



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 **Monday, 23 November 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.

11/01/2016

Catherine Knight
Assistant Director of Corporate Services

Agenda

- 1 Minutes**
To approve the Minutes of the meeting held on 24 September 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. Questions submitted by East Chiltington Parish Council and; Mr Ian Martin on behalf of East Chiltington Action Group herewith (page 4).

6 Written Questions from Councillors

To deal with written questions which councillors may wish to put to the Chair of the Cabinet in accordance with Council Procedure Rule 11. Questions submitted by Councillor Carter 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 Appendices 1 and 2

Cabinet Member: Councillor Giles

To consider the Report of the Director of Corporate Services (Report No 148/15 herewith – page 7).

- Non-Key Decision

9.2 Portfolio Progress and Performance Report Quarter 2 (July – September 2015)

Cabinet Member: Councillor Merry

To consider the Report of the Director of Business Strategy and Development (Report No 149/15 herewith – page 34).

- Key Decisions

9.3 Response to the South Downs Local Plan: Preferred Options Consultation - Report

Cabinet Member: Councillor Jones

To consider the Report of the Director of Business Strategy and Development (Report No 150/15 herewith – page 54).

9.4 Lewes District Joint Core Strategy – Affordable Housing Policy - Report and Appendices 1 and 2

Cabinet Member: Councillor Jones

To consider the Report of the Director of Business Strategy and Development (Report No 151/15 herewith – page 91).

9.5 Newhaven Enterprise Centre - Report

Cabinet Member: Councillor Smith

To consider the Report of the Director of Business Strategy and Development (Report No 152/15 herewith – page 115).

9.6 Local Council Tax Reduction Scheme 2016/17 - Report

Cabinet Member: Councillor Giles

To consider the Report of the Director of Corporate Services (Report No 153/15 herewith – page 128).

- Non-Key Decisions

9.7 Devolution Update - Report

Cabinet Member: Councillor Smith

To consider the Report of the Chief Executive (Report No 154/15 herewith – page 170).

9.8 Ward Issues Raised by Councillors at Council

Cabinet Members: Councillors Merry and Smith

To consider the Report of the Assistant Director of Corporate Services (Report No 155/15 herewith – page 270).

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

23 November 2015

Public Question Time (Agenda Item No 5)

Question submitted by East Chiltington Parish Council. To be put to Councillor Smith, Leader of the Council:

“In the case of a tendering process by a public authority for a contract of the size and nature of the ‘New Homes’ project (the largest financial single transaction ever undertaken by LDC), it would be normal that a minimum of at least 3 full tenders would be sought in order to ensure the transparency and accountability of the decision made.

East Chiltington parish council understand from the documents that you have supplied in response to our FOI request that there were five submissions of a Pre-Qualifying Questionnaire (PQQ) and two submissions were taken forward to the Invitation to Submit an Outline Proposal stage (ISOP), of which only one was then pursued.

Please explain why only one published advertisement was placed to seek tenders and why no further tenders were sought through additional advertising and promotion, as should have been the case.”

Question submitted by Mr Ian Martin on behalf of East Chiltington Action Group. To be put to Councillor Smith, Leader of the Council:

“In 2011 and again in 2013, studies commissioned by LDC concluded that any residential development on the Hollycroft site was undesirable, unsustainable and contrary to the National Planning Policy Framework. The reasons given included isolation, lack of services including public transport, objections from highways and objections from Southern Water who maintain a treatment plant on that site.

At a public meeting in East Chiltington on 21st July this year, spokespeople from LDC and Karis Developments were asked what new evidence had led LDC to invest public money in a proposal which is in direct opposition to its own studies and planning advice.

Their responses were vague to say the least. Gillian Marsden described the gap between prior knowledge and the current proposal as a "difference of opinion". Josh Arghiros from Karis Developments could only say "it looked suitable for housing....it looks like it could sustain housing, it feels right and that is the point where we start"

We, the residents of East Chiltington, did not think these responses remotely approached the level of planning and professionalism we as taxpayers might expect regarding a project promoted by Lewes District Council or indeed any other public administration. This is why we are repeating the following question both to the Cabinet and later to the full Council.

Given that the planning advice given in the past to LDC has consistently concluded that residential development on the Hollycroft site is unsustainable, what additional evidence had led LDC to invest public money in a proposal to do exactly the opposite?"

Cabinet

23 November 2015

Written Questions from Councillors (Agenda Item No 6)

The following written questions have been submitted by Councillor Carter that are to be put to Councillor Smith, Leader of the Council:

“Lewes Phoenix Rising have raised some serious concerns with me about the financial viability of the North Street Quarter plans. They paid two blue-chip companies to do some financial analysis of the development costs and gross development value of the site. As they have been working up alternative development plans themselves, they hoped to find a clear profit so that their own plans would be viable and profitable. However, they were shocked to discover that the financial analysis showed no clear profit. I want to be really clear that this is not the answer Lewes Phoenix Rising wanted nor expected.

The two companies that they paid to do the appraisal were Gardiner & Theobald (an international firm of Quantity Surveyors) and Montague-Evans (a multinational development consultancy).

In sum, the analysis they did worked up a conservative estimate of development & infrastructure costs of £134 million, and a Gross Development Value of £130 million, leaving no profit. The Santon/LDC analysis of GDV is £150 million, which also gives a much smaller than expected profit. The GDV calculations of £130 million were based on the same valuations as LDC has made for the Malling Farm site, so also seem very reasonable for the site. The infrastructure calculations were based on the Santon / LDC proposals.

Obviously, as Cabinet members will know, normally you would expect to see a profit of 30 - 40%, so whether the GDV is £130 or £150, the profit is far below what might be expected.

So on this basis, I have three questions for the Cabinet:

- 1) How confident is the Cabinet that we will be able to achieve best value for the Lewes District Council land that is included in the joint venture with Santon North Street Ltd?
- 2) What is the assessment of the income that Lewes District Council will make from their land, and what mechanism has the Cabinet put in place to assure itself that this income will be received?
- 3) How confident can we be that if the North Street Quarter Plans go ahead, they will deliver the affordable housing, community spaces and infrastructure that we want as a Council for the people of Lewes? I have concerns that because of the potentially small profit margin, corners will be cut.”

Agenda Item No: 9.1 **Report No:** 148/15
Report Title: Finance Update
Report To: Cabinet **Date:** 23 November 2015
Cabinet Member: Councillor Bill Giles
Ward(s) Affected: All
Report By: Alan Osborne, Director of Corporate Services
Contact Officer(s)-
Name(s): Steve Jump
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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 the mid-year position for the Council's 2015/2016 Treasury Management and Investment Strategy.
- 3 Agrees the General Fund and Housing Revenue Account financial performance for the quarter ended 30 September 2015 as set out in section 4.
- 4 Agrees the Capital Programme financial performance for the quarter ended 30 September 2015, and associated variations, as set out in section 5
- 5 Confirms the action taken in respect of procurement as set out in section 6.

Recommends to Council:

- 6 That Council approves the Mid-Year Treasury Management Report 2015/2016 at Appendix 1.

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 22 August and 19 October 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	£30.5m	£23.5m	8.90	0.35
Long term deposits	Nil	Nil	0.00	0.00
Treasury Bills	£5.0m	£6.0m	9.61	0.48
Money Market Funds	daily		5.52	0.55
Interest Bearing Accounts			2.54	0.40

- 3.2 No new borrowing was undertaken in the period. Long term borrowing remains at £56.6m.
- 3.3 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.

Mid Term Treasury Management and Investment Strategy Review

- 3.4 CIPFA's Code of Practice recommends that all councillors are informed of Treasury Management activities at least twice a year. A Mid-year Report for 2015/2016, which covers the period 1 April 2015 to 30 September 2015, is attached at Appendix 1. The Report confirms that the key elements of the approved Treasury and Investment Strategy have been complied with during the first half of the year.

- 3.5 Cabinet is asked to recommend that Council approves the Mid-year Report at its meeting on 9 December 2015. The Audit and Standards Committee will be presented with the Report on 30 December 2015 - any comments that it may wish to pass on to Council will be reported verbally

4 Financial Performance – Revenue budgets

- 4.1 Financial Performance at the end of Quarter 2 (September) 2015/2016 is shown below. Service details are shown at Appendix 2.

Activity	Full year budget £'000	Qtr 2 Profiled Budget £'000	Qtr 2 actual £'000	Qtr 2 variance £'000
Service Delivery				
Housing and Environment	1,638	1,519	1,293	(226)
Planning and Revenues	1,716	(4,133)	(4,409)	(276)
Customer Service	1,482	962	898	(64)
Waste and Recycling	2,771	1,445	1,422	(23)
	7,607	(207)	(796)	(589)
Business Strategy and Development				
Business Strategy and Performance	662	310	326	16
Regeneration and Investment	1,021	391	231	(160)
Strategic Policy	545	245	189	(56)
	2,228	946	746	(200)
Corporate Services				
Property and Facilities	2,469	509	441	(68)
Legal	499	225	267	42
Democratic Services	899	427	344	(83)
Human Resources	538	238	214	(24)
Information Technology	1,565	720	812	92
Finance	990	391	344	(47)
Audit, Fraud and Procurement	310	134	136	2
	7,270	2,644	2,558	(86)
Corporate Strategy and Programmes	1,158	419	550	131
Financing, interest, grants, etc	(12,588)	(1,850)	(1,682)	168
Central Support Service recharges	(5,675)	(59)	(76)	(17)
Housing Revenue Account	0	(4,558)	(4,767)	(209)
TOTAL	0	(2,665)	(3,467)	(802)

- 4.2** Financial performance in the first quarter resulted in a favourable net variation of £802,000. This builds on the Quarter 1 position reported to Cabinet in September. Key elements of this variation were:

	£'000
Employee costs – the savings delivery plan assumes a vacancy savings target of 2% for the year. At the end of Quarter 2, in year savings from vacant posts exceeded the target by 4%	(220)
Staff severance costs – costs incurred as part of corporate restructuring	86
Planning Development Control fees – income in Quarter has continued to exceed the profiled budget	(119)
Business Rates local discount scheme - £370,000 has been earmarked to support a pilot scheme. At the end of Quarter 2 only 2 (minor) discounts have been awarded on application.	(180)
Government grants received – funding has been received in respect of the Neighbourhood Planning process and electoral registration changes and, in Quarter 2, costs associated with changes in the requirements for land charges fee setting	(106)
Recyclate sales – the budget for this income stream is £350,000. As reported at the end of Quarter 1 the market for recyclates is restricted. An overall shortfall against the budget for the year of £250,000 continues to be anticipated.	170
Green Waste collection service – this trial service in Seaford has been operational since August	(24)
Housing Revenue Account repairs	(57)
Planned repairs at General Fund property eg offices, parks, etc	(83)
	(533)

- 4.3** Spending activity in many service areas has continued to be slow in Quarter 2 and the 'gap' between budgeted and actual spend is expected to close in Quarter 3. Trends in housing benefit awarded and associated government subsidy due will also be more identifiable when the position is next reported.

