



## Lewes District Council

### To all Members of the Cabinet

A meeting of the **Cabinet** will be held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Thursday, 24 September 2015** at **14:30** which you are requested to attend.

Please note the venue for this meeting which is wheelchair accessible and has an induction loop to help people who are hearing impaired.

This meeting may be filmed, recorded or broadcast by any person or organisation. Anyone wishing to film or record must notify the Chair prior to the start of the meeting. Members of the public attending the meeting are deemed to have consented to be filmed or recorded, as liability for this is not within the Council's control.

04/11/2015

Catherine Knight  
Assistant Director of Corporate Services

### Agenda

- 1 Minutes**  
To approve the Minutes of the meeting held on 6 July 2015 (copy previously circulated)
- 2 Apologies for Absence**
- 3 Declarations of Interest**  
Disclosure by councillors of personal interests in matters on the agenda, the nature of any interest and whether the councillor regards the interest as prejudicial under the terms of the Code of Conduct
- 4 Urgent Items**  
Items not on the agenda which the Chair of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances as defined in Section 100B(4)(b) of the Local Government Act 1972
- 5 Public Question Time**

To deal with any questions received from members of the public in accordance with Council Procedure Rule 10 (if any).

**6 Written Questions from Councillors - Question from Councillor Nicholson**

To deal with written questions which councillors may wish to put to the Chair of the Cabinet in accordance with Council Procedure Rule 11 (Question from Councillor Nicholson herewith - page 6).

**7 Matters Referred to the Cabinet**

Matters referred to the Cabinet (whether by the Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of the Council's Constitution.

None.

**8 Reporting Back on Meetings of Outside Bodies**

To receive feedback from the Council's representatives who serve on outside bodies in respect of meetings they have attended (if any).

**9 Reports from Officers**

**- Key Decision**

**9.1 Finance Update (Report and Appendix 1)**

*Cabinet Member: Councillor Smith*

To consider the Report of the Director of Corporate Services (Report No 116/15 herewith - page 7).

**- Non-Key Decision**

**9.2 Portfolio Progress and Performance Report Quarter 1 (April - June 2015)**

*Cabinet Member: Councillor Merry*

To consider the Report of the Director of Business Strategy and Development (Report No 117/15 herewith - page 22).

**- Key Decisions**

**9.3 Shared Services**

*Cabinet Member: Councillor Blackman*

To consider the Report of the Director of Corporate Services (Report No

118/15 herewith – page 43).

**9.4 Adoption of the Community Infrastructure Levy (CIL) – Charging Schedule (Report and Appendices 1 to 4)**

*Cabinet Member: Councillor Jones*

To consider the Report of the Director of Business Strategy and Development (Report No 119/15 herewith – page 75).

**9.5 Wave Leisure Annual Review**

*Cabinet Member: Councillor Maskell*

To consider the Report of the Director of Service Delivery (Report No 120/15 herewith - page 112).

**9.6 Land for Development at Ringmer (Report)**

*Cabinet Member: Councillor Smith*

To consider the Report of the Director of Corporate Services (Report No 121/15 herewith – page 130).

*(NB Appendices A and B to the above Report contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (ie information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in disclosing the information. It can be found starting on (pink) page 150).*

**9.7 Case for Compulsory Purchase of Land at Robinson Road, Newhaven (Report)**

*Cabinet Member: Councillor Smith*

To consider the Report of the Director of Corporate Services (Report No 124/15 herewith – page 134).

*(NB Appendix B to the above Report contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (ie information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in disclosing the information. It can be found starting on (pink) page 157).*

**- Non-Key Decisions**

**9.8 Land Adjoining Southdowns, Plumpton (Report and Appendix A)**

*Cabinet Member: Councillor Smith*

To consider the Report of the Director of Corporate Services (Report No 122/15 herewith – page 141).

*(NB Appendix B to the above Report contains exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (ie information relating to any individual, information which is likely to reveal the identity of an individual and information relating*

*to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in disclosing the information. It can be found starting on (pink) page 158).*

**9.9 Ward Issues Raised by Councillors at Council**

*Cabinet Members: Councillors Blackman, Franklin, Jones and Maskell*  
To consider the Report of the Assistant Director of Corporate Services (Report No 123/15 herewith – page 146).

**Exclusion of the Public and Press**

To consider, under Section 100(A)(4) of the Local Government Act 1972 (as amended), excluding the public and press from the meeting during the discussion of Appendices A and B to Report No 121/15 (Land for Development at Ringmer); Appendix B to Report No 124/15 (Case for Compulsory Purchase of Land at Robinson Road, Newhaven); and Appendix B to Report No 122/15 (Land Adjoining Southdowns, Plumpton), on this Agenda, as there are likely to be disclosures of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act (ie information relating to any individual, information which is likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person (including the authority holding that information)). It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**9.6 Land for Development at Ringmer (Appendices A and B - Exempt)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**9.6 Land for Development at Ringmer (Plan which was circulated at the meeting - Exempt)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**9.7 Case for Compulsory Purchase of Land at Robinson Road, Newhaven (Appendix B - Exempt)**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

**9.8 Land Adjoining Southdowns, Plumpton (Appendix B - Exempt)**

- Information relating to any individual;
- Information which is likely to reveal the identify of an individual;

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

For further information about items appearing on this Agenda, please contact Trevor Hayward at Southover House, Southover Road, Lewes, East Sussex BN7 1AB. Telephone 01273 471600

**Distribution:**

Councillors: R Blackman, P Franklin, T Jones, R Maskell, E Merry and A Smith

## **Cabinet Meeting**

**24 September 2015**

### **Written Questions From Councillors**

#### **Agenda Item 6**

In accordance with Council Procedure Rule 11, Councillor Nicholson has submitted the following question which he wishes to ask of the Chair of the Cabinet, Councillor Smith:

Will Councillor Smith confirm that he will bring forward a Report to Cabinet at one of the next two Cabinet meetings setting out the advantages and disadvantages of a committee system of governance as opposed to the current Cabinet system with a view to Cabinet if it deems fit authorising the setting up of a working party to consider the matter further?

**Agenda Item No:** 9.1 **Report No:** 116/15  
**Report Title:** Finance Update  
**Report To:** Cabinet **Date:** 24 September 2015  
**Cabinet Member:** Councillor Andy Smith  
**Ward(s) Affected:** All  
**Report By:** Alan Osborne, Director of Corporate Services  
**Contact Officer(s)-**

**Name(s):** Steve Jump  
**Post Title(s):** Head of Finance  
**E-mail(s):** steve.jump@lewes.gov.uk  
**Tel No(s):** 01273 484043

---

**Purpose of Report:**

To provide an update on financial matters affecting the General Fund Revenue Account, the Housing Revenue Account and the approved Capital Programme.

**Officers Recommendation(s):**

**That Cabinet:**

- 1 Agrees Treasury Management activity since the last report to Cabinet has been consistent with the Council's approved Treasury and Investment Strategy.
- 2 Agrees that a nominee account is opened with a second broker to facilitate treasury management transactions as explained in section 3.3.
- 3 Endorses the opinion of the Head of Audit, Fraud and Procurement on the internal control environment at the Council for the year ended 31 March 2015.
- 4 Agrees the General Fund and Housing Revenue Account financial performance for the quarter ended June 2015 as set out in section 6.
- 5 Agrees the Capital Programme financial performance for the quarter ended June 2015, and associated variations, as set out in section 7
- 6 Agrees
  - a. an allocation of £700,000 from reserves in respect of preliminary costs associated with the property portfolio programme.
  - b. that the Director of Corporate Services has delegated authority to designate the allocation to individual schemes
- 7 Confirms the action taken in respect of procurement as set out in section 8.

- 8 Agrees to award discretionary rate relief to two local organisations as set out in section 9.

## Reasons for Recommendations

- 1 A report on funding issues in relation to the Council's General Fund Revenue Account, Housing Revenue Account and Capital Programme is made to each meeting of the Cabinet to ensure that the Council's financial health is kept under continual review. It is essential to ensure that the Council has a sound financial base from which to respond to changing activity levels and demand for statutory services and to ensure that, when appropriate, its finances are adjusted in response to reducing income levels and inflationary pressures on expenditure.
- 2 The Council's Treasury Management function deals with very large value transactions on a daily basis. It is essential that the Council is satisfied that appropriate controls are in place and in accordance with the Code of Practice on Treasury Management in the Public Services prepared by CIPFA (the Chartered Institute of Public Finance and Accountancy) and adopted by the Council.

## Information

### 3 Treasury Management

- 3.1 Treasury Management investment activity between 1 June and 21 August 2015 is summarised in the table below. All activity was consistent with the Council's approved Treasury and Investment Strategy for 2015/2016.

Type of investment	New investments	Matured investments	Average on deposit £m	Average return %
Short term deposits	£55m	£51m	7.30	0.59
Long term deposits	Nil	Nil	0.00	0.00
Treasury Bills	£23m	£22m	8.80	0.48
Money Market Funds	daily		5.99	0.55
Interest Bearing Accounts			2.95	0.35

- 3.2 No new borrowing was undertaken in the period. Long term borrowing remains at £56.6m.
- 3.3 The 2015/2016 Treasury Strategy limits the amount of negotiable instruments (eg Treasury Bills) that can be held in one broker's nominee account to £10m. Currently the Council has a nominee account with one broker only. In order to increase the opportunity for investment in these instruments and to diversify the use of brokers, it is recommended that a nominee account be opened with a second broker. Financial procedure rules require Cabinet agreement to this action.
- 3.4 In accordance with the Council's approved Treasury Strategy Statement, the Audit and Standards Committee reviews all treasury activity that takes place in



order to confirm that it has been undertaken in accordance with the approved Strategy. Should the Audit and Standards Committee have any observations they would be recorded in its minutes and referred to Cabinet.

#### **4 Opinion of the Head of Audit, Fraud and Procurement on the Internal Control Environment at Lewes District Council for the year ended 31 March 2015**

As part of the Council's management of risk and key controls, the Head of Audit, Fraud and Procurement makes an independent appraisal of the overall position each year, then reports to Cabinet. His opinion covering the last financial year is as follows:

"The overall standards of internal control are satisfactory. This opinion is based on the work of Internal Audit, other internal reviews and external assurance bodies, and the Council's work on risk management. The risk management process has identified that most risks are mitigated by the effective operation of controls or other measures. Whilst recommendations have been made to improve procedures and controls in some areas, there were no instances in which internal control problems created significant risks for Council activities or services. In most cases managers have addressed the control issues since the respective audits, and within those recommendations not yet implemented there are no issues that create significant risks for the Council."

#### **5 Audit of 2014/2015 Accounts**

**5.1** As reported to Cabinet in July 2015, a draft Annual Statement of Accounts was presented to the Council's external auditors (BDO) for audit at the end of June. At the time of finalising this report, BDO were on the point of completing their audit ahead of reporting to the Audit and Standards Committee to be held on 28 September. In an 'audit closing' meeting with officers BDO indicated that they:

- anticipate issuing an unqualified true and fair opinion on the financial statements for the year ended 31 March 2015. This means that BDO consider that the Council's accounts present fairly its financial activity in the year and position at 31 March 2015
- have not identified any significant deficiencies in the Council's control environment
- are satisfied that, in all significant respects, the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources and anticipate issuing an unqualified value for money conclusion

If there is any change in BDO's view set out above, a verbal update will be given at the Cabinet meeting.

**5.2** In finalising the accounts and in discussion with BDO, officers were content to amend entries and notes in the draft accounts. None of these amendments had any impact on the final revenue or capital outturn for 2014/2015, or the level of reserves and balances, reported to the last meeting of the Cabinet. A

full list of amendments is included in BDO's report to the Audit and Standards Committee.

## 6 Financial Performance – Revenue budgets

6.1 Financial Performance in the first quarter (1 April to 30 June) of 2015/2016 is shown below. Service details are shown at Appendix 1.

<b>Activity</b>	<b>Full year budget £'000</b>	<b>Qtr 1 Profiled Budget £'000</b>	<b>Qtr 1 actual £'000</b>	<b>Qtr 1 variance £'000</b>
<b>Service Delivery</b>				
Housing and Environment	1,747	796	707	(90)
Planning and Revenues	1,630	(2,052)	(2,239)	(187)
Customer Service	1,238	494	467	(27)
Waste and Recycling	2,771	793	780	(13)
	7,386	31	(286)	(317)
<b>Business Strategy and Development</b>				
Business Strategy and Performance	655	155	166	11
Regeneration and Investment	1,021	126	127	1
Strategic Policy	545	185	76	(109)
	2,221	466	369	(97)
<b>Corporate Services</b>				
Property and Facilities	223	435	358	(77)
Legal	0	58	63	5
Democratic Services	895	253	209	(44)
Human Resources	0	107	23	(84)
Information Technology	142	490	474	(16)
Finance	52	199	186	(13)
Audit, Fraud and Procurement	0	68	72	4
	1,312	1,610	1,385	(222)
<b>Corporate Strategy and Programmes</b>	1,135	192	239	47
<b>Financing, interest, grants, etc</b>	(12,054)	(882)	(795)	87
<b>Housing Revenue Account</b>	0	(2,203)	(2,342)	(139)
<b>TOTAL</b>	<b>0</b>	<b>(786)</b>	<b>(1,430)</b>	<b>(644)</b>

6.2 Financial performance in the first quarter resulted in a favourable net variation of £644,000. Key elements of this variation were:

	£'000
Employee costs – the savings delivery plan assumes a vacancy savings target of 2% for the year. In Quarter 1, savings from vacant posts exceeded the target by 5%	(229)
Planning Development Control fees – additional income	(50)
Business Rates local discount scheme - £370,000 has been earmarked to support a pilot scheme. In Quarter 1 a (minor) discount has been awarded, on application, to one business	(93)
Government grants received – funding has been received in respect of the Neighbourhood Planning process and electoral registration changes	(62)
Recyclate sales – the budget for this income stream is £350,000. The Council has been effected by the closure of a bulking facility run by a third party last year and it has not been possible to store material for collection and sale. Instead material has been shipped to Brighton material recycling facility managed by Veolia, where no income has been received by the Council and no charge made to use the facility. Building a bulking facility at a new depot reduces a reliance on third parties however recycling income goes down as well as up. New arrangements are now in place to receive a income for paper recycling, however an overall shortfall against the budget for the year of £250,000 is anticipated.	72
Housing Revenue Account repairs	(65)
	<b>(427)</b>

- 6.3** Spending activity in many service areas has tended to be slow in the first quarter and the 'gap' between budgeted and actual spend is expected to close in quarter 2. Trends in housing benefit awarded and associated government subsidy due will also be more identifiable when the position at 30 September is analysed.

## **7 Financial Performance – Capital Programme**

- 7.1** Appendix 2 gives details of the capital programme spending in the first quarter, which is line with expectations at this stage of the year. Minor variations are required in respect of three projects – these are separately identified in the Appendix.
- 7.2** The approved programme includes £280,000 in respect of the costs of architectural and other preliminary work associated with the proposed housing development at Robinson Road, Newhaven. An allocation is now required in respect of preliminary costs associated with other sites which form part of the property portfolio partnership programme. It is recommended that Cabinet earmark £700,000 from unallocated reserves (including the Housing Revenue Account where appropriate) to fund these costs and to delegate authority to the Director of Corporate Services to designate the allocation to specific sites within the portfolio. The future disposal of sites within the portfolio is expected to generate capital receipts which will offset this initial funding.

## 8 Procurement

- 8.1** Where it is not practicable to use the schedule of rates or obtain quotations for contracts or orders over £5,000, an officer may proceed with the prior agreement of the appropriate Cabinet Member with the reasons reported to the next meeting of the Cabinet.
- 8.2** With prior approval from the Cabinet Member for Strategy and Development £10,000 has been spent on obtaining commercial advice from GVA. Advice was sought on the content of the Council's preferred section 106 agreement clause relating to the duties of a charge/mortgagee in possession of affordable housing. In this case competitive quotations were not obtained. The reasons are as follows:

The wording of this clause has far-reaching implications for the provision of affordable housing within the district. It requires specialist advice from experts with good technical expertise who also have a sound understanding of the way in which the housing market, and funding for that market, is moving and who understand government policy on housing. Officers have had difficulty in identifying experts with the requisite knowledge and experience in this niche area of work. Some time ago officers sought initial advice from a well-known consultancy but the advice was superficial and did not fill officers with confidence. The Council has been working with a senior employee of GVA on another project and has been able to satisfy itself that GVA has the expertise needed in this field.

## 9 Discretionary Rate Relief

- 9.1** From April 2013, income from business rates directly impacts on the Council's financial position. The Council retains 40% of business rates collected. The Council award discretionary rate relief to community organisations, total rates income reduces, with the Council effectively funding 40% of the cost.
- 9.2** There is a statutory requirement for the Council to maintain a Discretionary Rate Relief Scheme to award business rates relief of up to 100% to certain organisations which operate within specified criteria as follows:

	Mandatory Relief	Discretionary Relief
Charities, using premises for charitable purposes	80% of rates due	Up to 20% of rates due
Registered community amateur sports clubs (CASC's)	80% of rates due	Up to 20% of rates due
Non-profit making organisations	Not applicable	Up to 100% of rates due

- 9.3** The table overleaf shows the number of organisations currently receiving Discretionary Rate Relief and the value of that relief.

	Number of cases	Total value of relief
Charities receiving 20% top-up relief	71	£162,600
CASC's	1	£500
Non-profit making organisations	6	£14,500
Total	788	£177,600

**9.4** The Leader of the Council has delegated authority to approve or refuse new applications where the value of the relief is up to £5,000, with Cabinet deciding on all other applications. Applications are evaluated against the Council's Discretionary Rate Relief Policy.

**9.5** Two applications have been received which Cabinet is recommended to approve:

**i Lewes Football Club** – based at the Dripping Pan in Lewes, Lewes FC operates on a not for profit basis, structured as a 'Community Benefit Society' with ownership spread across 1000 supporters. The Club has a strong community focus and has recently installed a 3g pitch which will be a good facility within the town. Looking beyond its on-pitch activity as a non-League football club, the Club is nationally recognised for its Football Therapy work (targeted at persons with mental wellbeing issues such as depression), offers Vocationally Related Qualifications and runs soccer schools throughout the week and in school holidays.

The Club's business rates liability in 2015/16 is £9,860.

From the background information and financial details supplied, the Club is considered to fall within the Council's Policy for awarding discretionary rate relief and it is recommended that 100% relief is awarded, effective from 1 April 2015.

**ii Dance Academy, North Street, Lewes** – based at Riverside Industrial Estate Lewes, this dance school which offers in the region of 300 classes to 60 registered students a week, registered as a Community Interest Company (CIC) in April 2015. As a CIC, the Dance Academy has been established as a non-profit making organisation and its Articles of Association require any surplus generated to be used principally for the benefit of the community.

Initially operating as a privately-owned small business, the Dance Academy has occupied its current premises since June 2012, investing in fitting out an industrial unit with 2 dance studios, changing facilities, etc.

The Dance Academy's business rates liability in 2015/16 is £6,800.

From the background information and financial details supplied, the Dance Academy is considered to fall within the Council's Policy for awarding

discretionary rate relief and it is recommended that 100% relief is awarded, effective from 1 April 2015, when first established as a CIC.

**10 Financial Appraisal** - referred to under individual items above.

**11 Legal Implications** - there are no legal implications arising from this report.

### **Risk Management Implications**

**11.1** The Council maintains an overview of its policy programme, its Medium Term Financial Strategy and the external factors that affect them. Without this constant analysis and review there is a risk that the underlying recurring revenue budgets will grow at a faster rate than the resources available to fund them. This risk is mitigated through regular reports to Cabinet on the Council's overall revenue and capital position and Cabinet's correcting actions taken in accordance with the objectives and principles it set for management of the Council's finances.

**11.2** An additional risk in the current climate is that reserves and balances will be drawn upon sooner than is necessary unless an assessment is made of resource implications where activity levels have fallen or risen to any significant degree. This risk is mitigated by identifying such areas, making an assessment covering the short and medium term and taking corrective action.

## **12 Equality Screening**

This Finance Update is a routine report for which detailed Equality Analysis is not required to be undertaken. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

### **Background Papers:**

Treasury Strategy Statement <http://www.lewes.gov.uk/council/20987.asp>

Discretionary Rate Relief Policy [www.lewes.gov.uk/Files/cabinet\\_051019\\_NonDRates.doc](http://www.lewes.gov.uk/Files/cabinet_051019_NonDRates.doc)

### **Appendices**

Appendix 1 – Financial performance Quarter 1 by service

Appendix 2 – Capital Programme 2015/2016 – Quarter 1

## Financial Performance Quarter 1 – Service details

	Qtr 1 Profiled Budget £'000	Qtr 1 actual £'000	Qtr 1 variance £'000
<b>Service Delivery</b>			
Housing and Environment			
: Regulatory Services - Licensing	(49)	(29)	20
: Regulatory Services - Public Health	14	13	(1)
: Regulatory Services - Food Safety	1	2	1
: Regulatory Services - Environmental Protection	9	11	2
: Regulatory Services - Health and Safety	0	0	0
: Regulatory Services - Port Health	0	1	1
: Community Safety	2	2	0
: Emergency Planning	5	0	(5)
: Homelessness	58	69	11
: Housing Strategy, Enabling and Advice	5	0	(5)
: Private Sector Housing Renewal	3	0	(3)
: Salaries, management, admin costs	748	637	(111)
Sub-total	796	706	(90)
Planning and Revenues			
: Building Control	(84)	(67)	17
: Coast Protection	9	16	7
: Flood Defence	82	60	(22)
: Development Control	(173)	(248)	(75)
: Street Naming	2	0	(2)
: Regulatory Services - Environmental Protection	(66)	(72)	(6)
: Council Tax Support Scheme Mgt	0	0	0
: Local Tax Collection - Council Tax	89	60	(29)
: Local Tax Collection - Business Rates	9	7	(2)
: Housing Benefit Administration	157	114	(43)
: Housing Benefit	(2,366)	(2,356)	10
: Salaries, management, admin costs	289	247	(42)
Sub-total	(2,052)	(2,239)	(187)
Customer Service			
: Regulatory Services - Animal and Pest Control	4	(2)	(6)
: Cemeteries	(1)	(7)	(6)
: Open Spaces	89	66	(23)
: Sports and Playing Fields	70	60	(10)
: Vehicle Workshop	(25)	36	61
: Internal Corporate Support Unit	39	16	(23)
: Salaries, management, admin costs	318	298	(20)
Sub-total	494	467	(27)

	Qtr 1 Profiled Budget £'000	Qtr 1 actual £'000	Qtr 1 variance £'000
Waste and Recycling			
: Recycling	236	299	63
: Waste Collection	264	235	(29)
: Street Cleansing	175	154	(21)
: Management and administration	73	54	(19)
: Robinson Road facility	45	38	(7)
Sub-total	793	780	(13)
<b>Service Delivery Total</b>	<b>31</b>	<b>(286)</b>	<b>(317)</b>
<b>Business Strategy and Development</b>			
Business Strategy and Performance			
: Voluntary Sector Support	50	49	(1)
: Print Plus service	(6)	9	15
: Salaries, management, admin costs	111	108	(3)
Sub-total	155	166	11
Regeneration and Investment			
: Tourism	47	54	7
: Culture and Heritage: Arts Development	1	(6)	(7)
: Economic Development	107	55	(52)
: Newhaven Enterprise Centre	(29)	24	53
: Salaries, management, admin costs	0	0	0
Sub-total	126	127	1
Strategic Policy			
: Planning Policy	73	(23)	(96)
: Planning Policy - Conservation	0	0	0
: Salaries, management, admin costs	112	99	(13)
Sub-total	185	76	(109)
<b>Business Strategy and Development total</b>	<b>466</b>	<b>369</b>	<b>(97)</b>
<b>Corporate Services</b>			
Property and Facilities			
: Investment Properties	(6)	(55)	(49)
: Industrial Estates	(165)	(158)	7
: Property Portfolio/Regeneration	16	7	(9)
: Public Conveniences	72	56	(16)
: Culture and Heritage - Newhaven Fort	32	46	14
: Indoor Leisure - Wave	161	153	(8)



	Qtr 1 Profiled Budget £'000	Qtr 1 actual £'000	Qtr 1 variance £'000
: Car Parking	17	18	1
: Office Accommodation	232	214	(18)
: Salaries, management, admin costs	76	77	1
<b>Sub-total</b>	<b>435</b>	<b>358</b>	<b>(77)</b>
<b>Legal Services</b>	<b>58</b>	<b>63</b>	<b>5</b>
<b>Democratic Services</b>			
: Democratic Representation	73	60	(13)
: Electoral Registration	38	6	(32)
: Elections - LDC	67	71	4
: Elections - other	0	0	0
: Local Land Charges	(3)	(6)	(3)
: Salaries, management, admin costs	78	78	0
<b>Sub-total</b>	<b>253</b>	<b>209</b>	<b>(44)</b>
<b>Human Resources</b>			
: Recruitment and Training	0	0	0
: HR service	107	23	(84)
<b>Sub-total</b>	<b>107</b>	<b>23</b>	<b>(84)</b>
<b>Information Technology</b>	<b>490</b>	<b>474</b>	<b>(16)</b>
<b>Finance</b>			
: Treasury Management	11	8	(3)
: Salaries, management, admin costs	188	178	(10)
<b>Sub-total</b>	<b>199</b>	<b>186</b>	<b>(13)</b>
<b>Audit, Fraud and Procurement</b>	<b>68</b>	<b>72</b>	<b>4</b>
<b>Corporate Services Total</b>	<b>1,610</b>	<b>1,385</b>	<b>(222)</b>
<b>Corporate Strategy and Programmes</b>			
: Corporate Management	38	35	(3)
: Organisational Development	0	30	30
: Salaries, management, admin costs	154	174	20
<b>Corporate Strategy and Programmes total</b>	<b>192</b>	<b>239</b>	<b>47</b>
<b>Financing, interest, grants, etc</b>			
Contributions to the HRA re shared items	0	0	0
Interest payments and receipts	(19)	(10)	9

	Qtr 1 Profiled Budget £'000	Qtr 1 actual £'000	Qtr 1 variance £'000
Town and Parish Council grant	118	118	0
Contributions to/from Reserves	0	0	0
Service Priority budget and savings target	(70)	0	70
Pensions accounting	21	32	11
Provision for Debt Repayment	0	0	0
Government Grants	(916)	(935)	(19)
Council Tax	(16)	0	16
Retained Business Rates	0	0	0
Use of Balance	0	0	0
<b>Total</b>	<b>(882)</b>	<b>(795)</b>	<b>87</b>
<b>Housing Revenue Account</b>			
Rent income	(3,866)	(3,874)	(8)
Charges for Services	(41)	(23)	18
Contributions towards expenditure	(10)	0	10
Community Amenities Contribution	0	0	0
Supervision and Management	84	46	(38)
Special Services	264	159	(105)
Repairs and Maintenance	811	794	(17)
Rents, rates, etc	123	124	1
Provision for irrecoverable debts	0	0	0
Capital accounting	0	0	0
Interest payments and receipts	432	432	0
Depreciation	0	0	0
Capital Programme funding	0	0	0
Transfer to/from HRA Balance	0	0	0
<b>Total HRA</b>	<b>(2,203)</b>	<b>(2,342)</b>	<b>(139)</b>
<b>TOTAL</b>	<b>(786)</b>	<b>(1,430)</b>	<b>(644)</b>

## THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Variations to approve	Programme 2015/16	Quarter 1 2015/16 spend	Remaining allocation	Comment
		£	£	£		£	
1	<b>HRA HOUSING INVESTMENT CAPITAL PROGRAMME</b>						
2	Construction of New Dwellings						
3	- Balcombe Road, Peacehaven	759,830		759,830		759,830	
4	- Grassmere Court, Telscombe Cliffs	506,550		506,550		506,550	
5	- Headland Way, Peacehaven	506,550		506,550		506,550	
6	- Hythe Crescent, Seaford	235,340		235,340		235,340	Schemes on former garage sites at design stage
7	- Rectory Close, Newhaven	1,013,110		1,013,110		1,013,110	
8	- Valley Road, Newhaven	506,550		506,550		506,550	
9	- Waldshut Road, Lewes	289,160		289,160		289,160	
10	- Robinson Road - Project Development			280,000	61,500	218,500	At design stage
11	Improvements to Stock						
12	- Kitchen & Bathroom Renewals	600,000		626,577	52,355	574,222	
13	- Heating Improvement Programme	1,000,000		1,000,000	100,184	899,816	
14	- Electric Heating Sustainable Replacement	1,200,000		1,200,000	201,259	998,741	
15	- Window & Door Replacement Programme	600,000		607,685	110,708	496,977	
16	- Rewiring Programme	100,000		100,000	6,545	93,455	
17	- Roofing & Chimney Works	650,000		650,000	28,376	621,624	
18	- Structural Works	105,000		122,528	47,432	75,096	Annual programmes
19	- Minor Insulation & Other Sundry Housing Works	70,000		72,673	5,119	67,554	
20	- Fire Precaution Works	300,000		300,000	3,195	296,805	
21	Adaptations for Disabled Tenants	350,000		350,000	69,964	280,036	
22	Environmental Improvements	120,000		120,000	14,372	105,628	
23	Housing Estates Recreation and Play Areas	50,000		50,000		50,000	
24	Rooms in Roof Conversions	150,000		150,000		150,000	Demand led
25	Door Entry Security Systems	50,000		107,784	45,125	62,659	
26	Right to Buy Buy Back Scheme	185,000		185,000		185,000	Demand led
27	<b>Total HRA Housing</b>	<b>9,347,090</b>		<b>9,739,337</b>	<b>746,134</b>	<b>8,993,203</b>	
28	<b>GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME</b>						
29	- Emergency Repair Grants	15,000		15,000	11,040	3,960	
30	- Empty Homes Initiative			5,920	120	5,800	
31	- Energy Efficiency Advice			12,466		12,466	
32	- Fuel Poverty Grants			3,505		3,505	
33	- Keep Warm in Winter	60,000		100,759	32,779	67,981	
34	- Mandatory Disabled Facilities Grants	600,000		852,418	11,475	840,943	
35	- Home Trust Loans	60,000		130,339	5,700	124,639	
36	<b>Total General Fund Housing</b>	<b>735,000</b>		<b>1,120,407</b>	<b>61,113</b>	<b>1,059,294</b>	
37	<b>Total Housing Capital Programme</b>	<b>10,082,090</b>		<b>10,859,744</b>	<b>807,248</b>	<b>10,052,496</b>	

## THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Variations to approve	Programme 2015/16	Quarter 1 2015/16 spend	Remaining allocation	Comment
		£	£	£		£	
38	<b>GENERAL FUND CAPITAL PROGRAMME</b>						
39	WAVE Leisure Trust						
40	Environmental Improvements			9,800		9,800	
41	Lewes Leisure Centre - Roof Replacement			88,000		88,000	
42	WAVE Energy Saving Initiatives			39,607	14,664	24,943	
43	Recreation Services						
44	Lewes - Convent Field Play Area & Landscaping			2,197		2,197	
45	Lewes - Southover Grange Maintenance Programme			46,750		46,750	
46	Lewes - Stanley Turner Recreation Ground Improvements			103,097	2,000	101,097	
47	Lewes - Streamside Fencing, Southover Grange Gardens			18,000		18,000	
48	Newhaven - Harbour Heights Play Area			39,000		39,000	
49	Peacehaven - Sports Pavilion, Pitches & Parking			489,971	87,032	402,939	
50	Newick - New Play Area		44,650	44,650	3,398	41,252	Cabinet to approve inclusion in programme - s106 funded
51	Seaford - Walmer Road Play Area Equipment			9,385		9,385	
52	Seaford - Downs Play Area Equipment & Landscaping			5,362	5,945	-583	New allocation from General Provision see line 71
53	Flint Walls Repair		25,000	25,000	2,396	22,604	
54	Planning & Economic Development						
55	Flood Protection Schemes at Landport & Malling Deanery			4,870		4,870	
56	Coastal Defence Works						
57	Option Study Unit 13B - Groynes 18 & 19)			8,711		8,711	
58	Newhaven Western Arm to Brighton Marina Scoping Study			10,069		10,069	
59	Newhaven Western Arm to Brighton Marina Implementation Plan			34,319		34,319	
60	Electric Vehicle Charge Points			1,822,000		1,822,000	First installations in Qtr2
61	Newhaven Fort Refurbishment	50,000		50,000	660	49,340	
62	Disability Discrimination Act Works			3,850		3,850	
63	University Technical College Contribution			361,755		361,755	
64	Newhaven Growth Quarter Project			2,378,681	127,245	2,251,436	
65	Photovoltaic Panel Housing Installation Programme	2,700,000		2,700,000		2,700,000	First installations in Qtr2
66	Corporate Services						
67	Computer & IT Replacement Programme	50,000		65,648	48,770	16,878	
68	Lewes House Site - Redevelopment Project			6,800		6,800	
69	New Service Delivery Model Technology	1,300,000		1,300,000		1,300,000	Pending procurement outcome - see separate Agenda item
70	Agile Working - Newhaven Shared Facility			685,995	11,189	674,806	
71	Corporate Buildings Capital Works						
72	Asset Backlog Repairs	150,000	(45,000)	105,000		105,000	Variation - see lines 52 and 75
73	Lewes House External Works			57,120		57,120	

## THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Variations to approve	Programme 2015/16	Quarter 1 2015/16 spend	Remaining allocation	Comment
		£	£	£		£	
74	Southover Grange Depot (Structural Works)			20,000		20,000	
75	Stanley Turner Pavilion (Water/ Heating System Renewal)			40,000		40,000	
76	Seaford Cemetery Chapel		20,000	65,000		65,000	Lowest tender requires increase in allocation - funding from general provision
77	Southover House Replacement Boiler		1,900	1,900	1,613	287	Retention payment
78	Vehicle & Plant Replacement Programme	1,334,000		1,334,000		1,334,000	
79	Food Waste Collection			177,112		177,112	
80	<b>Total General Fund Capital Programme</b>	<b>5,584,000</b>	<b>46,550</b>	<b>12,153,649</b>	<b>304,912</b>	<b>11,848,737</b>	
81	<b>TOTAL OVERALL CAPITAL PROGRAMME</b>	<b>15,666,090</b>	<b>46,550</b>	<b>23,013,393</b>	<b>1,112,160</b>	<b>21,901,233</b>	
82	<b>CAPITAL PROGRAMME FUNDING</b>						
83	Borrowing			5,888,085			
84	Capital Receipts			2,320,052			
85	Grants			4,280,969			
86	Reserves			8,623,024			
87	Capital Expenditure Financed from Revenue (General Fund)			24,107			
88	Capital Expenditure Financed from Revenue (Housing)			1,120,000			
89	Contributions - Planning (Section 106) Agreements			560,396			
90	Other External Contributions			196,760			
91	<b>TOTAL CAPITAL PROGRAMME</b>			<b>23,013,393</b>			

**Agenda Item No:** 9.2 **Report No:** 117/15

**Report Title:** Portfolio Progress and Performance Report  
Quarter 1 (April – June 2015)

**Report To:** Cabinet **Date:** 24 September 2015

**Cabinet Member:** Councillor Elayne Merry, Portfolio Holder

**Ward(s) Affected:** All

**Report By:** Nazeya Hussain, Director of Business Strategy and Development

**Contact Officer(s)-**  
**Name(s):** Sue Harvey and Judith Field  
**Post Title(s):** Strategic Performance Manager / Strategic Projects Manager  
**E-mail(s):** [sue.harvey@lewes.gov.uk](mailto:sue.harvey@lewes.gov.uk) / [judith.field@lewes.gov.uk](mailto:judith.field@lewes.gov.uk)  
**Tel No(s):** 01273 471600 (Ext 6119 or 6205)

---

**Purpose of Report:**

1. To consider the Council's progress and performance in respect of key projects and targets for the first quarter of the year (April to June 2015 - Q1).

**Officers' Recommendation(s):**

1. That progress and performance for the Quarter 1 period (April to June 2015) be considered and;
2. That the following comments and recommendations from Scrutiny Committee be considered and Cabinet decides whether each recommendation is agreed.

**Scrutiny Committee's Recommendation (following their consideration of this Report):**

3. It is recommended that Cabinet agree the development of further public campaigns that promote recycling and its benefits, what can be recycled and encouraging residents to reduce and re-use.

---

**Reasons for Recommendations**

4. To enable Cabinet to consider any particular aspects of Council progress or performance and consider any recommendations arising from the Scrutiny Committee.





**Background**

5. It is of fundamental importance that the Council monitors and assesses its performance on a regular basis, to ensure we continue to deliver excellent services to our communities in line with planned targets. Alongside this, it is also vital to monitor progress with key strategic projects, to ensure the Council is delivering what it has committed to or has set out to achieve.

6. This report sets out the Council's performance against its targets and projects for the first quarter of 2015/16 (the period running from 1<sup>st</sup> April to 30<sup>th</sup> June 2015). The report was considered by the Scrutiny Committee on 10 September 2015. It is worth noting that, at this stage, the projects and performance targets shown in the report are those which were adopted by the previous Council. Any additional programmes of work will be added following formal approval by Cabinet/Council.
7. The Council has an annual cycle for the preparation, delivery and monitoring of its corporate and service plans. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations. Following the District Council election in May 2015, and the start of a new Council term, work has begun to prepare a new Council Plan. This will set out the Council's priority projects, intended outcomes and associated performance targets. Once approved, progress against key projects and performance targets will subsequently be reported to Members in quarterly reports such as this.

### **Performance in the First Quarter of 2015/16**

8. Appendix A provides the detailed information on progress and performance for Members' consideration, clearly setting out where performance and projects are 'on track' and where there are areas of concern. Where performance or projects are not achieving targets/deadlines set, an explanation is provided, together with a summary of the management action being taken to address this. The Appendix is structured around the six new Cabinet Portfolios agreed following the May 2015 election.
9. The Council uses a Project and Performance Management System (Covalent) to record, monitor and report progress and performance. The system uses the following symbols to indicate the current status of projects and performance targets:

-  = Performance that is at or above target;
-  = Project is on track;
-  = Performance that is slightly below target but is within an agreed (usually +/- 5%) tolerance/projects where there are issues causing significant delay or change to planned activities;
-  = Performance that is below target/projects that are not expected to be completed in time or within requirements.

### **Portfolio Progress and Performance – Quarter 1 – 2015/16**

10. In summary, the following is worth noting:
  - 90% of the Council's key projects were either complete or on track at the end of the first quarter.
  - 77% of the Council's performance targets were either met, exceeded or within a 5% variance.
  - Only 4 indicators did not meet the planned targets.
  - With regard to customer feedback during Quarter 1, 306 complaints were received and responded to, and 133 compliments were made by customers about council services.

**The Good News** – 🟢 Good progress on projects and service performance has been met or has exceeded target.

11. This section of the report highlights projects which have been successfully delivered, and areas where performance has been notably high or improved during the year.

### Regeneration, Enterprise and Partnerships

Project highlights for Quarter 1:

12. Newhaven Growth Quarter - Building work has commenced in respect of the Newhaven Growth Quarter. There is already high demand for the space once completed with 33 businesses having expressed an interest in leasing new or additional space. Completion is planned for April 2016.
13. The second annual Lewes Business Awards event took place in July and was very successful and well-attended. With 64 entries from 39 individual companies for the 2015 awards, this is now becoming a well-established, valued and sustainable annual event.
14. The University Technical College (UTC@harbourside) in Newhaven is due to open on schedule on 7<sup>th</sup> September and is oversubscribed with potential students.

### Finance and Resources

Project highlights for Quarter 1:

15. The shared services project with Eastbourne Borough Council was successfully implemented in April with the sharing of HR, Legal and Print services.

The following notable performance was achieved in Quarter 1:

16. The Council Tax and Business Rates collection rates have improved compared to the same period last year.

### Housing

Project highlights for Quarter 1:

17. The Housing Allocations Policy was updated and reissued to reflect the new statutory 'Right to Move' from 1<sup>st</sup> April 2015. Under this change, existing social housing tenants who have been resident in a local authority area for 2 years or more now have the right to move to another area and be included on the waiting list for that area. To date the Council has not received any Right to Move applications.
18. Local Growth Fund Project to deliver 30 new affordable homes got underway with the engagement of a Development Manager and Employers Agent and the development of site specific design briefs.
19. New Homes Project - The Council has agreed and commenced a major project in partnership with developers, architects and housing associations, aimed at delivering 415 new homes across the District over the next few years, of which 165 (40%) will be affordable, Council owned homes.



The following notable performance was achieved in Quarter 1:

20. There has been an improvement in the number of days taken to process new housing benefit/ Council tax benefit claims compared to the same period last year.
21. 99% of urgent repairs to Council homes were carried out within the Government's 5 day target. The Committee requested, at its last meeting, the number of repairs undertaken for tenants in 2014/15. The total number carried out during the year was 12,157.

### Environment

Project highlight for Quarter 1:

22. Photovoltaic Panels - contract underway and fitting has started.
23. The Council completed a waste review which was agreed by Cabinet in July 2015.
24. Following public consultation, the Council implemented a trial green waste collection service (in Seaford) starting from 25th August 2015. There has been a positive take-up of the trial to date with (at the time of report writing) 321 residents having signed up for the scheme. 16 of these are assisted collections for elderly or disabled residents. Subject to an evaluation in November this year and in May 2016, consideration will be given to rolling out the service to other parts of the District.

The following notable performance was achieved in Quarter 1:

25. The Council continues to inspect and remove abandoned vehicles promptly. 100% of abandoned vehicles were removed within 24 hours during the period.
26. Recycling performance reached 27%, an improvement over the previous quarter.

### Planning

Project highlight for Quarter 1:

27. The first Neighbourhood Plan (for Newick) was adopted.

The following notable performance was achieved in Quarter 1


28. 75% of major and 91% of minor planning applications were determined within target times. This is well above the Council's targets and an improvement on the previous quarter.

### People and Performance

Project highlight for Quarter 1:

29. Dementia Friends initiative was launched and to date 40 LDC employees have been given dementia awareness training.
30. At the last Scrutiny Committee it was resolved that the Head of Democratic Services be requested to examine the site navigation of the Council's website in regard to

information about Councillors to ensure this information was easily accessible. In response simple links have been placed on the homepage of the Council's website to aid navigation.

**Areas for Improvement** –  - Performance was very slightly below target (but within 5% tolerance) or the project is slightly off track.

31. The 'amber warning' is used to flag up any areas of performance or projects that have fallen very slightly below target levels, or where projects are slipping behind schedule or going slightly off-track for any reason. There are 5 performance areas which fell into this category in Quarter 1. Information about management action to address underperformance is set out in the appendix to this report. The 5 areas are:

- Percentage of overpayments recovered
- Percentage of repairs noted as good or satisfactory by tenants
- The percentage of household waste recycled
- Average working days lost to sickness per Full Time Equivalent staff
- The average number of days taken to remove reported fly-tips

32. Members asked, at the last Scrutiny Committee, for comparisons with neighbouring/nearby local authorities regarding their 2014/15 staff sickness absence levels:

Authority	Days lost due to staff sickness (2014/15) (per Full Time Equivalent staff)
<b>Lewes</b>	<b>11.10</b>
Mid Sussex*	9.24
Arun	9.15
Wealden*	8.90
Horsham	8.13
Rother*	8.08
Hastings*	6.41
Eastbourne*	5.10

Data Source: The data has been obtained from a recent survey of HR officers in the Sussex Strategic HR Group and has not been the subject of a formal benchmarking exercise. The quality of the data from all participating councils cannot be verified. \*These councils do not directly employ waste and recycling staff.

33. The level of sickness for the Council is higher than others in the comparator group and has been above the organisation's target levels set in recent years. A detailed report on sickness will be considered by the Employment Committee and formal quarterly monitoring of long and short term absence has been introduced by Corporate Management Team (CMT).

34. For Quarter 1 (April to June 2015) 2,379 days were lost for long term sickness absence (ie for periods exceeding 3 weeks), 48% of this long term sickness was in Waste and Recycling Services. 1,864.5 days were lost during the same period due to short term absence, 40% of which were in Waste and Recycling. A comparatively higher level of sickness in this area of work is not unusual given the physical nature of the work which can often take place in hazardous environments and challenging weather conditions. There is often a correlation between sickness levels and accidents which is also closely monitored.

35. The Chartered Institute of Personnel and Development (CIPD) undertake an annual absence management survey each year. The results from their October 2014 survey show that the national average sickness absence figure was 6.6 days per employee per year. In the public services sector the figure increases to 7.9 days with private sector at 5.5 days.
36. At the last Scrutiny meeting, detailed information on common “hot spots” for fly tipping was requested. Overall, the level of fly-tipping now being experienced in the District is low compared to neighbouring councils. This is due to targeted monitoring and enforcement over the last two years. Officers monitor fly-tipping hotspots on a monthly basis. Action to deal with fly-tip depends on the specific site but can include installation of CCTV cameras, scheduled and ad hoc inspections, preventative measures such as placement of bollards or gates to reduce access, high visibility patrols and local media coverage. These actions have resulted in a significant reduction of fly tipping in Lewes District over the last couple of years. The current “hot-spots” in order of priority are:
- Alfriston Road, Seaford
  - Grand Avenue, Seaford
  - Mill Drove, Seaford
  - The Hollow, South Heighton
  - Gorhams Lane/Telscombe Lane, Telscombe
  - Hundred Acre Lane, Wivelsfield.
37. There are 3 projects where timescales have slipped slightly. Information about the management action taken to address these, where necessary, is set out within Appendix A.
- Devolution - legal discussions have taken longer than expected, leading to an extension of up to 6 months being required compared to the original schedule;
  - Workforce Equality Profile - minor delay due to staff changes;
  - Equal Pay Audit - results expected to go to Employment Committee in December 2015, rather than September as originally envisaged.

**Areas for Improvement** – ● Where performance was below target and/or projects were significantly off-schedule or revised:

38. Where service performance falls significantly below target levels, or a project becomes seriously off-schedule, the performance management system enables this to be highlighted to managers straight away. High priority is then given to addressing these issues. There were only 4 such areas at the end of Quarter 1. The management actions to address these are set out below.

#### Percentage of Invoices Paid on Time

39. The payment of invoices remains below target levels. Following the management action reported at the last meeting, more is being done to address this issue. Staff training is being undertaken to ensure systems are clearly understood and there is resilience in all areas (so that, for instance, holiday periods do not have an impact). A monthly management report is being introduced, which will clearly identify, for each Head of Service, where there is underperformance occurring. It is also clear that, wherever possible, the consolidation of invoicing from major suppliers is needed to reduce the numbers of invoices received. This has had positive outcomes in

property services. Housing and environmental health services are working to achieve the same reductions.

#### Net additional homes provided in the District (cumulative)

40. Although an important indicator which is aimed at helping to meet the housing needs of the District, performance is largely outside of the Council's control and is dependent on developers deciding to invest and implement planning permissions that have been granted. It should also be noted that there is a general slump in housebuilding rates nationally. The number of housing completions for the first quarter of this year is low compared to the target for the year. Housing completions fluctuate over short periods of time and, based on the number of units currently under construction (approx. 135), completion figures are expected to rise significantly during the remaining part of this financial year.

#### Households in bed and breakfast/emergency accommodation

41. Following questions raised at the last Scrutiny Committee, it can be confirmed that the Council is experiencing higher than usual demand for B&B temporary accommodation (numbers in June were 10 higher than the same time last year). We are seeing an increase particularly from single men with mental health conditions, and/or learning difficulties. The Council is also seeing a rise in older men being discharged from hospital who do not have accommodation. It can be more difficult to find alternative accommodation for these individuals who have additional needs. Other areas of demand are amongst families from outside the Lewes District area and older men who have been asked to leave the marital home. Officers are working with other councils in the County to monitor trends in homelessness and will continue to work with a range of agencies such as Citizens' Advice Bureau (who also report that they are experiencing an increase in men presenting with mental health problems) to assist people facing homelessness.

#### Average days taken to relet Council homes

42. During the last quarter, turnaround time was affected by the prioritisation of repairs to a fire-damaged property and issues associated with housing units that tend to be harder to let. Specific examples during the last quarter include a 2 bedroomed sheltered property in a rural location (where it can take longer to find people that meet the specific criteria) and sheltered studio flats (there is currently less demand for this type of accommodation). It is likely that the underperformance in this quarter was an isolated incident, and that the service will return to normal levels of performance in future months.

### **Financial Appraisal**

43. Monitoring and reporting project and performance information is contained within existing estimates. Corporate performance information should also be considered within the context of the Council's financial update reports as there is a clear link between performance and budgets/resources.

### **Legal Implications**

44. Comment from the Legal Services Team is not considered necessary for this routine monitoring report.

## **Risk Management Implications**

45. **Risks:-** the Council fails to achieve its strategic objectives/performance targets; poor performance in service levels and quality may lead to greater customer dissatisfaction and an increase in complaints; significant project delivery failure might affect funding, and may create additional financial, political or legal risks; weak performance management and data quality leads to flawed decision-making which may be costly, inefficient or ineffective; poor communication of performance achievements and outcomes. Specific project risks are identified and managed by the relevant project manager.

**Risk Mitigation:-** effective arrangements are in place to identify, understand and address performance issues; appropriate communication and engagement with key stakeholders and decision-makers regarding performance priorities and measures of success.

## **Equality Analysis**

46. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

## **Background Papers**

None

## **Appendices**

Appendix A – Portfolio Progress and Performance Report (Quarter 1)

## PORTFOLIO PROGRESS AND PERFORMANCE – QUARTER 1 (April to June 2015)

### Key to Symbols



- Project is complete; Performance is at or above target



- Project is on track



- Project has issues causing significant delay or change to planned activities; Performance is below target but within 5% tolerance;














- Project is not expected to be completed in time or within requirements; Performance is below target.

## GROWTH AND PROSPERITY

### Portfolio: Regeneration, Enterprise and Partnerships - Councillor Rob Blackman

#### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Newhaven Growth Quarter	April 2016		Construction work is progressing well. Foundations were completed at end June 2015. As at August 2015 there were 26 new businesses on a waiting list to take up space in the Enterprise Centre once the project is finished.
Newhaven Enterprise Zone	March 2018		Expressions of interest have been taken forward through both Local Enterprise Partnerships. The full bid is to be resubmitted to the Department for Communities and Local Government, with a deadline of 18.09.15.
Tourism Strategy	March 2018		Four pilot visitor information points have been installed at Peacehaven, Ditchling, Seaford and Newhaven. The Stay Lewes website has been rebranded and a self-service terminal installed at Lewes Tourist Information Centre.
Support for Business	March 2019		European Regional Development Fund outline bid for business support services to be submitted by Coast to Capital LEP authorities by deadline of 25.09.15. Work is underway to identify sources of match funding.
Lewes Business Awards	March 2016		Successful 2 <sup>nd</sup> annual awards event 9.07.15 attended by 150 people, including 30 finalists. The event broke even, and is considered sustainable into the future.
North Street Quarter	2021		Planning application submitted at the end of February 2015. Amendments are currently being prepared for submission at the end of August 2015. Determination of the application is now expected to be in November 2015. Joint Venture discussions continue.
UTC@harbourside	Sept 2015		Construction progressing well. The boardwalk and courtyard have been completed and temporary buildings put in place for the opening of the college on 7.09.15. Student recruitment has been successful, and the college is oversubscribed.

Project / Initiative	Target Completion	Current Status	Update
Refreshed Regeneration Strategy	March 2016		The current Strategy expires at the end of 2015. Work will commence on a refreshed version in Autumn 2015. During this review process, consideration will be given to suitable outcome indicators.
Newhaven Flood Alleviation Scheme	March 2016		The Council is working in partnership with the Environment Agency. £9m budget has been allocated (£3m from the Local Economic Partnerships and £6m from the Environment Agency). Shorter term projects that were identified as potential 'quick wins' have been evaluated. However, it has been decided that these should be pursued due to the likely detrimental impact on the overall project. Works will commence in Spring 2016.
Event Management Plan	Feb 2016		Events policy and associated guidance awaiting approval. Next steps will be to develop a web page promoting Council-owned land to events' organisers, including an events calendar.
Seaford Iconic Leisure	March 2019		A market testing process for a dining and function space is expected to take place during September/October 2015.








## VALUE FOR MONEY SERVICES


### Portfolio: Finance and Resources - Councillor Andy Smith




Note: There is currently a process for monitoring the Council's financial performance including key targets. This is reported separately as part of the regular financial update reports to Cabinet.

#### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Shared Services Project (in partnership with Eastbourne Borough Council)	March 2019		Milestones met - shared HR and Legal Services launched 1.04.15; shared Print service launched 1.07.15. Cabinet to consider strategic options appraisal for wider shared services 24.09.15.
New Service Delivery Model (Phase 1)	September 2015		Procurement evaluation completed on schedule; award decision to follow Cabinet 24.09.15
New Service Delivery Model (Phase 2)	September 2018		Project initiation decision to follow Cabinet 24.09.15
Newhaven Shared Facility	November 2015		Construction work proceeding well and the facility is expected to be completed by the end of November 2015. Topping Out ceremony 5.08.15.
Devolution	March 2016		Project Plan in place. Discussions are advanced for sites in Lewes and Ringmer and detailed discussions are about to start with Newhaven Town Council. Legal discussions have taken longer than expected, so an additional 6 months may be needed.

#### Key Performance Indicators

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
Percentage of overpayments recovered	70%	68%		The Council recovered 70% of overpayments during the same period last year. Changes to Department of Work and Pensions data matching processes has resulted in a number of larger overpayments being identified. The level of recovery of overpayments is restricted in law. The

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
				forecast is that meeting the target for the remainder of the year is likely to be challenging.
Percentage of invoices paid on time	98%	93%		See Performance Improvement Plan below.
<b>Performance Improvement Plan</b>	The payment of invoices remains below target levels. Following the management action reported at the last meeting, more is being done to address this issue. Staff training is being undertaken to ensure systems are clearly understood and there is resilience in all areas (so that, for instance, holiday periods do not have an impact). A monthly management report is being introduced, which will clearly identify, for each Head of Service, where there is underperformance occurring. It is also clear that, wherever possible, the consolidation of invoicing from major suppliers is needed to reduce the numbers of invoices received. This has had positive outcomes in property services. Housing and environmental health services are working to achieve the same reductions.			
Percentage of Council Tax collected during the year (cumulative)	98.4%	30.3%		The Council Tax collection rate has improved slightly compared to the same period last year (29.9%).
Percentage of Business Rates collected during the year (cumulative)	98.5%	33.2%		Business Rate collection has improved compared to the same period last year (32.5%).


# DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE






## Portfolio: Housing - Councillor Ron Maskell

### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Local Growth Fund (Affordable Housing) Project	March 2017		The Department for Communities and Local Government has granted £2.3m additional Housing Revenue Account borrowing capacity to finance the building of 30 new affordable homes on 7 small sites owned by the Council. During the Quarter 1 period, external consultants were commissioned and design briefs developed for each of the sites.
New Homes Project	March 2019		Development Agreement completed. First round of public engagement events complete and more planned for autumn 2015.
Housing Allocations Policy	June 2015		The Housing Allocations Policy was revised in April 2015 to reflect a new statutory 'right to move'. Qualification criteria have also been enhanced to give priority to people who can demonstrate they have been continuously resident in the District for 2 years or more prior to their application.
Tenancy Agreement	September 2015		Consultation with tenants on a refreshed Tenancy Agreement is currently underway. The revised version will become effective from September 2015.

### Key Performance Indicators




KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
The number of days taken to process new housing benefit/ Council tax benefit claims	20 days	16 days		There has been a slight improvement in performance compared to the same period last year (16.5 days).

