

Report to Cabinet

24 March 2022

By the Cabinet Member for Finance and Parking

DECISION REQUIRED



Not Exempt

Grant income from Government received late in the 2021/22 financial year and extension of budget for the Drill Hall into June 2022

Executive Summary

Three grants were received very late in the 2021/22 financial year, that were unexpected and do not have budget lines for the income or expenditure in 2021/22. All three grants can be carried forward into 2022/23 if unspent at 31 March 2022.

The grants are to be spent for cyber-security, biodiversity net gain and to establish a business case to support future funding bids to create a collaborative co-working space in Horsham Town.

The Royal British Legion has recently made us aware that due to internal delays with their central surveyors and valuations teams, it is increasingly unlikely to be able to agree legal terms over the Drill Hall before the agreed handover date of 1 April 2022. This report requests that a short-term budget for operating the Drill Hall is created in 2022/23. The net cost is estimated to be £9,600. This will enable the discussions and any legal work to continue to the end of June, and the Drill Hall to remain open during this time.

At a meeting of the Standards Committee on the 16 March 2022 it was resolved to give approval for the Monitoring Officer to instruct Hoey Ainscough Associates Ltd to undertake a review of Steyning Parish Council and to provide support for Steyning Parish Council. The costs of the review will in the region of £20,000.

Recommendations

That Cabinet recommend to Council to:

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

- v) approve the budget sum of £20,000 in 2022/23 to pay for a review of Steyning Parish Council to be conducted by Hoey Ainscough Associates Ltd.

Reasons for Recommendations

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

Background Papers: None

Wards affected: All

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Background Information

1 Introduction and Background

- 1.1 Three grants were received late in the 2021/22 financial year and were unexpected. The paper sets out what the grants are for and requests that Council approve the income and expenditure for the purposes intended.

2 Relevant Council policy

- 2.1 The Corporate Plan 2019-23 includes:
- 2.2 Activity 5.1.1 Ensure digital technology strategy is up-to-date, efficient and effective.
- 2.3 Activity 1.4.2 Prioritise environmentally sound policies that enhance biodiversity alongside new development. And Activity 4.1.9 Embed biodiversity into our planning policies for a sustainable built environment which delivers net biodiversity gains and protects the natural environment.
- 2.4 Activity 2.1.2 Work with public sector partners to ensure business opportunities are created on sites.

3 Details

- 3.1 On 28 February, the Council received £100,000 from the Department for Levelling Up, Housing and Communities (DLUHC), consisting of a base grant allocation of £75,000 towards the delivery of our Cyber Treatment Plan and an additional £25,000 to support actions to reduce risk created by use of legacy operating systems. This is part of DLUHCs Local Digital Cyber Support Programme.
- 3.2 On 28 February 2022, the Council was made aware of a Grant Determination that we were eligible for a £10,047 for Biodiversity Net Gain Grant in 2021/22. Under the terms of the grant, the Council has raised an invoice to the Department for the Environment, Food and Rural Affairs for payment in March 2022.
- 3.3 Biodiversity net gain (BNG) is an approach to development that leaves biodiversity in a measurably better state than before. This means protecting existing habitats and ensuring that lost or degraded habitats are compensated for by enhancing or creating habitats that are of greater value to wildlife and people.
- 3.4 The Environment Act 2021 includes provisions that make the achievement of 10% biodiversity gain mandatory for developments under the Town and Country Planning Act 1990. The requirement is due to come into force in late 2023. The funding will be used in strategic development to support the introduction of BNG.
- 3.5 Examples of an effective use of the funds could be for local planning authorities to expand their ecologist capacity and upskill current ecologist resource with regards planning application assessment and preparation for the introduction of the mandatory biodiversity net gain requirement.

- 3.6 In March 2022, the Council has also been informed it will receive £35,000 of grant funding from Coast 2 Capital Local Enterprise Partnership (LEP) to establish a full business case to support future funding bids to create a collaborative co-working space in Horsham Town.
- 3.7 Coast 2 Capital have indicated that having a full business case prepared will place projects in a ready position to apply for further investment or borrowing, that would in turn enable them to be delivered.
- 3.8 The Royal British Legion has recently made us aware that due to internal delays with their central surveyors and valuations teams, it is increasingly unlikely to be able to agree legal terms over the Drill Hall before the agreed handover date of 1 April 2022. This report requests that a short-term budget for operating the Drill Hall is created in 2022/23. The net cost is estimated to be £9,600. This will enable the discussions and any legal work to continue to the end of June, and the Drill Hall to remain open during this time. If not resolved before, an update will be provided to Cabinet on 9 June 2022 and the Council meeting on 22 June 2022.
- 3.8 At a meeting of the Standards Committee on the 16 March 2022 it was resolved to give approval for the Monitoring Officer to instruct Hoey Ainscough Associates Ltd to undertake a review of Steyning Parish Council and to provide support for Steyning Parish Council. The costs of the review will in the region of £20,000. Please see the report of the Standards Committee giving details of the review, which is available via this link at [Standards Committee - agenda item 6](#)

4 Next steps

- 4.1 Recommendations will be made to Council to accept the grants and set up revenue budgets for income and expenditure in 2021/22. Any unspent grant at 31 March 2022 can be carried forward into 2022/23. Any grant funding not used in line with the grants and in the timescales required by the grant funder will be returned.

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

- 5.1 This was unexpected Government and LEP income that arrived late in the financial year. Due to the late nature of the funding, it was not possible to fully brief the Finance and Parking PDAG in advance of the Cabinet meeting. The Cabinet member for Finance and Parking was made aware of the grant income and proposed expenditure areas. Cabinet Members have been made aware of the delay in handing over the Drill Hall to the Royal British Legion.
- 5.2 The Monitoring Officer and the Director of Corporate Resources were consulted.

6 Other courses of action considered but rejected

- 6.1 Not accepting the grant income was rejected, as the Council can use this money for the intended objectives that will benefit the residents of the district.
- 6.2 Closing the Drill Hall was rejected, because there are regular users who require hire of the facilities which we do not want to let down. The Council also wishes to pass

these regular users over to the new operator of the Drill Hall, which will help with their income, thereby making it more likely to succeed.

7 Resource consequences

- 7.1 Grant income and subsequent expenditure will result in nil net impact on the Council's budget for 2021/22, or in 2022/23 should any unspent grant be carried forward into 2022/23.
- 7.2 Any unspent grant will be returned in line with the conditions and timescales of the grants.
- 7.3 The estimated revenue impact for continuing to operate the Drill Hall is £9,000 income and £18,600 expenditure, which is a net cost of £9,600 in the 2022/23 budget.

8. Legal considerations and implications

- 8.1 All changes to the budget framework, including adding grant money, are a reserved matter of full Council.

9 Risk assessment

- 9.1 There are limited risks involved. No expenditure will take place until the grants have been received. Budget holders will be responsible for ensuring that the expenditure is eligible in line with the terms of the grants.

10 Procurement implications

- 10.1 Any procurement of services in the expenditure of the funds will be procured through the standard procurement rules.

11. Equalities and human rights implications / Public Sector Equality Duty

- 11.1 There are no equalities and human right implications.

12 Environmental implications

- 12.1 There is no impact on the environment from this paper.

13 Other considerations

- 13.1 There are no consequences on GDPR/Data Protection; or Crime & Disorder from this paper.