5 Financial Performance – Capital Programme

- 5.1** Appendix 3 gives details of the capital programme spending in Quarter 2, which continues to be in line with expectations at this stage of the year. Payments of £1m were made in the quarter.
- 5.2** Cabinet is recommended to approve one variation in the programme, in respect of the Electric Vehicle Charging Points project. This initiative, led by Lewes District Council on behalf of the Sussex Air Quality Partnership is wholly funded by Government grant. 18 rapid chargers have now been installed across South East England, including 2 within the Lewes District area. This project is fully funded by Government grant and a third party contribution. The Government funding period closed on 30 September 2015. No further chargers will be installed after that date.

6 Procurement

- 6.1** The Council is implementing the Community Infrastructure Levy (CIL) from 1 December 2015. As previously reported to Cabinet, The administration of CIL is a complex process involving the processing, acknowledging and recording of a series of events or triggers and CIL documents. The Council is under a statutory duty to record and monitor its spending of CIL and produce annual reports thereon.
- 6.2** The need to procure a new or upgraded software system for the management and administration of Section 106 agreements and the CIL is considered fundamental to the proper implementation of the Council's CIL Charging Schedule. It should ensure the accurate and expedient delivery of CIL processes and ultimately aid the delivery of infrastructure projects. It is important that the CIL software fulfils a range of activities required by the CIL Regulations and interacts with the existing planning (Uniform), land charges (TLC) and finance (Agresso) systems. It is also important that the software choice is aligned with the software package to be implemented by Eastbourne Borough Council (EBC) in order to ensure effective use of resources in a shared service environment.
- 6.3** Officers have analysed available software solutions and sought quotations from three suppliers. Of these, two do not adequately meet the Council's requirements, with the preferred supplier being the most expensive. The Council's Contract Procedure Rules require the Head of Service to approve the acceptance of a quotation which is other than the lowest, and this action has now been taken. The cost of implementing the software system, £25,000, will be met from the budget for Service Priorities. Future costs will be funded from a 5% share of CIL receipts retained as an administration 'pot'.

7 Financial Appraisal - referred to under individual items above.

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

Risk Management Implications

- 8.1** 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.
- 8.2** 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.

9 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>

Appendices

Appendix 1 – Mid-year Treasury Management Report 2015/2016

Appendix 2 – Financial performance Quarter 2 by service

Appendix 3 – Capital Programme 2015/2016 – Quarter 2

Lewes District Council**Mid-year Treasury Management Report 2015/2016****Contents**

1. Background.....	1
2. Overall Summary of Activity.....	1
3. Detailed Analysis - Borrowing.....	2
4. Detailed Analysis - Investments.....	4
5. Counterparty Update.....	6
6. Banking Arrangements.....	7
7. Internal Borrowing.....	7
8. Compliance with Prudential Indicators.....	7
9. Reporting and Training.....	8
10. Investment Consultants.....	8
Appendix A – Economic Background explained by Arlingclose.....	9
Appendix B – Term deposits made and/or maturing April to September 2015.....	11
Glossary of Terms.....	12

1. Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) recommends that full Council should receive every year reports on Treasury Management policies and activity before the start of the year, mid-year and after the end of the year. The intention is that those with ultimate responsibility for the Treasury Management function appreciate fully the implications of Treasury Management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

1.2 The Council defines its Treasury Management activities as:

“the management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.3 This mid-year report covers the period 1 April to 30 September 2015.

2. Overall Summary of Activity

2.1 At its meeting in February 2015, the Council agreed its Treasury Management Strategy Statement and Investment Strategy 2015/16 to 2017/18. The table below lists the key elements of that Strategy and records actual performance in the first six months of the year against each one of them.

Key Element	Target in Strategy	Actual Performance	
Borrowing			
Underlying need to borrow (CFR) at year end	£74.034 million	£77.534 million (projection 31 March)	-
Internal borrowing at year end	£17.361 million	£20.861 million (projection 31 March)	-
New external long-term borrowing in year	None anticipated	None undertaken Apr to Sept '15.	✓
Debt rescheduling in year	Review options but not anticipated	Options kept under review, none undertaken Apr to Sept' 15. Potential identified for March 2015	✓
Interest payments on external borrowing	£1.730 million	£0.864m (to date)	✓
Investments			
Minimum counterparty credit ratings for investments of up to 1 year	Long-term A (does not apply to Government and other local authorities which have the highest ratings)	At least Long-term A	✓
Interest receipts from external investments	£0.075m	£0.074m (to date)	✓

Key Element	Target in Strategy	Actual Performance	
Appointment of Investment Consultants			
Independent Treasury Adviser to be retained	Arlingclose to be retained as Treasury Adviser	Arlingclose retained as Treasury Adviser	✓
Reporting and Training			
Reports to be made to Audit and Standards Committee and Cabinet	Every meeting	Every meeting	✓
Briefing sessions for Councillors and Staff	Treasury Adviser to provide	Arlingclose scheduled to meet with Councillors and Staff October 2015	✓

2.2 For those who are looking for more than this overall confirmation that all treasury management and investment activity in 2015/2016 has been carried out in accordance with the Council's agreed Strategy, the remainder of this report analyses each of the key elements in more depth. Appendix A, supplied by Arlingclose explores the economic background to the year's activity and Appendix B lists all term deposits made in the first half of the year. A Glossary appears at the end of the document to explain the technical terms which could not be avoided when writing this report.

3. Detailed Analysis - Borrowing

- 3.1 Other than for temporary cash flow purposes, local authorities are only allowed to borrow to finance capital expenditure (eg the purchase of property, vehicles or equipment which will last for more than one year, or the improvement of such assets). The Government limits the amount borrowed by local authorities for housing purposes only by specifying 'debt caps'. This Council's underlying debt cap has been fixed at £72.931m. In 2014/2015 local authorities were able to bid for an increase in the housing debt cap in order to enable specific development projects to take place. A bid from this Council was successful and the debt cap has been increased to £75.248m to incorporate spending on 7 new build projects which will deliver 30 new homes in total.
- 3.2 In accounting terms, the underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). This, together with Balances and Reserves, are the core drivers of Treasury Management activity.
- 3.3 The CFR is, in simple terms, the amount of capital expenditure which has been incurred by the Council but which has not yet been paid for (by using, for example, grants, capital receipts, reserves or revenue income) and in the meantime is covered by internal or external borrowing. External borrowing is where loans are raised from the Public Works Loans Board or banks. Alternatively it is possible to use the cash which has been set aside in Balances and Reserves and which would otherwise need to be invested with banks or other borrowers as a means to avoid taking on external loans. This is known as internal borrowing.
- 3.4 As noted above, the level of CFR increases each year by the amount of unfinanced capital expenditure and is reduced by the amount that the Council sets aside for the repayment of borrowing. The original CFR projection for 2015/2016, along with an updated analysis, is shown in the table below. The increases in capital expenditure

and financing shown reflect the approved capital programme as at September 2015, and assume that all projects are completed in the year. That outcome is unlikely however - the capital programme represents an allocation of funds to specific long-term projects many of which span financial years, for example the construction of a new depot facility at a projected cost of £3.5 million.

- 3.5 As at 30 September 2015, capital expenditure with a total value of £3.8m had been incurred (excluding commitments) compared with the approved capital programme of £25.6m (including £6.7m brought forward from 2014/2015). All capital expenditure will be funded from existing capital resources, with the exception of the construction of the new Depot facility in Avis Way, Newhaven, the shared community hub in Newhaven, the photovoltaic panel installation programme and the construction of new affordable homes.

	2015/16 Original £m	2015/16 Projected £m
Opening CFR	70.709	69.799
Capital expenditure in year (projected)	15.666	25.591
Less financed	(10.464)	(16.203)
Less amount set aside for debt repayment	(1.877)	(1.833)
Closing CFR	74.034	77.534

- 3.6 The overall CFR can be split between the General Fund and Housing Revenue Account as follows:

	2015/16 Original £m	2015/16 Projected £m
General Fund CFR	8.421	11.237
Housing Revenue Account CFR	65.613	66.297
Total CFR	74.034	77.534

- 3.7 The following table compares the CFR with the amount that the Council holds in balances and reserves as well as working capital (day to day cash movements as well as grants, developer contributions and capital receipts held pending use):

	31/3/16 Original £m	31/3/16 Projected £m
(a) Capital Financing Requirement	74.034	77.534
(b) Actual external borrowing	(56.673)	(56.673)
(c) Use of Balances and Reserves and working capital as alternative to borrowing (a)–(b)	17.361	20.861

- 3.8 Total interest paid on long-term borrowing in the period to 30 September 2015 was £0.864 million, representing the first of two instalments of interest due on the Council's loans from the PWLB and a £5 million market Lender's Options Borrower's Option (LOBO) loan at the rate of 4.5% with a term of 50 years. Under the terms of the LOBO, the Lender will next review the rate/terms of the loan in April 2016 and if it proposes an increase, the Council will have an option to repay.