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
Percentage of rents collected during the year (cumulative)	95%	Data Unavailable	-	Due to changes in data collection methodology and staffing, rent collection figures are not available for Quarter 1. The information will be presented in the next report.
Total number of days that families need to stay in temporary accommodation (B&B)	18 days	0 days		No families have needed to be placed in bed and breakfast accommodation during Quarter 1.
Total number of households living in bed and breakfast/ emergency accommodation	50 or fewer	66		The Council continues to work to reduce the numbers of people in temporary accommodation.
<b>Performance Improvement Plan</b>	Following questions raised at the last Scrutiny Committee, it can be confirmed that the Council is experiencing higher than usual demand for B&B temporary accommodation (numbers in June were 10 higher than the same time last year). We are seeing an increase particularly from single men with mental health conditions, and/or learning difficulties. The Council is also seeing a rise in older men being discharged from hospital who do not have accommodation. It can be more difficult to find alternative accommodation for these individuals who have additional needs. Other areas of demand are amongst families from outside the Lewes District area and older men who have been asked to leave the marital home. Officers are working with other councils in the County to monitor trends in homelessness and will continue to work with a range of agencies such as Citizens' Advice Bureau (who also report that they are experiencing an increase in men presenting with mental health problems) to assist people facing homelessness.			
Average number of days to re-let Council homes (excluding temporary lets)	26 days	30 days		Out of 43 re-lets during Quarter 1, 9 required significant improvement works. 4 of these required extensive repairs/improvements such as a new kitchen, boiler replacement or repairs due to fire damage. There were a small number of housing units which are harder to let.
<b>Performance Improvement Plan</b>	During the last quarter, turnaround time was affected by the prioritisation of repairs to a fire-damaged property and issues associated with housing units that tend to be harder to let. Specific examples during the last quarter include a 2 bedroomed sheltered property in a rural location (where it can take longer to find people that meet the specific criteria) and sheltered studio flats (there is currently less demand for this type of accommodation). It is anticipated that performance will recover.			
Overall tenants satisfaction	88.5%	Not collected until Quarter 2	-	Data will be provided in Q2 by the Council's supplier.
Percentage of urgent repairs carried out within Government time limits	98%	99%		The Council continues to carry out urgent repairs within the Government's 5 day standard.
Percentage of repairs noted as good or satisfactory by tenants	98%	97%		Although marginally below target, tenants' satisfaction with the Council's repairs service remains high.




## CLEAN AND GREEN DISTRICT



### Portfolio: Environment - Councillor Paul Franklin

#### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Waste Review (Weekly Recycling and food waste, fortnightly refuse collection)	March 2018		Waste Review completed and Cabinet 6.07.15 approved implementation of the findings. Trial green waste collection scheme to commence in Seaford 25.08.15.
Photovoltaic Panels	March 2016		Contract underway; fitting began w/c 13 <sup>th</sup> July 2015. Target is panels to be fitted to 700 homes by end October 2016.
Flood Defences (Coastal)	March 2016		Coastal Implementation Plan for coastline between Newhaven and Brighton Marina has been drafted and will be completed by September 2015. Environment Agency funding allocated for monitoring coastal erosion. Monitoring plan being prepared.

#### Key Performance Indicators



KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
KG of household waste collected per household (cumulative)	500Kg or less	142Kg		Based on the data for Quarter 1, the projection is that household waste levels will exceed the target for 2015/16.
Percentage of abandoned vehicles removed within 24 hours	90%	100%		During the April to June period, there were 132 vehicles reported as abandoned (4 fewer than last year), although after inspection only 3 needed to be removed by Council contractor.
The average number of days taken to remove reported fly-tips	Less than 2 days	2.2 days		Although performance remains below target, there has been a notable improvement compared to the previous two quarters. Simplification of systems to initiate removal

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
				of fly tips is now in place. (Further information is also provided in paragraph 36 of the report in response to information requested by the Scrutiny Committee).
Percentage of household waste sent for reuse, recycling and composting	30%	27%		Although below the Council's challenging target, performance has improved compared to the end of the last quarter (24%). The Council is implementing a green waste pilot to help improve recycling levels. (Paragraphs 23 and 24 of the report also refer).
Percentage of refuse bins/recycling boxes collected on time	99.9%	99.9%		Performance remains high.





# DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE

## Portfolio: Planning - Councillor Tom Jones

### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Adoption of the Core Strategy	February 2016		Schedules of Proposed Modifications to the Submission Joint Core Strategy to respond to the Inspector's Initial Findings completed. Public consultation 7.08.15 to 2.10.15.
Neighbourhood Plans Target: to deliver at least 3 Neighbourhood Plans by 2017	March 2017		Newick Neighbourhood Plan adopted 16.07.15. Currently 10 designated Neighbourhood Areas.

### Key Performance Indicators

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
Percentage of major planning applications determined within 13 weeks (LDC only)	68%	75%		There were 8 major planning applications received during Quarter 1 compared to 1 during the same period last year.
Percentage of minor planning applications determined within 8 weeks (LDC/SDNP combined)	73%	91%		There were 53 minor planning applications received during Quarter 1 compared to 46 during the same period last year.
Percentage of planning appeals allowed (LDC/ only)	Less than 33%	25%		There were 4 planning appeals decided during the Quarter 1 period, of which 1 was allowed, a similar position to last year. The Council's target reflects the Government standard for an acceptable level of appeals against a Council's decision to refuse planning permission. Planning authorities who experience a high number of appeals allowed can be subject to Government intervention and ultimately have their planning decision making powers rescinded.
Net additional homes provided in the District (cumulative)	227	10		The target for 2015/16 reflects the housing trajectory in the emerging Joint Core Strategy. It should be noted that these figures only relate to housing completions on sites delivering 5 or more units and does not include smaller







KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
				sites which are included at the end of the financial year.
Performance Improvement Plan				<p>Although an important indicator which is aimed at helping to meet the housing needs of the District, performance is largely outside of the Council's control and is dependent on developers deciding to invest and implement planning permissions that have been granted. It should also be noted that there is a general slump in housebuilding rates nationally. The number of housing completions for the first quarter of this year is low compared to the target for the year. Housing completions fluctuate over short periods of time and, based on the number of units currently under construction (approx. 135), completion figures are expected to rise significantly during the remaining part of this financial year.</p>




## WORKING TOGETHER BETTER



### Portfolio: People and Performance - Councillor Elayne Merry

#### Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Dementia Friends	March 2017		Dementia Friends initiative launched. Two events held so far, with 40 people given awareness training.
Workforce Planning	March 2016		The majority of HR policies have now been revised, consulted upon and approved by the Employment Committee. A review of the appraisal process and management systems will take place in the near future. The HR service is now shared with Eastbourne Borough Council, and correspondence of policies and procedures between the two authorities will be reviewed.
Workforce Equality Profile	September 2015		Relevant workforce data has been collated but minor delay expected in respect of analysis and report-writing due to staffing changes.
Equal Pay Audit	September 2015		Presentation of the report to Employment Committee is now expected in December 2015. The results will then be published on the website.
Records Management	December 2015		Draft Retention and Disposal Schedule prepared.
Resident/Customer Engagement	November 2015		Engagement and Events Manager appointed 13.07.15. Outline strategy in preparation.

#### Key Performance Indicators

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
Average working days lost to sickness per FTE equivalent staff (cumulative)	9.0 days	2.51		Performance is slightly above target for the first quarter. Staff sickness continues to be proactively monitored and managed in order to support staff to return to work. Further information is provided at paragraphs 32 to 35 of

KPI Description	2015-16 Target	Q1 Apr-June	Current Status	Explanatory Note
				the report.
Total number of customer feedback received; a) complaints; b) compliments	Data Only	a) 306 b) 133	-	An interim system of data collection for complaints/ compliments has been introduced from April 2015 using calls and emails to the Customer Services hub.
Average time taken to answer telephone calls	30 seconds	25 seconds		There were 59,742 calls to the switchboard during the Quarter 1 period.
Resident satisfaction with the Council's services	Baseline	-	N/A	The baseline data will be collected as part of the Residents' Survey being undertaken over the summer. The data will be reported in the next quarterly update.
Number of people receiving Dementia Awareness training	150 by 2017	40		Dementia Awareness training has been focussed on frontline staff. Further training is being planned for councillors and this should take place within Quarter 3.

**Agenda Item No: 9.3**

**Report No: 118/15**

**Report Title: Shared Services**

**Report To: Cabinet**

**Date: 24<sup>th</sup> September 2015**

**Cabinet Member: Cllr. Rob Blackman**

**Ward(s) Affected: All**

**Report By: Alan Osborne, Director of Corporate Services**

**Contact Officer(s)-**

**Name(s): Alan Osborne**  
**Post Title(s): Director of Corporate Services**  
**E-mail(s): [alan.osborne@lewes.gov.uk](mailto:alan.osborne@lewes.gov.uk)**  
**Tel No(s): 01273 471600**

---

**Purpose of Report:**

To set the Council's strategy for the development of shared services.

**Officers Recommendation(s):**

Cabinet is requested:

- 1** To consider the Shared Services Outline Business Case set out at Appendix A, in particular, two options for wider integration of services with Eastbourne Borough Council:
  - i. integration of the staff and services of both Councils
  - ii. full integration of the management teams only.
- 2** To adopt a strategy for the development of shared services based on option i. above.
- 3** To authorise expenditure of up to £20,000 on the preparation by iESE of a more detailed business case for option i., to include:
  - I. Project plan and implementation timetable
  - II. Preferred model of employment
  - III. Technology arrangements
  - IV. Governance arrangements

V. Analysis of existing contractual arrangements.

- 4 Subject to approval of Recommendation 2, it is recommended that the Council halts planned procurements that are not consistent with the new shared services strategy. It has been determined that there is only one such large procurement underway: New Service Delivery Model Technology and Business Change Management. It is accordingly recommended that this procurement exercise be discontinued.

### Reasons for Recommendations

- 1 The recommendations take into account the changed circumstances since the District Council Elections, and the in-coming administration's electoral commitment to share services where these will deliver improvements in quality, resilience and efficiency.

At Eastbourne Borough Council, similar commitments have been made to improve customer service and resilience whilst making efficiency savings. The Leaders of both Councils have publicly affirmed their commitment to partnership working.

- 2 Accordingly, an independent report from the Improvement and Efficiency Social Enterprise (iESE) was commissioned jointly by the two Authorities to set out the options for the development of shared services and, in particular, an Outline Business Case for wider integration between Lewes District and Eastbourne Borough Councils. Eastbourne's Cabinet will consider the report in October 2015.
- 3 This report invites Cabinet to consider the Outline Business Case produced by iESE and to adopt a strategy for the development of shared services based on option i: integration of the two Councils.

### Information

#### 4 Outline Business Case

- 4.1 The Outline Business Case produced by iESE considers three 'cases' for change, as laid down in the HM Treasury Green Book guidance for business case development. Key points include:

**(a) The Strategic Case - *current thinking and outcomes of sharing services.***

- The national context of government policy points clearly to the need to integrate, collaborate and share, in order to deliver significant financial efficiencies; greater service resilience and flexibility, and a greater "strategic presence" within an area.
- The recent update to Eastbourne Council's Cabinet (8 July 2015) succinctly summarised the achievements of existing collaborations and the range of additional shared roles and services currently emerging between Eastbourne and Lewes. It also reaffirmed Eastbourne's commitment to future shared services.

- The adoption of a wide integration of services between the two authorities does not preclude other partnership working or affect the sovereignty of the two distinct governance structures.

**(b)** The Financial Case - *including the potential benefits of each option, and key considerations including leadership, culture, technology and staff impacts.*

- The Medium Term Financial Strategy (MTFS) target of £3.2m recurring savings by 2019/20 (Cabinet 12 February 2015) includes £1.7m from agile working, organisational development and business process efficiencies.
- The Outline Business Case estimates that, based on experience elsewhere, there is potential for an annual saving of £1.8m for Lewes District Council through integration of the two Councils. The salaries budget moves over time, so this estimate provides an initial benchmark based on currently filled posts and direct employee costs only. However, existing vacancies may potentially assist in benefits realisation without further upfront costs being incurred.
- Implementation costs, associated mainly with change management and technology changes, would be considerable but it is suggested that there would be positive 'payback' by year 2 of the integration programme. Indicative overall costs are estimated at £1.8m for the two authorities, based on experience elsewhere. However, depending on the chosen path for the development of integrated IT systems, there may be additional technology-related costs compared with the industry-level standards used in the Outline Business Case. There may also be the potential for additional savings generated by technology changes. These will be developed in the next phase of the programme. Any material changes to the overall business case would be reported back to Cabinet.
- Although Housing and Waste and Recycling services were excluded from the Outline Business Case (to recognise the position in Eastbourne where these services are operated by non-Council bodies) the analysis noted that further scope for savings in these services would exist if they were brought into an integrated service at an appropriate phase of the implementation plan.
- Potential redundancy costs are not included in the Outline Business Case as these would not be additional costs of integration. Savings required to meet MTFS targets by both Councils if integration was not pursued would also necessitate staff savings, and thus would incur similar levels of potential redundancy costs.

**(c)** The Management Case - *including risks and governance.*

- There are a number of different approaches to governance which could be considered. A merger of the two Councils is theoretically

possible, but experience elsewhere suggests that it would add to the complexity and risk of any proposals. The sovereignty of each Council would be maintained under either option explored in the Outline Business Case.

- There are a number of key financial, governance and cultural risks identified that will need to be controlled during implementation of shared services.

**4.2** Option i. (integration of the two Councils) is recommended because it combines the greatest potential for efficiency savings with clear managerial accountability for integrated services, so that the aims to improve service quality and resilience can be better met.

**4.3** The implementation of a wider strategy for shared services will be complex, and it is therefore proposed that iESE are commissioned to undertake further work to develop a more detailed business case for option i.

**(a)** The LGA report “Services Shared: Costs Spared?” emphasised the importance of a business case that identifies baseline financial and performance information to make the case for change and track the benefits of shared service arrangements in terms of efficiencies and service improvements.

**(b)** The implementation timetable and project plan will need to take into account technology requirements and existing contracts. Governance arrangements and models of employment also need to be considered.

**4.4** It is recognised that ways of working and culture will need to change and align in order for shared services to be introduced successfully. Staff will be kept fully informed and asked to play an active part throughout the integration programme. Processes will include discussions with UNISON and formal consultation.

## **5 Planned Procurements**

**5.1** In order to prevent waste, ongoing procurement exercises have been reviewed in order to check if any would result in a procurement that is inconsistent with a new shared services strategy of integration with Eastbourne Borough Council.

**5.2** One such procurement has been identified: New Service Delivery Model Technology and Business Change Management. Cabinet authorised this procurement to implement the Council’s Organisational Development Strategy (Cabinet 20 November 2014, Minute 45.2 refers).

**5.3** A procurement process is being undertaken and has reached that stage where a decision is required whether to proceed to award contracts. If Cabinet is minded to approve Recommendation 2 above, this would be a

significant change in policy, moving from shared corporate services based on service level agreements to integration of the two Councils.

- 5.4** In these changed circumstances, it would not be logical or deliver best value to proceed to award contracts under the current procurement process because shared services will be delivered through the development over time of shared technology infrastructure, systems and processes that were not envisaged at the time the Invitation to Tender was issued. Efficiency savings anticipated through shared services would be reduced if parallel technology systems were implemented. It is considered that this applies to the subject matter of both Lots into which the procurement was divided.
- 5.5** For these reasons, it is recommended that the New Service Delivery Model Technology and Business Change Management procurement exercise be discontinued.
- 5.6** The need for, and delivery mechanisms of, the services such as those under the discontinued procurement process will be assessed as part of the new shared services strategy, with the potential for a joint procurement in the future if required.

## **Financial Appraisal**

### **6**

- 6.1** As noted above, the Medium Term Financial Strategy incorporates a General Fund annual savings target of £1.7m to be generated from agile working (office rationalisation), organisational development and business process efficiency savings. This savings target is to be delivered incrementally over the five year period 2015/16 to 2019/20.
- 6.2** The outline Business Case prepared by iESE suggests that by fully integrating its management and services with those of Eastbourne BC, this Council could potentially reduce its staffing costs by £1.8m annually. The Council could, in addition, benefit from savings in the annual cost of IT and office accommodation. The phasing of these savings would be in step with the Council's target, being fully realised in 2019/20.
- 6.3** iESE have estimated the cost of change to be £1.8m in total for the two authorities. This Council has set aside £1.8m within the Strategic Change Reserve as funding for the New Service Delivery Model Technology and Business Change Management procurement and implementation. If that procurement no longer proceeds, as recommended in this report, that funding can be released to support the one-off costs associated with closer integration with Eastbourne Borough Council.
- 6.4** The cost of appointing iESE to prepare a more detailed business case for the integration of services, £20,000, can be funded from the allocation held in the Strategic Change Reserve referred to above.

## Legal Implications

### 7

The Legal Services Department has made the following comments:

**7.1 Local Government Act 1999:** As a best value authority the Council must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. For the purpose of deciding how to fulfil the duty the Council must undertake consultations with representative groups. The Council will consider the need for and develop and undertake appropriate consultations as part of the next stage of developing its shared services strategy.

However, the recommendations in this report do not commit either council to begin the actual process of integration, as Cabinet is merely asked to consider an outline business case and adopt a strategy for the development of shared services. The duty to consult will only apply if and when the principle of exploring the strategy further is accepted by both councils and, subsequent to that, an implementation plan drawn up for that purpose. For the same reason, there are no immediate employment law issues triggered by this report.

**7.2 Powers:** There are a number of legal structures which may be used as a basis for sharing services between local authorities and a considerable range of powers. These will be considered as part of the development of the strategy but the main powers are as follows:

- (a) Under the terms of sections 19 and 20 of the Local Government Act 2000 the Secretary of State may by regulations make provision to permit local authorities to make arrangements for the discharge of their functions by another local authority and under section 101(5) of the Local Government Act 1972 for the discharge of any of their functions jointly which are the responsibility of the executive of a local authority. The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 permit such arrangements.
- (b) Under section 112 a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions as fall to be discharged by them and the carrying out of any obligations incurred by them in connection with an agreement made by them under Section 113 of the Local Government Act 1972. Under section 113 of the Local Government Act 1972 the Councils may enter into an agreement with each other for the placing at their disposal the services of officers employed by them. Any such officer shall be treated as for the purpose of any enactment relating to the discharge of local authorities' functions as an officer of that other local authority.



- (c) Under section 1 of the Localism Act 2011 each of the Councils may do anything that individuals generally may do.
- (d) Under the Local Authority (Goods and Services) Act 1970 the Councils may enter into an agreement for the provision to each other of (amongst other things) goods, materials, and administrative, professional and technical services. Any agreement under this provision can contain such terms as to payment or otherwise as the parties consider appropriate.
- (e) Under the Public Contracts Regulations 2015 there are several routes whereby the Councils can work together to deliver public services without having to go through a procurement process to do so. These routes will be considered and built into the shared services strategy. In addition the Councils, as contracting authorities, may purchase works, goods or services from or through a central purchasing body. Where they make such purchases, then they are deemed to have complied with the public procurement rules, to the extent that the central purchasing body has complied with them. A central purchasing body is defined as a contracting authority which acquires goods or services, or awards public contracts or framework agreements for works, goods or services intended for one or more contracting authorities.

**7.3 TUPE:** In the event that both councils agree to pursue a shared services strategy and firm proposals developed, the “TUPE Regulations” (Transfer of Undertakings (Protection of Employment) regulations 1981) may apply. The effect of these is that staff will transfer from one authority to the other one on their existing terms, conditions and pension rights. There are statutory obligations on both local authorities to consult with the trade union in relation to those employees affected by the transfer.

**7.4 Procurement Process Discontinuance:** Under public procurement law the Council has a very broad discretion as to whether to continue with a procurement process or to award a contract at the end of the process. This discretion is subject to compliance with the general principles of transparency, proportionality, equal treatment and non-discrimination.

A decision by a contracting authority not to award a public contract need not be limited to exceptional cases or must not necessarily be based on serious grounds. Although the tenderers should be notified of the grounds for its decision if it decides to withdraw the invitation to tender for a public contract, there is no implied obligation on an authority to carry the award procedure to its conclusion.

The requirement to communicate the grounds for a decision to withdraw an invitation to tender is dictated by the concern to ensure compliance with the principle of equal treatment.

It is clear that such a decision can be based on the Council’s assessment of whether it is expedient and in the public interest to carry an award procedure to its conclusion. This decision may consider any changes in the economic

context or factual circumstances, or the needs of the Council which take place during the procurement process and can be based on the fact that the outcome would not achieve value for money.

In the case of the current procurement, the Council specifically reserved the right not to award a contract at the end of the New Service Delivery Model Technology and Business Change Management procurement process. It also made it clear from the outset that under no circumstances would it be liable to a bidder in respect of any costs incurred by a bidder (whether directly or otherwise) in relation to the preparation or Submission of an offer.

## **Risk Management Implications**

**8** A risk assessment was completed on 26<sup>th</sup> August 2015.

**8.1** The following risks will arise if the recommendations are not implemented, and I propose to mitigate these risks in the following ways:

**(a)** If a strategy of extended integration with Eastbourne Borough Council is not adopted, management action will continue to be taken within Lewes District Council to streamline business processes and organisational structures to mitigate the risk that the savings targets in the Medium Term Financial Strategy will not be met. The current programme of shared corporate services will continue.

**8.2** The following key risks will arise if the recommendations are implemented, and I propose to mitigate these risks in the following ways:

**(a)** Financial - ensuring that the desired levels of benefits and savings are realised when the shared services strategy is implemented

**(b)** Governance – ensuring decision-making and engagement arrangements are clear and robust

**(c)** Cultural – managing staff perceptions, and maintaining morale and commitment to change

**(d)** Technological - implementing technological and business changes in a coordinated and phased manner, to minimise the risk of service disruption and optimise the new arrangements.

Recommendation 3 is intended to mitigate these risks through the preparation of a more detailed business plan that includes a project plan and implementation timetable and considers the preferred model of employment; technology arrangements; existing contractual arrangements and governance arrangements.

A comprehensive plan for managing communication and engagement with Members, staff and customers will also be prepared to help manage these risks.

- 8.3** If the recommendations are implemented, the costs arising from these mitigating steps (preparation of a detailed business case) are detailed in the financial implications section of this report.

## **Equality Screening**

- 9** On 25<sup>th</sup> August 2015 an Equality Analysis was undertaken by the Strategic Projects Manager on the draft of this Cabinet report.

Due regard was given to the general equalities duties and to the likely impact of the report on people with protected characteristics, as set out in the Equality Act 2010.

The assessment identified that at this stage, there are no equality implications arising from the draft Cabinet report on Shared Services, but that further analysis will be required once a shared services strategy is adopted and more detailed plans are put in place.

## **Background Papers**

### **10**

LDC Cabinet, 2 June 2014 “Change Management at Lewes District Council – Next Steps in Organisational Development” (Report 76/14)

LDC Cabinet, 29 September 2014 “Corporate Services Review” (Report 138/14)

LDC Cabinet, 20 November 2014 “Procurement of New Service Delivery Model Technology and Consultancy Services” (Report 162/14)

LDC Cabinet, 12 February 2015 “General Fund Revenue Budget 2015/16” (Report 18/15)

LDC Cabinet, 19 March 2015 “Finance Update” (Report No 47/15)

Eastbourne Borough Council Cabinet, 8 July 2015 “Sustainable Service Delivery Strategy (SSDS) Update”

LGA 2012 “Services Shared: Costs Spared?”

## **Appendix**

Shared Services Outline Business Case (iESE)

Appendix

# Transforming



## Shared Services Outline Business Case

Eastbourne Borough Council and Lewes District  
Council  
August 2015

---

## Executive Summary

Eastbourne Borough Council and Lewes District Council commissioned iESE to undertake a high level Outline Business Case to examine the potential scale of benefits which may be delivered through a wider strategic integration of the two Councils.

The contextual arguments support the ambition. There is now a wealth of experience gained from other English councils which firmly suggests that financial and non-financial benefits can be derived from such collaborations, notably:

- Increased resilience within services and management, creating a stronger Council which can operate strategically within the region and create advantageous partnerships with similar partner councils. There are some notable partnerships and 'combined' Councils local to Eastbourne and Lewes which makes this ambition of real significance.
- Delivering efficiencies that can reduce the costs of services and improve the citizen experience.

iESE have undertaken an indicative analysis to identify the potential scale of efficiencies which may be pursued in an integration of the two Councils. These options have been modeled by considering other examples of integration in 'Future Model' Councils, tailoring the analysis to better reflect the local context in Eastbourne and Lewes. Two options have been considered:

- i. Integration of the two Councils. The potential scale of efficiencies suggested by the modeling is 12% of staffing costs, across the two Councils.
- ii. Integration of the Management Teams. The potential scale of efficiencies is 17% of management staffing costs, across the two Councils.

A Cost Benefit Analysis considering these levels of resource efficiencies, and the associated costs and other benefits of change (including IT and accommodation) suggests there is a Net Present Value to the Councils for a four year programme pursuing full

integration of around £4.6 million, with the total annual net benefits being achieved by year 4 being in the region of £2.9 million.

These analyses are indicative, although they have been considered and quality assured against the experience of other comparable authorities in the iESE client base. A more detailed assessment will be needed to enable decision-makers to choose the option which is right for the respective Councils, but it should be noted that the second option has generally been found by other authorities to be a vital stepping-stone for the first, the full integration of Council services.

Some of the key challenges, risks and issues around models of governance that may be raised through any integration of the two Councils have also been detailed within the report. Key risks include the following:

- Financial - ensuring that the desired levels of benefits and savings are realised
- Governance– ensuring decision-making and engagement arrangements are clear and robust
- Cultural – managing staff perceptions, morale and commitment to change is critical, alongside the necessary changes to processes and systems.

The choices around service and management structures, and models of governance will be an important consideration for the next phase of any programme for integration. Issues such as aligning respective schemes of delegation may be critical to implementing a shared approach to decision-making and governance, which can drive further integration throughout the organisations.

## Background

iESE has been commissioned by Eastbourne Borough Council (EBC) and Lewes District Council (LDC) to produce an Outline Business Case document examining options for future integration of the Councils.

The work was to seek to deliver a strategic options appraisal of relevant models, which would allow Members to agree the strategic direction and most advantageous route for the further integration, building on the work to date. Subject to agreement on this strategic direction a more detailed Full Business Case could be developed for the preferred option.

It was agreed that this work would focus on two options:

1. Full integration of management and services (with the exclusion of waste and housing due to the current difference in delivery models)
2. A shared management structure.

The appraisal focuses on three 'cases' for change, as laid down in the HM Treasury Green Book guidance for business case development:

**The Strategic Case** - building on the recent iESE paper, which outlined the current thinking and outcomes of sharing services.

**The Financial Case** - including the potential benefits of each option, and key considerations including leadership, culture, technology and staff impacts.

**The Management Case** - including risks and governance.

As agreed, the report does not make recommendations on a preferred option. Members will be briefed on the business case to ensure they fully understand the options and are enabled to make an informed decision on next steps.



# 1. The Strategic Case

## 1.1 The National Appetite for Sharing Services and Management

Having already reduced revenue budgets significantly, both councils face further cuts in government grants. It appears likely that council tax increases to keep pace with inflation will be permitted by government and that Revenue Support Grant will be reduced substantially until 2020, which may result in a larger reduction locally. Other funding streams such as New Homes Bonus may not provide a secure source of revenue.

At the same time, it is clear that any of the key challenges facing local government, such as coordinated economic growth and infrastructure planning, as well as the integration of service delivery across the public sector, will require greater cooperation and capacity to deliver.

Lastly, communities and individual customers continue (rightly) to expect to receive high quality and modern services focused on local needs. They expect to engage with Councils utilising the benefits of new technology, and to keep personal taxation low. A majority also are keen for Councils to protect locally valued services and support those at particular risk or vulnerable.

Mindful of this background, it will be difficult to meet these challenges with fragmented district council structures and traditional methods of service delivery. The increasingly explicit agenda in government is to see councils create more efficient working practices through the sharing of staff and the redesign and sharing of services. In future, councils may well need to provide more integrated services together with other public service providers; principally the NHS and to cooperate across wider geographical areas and particularly with Local Economic Partnerships, to deliver strategic priorities.

The national context points clearly to the need to integrate, collaborate and share.



## 2.2. Advantages of Sharing Management and Services

Any proposed integration of Council operations is an opportunity for them to actively shape (rather than have shaped for them) their future so that local government can better serve residents at a time of financial challenge.

Across the country, benefits from collaboration have been proven in three particular areas:

- i. **Significant financial efficiencies** through greater cost savings, cost avoidance (e.g. increased service with same staff) and joint procurement. The LGA now estimate there are 416 shared service arrangements occurring between councils across the country resulting in £462 million of efficiency savings, of which £60 million are from 'Shared Chief Executive and Management' initiatives.
- ii. **Greater service resilience and flexibility** through a rationalisation of standards, operations and workload, leading to improved productivity and an enhanced capacity to handle customer needs.
- iii. **A greater 'strategic presence' within an area**, with better ability to address issues sub-regionally, and to have an appropriate voice in a local government landscape of increased delegation and devolution.

There is no right model for Councils' ambitions for shared management and services. However iESE's experience suggest some key themes as to why integration 'works'.

- Start at the top. A single Chief Executive (or alternative model such as joint Directors with no Chief Executive) appears to be a pre-requisite of successful integration, to give the singular leadership and clarity of purpose to take forward the programme of change.
- Senior teams will be small. 7 or 8 senior managers across the two Councils appears to be a maximum. Organisational structures encompassing four elements

broadly termed 'Delivery', 'Support Services', 'Digital and Customer' and 'Economy' seem to be prevalent.

