



LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS to be made by the Lead Member for Resources and Climate Change,
Councillor Nick Bennett

FRIDAY, 1 OCTOBER 2021 AT 1.00 PM

VIA MS TEAMS

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 14 September 2021 (*Pages 3 - 4*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Local Council Tax Reduction Scheme: Consultation responses (*Pages 5 - 10*)
Report by the Chief Operating Officer
- 5 Modernising Back Office Systems (MBOS) Programme Support (*Pages 11 - 12*)
Report by the Chief Operating Officer
- 6 Grant of 25 year lease term to Project Art Works for The Arches (Linton Road), 1-3
Braybrooke Terrace, Hastings TN34 1TD (*Pages 13 - 16*)
Report by the Chief Operating Officer
- 7 Any urgent items previously notified under agenda item 3
- 8 Exclusion of public and press
To consider excluding the public and press from the meeting for the remaining agenda item on the grounds that if the public and press were present there would be disclosure to them of exempt information as specified in paragraph 3 of Part 1 of the Local Government Act 1972 (as amended), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 9 Modernising Back Office Systems (MBOS) Programme Support - exempt information (*Pages 17 - 42*)
Report by the Chief Operating Officer
- 10 Grant of 25 year lease term to Project Art Works for The Arches (Linton Road), 1-3
Braybrooke Terrace, Hastings TN34 1TD - Exempt Information (*Pages 43 - 120*)
Report by the Chief Operating Officer
- 11 Any other exempt items previously notified under agenda item 3

PHILIP BAKER
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23 September 2021

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LEAD MEMBER FOR RESOURCES AND CLIMATE CHANGE

DECISIONS made by the Lead Member for Resources and Climate Change, Councillor Nick Bennett, on 14 September 2021 at County Hall, Lewes

++The Lead Member was not present in person, but took the decisions remotely ++

Councillors Georgia Taylor, Wendy Maples and Colin Swansborough spoke on item 4 (see minute 32)

30 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 29 JULY 2021

30.1 The Lead Member approved as a correct record the minutes of the previous meeting held on 29 July 2021.

31 REPORTS

31.1 Reports referred to in the minutes below are contained in the minute book.

32 NOTICE OF MOTION: TO SUPPORT THE CLIMATE AND ECOLOGICAL EMERGENCY BILL

32.1 The Lead Member considered a report by the Director of Communities, Economy and Transport, together with an additional submission prepared by Councillors Taylor and Maples, the proposer and seconder of the Motion. The additional submission is contained in the Minute Book.

DECISIONS

32.2 The Lead Member RESOLVED to (1) recommend to Full Council that the Notice of Motion be supported; and

(2) provide the national and local context on climate emergency and environmental protection work already undertaken by the County Council.

Reasons

32.3 The urgency of addressing climate change is undisputed. Climate change impacts are linked to and likely to worsen existing inequalities, particularly related to gender and income. The UK government has set a legally binding target under the Climate Change Act to reach net zero emissions by 2050.

32.4 The County Council first produced an Environmental Strategy in 2011 and has convened an Environment Board. The County Council recognises the urgency of addressing climate change and biodiversity loss, as reflected in its climate emergency action plan and its lead role in the Sussex Local Nature Partnership.

32.5 The Lead Member commented that the Bill, although lacking operational weight, accords with the spirit of the Council's aspirations to protect biodiversity and achieve carbon neutrality through its activities as soon as possible and in any event by 2050.

Report to:	Lead Member for Resources and Climate Change
Date of meeting:	1 October 2021
By:	Chief Operating Officer
Title:	Local Council Tax Reduction Scheme – Consultation Responses
Purpose:	To agree the response to consultations by local billing authorities on proposed changes to their Local Council Tax Reduction Scheme 2022/23

RECOMMENDATION: The Lead Member is recommended to approve the responses to the consultation by local billing authorities on proposed changes to their Local Council Tax Reduction Schemes for 2022/23.

1 Introduction

1.1 Council Tax billing authorities are required to review their Local Council Tax Reduction Schemes (LCTRS) annually and to consult publicly on any proposed changes. Precepting authorities are statutory consultees in this process: in East Sussex, these are East Sussex County Council, East Sussex Fire and Rescue and the Sussex Police and Crime Commissioner. The final decision to set or change the LCTRS rests solely with each billing authority.