- 3.9 The Council qualifies for new borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) in 2015/2016. In the period to September 2015, no new borrowing, either long-term or short-term (for cash flow purposes) had been undertaken.
- 3.10 Through the year, officers, supported by Arlingclose, monitor opportunities for the rescheduling of external loans and the possibility of repayment utilising cash balances that would otherwise be invested. The borrowing portfolio (£56.673m in total) includes one £5m PWLB variable rate loan with a maturity date in March 2022. The rate of interest on this loan is reviewed by the Government every six months (in September and March).
- 3.11 A review of the Council's position in September 2015, suggests that it might be cost effective to repay the £5m PWLB variable rate loan in March 2016. This external borrowing would be replaced by utilising reserves and balances and working capital, reducing the amount held for investment and its associated risk. An alternative would be to enter into long-term investments with a total value in excess of £5m, locking in a return in excess of the variable borrowing rate. At 31 March 2016, a minimum of £20.9m is expected to be held, comprising reserves and balances, £11.7m, and working capital, £9.2m. In early 2016, Arlingclose, the Council's Treasury Advisors will support the Council in determining the most appropriate approach in the light of market conditions at that time.

4. Detailed Analysis - Investments

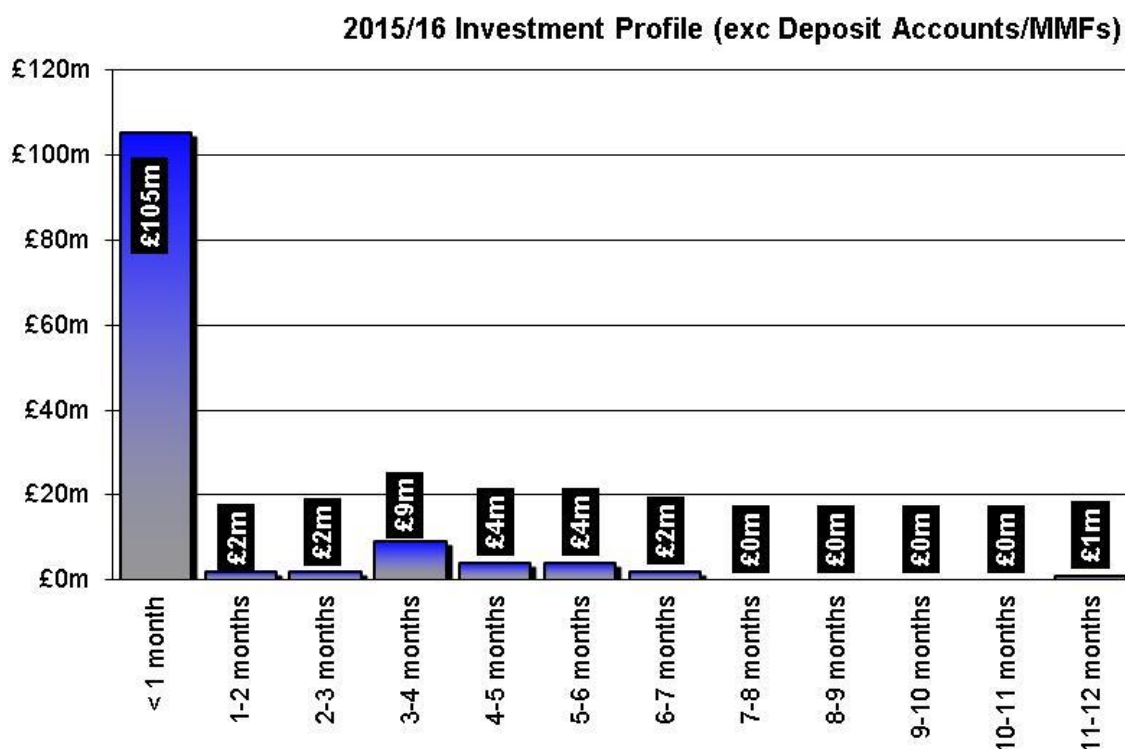
- 4.1 The Council held on average £22.84 million available for investment in the period to 30 September 2015. This comprised working cash balances, capital receipts, earmarked reserves and developer contributions held pending use.
- 4.2 The Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities have continued to be:

highest priority - security of the invested capital;
followed by - liquidity of the invested capital;
finally - an optimum yield commensurate with security and liquidity.

- 4.3 All of the Council's investments have been managed in-house. Security of capital has been maintained by following the counterparty policy set out in the Investment Strategy for 2015/2016. Investments during the period included:

- Fixed Term Deposits with the Debt Management Office (total £76.25 million)
- Fixed Term Deposits with other Local Authorities (total £7.00 million)
- Fixed Term Deposits with UK Banks/Building Societies (total £6.00 million)
- Investments in AAA-rated Constant Net Asset Value Money Market Funds (MMFs) (average balance held in year £5.51 million)
- United Kingdom Treasury Bills (average balance £8.30 million)
- Deposit accounts with UK Banks (average balance held in year £1.59 million)
- Overnight deposits with the Council's banker, Lloyds Bank (average balance held in year £0.94 million)

- 4.4 The Council has approved the use of two MMFs, DB Advisors – Deutsche Global Liquidity Series and Goldman Sachs Asset Management International.
- 4.5 Counterparty credit quality was assessed and monitored with reference to credit ratings (a minimum long-term counterparty rating of A across all three rating agencies Fitch, Standard and Poors, and Moody’s applied); credit default swaps; GDP of the country in which the institution operates; the country’s net debt as a percentage of GDP; any potential support mechanisms and share price.
- 4.6 In keeping with Government guidance on investments, the Council maintained a sufficient level of liquidity through the use of MMFs, overnight deposits and deposit accounts.
- 4.7 In September 2015, Cabinet agreed that a nominee account should be opened with a second broker to allow a maximum of £20m to be invested in negotiable instruments (eg Treasury Bills) at any one time. The Investment Strategy limits the amount that can be held in a single broker’s account to £10m and Cabinet’s decision increases the opportunity to make these investments in the second half of 2015/2016.
- 4.8 The Council sought to optimise returns commensurate with its objectives of security and liquidity. As expected when setting the investment income budget for 2015/2016, the UK Bank Rate has been maintained at 0.5%.
- 4.9 A full list of temporary deposits made in the year is given at Appendix B. All investments were made with UK institutions, and no new deposits were made for periods in excess of one year. The chart below gives an analysis of fixed term deposits by duration.



- 4.10 Interest generated from investments in the year to date was £0.074 million, just below the total 2015/2016 budget for investment income £0.075 million. The projected return to the year end indicates that the budget may be exceeded by £0.030 million. This favourable position has arisen as a result of higher than anticipated levels of cash being held pending expenditure on capital programme projects, etc.
- 4.11 The average rate of return from investments at the end of Quarter 1 and Quarter 2 is shown in the table below, along with comparative benchmark information from the Arlingclose client base. The return is below the benchmark, reflecting the very low credit risk and low duration of the Council's investment portfolio.

	Lewes District Council	Arlingclose client base
Average rate of investments 30 June 2015	0.46%	0.64%
Average rate of investments 30 September 2015	0.49%	0.66%

5. Counterparty Update

- 5.1 All three credit ratings agencies have reviewed their ratings in the six months to reflect the loss of government support for most financial institutions and the potential for varying loss given defaults as a result of new bail-in regimes in many countries. Despite reductions in government support many institutions have seen upgrades due to an improvement in their underlying strength and an assessment that the level of loss given default is low.
- 5.2 Fitch reviewed the credit ratings of multiple institutions in May. Most UK banks had their support rating revised from 1 (denoting an extremely high probability of support) to 5 (denoting external support cannot be relied upon). This resulted in the downgrade of the long-term ratings of Royal Bank of Scotland (RBS) to BBB+ from A, Deutsche Bank to A from A+, Bank Nederlandse Gemeeten to AA+ from AAA and ING to A from A+. JP Morgan Chase and the Lloyds Banking Group however both received one notch upgrades.
- 5.3 Moody's concluded its review in June and upgraded the long-term ratings of Close Brothers, Standard Chartered Bank, ING Bank, Goldman Sachs International, HSBC, RBS, Coventry Building Society, Leeds Building Society, Nationwide Building Society, Svenska Handelsbanken and Landesbank Hessen-Thuringen.
- 5.4 S&P reviewed UK and German banks in June downgrading Barclays' long-term rating to A- from A, RBS to BBB+ from A- and Deutsche Bank to BBB+ from A. S&P has also revised the outlook of the UK as a whole to negative from stable, citing concerns around a planned referendum on EU membership and its effect on the economy.
- 5.5 At the end of July, the council's treasury advisors Arlingclose advised an extension of recommended durations for unsecured investments in certain UK and European institutions following improvements in the global economic situation and the receding threat of another Eurozone crisis. A similar extension was advised for some non-European banks in September, with the Danish Danske Bank being added as a new

recommended counterparty and certain non-rated UK building societies also being extended.

- 5.6 At 30 September 2015, the following UK institutions met the Council's investment criteria and were potential counterparties:

Bank of Scotland plc	Barclays Bank plc
Close Brothers Ltd	Goldman Sachs International Bank
HSBC Bank plc	Lloyds Bank plc
Santander UK plc	Standard Chartered Bank
Coventry Building Society	Nationwide Building Society

A number of non-UK institutions also met the criteria, although there is very limited opportunity to place deposits with these institutions.