- Visible support and collaboration from all Members. The notion of integration must be shared by Members across the geographical and political divides. A clear vision and unswerving commitment to its achievement is critical to provide assurance throughout the changes and the difficult issues which will emerge at some point, especially amongst staff.
- A clear financial message to staff. All examples provide substantiated evidence of significant savings through staff reductions. This is communicated clearly at the start of the process, and is monitored throughout.
- An equally clear communication with residents. Engagement with the residents will see them accept and appreciate arguments for change. Anticipating their reaction to a substantial change (such as the abortive full 'merger' between Babergh and Mid Suffolk Councils), without appreciating local sentiment, will create barriers.
- Choosing an evolutionary or transformational approach. The gradualist approach (shared services under a joint management on a case-by-case basis) is an attractive one to ensure success over a medium-term period. The goal may still be full integration within a relatively short timescale. However, when the obvious 'easy' efficiencies of gradual sharing in services and processes and have been achieved, a transformative (and disruptive – in a positive sense) integration can engender a unique sense of momentum and renewal (as in South Hams and West Devon Councils). This approach will entail behavioural and cultural changes, and tends to require leading over the medium-term by a committed change 'champion'.
- A single programme of IT change is imperative. The integration of information systems is far more than a technical issue. Alignment of information is vital to bring together ways of working and shared functions.

IDeA suggest from experience to date that there were certain cultural factors which need to be in place to ensure two Councils can integrate:

• No large cultural differences in the organisations
• Similarities in the areas and communities covered by the Councils
• Both authorities must trust the Chief Executive
• Clear and well understood governance
• Politicians must be able to work together

iESE’s experience of working with Councils suggest that there are core principles which apply to all councils in **designing a new organisational structure**. The model should take account of both (a) ‘strategic fit’ and (b) consideration around the structural design.

---

**Strategic Fit**

- Reflect the vision and values of the organisation
- Align to the strategic direction and financial and corporate plans
- Effect cohesive leadership
- Be aligned to and provide effective support to the governance of the organisation
- Reflect the community plan and ensure effective partnering to focus on the delivery of local services, which meet citizen needs
- Have clearly defined roles; accountability and decision-making
- Be adaptable and flexible to respond to new challenges and strategies
- Maximise the talent of the organisation and individuals

---

**Structural Design**

- Clear distinction between strategic; operational and transactional functions
  - Streamline the number of organisational layers which maximizes spans of control and has a clear rationale and necessity for the chosen model
-

- 
- Decision making is clearly defined with as few as possible hand offs and touch points
  - Manages specialisms and expertise to ensure citizen centric approach to service delivery
  - Breaks down silos and ensure cross functional operation
- 

### **2.3 Successful Integration in Eastbourne and Lewes**

The recent update to Eastbourne Council's Cabinet (Sustainable Service Delivery Strategy (SSDS) - 8<sup>th</sup> July) succinctly summarised the clear achievements of previous collaborations and the range of additional shared roles and services currently emerging between EBC and LDC. It also reaffirmed the commitment to future shared services.

In particular it was noted following the Corporate Services Review project the Councils undertook with iESE in 2014, the human resources (HR) and legal shared services successfully went live on schedule in April 2015, with EBC hosting the HR shared service and LDC hosting the legal shared service. Staff transfer under TUPE had been completed successfully and all bar one staff member were in post. The next step will be the development of service level agreements (SLAs) for both services. The early success of the arrangements had already resulted in some interest from other authorities about potentially joining the service in future.

The businesses cases prepared as part of the review indicated that potential savings of £135,000 could be generated from a shared HR service in total over its first 4 years of operation. A joint Legal Service was projected to generate savings of £183,000 over the same period. The overriding focus of the shared services was however to increase resilience and capacity in the two services, and to a significant extent, this is already being delivered.

Additionally, the Information Technology shared services roadmap was currently being developed and envisaged a 5-year transition programme. Due to the different financial

systems used by EBC and LDC, the shared service opportunities for finance were currently focussing on sharing expertise across the two authorities and moving to common financial reporting formats. The alignment of the property teams across EBC and LDC was ongoing, with recruitment to joint posts underway and a shared statutory compliance officer in post.

Furthermore, in 2014, the Councils' Cabinets authorised their Chief Executives, in consultation with the respective Council Leaders, to take advantage of opportunities as and when they arose to align systems or posts in order to generate benefits in terms of quality, savings or resilience. Since then a number of opportunities had been taken to do this, namely:

- Two further shared roles at senior management level (Senior Head of Planning, Regeneration and Assets and Senior Head of Tourism and Leisure)
- Shared printing service, hosted by EBC
- Sharing of specialist skills around council tax and the community infrastructure levy (CIL).

**It is evident that the 'track record' of EBC and LDC in evolutionary integration is wholly successful, and recognized across the country as good practice. The strategy of pursuing opportunities for sharing on a gradual and pragmatic has worked, and is delivering exactly the financial and operational benefits anticipated. It is now timely to consider whether a 'tipping point' has been reached.**

**EBC and LDC' s futures are now interconnected, and a continued relationship must be nurtured and grown to ensure the challenges of the next five years can be met. To that end, it may be felt that the point has been reached whereby operational and opportunistic integration is not enough to secure the full benefits that are available to EBC and LDC. A fuller, more strategic collaboration needs to be explored.**

## 2. The Financial Case

### 2.1 The Options for Integration

iESE, in our work with Councils seeking to work together, and other recent UK experience, would suggest that there are three principal models for integrated structures of two or more authorities.

- a) An integrated Council - with a single officer structure to deliver fully integrated management and service delivery arrangements across the two Councils.
- b) An integrated Management Team - with a 'mixed economy' of services for the Councils, integrated as appropriate on a case by case basis.
- c) A 'merged' Council - existing Councils would be dissolved and a single Council would be created with its own identity, functions and budget and policy framework.

While the benefits of integration particularly in cash terms clearly rise as integration becomes greater, equally of course so does risk and political complexity. From our research undertaken across a number of notable shared service initiatives, we would suggest that the current national environment does not yet support appetites for a full 'merger', and the intricacies of structural reorganisation would be very challenging for any partnership of Councils seeking to be at the vanguard of such an approach. Therefore we suggest that the current options for a more strategic integration of EBC and LDC are (a) an integrated Council and (b) an integrated Management Team.

The exploratory modelling of these two options uses the approach taken in previous 'Future Modelling' of Councils. In these examples, existing staffing has been re-categorised according to best estimates against the functions within the Future Models. Then indicative levels of potential resource reductions have been allocated against each. These have been indicated according to the following assumptions:

- The baselines used for the reductions are the assessments undertaken for a combined Council undertaking 'Future Modelling' and for a traditionally structured Council seeking to join a 'Future Model' Council.

- EBC have already 'Future Modelled' customer-facing services – reducing resources by 20% - and therefore the indicative reductions from integration are decreased by this amount.
- EBC are seeking to maintain sufficient capacity in Regeneration and Corporate Landlord initiatives, and therefore indicative reductions have been decreased in relevant areas (corporate development and asset management)
- Service delivery functions are considered specific to the geographical district and therefore it is suggested that resources within them will not be reduced due to integration. The work areas categorised as Service Delivery are:

**Service Delivery in Eastbourne**

Theatres and Catering  
 Cemeteries and Crematoria  
 Sports Development  
 Events  
 Heritage  
 Seafront Services

**Service Delivery in Lewes**

Caretaking and Scheme Management  
 Repairs and Maintenance  
 Waste and Recycling  
 Housing Services  
 Tourism

Although Housing and Waste and Recycling services have been excluded from the analysis (to recognise the position in Eastbourne where these services are operated by non-Council bodies) it should be noted that further scope for savings in these services would exist if they were eventually brought into an integrated authority, should arrangements for Eastbourne Homes and the Eastbourne Waste and Recycling contract be revised.

These assumptions around the level of resource reductions using for the options are illustrated in the model below:

Functions	TDC(2014)	SHWD(2013)	EBC%	LDC%	"Optimism" bias
Management	27%	29%	27%	27%	H
S&C Strategy/corporate development	26%	15%	10%	26%	M
S&C Commissioning/perf/contract mngt	23%	15%	23%	23%	M
Democratic Support	17%	15%	17%	17%	M
Service Strategy & Commissioning (Specialist)	21%	15%	2%	22%	L
Community/ Customer Enabling	-5%	12%	2%	22%	L
Customer Services Advisor	-2%	22%	2%	22%	L
Mobile Locality Officer	1%	27%	2%	22%	L
Service processing (rule based)/ Case coordinator Specialist	25%	10%	5%	25%	L
Corporate Support Customer Support	33%	42%	3%	33%	L
Corporate Support Service processing, Admin	31%	30%	30%	30%	H
Corporate Support-Complex advice/cases	23%	30%	30%	30%	H
Corporate Support-Governance/compliance	36%	30%	30%	30%	H
Corporate Support-Delivery	37%	30%	30%	30%	H
Service Delivery	13%	10%	0%	0%	-
Facilities/Asset management	24%	22%	10%	24%	M
<b>OVERALL</b>	<b>24%</b>	<b>24%</b>	<b>10%</b>	<b>18%</b>	<b>M</b>

To attempt to mitigate overly “optimistic” assessments of potential efficiencies in areas at this stage, particularly in areas where a variety of options for transformation may exist (notably Management and Corporate Support), an optimism bias factor has been added, as suggested by HM Treasury guidance. (Here savings factors have been reduced by 20% for areas of ‘High’ bias, 10% for ‘Medium’ bias, and 5% for ‘Low’ bias).

## 2.2. An Integrated Council

The clear benefits for EBC and LDC in pursuing strategic integration would be in:

- Increasing the resilience of the councils, creating stronger management teams and allowing sharing of resources and deliver of joint services
- Offering better staff prospects, including investment in the skills of managers (particularly their capacity to act strategically on behalf of the organisation and area and not just to deal with operational issues)
- Leading to a cultural shift in the way each council works with greater delegation to and empowerment of operational staff to focus on with providing good quality public services
- Providing a stronger voice that gives councils a greater influence locally, regionally and nationally.



Closer alignment of the Councils would also typically include benefits for Eastbourne and Lewes residents:

- The creation of a shared modernised customer service offering with physical ‘hubs’ and other access to Council services, with a common technology platform to make the model work
- The focus on efficiency and redesign to better meet customers’ local needs and wishes as access channels to services are rethought
- Providing better resilience and business continuity providing greater assurance to citizens that their matters will be addressed in an effective and timely way
- Rationalisation of physical assets will enable the Councils to meet the priorities of local communities differently in terms of more contemporary approaches to access
- Creative opportunities to enhance citizen engagement can emerge to assure citizens that their local democracy is not being diluted.

The basic premise of an integration is that EBC and LDC would seek to be structured around the ‘Future Model’, which is being adopted in EBC, and whose principles are being used to change service delivery in LDC. The option is illustrated below:



A full Business Case for such integration would require detailed analysis of staffing, activities, processes and systems. It is a serious and intensive undertaking.

At this stage, for this Outline Business case, a framework for such an analysis has been produced, and – an initial model done. This has used purely indicative figures drawn from experience of similar options for integration in Future Model-type organisation.

The following illustration of the potential scale of the change has been estimated. It is this potential scale of change that this analysis seeks to highlight, not the actual detail of the numbers provided.

Functions	As-is posts	To-be posts	Savings (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	15	11.8	3.2	21.6%	£1,216,131	£953,447	£262,684
S&C Strategy/corporate development	25	22.8	2.3	9.0%	£752,107	£684,418	£67,690
S&C Commissioning/perf/contract mngt	4	3.2	0.8	20.7%	£171,620	£136,095	£35,525
Democratic Support	12	10.2	1.8	15.3%	£324,932	£275,217	£49,715
Service Strategy & Commissioning (Specialist)	7	6.9	0.1	1.9%	£350,539	£343,879	£6,660
Community/ Customer Enabling	2	2.0	0.0	1.9%	£28,724	£28,178	£546
Customer Services Advisor	31	30.4	0.6	1.9%	£671,465	£658,707	£12,758
Mobile Locality Officer	20	19.6	0.4	1.9%	£512,215	£502,483	£9,732
Service Processing (rule based)/ Case Coordinator Specialist	55	52.7	2.3	4.3%	£1,223,519	£1,171,520	£52,000
Corporate Support Customer Support	31	30.1	0.9	2.8%	£1,102,479	£1,071,059	£31,421
Corporate Support Customer Support	2	1.5	0.5	24.0%	£64,035	£48,667	£15,369
Corporate Support Service Processing, Admin	38	28.9	9.1	24.0%	£907,913	£690,014	£217,899
Corporate Support - Complex Advice/cases	10	7.6	2.4	24.0%	£405,860	£308,454	£97,406
Corporate Support - Governance/compliance	18	13.7	4.3	24.0%	£556,155	£422,678	£133,477
Service Delivery	73	73.0	0.0	0.0%	£1,899,186	£1,899,186	£0
Facilities/Asset Management	17	15.5	1.5	9.0%	£514,309	£468,021	£46,288
<b>EASTBOURNE</b>	<b>360</b>	<b>329.6</b>	<b>30.4</b>	<b>8.4%</b>	<b>£10,701,190</b>	<b>£9,798,574</b>	<b>£902,616</b>

Functions	As-is posts	To-be posts	Savings (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	17	13.3	3.7	21.6%	£1,257,394	£985,797	£271,597
S&C Strategy/corporate development	6	4.6	1.4	23.4%	£252,711	£193,576	£59,134
S&C Commissioning/perf/contract mngt	6	4.8	1.2	20.7%	£235,905	£187,073	£48,832
Democratic Support	16	13.6	2.4	15.3%	£452,833	£383,550	£69,283
Service Strategy & Commissioning (Specialist)	19	15.0	4.0	20.9%	£642,681	£508,361	£134,320
Community/ Customer Enabling	9	7.1	1.9	20.9%	£157,585	£124,650	£32,935
Customer Services Advisor	34	26.9	7.1	20.9%	£615,350	£486,742	£128,608
Mobile Locality Officer	15	11.9	3.1	20.9%	£397,556	£314,467	£83,089
Service Processing (rule based)/ Case Coordinator Specialist	36	27.5	8.6	23.8%	£876,520	£668,347	£208,174
Corporate Support Customer Support	31	21.3	9.7	31.4%	£1,130,438	£776,046	£354,392
Corporate Support Customer Support	9	6.8	2.2	24.0%	£191,026	£145,179	£45,846
Corporate Support Service Processing, Admin	41	31.2	9.8	24.0%	£955,864	£726,456	£229,407
Corporate Support - Complex Advice/cases	3	2.3	0.7	24.0%	£98,721	£75,028	£23,693
Corporate Support - Governance/compliance	20	15.2	4.8	24.0%	£842,468	£640,275	£202,192
Service Delivery	132	132.0	0.0	0.0%	£3,067,741	£3,067,741	£0
Facilities/Asset Management	11	8.6	2.4	21.6%	£319,268	£250,306	£68,962
<b>LEWES</b>	<b>405</b>	<b>342.0</b>	<b>63.0</b>	<b>15.6%</b>	<b>£11,494,061</b>	<b>£9,705,429</b>	<b>£1,788,632</b>
<b>OVERALL INTEGRATED AUTHORITY</b>	<b>765</b>	<b>671.6</b>	<b>93.4</b>	<b>12.2%</b>	<b>£22,195,250</b>	<b>£19,504,003</b>	<b>£2,691,248</b>

Additional financial benefits from comparative example suggest:

- A reduction in costs of legacy software licences in the individual Councils which are no longer required – in the region of £125,000 p.a.
- Reductions in accommodation revenue costs in the region of £150,000. There clearly may be capital reductions or receipts from the rationalisations of estates and assets.

Costs are clearly driven by local factors and operations. However, again to suggest the scale of the change and the resources requirements implied, the following have been estimated as the additional costs accrued for a comparative integration. (It should be noted that redundancy costs are not included as these would not be additional costs of integration. Savings required to meet MTFS targets by both Councils if integration was not pursued would necessitate staff savings and thus would incur similar levels of redundancy costs).

• ICT Software & Services	£600,000
• Licences per year	£60,000
• IT Infrastructure	£250,000
• Change/programme management	£400,000
• Training costs	£200,000
• Accommodation changes	£100,000

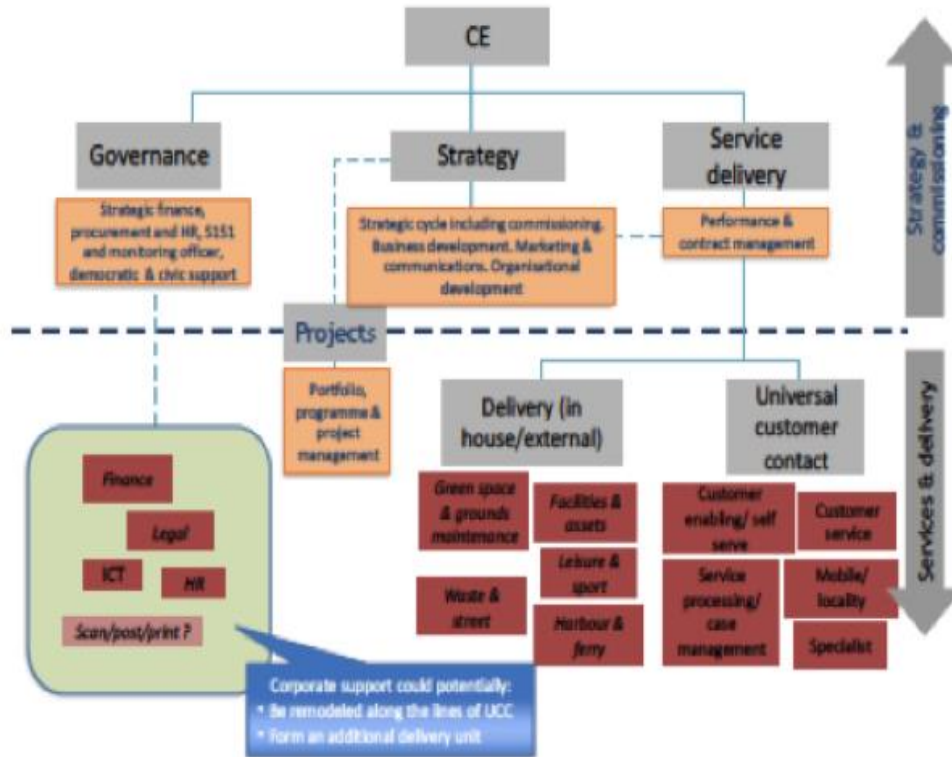
Using these indicative estimates, an initial Cost Benefit Analysis can be suggested. With the prudent working assumption that costs will occur early in integration, and benefits be realised only later in the programme, the analysis below suggests an overall Net Present Value of integration to the Councils (compared to the status quo), over four years of around £4.6 million, with the annual net benefit by year 4 being in the region of £2.9 million per year. It is further suggested that there will be positive 'payback' by year 2.

OUTLINE BUSINESS CASE COST-BENEFIT ANALYSIS						
COUNCILS:		Eastbourne Borough Council and Lewes District Council				
OPTION:		Integrated Council				
	Year 0	Year 1	Year 2	Year 3	Year 4	Total
<b>COSTS</b>						
ICT Software & Services	100,000	300,000	200,000			600,000
Licenses		60,000	60,000	60,000	60,000	240,000
IT Infrastructure	50,000	125,000	75,000			250,000
Change Programme Management	100,000	200,000	100,000			400,000
Training Costs		100,000	100,000			200,000
Accommodation Changes		50,000	50,000			100,000
<b>COST TOTAL</b>	<b>250,000</b>	<b>835,000</b>	<b>585,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,790,000</b>
<b>BENEFITS</b>						
Resource Efficiencies		500,000	1,000,000	2,000,000	2,700,000	6,200,000
ICT Licence Savings			125,000	125,000	125,000	375,000
Accommodation Savings			150,000	150,000	150,000	450,000
<b>BENEFITS TOTAL</b>	<b>0</b>	<b>500,000</b>	<b>1,275,000</b>	<b>2,275,000</b>	<b>2,975,000</b>	<b>7,025,000</b>
<b>ANNUAL NET BENEFIT</b>	<b>-250,000</b>	<b>-335,000</b>	<b>690,000</b>	<b>2,215,000</b>	<b>2,915,000</b>	<b>5,235,000</b>
<b>CUMULATIVE NET BENEFIT</b>	<b>-250,000</b>	<b>-585,000</b>	<b>105,000</b>	<b>2,320,000</b>	<b>5,235,000</b>	
<b>DISCOUNT FACTOR @ 3.5% p.a.</b>	<b>1.00</b>	<b>0.97</b>	<b>0.93</b>	<b>0.90</b>	<b>0.87</b>	
<b>NET PRESENT VALUE (Annual)</b>	<b>-250,000</b>	<b>-323,677</b>	<b>644,115</b>	<b>1,997,709</b>	<b>2,540,131</b>	<b>4,608,278</b>
<b>NET PRESENT VALUE (Cumulative)</b>	<b>-250,000</b>	<b>-573,677</b>	<b>70,438</b>	<b>2,068,147</b>	<b>4,608,278</b>	

### 2.3. An Integrated Management Team

The option of integrating management teams has a central benefit of bringing about one management organisation with one culture serving two independent councils; in short it allows independence and ability to serve community needs locally with the interdependence and strategic advantage of affiliated organisations managed by a single senior management team.

Using the Future Model principles of organisational structure, the option would centre on integrating those ‘above the line’ Strategy and Commissioning functions to provide a cost efficient coordinated approach policy setting and strategic planning and management. This would build upon the existing joint posts currently existing at the most senior levels of EBC and LDC.



There would be choices in defining ‘management’ or strategy and commissioning functions to be integrated. However using the indicative assessment suggested at option 1, the following functions may be within the scope of integration, and again, the below illustrative assessment gives an indication of the potential scale of the change implied by the option. (This represents all ‘above the line’ functions. It may be the definition of ‘management’ is drawn more tightly, e.g. just to “Management” – Director and Heads of Services).

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	15	11.8	3.2	21.6%	£1,216,131	£953,447	£262,684
S&C strategy/corporate development	25	22.8	2.3	9.0%	£752,107	£684,418	£67,690
S&C commissioning/perf/contract mngt	4	3.2	0.8	20.7%	£171,620	£136,095	£35,525
Democratic support	12	10.2	1.8	15.3%	£324,932	£275,217	£49,715
Service strategy & commissioning (Specialist)	7	6.9	0.1	1.9%	£350,539	£343,879	£6,660
<b>EASTBOURNE</b>	<b>63</b>	<b>54.7</b>	<b>8.3</b>	<b>13.2%</b>	<b>£2,815,330</b>	<b>£2,393,056</b>	<b>£422,274</b>

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	17	13.3	3.7	21.6%	£1,257,394	£985,797	£271,597
S&C strategy/corporate development	6	4.6	1.4	23.4%	£252,711	£193,576	£59,134
S&C commissioning/perf/contract mngt	6	4.8	1.2	20.7%	£235,905	£187,073	£48,832
Democratic support	16	13.6	2.4	15.3%	£452,833	£383,550	£69,283
Service strategy & commissioning (Specialist)	19	15.0	4.0	20.9%	£642,681	£508,361	£134,320
<b>LEWES</b>	<b>64</b>	<b>51.3</b>	<b>12.7</b>	<b>19.9%</b>	<b>£2,841,524</b>	<b>£2,258,356</b>	<b>£583,168</b>

<b>OVERALL INTEGRATED MANAGEMENT</b>	<b>127</b>	<b>106.0</b>	<b>21.0</b>	<b>16.6%</b>	<b>£5,656,854</b>	<b>£4,651,412</b>	<b>£1,005,442</b>
--------------------------------------	------------	--------------	-------------	--------------	-------------------	-------------------	-------------------

Integrating chief executive and senior management functions is often seen as a necessary first stage of a fuller integration of services akin to that at option 1. This option can bring together first a range of skills and experience across change management, service development, finance and governance. This will enable a distribution of key responsibilities between a new management team to meet the aims of both Councils, while preparing for any second stage involving the redesign and combining of services and staff.

Savings will relate to reductions achieved from a new single Management structure for the Partnership, including a single Chief Executive. The once off costs within this area primarily relate to redundancy and any interim arrangements to support the changes, including professional assistance for planning and implementing a joint senior management team arrangement, and development of a model for democratic decision making and the interface between councillors, communities and senior management. This may be in the region of £125,000.

## **3. The Management Case**

### **3.1 Challenges for Implementation**

In bringing two organisations together through integration or creation of one council or a single management team, there will be challenges surrounding four main areas:

#### **Political**

- Clear political leadership, direction and governance needs to be established providing clarity on a vision for the future
- Joint Member and Officer understanding is needed across the two Councils to equip them for the new ways of working.

#### **People**

- Blending the cultural differences of the two organisations
- New common Terms and Conditions of service will need to be addressed including the harmonisation of pay.

#### **Organisational**

- Prior to the integration, a framework for apportioning costs, savings and benefits between the two Councils is needed
- Implementation of systems and process integration will be substantial, initially running separate IT systems, and working towards a single system.

#### **Customers**

- Implementation of seamless customer focused services to both our communities will be key
- Effective engagement with communities, partners and staff to ensure they understand the context and need for change will be required.

### **3.2 Risks in Implementation**

There are a number of key risk issues that will need to be addressed within the initiative as a whole, and the business case in particular. These include:

## **Financial**

- One-off implementation costs prove prohibitive – events may mean the pay-back period takes too long
- Apportioning costs between the two councils– the risk that it is not in the financial interest of one council to proceed
- Securing the financial benefits from the project – not making the anticipated savings will have a financial and reputational impact on both councils.

## **Governance**

- Failure of governance arrangements – these may include joint committees not functioning effectively and lack of clarity about decision-making issues
- Ensuring Member engagement in the process – to ensure ongoing political support for the initiative.

## **Cultural**

- The sense that one council is ‘taking over’ the other – especially should one of the current chief executives be appointed to the post of joint Chief Executive
- Staff morale – concerns about the prospect of changes to management structures and about job security through both organisations. There can be a danger is of losing good members of staff due to the uncertainty
- Technology implementation – implementing a new technology and process environment will be challenging, both from a technical and business change perspective.
- Readiness to change – if either council is unable to facilitate the change in process and working practices for managers within services, the success of the sharing will be significantly reduced.

### **3.3. Models of Shared Governance**

It should be noted that within the models of shared management and services there are a number of different approaches to governance, which seek to enhance the benefits of joint leadership at political and strategic levels, while maintaining the democratic legitimacy of



the 'sovereign' Councils. The models show the range of shared governance which may be developed while maintaining separate Council identity and include:

- a. **Maintaining separate Committee structures, while creating advisory Member bodies for the oversight of the shared arrangements.** For example a joint committee has been established under the Collaboration Agreement adopted by West Dorset, North Dorset and Weymouth and Portland. The committee is responsible for advising both councils on the delivery of the shared functions. The committee does not exercise any executive functions but where appropriate will make recommendations to the respective Council's executive Committee.
- b. **Maintaining separate Committee structures, while creating specific executive Joint Committees for key matters associated with shared management.** East Hampshire and Havant operate such an approach, having a Joint Human Resources Committee dealing with the appointment of the Chief Executive, Managing Director, Directors and other senior staff, and handling superannuation matters, appeals, grievances and dismissals from the workforce of the two Councils.
- c. **Establishing a joint approach for governance of strategic issues including delegated functions, while maintaining separate executive and statutory committees.** Adur and Worthing operate a Joint Governance Committee, Joint Overview and Scrutiny Committee, Joint Staff Committee and a Joint Strategic Committee. The latter advises the Councils on any strategic matter relating to joint services, and has the following delegated functions:

- To determine all matters relating to Executive functions unless specifically reserved to the Executives of the individual Councils.
- To provide strategic management of the services.
- To provide strategic direction to both Councils in relation to all Executive functions unless specifically reserved to the Executives of the individual Councils.
- To set strategic targets in respect of the services.

- To agree draft revenue and capital budgets for the implementation of each joint service which comply with the agreed budget strategy set by the Councils and which clearly show the costs to be borne by each Council including the allocation of any resulting savings or efficiencies and to recommend them to the Councils.
- To annually agree draft revenue and capital budgets for the joint services which comply with the agreed budget strategies set by the Councils and which clearly show the costs to be borne by each Council.
- To receive any reports in respect of any Executive function.
- To determine significant changes to the nature of the services delivered to the public in one or both Council areas.