1.2 Both Lewes and Rother District Councils are consulting on changes to their LCTRS for 2022/23.

2 LCTRS Background

2.1 When Council Tax Benefit (CTB) was abolished in April 2013, and local authorities were charged with designing their own LCTRS, the funding that had previously supported the CTB was reduced nationally by 10%. In response to this reduction in funding, 80% of local authorities made changes to these old CTB system by reducing entitlements for working age families, with the remaining 20% of authorities choosing to absorb the cut in funding entirely through other spending reductions or council tax increases (Institute of Fiscal Studies: IFS Report R90).

2.2 Changes to LCTRS in East Sussex have been managed broadly collectively in the past as all the districts and boroughs (except Hastings BC) have adopted a largely common scheme and this has been supported and developed via East Sussex Chief Executives Group (ESCEG) and East Sussex Finance Officers Association (ESFOA)

2.3 As part of a review of LCTRS conducted jointly through the ESCEG and ESFOA in 2014/15, which came into effect in 2016/17, it was agreed to implement measures to support those in financial need and also to provide additional staffing resource at each billing authority to support recovery activity. The costs of these measures were shared with precepting authorities in proportion to their share of Council Tax. ESCC made a one off contribution of £122,457 to the Hardship Fund in 2016/17 and has made an annual contribution towards staffing costs at the four East Sussex billing authorities which agreed to the Scheme (Hastings did not participate); for 2020/21 this amounted to £184,582. The operation of these arrangements is due to be reviewed this year.

	Hardship Fund (£)	20/21 Staffing (£)
Eastbourne	34,510	43,047
Lewes	27,585	38,088
Rother	27,740	54,677
Wealden	32,622	48,770
	122,457	184,582

2.4 The current council tax collection rates for our billing authorities along with national averages for the last two financial years is set out in the table below:

	2019/20	2020/21
Eastbourne	96.5%	95.9%
Hastings	94.6%	93.3%
Lewes	97.3%	96.9%
Rother	98.2%	96.8%
Wealden	98.1%	96.1%
Shire average	97.7%	96.9%
All England average	96.8%	95.7%

3 LCRTS Proposed Changes

3.1 The current information from billing authorities in terms of proposals for changes to LCTRSs for 2022/23 is as follows:

- Eastbourne BC – no changes proposed
- Hastings BC – no changes proposed
- Lewes DC – changes proposed (see below)
- Rother DC – changes proposed (see below)
- Wealden DC – no changes proposed.

3.2 **Lewes District Council's** Cabinet approved the following proposals for consultation, at its meeting in June 2021:

- increasing the maximum award from 80% to 100% of a person's council tax liability
- removing the application of a minimum-income floor for the self-employed
- removing the £5.00 per week minimum award

3.3 The loss of Council Tax income from these proposals has been modelled by LDC below:

	LDC	ESCC	Police	Fire	T&P	Total
100% maximum reduction	£92,593	£657,366	£88,301	£42,239	£50,351	£930,850
No minimum award	£198	£1,398	£187	£89	£107	£1,979

Removal of the Minimum Income Floor	£19,860	£141,340	£18,940	£9,060	£10,800	£200,000
Total	£112,651	£800,104	£107,428	£51,388	£61,258	£1,132,829

3.4 The estimated loss of income should the proposals be agreed is significant at £1.1m, of which the largest loss of income will fall on ESCC. Whilst the economic impact of Covid-19 on communities cannot be underestimated, the risk is that the loss of income on this scale, in an already uncertain funding environment, will result in affected authorities having to consider further reductions in the services they provide. The Council's Medium Term Financial Plan (MTFP), as presented to Cabinet in the July 2021 State of the County report shows a deficit of £18.415m. The proposed loss of income is an annual impact and would thereby result in the loss of Council Tax income over the 3 year term of the MTFP of £2.4m, which is in addition to the current MTFP deficit.

3.5 The most significant change from a financial perspective is the increase in the maximum reduction from 80% to 100%.

- It is understood that the measure is intended to address the impact of Covid-19 on low income working age adults – however there is no indication that the measure will be temporary and reviewed as the local economy recovers to pre-Covid levels
- Locally the highest levels of maximum reduction are Brighton & Hove at 82% and Hastings at 100%
- It is understood that around 70 out of 309 billing authorities (c23%) in England have moved to 100% maximum reduction

There is a risk that if Lewes DC agrees these changes that other local billing authorities may consider following suit increasing the financial impact.