6. Banking Arrangements

Lloyds Bank plc was appointed as the Council's banker in 2014/2015 and accounts have been in operation since 1 September 2014.

7. Internal Borrowing

- 7.1 Following the national reform of housing finance, since 1 April 2012 the Council has adopted a 'two pool' approach to the accounting treatment of loans. Under this approach, interest on any external borrowing in respect of expenditure on General Fund services is to be charged to the General Fund, and interest on any external borrowing in respect of the Council's housing stock (Housing Revenue Account (HRA)) is to be charged to the HRA. At the start of the year, all external borrowing was attributed to the HRA.
- 7.2 Where the HRA or General Fund has surplus cash balances which allow either account to have external borrowing below its level of CFR (internal borrowing), the approved Treasury Strategy explains that the rate charged on this internal borrowing will be based on the rate of interest applicable to a one-year maturity loan from the PWLB at the start of the financial year.
- 7.3 It is expected that an interest payment will be made from the HRA to the General Fund in 2015/2016, but the final amount will not be determined until the close of the year, dependent on the capital programme outturn for the year. The HRA capital programme at 30 September 2015 includes £4.10m in respect of the construction or acquisition of new properties, to be part-funded by borrowing but it is not expected to take new loans from the PWLB or other source. This constitutes internal borrowing by the HRA from the General Fund and an interest charge will be made as outlined above.

8. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2015/2016, which were set in February 2015 as part of the Council's Treasury Management Strategy Statement. Actual borrowing has remained within the Authorised Limit for External Debt (£72.5m) and the Operational Boundary for

External Debt (£67.0m).

9. Reporting and Training

- 9.1 The Director of Finance has reported the details of treasury management activity to each meeting of the Audit and Standards Committee and Cabinet held to date in 2015/2016.
- 9.2 All councillors tasked with treasury management responsibilities, including scrutiny of the treasury management function, were offered the opportunity to attend a local briefing session led by Arlingclose on 12 October 2015.
- 9.3 The training needs of the Council's treasury management staff continue to be reviewed as part of the annual corporate staff appraisal/training needs assessment process for all Council employees. Staff continue to attend Arlingclose workshops, when appropriate to their needs, alongside colleagues from other local authorities during 2015/2016.

10. Investment Consultants

Arlingclose have been retained as the Council's treasury advisor through the period covered by this report, under the terms of a four year contract which runs to 31 August 2016.

Appendix A – Economic Background explained by Arlingclose

As the year began, economic data was largely overshadowed by events in Greece. Markets' attention centered on the never-ending Greek issue stumbled from turmoil to crisis, running the serious risk of a disorderly exit from the Euro. The country's politicians and the representatives of the 'Troika' of its creditors - the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF) - barely saw eye to eye. Greece failed to make a scheduled repayment to the IMF on 30th June, in itself not a default until the IMF's Managing Director declares it so. Prime Minister Tsipras blindsided Greece's creditors by calling a referendum on 5th July on reform proposals which by then were off the table anyway. The European Central Bank froze liquidity assistance provided to Greek banks and capital controls within the country severely restricted individuals' and corporates' access to cash.

On 12th July, following a weekend European Union Summit, it was announced that the terms for a third bailout of Greece had been reached. The deal amounting to €86 billion was agreed under the terms that Greece would see tax increases, pension reforms and privatisations; the very reforms Tsipras had vowed to resist. This U-turn saw a revolt within the ruling Syriza party and on 27th August, Alexis Tsipras resigned from his post as Prime Minister of Greece after just eight months in office by calling a snap election, held on 20th September. This gamble paid off as Tsipras led his party to victory once again, although a coalition with the Independent Greeks was needed for a slim parliamentary majority. That government must now continue with the unenviable task of guiding Greece through the continuing economic crisis - the Greek saga is far from over.

The summer also saw attention shift towards China as the Shanghai composite index (representing China's main stock market), which had risen a staggering 50%+ since the beginning of 2015, dropped by 43% in less than three months with a reported \$3.2 trillion loss to investors, on the back of concerns over growth and after regulators clamped down on margin lending activity in an effort to stop investors borrowing to invest and feeding the stock market bubble. Chinese authorities intensified their intervention in the markets by halting trading in many stocks in an attempt to maintain market confidence. They surprised global markets in August as the People's Bank of China changed the way the yuan is fixed each day against the US dollar and allowed an aggressive devaluation of the currency. This sent jitters through Asian, European and US markets impacting currencies, equities, commodities, oil and metals. On 24th August, Chinese stocks suffered their steepest one-day fall on record, driving down other equity markets around the world and soon becoming known as another 'Black Monday'. Chinese stocks have recovered marginally since and are trading around the same level as the start of the year. Concerns remain about slowing growth and potential deflationary effects.

UK Economy: The economy has remained resilient over the last six months. Although economic growth slowed in Q1 2015 to 0.4%, year/year growth to March 2015 was a relatively healthy 2.7%. Q2 2015 GDP growth bounced back and was confirmed at 0.7%, with year/year growth showing slight signs of slowing, decreasing to 2.4%. GDP has now increased for ten consecutive quarters, breaking a pattern of slow and erratic growth from 2009. The annual rate for consumer price inflation (CPI) briefly turned negative in April, falling to -0.1%, before fluctuating between 0.0% and 0.1% over the next few months. In the August Quarterly Inflation Report, the Bank of England projected that GDP growth will continue around its average rate since 2013. The Bank of England's projections for inflation remained largely unchanged from the May report with them expecting inflation to gradually increase to around 2% over the next 18 months and then remain there in the near future. Further improvement in the labour market saw the ILO unemployment rate for the three months to July fall to 5.5%. In the September report, average earnings excluding bonuses for the three months to July rose 2.9% year/year.

The outcome of the UK general election, largely fought over the parties' approach to dealing with the consequences of the structural deficit and the pace of its removal, saw some very big shifts in the political landscape and put the key issue of the UK's relationship with the EU at the heart of future politics.

Market reaction: Equity markets initially reacted positively to the pickup in the expectations of global economic conditions, but were tempered by the breakdown of creditor negotiations in Greece. China led stock market turmoil around the globe in August, with the FTSE 100 falling by around 8% overnight on 'Black Monday'. Indices have not recovered to their previous levels but some improvement has been seen. Government bond markets were quite volatile with yields rising (i.e. prices falling) initially as the risks of deflation seemingly abated. Thereafter yields fell on the outcome of the UK general election and assisted

by reappraisal of deflationary factors, before rising again. Concerns around China saw bond yields dropping again through August and September. Bond markets were also distorted by the size of the European Central Bank's QE programme, so large that it created illiquidity in the very markets in which it needed to acquire these bonds, notably German government bonds (bunds) where yields were in negative territory.

Outlook for Q3 and Q4 2015/16

Arlingclose's expectation for the first rise in the Bank Rate (base rate) remains the second calendar quarter of 2016. The pace of interest rate rises will be gradual and the extent of rises limited. The appropriate level for Bank Rate for the post-crisis UK economy is likely to be lower than the previous norm. We would suggest this is between 2.0% and 3.0%. There is also sufficient momentum in the US economy for the Federal Reserve to raise interest rates in 2015, although risks of issues from China could possibly push this back.

The weak global environment and resulting low inflation expectations are likely to dampen long term interest rates. We project gilt yields will follow a shallow upward path in the medium term, with continuing concerns about the Eurozone, and other geo-political events, weighing on risk appetite, while inflation expectations remain subdued. The uncertainties surrounding the timing of UK and US interest rate rises, and the Chinese stock market-led turmoil, are likely to prompt short term volatility in gilt yields.

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Average
Official Bank Rate														
Upside risk			0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.32
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75	1.08
Downside risk				-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-0.70

Appendix B – Term deposits made and/or maturing April to September 2015

Loan	Counterparty	Principal	From	To	Rate
220714	Barclays Bank plc	1,000,000	13 Aug 14	13 Aug 15	1.0000%
222514	Telford and Wrekin Council	3,000,000	6 Feb 15	15 Apr 15	0.4000%
222815	Debt Management Office	2,000,000	1 Apr 15	7 Apr 15	0.2500%
222915	Nationwide Building Society	1,000,000	8 Apr 15	8 Jul 15	0.5000%
223015	Debt Management Office	1,000,000	15 Apr 15	20 Apr 15	0.2500%
223115	Debt Management Office	2,000,000	6 May 15	21 May 15	0.2500%
223215	Nationwide Building Society	1,000,000	6 May 15	6 Aug 15	0.5000%
223315	Debt Management Office	2,500,000	7 May 15	8 May 15	0.2500%
223415	Debt Management Office	1,000,000	8 May 15	11 May 15	0.2500%
223515	Debt Management Office	1,000,000	8 May 15	18 May 15	0.2500%
223615	Debt Management Office	1,500,000	15 May 15	19 May 15	0.2500%
223715	Debt Management Office	1,500,000	15 May 15	21 May 15	0.2500%
223815	Debt Management Office	2,500,000	1 Jun 15	8 Jun 15	0.2500%
223915	Debt Management Office	1,000,000	3 Jun 15	9 Jun 15	0.2500%
224015	Debt Management Office	3,000,000	8 Jun 15	22 Jun 15	0.2500%
224115	Debt Management Office	3,000,000	15 Jun 15	22 Jun 15	0.2500%
224215	Debt Management Office	1,000,000	22 Jun 15	25 Jun 15	0.2500%
224315	Debt Management Office	1,750,000	25 Jun 15	2 Jul 15	0.2500%
224415	Plymouth City Council	2,000,000	30 Jun 15	1 Jul 15	0.3500%
224515	Debt Management Office	3,000,000	2 Jul 15	13 Jul 15	0.2500%
224615	Nationwide Building Society	1,000,000	8 Jul 15	8 Oct 15	0.5000%
224715	Debt Management Office	2,000,000	13 Jul 15	20 Jul 15	0.2500%
224815	Debt Management Office	4,000,000	15 Jul 15	21 Jul 15	0.2500%
224915	Debt Management Office	3,000,000	21 Jul 15	27 Jul 15	0.2500%
225015	Debt Management Office	3,000,000	27 Jul 15	7 Aug 15	0.2500%
225115	Coventry Building Society	2,000,000	3 Aug 15	3 Dec 15	0.5000%
225215	Debt Management Office	2,000,000	3 Aug 15	7 Aug 15	0.2500%
225315	Debt Management Office	6,000,000	3 Aug 15	10 Aug 15	0.2500%
225415	Debt Management Office	1,000,000	6 Aug 15	10 Aug 15	0.2500%
225515	Debt Management Office	4,000,000	10 Aug 15	14 Aug 15	0.2500%
225615	Nationwide Building Society	1,000,000	10 Aug 15	10 Feb 16	0.6600%
225715	Debt Management Office	4,000,000	14 Aug 15	17 Aug 15	0.2500%
225815	Debt Management Office	2,000,000	17 Aug 15	19 Aug 15	0.2500%
225915	Debt Management Office	3,000,000	17 Aug 15	24 Aug 15	0.2500%
226015	Debt Management Office	2,500,000	24 Aug 15	28 Aug 15	0.2500%
226115	Debt Management Office	1,500,000	28 Aug 15	7 Sep 15	0.2500%
226215	Debt Management Office	5,000,000	1 Sep 15	11 Sep 15	0.2500%
226315	Thurrock Borough Council	2,000,000	23 Sep 15	11 Feb 16	0.4700%
226415	Debt Management Office	1,000,000	3 Sep 15	11 Sep 15	0.2500%
226515	Debt Management Office	2,000,000	14 Sep 15	23 Sep 15	0.2500%
226615	Debt Management Office	2,500,000	15 Sep 15	21 Sep 15	0.2500%
226715	Newport City Council	3,000,000	23 Sep 15	7 Oct 15	0.4000%

