

CABINET

2 JULY 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, Beaney, Fitzgerald, Rogers, Lee and Patmore

1. MINUTES OF THE MEETING HELD ON 4 JUNE 2018

RESOLVED that the minutes of the Cabinet meeting held on 4 June 2018 be approved as a correct record.

RESOLVED the chair called over the item on the agenda, under rule 13.3 of the council's constitution, the recommendations set out in minute numbers 88, 89 and 91, were agreed without being called for discussion.

1. OUTTURN FOR TREASURY MANAGEMENT

Peter Grace, Assistant Director of Financial Services and Revenues brought a report to Cabinet on the Outturn Treasury Management. This was to provide the opportunity for the committee to scrutinise the Treasury Management activities and performance of the last financial year.

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18.

Councillor training on treasury management issues was last undertaken on 10 January 2017 with further training on the medium term financial strategy in December 2017 in order to support members' scrutiny role.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

RESOLVED that:

1. **Cabinet consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this particular review.**

The reasons for this recommendation were:

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money.

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

CABINET

2 JULY 2018

The 2016/17 Audit Completion Report from the council's external auditors (BDO) recommended that management report on the achievement of PIER savings following their implementation

1. FINAL ACCOUNTS 2017/18 – DRAFT

Peter Grace, Assistant Director, Financial Services and Revenues presented a report on the Draft Final Accounts 2017/18. The report set out the draft final accounts position for 2017/18. These were subject to completion of the external audit.

The Accounts & Audit Regulations 2015 require the Chief Finance Officer (Section 151 officer) to now certify the Statement of Accounts by the 31st May each year and publish them by 31st July (previously by 30 September in 2017).

Total service expenditure amounted to £13,552,130 in 2017/18 compared to the revised budget estimate of £15,088,540, a variation of £1,536,410. This was offset by a reduction in the budgeted use of reserves of £1,575,615.

Overall the outturn is very close to the revised estimate albeit that there are numerous positive and negative variances as detailed in Appendix B in the report.

The balance on the Collection Fund at 31 March 2018 was £1.9m, of which the Council's share was £271,000.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

RESOLVED that:

1. **Cabinet review the outturn position on the General Fund for 2017/18.**
2. **Cabinet review the capital outturn position for 2017/18.**
3. **That the 2017/18 outturn position, along with the revised estimates for 2018/19 be taken into account when preparing the 2019/20 budget.**
4. **Cabinet review the achievement of Priority Income and Efficiency Review (PIER) savings for 2017/18.**

The reasons for this recommendation were:

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money.

CABINET

2 JULY 2018

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

The 2016/17 Audit Completion Report from the council's external auditors (BDO) recommended that management report on the achievement of PIER savings following their implementation.

1. **AGREEING THE DELIVERY MODEL FOR THE NEXT HASTINGS STREET CLEANSING SERVICE**

There was a correction to the recommendation that "Cabinet would recommend to Council the recommissioning of street cleansing and bulky waste services set out in the associated part two confidential reports on this agenda"

Cameron Morley, Waste and Cleansing Services Manager presented a report on Agreeing the Delivery Model for the Next Hastings Street Cleansing Service. The purpose of the report was to provide Cabinet with comprehensive background information to the recommissioning of the council's street cleansing and bulky waste services and seek their approval to proceed with the preferred service delivery model as set out in the associated part two confidential report.

Contracted-out prices are being obtained through the East Sussex Joint Waste Contract Procurement Team, hosted for the partnership by Rother District Council. They should be available on Monday 18 June.

In advance of this the council's Waste and Cleansing Services Manager has developed a fully costed in-house service model. This will enable the council to assess whether or not the in-house model represents 'best value'.

The council needs to decide which service delivery model to use for this very important service and notify the East Sussex Joint Waste Procurement Team by no later than 20th July 2018.

The Coastal Users Group was presented with the part one of the report, and gave their views on it in consultation. These views were then provided in the part two report to Charity Committee and both were happy with the report.

On July 17 2017 the council's Cabinet considered a report called Future Waste and Cleansing Services. It provided an update on arrangements for the provision of our new waste and cleansing services from the end of June 2019. The report set out the background to the letting of the current East Sussex Joint Waste Contract to Kier Environmental in October 2012. In April 2017 these problems had result in a decision to agree to the mutual termination of the 10 year contract 3 years early at the end of June 2019.

