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Overview and Scrutiny Committee 23 JANUARY 2023

Present: Councillors: Tony Bevis (Chairman), Philip Circus, Paul Clarke, Ruth Fletcher, Billy Greening, Nigel Jupp, Richard Landeryou, Bob Platt and David Skipp

Apologies: Councillors: Ian Stannard, Tim Lloyd, John Milne and Jack Saheid

SO/45 MINUTES

SO/46 MINUTES OF 26 SEPTEMBER

The Minutes of the meeting held on 26 September were approved as a true record and signed by the Chairman.

SO/47 MINUTES OF 21 NOVEMBER

The Minutes of the meeting held on 21 November 2022 were approved as a true record and signed by the Chairman.

SO/48 DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest.

SO/49 ANNOUNCEMENTS

The Chairman reminded Members that the Chairman of Overview & Scrutiny, the Leader of the Council and the Cabinet Member for Finance and Parking are authorised to agree minor changes to the budget. The following changes had been approved since the previous meeting:

- Receipt of a £24,000 grant from DEFRA for a particulate matter analyser in Storrington, which would provide valuable air quality data
- Receipt of a £24,500 grant from Government to fund additional work as a result of the implementation of the Elections Act 2022
- Receipt of a £60,700 grant as a winter top up, to provide homelessness support

In addition, a grant for £2.656m from the Government has been made available, to which Horsham District Council would need to supplement an additional £3.21m. This grant was to provide housing for Ukrainian and

Afghan refugees. The decision to accept this funding would be a decision for Full Council. The Director of Resources advised that the short-term aim would be to support those fleeing conflict, however, longer term the housing would be made available to those on the housing register. The Committee were advised that there would be a financial return on investment from rental income. The challenge would be sourcing the stock by the end of November 2023, which was the deadline set by the Government.

SO/50 **UPDATES FROM TASK & FINISH GROUPS**

The Chair of the Task and Finish Group in relation to the use of consultants advised that meetings had taken place with the Economic Development and Development Management teams, and a meeting was scheduled with the Strategic Planning team.

Members were advised that there were a variety of reasons for the use of consultants, however the Group had developed preliminary recommendations as a result of these meetings. The Chair of the Group thanked the Director of Resources for providing the required figures. The report of the Group would be considered at the March meeting of the Overview and Scrutiny Committee.

SO/51 **REVIEW OF THE 2023/24 BUDGET AND MEDIUM-TERM FINANCIAL PLAN**

The Director of Resources introduced the report on the 2023/24 Budget and the Medium Term Financial Plan. The cost impact of inflation currently at 10% was noted. It was highlighted that there was a £1.2m net expenditure increase and a risk that cost pressures could increase. The budget included a 2.99% increase in Council Tax, and fees and charges had been increased. The income from treasury management investments would help to meet the increase in expenditure, however the income was likely to cap at 4.25%. The budget has provision for Council Tax support, however a response was awaited from West Sussex County Council as to whether they could also provide support for the scheme. Of the 2023-24 funding guarantee grant, £1.6m would be retained for the collection of food waste service, as this service will be mandated in the future, at a cost of between £1.3m to £1.6m. The new homes bonus was earmarked to reduce the environmental impact and improve infrastructure. The Medium-Term forecast is a £3m future deficit by 2026/27, and therefore decisions would be required in the coming months to reduce the deficit.

The Cabinet Member for Finance and Parking highlighted the need to produce a balanced budget. It was noted that Horsham District Council charges the lowest rate of Council Tax across East and West Sussex, and delivered an extensive capital works programme alongside this. The support for cost of living and environmental concerns were highlighted as priorities.

The Committee discussed the cost of the implementation of food waste collection, and it was noted that the collection of residual waste on a 3-weekly

basis would cost less than a fortnightly residual waste collection. It was agreed that this should be acceptable to residents, if additional collections took place for other household items that may produce odours.

In relation to providing council tax support, the Cabinet Member for Finance and Parking confirmed that discussions were ongoing with WSCC and the Sussex Police regarding the support they can offer. Members were advised that if WSCC and Sussex Police were not able to support the scheme, the Finance and Parking Policy Development Advisory Group had already considered the possibility of Horsham District Council funding the gap.

Members questioned the income from parking, and it was highlighted that on-street parking fees are lower than off-street parking fees, despite causing more social issues. The Committee were advised that the Parking Manager is undertaking a review of the differentials, in relation to off-street parking and private providers.

The Committee asked whether there were additional costs rising from the delay to the local plan, particularly in relation to defending appeals, cost of officers working on the plan, and planning income. It was confirmed that no budgetary impact was included in the 2023/24 budget.

With regards to the grant for the provision of housing for refugees, Members asked how Horsham District Council would source the funding required. The Director of Resources advised that a decision would be made as to the most efficient and effective strategy at that point. It was likely to come from the general reserve, but may be obtained from capital receipts. It was confirmed that external borrowing would not be required. Members highlighted that the general reserves would be required to fund the budget gap, and that there was a risk that the general reserve level would be low as a result of this. The Director of Resources advised that the intention would be to invest the general reserve, to generate income that would reduce the budget gap and that a minimum general reserve level of £6m would be retained. The Director of Resources agreed to check the minimum CIPFA guideline figure for the general reserve.

Concerns were raised that the current level of general reserves were high, with consideration to households that require support due to the increase in the cost of living. The Committee were advised that the Council has well-funded and resourced community services, which are non-statutory and many local authorities do not provide. The Committee requested that a detailed spending plan for the £1m budgeted to support those would be provided.

The Committee discussed the budget required for capital sums, and the following points were raised:

- The Drill Hall was a key community asset, and any decisions would be made by Full Council

- Broadbridge Heath running track and London Road Car Park, were potential future sites for affordable housing, should it be deemed an appropriate way forward
- Refurbishment work was required for 3 of the leisure centres, and it was proposed that work would take place between contracts
- The Capitol theatre was well loved, and a project was underway to commercialise it
- Billingshurst car park was unable to be restructured under the current lease, but at the point of lease renewal the Council would look to negotiate on more favourable terms to allow work to be undertaken

Members queried the prudence of spending the budget on the museum, due to visitor numbers, and the running track as it is a loss-making asset. The Cabinet Member for Finance and Parking highlighted that these were community assets that it was a priority to retain for residents. The Committee requested further detail on the visitor numbers, against the cost of running the facilities, as well as an update on the 5-year plan for the Horsham Museum. It was noted that the Cabinet Member for Leisure and Culture was due to attend the next meeting of the Overview and Scrutiny Committee.

The Committee asked the Council's position on the collection of council tax debt. The Director of Resources confirmed that each debt was assessed individually and dealt with as appropriate. The write off policy was broadly the same as previously.

SO/52 **WORK PROGRAMME**

The Chairman confirmed that the Cabinet Member for Leisure and Culture would attend the next meeting to discuss Places Leisure and Horsham Museum.

The report of the Task and Finish Group on the Council's use of consultants would be considered by the Committee at its next meeting, as well as report of the Council's Finance and Performance for Quarter.

SO/53 **URGENT BUSINESS**

There was no urgent business.

The meeting closed at 6.51 pm having commenced at 5.30 pm

CHAIRMAN