was a concern that performance was slightly masked by Local Authority Housing Fund (LAHF) spend. Excluding the £7.4 million that had been spent on LAHF schemes, performance was £4.75 million, which was 49% of the remaining budget of £9.9 million. The forecasted outturn excluding the LAHF spend was £6.1 million, which equated to 62%. This compared to 78% when the LAHF spend was included. The Director of Resources considered that there was room for improvement and would reiterate to officers the importance of profiling correctly.

The Director of Resources explained that there were still eight schemes to be started in the final quarter and the outturn figures would be adversely impacted by the addition of LAHF Round 2.5 as it was not possible to deliver the spend by the end of the financial year.

The Director of Resources drew Members' attention to three overspends. The first was the purchase of Bramber Brooks which was due to legal fees being higher than anticipated. The second was the LED lighting replacement at The Capitol which was due to additional works being undertaken. The third was the s106 and CIL spend which was due to the budget being set too low; this had, however, been revised for the 2024/25 financial year. In each case, there was sufficient underspend in the portfolio area to offset the overspend.

Key performance indicators for the third quarter (where available) were provided in Appendix A to the report. Only three key performance indicators remained red. These were:

- Quality assurance on the local authority error:
 - 2022/23: The housing benefit audit indicated an extrapolated error of £191,000 of subsidy loss post audit. This was an increase from the previously reported £123,000 pre-audit loss position. This would be reported to the Audit Committee at the end of the month.
 - 2023/24: There was around £45,000 worth of headroom to the lower threshold as at month 11. This was an improvement on the previous year where the upper threshold had already been crossed.
- Fly-tipping incidents
- Households in bed and breakfast accommodation: There had been delays to the Page Court scheme in Horsham which had prevented

nominations to 40 new homes. LAHF Rounds 2.5 and 3 should result in a further four temporary homes.

Members had an opportunity to make comments and ask questions throughout the presentation. Among the matters raised were:

Capital Programme

- Whether capacity to deliver projects was an issue. The Director of Resources advised that capacity was one factor. Other factors included overambition and third parties working to different timescales. He explained that changes had been made but there was room for further improvement. Other local authorities he had looked at delivered around 70% to 80% of their capital programme on average, and the Council was getting closer to that.
- Why the legal fees for the purchase of Bramber Brooks had been more than budgeted. The Director of Communities explained that the Land Registry searches had identified that there were covenants on the site but the Land Registry did not have a record of what those were. The Council had taken out insurance, which involved additional work and expense.
- The idea of sharing legal services with neighbouring local authorities with a view to maximising expertise and minimising costs. The Director of Resources explained that the Council had a shortage of professionals in a number of areas including in the Legal team and he suspected that similar shortages existed in neighbouring local authorities. This meant that sharing services would lead to the shortages being pooled. He explained that when the idea was explored previously, some of the other local authorities chose not to proceed. He was not against exploring the idea again, but there were limited resources in which to do so.
- That the overspend relating to s106 and CIL was indicative of the need for improved communication between the district council and the parish councils.

Performance

- A question was submitted in advance as to whether the Council should be doing more than acquiring CCTV cameras to tackle fly-tipping. The Director of Resources explained that fly-tipping was a constant challenge and CCTV cameras were part of the solution. The Council also had a dedicated environmental enforcement officer who was responsible for investigating fly-tips and issuing fixed penalty notices where possible as well as pursuing significant actions against fly-tippers. In addition, the Council worked with Sussex Police, Trading Standards and the DVSA to target vehicles before fly-tips occurred.
- The importance of emphasising that householders could also be liable for fly-tipping if they used an unlicensed waste carrier.
- Whether the Council still occasionally cleared waste that had been fly-tipped on private land and, if so, whether that was reflected in the statistics provided. It was agreed that officers would find out.
- How many times the Council had prosecuted anyone for fly-tipping within the previous 12 months. It was agreed that officers would find out.

