

# Public Document Pack

Subject to approval at the next Policy and Finance Committee meeting

337

## POLICY AND FINANCE COMMITTEE

6 December 2023 at 6.00 pm

Present: Councillors Stanley (Chair), Nash (Vice-Chair), Birch, Brooks, Cooper, Greenway, Gunner, Pendleton and Walsh (Substituting for Councillor Oppler).

Councillor Bicknell was also in attendance at the meeting.

### 448. APOLOGY FOR ABSENCE

An Apology for Absence had been received from Councillor Oppler.

### 449. DECLARATIONS OF INTEREST

The following Declarations of Personal Interests were made in relation to:

- Agenda Item 7 [The Regeneration of The Regis Centre] - Councillor Nash, as a Member of Bognor Regis Town Council and as a volunteer for Arun Arts; and
- Agenda Item 7 [The Regeneration of the Regis Centre] - Councillor Brooks as a volunteer member of Arun Arts and a Member of Bognor Regis Town Council.
- Agenda Item 6 [ Littlehampton Seafront Project – Update] - Councillor Walsh as a Member of Littlehampton Town Council.

### 450. MINUTES

The minutes from the meeting of the Committee held on 26 October 2023 were approved as a correct record and were signed by the Chair at the conclusion of the meeting.

### 451. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there were no urgent items for the Committee to consider.

### 452. PUBLIC QUESTION TIME

The Chair confirmed that no questions had been submitted for this meeting.

Policy and Finance Committee - 6.12.23

#### 453. LITTLEHAMPTON SEAFRONT PROJECT - UPDATE REPORT

The Principal Landscape and Project Officer presented a project update report to Members providing a couple of additional information points following the last update provided on 26 October 2023.

Firstly, the planning application was due to be determined by the Planning Committee on 14 December 2023. It was explained that during the period since application submission, the contractor had undertaken a detailed review of costs which had previously been reported to this Committee as being challenging. The Stage 3 cost plan had been checked by the Council's consultants for anomalies in quantities, rates or scope with this exercise now being concluded. This had revealed that there was a need to undertake a process of value engineering savings to find approximately £560k. The project team were looking collectively at all elements of the scheme to see how this could be achieved. It was not intended to make significant changes to the project but instead to consider alternative specification and design details. Any adjustments would be looked at very carefully to assess any impacts on planning and day to day operations as well as future maintenance. Once the amendments had been resolved, the team would be able to move forward with Stage 4 of the design and firm up the logistics and communications associated with the construction phase.

The Chair then invited questions from Members. Various questions were asked firstly regarding the placing of the solar panels in terms of which buildings would these be placed; would this be the new changing places toilets or on the existing concessionaire buildings? It was confirmed that the PV panels would be located on the foreshore building as the toilet roof was not appropriate.

The project was again applauded as being a great asset for Littlehampton as it would provide improved facilities making Littlehampton a great attraction for visitors and residents of Arun. Concern was expressed over the length of time the project was taking, although it was accepted that a project of this size would be working to a very prescribed timeline. Reassurance was sought that the remaining phases of the project would remain on schedule and that no additional capital funding would be required. The Principal Landscape and Project Officer provided reassurance that the project was moving forward at the expected pace and that there was no need to seek additional capital contributions. There was allowance within the budget to cover inflationary increases.

The final question asked related to the Stage by the Sea and whether this would have power or lighting. It was confirmed that pop-up power for events and within the market place would be provided.

The Committee then noted the contents of the report.

#### 454. THE REGENERATION OF THE REGIS CENTRE

The Chair welcomed the Interim Regeneration Officer who was attending the meeting virtually so that an update on the regeneration of the Regis Centre, Bognor Regis could be provided to the Committee.

The Interim Regeneration Officer outlined some key points since his last update provided to the Committee on 26 October 2023. These have been summarised below:

- Arun Arts had vacated the premises allowing the intrusive surveys required inside and outside of the building to take place as part of the stage 4 design to be undertaken.
- The project was being retendered on a different procurement framework and four expressions of interest had been received. Tenders would be sent out on 11 December 2023 with submissions expected early in the New Year with an appointment planned for the end of January 2024.
- Design stage 4 was progressing using the existing design team.
- In terms of the Planning Application and the delegated authority provided to the Planning Officer, that Officer was still working through the drainage issues that need to be resolved before consent could be granted. Members were reassured that steady progress was being made.