Glossary of Terms

Affordable Borrowing Limit	Each local authority is required by statute to determine and keep under review how much money it can afford to borrow. The Prudential Code (see below) sets out how affordability is to be measured.
Base Rate	The main interest rate in the economy, set by the Bank Of England, upon which other rates are based.
Basis Point	A convenient way of measuring an interest rate (or its movement). It represents 1/100 th of a percentage point, ie 100 basis points make up 1%, and 250 basis points are 2.5%. It is easier to talk about 30 basis points than “point three of one per cent”.
Bonds	Debt instruments issued by government, multinational companies, banks, multilateral development banks and corporates. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is set at the outset.
Capital Expenditure	Spending on the purchase, major repair, or improvement of assets eg buildings and vehicles
Capital Financing Requirement (CFR)	Calculated in accordance with government regulations, the CFR represents the amount of Capital Expenditure that it has incurred over the years and which has not yet been funded from capital receipts, grants or other forms of income. It represents the Council’s underlying need to borrow.
Chartered Institute of Public Finance and Accountancy (CIPFA)	CIPFA is one of the leading professional accountancy bodies in the UK and the only one that specialises in the public services. It is responsible for the education and training of professional accountants and for their regulation through the setting and monitoring of professional standards. CIPFA has responsibility for setting accounting standards for local government.
Counterparty	Organisation with which the Council makes an investment
Credit Default Swaps	CDS are a financial instrument for swapping the risk of debt default and are effectively an insurance premium. Local authorities do not trade in CDS but trends in CDS prices are monitored as an indicator of relative confidence about the credit risk of counterparties.
Credit Rating	A credit rating is an independent assessment of the credit quality of an institution made by an organisation known as a rating agency. The rating agencies take many factors into consideration when forming their view of the likelihood that an institution will default on their obligations, including the institution’s willingness and ability to repay. The ratings awarded typically cover the short term outlook, the long term outlook, as well as an

	assessment of the extent to which the parent company or the state will honour any obligations. The three main agencies providing credit rating services are Fitch Ratings, Moody's and Standard and Poor's.
Fixed Deposits	Loans to institutions which are for a fixed period at a fixed rate of interest
Gilts	These are issued by the UK government in order to finance public expenditure. Gilts are generally issued for set periods and pay a fixed rate of interest. During the life of a gilt it will be traded at price decided in the market.
Housing Revenue Account (HRA)	There is a statutory requirement for local authorities to account separately for expenditure incurred and income received in respect of the dwellings that they own and manage.
Internal Borrowing	The temporary use of surplus cash which would otherwise be invested, as an alternative to borrowing from the PWLB or a bank in order to meet the cost of capital expenditure.
Lenders' Option Borrower's Option (LOBO)	A long term loan with a fixed interest rate. On pre-determined dates (eg every 5 years) the lender can propose or impose a new fixed rate for the remaining term of the loan and the borrower has the 'option' to either accept the new fixed rate or repay the loan.
LIBID	The rate of interest at which first-class banks in London will bid for deposit funds
Minimum Revenue Provision (MRP)	The minimum amount which must be charged to an authority's revenue account each year and set aside as provision for the repayment of debt.
Operational boundary	This is the most likely, prudent view of the level of gross external indebtedness. A temporary breach of the operational boundary is not significant.
Prudential Code/Prudential Indicators	The level of capital expenditure by local authorities is not rationed by central government. Instead the level is set by local authorities, providing it is within the limits of affordability and prudence they set themselves. The Prudential Code sets out the indicators to be used and the factors to be taken into account when setting these limits
Public Works Loan Board (PWLB)	A central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow.
Treasury Management Strategy Statement (TMSS)	Approved each year, this document sets out the strategy that the Council will follow in respect of investments and financing both in the forthcoming financial year and the following two years.

Financial Performance Quarter 2 – Service details

	Qtr 2 Profiled Budget £'000	Qtr 2 actual £'000	Qtr 2 variance £'000
Service Delivery			
Housing and Environment			
: Regulatory Services - Licensing	(100)	(79)	21
: Regulatory Services - Public Health	39	31	(8)
: Regulatory Services - Food Safety	1	2	1
: Regulatory Services - Environmental Protection	13	26	13
: Regulatory Services - Health and Safety	1	0	(1)
: Regulatory Services - Port Health	1	2	1
: Community Safety	5	(20)	(25)
: Emergency Planning	21	21	0
: Homelessness	117	87	(30)
: Housing Strategy, Enabling and Advice	10	6	(4)
: Private Sector Housing Renewal	6	2	(4)
: Salaries, management, admin costs	1,405	1,215	(190)
Sub-total	1,519	1,293	(226)
Planning and Revenues			
: Building Control	(169)	(119)	50
: Coast Protection	13	0	(13)
: Flood Defence	68	72	4
: Development Control	(373)	(501)	(128)
: Street Naming	4	4	0
: Regulatory Services - Environmental Protection	(65)	(65)	0
: Council Tax Support Scheme Mgt	0	0	0
: Local Tax Collection - Council Tax	72	70	(2)
: Local Tax Collection - Business Rates	4	1	(3)
: Housing Benefit Administration	43	27	(16)
: Housing Benefit	(4,733)	(4,732)	1
: Salaries, management, admin costs	1,003	834	(169)
Sub-total	(4,133)	(4,409)	(276)
Customer Service			
: Regulatory Services - Animal and Pest Control	9	1	(8)
: Cemeteries	(7)	(6)	1
: Open Spaces	183	29	(154)
: Sports and Playing Fields	130	122	(8)
: Vehicle Workshop	(56)	51	107
: Internal Corporate Support Unit	77	98	21
: Salaries, management, admin costs	626	603	(24)
Sub-total	962	898	(64)

	Qtr 2 Profiled Budget £'000	Qtr 2 actual £'000	Qtr 2 variance £'000
Waste and Recycling			
: Recycling	412	512	100
: Waste Collection	511	450	(61)
: Street Cleansing	320	297	(23)
: Management and administration	143	112	(31)
: Robinson Road facility	59	51	(8)
Sub-total	1,445	1,422	(23)
Service Delivery Total	(207)	(796)	(589)
Business Strategy and Development			
Business Strategy and Performance			
: Voluntary Sector Support	99	102	3
: Print Plus service	(13)	13	26
: Salaries, management, admin costs	224	211	(13)
Sub-total	310	326	16
Regeneration and Investment			
: Tourism	76	98	22
: Culture and Heritage: Arts Development	(2)	0	2
: Economic Development	239	71	(168)
: Newhaven Enterprise Centre	(66)	(53)	13
: Salaries, management, admin costs	144	115	(29)
Sub-total	391	231	(160)
Strategic Policy			
: Planning Policy	25	(5)	(30)
: Planning Policy - Conservation	0	0	0
: Salaries, management, admin costs	220	194	(26)
Sub-total	245	189	(56)
Business Strategy and Development total	946	746	(200)
Corporate Services			
Property and Facilities			
: Investment Properties	(67)	(99)	(32)
: Industrial Estates	(332)	(343)	(11)
: Property Portfolio/Regeneration	52	82	30
: Public Conveniences	124	116	(8)
: Culture and Heritage - Newhaven Fort	58	71	13
: Indoor Leisure - Wave	308	280	(28)