- Whether the requirement to display a notice next to the CCTV cameras would move the fly-tipping to other locations. The Director of Communities confirmed that this was a possibility, however, the CCTV cameras were situated in locations where there was a high volume of fly-tipping and some individuals did not take notice of the signs.
- Whether the increase in fly-tipping incidents had coincided with the decision of West Sussex County Council to move its tips to appointment only. The Cabinet Member for Environmental Health, Recycling and Waste advised that the majority of fly-tipping incidents involved commercial waste and the arrangements at the tips were for domestic waste.
- The impact of the arrangement with Turning Tides on the number of households in bed and breakfast accommodation. The Director of Communities advised that Turning Tides at Roffey Place had helped 49 individuals out of bed and breakfast accommodation so he considered that there had been a positive impact, albeit there were continued pressures on the housing market.
- Whether the Council's parking revenue had been impacted by Sainsburys offering free parking. The Director of Resources confirmed that the Council had started to look at this but it was very difficult to quantify. He advised that there probably had been an impact, albeit not a significant one. It was not, however, known whether Sainsburys would offer free parking indefinitely.
- Whether the 95% target for the number of invoices paid on time was a national target. The Director of Resources confirmed that it was. He was comfortable that this performance indicator was rated 'amber' on the basis that officers were being cautious and checking before making payments so as not to incorrectly pay.
- Whether the consolidation of benefits by central government would have a positive impact on the performance indicator for the quality assurance error through reducing the number of payments the Council had to make. The Director of Resources confirmed that benefit consolidation would reduce the amount of housing benefit the Council had to pay, however, he suspected that the less complex cases would be moved to Universal Credit first, leaving the Council with the more complex cases where errors were more likely to be made.
- Whether the target values for the KPIs would be reviewed. The Director of Resources confirmed that these would be reviewed and he considered that there was room for improvement.

SO/60 **UPDATE FROM TASK AND FINISH GROUPS**

Fair Space Task and Finish Group

The Chairman reported that Councillor Vickers had offered to join the Fair Space Task and Finish Group.

Councillor Bateman provided an update on the Task and Finish Group. She had been working with the Democratic Services Officer on the first draft of a survey

and the Group was scheduled to hold its next meeting the following week. She advised that Councillor Beard had also offered to join the Task and Finish Group.

In response to a question raised as to whether the Group would be looking at a new park that was due to be set up in Holbrook East ward, Councillor Bateman advised that the Group had not been given sight of, or been asked to share opinions on, that new facility.

The Chairman agreed to find some additional Members to join the Task and Finish Group in view of the possibility of Councillor Emery stepping down should he become Chairman of the Council.

Lease Contracts Task and Finish Group

Councillor Walters provided an update on the Lease Contracts Task and Finish Group following its first meeting, where Members had been joined by the Head of Property and Facilities.

She advised that the name had been changed from Building Contracts to Lease Contracts on the basis that it more accurately reflected the purpose of the Task and Finish Group.

She reported that the Head of Property and Facilities had agreed to provide access to six lease agreements that Members had immediate concerns about, and that Members had also decided that they wished to observe an ongoing negotiation on one of the Council's assets.

It had also been agreed that the Head of Leisure and Culture and the Head of Housing and Communities would be invited to a future meeting due to concerns Members had about contracts which did not fall within the remit of the Head of Property and Facilities.

Councillor Walters highlighted a potential resource issue in collating the information that Members were seeking.

Subject to resources being available, the Group was intending to report to the Overview and Scrutiny Committee in July with a view to concluding its work in September.

s106 (Non-Financial) Task and Finish Group

The Chairman reported that there were about seven or eight members who wished to join the s106 (Non-Financial) Task and Finish Group. It was anticipated that the Group would commence its work once the Lease Contracts Task and Finish Group had concluded and reported back to the Overview and Scrutiny Committee.

The Chairman highlighted that the Lease Contracts Task and Finish Group was scheduled to finish in September and the Fair Space Task and Finish Group was scheduled to finish in November.

The Overview and Scrutiny work programme was noted.

SO/62 **CABINET FORWARD PLAN**

The Cabinet Forward Plan was noted.

SO/63 **URGENT BUSINESS**

There was no urgent business apart from the Local Authority Housing Fund Round 3 which had been considered under 'Announcements'.

The meeting closed at 7.41 pm having commenced at 5.30 pm

CHAIRMAN