The Chair thanked the Interim Regeneration Officer for his detailed update and invited questions from Members. Questions and points raised by the Committee focused on:

- When would construction work start? It was explained that given the timescale of the build and project, this would be well into 2025/26 before the scheme would be completed. The intrusive surveys were taking place now which could not commence until Arun Arts had vacated the premises, this had caused a delay. The demolition works had been delayed due to the need to retender for a new contractor and subject to getting the planning issues resolved.
- The relocation of Arun Arts. They were hoping to use the space they were occupying for money making studio activities, but this was not possible due to a lack of access to public conveniences. It was confirmed that there were toilet facilities at the Town Hall that could be used by Arun Arts customers but only when the Town Hall was open. Talks were taking place with the Town Hall to see if the toilet facilities could be made available at other times.
- It was unfortunate that the Brewers Fayre space was not being used for public use. The contractors moving into this space, how much space would they be using and would they be paying rent. It was explained that a written response had been provided to the Councillor asking this question.
- Concern was expressed over the intrusive survey work taking place on the Place St Maur, although necessary, it was hoped that the site would not be damaged and would be returned in a pre-survey condition.

Policy and Finance Committee - 6.12.23

- Any project delay often resulted in increased costs. Were there any concerns that needed to be shared with the Committee? Could the email response provided to the Councillor please be shared with the Committee? It was confirmed that this would be circulated. There were no budget concerns as there were signed in contingencies to cover most issues.
- Had there been any further opportunity to look at the design and the choice of materials that would be used? It was explained that this was not a matter for this Committee as there were reserved matters covering materials which would be sorted out with the Planners.
- Were there any further updates to be given on solar panels? It was confirmed that solar panels would be used, and that the Council had received £50k of funding for this.

Following some further discussion, the Committee noted the verbal update provided.

#### 455. BUDGET MONITORING REPORT TO 30 SEPTEMBER 2023

The Group Head of Finance and Section 151 Officer presented to Members the Budget Monitoring Report to 30 September 2023.

The report set out the General Fund Revenue Budget, Capital Programme and Housing Revenue Account (HRA) forecast outturn performance against budget as at the end of quarter 2. The Group Head of Finance and Section 151 Officer confirmed a revenue budget underspend of £136k and explained that this was an adverse change of approximately £500k from the previous quarter's forecast. The forecast reported a nil variance against the transformation budget. The forecast variance explanations had been set out within the report. Mention was made of the £452k overspend against budget for the Planning Policy Committee because of a downturn in planning fee income. The Government had recently confirmed that planning application fee increases would be applied from 6 December 2023, which could have a positive impact on fee income for the remainder of 2023/24, though it was too early to confirm what the full impact might be. Homelessness continued to be a national issue and the Quarter 2 forecast overspend had increased by £300k due to expenditure on providing temporary accommodation. Work was progressing with Housing in terms of whether the recent announcements made in the Autumn Statement would have any material impact on the Council's position regarding homelessness expenditure. There were smaller overspends across the revenue budget arising from staff vacancies and small amounts of income from beach hut income.

Looking at capital monitoring, this showed an underspend of £6.5m (23%) below the revised budget of £28.5m for the year. This was due to slippage on current schemes into the future financial year, the detail of which had been provided in Table 4 of the report. As reported to the Committee on 26 October 2023, the following schemes had been approved since Quarter 1 and added to the capital programme:

- Littlehampton Harbour west wall works - £0.75 million
- Warwick Nurseries and Boweries housing purchase scheme - £3.78 million
- Bognor Regis Arcade project - £7.991 million
- Waterloo Square scheme - £1 million

Turning to the Housing Revenue Account (HRA), the forecast showed a reserve balance of £902k by 31 March 2024, which was £281k below the budgeted position of £1.183m. Appendix B included the full report that had been taken to the meeting of the Housing & Wellbeing Committee held on 23 November 2023 setting out the reasons for this and the actions being taken to improve the position.

The Group Head of Finance and Section 151 Officer outlined that the £2m reserve figure, which had been set by the Council as its own target might need to be revisited and brought down to a more realistic figure. Of critical importance was to ensure that this account would not go overdrawn. Currently, it was a tough and challenging situation, and this had been very clearly outlined to Members at the meeting of the Housing & Wellbeing Committee. However, there was a plan, and this had been highlighted in Appendix B, outlining the measures that were being taken to ensure that the Council would remain within the financial parameters. The situation continued to be monitored very closely. A main contributing factor had been the additional cost of agency staff to cover vacancies, but this was now starting to reduce. There had also been issues with procurement which were being dealt with as part of the whole package of assessing and reacting to the repairs and maintenance issues within the HRA. An update on the HRA Budget for 2024/25 would be presented to Members in early 2024.