**Agenda Item No:** 9.4 **Report No:** 119/15

**Report Title:** Adoption of the Community Infrastructure Levy (CIL) – Charging Schedule

**Report To:** Cabinet **Date:** 24<sup>th</sup>September 2015

**Cabinet Member:** Cllr Tom Jones – Lead Member for Strategy and Development

**Ward(s) Affected:** All areas of the District not lying within the South Downs National Park boundary

**Report By:** Nazeya Hussain, Director of Business Strategy and Development

**Contact Officer(s)-**

**Name(s):** Tondra Thom  
**Post Title(s):** Principal Planning Officer  
**E-mail(s):** [Tondra.thom@lewes.gov.uk](mailto:Tondra.thom@lewes.gov.uk)  
**Tel No(s):** 01273 484417

---

**Purpose of Report:** To seek an endorsement from Cabinet to recommend to Full Council the adoption and implementation of the Community Infrastructure Levy (CIL) Charging Schedule for Lewes District Council Charging Area.

**Officers Recommendation(s):**

- 1 To approve the CIL Charging Schedule (Appendix 1) in line with the recommendation of the Examiner’s Final Report and recommend to Full Council it is adopted to come into force from 1<sup>st</sup> December 2015.
- 2 To approve and recommend to Full Council for publication the Regulation 123 List (Appendix 2), Instalments Policy and Infrastructure Payments Policy (Appendix 3) that support the implementation of the Community Infrastructure Levy.
- 3 To note the withdrawal, from 1<sup>st</sup> December 2015, of the Supplementary Planning Guidance (SPG) “*The Provision of Outdoor Playing Space as Part of New Residential Development*” – approved by Cabinet on 30<sup>th</sup> January 2002.
- 4 To note the withdrawal, from 1<sup>st</sup> December 2015, of the Lewes District Council Schedule of Developer Contributions 2014/2015.

**Reasons for Recommendations**

- 1 It is a legal requirement, set out in the CIL Regulations 2010 (as amended) to refer the decision relating to the adoption of a CIL Charging Schedule to Full Council.

- 2 The adoption of a CIL Charging Schedule will allow the Council to secure funding to help deliver the level of infrastructure necessary to support development, in light of the recent change to the S106 mechanism:
  - Since the 6<sup>th</sup> April 2015 the Council has been unable to pool more than 5 contributions (from agreements entered into since 6<sup>th</sup> April 2010) from new development to fund infrastructure projects. This has made it difficult to use S106 to secure appropriate funding.
- 3 The Playing Space SPG and the Schedule of Developer Contributions should be considered as effectively redundant from 1<sup>st</sup> December 2015 when CIL is implemented as the full restrictions over the use of S106 agreements contained within the CIL Regulations 2010 (as amended) come into force once CIL is operational. Once the CIL Charging Schedule takes effect, the Council cannot seek planning obligations towards infrastructure projects or types of infrastructure listed on the Regulation 123 List.

## Report

### 1 Background

- 1.1 The Community Infrastructure Levy (CIL) is a mechanism, introduced by Government in 2010, to allow local planning authorities to raise funds from some forms of development in order to pay for the infrastructure that is, or will be, needed as a result of that new development.
- 1.2 The levy is applied on a £'s per square metre basis. It replaces the existing tariff-based approach for collecting planning infrastructure contributions<sup>1</sup>. From April 2015, CIL will be the only significant means by which local authorities will be able to collect and 'pool' developer contributions to deliver infrastructure improvements<sup>2</sup>. Alongside CIL, S106 obligations will still exist, but generally as one-off agreements to mitigate the impacts of larger developments and to secure on-site developer requirements, such as the provision of affordable housing.
- 1.3 CIL has a number of significant advantages over the current system of Section 106 agreements, including:
  - Payment is non-negotiable, which helps speed up the planning process
  - The CIL charge is transparent and predictable, meaning that applicants will know their CIL liability prior to submitting a planning application
  - All liable developments will contribute to the cost of infrastructure provision, not just large scale development
- 1.4 The money raised from CIL will be used to pay for infrastructure to support development, ensuring that new development bears a proportion of the cost of delivering the new infrastructure required. CIL can be spent on any community infrastructure required to support growth, provided the infrastructure is

---

<sup>1</sup> Affordable housing will continue to be collected separately through Section 106 provisions

<sup>2</sup> It will still be legally possible to pool up to 5 S106 agreements for any 1 item of infrastructure

contained within the Council's published Regulation 123 list. The Regulation 123 list (Appendix 2) is provided alongside the Council's CIL Charging Schedule.

- 1.5 It is estimated that total CIL receipts for Lewes District Council for CIL liable planned residential development up to 2030 is in the region of £17m. CIL is just one funding stream that can be used in conjunction with others to fund infrastructure projects.
- 1.6 The Lewes District Council CIL Charging Schedule only applies to the areas outside of the South Downs National Park. The National Park Authority is in the process of introducing its own CIL Charging Schedule, which is due for implementation in 2016.

## **2 The Charging Schedule**

- 2.1 The Council submitted its Draft Charging Schedule to the Planning Inspectorate for independent examination on 16<sup>th</sup> September 2014. The examination was held on 14<sup>th</sup> April 2015 and we received the Examiner's Final Report (Appendix 4) on 17<sup>th</sup> July 2015.
- 2.2 The Examiner's report concludes that the Lewes District Council Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at levels that will not put the overall development of the area at risk. The Examiner recommends that the schedule should be approved in its published form, without changes.
- 2.3 The Charging Schedule identifies the types of development that will be liable for a CIL charge and the relevant charge (£) per sq m. floor space of development. It is supported by a comprehensive evidence base, which includes a detailed viability assessment. The viability assessment examines the levels of CIL that can be achieved without affecting the overall viability of development identified in the Core Strategy. Only development types shown to be viable have been charged CIL, therefore the charges are fully justified by the evidence.
- 2.4 The Charging Schedule is also supported by an up to date Infrastructure Delivery Plan and a Funding Gap Analysis document, to demonstrate that there is a funding deficit between the total cost of required infrastructure and the infrastructure already agreed for delivery and to be financed by the Council, external partners and agencies. The funding gap analysis justifies the position of the Council to move forward with CIL as an appropriate tool for collecting developer contributions.

## **3 The CIL Charges and Implementation Policies**

- 3.1 The Charging Schedule (Appendix 1) outlines that only dwellings (C3 Use Class) and retail (A1-A5 Planning Use Class) are liable for a CIL charge at the following rates:

Development Type		CIL charge (£/m <sup>2</sup> )
Residential	Low Zone (South of SDNP, i.e. the coastal towns)	£90
	High Zone (North of SDNP)	£150
Residential Institution		£0
Industrial		£0
Office		£0
Retail		£100
Hotel		£0
Standard Charge <sup>3</sup>		£0

- 3.2 **Phasing** - We consider that if a planning application is large enough to be delivered through appropriate phases, then CIL payments should be linked to these phases to ensure that development remains viable overall. We will negotiate relevant phasing on large scale applications during the determination of the planning application. Set phases and their relevant land use descriptions will need to be confirmed in an accompanying Section 106 agreement and these phasing stages will be linked to CIL liability. Therefore, the CIL charge will be calculated at each phase of the development, and will be liable for payment on commencement of each relevant phase.
- 3.3 **Instalments** – The Charging Schedule is accompanied by an Instalments Policy (Appendix 3), which was widely consulted upon as part of the Draft Charging Schedule Consultation. The Instalments Policy would be applicable at each phase of a development that is large enough to be delivered through appropriate phases.
- 3.4 **Infrastructure Payments** – The Infrastructure Payments Policy (Appendix 3) accompanying the Schedule, provides the mechanism for receiving infrastructure payments in lieu of CIL payments for children’s formal and casual play space on strategic and other sizeable sites.
- 3.5 No other discretionary CIL administration policies are proposed at this time; such policies as those identified above and, for example, exceptional circumstances relief or discretionary charitable relief policies may be introduced and revoked at any time (subject to meeting relevant requirements on publication periods prior to commencement). Therefore we will keep under review and consider the discretionary implementation policies and make recommendations to Council where such arrangements should be amended.

---

<sup>3</sup> The Standard Charge applies to all other types of chargeable development not otherwise specified in the Table. These types of development may be liable for on-site improvements through S106 or S278 off-site highway improvements, even though the Standard Charge for CIL is proposed to be zero.

## **4 Adoption of the Charging Schedule**

- 4.1 The Charging Schedule was examined using up to date evidence provided by the Council, some of which had been prepared specifically for the purposes of CIL and some which had been generated in the production of the Core Strategy and which is directly relevant to the preparation of the Charging Schedule. The Examiner in paragraph 12 of his report states that “*the evidence used to inform the Charging Schedule is robust, proportionate and appropriate*”. In paragraph 21 the Examiner concludes that the two local levy rates for new housing are “*justified by the available evidence and strike an appropriate balance between helping to fund new infrastructure and their effect on the economic viability of residential development across the area*”. These conclusions demonstrate that we, as the Charging Authority, have met the requirements of the relevant legislation (Section 211 of the Planning Act 2008 and The CIL Regulations 2010 as Amended) and can duly adopt the Schedule on that basis.
- 4.2 As it is customary and in line with Government guidance, to which we must have regard, to adopt a charging schedule once an up-to-date Local Plan is in place, we have sought advice from our Legal Services Department regarding the adoption of the Charging Schedule ahead of the adoption of the Local Plan (in our case the Joint Core Strategy, which is currently at Examination). The legal implications are presented in Section 6 of this report. The benefits to the Council of adopting the Charging Schedule at the earliest opportunity are clear in that CIL currently presents the most effective lawful mechanism to collect developer contributions towards meeting our infrastructure requirements. To delay its adoption would risk losing out on vital financial contributions from development in the Charging Area, due to the limitations now in place on the use of S106 legal agreements.
- 4.3 Implementation of CIL will commence on the 1<sup>st</sup> December 2015. Hence, any CIL liable applications determined from this date will have a CIL Charge applied to them. The Council will widely publicise its intention to start applying CIL, in particular with agents and developers, in order to ensure that any required CIL charges do not come as a surprise. The actual implementation of CIL, in terms of the collecting and spending of the monies received, will be undertaken in accordance with the governance and implementation arrangements that were agreed by Cabinet on 20<sup>th</sup> November 2014.

## **5 Financial Appraisal**

- 5.1 The financial implications of the recommendation to adopt the Charging Schedule are beneficial. Through the adoption of the Charging Schedule we will be able to secure financial contributions from a wider range of development than is currently possible and pool those contributions to deliver the strategic infrastructure required to support new development. We will have greater financial freedom to govern these funds than we do under the S106 legal agreement mechanism, where the spending of individual financial contributions can be limited by bespoke legal clauses.
- 5.2 Using the Community Infrastructure Levy as a means to secure financial contributions will also be beneficial in delivering local infrastructure. The CIL mechanism clearly apportions up to 25% for spending on community



infrastructure and it elevates the role of local town and parish councils in spending this neighbourhood portion. This should allow us to act as advisors and facilitators to the town and parish councils rather than carrying the burden of delivery ourselves, unless we agree to do so by arrangement with the towns and parishes.

- 5.3 There will be a cost to the Council in implementing and administering CIL. Primarily this will be the cost of officers' time in implementing the governance arrangements, which were set through the agreed recommendations from Cabinet on the 20<sup>th</sup> November 2014. However, the Council will retain up to 5% of CIL monies received in order to cover such costs.
- 5.4 The Council will publish an annual report, which will set out clearly how much CIL money has been received and the infrastructure to which that money has been applied.

## **6 Legal Implications**

- 6.1 The Legal Services Department has made the following comments:
- 6.2 The main legal implications are set out in the body of this report. In addition legal advice has been sought in respect of the legal implications of the Council adopting the Charging Schedule in advance of the Local Plan and I provide the following comments:
- 6.3 The Government Guidance, which the Council must have regard to, requires that CIL Charging Schedules are consistent with, and support the implementation of, up-to-date relevant Plans. However, this guidance does not impose a legal duty on the Council to ensure that it has adopted the Core Strategy in advance of the Charging Schedule.
- 6.4 Recent case law has confirmed that:
- There is no requirement in the legislative framework which requires a recently adopted local plan to be in place before a Charging Schedule can be adopted; and
  - The Council can depart from the Government Guidance as long as clear and adequate reasons are provided.
- 6.5 It is not strictly considered that the Council is departing from the Government Guidance. However, it would be prudent to ensure that clear and adequate reasons are given to justify the adoption of the Charging Schedule prior to the adoption of the Core Strategy as stated in this report.

## **7 Risk Management Implications**

- 7.1 The risk assessment checklist has been completed; no new risks will arise if the recommendation is implemented.

## **8 Equality Screening**



8.1 No significant negative or positive outcomes have been identified. The EA demonstrates the decision, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

## **9 Background Papers**

9.1 The following documents provide background to this report.

- CIL Background Paper September 2014  
[http://www.lewes.gov.uk/Files/plan\\_CIL\\_Background\\_Paper.pdf](http://www.lewes.gov.uk/Files/plan_CIL_Background_Paper.pdf)
- CIL Governance Cabinet Report 20<sup>th</sup> November 2014  
[http://www.lewes.gov.uk/Files/plan\\_CIL\\_Governance\\_Cabinet\\_Report\\_Final.pdf](http://www.lewes.gov.uk/Files/plan_CIL_Governance_Cabinet_Report_Final.pdf)
- CIL Viability Assessment February 2014  
[http://www.lewes.gov.uk/Files/plan\\_CIL\\_Viability\\_Assessment\\_2014.pdf](http://www.lewes.gov.uk/Files/plan_CIL_Viability_Assessment_2014.pdf)
- Infrastructure Funding Gap Analysis September 2014  
[http://www.lewes.gov.uk/Files/plan\\_Infrastructure\\_Funding\\_Gap\\_Analysis.pdf](http://www.lewes.gov.uk/Files/plan_Infrastructure_Funding_Gap_Analysis.pdf)

## **10 Appendices**

Appendix 1 – The Lewes District Council Charging Schedule

Appendix 2 – Regulation 123 List

Appendix 3 – CIL Implementation Policies

Appendix 4 – CIL Examiner's Report, July 2015

Appendix 5 – Equality Analysis Report

# Appendix 1

## The Lewes District Council Charging Schedule

### Contents

**1 Introduction**

**2 Statutory Compliance**

**3 Proposed CIL rate and charging area**

- a) CIL Charging Schedule
- b) CIL charging area map

**4 Other Matters**

- a) CIL Implementation
- b) Monitoring and Review
- c) Ashdown Forest (7km protection zone)

**5 Next steps**

**APPENDIX A Calculating the chargeable amount**

## **1 INTRODUCTION**

- 1.1 The Community Infrastructure Levy (CIL) is a tariff-based approach to funding infrastructure that allows local authorities to raise funds from developers undertaking new building projects. Its purpose is to help fund the provision of infrastructure needed to support development and help implement the growth identified in the Lewes District Local Plan Part 1 – The Core Strategy.
- 1.2 In order to charge CIL local authorities must produce a Charging Schedule, which identifies the detail of who will pay CIL and at what rate. This is the purpose of this document.
- 1.3 The production of a CIL Charging Schedule is subject to considerable regulation and guidance, which has been carefully followed. For further introductory details regarding CIL, including what it is, why we are producing one and how it will work, please see the accompanying document to this Schedule called “Background Paper – Producing a CIL Charging Schedule”.
- 1.4 This Draft Charging Schedule applies to areas of the district that lie outside the South Downs National Park boundary only, as these are the areas for which Lewes District Council is the charging authority (and local planning authority). The South Downs National Park Authority (SDNPA) is the charging authority (and local planning authority) for the whole of the area within the national park boundary.

## **2 STATUTORY COMPLIANCE**

- 2.1 Lewes District Council is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge CIL in respect of development in its administrative area. The Council is both the CIL Charging and Collecting Authority for its administrative area.
- 2.2 In preparing this Draft Charging Schedule, Lewes District Council has complied with the requirements set out in Part 11 of the Planning Act (as amended) and the CIL Regulations 2010 (as amended).
- 2.3 In setting the CIL rates, the Council has used appropriate available evidence to inform the Draft Charging Schedule and struck an appropriate balance between:
- The desirability of funding from CIL, in whole or in part, the estimated cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding, and
  - The potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across its area.
- 2.4 This Charging Schedule was approved by the Council on *(date to be inserted following examination in public)*.
- 2.5 This Charging Schedule will come into effect on *(date to be inserted following examination and approval)*.

### 3 DRAFT CIL CHARGING SCHEDULE AND CHARGING AREA

#### a) CIL Draft Charging Schedule

3.1 The CIL rates for Lewes District (all areas outside the South Downs National Park) are shown in the table below.

**Table 2 CIL Charging Rates for Lewes District Council charging area**

Development Type		CIL charge (£/m <sup>2</sup> )
Residential	Low Zone (South of SDNP, i.e. the coastal towns)	£90
	High Zone (North of SDNP)	£150
Residential Institution		£0
Industrial		£0
Office		£0
Retail		£100
Hotel		£0
Standard Charge <sup>4</sup>		£0

#### b) CIL charging area map

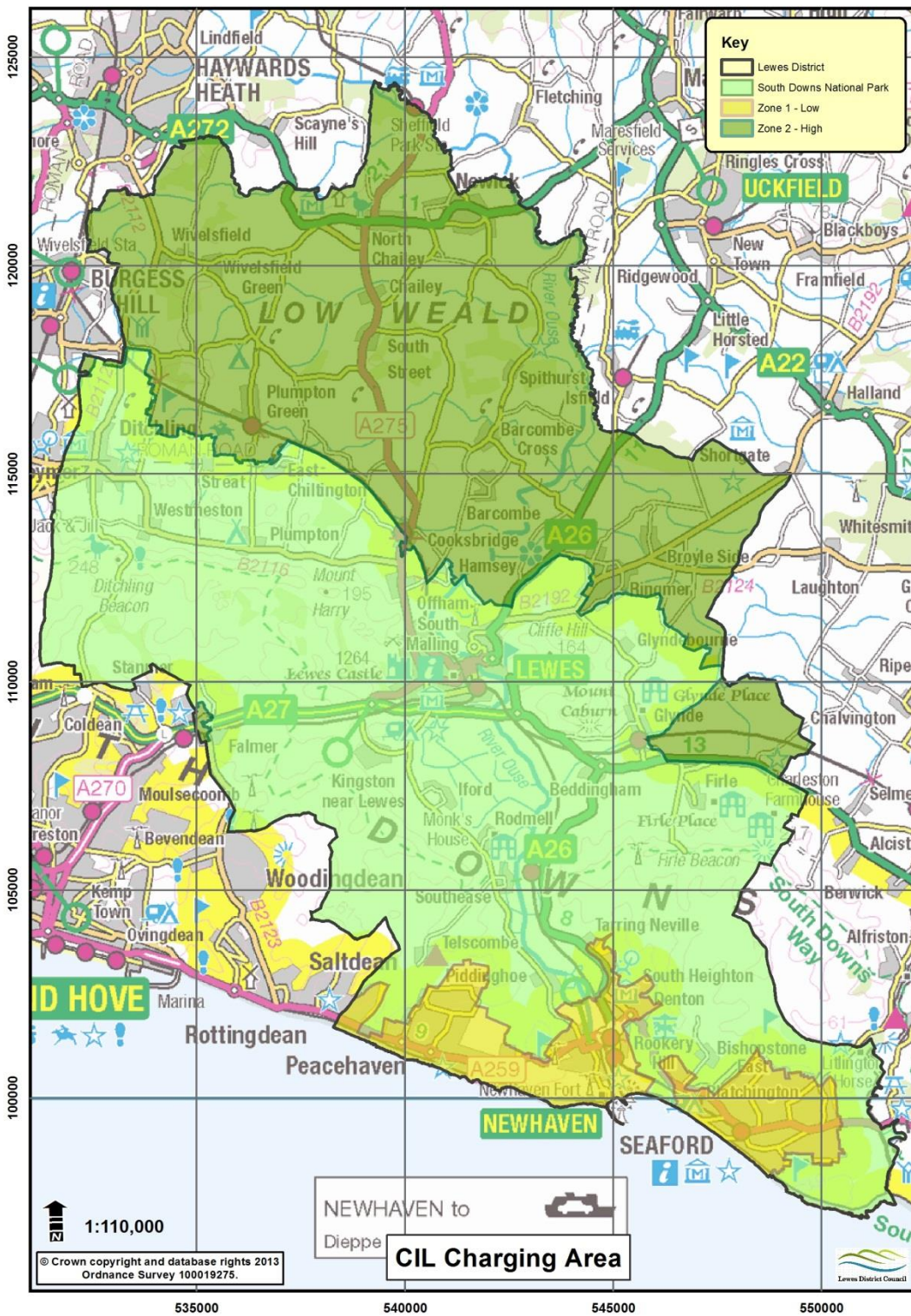
3.2 The CIL charging area will be all areas of Lewes District that lie outside the South Downs National Park boundary as shown in Map 1 (page 16). It is worth noting that the small area at Falmer and the area of Glynde Parish that lie outside the National Park are within the High Zone for the CIL charge.

3.3 In calculating individual charges for the levy, the Council will be required by the Regulations to apply an annually updated index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

---

<sup>4</sup> The Standard Charge applies to all other types of chargeable development not otherwise specified in Table 1. These types of development may be liable for on-site improvements through S106 or S278 off-site highway improvements, even though the Standard Charge for CIL is proposed to be zero.

Map 1 Lewes District Council CIL Charging Area





## **4 OTHER MATTERS**

### **a) CIL Implementation**

- 4.1 It is proposed to use a proportion of CIL funds to cover CIL administration expenses, in accordance with the Regulations. Further details will be established once the CIL administration procedures are developed.
- 4.2 An Instalments Policy has been published separately to accompany this Charging Schedule.
- 4.3 The Council will keep under review and consideration the implementation of the following discretionary CIL administration policies. Such policies do not require formal consultation or examination and may be introduced and revoked at any time (subject to meeting relevant requirements on publication periods prior to commencement).
- Exceptional circumstances relief<sup>5</sup>
  - Discretionary charitable relief<sup>6</sup>
  - Payment in kind<sup>7</sup>

### **b) Monitoring and Review**

- 4.4 Lewes District Council is committed to ensuring the use of CIL is open and transparent and will publish an annual report, which will set out clearly how much CIL money has been received and the infrastructure to which that money has been applied.
- 4.5 We recognise that regulatory and economic circumstances change and propose that a review of the CIL Charging Schedule be triggered if either of the following conditions is met:
- Changes are made to the CIL Regulations such that it would be necessary or of benefit for the Council to review its Schedule
  - A period of three years has passed since the implementation of the Schedule
- 4.5The Council will also consider the need for review if monitoring of CIL performance and/or local conditions indicates that either development is being constrained by CIL rate(s) or that development viability may have increased such that CIL receipts are being persistently constrained by the prevailing CIL rate(s).

---

<sup>5</sup> Regulations 55-58 allows for discretionary relief in exceptional circumstances

<sup>6</sup> This is in addition to the mandatory charitable relief where the chargeable development is to be used wholly or mainly for charitable purposes.

<sup>7</sup> Regulation 73 in the CIL (Amendment) Regulations 2014 allows for a charging authority to make infrastructure payments available in its area and accept one or more infrastructure payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development.

**c) Ashdown Forest**

- 4.7 The Ashdown Forest, located in neighbouring Wealden District, is covered by Special Protection Area (SPA) and Special Area of Conservation (SAC) European designation. A 7km protection zone has been established around the Forest within which new residential development requires mitigation so that the pressures of usage experienced by the Forest are not worsened as a result of the development. The 7km protection zone partly extends into Lewes District covering much of Newick parish, including the village itself. Mitigation required for residential development in this area is in the form of financial contributions to the Strategic Access Management and Monitoring Strategy (SAMMS) and the delivery and ongoing management of Suitable Accessible Natural Green Space (SANGS).
- 4.8 It is proposed that financial or other contributions required for the mitigation of residential development will be collected using planning obligations and CIL monies will not be used towards this mitigation.



**APPENDIX A**

**Calculating the chargeable amount**

- i) CIL charges will be calculated in accordance with CIL Regulation 40 (as amended). The chargeable amount will be an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates as set out in the charging schedule.
- ii) The chargeable amount will be index linked using the Royal Institution of Chartered Surveyors’ All-in Tender Price Index figures for the year in which the planning permission was granted and the year in which the charging schedule took effect.
- iii) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula:

$$\frac{R \times A \times I_P}{I_C}$$

Where:

- A = the deemed net area chargeable at rate R;
- I<sub>P</sub> = the index figure for the year in which planning permission was granted; and
- I<sub>C</sub> = the index figure for the year in which the charging schedule containing rate R took effect.

The value of A must be calculated by applying the following formula:

$$G_R - K_R - \left( \frac{G_R \times E}{G} \right)$$

Where:

- G = the gross internal area of the chargeable development;
- G<sub>R</sub> = the gross internal area of the part of the development chargeable at rate R;
- E = the aggregate of the following -
  - (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
  - (ii) for the second and subsequent phases of a phased planning permission, the value E<sub>x</sub>, unless E<sub>x</sub> is negative, provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.
- K<sub>R</sub> = the aggregate of the gross internal areas of the following -
  - (i) retained parts of in-use buildings, and
  - (ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development.

The value E<sub>x</sub> must be calculated by applying the following formula -

$$E_P - (G_P - K_{PR})$$

Where:

- E<sub>P</sub> = the value of E for the previously commenced phase of the planning permission;
- G<sub>P</sub> = the value of G for the previously commenced phase of the planning permission; and
- K<sub>PR</sub> = the total of the values of K<sub>R</sub> for the previously commenced phase of the planning permission.

## Appendix 2

### Regulation 123 List

#### Community Infrastructure Levy

Following CIL coming into force in Lewes District Charging Area, the following types of infrastructure will be funded through CIL receipts:

- Education facilities projects
- Transport schemes other than site-specific access improvements
- Police and emergency services facilities
- Community facilities projects
- Green infrastructure other than site-specific improvements or mitigation measures

Table 1 outlines the projects identified in the Infrastructure Delivery Plan that may be prioritised for CIL funding. The inclusion of a project or infrastructure type in this table does not signify a commitment from Lewes District Council to fully or partially fund all the projects listed. Allocation of Community Infrastructure Levy income will be agreed through the Council's Capital Programme. Further the order in the table does not imply any order of preference for spend and Lewes District Council will review this list at least once a year as part of its monitoring of CIL collection and expenditure.

#### Planning Obligations

Lewes District Council proposes to use planning obligations for site-specific infrastructure such as:

- Site-specific access (vehicular, pedestrian, cycle and public transport) improvements (these could be secured through s278 of the Highways Act 1980 in some circumstances)
- Site-specific green infrastructure, including biodiversity mitigation and improvement
- Site-specific Public Rights of Way diversions or mitigation
- Mitigation for residential development within the Ashdown Forest 7km protection zone<sup>8</sup>

In addition, affordable housing provision and contributions will continue to be secured through planning obligations.

#### Non-Strategic Infrastructure

Non-strategic infrastructure, identified at a local level, will be expected to be funded through the 'meaningful proportion' of CIL revenue that is passed to the Town and

---

<sup>8</sup> Mitigation is in the form of Strategic Access Management and Monitoring Strategy (SAMMS) and Suitable Accessible Natural Green Space (SANGS) of 149

Parish Councils. This will either be 15%<sup>9</sup> or 25% if there is a neighbourhood plan in place.