3.6 During the pandemic the Government gave authorities grant funding to support council tax hardship, recognising in particular the impact on working age adults and the potential impact on LCTRS. For East Sussex authorities, the allocations were:

Council Tax Hardship Grant	£
Eastbourne	918,455
Hastings	1,281,991
Lewes	816,500
Rother	650,824
Wealden	689,705
	4,357,475

Whilst the impact of the pandemic in the long term is yet to be realised or understood, this funding goes some way to meeting the needs of working age adults.

3.7 Officers from the precepting authorities have met with officers from Lewes DC to discuss the proposals and their impact and sought to understand if there are any potential mitigations that could offset the financial impact of these proposals. The following information has been provided:

- **Impact on Council Tax Collection** - If the minimum award is increased from 80% to 100% the collection rate would be expected to increase, and LDC expects this to be between 97.5 – 98% if

underlying rates return to pre Covid-19 level. By increasing the level of Council Tax Reduction it will reduce the cost and time associated with collecting small balances. This would enable the additional resource currently funded by the main preceptors to focus on activity to sustain and grow the Tax Base in the future. For example, this could be by extending the remit to undertake single person discount reviews for working age claimants in receipt of Council Tax reduction.

- **Impact of changes to pension-age caseload** - *The pension-age caseload is reducing by around 100 cases a year. The average award in 2021/22 is c£1,300 pa. If the reduction in caseload continues at the current rate this would reduce the overall cost of the scheme by c£130,000*

Whilst these factors may well offset the financial impact of the proposals, they will only do so to a limited degree.

3.8 **Rother District Council** is proposing to make changes to its LCTRS as follows:

The minimum income floor affects those claimants who are currently self-employed. Financial support is given for a start-up period of one year after which it would be assumed that the claimant is achieving a minimum level of income when assessing CTR. This would be based on 35 hours multiplied by the National Minimum Wage and this is in line with the approach taken under Universal Credit.

Rother DC proposes to amend the Minimum Income Floor as follows:

- For self-employed applicants with caring responsibilities for a vulnerable person (excluding care for dependent children) the Council will have the discretion to reduce the assumed hours worked from 35 per week to take into account the care and support being provided.
- For self-employed applicants who are lone parents, the income from self-employment will be calculated using the greater of either their actual income taken from their profit and loss accounts or 16 hours at the national living wage.
- For self-employed applicants who also undertake PAYE employment the Council will have discretion to use the number of self-employed hours at the national living wage that, when combined with the hours worked during the PAYE employment, does not exceed 35 hours per week.
- For self-employed applicants in receipt of a disability benefit, the income from self-employment will be calculated using the greater of either their actual income taken from their profit and loss accounts or 16 hours at the national living wage.

Rother DC is unable to accurately assess the number of potential claimants (as currently they are unlikely to qualify for help) but it is not expected to be significant and the loss of income will be minor.

4 **Proposed Consultation Responses**

4.1 **Lewes District Council:** ultimately the decision to approve the proposed changes to its LCTRS rests with LDC, however it is suggested that ESCC makes the following response:

East Sussex County Council recognises the impact that the Covid-19 pandemic has had on local communities, particularly, those who are vulnerable, both financially and for other reasons.

As you will be aware, in common with all local authorities, the County Council continues to face significant financial challenges in responding to day to day service demands and the ongoing impact of the pandemic. As we wait for the government to provide a multi-year financial settlement through the Spending Review 2021, plus the implications of the recently announced Adult Social Care Levy as the potential solution to the challenges faced by Adult Social Care, the authority's Medium Term Financial Plan (MTFP) presents a deficit position by 2024/25 of £18.4m. Any loss of income from Council Tax arising from these proposed changes would only serve to increase the deficit, over the 3 year term of the

MTFP by a further £2.4m, and consequently the potential need to make significant new savings to bridge the funding gap.

Council Tax is the County Council's most important funding stream (74% of net budget in 2021/22) and we rely on certainty of this income to enable us to effectively plan services for the future. The Council will need to take account of any further reduction in the tax base on its income when considering options for achieving a balanced budget for 2022/23 and beyond. Any reductions in income from Lewes District residents will be felt across the whole of East Sussex and potentially impact on the services on which the most vulnerable in the whole rely.