In finalising his presentation, the Group Head of Finance and Section 151 Officer confirmed that regarding the Revenue Budget, this was on broadly on target at the halfway point. When budget issues had been identified, Officers had reacted quickly to mitigate the problems. Turning to the Autumn Statement, it had not revealed any positive indications of additional funding to be announced as part of the Local Government Finance Settlement which was due later this month.

The Chair then invited questions from Members. The first question related to the Littlehampton Harbour west wall works and reference was made to correspondence that had been sent by the Joint Interim Chief Executive to the Chief Executive of the Littlehampton Harbour Board earlier on in the day but not provided to Council Members sitting on the Harbour Board. The letter set out the Council's concerns over financial matters. A request was made that the letter to the Harbour Board outlining the concerns be provided to Members. The Joint Interim Chief Executive and Director of Environment and Communities confirmed that an explanatory email had been sent to Arun Councillors in their capacity as nominated representatives of the Littlehampton Harbour Board but that this was not an appropriate item to raise at this meeting.

Policy and Finance Committee - 6.12.23

Other questions asked related to Homelessness, and how this would be budgeted as costs continued to increase. Reassurance was provided that the issue was being addressed in detail as part of 2024/25 revenue budget setting process. Discussions were taking place with the new Group Head of Housing who had now commenced his employment.

Concern was expressed over the continuing problems being experienced in recruiting permanent staff and what was being done to tackle this long-term problem and to attract people and encourage them to work in local government. The Group Head of Finance and Section 151 Officer responded confirming that staffing costs and positions were being scrutinised very closely by the Corporate Management Team to discuss which posts the Council could recruit to. This was a national problem and many organisations now relied upon agency workers as many people now preferred to work as interims. The council was also undertaking a lot of apprenticeship work to broaden skills which was being successful in certain areas of the council such as Planning where there had been long term staff shortages. The transformation work and excellence programme was looking at how Arun could become the type of organisation that people would want to join undertaking work on culture and staff engagement. There were specific activities that were being promoted and recruitment was one of these.

A question was asked that looked back to the Special Council meeting held in March 2023, where it had been proposed to not increase council tax. The Group Head of Finance and Section 151 Officer was asked what position this would have put the Council in and what were Officers doing to prevent this suggestion coming forward again. The Group Head of Finance and Section 151 Officer repeated the advice he had provided at that time which was that he strongly advised against freezing council tax because there would almost certainly be no opportunity to replace that funding and the financial impact would increase year on year. He also stated that he would be giving the same advice again as part of the 2024/25 budget setting process.

The Committee then noted the content of the report.

*(During the course of the discussion on this item, Councillor Walsh declared a Personal Interest as a Member of the Littlehampton Harbour Board).*

456. COUNCIL VISION WORKING PARTY - 19 SEPTEMBER, 23 OCTOBER AND 13 NOVEMBER 2023]

The Chair confirmed that the Committee had received recommendations from the Council Vision Working Party following its meetings held on 19 September, 23 October and 13 November 2023.

The Chair invited the Chair of the Working Party, Councillor Tandy, to present the minutes and recommendations.

Councillor Tandy reminded Members that in 2022 the Council agreed its four year Vision 2022 to 2028 and a set of measures that would be used to judge progress against its aims and objectives.

In July 2023, the Policy & Finance Committee had been presented with the Annual report on the Vision measures for 2022-2023 alongside a proposal that a Vision Working Party be established to review these measures. Since its establishment, the Working Party had met on 19 September, 23 October and 13 November 2023. At its first meeting held on 19 September 2023, the Working Party reviewed the wording of the Vision Aims and Objectives and confirmed that it was happy with the four vision themes, and it discussed the aims and objectives attached to each theme.

At its second meeting held on 23 October 2023, the Working Party agreed revised wording for the aims and objectives set out in the original Vision document. At the meeting held on 13 November detailed discussion took place on the performance measures of progress and outcomes for the Vision that Members wishes to see in the final version for 2024/25. It was explained that some of the previous Vision measures were recommended by the Working Party to be removed from the Vision document as it was felt that they were detailed or very technical and so it was appropriate that they be reported to the relevant Service Committee on an annual basis. Where this had been recommended it had been clearly identified in the Vision document attached to the minutes using tracked changes.