	Qtr 2 Profiled Budget £'000	Qtr 2 actual £'000	Qtr 2 variance £'000
: Car Parking	(106)	(120)	(14)
: Office Accommodation	312	277	(35)
: Salaries, management, admin costs	160	178	18
Sub-total	509	442	(67)
Legal Services	225	267	42
Democratic Services			
: Democratic Representation	147	123	(24)
: Electoral Registration	56	26	(30)
: Elections - LDC	79	99	20
: Elections - other	0	12	12
: Local Land Charges	(11)	(73)	(62)
: Salaries, management, admin costs	156	157	1
Sub-total	427	344	(83)
Human Resources			
: Recruitment and Training	59	34	(25)
: HR service	179	180	1
Sub-total	238	214	(24)
Information Technology	720	812	92
Finance			
: Treasury Management	21	17	(4)
: Salaries, management, admin costs	370	327	(43)
Sub-total	391	344	(47)
Audit, Fraud and Procurement	134	136	2
Corporate Services Total	2,644	2,558	(86)
Corporate Strategy and Programmes			
: Corporate Management	117	172	55
: Organisational Development	0	46	46
: Salaries, management, admin costs	302	332	30
Corporate Strategy and Programmes total	419	550	131
Financing, interest, grants, etc			
Contributions to the HRA re shared items	0	0	0
Interest payments and receipts	(39)	(42)	(3)

	Qtr 2 Profiled Budget £'000	Qtr 2 actual £'000	Qtr 2 variance £'000
Town and Parish Council grant	118	119	1
Contributions to/from Reserves	0	0	0
Service Priority budget and savings target	(141)	0	141
Pensions accounting	42	76	34
Provision for Debt Repayment	0	0	0
Government Grants	(1,830)	(1,835)	(5)
Council Tax	0	0	0
Retained Business Rates	0	0	0
Use of Balance	0	0	0
Total	(1,850)	(1,682)	168
Central Support Service recharges	(59)	(76)	(17)
Housing Revenue Account			
Rent income	(7,733)	(7,739)	(6)
Charges for Services	(82)	(149)	(67)
Contributions towards expenditure	(21)	(21)	0
Community Amenities Contribution	0	0	0
Supervision and Management	151	97	(54)
Special Services	523	443	(80)
Repairs and Maintenance	1,607	1,618	11
Rents, rates, etc	133	135	2
Provision for irrecoverable debts	0	0	0
Capital accounting	0	0	0
Interest payments and receipts	864	849	(15)
Depreciation	0	0	0
Capital Programme funding	0	0	0
Transfer to/from HRA Balance	0	0	0
Total HRA	(4,558)	(4,767)	(209)
TOTAL	(2,665)	(3,467)	(802)

THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Approved Variations	Variations to approve	Programme 2015/16	end Quarter 2 2015/16 spend	Remaining allocation	Comment
		£	£	£	£		£	
1	HRA HOUSING INVESTMENT CAPITAL PROGRAMME							
2	Construction of New Dwellings							
3	- Balcombe Road, Peacehaven	759,830			759,830	700	759,130	
4	- Grassmere Court, Telscombe Cliffs	506,550			506,550	455	506,095	
5	- Headland Way, Peacehaven	506,550			506,550	455	506,095	
6	- Hythe Crescent, Seaford	235,340			235,340	245	235,095	Schemes on former garage sites at design stage
7	- Rectory Close, Newhaven	1,013,110			1,013,110	945	1,012,165	
8	- Valley Road, Newhaven	506,550			506,550	455	506,095	
9	- Waldshut Road, Lewes	289,160			289,160	245	288,915	
10	- Robinson Road - Project Development		280,000		280,000	103,946	176,054	At design stage
11	Improvements to Stock							
12	- Kitchen & Bathroom Renewals	600,000	26,577		626,577	179,824	446,753	
13	- Heating Improvement Programme	1,000,000			1,000,000	216,815	783,185	
14	- Electric Heating Sustainable Replacement	1,200,000			1,200,000	609,980	590,020	
15	- Window & Door Replacement Programme	600,000	7,685		607,685	338,465	269,220	
16	- Rewiring Programme	100,000			100,000	6,545	93,455	
17	- Roofing & Chimney Works	650,000			650,000	29,142	620,858	
18	- Structural Works	105,000	17,528		122,528	89,994	32,534	Annual programmes
19	- Minor Insulation & Other Sundry Housing Works	70,000	2,673		72,673	10,966	61,707	
20	- Fire Precaution Works	300,000			300,000	29,626	270,374	
21	Adaptations for Disabled Tenants	350,000			350,000	165,951	184,049	
22	Environmental Improvements	120,000			120,000	38,466	81,534	
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	57,784		107,784	45,125	62,659	
26	Right to Buy Buy Back Scheme	185,000			185,000	44,750	140,250	Demand led
27	Total HRA Housing	9,347,090	392,247		9,739,337	1,913,095	7,826,242	
28	GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME							
29	- Emergency Repair Grants	15,000			15,000	14,979	21	
30	- Empty Homes Initiative		5,920		5,920	120	5,800	
31	- Energy Efficiency Advice		12,466		12,466		12,466	
32	- Fuel Poverty Grants		3,505		3,505		3,505	
33	- Keep Warm in Winter	60,000	40,759		100,759	68,064	32,695	
34	- Mandatory Disabled Facilities Grants	600,000	252,418		852,418	91,239	761,179	
35	- Home Trust Loans	60,000	70,339		130,339	5,700	124,639	
36	Total General Fund Housing	735,000	385,407		1,120,407	180,102	940,305	
37	Total Housing Capital Programme	10,082,090	777,654		10,859,744	2,093,197	8,766,547	

THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Approved Variations	Variations to approve	Programme 2015/16	end Quarter 2 2015/16 spend	Remaining allocation	Comment
		£	£	£	£		£	
38	GENERAL FUND CAPITAL PROGRAMME							
39	WAVE Leisure Trust							
40	Environmental Improvements		9,800		9,800		9,800	
41	Lewes Leisure Centre - Roof Replacement		88,000		88,000		88,000	
42	WAVE Energy Saving Initiatives		39,607		39,607	33,006	6,601	
43	Recreation Services							
44	Lewes - Convent Field Play Area & Landscaping		2,197		2,197		2,197	
45	Lewes - Southover Grange Maintenance Programme		46,750		46,750	3,835	42,915	
46	Lewes - Stanley Turner Recreation Ground Improvements		103,097		103,097	2,000	101,097	
47	Lewes - Streamside Fencing, Southover Grange Gardens		18,000		18,000	18,000		
48	Newhaven - Harbour Heights Play Area		39,000		39,000		39,000	
49	Peacehaven - Sports Pavilion, Pitches & Parking		489,971		489,971	128,561	361,410	
50	Newick - New Play Area		44,650		44,650	41,344	3,306	
51	Seaford - Walmer Road Play Area Equipment		9,385		9,385		9,385	
52	Seaford - Downs Play Area Equipment & Landscaping		5,362		5,362	5,945	-583	
53	Flint Walls Repair		25,000		25,000	6,841	18,159	
54	Planning & Economic Development							
55	Flood Protection Schemes at Landport & Malling Deanery		4,870		4,870		4,870	
56	Coastal Defence Works							
57	Option Study Unit 13B - Groynes 18 & 19)		8,711		8,711	8,843	-132	
58	Newhaven Western Arm to Brighton Marina Scoping Study		10,069		10,069		10,069	
59	Newhaven Western Arm to Brighton Marina Implementation Plan		34,319		34,319		34,319	
60	Electric Vehicle Charge Points		1,822,000	(922,000)	900,000	248,970	651,030	First installations in Qtr2
61	Newhaven Fort Refurbishment	50,000			50,000	2,403	47,598	
62	Disability Discrimination Act Works		3,850		3,850		3,850	
63	University Technical College Contribution		361,755		361,755		361,755	
64	Newhaven Growth Quarter Project		2,378,681		2,378,681	748,837	1,629,844	
65	Construction of Avis Way Depot, Newhaven		3,500,000		3,500,000		3,500,000	
66	Photovoltaic Panel Housing Installation Programme	2,700,000			2,700,000	327,128	2,372,872	First installations in Qtr2
67	Corporate Services							
68	Computer & IT Replacement Programme	50,000	15,648		65,648	57,017	8,631	
69	Lewes House Site - Redevelopment Project		6,800		6,800	6,012	788	
70	New Service Delivery Model Technology	1,300,000			1,300,000		1,300,000	Available for EBC Service Integration
71	Agile Working - Newhaven Shared Facility		685,995		685,995	23,425	662,570	
72	Corporate Buildings Capital Works							
73	Asset Backlog Repairs	150,000	(45,000)		105,000		105,000	
74	Lewes House External Works		57,120		57,120	277	56,843	

THE CAPITAL PROGRAMME 2015/2016

Line No		Programme 2015/16	Approved Variations	Variations to approve	Programme 2015/16	end Quarter 2 2015/16 spend	Remaining allocation	Comment
		£	£	£	£		£	
75	Southover Grange Depot (Structural Works)		20,000		20,000	9,123	10,877	
76	Stanley Turner Pavilion (Water/ Heating System Renewal)		40,000		40,000		40,000	
77	Seaford Cemetery Chapel	20,000	45,000		65,000		65,000	
78	Southover House Replacement Boiler		1,900		1,900	1,613	287	
79	Vehicle & Plant Replacement Programme	1,334,000			1,334,000	2,210	1,331,790	
80	Food Waste Collection		177,112		177,112		177,112	
81	Total General Fund Capital Programme	5,604,000	10,049,649	(922,000)	14,731,649	1,675,391	13,056,258	
82	TOTAL OVERALL CAPITAL PROGRAMME	15,686,090	10,827,303	(922,000)	25,591,393	3,768,588	21,822,805	
83	CAPITAL PROGRAMME FUNDING							
84	Borrowing				9,388,085			
85	Capital Receipts				2,320,052			
86	Grants				3,358,969			
87	Reserves				8,623,024			
88	Capital Expenditure Financed from Revenue (General Fund)				24,107			
89	Capital Expenditure Financed from Revenue (Housing)				1,120,000			
90	Contributions - Planning (Section 106) Agreements				560,396			
91	Other External Contributions				196,760			
92	TOTAL CAPITAL PROGRAMME				25,591,393			

Agenda Item No: 9.2 **Report No:** 149/15
Report Title: Portfolio Progress and Performance Report
Quarter 2 (July – September 2015)
Report To: Cabinet **Date:** 23 November 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 / 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 second quarter of the year (July to September 2015 – Q2).