To add context, the projected income loss of £800,000 would fund:

- 16-20 social workers in Children's Services, that support 280-350 of the most vulnerable children, or*
- Specialist residential care for 4 children for a whole year, or*
- 30 long term care home placements for older people, or*
- 70 long term homecare placements to help older people maintain their independence, or*
- The running costs of Lewes Library for over 2 years, or*
- The filling of 20,000 potholes across the county*

In conclusion, East Sussex County Council cannot support Lewes District Council's proposals to change its LCTRS which will lead to a permanent and significant reduction in its income from council tax.

4.2 Rother District Council: ultimately the decision to approve the proposed changes to its LCTRS rests with RDC, however it is suggested that ESCC makes the following response:

East Sussex County Council recognises the impact that the Covid-19 pandemic has had on local communities, particularly, those who are vulnerable, both financially and for other reasons.

As you will be aware, in common with all local authorities, the County Council continues to face significant financial challenges in responding to day to day service demands and the ongoing impact of the pandemic. As we wait for the government to provide a multi-year financial settlement through the Spending Review 2021, plus the implications of the recently announced Adult Social Care Levy as the potential solution to the challenges faced by Adult Social Care, the authority's Medium Term Financial Plan (MTFP) presents a deficit position by 2024/25 of £18.4m. Any loss of income from Council Tax arising from these proposed changes would only serve to increase the deficit and consequently the potential need to make significant new savings to bridge the funding gap.

Council Tax is the County Council's most important funding stream (74% of net budget in 2021/22) and we rely on certainty of this income to enable us to effectively plan services for the future. The Council will need to take account of any further reduction in the tax base on its income when considering options for achieving a balanced budget for 2022/23 and beyond. Any reductions in income from Rother District residents will be felt across the whole of East Sussex and potentially impact on the services on which the most vulnerable in the whole rely.

Although only a minor change to the existing LCTRS, little information has been presented for the authority to fully understand the impact, other than it will reduce the income received. On this basis, East Sussex County Council cannot support Rother District Council's proposals to change its LCTRS which could lead to a permanent reduction in its income from council tax.

5 Conclusion and Reason for Recommendation

5.1 Lewes and Rother District Councils are consulting on proposals to change their LCTRS which will see a reduction on Council Tax income received by the County Council. Whilst the proposals address particular concerns within each authority, the impact of the reduction in income will be felt for County Council services that support the needs of residents across the whole of East Sussex. The responses to the consultations reflect the negative impacts and recommends not supporting the proposed amendments to the LCTRS.

PHIL HALL

Chief Operating Officer

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None

Report to: Lead Member for Resources and Climate Change

Date of meeting: 1 October 2021

By: Chief Operating Officer

Title: Modernising Back Office Systems Programme Support

Purpose: This report requests approval for the award of a contract to provide flexible support to the Modernising Back Office Systems (MBOS) programme

RECOMMENDATIONS: The Lead Member is recommended to approve the award of the flexible programme support services contract to the preferred supplier.

1 Background

- 1.1 The current SAP Enterprise Resource Planning (ERP) system was implemented in 2004 and will no longer be supported by SAP beyond 2027. The current ERP system supports the Council's back-office processes and transactions. Without a fully supported ERP system the Council would be unable to continue to deliver services without considerable risk.
- 1.2 Approval to award contracts for the provision of Software as a Service (SaaS) and implementation services has been given following a full EU restricted procurement procedure.
- 1.3 A review of the proposed implementation timelines and the Council's ability to support the implementation partner has shown that there are some skills that do not currently exist within the Council's existing resources.
- 1.4 These resource gaps are predominantly around having sufficient technical capability to ensure an effective and robust design that will deliver the outcomes which will provide the baseline for Council back-office services for the duration of the SaaS contract term of 10 years.
- 1.5 Consideration has been given to proceeding with the programme without additional support and the risk profile and potential for costly design changes or delays outweighs the investment required.
- 1.6 Given the value of the contract, the contract award is a Chief Officer and Lead Member decision. Further exempt information in support of this report is provided in a report at a later agenda item.

2 Supporting information

Procurement Process

- 2.1 The procurement process followed was a mini-competition through the NEPRO3 framework. NEPRO3 is public sector procurement framework delivered as a managed service by Bloom Procurement Services Limited.
- 2.2 Seven bidders were requested to submit tenders for the provision of support services. Two compliant responses were received, and the remainder did not submit bids which we believe was due to their inability to meet the timelines.
- 2.3 Following receipt of tenders, an evaluation and clarification process commenced, which resulted in a preferred supplier being identified.

- 2.4 Following the approval of the contract award, all suppliers will be notified by Bloom Procurement Services and a purchase order provided to them for service delivery to commence.