As a result of the three meetings, all the proposed changes had been incorporated into a revised Vision document using tracked changes. Councillor Tandy confirmed that the Leader of the Council had suggested that the picture of most Councillors taken after the May Election be used in the final version of the Vision.

Councillor Tandy drew Members' attention to the recommendations that the Committee was required to consider. These are set out below:

From the meeting held on 23 October 2023:

That the revised Council Vision document, to include the changed outlined in the minutes, be approved and recommended onto Full Council for approval.

From the meeting held on 13 November 2023:

- (1) The revised Vision Outcomes as amended by the Working Party be agreed;
- (2) The performance measures as set out in the revised Vision Outcomes be used to measure progress against the Vision aims and objectives for 2024/2025 and 2025/2026; and
- (3) Should minor changes be needed to be made to these measures, then the Group Head of Organisational Excellence be given delegated authority in consultation with the Chair of the Policy & Finance Committee to make such changes.

Policy and Finance Committee - 6.12.23

Councillor Tandy confirmed that he wished to slightly amend the recommendations (1) and (2) into a combined recommendation. He also confirmed that the third recommendation could be resolved by the Committee and did not need to be forwarded onto Full Council for approval. The revised recommendation is set out below:

The revised vision document, as attached, including the Vision themes, overall aims and objectives, and measures of outcomes and progress for 2024-2025 and 2025-2026 be agreed.

Finally, Councillor Tandy confirmed that this amendment meant that the recommendation from the Working Party meeting held on 23 October 2023 had been superseded as it had been included in the amendment.

Councillor Nash then proposed the recommendation which was seconded by Councillor Walsh.

The Chair then invited debate. Concern was expressed that given all the recent flooding and sewage issues being experienced throughout the district, that no measure to address this had been added to the Vision. EN12 had been added confirming that the Flood Forum approved by Full Council be established and that a report be brought back to Full Council with recommendations on future action, but action was needed urgently and was felt to be of such a significant problem that a separate measure to address this warranted being added to the Vision document with the measure being how the Council could pressure Southern Water and the Environment Agency to respond to the concerns by upgrading sewage systems in areas of large development.

Councillor Walsh confirmed that he was mindful to request that an amendment be made to the Vision document to include this concern as an Outcome under Supporting our Environment to Support us. The Outcome to be added was "To require Southern Water upgrade their sewage systems especially in areas with large new dwellings to enable the increase in sewage volume to be fully accommodated". This needed to be a strategic aim for this Council.

The Chair outlined that once the Flood Forum had met and as soon as there were recommendations approved by Council, those recommendations would be incorporated into the Vision document under EN12. There was concern that adding an additional outcome at this stage could impact or override some of the work that might happen as part of the Flood Forum.

Following detailed debate, concern was expressed by the Joint Interim Chief Executive and Director of Growth and the Group Head of Organisational Excellence over the use of the word 'require' in the amendment. Although the sentiment of the amendment was supported, the challenge was that the Council could only work within the legislative framework that existed. This meant that the Council could not ensure that Southern Water would upgrade their sewage systems but that it did have the ability to influence as the council was not Southern Water's regulatory body.



In response, Councillor Walsh confirmed that he wished to formally propose his amendment and that he would be happy to change the wording of his amendment from require to lobby. The amendment was “To lobby or require Southern Water to upgrade their sewerage systems especially in areas of large volume new dwellings to enable the increased sewage volume to be fully accommodated”. The important factor was that action was needed now and not in the months ahead that might be needed in setting up the Forum.

Councillor Brooks seconded the amendment.

There was some concern expressed over the amendment as sewage and surface water were now confirmed by Southern Water to be separate entities. Although the amendment was well intentioned, the question was asked as to why it was necessary as it was felt that the Council did not need to add a statement to its Vision about the need to lobby Southern Water, this could be actioned without the need for this amendment.

An update was then requested in terms of how the Flood Forum was progressing and what the timelines for its first meeting were. The Joint Interim Chief Executive and Director of Environment and Communities confirmed that the first meeting of the Forum was being planned for January 2024. Listening to the concerns of Councillors, the suggestion was made that at this first meeting, Southern Water be invited to attend to address the issues of concern with this being the first item on the agenda.

Following further debate, a recorded vote was requested.

Those voting for the amendment were Councillors Birch, Brooks, Cooper, Greenway, Gunner, Nash, Pendleton, Stanley and Walsh.