<b>Infrastructure projects that may be partly or wholly funded by CIL</b>
<p><b>Junction Improvement Projects</b></p> <ul style="list-style-type: none"> <li>• A26 Church Lane/Malling Hill*</li> <li>• A259 including town centre ring road and A26 junction (Newhaven)</li> <li>• A259 / Telscombe Cliffs Way (Peacehaven)</li> <li>• A259 / Sutton Avenue (Peacehaven)</li> </ul>
<p><b>New Road and Road Improvement Projects</b></p> <ul style="list-style-type: none"> <li>• Newhaven Port Access Road, new road from Eastside to A259 (phase 2)</li> </ul>
<p><b>Pedestrian and Cycle Improvement Projects</b></p> <ul style="list-style-type: none"> <li>• Provision of footpath and cycle routes providing links from new developments to facilities</li> </ul>
<p><b>Public Transport Improvement Projects</b></p> <ul style="list-style-type: none"> <li>• New public transport interchange Newhaven Town railway station</li> <li>• Demand management measures and Phase 2 of bus corridor on A259</li> <li>• Increased frequency of bus services on A259 to residential areas of Peacehaven and Newhaven</li> <li>• New and improved off-site bus services and facilities serving new development</li> <li>• DDA compliant bus infrastructure on A259</li> <li>• Station accessibility improvements Newhaven, Seaford and rural stations</li> <li>• Community transport</li> </ul>
<p><b>Education Facilities Projects</b></p> <p>Early Years Places in:</p> <ul style="list-style-type: none"> <li>• Newhaven</li> <li>• Seaford</li> <li>• Peacehaven</li> <li>• Wivelsfield</li> <li>• Newick</li> <li>• Plumpton</li> </ul> <p>Primary School</p> <ul style="list-style-type: none"> <li>• One form of entry - new school or expansions Newhaven</li> <li>• One forms- of entry - new school or expansions Peacehaven</li> <li>• Additional places - expansion Telscombe Cliffs</li> <li>• One form of entry - expansion Seaford</li> <li>• Additional places - expansion Wivelsfield</li> </ul> <p>Secondary School</p> <ul style="list-style-type: none"> <li>• Three forms of entry - expansion Newhaven / Peacehaven</li> <li>• One form of entry – expansion Seaford</li> </ul> <p>FE College Provision</p> <ul style="list-style-type: none"> <li>• Additional Places Sussex Downs College Lewes Campus</li> <li>• Additional Places Plumpton College</li> </ul>

<sup>9</sup> 15% capped at £100 per existing dwelling Page 91 of 149

<b>Infrastructure projects that may be partly or wholly funded by CIL</b>
<b>Healthcare Facilities Projects</b> <ul style="list-style-type: none"> <li>• Capital improvements in healthcare facilities</li> </ul>
<b>Green Infrastructure Projects</b> <ul style="list-style-type: none"> <li>• Outdoor sports facilities for youth and adult; Newhaven, Seaford, Newick, Ringmer, Peacehaven and Wivelsfield</li> <li>• Equipped children’s play space all new development (except Strategic Sites**)</li> <li>• Children’s casual play space (except Strategic Sites**)</li> </ul>
<b>Community Infrastructure Projects</b> <ul style="list-style-type: none"> <li>• Expansion of Ringmer library</li> </ul>
<b>Emergency Services Infrastructure Requirements</b> <ul style="list-style-type: none"> <li>• ESFRS – relocation of Newhaven Community Fire Station</li> </ul>
<b>Community Safety Projects</b> <ul style="list-style-type: none"> <li>• Capital costs associated with policing facilities</li> </ul>

\* This item of infrastructure may need to also be funded through CIL raised within the South Downs National Park Authority

\*\*Strategic Sites as allocated in the Core Strategy Local Plan Part 1 and other sizeable sites as defined by Local Plan Part 2

## Appendix 3

### Implementation policies

#### CIL Instalments Policy

The CIL instalments policy will only apply where conditions of Regulation 70 (CIL 2010) are met:

- Council received Assumption of Liability prior to commencement
- Council received CIL Commencement Notice prior to commencement

The Community Infrastructure Levy for residential development will be payable by instalments as follows:

- Where the chargeable amount is less than £50,000 (up to 6 dwellings approximately)
  - Full payment will be required within 60 days of the commencement date
- Where the chargeable amount is £50,000 - £250,000 (6-31 dwellings approximately)
  - First instalment representing 25% of the chargeable amount will be required within 60 days of commencement date; and
  - Second instalment representing 25% of chargeable amount will be required on completion of 50% of the dwellings; and
  - Third and final instalment representing 50% of the chargeable amount will be required on completion of 75% of the dwellings.
- Where the chargeable amount is over £250,000 (more than 31 units approximately)
  - First instalment representing 25% of the chargeable amount will be required within 60 days of commencement date; and
  - Second instalment representing 25% of the chargeable amount will be required on completion of 25% of the dwellings; and
  - Third instalment representing 25% of the chargeable amount will be required on completion of 50% of the dwellings; and
  - Fourth instalment representing 25% of the chargeable amount will be required on completion of 75% of the total number of dwellings

Note: the percentage of dwellings will be rounded up where exact dwelling numbers are not possible

Commercial developments by their nature do not lend themselves to the same approach used for residential development. Therefore it is proposed that phasing will be based on timescales and still related to the size of the development. The charge will be payable by instalments as follows.

- Where the chargeable amount is less than £50,000;
  - Full payment will be required within 60 days of the commencement date
- Where the chargeable amount is £50,000 - £250,000;

- First instalment representing 50% of the chargeable amount will be required within 60 days of the commencement date; and
- Second instalment representing 50% of the chargeable amount will be required prior to completion/opening of any part of the development
- Where the chargeable amount is over £250,000;
  - First instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date; and
  - Second instalment representing 25% of the chargeable amount will be required within 120 days of the commencement date; and
  - Third and final instalment representing 50% of the chargeable amount will be required within 360 days of the commencement date or prior to completion/opening of any part of the development, whichever is sooner.

In calculating individual charges for the levy, the Council will be required by the Regulations to apply an annually updated index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

## **CIL Infrastructure Payments Policy -**

### **For the provision of on-site children's play space**

Regulation 73A (as amended 2014) of the CIL Regulations allows a Charging Authority to make infrastructure payments available in its area and to accept one or more infrastructure payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development.

Where CIL is paid by way of an infrastructure payment the amount of CIL paid is an amount equal to the value of the infrastructure provided. An agreement to provide the infrastructure must be entered into before the chargeable development is commenced. Such an agreement must be in accordance with the provisions in Regulation 73A (as amended 2014) of the CIL Regulations.

Regulation 73B (as amended 2014) enables a Charging Authority that wishes to allow infrastructure payments in its area to stipulate the specific infrastructure projects or types, which it will consider accepting the provision of as infrastructure payments.

This document complies with the requirements of Regulation 73B in specifying that:

- i) The Council hereby gives notice that it is willing to accept infrastructure payments for on-site children's outdoor playing space;
- ii) We will accept such infrastructure payments from the day that CIL comes into force, which is scheduled to be \*\*/\*\*/\*\*\*\*;

- iii) This policy statement sets out the specific infrastructure projects that we will consider accepting infrastructure payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development.

**Qualifying Infrastructure Projects:**

**Strategic and other sizeable Sites<sup>10</sup> - Children's outdoor equipped and informal playing space at the following standard<sup>11</sup>:**

***0.7 ha per 1000 population for children's play, of which about 0.25 ha will comprise equipped areas and 0.55 ha will be of a more casual or informal nature.***

**Playing space must be safe and accessible. To help ensure this is the case, the provision of these spaces must be considered as an integral part of the design, layout and maintenance of a residential scheme.**

---

<sup>10</sup> Strategic as allocated in the Lewes District Council Core Strategy Local Plan Part 1; Sizeable as determined by the relevant policy in the Core Strategy Local Plan Part 2

<sup>11</sup> The standards used by the Council are based upon those currently recommended by the Fields in Trust Planning and Design for Outdoor Spaces Plan (2008)

**Appendix 4**

CIL Examiner's Report July 2015



---

## **Report to Lewes District Council**

**by Nigel Payne BSc (Hons) Dip TP MRTPI MCMi**

**an Examiner appointed by the Council**

**Date: 17 July 2015**

---

10

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

### **REPORT ON THE EXAMINATION OF THE DRAFT LEWES DISTRICT COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

Charging Schedule submitted for examination on 16 September 2014

Examination hearings held on 14 April 2015

File Ref: PINS/LDF/001605

## **Non Technical Summary**

This report concludes that the Lewes District Council Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at levels that will not put the overall development of the area at risk. I recommend that the schedule should be approved in its published form, without changes.

### **Introduction**

1. This report contains my assessment of the Lewes District Council Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance (Community Infrastructure Levy Guidance –June 2014).
2. To comply with the relevant legislation the local charging authority has to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district. The basis for the examination, on which hearings sessions were held on 14 April 2015, is the submitted schedule of 16 September 2014, which is essentially the same as the document published for public consultation in April/May 2014.
3. The charging schedule is to apply only in those parts of Lewes district that lie outside the South Downs National Park (SDNP), as that authority will be producing their own separate schedule in due course. Taking this into account, the Council propose two separate charging zones for residential development – a Low Zone for the area south of the SDNP, i.e. mainly the coastal towns, with a rate of £90 per square metre (psm) and a High Zone north of the SDNP, where the rate would be £150 psm. All other uses, including sui generis ones, would be nil rated, except retail where the proposed charge is £100 psm.

### **Is the charging schedule supported by background documents containing appropriate available evidence?**

#### *Infrastructure planning evidence*

4. The Lewes Local Plan Part 1 – Joint Core Strategy (LP) is being examined alongside the charging schedule. This sets out the main elements of growth that will need to be supported by further infrastructure in the district, including the SDNP. It is supported by an Infrastructure Delivery Plan (IDP). The total estimated cost of infrastructure to implement the LP is in the region of £100 million (m). Taking into account other actual and expected sources of funding, the Council estimates in their Infrastructure Funding Gap Report (September 2014) that there is a gap of approximately £65m at present.

5. Based on the new housing numbers in the submitted plan, albeit these will now be somewhat higher as a result of the main modifications, the two residential CIL rates are anticipated to raise around £12m over the plan period (equivalent to around £800k annually), of which about £8m would come from the Low Zone to the south and £4m from the High Zone to the north. No assumptions are made regarding income from retail development as no significant schemes are presently planned in the district.
6. Over the last three years the average amount raised by the Council from S106 legal agreements in the areas that would be subject to the CIL rates is approximately £660k, mainly from new housing, with an average value of roughly £7k per new market dwelling. The Council calculates that the proposed CIL rates would result in equivalent charges of just over £8k in the lower South zone and about £13.5 k in the higher North zone for each additional house.
7. In the light of this evidence, the proposed charge would make only a modest contribution towards filling the likely funding gap, even with the higher new housing numbers in the modified plan. The Council estimates that this might provide an extra £10m of CIL receipts over the plan period, with the revised total equivalent to around a third of the presently identified funding gap. Overall, the figures clearly demonstrate the need to introduce the levy.
8. Whilst there will always be other projects with which CIL revenues might assist, it is not the role of this examination to question the Council's specific spending proposals on either a geographical or a priority basis, beyond confirming that, in general terms, the projects in the Council's current draft Regulation 123 list should clearly assist the delivery of the LP, as a whole. Nor is there any material inconsistency between the list and the policies and proposals in the LP and/or the intended CIL rates.

#### *Economic viability evidence*

9. The Council commissioned a CIL Viability Assessment (VA) (published February 2014). This used a standard residual valuation approach, with reasonable assumptions for a range of factors, such as building costs, including a bespoke local construction costs study (December 2013) and Level 4 of the Code for Sustainable Homes (CSH) requirements for all new housing. It also took into account relevant current land values, including local data and some recent actual transactions. In general, the benchmark local land values used are sufficiently realistic for comparison purposes in a generic study of this type.
10. The VA also included current sale values based on a variety of local types; as well as suitable housing densities/mixes and gross to net ratios, and reasonable developer profit levels, amongst other factors. Alternative affordable housing targets and tenure splits, as well as higher and lower sales values and build costs, having been tested in an earlier study, the robustness of its conclusions is clear. The allowances for professional fees might well have been somewhat higher, but those used are not so low as to have any material effect on the overall viability outcomes assessed. Other specific criticisms are considered further below. Overall, I am satisfied that the study's methodology is in line with the guidance in the Harman Report (June 2012) (Viability Testing for Local Plans).

## *Zones*

11. The Council's evidence, supported by almost all representors in principle, is clear that the northernmost part of the district has significantly higher house prices and land values, and therefore a materially higher level of viability for new development, in comparison with the proposed southern charging zone across the coastal belt. This difference between the physically separate parts of the district that lie outside the SDNP clearly justifies the identification of two charging zones for residential development.

## *Conclusion*

12. The draft Charging Schedule is also supported by detailed evidence of community infrastructure needs, including in the IDP and the draft Regulation 123 list. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

## **Are the charging rates informed by and consistent with the evidence?**

### *Residential rates*

13. In relation to new housing, the various assumptions used in the Council's generic testing of different development scenarios have been criticised by some representors in a number of specific respects and also in terms of the overall cumulative effect of the two CIL rates to be applied. However, the Council's VA has taken account of all the relevant policies of the emerging LP, as required by national guidance, including the provision of 40% affordable housing, as appropriate. It is also generally consistent with the advice in the Harman Report (see above).
14. The bespoke construction costs study has also included additional build costs associated with the Code for Sustainable Homes (CSH) Level 4 and policies relating to sustainable design, construction and energy measures, as well as a 5% general contingency allowance. By definition, the CIL cannot make an allowance for abnormal, site specific, costs. The rates have to be based on a generic analysis of a variety of size and type of schemes across the area, taking into account average local build costs, not the individual circumstances of particular sites. The fact that a few specific smaller schemes that are already marginal may become unviable in certain locations should not have a significant impact on the delivery of new housing across the area to meet the requirements of the modified LP.
15. Respondents have also criticised the profit level assumed by the Council as too low in some instances. Obviously, these vary with each scheme, including as the market changes over time. Nevertheless, using an average figure of 20% on gross development value, with 6% for the affordable housing element for which there is usually little or no risk element for the builder, is not unreasonable or unrealistic in generic analyses, as distinct from the detailed costing of a fully designed project for a particular developer on a specific site.
16. Particularly in relation to large housing sites there is also a concern that an insufficient allowance (£1,130k per unit) has been made for likely site specific infrastructure contributions. However, previous local arrangements

are not directly comparable with the proposed operation of residual S106 legal agreements once the CIL is adopted, as the Council's evidence makes clear. In future these would involve contributions for site related access improvements, including roads and public transport, plus on site green infrastructure and environmental mitigation.

17. Consequently, on an average per dwelling basis, the allowance is reasonable given that considerable margins, with a minimum of 20% for brownfield sites in the Low zone, have been allowed for in both proposed zonal rates. This is particularly so in comparison to the potential maximums relating to the thresholds of viability analysed in the VA. Overall, the levy should not lead to an increase in the average level of infrastructure contributions expected from each new dwelling that would render new housing schemes unviable.
18. Although there are suggestions that larger sites and a greater range of site types should have been tested, the Council's evidence not only looked at 5 different scenarios in each zone but also separately tested strategic sites in the emerging LP, with known costs added to inputs in those instances. As such, the level and scope of the assessment was suitable and sufficient in this local context to provide adequate guidance for rate setting and did not demonstrate the need for any separate treatment for strategic sites in this area.
19. Affordable housing delivery in Lewes district has been meeting current local expectations over the last 3 years or so, including from rural exception sites. Moreover, the recent national policy change, whereby sites of 10 units or less are no longer required to contribute, can only assist viability on smaller sites. Their continuing contribution to local housing needs will therefore not be materially harmed by the introduction of this CIL regime.
20. The fact that local house prices and land values have increased overall (by at least 10% according to some sources) since the data for the VA was collected reinforces the conclusion that the residential rates would not give rise to a harmful impact on the viability of new housing schemes across the area, despite a similar increase in the costs of labour and building materials, as the relevant margins will remain considerable. Similarly, the just less than 20% increase in new housing delivery in the modified LP up to 2031, compared to the submitted version, is unlikely to prove significant in CIL viability terms, taking into account the relative strength of the local housing market and the fact that even this higher figure will not be meeting the agreed objectively assessed needs of the district.
21. Differences in elements of construction costs and related matters between sheltered schemes and other market housing types have been considered and tested in the VA. The report is clear that overall, under current conditions, the outcomes are not sufficiently divergent to justify separate or different rates being applied to C3 use schemes in this locality at present. I therefore conclude that the two local levy rates for new housing are justified by the available evidence and strike an appropriate balance between helping to fund new infrastructure and their effect on the economic viability of residential development across the area.

### *Retail rate*

22. The level and extent of testing in the 2014 VA follows national guidance and is sufficient to clearly demonstrate that new retail development, including both food and general retail (A1 – A5 uses), would be viable across the Lewes district charging area. It assesses a suitable range of new retail scenarios using reasonable assumptions that reflect the local economic context and existing and emerging planning policies, including in the LP. The available evidence also shows that, despite the generally lower land values in the south compared to the north, there are no relevant local market conditions or variations that are sufficient to justify different charging zones being identified for retail schemes, including in respect of both brownfield and greenfield sites.
23. Moreover, the CIL retail rate to be imposed essentially reflects the evidence in terms of the potential maximum that could be imposed, whilst retaining sufficiently generous margins to ensure viability for all retail types. These range from 30% for general retail on brownfield land to 82% for food retail on a greenfield site. It is reinforced by the various allowances made in the VA, including an allowance of £20 psm for on-going site specific mitigation measures under S106. This is based on recent examples of retail only schemes, as distinct from mixed uses, which are robust and locally realistic.
24. The fact that, for all retail scenarios, the likely total CIL liability would amount to less than 6% of likely overall development costs, without taking any account of the discount to be applied for any existing floorspace on the site, adds to this conclusion, even though it is a relatively high figure in comparison to other forms of development. The Council's evidence also confirms that the viability implications of the CIL rate would not be greatly different from the alternative of S106 legal agreement expectations in respect of new retail schemes, in general terms.
25. The liability for CIL should be readily apparent for prospective developers once the schedule is adopted and requires no further clarification or qualification in respect of the differing formats and business models of various retail operators, large or small, national or local. Therefore, the available evidence is sufficient to show that it is appropriate in principle in the Lewes district charging area to impose a CIL rate for all new retail developments above the minimum size of 100 sq. m. At the level set (£100 psm), it would not give rise to a significant threat to the future delivery of new retail development in the district over the plan period, including where it forms part of a larger, mixed use, scheme. This is particularly so in the present local context, whereby there are no new retail site allocations in the LP and no significant need for new retail development in the area over the plan period.

### *Nil rates*

26. The Council's evidence shows that, in current market conditions locally, all forms of new employment development in the district charging area are not conventionally viable at present. Similar conclusions apply in respect of other types of commercial development, including hotels and residential institutions, on a standard valuation basis. Accordingly, nil rates for all such uses are appropriate in the area for the time being at least.

**Does the evidence demonstrate that the proposed charge rates would not put the overall development of the area at serious risk?**

27. The Council's decisions to charge differential residential rates north and south of the SDNP, together with a consistent retail rate, are based on reasonable assumptions about development values and likely costs. All the available evidence indicates that both residential and retail development will remain viable across the area if the charges are applied.

**Other Matters**

28. The Council has published a separate Instalments Policy (September 2014) to explain how the CIL will be payable in respect of larger schemes, which will assist their overall viability. It has also clarified that CIL receipts will not be used for the provision of mitigation measures relating to developments affecting the Ashdown Forest SPA/SAC in neighbouring Wealden District. This is likely to affect development in much of Newick parish, including the village itself, in the northern High zone. Moreover, the viability assessment of the proposed residential rate for the north zone has taken this factor fully into account, with a very generous margin applied as a result in comparison to the potential maximum rates set out in the VA.

29. The Council has helpfully clarified in their Future Use of S106 and S278 Planning Obligations document (September 2014) that, once the CIL is adopted, such legal agreement contributions will be sought only for site specific mitigation measures, excluding projects on the Reg. 123 list. Existing guidance on Education and Outdoor Play Space requirements will also be cancelled at that time, in order to help avoid any possibility of "double dipping" in respect of developer contributions.

30. The Council is also committed to publishing an Annual Report, to include details of CIL income and spending, with suitable monitoring arrangements, and to a review of the charging schedule after 3 years of operation, unless other changes require one beforehand.

**Conclusion**

31. In setting the CIL charging rates the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in Lewes district. It has been realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a wide range of development remains viable across the area. The Lewes Local Plan Part 1 – Joint Core Strategy is being examined and is presently subject to proposed main modifications. Provided that the LP is adopted in the modified form proposed it will provide an appropriate basis for the concurrent adoption of the CIL charging schedule.



<b>LEGAL REQUIREMENTS</b>	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the Local Plan Part 1 – JCS, as proposed to be modified, that is being examined and the Infrastructure Delivery Plan and is supported by an adequate financial appraisal.

32. I conclude that the Lewes District Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

*Nigel Payne*

Examiner



## **Appendix 5: Equality Analysis Report**

<b>Title:</b>	<b>Adoption of the Lewes District Community Infrastructure Levy (CIL)</b>
<b>EA Lead :</b>	<b>Edward Sheath</b>
<b>EA Team:</b>	<b>Edward Sheath &amp; Tondra Thom</b>
<b>Date Commenced:</b>	<b>August 2015</b>
<b>Target Completion Date:</b>	<b>Decision to be taken by Cabinet on the 24<sup>th</sup> September and full Council on the 14<sup>th</sup> October</b>
<b>Reason for assessment:</b>	<b>Cabinet and Council Key Decision</b>

### **Context and Scope**

1. What are the main purposes and aims of the service/project/decision?

To seek Council approval to formally adopt the Community Infrastructure Levy, implementation of which will commence on the 1<sup>st</sup> December.

2. What effect does it have on how other organisations operate and what commitments of resources are involved?

The recommendation, if approved, will impact upon how infrastructure providers obtain funding for new and improved infrastructure that is required to support new development. It will also impact upon Town and Parish Council's as they will receive a proportion of

the CIL money raised to be spent on infrastructure projects in their area.

3. How does it relate to the demographics and needs of the local community?

No obvious impacts.

4. How does it relate to the local and national political context?

Implementing a CIL Charging Schedule and ensuring that the appropriate infrastructure is in place to support new development is a key priority for the Council.

5. Is there any obvious impact on particular equality groups?

Impact	Race (includes ethnic or national origins, colour, & nationality)			Disability (includes mental & physical)			Gender (includes gender reassignment)			Pregnancy (includes maternity & paternity)			Sexual Orientation (includes heterosexual, homosexual & bisexual)			Religion & Belief (includes all faiths, beliefs & agnostic)			Age (includes all age groups)		
	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None
Tick if relevant			x			x			x			x			x			x			x

6. How does it help to us meet our general duties under the Equality Act 2010?

By having no obvious impacts on the particular equality groups, the general duties under the Equality Act 2010 are not being compromised.

7. What is the scope of this analysis?

The scope of the analysis is the decision as to whether to adopt and implement the Community Infrastructure Levy, or not, along with the content of the Charging Schedule and how it will operate, if adopted.

## **Information gathering and research**

8. What existing information and data was obtained and considered in the assessment?

The baseline information for the district, as set out in chapter 2 of the Joint Core Strategy, along with the content of the Infrastructure Position Statement and Delivery Plan.

9. What gaps in information were identified and what action was undertaken/is planned to address them?

None identified

10. What communities and groups have been involved and what consultation has taken place as part of this assessment?

Developing the Community Infrastructure Levy Charging Schedule has involved extensive consultation in accordance with the Council's Statement of Community Involvement. All input received through this consultation, and how it has influenced the Charging Schedule, is detailed within the following documents;

[http://www.lewes.gov.uk/Files/plan\\_Summary\\_of\\_Consultation\\_Responses\\_on\\_Preliminary\\_Draft\\_Charging\\_Schedule.pdf](http://www.lewes.gov.uk/Files/plan_Summary_of_Consultation_Responses_on_Preliminary_Draft_Charging_Schedule.pdf)

[http://www.lewes.gov.uk/Files/plan\\_CIL\\_Representations\\_Statement.pdf](http://www.lewes.gov.uk/Files/plan_CIL_Representations_Statement.pdf)

## Analysis and assessment

11. What were the main findings, trends and themes from the research and consultation undertaken?

General support for the Council's proposed approach, although no findings, trends and themes identified in terms of impacts/implications for any of the protected groups.

12. What positive outcomes were identified?

None identified.

13. What negative outcomes were identified?

None identified.

**Action planning**

14. The following specific actions have been identified: *(see paragraph 25 of the guidance)*

Issue Identified	Action Required	Lead Officer	Required Resources	Target Date	Measure of Success

## Summary Statement

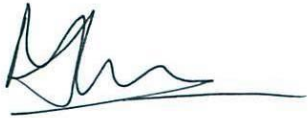
In August 2015 an Equality Analysis was undertaken by Edward Sheath on the decision to adopt the Council's Community Infrastructure Levy Charging Schedule.

Due regard was given to the general equalities duties and to the likely impact of the decision on people with protected characteristics, as set out in the Equality Act 2010.

The assessment identified:

\*No major changes are required. The EA demonstrates the decision, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

## Approval

Director/Head of Service	Nazeya Hussain, Director of Business Strategy and Development
Signed	
Dated	24/8/2015

**Agenda Item No:** 9.5 **Report No:** 120/15  
**Report Title:** Wave Leisure Annual Review  
**Report To:** Cabinet **Date:** 24 September 2015  
**Lead Councillor:** Cllr Maskell  
**Ward(s) Affected:** All  
**Report By:** Gillian Marston, Director of Service Delivery  
**Contact Officer(s)-**  
**Name(s):** Bee Lewis  
**Post Title(s):** Head of Property and Facilities  
**E-mail(s):** bee.lewis@lewes.gov.uk  
**Tel No(s):** 01273 661101

---

**Purpose of Report:**

To seek Cabinet approval of the objectives stated within the Annual Service Delivery Plan.

**Officers Recommendation(s):**

- 1 To approve the objectives identified for the Annual Service Delivery Plan so that Wave Leisure and Lewes District Council jointly produce the plan in line with Council objectives.

---

**Reasons for Recommendations**

- 1 The agreement between the Council and Wave Leisure requires Cabinet to approve a Service Statement on an annual basis and to receive a report on the performance of the Trust. Additionally, Cabinet is required to approve the joint objectives proposed for the forthcoming financial year.

**Information**

**2 Background**

**Nine successful years of operation**

- 2.1 Wave Leisure has now completed nine successful years of operation. The partnership between the Council and Wave Leisure has matured



over this period and the arrangements in place are considered to be successful in bringing about positive outcomes for the local community.

**2.2** Since Wave took over management of the Leisure Service for LDC, they have:

- (a)** Reduced the Service Fee by £330,000 since 2010-2011
- (b)** Working towards reducing the Service Fee to zero by contract end
- (c)** Increasing visitor numbers at just over 1 million per year
- (d)** Increased turnover to £4.6 million per year
- (e)** Increased income by 2%.
- (f)** Reduced CO2 emissions by 5.6% across the four main sites whilst increasing visitor numbers.

**2.3** Specifically in 2014-15, Wave have carried out a number of improvements to the facilities including:

- (a)** Taking over the management of Newhaven Fort from 1<sup>st</sup> May 2015.
- (b)** Replacement flooring and equipment in the soft play area at Downs Leisure Centre.
- (c)** Replaced filters and refurbishment of showers at Seaford Head swimming pool.
- (d)** Upgraded alarm system, installed poolside panic alarms and replaced water flow meters at Lewes Leisure Centre.
- (e)** Replacement trampoline and pool inflatable at Lewes Leisure Centre.
- (f)** Decorations and replacement equipment at Peacehaven Leisure Centre and Seahaven Swim and Fitness Centre.

**2.4** Wave has managed to maintain and improve upon projected income levels. Through careful control of costs, Wave have ended 2014-2015 with a surplus of £181,043 and uncommitted reserves of £990,099.

### **Annual Service Statement**

**2.5** The arrangements between the Council and Wave Leisure require the Council to prepare and approve an Annual Service Statement each year and to indicate the level of Service Fee to be paid for provision of services. In return, Wave Leisure is required to produce an Annual

Service Delivery Plan and submit this to the Council for approval.

The Annual Service Delivery Plan sets out how Wave intends to meet the Council's objectives based on the requirements of the Annual Statement which relates to services that are intended to be delivered in the next financial year.

The Leisure Annual Service Plan for the financial year 2016-2017 will align with objectives of the Council as set out in the Council Plan. The specific objectives for this are set out at Appendix A. In addition, Appendix A sets out the objectives for Newhaven Fort.

### **Performance Monitoring**

- 2.6** Wave Leisure is required to report on its performance against a series of performance indicators set by the Client Officer responsible for monitoring the Trust. Performance targets are set taking account of the aims and objectives of the Council and are a means for encouraging the Trust to help meet the Council's overall priorities.

Site specific performance targets are reported by the Trust on a quarterly basis and annually for targets relating to corporate indicators. Performance monitoring is undertaken by the Client Officer throughout the year.