CABINET

2 JULY 2018

The report to Cabinet last June, set out some of the reasons why the council should consider changing from the contracted-out model of delivery to an in-house service for our street cleansing services.

Councillors discussed that throughout the last contract with Veolia, and the current contract with Kier Environmental, the council has worked closely with a specialist waste consultancy called WYG to carry out independent audits of 'street scene' 3 times a year. They work to a recognised methodology associated with a previous national indicator known as NI195. This enables an objective assessment of street scene issues such as litter, fouling, graffiti, and detritus.

Historically there has often been an assumption that contracted out services are more cost effective and deliver better value than in-house services. This is really an unfortunate generalisation that dates back to the last century when some council workforces were not managed efficiently and had larger than necessary work forces. This resulted in the drive to contract out services through compulsory competitive tendering, which is an approach to service delivery that a growing number of councils are now reconsidering.

Fewer complaints about street cleansing would result in reduced demand on our community contact centre. Waste and cleansing calls and complaints have consistently been one of the highest sources of demand on this service throughout the current contract.

Councillor Fitzgerald proposed approval of the motion, seconded by Councillor Chowney.

RESOLVED (by 6 votes for, 0 against and 2 abstentions) that:

- 1. The Council's next street cleansing and bulky waste service is delivered through an in-house service, commencing June 2019 as set out in the part two confidential report.**
- 2. That Cabinet approve the associated upfront estimated capital and revenue expenditure as set out in the part two confidential report, which will be profiled over 2018/19 and 2019/20.**
- 3. Delegated authority be given to the Assistant Director Environment and Place, in conjunction with the Chief Finance Officer in consultation with the Leader, to adjust the budget to take account of timing issues and adjustments to variations in mobilisation costs.**

The reasons for these recommendations were:

As set out in the associated part one report, the Council has experienced significant problems with the existing contracted out street cleansing service. This has led to misgivings about the suitability of delivering this high profile high impact essential service in this way.

CABINET

2 JULY 2018

In July 2017 Cabinet approved a recommendation to develop a costed in-house service delivery model, and to seek prices for a contracted-out service so that an informed decision could be made on the most appropriate service delivery model for our future street cleansing services.

1. **1-1 CONVERSATIONS AND VALUES AND BEHAVIOURAL FRAMEWORK PERFORMANCE MANAGEMENT APPROACH**

Verna Connolly, Executive Manager, People, Customer and Business Support presented a report on the 1-1 conversation performance management toolkit. This was to provide Cabinet with a 1-1 conversation strengths based performance and talent management approach plus a values and behavioural framework. This is aimed at ensuring we have the right people with the right skills with the right behaviours to meet future challenges.

The council intends to create an agile workplace that can help achieve goals set out in the corporate plan skilled for the future, motivated and engaged to deliver for the people of Hastings. The aim is to develop a workforce committed to our organisations values and who display the behaviours required for 'one team'.

The Council has an established appraisal system which helps the organisation to manage the performance and development of its staff. With the right preparation an appraisal can have a positive impact on employee's levels of engagement and productivity. The present system has been in place for over 10 years and during this period feedback on the process has been mixed.

It is proposed to introduce a new approach to appraisals which moves away from a traditional twice yearly review of performance to a series of continuous conversations, where a review of performance and behaviours are discussed as often as required culminating in a full year review. The 1-1 conversation performance approach will be used more to plot individual performance based on achievement of objectives, values and behaviours exhibited.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

RESOLVED that:

- 1. Cabinet are asked to consider and approve the implementation of the proposed 1-1 strengths management approach and values and behaviours framework.**

The reason for this recommendation was:

The Council's established appraisal process system has been in place for more than ten years and during this period feedback from managers and staff has been mixed.

CABINET

2 JULY 2018

The aim of the 1-1 performance and talent management approach is to improve the working relationships between a manager and individual. In addition, it enables the council to have a transparent and open approach to development and talent management which ensures consistency of approach across the organisation.

Managers currently hold 1-1 meetings with individuals and recent research supports this approach as it has been shown to improve performance and make staff feel more engaged and valued.

The inclusion of our values and behavioural framework alongside the 1-1 performance approach provides a clear picture of how we expect our staff to behave with internal and external customers and each other and is an easy reference tool to aid discussion on things that have gone well and what can be improved.