The Committee therefore unanimously agreed the amendment.

Debate on the remaining elements of the Vision document continued. Councillor Gunner wished to have it recorded that he had not agreed to his photograph being removed from the covering pages of the Vision document. Other questions asked related to:

- EN4 [% of Council homes that are SAP C rating and above] should this outcome sit under delivering the right homes to the right places rather than supporting our environment to support us? The Group Head of Organisational Excellence explained that as this was a measure covering sustainability, this was why it had been placed under environment as the emphasis was on environmental impact.
- On supporting our environment to support us – how will we achieve this (5) – there was disappointment expressed over the fact that the percentage targets for waste and recycling had been watered down. How would these be achieved? It was explained that this was the only statement that had identified a target. No targets were being watered down; it was about having consistent statements within the document.

Policy and Finance Committee - 6.12.23

- EN11 [Number of new metres of new cycleway] why was this being removed as it was felt that this would provide the Council with the opportunity to work with West Sussex County Council to see if there was scope to produce more cycle ways. It was explained that the Working Party had wanted the Vision document to focus on issues that the Council had direct control over, and cycleways was a responsibility of WSCC.

The Committee then

#### RECOMMEND TO FULL COUNCIL

That the revised Vision document, as attached, including the Vision themes, overall aims and objectives, and measures of outcomes and progress for 2024-25 and 2025-2026 be agreed, with the addition of a new outcome under Supporting our Environment to support us as set out below:

To lobby or require Southern Water to upgrade their sewerage systems especially in areas of large volume new dwellings to enable the increased sewage volume to be fully accommodated". The important factor was that action was needed now and not in the months ahead that might be needed in setting up the Forum.

The Committee also

#### RESOLVED

That should there be minor changes be needed to be made to these measures, then the Group Head of Organisational Excellence be given delegated authority in consultation with the Chair of the Policy & Finance Committee to make such changes.

*(During the course of the discussion on this item, Councillor Walsh declared a Personal Interest as a Member of the Littlehampton Harbour Board and Councillor Greenway declared a Personal Interest as a Member of West Sussex County Council).*

#### 457. ENVIRONMENT COMMITTEE - 21 NOVEMBER 2023

The Chair confirmed that the Committee had received a recommendation to consider following the meeting of the Environment Committee held on 21 November 2023. The minutes from the meeting of the Environment Committee held on 21 November 2023 along with the Officer's report had been emailed to Councillors on 5 December 2023 and uploaded to the Policy & Finance Committee's web pages as a supplement.

This recommendation was at minute 382 [Additional Houses in Multiple Occupation Licensing Scheme] and it recommended to the Policy & Finance Committee that the resources as set out in paragraph 4.29 of the report be agreed in order to implement the additional HMO licensing scheme within the three wards of River, Marine and Hotham.

The recommendation was then formally proposed by Councillor Walsh and seconded by Councillor Nash.

The Chair then invited debate where concern was expressed over staff resources required and how confident the Council was that it would be able to recruit into these posts. It was outlined that this had not been an area where the Council had experienced recruitment before and so it was not expected to be a challenge to recruit.

The Committee

#### RESOLVED

That the resources as set out in paragraph 4.29 of the report be agreed in order to implement the additional HMO licensing scheme within the three wards of River, Marine and Hotham.

#### 458. OUTSIDE BODIES - FEEDBACK FROM MEETINGS

The Chair confirmed that there were no items for this meeting.

A query was raised by Councillor Gunner in relation to why feedback reports for the Greater Brighton Economic Board and the West Sussex Leaders' meeting were not being received and he asked if this could be investigated and confirmed which Service Committee they should report into.

#### 459. WORK PROGRAMME

The Committee received and noted its work programme for the remainder of 2023/24, noting the following additions:

- The work programme has been updated to include the Special Meeting of the Committee taking place on 8 January 2024 which would consider the following items:
  - Savings Strategy – it was noted that this item would have recommendations going to Full Council on 10 January 2024; and
  - Medium Term Financial Prospects 2024/25 to 2028-29.

There was also an item to add to the 8 February 2024 meeting which was Arun Community Asset Fund – Consideration of Bids – Round 1

Subject to approval at the next Policy and Finance Committee meeting

348

Policy and Finance Committee - 6.12.23

There was also an item to add to the 7 March 2024 meeting which was the Sundry Debts Write-Off Policy.

(The meeting concluded at 7.49 pm)