Highlights of service performance results:

- Dry side participation increased by 6,195.
- Wet side participation reduced by 4,243 visits (1.3%).
- Total children and young person's participation increased by 12,339 (3.21%).
- Quality. Quest is a tool for continuous improvement, designed primarily for the management of leisure facilities. Quest defines industry standards and good practice and encourages ongoing development and delivery within a customer focussed management framework.

Sites no longer receive a percentage rating, instead they are banded a score; unsatisfactory, good, excellent or outstanding (which can only be awarded to sites participating in "Quest Stretch").

	2008	2010	2012	2014
DLC	83%	85%	Satisfactory	Good
LLC	85%	85%	87%	Good
PLC	78%	86%	Satisfactory	Good
SSFC	79%	84%	Satisfactory	Good

- 2.7** Wave have successfully built on the work they have undertaken on a Seniors Programme. The programme provides exercise activities with varying intensities and impact levels to appeal to a wide band of senior users and includes instructor led and game play sessions. Activities are designed to improve muscle tone, strength and balance with the aim of preventing falls. All levels of ability are provided for including activities such as chair-based exercise, walking football, Tai Chi and GP referral/Cardiac Rehab. Overall, 35% of clients completed a programme, with 47% still taking part.
- 2.8** In 2014-2015, Wave introduced their new Schools Sports Programme. In partnership with 5 primary schools and Seaford Head Secondary School, Wave developed a service delivery model and appointed a School Sports Co-ordinator to enable schools to benefit from a cohesive approach to funding and service delivery. The programme delivered a total of 39 after school and lunch clubs against a target of 16. A total of 481 children regularly participated in the extracurricular activities offered by Wave between January and March 2015.
- 2.9** Wave began offering a weight management service comprising of a 12 week course for people with a BMI of over 30. They received 694 referrals with 36% completing 9 weeks or more. However, 172 people started the course, but left early. The ratio of female to male referrals was in excess of 2:1 and Wave will be offering some male only courses in the future in an attempt to encourage more male participation and retention.
- 2.10** Outdoor sessions using the green gyms were trialled during summer last year. Participation levels were low initially, but the feedback was excellent. The sessions have been re-launched this year with high levels of interest.
- 2.11** Wave's performance against the objectives for 2014-2015 is set out in more detail in their Annual Service Delivery Plan report and was the subject of a presentation to the Lead Member by Wave's Chief Executive in July 2015. There are no concerns about the performance of the Trust.

## **Financial Appraisal**

### **3 Resource Allocation (Service Fees)**

- 3.1** In return for Wave providing services and undertaking activities that meet the Council's stated objectives, the Council provides the Trust with an Annual Service Fee. In September 2014, Cabinet approved the service fee for 2016-17. The two elements are:-

Leisure Management Contract	£418,000
Newhaven Fort Contract	<u>£104,000</u>
	<b>£522,000</b>

The Service Fee for the leisure management contract will reduce by £104,000 compared with 2015-16. The fee will continue to reduce each year so that by 2020-2021, the Council will provide no annual funding for this element of the service. The service fee for Newhaven Fort will remain fixed through to 2024-25. This represents an overall saving to the Council of £2.3m over the 10 year period 2015-16 to 2024-25.

### **Legal Implications**

- 4 There are no legal implications as a result of this report.

### **Risk Management Implications**

5. There are no Risk Management implications arising as a result of this report.

### **Equality Implications**

- 5 I have completed an Equality Screening and the service has only a positive impact upon equalities. An equalities impact assessment has been carried out on the service within the last 12 months and is attached as an appendix to the report.

### **Background Papers**

None

### **Appendices**

Appendix A: Annual Service Delivery Objectives 2016-2017

Appendix B: Wave Equality Impact Assessment

## **Appendix A**

### **Annual Service Delivery Objectives Leisure 2016-2017**

Lewes District Council is required to furnish the Trust with an Annual Service Statement that will provide the Trust with a framework to produce an Annual Service Delivery Plan.

The Annual Service Delivery Plan that Wave produce should complement and support the Council's objective to promote healthy lifestyles by developing a district wide leisure strategy. The Council recognises that reducing hazards like cold houses and falls in homes could save the NHS over £1 million in treatment costs.

The Council will budget to improve the condition of both private and council homes to prevent accidents and ill health. We will continue to work with the NHS and other partners in the county to improve the health and wellbeing of Lewes District residents.

Besides the major contributions to ill-health prevention from our housing programme, we will work with local communities and companies to provide sport and recreation facilities where people need them. As a result, the Council wishes to set the following objectives for Wave in relation to the Leisure contract.

#### **1. Increasing Participation & Reducing Health Inequality:**

- Provision of activities to meet the needs of the ageing population of the District, inclusive of outreach work to provide opportunities of increasing participation and wellbeing, particularly in the rural communities, where people need them.
- Seek to develop new partners as well as enhancing existing relationships with the Council and other key partners, to increase the availability and take up of positive activities for children and young people with the aim of encouraging greater participation by young children and families on a low income.
- Provide a varied programme of activities including taster sessions that positively encourage and promote physical activity, particularly amongst those who are not currently active.
- Provision of a range of holiday activities for children and young people of all age ranges.
- Give due regard to the Equality Act 2010, particularly when there is a change to policy; project development or where new services are being provided or where existing services are discontinued.

- Provide opportunities and activities for Council tenants, which are either outreach or centre-based and which include tenants in rural communities.
- Provide opportunities to engage the rural population, increasing access to activities.

## **2. Improving Accessibility & Social Inclusion:**

- Ensuring activities are accessible by the whole community, but working particularly with people and families on a low income, ensuring that activities are provided in such a way to meet the needs of specific groups within the community.
- Working with partners to identify appropriate funding to support sessions and activities that could be offered free to users at the point of delivery as a means of overcoming lack of income as a barrier to participation.
- Promote opportunities for workforce development to encourage training and skills development for individual staff.
- Explore opportunities to increase non centre-based activity to further reduce access barriers and to encourage participation from current non-users.
- To assist Lewes District Council with undertaking ongoing equalities assessments and monitoring.

## **3. Reducing Environmental Impact:**

- Continue to look for opportunities to increase recycling for customers and staff wherever possible.
- When planning future investment with the Council, identify opportunities to reduce energy usage and help to reduce CO2 emissions. When replacing plant and equipment, cleaner and energy efficient technology should be considered that will help to generate future efficiency savings.

The Trust is required to provide an Annual Service Plan by November 2014 that takes account of the above Council priorities. This plan will then be considered by Cabinet in January 2015, for implementation from April 2015.

## **Annual Service Delivery Objectives Newhaven Fort 2016-2017**

Lewes District Council is required to furnish the Trust with an Annual Service Statement that will provide the Trust with a framework to produce an Annual Service Delivery Plan.

On 1st May 2015 Wave was granted operational management responsibility for the Newhaven Fort. The following sets out the key actions that Wave will focus on for the 2016/17 financial year.

The Fort procurement exercise focused on four core outcomes, namely:

1. Enhance the regeneration opportunities in Newhaven by increasing the number of visitors to Newhaven Fort and generating local job opportunities.
2. Maintain and grow the heritage and educational potential of Newhaven Fort in a way which is accessible to the general public.
3. Improve the current facilities on offer.
4. Minimise the ongoing liabilities of the Council and potentially produce a revenue stream for the Council.

In order to achieve the four LDC outcomes, Wave has identified three separate but interlinked areas for the Fort Management and Operational Team to focus on, namely:

1. Experience.
2. Education.
3. Events.

## Appendix B: Equalities Assessment

Directorate: Service Delivery

Date: Sept 2015

**Service:** Leisure Management Contract – Indoor Leisure Facilities

The contract was awarded to Wave Leisure (April 2006 to March 2021). Bee Lewis, Head of Property and Facilities, manages the contract and submits reports to Cabinet twice a year in relation to the performance of the Trust.

---

### 1. Service Aims

#### a) *Scope of the service*

The Leisure Management Contract was awarded in 2006 to Wave Leisure to manage the following facilities:

Lewes Leisure Centre: A wet and dry facility opened in 1991. The facility is in generally good condition and is dual-use with Priory School. The school and tertiary college have exclusive use of the main hall and gymnasium during term-time weekdays. Facilities include a free-form leisure pool and training pool; a gym; soft play area and outdoor athletics track.

Seahaven Pool and Gym: Seahaven is a purpose-built gym and swim facility in the heart of Newhaven. It was built in 1984 and has a 5 lane 25m tank pool and teaching pool as well as a small gym which has been extended to capacity.

Meridian Leisure Centre: This is a purpose-built dry facility located on the edge of Peacehaven. The two phases of the centre were opened in 1996 and 1997 respectively. The centre is the subject of a dual-use agreement with the adjacent Peacehaven Secondary School, whereby the school is granted exclusive use of the sports hall during term-time weekdays. Facilities include a four-court sports hall, gym, soft play area, squash courts and a function suite.

Downs Leisure Centre: A large dry leisure centre, opened in 1987. It has a combination of purpose-built areas and but also utilises an existing de-commissioned (school) building. The facilities include a four court sports hall, refurbished soft play area with café, gym, fitness and dance studios, a central café in the reception area and outdoor facilities including a floodlit all weather sports pitch and a grass pitch.

The contract between LDC and Wave aims to ensure that the indoor facilities offer an accessible and quality, yet cost effective, service which meets the diverse needs of our local community. Parks, play areas, green open space and pitches are outside of the scope of this contract.

The contract was awarded in April 2006 for a period of 10 years. However, the contract was extended by a further five years and is due to end in March 2021. LDC pay a service fee to Wave Leisure which has reduced over time, making a significant



saving for the Council. LDC also pay for certain aspects of maintenance on the buildings and Wave Leisure also invest up to £250,000 each year in the facilities.

*b) Who is the service provided for?*

The service is aimed at all local residents (and visitors) regardless of age, disability, gender, gender identity, race, religion or belief and sexual orientation. Each centre offers a programme of activities which aim to engage local people.

Wave have developed a value statement to define their aims:

*By engaging with partners Wave Leisure, an established charitable trust, will agree a shared programme of activities to deliver to the community. We aspire to achieve excellence in the delivery of our services which will provide our customers with choice and inspire active lifestyles. Our ultimate aim is to create a sustainable business contributing towards the long term health and wellbeing of our community.*

This statement aligns with and amplifies the outcomes that the Council are also seeking to achieve:

1. Unswerving commitment to excellent services
2. Uncompromising commitment to quality
3. Unlocking the talents of staff to improve services

The Annual Service Delivery Plan (ASDP or Annual Plan) uses the stated aims of each organisation to underpin the service priorities and is developed in partnership with LDC Officers to demonstrate the depth of true partnership working to achieve improvements in the quality of life for residents within the Lewes District area.

Engaging residents in physical activity and sport has many benefits which impact on local priorities such as improving health and well being. Furthermore, through the Annual Plan, Wave Leisure continues to support the Council's priorities to engage the least active population to achieve the greatest reduction in health inequalities.

*c) Catchment Area, Demographics and Barriers to Participation*

The catchment area loosely follows the profile of Lewes District, from East Dean to Saltdean along the coastal strip and to the villages north of Lewes. There are considerable variances between groups with one or more characteristics which are protected under the Equalities Act, 2010.

- Wave Leisure facilities receive an average of 995,000 visits per year. That translates to each and every person in the district visiting the facilities on average just under 10 times per year

- 10,185 people are cardholders of Wave Leisure, meaning that approximately 10% of the district holds a Wave Leisure card.

97% of the adult population feel as though regular activity is important. This is a rise of 1% since the last survey in 2010. However only 44% of people think they are taking enough exercise, with 14% stating that they definitely aren't undertaking enough activity. This is on par with the national average, although the statistics show that less than half of those feel as though they are actually undertaking enough activity.

### Age

The wider catchment is in general terms, older than the national average, being below the UK index for all age groups up to and including 40-49 years. Accordingly, the area is relatively high in terms of the proportion of older residents.

It is recognised that the so-called 'silver-pound' holds increasing significance within the leisure industry and it is the case that the 50+ age group are becoming increasingly active within leisure facilities. The specific nature of the local catchment means that any management policies (including pricing and programming) need to particularly reflect the needs of this age group.

Health problems typically increase with age and research suggests this is a big barrier to participation for those aged 60+.

Programme includes activities for older residents, which are heavily promoted with sensitive marketing.

### Gender

The main catchment is broadly in line with national averages in terms of male/female gender percentages, with a light bias in favour of females.

National and local data indicates that there is a trend of under representation in sport participation from females. The Non-User Survey illustrates local barriers including, cost, time pressures (for example practical session times), child care, perception of 'older facilities', lack of confidence and transport.

The Wave Leisure programme offers a diverse range of activities which includes opportunities for women.

### Ethnic Origin, Religion and Belief

The ethnicity of the main catchment is overwhelmingly white. Just [check %] of the population are members of an ethnic minority. In terms of leisure provision, management policies should meet the needs of the majority of the local population, but should be regularly challenged to ensure that opportunities to encourage ethnic minorities to participate in activity are not missed.

National and local research does demonstrate that some BME and religious groups are generally under represented at leisure centres. Research also shows that the majority of professionals within the leisure industry are keen to improve their own multi-cultural awareness; encourage involvement of local communities; and improve understanding of religions and associated barriers to leisure.

The programme includes special women only sessions. Programme aims to be sensitive to religious festivals and periods of fasting. Changing rooms offer private environments. Wave operate a positive approach to recruitment and use positive imagery which is reflective of the local demographic. Staff welcome all users and are keen to foster inclusivity.

Participation may be hindered by:

- Dress code e.g. some Muslim women choose to wear the jibab (longer outer garment) which covers the whole of the body other women may dress modestly
- Second language barriers
- Women following the Muslim faith cannot engage in mixed gender sports and for many, apprehension about taking part stems from a fear of discrimination or of facing negative attitudes from service providers in relation to their religious and cultural needs.
- Risk that the dates of community events may clash with festivals and periods of fasting.

#### Social or Financial Deprivation

Levels of mobility are significantly higher than at the national level. Car ownership levels are greater, from families owning between one to three cars and below the average for families without access to a car. However, car parking data suggests that people are using their vehicles less frequently, which could be for financial or environmental reasons (or a mixture of both).

Proposed changes to the bus services from rural areas means that some people will find it more difficult to access centrally located services. Future leisure policies must take into account the needs of the rural communities.

The catchment area differs quite dramatically from the national average on the question of social class. Specifically, the population contains significantly higher proportions of A, B and C1 social groups than the average nationwide. This grouping would suggest that the demand for high quality leisure services is likely to be high, given the greater levels of disposable income and greater participation levels associated with these groups. Disengaged families are at risk of being hard to reach (including transient communities).

To understand the catchment area in more detail, an analysis of the sub-catchment areas (up to 8 minutes travel distance by car) relative to each leisure centre was carried out.

- *Lewes:* The Lewes catchment area appears to be the most affluent of the 4 areas mapped. Lewes shows household income levels in excess of the national index for all ranges above £30,000 per annum and is particularly high in

terms of residents earning over £60,000 per annum. Lewes is primarily composed of ABC1 social groups and is below the index for social groups D and E. The population is significantly older than the national average, particularly those above 60.

- *Seaford:* The eight minute catchment around Downs LC is more complex. The income levels across the catchment area covers a wide range and is illustrative of major financial differences within a geographically similar area. This range is likely to impact any strategic sports and leisure facilities planning. It is important that the pricing structure reflects the varying abilities to fund leisure activities through disposable income. Seaford shows no distinct characteristics in terms of age, more closely following the national profile than in the remainder of the district.
- *Peacehaven:* This area also displays a diverse range of household incomes and disparate social groupings. Car ownership remains higher than average, but households are more likely to have one vehicle. Peacehaven has an ageing population, with all ages under 49 being under-represented, but particularly in terms of those aged 16-29.
- *Newhaven:* The resident population with the Newhaven catchment area is representative of the wider catchment in its age profile. The population is, in broad terms, older than the national average. The largest discrepancies in household incomes occur in Newhaven ranging from very high to very low with little discernable trend. The social class in the area follows the same grouping.

National data demonstrates that lower income households are less likely to be physically active. Wave Leisure operate a tiered fee structure to assist those on a low income.

#### Sexual Orientation and Gender Reassignment

There remains a general lack of local data in relation to sexual orientation and/or gender re-assignment. The data is difficult to collect, but there may also be an unwillingness to disclose the information.

#### Marriage

There are no barriers to engagement on grounds of marriage. Memberships are available to people regardless of marital status and participation is available to all. Couples memberships are available to same sex couples, although this information is not widely promoted either in the brochures or on the website.

#### Pregnancy

Activities are available for women who are pregnant and there are instructors who are both pre-natal and post-natally trained. Participation when pregnant should be agreed with a doctor or midwife, but it is recognised that for many women, gentle exercise when pregnant can be beneficial.

## Disability

Wave Leisure aim to have an inclusive programme, in other words, a range of sessions where all abilities (disabled or non disabled) are welcome to participate with staff who endeavour to aid access and inclusiveness. The programme also includes some disability specific sessions/bookings.

Changing rooms offer a range of changing facilities for individual choice, including private cubicles if preferred by the individual. However, there are no facilities that meet the Changing Places standard.

## **2. Service Priorities**

Lewes District Council is required to furnish the Trust with an Annual Service Statement that provides Wave with a framework to produce an Annual Service Delivery Plan.

The Council is keen to see the take up of activities by specified groups through the Annual Service Fee. These activities are reflected in the Council Plan; the Sustainable Community Strategy; the Crime Reduction Strategy; and outputs from the Shadow Health and Wellbeing Board. Examples are:

- Provision of activities to meet the needs of the ageing population of the District, inclusive of outreach work to provide opportunities of increasing participation and wellbeing.
- Seek to develop new partners as well as enhancing existing relationships with the Council and other key partners, to increase the availability and take up of positive activities for young people, particularly those in the 13 to 19 age group, with the aim of encouraging greater participation amongst those individuals who currently do not engage in such activities.
- Activities that positively encourage and promote physical activity, particularly amongst those who are not currently active.
- Provision of a range of holiday activities for children and young people of all age ranges.
- Give due regard to the Equality Act 2010, particularly when there is a change to policy; project development or where new services are being provided or where existing services are discontinued.
- Ensuring activities are accessible by the whole community including minority groups and are provided in such a way to meet the needs of

specific groups and communities of interest, such as those who are disabled, or elderly.

- Working with partners to identify appropriate funding to support sessions and activities that could be offered free to users at the point of delivery as a means of overcoming lack of income as a barrier to participation.
- Provide activities that respond to customer needs and concerns and provide continuous service improvement as a result of such customer feedback.
- Promote opportunities for workforce development to encourage training and skills development for individual staff.
- Explore opportunities to increase non centre-based activity to further reduce access barriers and to encourage participation from current non-users.
- To assist Lewes District Council with undertaking ongoing equalities assessments and monitoring.
- Continue to look for opportunities to increase recycling for customers and staff wherever possible.
- When planning future investment with the Council, identify opportunities to reduce energy usage and help to reduce CO2 emissions. When replacing plant and equipment, cleaner and energy efficient technology should be considered that will help to generate future efficiency savings.

### **3. Stakeholder engagement and participation**

This Equality Assessment aims to ensure that the service identifies and defines gaps and needs and is delivering real, sustainable improvements across all areas of the leisure contract.

Data is not captured for 'casual walk-up' participants, however Wave aim to gain a better understanding of these clients.

In 2013, Wave commissioned community survey focusing on the four main towns of Lewes, Seaford, Newhaven and Peacehaven. The survey also included some villages in the surrounding area.

The non-user survey gives a great insight into the district, its demographic, the behavioural habits and thinking of local people. Although the economic climate is less than stable, leisure provisions should be accessible, targeted and marketed to groups who will most benefit from improved health outcomes.

It is clear from the evidence in the non-user survey that 50-60% of the district is in the right frame of mind for a change or increase in physical activity.

It is also clear that Wave must overcome some of the barriers and objections that non-users have identified as concerns, such as cost and improved facilities. It is likely that as non-users they are unaware of the investment over the last 6 years in the refurbishment and the prices and Wave must focus on making this messaging as clear as possible.

Wave will continue to work with partners such as ESCC, LDC, Active Sussex and the Town Councils through the implementation of the Health and Wellbeing Frameworks needs to continue to be targeted. Continued efforts need to be made in joining up public health promotion with mechanisms to motivate individuals to take up physical activity.

By using visitor frequency monitoring data, Wave can identify key target postcode areas where funded activity and initiatives can take place.

- **More people say they are exercising for 30 minutes or more 5 times a week**

45% of the adult population (39,452) say they are exercising for the recommended 30 minutes or more, 5 times a week. This is 9% higher than the national average of 36%.

However, only 24% (9,468) of those use a leisure centre – again on par with national average. The most popular independent activity is walking/jogging in street/parks followed by in home based exercise activity.

- **People want to do more... but can't or won't**

56% of adults actually (45,735) want to do more physical activity because they want to maintain or improve their health (48%), improve or maintain body tone and shape (22%), and maintain or lose weight (20%).

Aged over 65 years the reasons for wanting to do more include specific health reasons (13% for 65-74 year olds and 22% for 75 years +), and to socialise and meet new friends (4% for 65-74 year olds and 22% for 75 years +).

However, that 56% said that they can't or won't increase their level of activity because of work pressure (28%), the costs involved (17%), health issues (16%) and childcare issues (15%).

- **Barriers to participation**

63% of the adult population (51,452) stated that it is unlikely that they will increase the amount of activity they undertake because they don't have enough time (76%), have no personal motivation (76%) and direct costs are too high (73%), they can't

find appropriate class & activities (71%) and accessibility and quality are an issue (71%).

- **5-10 mile catchment**

89% of the population are willing to travel up to 10 miles to participate but 76% of the population will only travel up to 5 miles.

In the villages they are more prepared to travel up to 15 miles, depending on the availability of public transport.

#### **4. Accessibility**

Access for all, regardless of age or ability is an important part of the Wave Leisure philosophy. All of the centres cater for people with disabilities and limited mobility and they've been working hard in conjunction with Lewes District Council's Access Officer to implement all the requirements of the Disability Discrimination Act to make the centres fully accessible. We also offer concessionary prices for gym, swim and classes.

Outlined below are the current facilities for customers and members with disabilities or limited mobility at each centre. In addition to this, all brochures can be made available in large print, audio tape or disk on request. Information is also available on their website ([www.waveleisure.co.uk](http://www.waveleisure.co.uk)) which has been designed to be accessible for people with visual, hearing or other disabilities.

##### Downs Leisure Centre (Seaford)

- Parking spaces for people with disabilities
- Automatic entrance door
- Induction loop at reception and café
- Lowered reception counter
- Dedicated changing area with shower and toilet
- Range of gym machines for wheelchair users
- All facilities on a single floor

##### Lewes Leisure Centre

- Parking spaces for people with disabilities
- Automatic entrance door
- Induction loop at reception
- Dedicated changing areas with toilet and shower for both wet and dry activities
- Chair hoist access to main pool
- Range of gym machines for wheelchair users
- Combined disabled activity session

##### Peacehaven Leisure Centre

- Parking spaces for people with disabilities
- Lowered reception counter
- Dedicated changing area with shower and toilet
- Range of gym machines for wheelchair users
- All facilities on a single floor

##### Seahaven Swim & Fitness Centre (Newhaven)



- Automatic entrance door
- Lowered reception counter
- Dedicated changing area with shower and toilet
- Chair hoist access to main pool
- Ramp access to learner pool
- Range of gym machines for wheelchair users
- Lift to upper floor for gym, sunbed & viewing area

#### Shakespeare Hall

- Lift to upper & lower floors

## **5. Conclusions and Recommendations**

Whilst conducting this review, it has been difficult to find things that Wave could be doing more of. By the nature of the service, they aim to improve health and wellbeing across the whole community and will therefore have an impact upon all of the protected groups under the Equalities Act 2010.

What is clear, is that Wave take their responsibility to improve health and wellbeing seriously and whilst it would be simple for them to focus on the high-earning activities such as gym and swim, they use the income from memberships, along with the service fee, to ensure that the programme of other activities is varied and meets the needs of the community.

Wave, in conjunction with LDC, have identified the need to promote activity in the rural areas, recognising the health and social inequalities that exist. Future Annual Service Delivery Plans will be more focused on delivery to rural areas.

It is not clear from information on the website whether memberships are available to same sex couples – or what constitutes a couple or family. This information should be clearer.

Wave have done everything they can to ensure that the buildings are accessible, but it would be beneficial to consider providing a Changing Places space if any of the changing rooms are to be refurbished. However, my recommendation would be not to provide the facility in Seaford as the new library has the only designated Changing Places space within the district and it may be more beneficial to provide it at Peacehaven or Lewes.

**Agenda Item No:** 9.6 **Report No:** 121/15  
**Report Title:** Land for Development at Ringmer  
**Report To:** Cabinet **Date:** 24<sup>th</sup> September 2015  
**Cabinet Member:** Councillor Andy Smith  
**Ward(s) Affected:** Ouse Valley and Ringmer  
**Report By:** Alan Osborne, Director of Corporate Services  
**Contact Officer(s)-**  
**Name(s):** Bee Lewis  
**Post Title(s):** Head of Property and Facilities  
**E-mail(s):** [Bee.lewis@lewes.gov.uk](mailto:Bee.lewis@lewes.gov.uk)  
**Tel No(s):** 01273 611101

---

#### **Purpose of Report:**

To update Cabinet on a proposal to develop of a number of Council-owned sites to provide community benefit and regeneration in Ringmer and a financial return for the Council.

#### **Officers Recommendation(s):**

- 1 That the Director of Corporate Services and the Assistant Director of Corporate Services be authorised to negotiate a Development Agreement based on the draft Heads of Terms for the disposal of land for development for housing at Anchor Field in Ringmer.

---

#### **Reasons for Recommendations**

- 2 To enable the Council to enter into a development agreement with a property developer which will enable it to achieve the following:
  - Make best use of assets to stimulate regeneration and realise community benefits, including the provision of affordable housing.
  - Dispose of the maintenance liability of under-performing assets.

## Information

### 3

#### Anchor Field, Ringmer

- 3.1** In May 2012 Cabinet approved the Corporate Property Strategy which recommended that all previous LDC policy relating to property be superseded by the new Strategy.
- 3.2** The Council has been approached by a developer working in conjunction with Ringmer Football Club to relocate the club elsewhere within the village (potentially as a facility that will enable wider community use), and develop the existing football ground to deliver new housing within Ringmer.
- 3.3** The Council owns three parcels of land that border the football club and one area leased to the Club. Two of the sites have been discussed with the Council's strategic property partner and the early indication is that the sites could be removed from the package of assets available for redevelopment without impacting on the remaining sites or the project as a whole.
- 3.4** The proposal is to develop the existing football ground for a mixed residential scheme. Such a proposal is supported in principle, with 'saved' Policy RG1 from the Local Plan 2003 allocating the existing ground for a residential development provided a suitable replacement facility is identified and established.
- 3.5** In January 2015, Cabinet approved a recommendation to investigate the feasibility of entering into a partnership with Anchorfield Developments Ltd (ADL) to develop the site. The primary objectives of the partnership would be to:
  - (a)** carry out redevelopment
  - (b)** obtain satisfactory planning permission
  - (c)** site assembly
  - (d)** obtain vacant possession
  - (e)** acquire necessary rights
  - (f)** extinguish third party rights where necessary; and
  - (g)** overcome any other impediments blocking the potential for redevelopment.
- 3.6** By combining the land owned by Ringmer FC and the land owned by the Council, there is scope to deliver a wider and more attractive scheme.

The proposals incorporate landscaping, amenity space, and equipped play space. It will deliver a mix of housing types and tenures and will be sensitively designed so as to enhance the appearance of the site in the community.

- 3.7** Any proposal that is progressed as part of the proposed development agreement will need to have regard to the relevant development plan policies for the site and area in question.

Any proposals will also need to consider any existing uses on the sites in question and whether there is a need for these to be relocated, or re-provided elsewhere. This will be determined through the consideration of any planning application on the site (including pre-application engagement), which will be an entirely separate and independent process to the development agreement.

- 3.8** Heads of terms have been drafted settings out the terms of the commercial transaction agreed in principle between parties during initial negotiations. The Heads of Terms are attached as Appendix A. Heads of terms do not legally compel the parties to conclude the deal. However, they normally:

- (a)** provide written confirmation of the main terms agreed in principle;
- (b)** outline the timetable for progressing the project; and
- (c)** provide the basis for the parties to move to the drafting of the legally binding definitive agreements.