Officers' Recommendation(s):

1. That progress and performance for the Quarter 2 period (July to September 2015) be considered and;
 2. To receive a verbal update and consider any specific recommendations arising from the Scrutiny Committee held on 19th November 2015 (any such recommendations to be tabled at the meeting) and decide whether each recommendation is agreed.
-

Reasons for Recommendations

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






Background

2. 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.
3. This report sets out the Council's performance against its targets and projects for the second quarter of 2015/16 (the period running from 1st July to 30th September 2015).

4. 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 Second Quarter of 2015/16

5. 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, although these may be subject to review.
6. 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'
-  = Project has changed or been discontinued.

Portfolio Progress and Performance – Quarter 2 – 2015/16

7. In summary, the following is worth noting:
 - 83% of the Council's key projects were either complete or on track at the end of the first quarter.
 - 81% 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 2, 297 complaints were received and responded to, and 19 compliments were made by customers about council services.
 - 63% of residents who responded to the Residents' Survey over the summer said they were satisfied with how the Council runs things. This compares to 45% when the survey was last undertaken in 2008.

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

8. 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 2:

9. Newhaven Growth Quarter – The new café facility and central hub for all users of Denton Island have been completed and handed over to Sussex Downs College.
10. The University Technical College opened to its first cohort (110 students) on 7th September. The college specialises in science, technology, maths and computing.

Finance and Resources

Project highlights for Quarter 2:

11. Lewes District and Eastbourne Borough Councils have announced their intention to work in close partnership to integrate further services and staff, building on the success of earlier shared services initiatives.

The following notable performance was achieved in Quarter 2:

12. Performance has picked up in Quarter 2 and is now above target.

Housing

Project highlights for Quarter 2:

13. The updated Tenancy Agreement has now been successfully introduced.
14. Public engagement in the New Homes Project was expanded through further leafleting, press releases and publicised drop-in sessions. Meeting with a number of community groups also took place during the period. Feedback and further information has been provided on the Council's website.

The following notable performance was achieved in Quarter 2:

15. Performance has significantly improved compared to the same period last year when it was taking 26 days to process new claims.
16. There has been an improvement in rent collection in Quarter 2 and performance is above target.
17. There has been a reduction in the number of households presenting as homeless during Quarter 2. More temporary accommodation has also become available as opportunities to move some households into permanent housing have been taken.
18. Satisfaction with the Council's repairs service amongst tenants remains very high and has improved in Quarter 2.

Environment

Project highlight for Quarter 2:

19. The green waste trial in Seaford has seen over 30 tonnes of garden waste collected in its first 3 months of operation.
20. 230 photovoltaic panels have been fitted to Council homes across the District. These panels are expected to reduce energy bills by around 40% for those tenants.

The following notable performance was achieved in Quarter 2:

21. As a result of closer monitoring and better focus of resources then there has been significant improvement in performance in Q2. This will continue to be closely monitored.

Planning

The following notable performance was achieved in Quarter 2:

22. The statutory timescale for determination of major planning applications is 13 weeks. During Quarter 2 the Council's performance was well above target at 82%, a significant improvement over the previous quarter.
23. Performance on appeals has improved in Quarter 2. There were 6 planning appeals decided during the Quarter 2 period, of which 1 was allowed.


People and Performance

Project highlight for Quarter 2:

24. The first Residents' Survey since 2008 was carried out. The results are being analysed and will help to inform the Council Plan (2016 to 2020). 63% of residents were satisfied with how the Council runs things compared to 45% in 2008.

The following notable performance was achieved in Quarter 2:

25. There were 71,552 calls to the switchboard during the Quarter 2 period, a notable increase on the previous quarter. In spite of the increased volume of calls, the speed of answering calls has improved.


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

26. 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 4 performance areas which fell into this category in Quarter 2. Information about management action to address underperformance is set out in the appendix to this report. The 4 areas are:

- Urgent Council house repairs dealt with in target time
- Kilograms of household waste collected
- Proportion of missed refuse/recycling bins

- Days lost due to staff sickness

27. There are 3 projects where actions have taken longer than the originally agreed timescales. Information about the reasons for this, along with the management action taken where necessary, is set out within Appendix A.

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

28. Where service performance falls significantly below target levels, or a project becomes seriously off-schedule, the performance management system highlights this to managers straight away. High priority is then given to addressing these issues. There were only 4 such areas at the end of Quarter 2. The management actions to address these are set out below:
29. **Invoices paid on time** - 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. The Finance Team is working with relevant officers to identify and eliminate those factors which can lead to delay in payment, such as monitoring emails when members of staff are absent from work. By the time of the Cabinet meeting, 30 members of staff will have attended in-house refresher training on the steps needed to authorise payments and make best use of the Council's financial management software system. This training stresses the importance of prioritising the payment of invoices, to ensure targets are met. A review of existing invoice payment processes is being carried out as part of the existing corporate shared services project which is already underway with Eastbourne Borough Council.
30. **Time taken to re-let Council homes** - In addition to the management action described in the previous report, existing staff resources have been re-deployed to focus on addressing re-let turnaround times.
31. **Household waste recycling** - Management action to deliver improvements in recycling performance is being taken forward through the new waste strategy which aims to move the Council towards the EU target of at least 50% recycling household waste by 2020. The green waste trial has been successfully launched in Seaford and has seen around 30 tonnes of garden waste collected in its first 3 months of operation. A project manager to oversee the implementation of the waste strategy is currently being recruited.
32. **Net additional homes provided in the District** - 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 dependent on developers deciding to invest and implement planning permissions that have been granted. Officers regularly contact developers to investigate the status of sites and offer advice and support to help bring forward development. As at the end of September there were 278 units under construction, 73 of which are expected to be completed in Quarter 3. A further 50 are expected to be completed by the end of the financial year.

Financial Appraisal

33. 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

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

Risk Management Implications

35. **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

36. 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 2)

PORTFOLIO PROGRESS AND PERFORMANCE – QUARTER 2 (July to September 2015)

Key to Symbols



- Project is complete; Performance is at or above target



- Project is on track or yet to commence



- 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.








- Project scope has changed/project has been discontinued.

GROWTH AND PROSPERITY

Portfolio: Regeneration, Enterprise and Partnerships

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Newhaven Growth Quarter	April 2016		Construction work is within budget and progressing well. Sussex Downs College element now completed and handed over, with Sussex Community Development Association (SCDA) rear extension also complete and work commencing on front, with a target completion date of February 2016. Newhaven Enterprise Centre (NEC) is expected to be weatherproof by Christmas and to be completed on time at the start of April 2016.
Newhaven Enterprise Zone	March 2018		Bid submitted via Coast to Capital (C2C) LEP. Newhaven is First Preference, ahead of competing submissions. No decision expected until closer to Chancellor's Autumn Statement in November 2015.
Tourism Strategy	March 2018		The Tourism Strategy is being implemented. Artwave 2015 was the most successful to date, with over 300 artists and makers, and more than 100 open houses, studios and other venues attracting thousands of visitors. New visitor information points have now been installed in 4 locations, and a proposal is being developed with South Downs National Park Authority for a Destination Management Partnership.
Support for Business	March 2019		European Regional Development Fund outline bid for business support services submitted by Prevista (leading a bid with all Coast to Capital LEP authorities). LDC has identified match funding of approx £100k from already committed resources to support project. Detailed submission will be worked up over next 3-4 months, subject to outcome of outline bid.
Lewes Business Awards	March 2016		The Lewes Business Awards process is now completed for 2015. The event involved 150 people and saw 30 businesses selected as finalists.






Project / Initiative	Target Completion	Current Status	Update
North Street Quarter	2021		Determination of the application is expected to be in December 2015. Joint Venture discussions continue and a report is due to be considered by Cabinet in January 2016. Locate East Sussex has been commissioned to provide advice and support for current businesses located within the North Street Quarter.
UTC@harbourside	Sept 2015		The college opened in September as planned. The LDC project in support of the UTC is now completed.
Refreshed Regeneration Strategy	March 2016		The Regeneration Strategy will be refreshed in line with the new Council Plan, expected to be adopted in March 2016.
Newhaven Flood Alleviation Scheme	March 2016		This is primarily an Environment Agency project. The site surveys have now been completed and the detailed design is under development. It is anticipated that a planning application be submitted in autumn 2015, with the construction contract then being awarded in spring 2016 and construction commencing in autumn 2016.
Event Management Plan	Feb 2016		An events calendar is being developed and will be published on the website once finalised. The first event in the diary is a Christmas event in Lewes (Enchanted Park).
Seaford Iconic Leisure	March 2019		The Council is working to support Seaford Town Council on this project, the next step of which would involve soft market testing in Autumn 2015.

VALUE FOR MONEY SERVICES





Portfolio: Finance and Resources

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		Cabinets of Lewes District Council (24.09.15) and Eastbourne Borough Council (21.10.15) agreed to a strategy of integration of staff and services, whilst retaining local democratic accountability - the elected councils will remain separate and set their own priorities. A detailed business case and an implementation plan are currently being drawn up.
New Service Delivery Model (Phase 1)	September 2015		The project has been amalgamated into the shared services strategy with Eastbourne Borough Council as agreed by Cabinet on 24 th September 2015.
New Service Delivery Model (Phase 2)	September 2018		The project has been amalgamated into the shared services strategy with Eastbourne Borough Council as agreed by Cabinet on 24 th September 2015. This will incorporate work streams to simplify business processes and implement better technology.
Newhaven Shared Facility	November 2015		Construction work is progressing well and the new facility is expected to be completed by the end of November 2015.
Devolution (Parks and Open Spaces)	March 2016		Agreement has been reached for sites in Lewes and Ringmer and discussions have started with Newhaven Town Council. Due to the volume of sites that need to be transferred, their specific characteristics and the need to phase in the changes for the Town and Parish Councils, the project will require utilisation of the additional 12 months contingency as referred to in the report to the Devolution Committee on 9 th December 2014. The Devolution Committee noted the revised target completion date of March 2017.