The proposed performance management approach will also play a significant part in embedding our 'one team-one council' approach'.

1. TARGETED FUNDING TO REDUCE ROUGH SLEEPING

Michael Courts, Housing Policy and Performance Officer presented a report on the Targeted Funding to Reduce Rough Sleeping bid, to advise Cabinet of a successful bid, in partnership with Eastbourne / Lewes Councils, for additional funding to reduce rough sleeping and the proposed programme of activities and mobilisation timetable.

Between 2012 and 2017 the number of people estimated to be sleeping rough in East Sussex on a typical night has increased by 370% from 19 to 90. In 2017, 81 out of the 90 estimated rough sleepers were found in either Eastbourne or Hastings, with the numbers being split evenly across the two areas.

In April 2018 the Ministry for Housing Communities and Local Government (MHCLG) announced additional funding to tackle rough sleeping. Hastings and Eastbourne / Lewes Councils were invited to develop initiatives which will have an immediate impact on reducing the number of rough sleepers before the winter of 2018/19.

The proposal approved by the MHCLG addresses the lack of temporary accommodation and long term housing solutions which are accessible to rough sleepers locally. It also provides an opportunity to tailor and co-ordinate service delivery by statutory partners to meet the complex needs of this group and expand existing activities to prevent rough sleeping. Moreover, the funding will enable investment in infrastructure to improve information sharing across county networks to improve levels of engagement with rough sleepers.

The proposed accommodation pathway enhances the existing service provision in both Hastings and Eastbourne. The existing network of services working with rough sleepers will act as gateways to the Assessment Centre, which will provide a stable environment for the Multi-disciplinary team to support clients across the accommodation pathway, providing direct, co-ordinated access to statutory services.

CABINET

2 JULY 2018

Councillor Batsford proposed approval of the motion, seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. To authorise the expenditure of funding awarded to Hastings and Eastbourne/Lewes Council's as detailed in the report to deliver a programme of services commissioned under the Ministry for Housing Communities and Local Governments (MHCLG) Targeted Funding to Reduce Rough Sleeping during 2018/19.**
- 2. To delegate authority to the Assistant Director, Housing and Built Environment and the Assistant Director Financial Services and Revenues, in consultation with the Lead Member for Housing and Leisure Services, to finalise arrangements for the mobilisation of the projects.**

The reason for these recommendations was:

Rough sleeping continues to rapidly increase across the county, particularly in urban, coastal areas. Hastings and Eastbourne / Lewes Councils – in partnership with Rother and Wealden District Councils – have been awarded with funding as detailed in the report during 2018/19 by the Ministry of Housing, Communities and Local Government (MHCLG) to significantly reduce rough sleeping this coming winter.

1. 12/13 YORK BUILDINGS

Peter Grace, Assistant Director, Financial Services & Revenues presented a report on 12/13 York Buildings, to seek approval for additional capital funding to convert the upper floors to six flats.

The tendered costs are higher than previously estimated, and detailed in the confidential part 2 of the report. The additional conversion costs associated with this grade 2 listed building in a difficult to access property are considerable.

The tenant has agreed in principle to surrender their lease of the whole building and take a new lease of just the ground floor at the existing rent.

It would not be viable to undertake the work and then sell the flats. Likewise once the work is undertaken the value of the property would be reflected in the Council's balance sheet at the market value – which would be less than the amount of Capital expended.

Councillor Chowney proposed approval of the motion, seconded by Councillor Rogers. Councillor Batsford left during the debate, and could not vote.

RESOLVED (by 5 for, 2 against, 0 abstentions) that:

CAB. 7

CABINET

2 JULY 2018

- 1. To increase the capital budget to convert the upper floors to 6 flats at an estimated cost, as detailed in the part 2 report on the agenda.**

The reasons for this recommendation were:

The Council agreed in April 2017 to include the conversion costs subject to a total cost as detailed in the report. The tenders received are higher than architects estimated. However with the historically low interest rates there is still a window of opportunity to convert the upper floors in this grade 2 listed building (which has high conversion costs), to create much needed new residential accommodation and generate additional income (albeit smaller) for the Council.

(The Chair declared the meeting closed at 7.25pm)