- 3.9** It is recommended that Cabinet delegate authority to the Director of Corporate Services and the Assistant Director of Corporate Services to negotiate a Development Agreement with Anchorfield Developments Ltd based on the draft Heads of Terms appended to this report.

## **Financial Appraisal**

### **4**

- 4.1** Initial appraisals of the proposed scheme give a total land value of between £5 million and £8 million. The Council would receive a proportion of this value as a capital receipt net of professional fees and costs, as a percentage of the land included within the agreement. The Gross Development Value of the site is considerably higher and illustrative figures are provided at Appendix B.

## **Legal Implications**

**5**

- 5.1** Section 123 of the Local Government Act 1972 requires that a local authority achieve best consideration for any freehold or disposal or a leasehold disposal in excess of seven years. The negotiations will have to take account of this statutory requirement

## **Risk Management Implications**

- 6** Risk management implications will be determined at the project implementation stage if the project proceeds.

## **Equality Screening**

- 7** A decision as to whether an Equality Impact Assessment is necessary will be made at the project implementation stage if the project proceeds.

## **Background Papers**

**8**

## **Appendices - EXEMPT**

- 9** Appendix A (exempt): Heads of Terms  
Appendix B (exempt): Headline Valuation

**Agenda Item No:** 9.7 **Report No:** 124/15  
**Report Title:** Case for Compulsory Purchase of Land at Robinson Road, Newhaven  
**Report To:** Cabinet **Date:** 24<sup>th</sup> September 2015  
**Cabinet Member:** Cllr Andy Smith  
**Ward(s) Affected:** Newhaven Denton and Meeching  
**Report By:** Alan Osborne, Director of Corporate Services  
**Contact Officer(s)-**

**Name(s):** Oliver Dixon  
**Post Title(s):** Lawyer  
**E-mail(s):** [Oliver.dixon@lewes.gov.uk](mailto:Oliver.dixon@lewes.gov.uk)  
**Tel No(s):** 01273 471600

**Name(s):** Bee Lewis  
**Post Title(s):** Head of Property & Facilities  
**E-mail(s):** [Bee.lewis@lewes.gov.uk](mailto:Bee.lewis@lewes.gov.uk)  
**Tel No(s):** 01273 661101  
01273 661101

---

### **Purpose of Report:**

This report evaluates the Council's case for making a Compulsory Purchase Order in relation to land adjacent to Robinson Road Waste & Recycling Depot in Newhaven; and seeks Cabinet authority to commence the process for making the Order.

### **Officers' Recommendation(s):**

- 1 To agree the use of compulsory purchase powers to acquire the leasehold interest of land adjacent to Robinson Road Waste & Recycling Depot in Newhaven, as shown edged in red on the site plan at Appendix A, for development as affordable housing.
- 2 To grant delegated authority to the Director of Corporate Services and the Director of Service Delivery –
  - (i) to take all steps necessary for preparing the compulsory purchase order;

- (ii) alongside preparing the compulsory purchase order, to continue negotiating with the leaseholder over acquisition of their legal interest by agreement; and
- (iii) if acquiring the leasehold interest by agreement proves unsuccessful, to make the compulsory purchase order following consultation with the Leader of the Council, and to seek confirmation of the order by the Secretary of State.

---

## **1 Reason for Recommendations**

To enable the Council to obtain vacant possession of the land in question, so that the affordable housing development proposed for that site may proceed.

## **2 Information**

- 2.1** At its meeting on 6 July 2015, Cabinet authorised officers to establish the case for compulsory purchase and to report back.
- 2.2** Due to the complexity of the issues involved, officers instructed external lawyers to advise on the prospects of the Council successfully making a compulsory purchase order (CPO), and on the most appropriate enabling statutory power to make the order.
- 2.3** The criteria against which the lawyers have assessed the Council's case are set out in ODPM Circular 2004/06, namely:
- (i) A CPO should only be made where there is a compelling case in the public interest. In particular, the public benefit achieved by the scheme underlying the compulsory acquisition must outweigh the rights of persons whose land is being acquired.
  - (ii) The Council must be able to acquire the land and implement the development within a reasonable timeframe.
  - (iii) There must be no impediment to the implementation of the development.
  - (iv) Could the development be carried out somewhere else?
  - (v) If the Council wishes to make the CPO under powers conferred by the Housing Act 1985, it must be able to demonstrate that the development will achieve a quantitative or qualitative housing gain, but ideally both.
- 2.4** The key findings are as follows:
- (i) There is a clear public benefit from the provision of housing identified in the Council's Housing Strategy and its Affordable Housing Needs

Assessment 2013-2018. It is considered that the wider social benefits to be provided by the new housing would surpass any economic benefit arising from the continued presence on site of the leaseholder, Lochin Marine Ltd ('Lochin').

In addition, the provision of much needed housing is thought likely to outweigh Lochin's private rights. That said, the Council must continue to negotiate with Lochin to explore whether relocation is possible – see further at 2.5 below.

- (ii) The Council has sufficient evidence to demonstrate that there is a need for affordable housing in Newhaven, and that the specific development proposed for Robinson Road will bring about a quantitative housing gain. Further, the layout, design and building standards to be adopted for the development are likely to realise a qualitative housing gain too.
- (iii) As regards implementing the development within a reasonable timeframe, the necessary funding has been identified in the form of an HCA grant to Southern Housing Group, one of the Council's development partners, in addition to funding provided by the Council itself.
- (iv) In terms of potential impediments to development, the Council must be satisfied that:
  - (a) planning permission for the development will be forthcoming. It is anticipated that planning application will be submitted in late 2015.
  - (b) the relocation of the Robinson Road waste depot (on which the viability of the housing scheme depends) can be achieved. This is likely. Vacant possession of the new waste depot site in Avis Way is imminent, and a construction contractor has been appointed.
  - (c) the Council has sufficient funds to acquire the land leased by Lochin, either by agreement or by compulsory purchase; and to pay any compensation if Lochin's business had to be wound up. This will have to be determined once the required amount of funding is known – see Financial Appraisal.
  - (d) there are no condition precedents in the development agreement that cannot be satisfied in respect of the Robinson Road site. The development agreement contains a number of viability tests, relating in particular to the costs associated with achieving vacant possession, preparing the site, and constructing the development. These tests will be applied at key points during the project. The Council has already carried out and satisfied its first viability test; and on that basis has committed further expenditure to the scheme.
  - (e) apart from Lochin's leasehold interest in the land, there are no other legal interests that might prevent or adversely affect the Council's ability to acquire vacant possession and proceed with the



development. The Report On Title has not identified any such interests.

- (v) Given the nature of the proposed development, the most appropriate power for making the CPO is that conferred by section 17 of the Housing Act 1985. If, however, the housing development includes commercial units (as envisaged in the original design specification), the Council must be satisfied that any commercial uses of the land are for the benefit of the occupiers of the housing development.

If the final scheme at Robinson Road were characterised more by regeneration than purely housing, section 226 of the Town & Country Planning Act 1990 would provide the more appropriate power to make the CPO. Although the initial designs do have a commercial element, the focus of the scheme is to deliver housing as the priority. There will be regeneration benefits to the town and surrounding area, but these are supplemental to the main purpose of the project.

- 2.5** Part of the CPO case requires the Council to show it has made, and continues to make, all reasonable efforts to acquire the land by agreement.

Officers have held further talks with Lochin and, despite Lochin's unwillingness to surrender the lease, continue to explore options and negotiate with a view to reaching an acceptable agreement.

Compulsory purchase would be a measure of last resort if all reasonable efforts to acquire the site by agreement proved unsuccessful.

There are broadly 4 options which have been discussed with Lochin, most recently at a meeting on 24<sup>th</sup> August 2015. They are:

- a) Allow the lease to come to an end in 2022 and refuse a new lease based on grounds F and G of Section 25 of the Landlord and Tenant Act 1954, i.e. that the Council wishes to develop and occupy the land.
- b) Continue to negotiate with Lochin to reach a mutually agreeable settlement, the terms of which may be more flexible than under a CPO situation.
- c) Proceed with a CPO on the basis that the business can be relocated.
- d) Proceed with a CPO on the basis of extinguishment of the business, i.e. it is not able to relocate and must therefore cease trading at that location.

- 2.6** The external lawyers conclude that, subject to overcoming the impediments detailed in 2.4(iv) above, the Council has a strong case for taking forward a CPO under Housing Act powers.

- 2.7** It is therefore recommended that Cabinet authorise the making of a CPO by that route, but direct officers to continue negotiating with Lochin over acquisition by agreement until satisfied that compulsory purchase is the only

viable means of securing the site within the timescale needed to deliver the proposed housing development.

### **3 Financial Appraisal**

This section contains exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972, and is set out at Appendix B.

### **4 Legal Implications**

Most compulsory acquisitions, including the one contemplated in this report, are authorised by an enabling act of parliament (which authorises the use of compulsory purchase powers for a specific purpose) and a CPO made by a public body (e.g. the Council) and confirmed by the appropriate Secretary of State, that specifies the land needed for the CPO scheme.

In light of external advice, the most specific and relevant enabling power for the scheme envisaged by the Council is section 17 of the Housing Act 1985 which authorises local housing authorities to compulsorily purchase land, houses or other properties for housing accommodation.

Other legal implications are contained in the body of the report.

### **5 Risk Management Implications**

The risk of not gaining vacant possession on the land would severely impact the New Homes (formerly the Property Regeneration Portfolio) project. The Robinson Road site is earmarked for 100% affordable housing, but if it was not possible to develop all of the land, the number of units delivered would reduce accordingly and the scheme may become unviable.

It might be possible to phase the construction and return in 2022 once the lease has ended. However, with construction costs currently rising at an average of 14% pa, it could make a second phase unviable.

### **6 Equality Screening**

I have not conducted an Equality Assessment as there will be a detailed assessment carried out for the whole project.

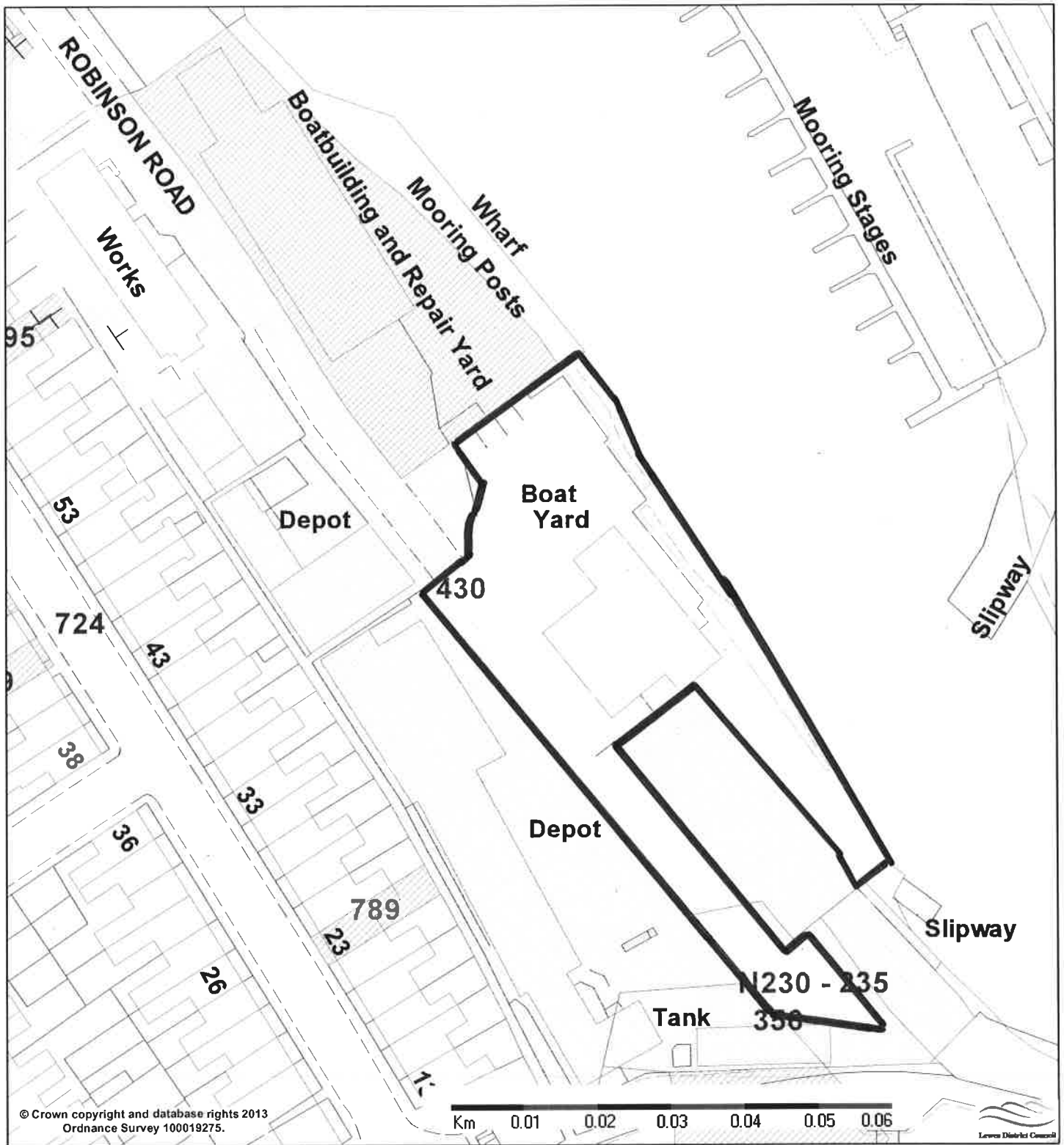
## **7 Background Papers**

- (i) Report to Cabinet of 6 July 2015 entitled 'Compulsory Purchase – land adjacent to Robinson Road Waste & Recycling Depot in Newhaven'.
- (ii) External legal advice on the prospects of securing a compulsory purchase order.

## **8 Appendices**

Appendix A: Plan of land in Council ownership at Robinson Road

Appendix B: Financial appraisal (exempt)



## Robinson Road, Newhaven

Legend

Organisation	Lewes District Council
Department	
Comment	
Date	27 August 2015
Scale	1:759

**Agenda Item No:** 9.8 **Report No:** 122/15  
**Report Title:** Land Adjoining Southdowns, Plumpton  
**Report To:** Cabinet **Date:** 24<sup>th</sup> September 2015  
**Cabinet Member:** Cllr Andy Smith  
**Ward(s) Affected:** Plumpton Streat East Chiltington & St John (Without)  
**Report By:** Alan Osborne, Director of Corporate Services  
**Contact Officer(s)-**  
**Name(s):** Bee Lewis  
**Post Title(s):** Head of Property & Facilities  
**E-mail(s):** [Bee.lewis@lewes.gov.uk](mailto:Bee.lewis@lewes.gov.uk)  
**Tel No(s):** 01273 661101

---

#### **Purpose of Report:**

To seek approval for the disposal of surplus land in line with the Property Strategy adopted by Council in May 2012.

#### **Officers Recommendation(s):**

- 1 To dispose of land on terms identified within Appendix B of this report.
- 2 To delegate authority to the Assistant Director of Corporate Services to dispose of the land in line with the Property Strategy.

---

#### **Reasons for Recommendations**

- 1 The land is not required for operational purposes and has no potential for development for housing. It is therefore surplus to requirements.

#### **Information**

2

- 2.1 There are 2 adjacent plots of land shown edged in red at Appendix A. Each plot has been licensed to nearby residents. Those residents have expressed an interest in purchasing the land.
- 2.2 The land is not easily accessible and should the garden licenses ever be terminated, LDC would be required to maintain it. There would not be any current maintenance savings from disposal of the land.

- 2.3** The Council has a duty under Section 123 of the Local Government Act 1972 to obtain 'best consideration' when disposing of land. In this case, the value of the land is very low (see Appendix A) as it is amenity land. There has not been a formal valuation as the valuation costs would cancel out any capital receipt. However, Officers have used their best judgement based on comparable parcels of land which have been disposed of in recent years.
- 2.4** The land was initially considered for development and listed as a site within the New Homes (Property Regeneration Portfolio) Project. However, after initial investigation, there it is unlikely that the land would be suitable for further development. Any sale agreement would include an overage clause and/or a restrictive covenant on the site preventing its use for anything other than as a garden.
- 2.5** In February 2011, Cabinet approved a policy recognising the importance of amenity land and refusing to dispose of it unless there were exceptional circumstances. The policy states:
- 'The purpose of areas of amenity land within housing estates is to enhance the visual appearance of the estate and to improve the living environment and enjoyment of residents and their visitors. Requests to purchase, lease or licence areas of amenity land will therefore usually be refused unless there are exceptional circumstances which justify a disposal.*
- Delegated authority is given to the Head of Legal and Democratic Services to refuse requests for the sale, lease or licence of such land save in exceptional circumstances, in which case a report shall be brought before Cabinet.'*
- 2.6** As stated in paragraph 2.2, the land is not easily accessible. It also does not benefit anyone other than the properties immediately adjacent and therefore does little to enhance the visual appearance of the estate. As there is no operational need and it is unsuitable for development, it is recommended that Cabinet approve the disposal of the land on the terms set out at Appendix B.

## **Financial Appraisal**

### **3**

- 3.1** Disposal of the land will generate a one-off receipt of £2,250 for the Housing Revenue Account. It will also reduce the Council's future maintenance liability should the garden licenses ever terminate.

## **Legal Implications**

**4**

**4.1** The Legal implications are covered within the body of this report.

## **Risk Management Implications**

**5**

**5.1** There are no risks arising as a result of this report.

## **Equality Screening**

**6**

**6.1** There are no equality implications arising as a result of this report.

## **Background Papers**

**7** None

## **Appendices**



**8** Appendix A: Plan

Appendix B (exempt): Draft Heads of Terms

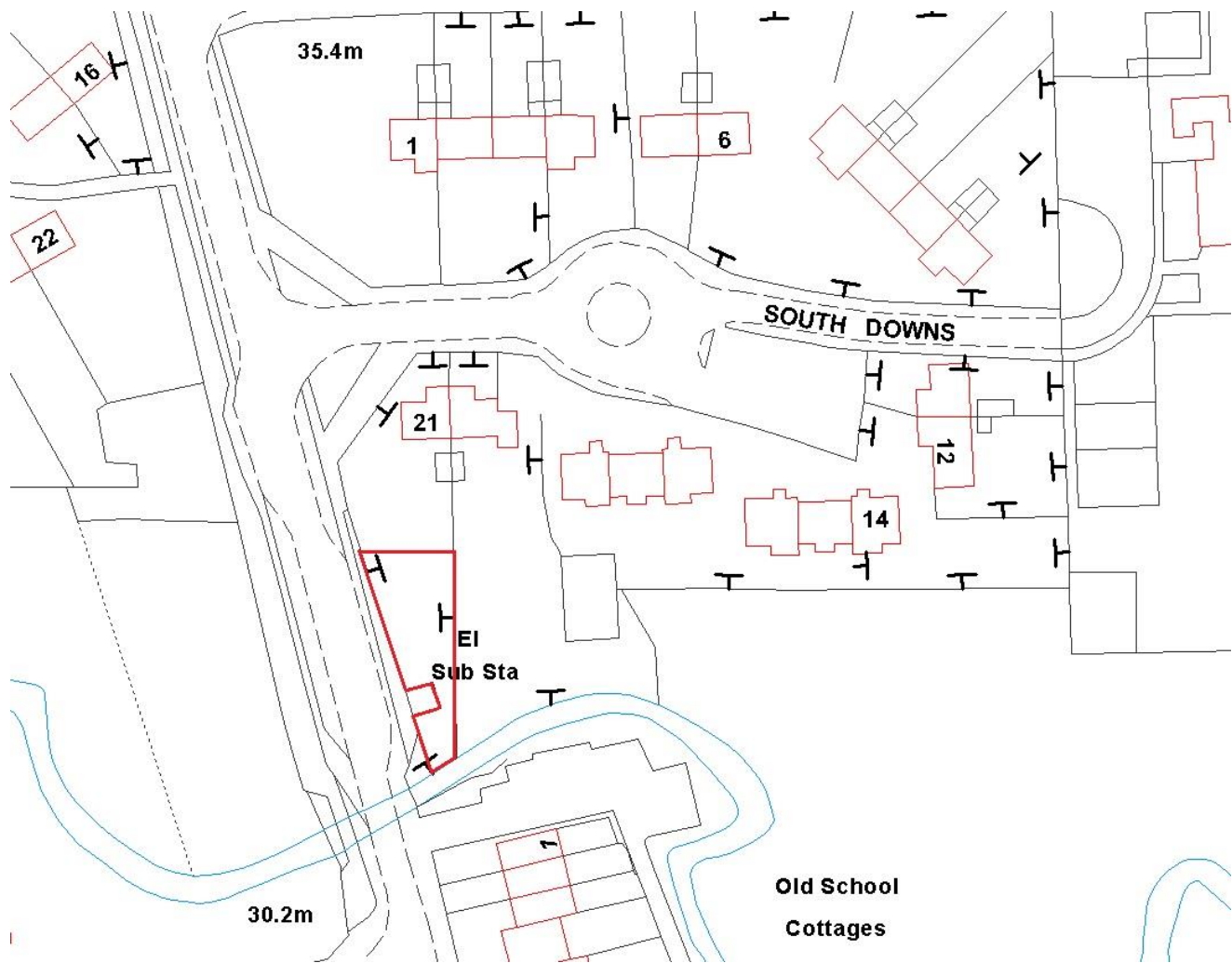




# Appendix A



 <p>Lewes District Council www.lewes.gov.uk</p> <p>Corporate Services</p>	<h2>20 Southdowns, Plumpton</h2>			<p>N</p> 
	<p><b>O.S. MAP REF:</b> 536438/116320</p>	<p><b>DEED PACKET NO:</b> 482</p>	<p><b>SCALE:</b> 1:1250</p>	<p><b>PLAN NO.</b> E042/15</p>
	<p>Reproduced from Ordnance Survey mapping with permission of the Controller of HMSO. Crown Copyright Reserved.</p>			<p><b>REV:</b></p>





 Lewes District Council <a href="http://www.lewes.gov.uk">www.lewes.gov.uk</a>  Corporate Services	<b>21 Southdowns, Plumpton</b>		<b>N</b> 
	536232/116333	499	<b>SCALE:</b> 1:625
Reproduced from Ordnance Survey mapping with permission of the Controller of HMSO. Crown Copyright Reserved.			<b>PLAN NO.</b> E043/15  <b>REV:</b>

**Agenda Item No:** 9.9 **Report No:** 123/15  
**Report Title:** Ward Issues Raised by Councillors at Council  
**Report To:** Cabinet **Date:** 24 September 2015  
**Cabinet Members:** Councillors Blackman, Franklin, Jones and Maskell  
**Ward(s) Affected:** Ouse Valley and Ringmer, Lewes Priory, Lewes Castle, Seaford South and Newhaven Valley  
**Report By:** Assistant Director of Corporate Services  
 Catherine Knight  
**Contact Officer(s)-**

**Name(s):** Trevor Hayward  
**Post Title(s):** Committee Officer  
**E-mail(s):** [trevor.hayward@lewes.gov.uk](mailto:trevor.hayward@lewes.gov.uk)  
**Tel No(s):** 01273 471600

**Purpose of Report:**

To respond to ward issues raised by councillors at Meetings of the Council.

**Officers Recommendation(s):**

To note and agree the officer action detailed in the Report.

**Reasons for Recommendations**

To ensure that appropriate follow up action is taken.

**Information**

- The following Ward issue was raised at the Council meeting on 16 July 2015:

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
<b>Councillor Gander – Ouse Valley and Ringmer Ward</b>	There had been some concern over the closure of Barclays Bank in Ringmer, which offered facilities to those in more rural areas. Councillor Gander informed the Council that thousands of people had a Barclays account because of the locality of the branch.	

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
	<p><u>Suggested Action to be taken by the Council</u> That the Council wrote a strongly worded letter to Barclays Bank imploring it not to close the branch.</p>	DBSD
<p><u>Comment by Chief Officer (Director of Business Strategy and Development):</u> Letter sent to Barclays PLC from Head of Regeneration &amp; Investment, as per suggested action.</p>		
<p><b>Councillor Rowell - Lewes Priory Ward</b></p>	<p>At the Annual Meeting of the Council on 20 May 2015, concerns were raised over the future of Saxonbury in Juggs Road, to which the Director of Service Delivery had responded at the Cabinet meeting on 6 July 2015 stating “It is too early to say what plans might be for Saxonbury, but Councillors and residents will have the opportunity to be involved once we reach that part of the consultation process”.</p> <p>Prior to that on 26 June 2015, a spokesperson for the Council had informed the Sussex Express that “Our intention is also to refurbish the existing run down building into high quality, innovatively designed flats”.</p> <p><u>Suggested Action to be taken by the Council</u> That official clarification be provided as to which of the above statements was correct, and that the plans for Saxonbury be provided.</p>	DSD
<p><u>Comment by Chief Officer (Director of Service Delivery):</u> A planning application for this site is not anticipated until August next year so the Council and the developer have not developed any initial drawings or architectural plans or have fixed views as it is still very early in the process. However, there is a preference to retain the house and restore it and it is anticipated that this will be preferred by residents too, however, further consultations may or may not confirm this.</p>		
<p><b>Councillor Chartier - Lewes Castle Ward</b></p>	<p>At Offham Road between the Avenue and Prince Edwards Road, there was vegetation which had overgrown, forcing traffic into the middle of the road.</p> <p>There were also brambles growing on the footpath opposite Prince Edwards Road which was used regularly to gain access to Pells School and Lewes Youth Centre.</p>	

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
	<p><u>Suggested Action to be taken by the Council</u> That the Officers be requested to determine who was responsible for clearing the roads, and then request the relevant organisation/person to arrange for the vegetation to be cut back and cleared.</p>	DSD
<p><u>Comment by Chief Officer (Director of Service Delivery):</u> The roadway at Offham Road and the pathway opposite Prince Edwards Road have been inspected and they do not belong to Lewes District Council. The areas are maintained by East Sussex County Council, and the request has been forwarded on to them.</p>		
<p><b>Councillor Murray – Lewes Castle Ward</b></p>	<p>St Mary's Social Centre was within Lewes Castle Ward, and the Trustees and users of the Social Centre were concerned about the future of the facilities, following the announcement of the 49 sites proposed for redevelopment.</p> <p><u>Suggested Action to be taken by the Council</u> That assurance is given and that proper consultation be undertaken when deciding the future of St Mary's Social Centre.</p>	DSD
<p><u>Comment by Chief Officer (Director of Service Delivery):</u> The assurance is given. Further, the council met with St Mary's Social Centre Trustees and supporters on the 20 July 2015 and the agreed notes of that meeting state <u>'We will not move forward without the trustees support.'</u></p>		
<p><b>Councillor Adeniji - Seaford South Ward</b></p>	<p>A few years ago, the Council had earmarked some areas as proposed sites for Traveller settlements. Councillor Adeniji believed that one of these sites was in Alfriston Road, Seaford, which had also been named as a proposed site for housing redevelopment in May 2015.</p> <p>There was confusion amongst some residents that the proposed site for the Council's new homes would, instead, be used for a Traveller settlement.</p> <p><u>Suggested Action to be taken by the Council</u> That clarification be provided in respect of the confusion which existed in respect of the proposed development of the land at Alfriston Road, Seaford.</p>	DSD

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
<u>Comment by Chief Officer (Director of Service Delivery):</u> Alfriston Road is not being considered for a travellers site but for homes.		
<b>Councillor Saunders Newhaven Valley Ward</b>	<p>It was a well known issue that the air quality in Newhaven was a concern. After consulting East Sussex County Council (ESCC) Highways via the Strengthening Local Relationships meeting about the possibility of installing signage informing drivers to turn their engines off when they were stationary, ESCC Highways had said it would not be feasible to implement that idea.</p> <p><u>Suggested Action to be taken by the Council</u> That the Council write to ESCC Highways in order to find out if the above was a feasible suggestion and that, in the event that it was not considered to be feasible, that ESCC Highways be requested to provide the reason therefore.</p>	DSD
<u>Comment by Chief Officer (Director of Service Delivery):</u> A letter has been sent to ESCC and when a response is received it will be forwarded to Councillor Saunders.		

### **Financial Appraisal**

2 None arising from this Report.

### **Legal Implications**

3 None arising from this Report.

### **Risk Management Implications**

4 I have not completed the Risk Management Checklist as there is no need to undertake a risk assessment.

### **Equality Screening**

5 I have not completed the Equality Analysis checklist as this Report is free from the requirement to do so.

### **Background Papers**

6 None

### **Appendices**

7 None