Contractual Arrangements

- 2.5 One contract is proposed to enter into a call off for programme support services that can be delivered in a flexible manner allowing the programme to call on the resources required at differing stages of implementation.
- 2.6 The contract will be in place for a maximum period of 3 years to ensure that the programme can lock in access to support services for the implementation phase and any initial “business as usual” support.
- 2.7 The Council has the option to conclude the contract term when no further services are required.
- 2.8 The costs of the planned service provision are within the programme budget submitted at the time of the approval of the SaaS and implementation contracts.

Benefits

- 2.9 The provision of these support services provides significant flexibility and risk mitigation to the delivery of the MBOS programme.

3 Conclusion and reasons for recommendations

- 3.1 The procurement will meet the objective of putting in place a modern ERP system required to meet the current and future needs of East Sussex County Council.
- 3.2 For the reasons set out in this report it is recommended that the award of the implementation and system provision contracts to the preferred suppliers are approved.

PHIL HALL

Chief Operating Officer

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BACKGROUND DOCUMENTS

None

Report to: Lead Member for Resources and Climate Change

Date of meeting: 1 October 2021

By: Chief Operating Officer

Title: Grant of 25 year lease term to Project Art Works for The Arches (Linton Road) 1-3, Braybrooke Terrace, Hastings TN34 1TD

Purpose: To agree an extension to the term of the existing lease of The Arches (Linton Road) 1-3, Braybrooke Terrace, Hastings TN34 1TD by way of a surrender and re-grant of the existing lease

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Agree to the proposed lease extension and terms in respect to the letting of The Arches 1-3, Braybrooke Terrace, contained in the Exempt report at a later agenda item;
 - 2) Delegate authority to the Chief Operating Officer to approve the final lease negotiations and take any other actions considered appropriate to give effect to the above recommendation, and to secure best value in accordance with the Local Government Act 1999.
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1 Background

- 1.1 East Sussex County Council (ESCC) are the landlord and there is an existing lease with Project Art Works (PAW) as the tenant occupier. PAW is a Community Organisation specialising in supporting neurodiverse artists in Hastings and the surrounding areas.
- 1.2 As a charity they are looking to supplement their day-to-day income streams via external grant funding to repair and improve their premises, The Arches. The subject premises provide their main creative space however it is an infill structure underneath a road viaduct. The infill structure requires significant investment to meet the tenant's obligations set out in the existing lease regarding access and energy efficiency/energy performance requirements.
- 1.3 To meet future grant funding, it has been identified that some funding providers are asking for a minimum of a 20 year term to secure against and similar funding programmes are expected to be released over the next two years. The existing lease has less than 10 years remaining and therefore a 25 year term is being recommended to allow PAW to be able to qualify for funding over the medium term.

2 Supporting information

- 2.1 PAW are a well-respected local organisation receiving national recognition for its work, including a recent nomination for the coveted Turner Prize.
- 2.2 The County Council has no alternative use for the asset, being a void space situated under a road viaduct that requires access for maintenance and repairs, therefore there is no future intention to dispose of the site.
- 2.3 ESCC receives an annual rent for the premises. The rent and terms are set out in the associated Exempt report which is at a later agenda item.
- 2.4 The infill structure which provides the external structure of the premises is structurally unsound and is currently secured by scaffolding. The demise of the premises does not include the brick archway and therefore beyond providing shelter, it is not a structural part of the premises. PAW have made a planning application for improvement works to the

premises which include creating a frame-structure to which new external elevations can be secured. These will provide the thermo-efficiency and improve energy efficiency needed and to assist with meeting the energy performance regulations.

- 2.5 Further works include a side extension to improve access and meet the Equality Act 2010 requirements include the installation of an internal hoist, more suitable wash facilities along with increasing the useable floor space by levelling the internal mezzanines.
- 2.6 Fuller details of the transaction are outlined in an Exempt report later on in the Lead Member agenda. If the longer lease term is not secured, the risk is that significant funding will be not be achieved and this may affect the ability of PAW to provide the necessary alterations.

3 Conclusion and reasons for recommendations

- 3.1 It is recommended that the Lead Member for Resources and Climate Change agrees the new lease terms for The Arches (Linton Road), 1-3 Braybrooke Terrace as outlined in the Exempt report later on in the agenda.
- 3.2 It is recommended that the Lead Member for Resources and Climate Change agrees to delegate authority to the Chief Operating Officer to approve the final lease negotiations and ensure the legal documents are in place that represent best value in accordance with the Local Government Act 1999.

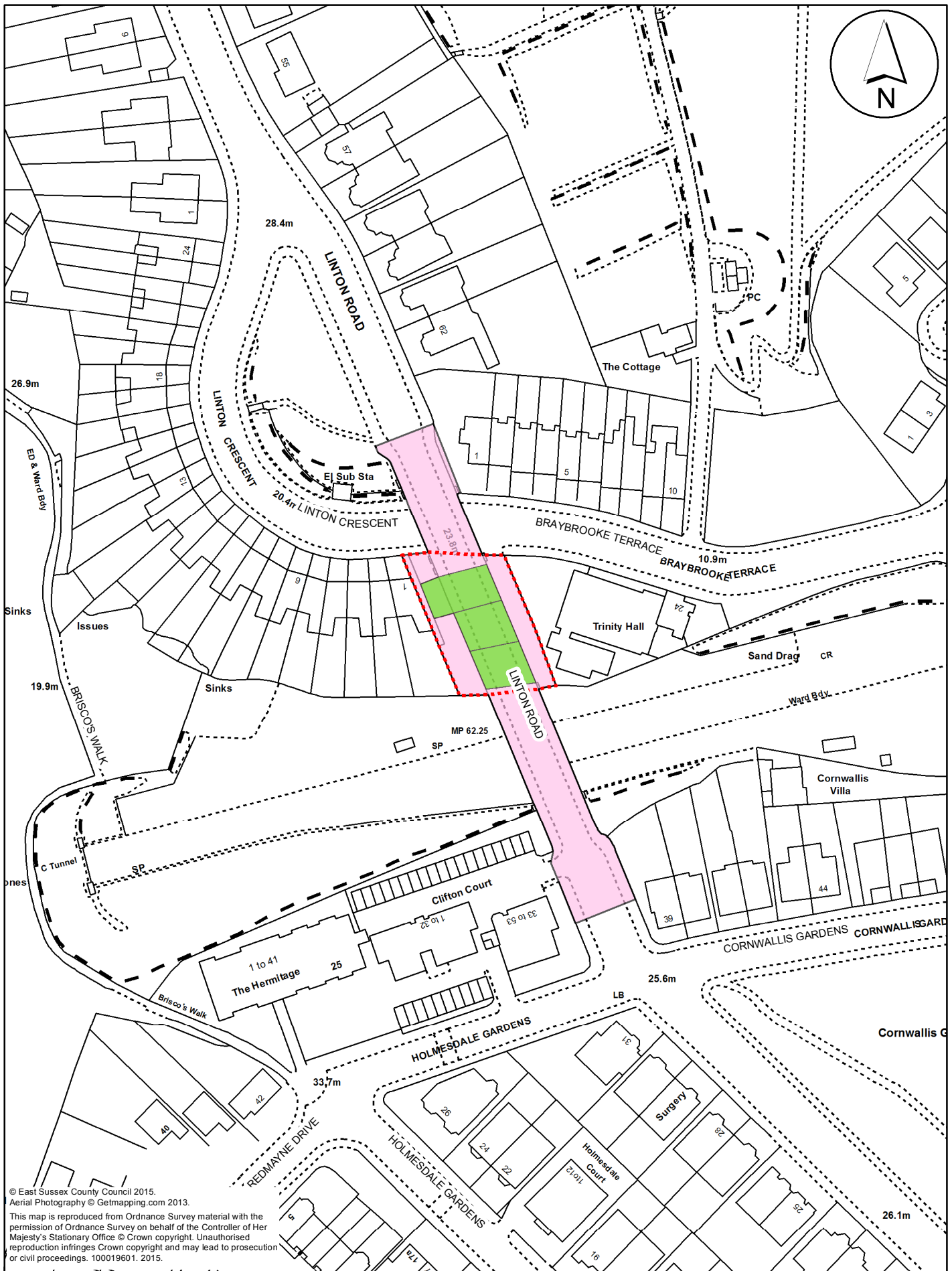
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LOCAL MEMBER

Councillor Godfrey Daniel

Appendix 1 – Lease Plan showing current demise and location



Map Title: Three arches under the Linton Road Viaduct		East Sussex County Council County Hall St Annes Crescent Lewes	
Date: 05 August 2016	Map No: 1		
Scale: 1:1,250	Author: RHS		

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