Key Performance Indicators

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
Percentage of overpayments recovered	70%	68%	71%		Performance has picked up in Quarter 2 and is now above target.
Percentage of invoices paid on time	98%	93%	90%		Out of 4,463 payments made during Quarter 2, 463 (around 10%) were late. See Performance Improvement Plan below.
Performance Improvement Plan	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. The Finance Team is working with relevant officers to identify and eliminate those factors which can lead to delay in payment, such as monitoring emails when members of staff are absent from work. By the time of the Cabinet meeting, 30 members of staff will have attended in-house refresher training on the steps needed to authorise payments and make best use of the Council's financial management software system. This training stresses the importance of prioritising the payment of invoices, to ensure targets are met. A review of existing invoice payment processes is being carried out as part of the existing corporate shared services project which is already underway with Eastbourne Borough Council.				
Percentage of Council Tax collected during the year (cumulative)	98.4%	30.3%	28.3%		The Council Tax collection rate is in line with the same period last year (28.4%) and is at 58.6% overall for the year. This is at the level expected at this point in the year.
Percentage of Business Rates collected during the year (cumulative)	98.5%	33.2%	24.7%		Business Rate collection has dropped slightly compared to the same period last year (25.3%) and is at 57.2% overall for the year. This is at the level expected at this point in the year.





DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE





Portfolio: Housing

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 Q2 an architect was appointed to draw up designs and lead the planning application process. All initial floors plans have been produced and site surveys of all 7 schemes have been carried out. Interested parties and ward councillors have been informed of the proposals.
New Homes Project	March 2019		A public engagement process is underway. Leaflets explaining the schemes have been distributed to residents living in the locality and a second round of public engagement activities will be held in November 2015.
Tenancy Agreement	September 2015		Completed. The updated Agreement is now being implemented.

Key Performance Indicators




KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
The number of days taken to process new housing benefit/ Council tax benefit claims	20 days	16 days	7 days		Performance has significantly improved compared to the same period last year when it was taking 26 days to process new claims.
Percentage of rents collected during the year (cumulative)	95%	93%	97%		There has been an improvement in rent collection in Quarter 2 and performance is above target.
Total number of days that families need to stay in temporary accommodation (B&B)	18 days	0 days	0 days		No families have needed to be placed in bed and breakfast accommodation during Quarter 2.
Total number of households living in bed and	50 or fewer	66	41		There has been a reduction in the number of households

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
breakfast/ emergency accommodation					presenting as homeless during Quarter 2. More temporary accommodation has also become available as opportunities to move some households into permanent housing have been taken.
Average number of days to re-let Council homes (excluding temporary lets)	26 days	30 days	30 days		There were 42 relets during Quarter 2. Of these, only 4 were completed within 26 days. A further 4 properties were sheltered bedsits for which there is less demand, making them harder to let. 10 properties required major works during the period which has also had an impact on overall performance.
Performance Improvement Plan	In addition to the management action described in the previous report, existing staff resources have been re-deployed to focus on addressing re-let turnaround times.				
Overall tenants satisfaction	88.5%	93%	89%		The survey is carried out by a specialist research company on a quarterly basis. Although there has been a slight drop in satisfaction in Quarter 2, levels of satisfaction with the Council's services overall remain high.
Percentage of urgent repairs carried out within Government time limits	98%	99%	95%		The Government standard is for urgent repairs to be carried out within 5 working days. Although below target for Quarter 2, performance remains high. All reports where tenants are less than satisfied are investigated and appropriate follow up action taken. Tenants' satisfaction is discussed with contractors on a monthly basis as part of normal contract monitoring arrangements.
Percentage of repairs noted as good or satisfactory by tenants	98%	97%	98%		Satisfaction with the repairs service remains very high and has improved slightly in Quarter 2.



CLEAN AND GREEN DISTRICT




Portfolio: Environment

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Waste Review (Weekly Recycling and food waste, fortnightly refuse collection)	March 2018		The trial green waste collection scheme commenced in Seaford in August 2015. Over 320 residents signed up and the trial has seen around 30 tonnes of garden waste collected in its first 3 months of operation. All of the waste will be recycled by Tamar Organics in Newhaven.
Photovoltaic Panels	March 2016		Installation of photovoltaic panels began in Quarter 1 and is progressing well, with 230 fitted so far. The FIT tariff is due to end from January 2016 and work continues to install as many panels as possible ahead of this time.
Flood Defences (Coastal)	March 2016		The first draft of the Coastal Implementation Plan was completed in September and presented to key stakeholders for their feedback. Revisions are currently underway and a report is expected to come to Cabinet in January 2016. Application for the release of Environment Agency funding of more than £20,000 for monitoring coastal erosion to be made in Quarter 3.

Key Performance Indicators



KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
KG of household waste collected per household (cumulative)	500Kg or less	142Kg	143Kg		Based on the data for the first two quarters of the year, the projection is that household waste levels will likely exceed the target for 2015/16. The Council's adopted Waste Strategy is now in place to address waste and recycling services in the future.
Percentage of abandoned vehicles removed within 24 hours	90%	100%	92%		During the Q2 period, there were 127 vehicles reported as abandoned. Only 6 were found to be abandoned. All of these were removed by our contractors within 48 hours.

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
The average number of days taken to remove reported fly-tips	Less than 2 days	2.2 days	1.8 days		As a result of closer monitoring and better focus of resources then there has been significant improvement in performance in Q2. This will continue to be closely monitored.
Percentage of household waste sent for reuse, recycling and composting	30%	27%	26%		Although below the Council's challenging target, performance continues to be actively monitored.
Performance Improvement Plan	Management action to deliver improvements in recycling performance is being taken forward through the new waste strategy which aims to move the Council towards the EU target of at least 50% recycling household waste by 2020. The green waste trial has been successfully launched in Seaford and has seen around 30 tonnes of garden waste collected in its first 3 months of operation. A project manager to oversee the implementation of the waste strategy is currently being recruited.				
Percentage of refuse bins/recycling boxes collected on time	99.9%	99.9%	99.7%		Although fractionally below target, performance remains high and is within an acceptable variance. Further explanation to follow. Out of nearly 572,000 collections during Quarter 2, only 712 bins were missed.





DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE

Portfolio: Planning

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Adoption of the Core Strategy	February 2016		The public consultation on Schedules of Proposed Modifications to the Submission Joint Core Strategy was completed on 2.10.15. The representations will now be considered by the Inspector, and the examination hearing is expected to resume in December 2015.
Neighbourhood Plans Target: to deliver at least 3 Neighbourhood Plans by 2017	March 2017		Good progress continues to be made. A referendum on the Ringmer Neighbourhood Plan will be held on 12.11.15, and a public consultation on the Hamsey Neighbourhood Plan will take place between 29.09.15 and 10.11.15. As reported in Quarter 1, the Newick Neighbourhood Plan has now been adopted.

Key Performance Indicators







KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
Percentage of major planning applications determined within 13 weeks (LDC only)	68%	75%	82%		During Quarter 2 the Council's performance was well above target at 82%, a significant improvement over the previous quarter. There were 9 major planning applications determined during Quarter 2 compared to 10 during the same period last year. The statutory timescale for determination of major planning applications is 13 weeks.
Percentage of minor planning applications determined within 8 weeks (LDC/SDNP combined)	73%	91%	84%		There were 61 minor planning applications determined during Quarter 2 compared to 73 during the same period last year.
Percentage of planning appeals allowed (LDC/ only)	Less than 33%	25%	17%		Performance on appeals has improved in Quarter 2. There were 6 planning appeals decided during the Quarter 2 period, of which 1 was allowed.
Net additional homes provided in the District (cumulative)	227	10	16		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

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
					housing completions on large sites (ie delivering 5 or more units) and does not include smaller sites which are included at the end of the financial year.
Performance Improvement Plan	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. Officers regularly contact developers to investigate the status of sites and offer advice and support to help bring forward development. As at the end of September there were 278 units under construction, 73 of which are expected to be completed in Quarter 3. A further 50 are expected to be completed by the end of the financial year.				



WORKING TOGETHER BETTER

Portfolio: People and Performance

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Dementia Friends	March 2017		This two year project is underway with a series of staff awareness events having taken place. Training for councillors is scheduled to take place in October. Four members of staff have come forward for Dementia Friends Champion training. One of these has been trained. Work to scope the wider Dementia Friendly District aspect of the project is also underway.
Workforce Planning	March 2016		The HR team are continuing to consider correspondence of policies and procedures and identify opportunities for alignment between Eastbourne and Lewes District Council.
Workforce Equality Profile	September 2015		Relevant workforce data has been collated. Work is due to be completed in November and published on the website in December 2015.
Equal Pay Audit	September 2015		Employment Committee is expected to consider this report in December 2015. The results will then be published on the website.
Records Management	December 2015		Alignment of policies and procedures with Eastbourne Borough Council is underway, to support the new strategy of integration of services and staff adopted by the Cabinets of Lewes District Council (24.09.15) and Eastbourne Borough Council (21.10.15).
Resident/Customer Engagement	November 2015		The Residents' Survey was completed in Q2 and has provided useful data regarding how residents prefer to be engaged with. This data is being used to inform development of an Engagement Strategy which will be completed in November 2015, ahead of consideration by Cabinet in February 2016.

Key Performance Indicators

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
Average working days lost to sickness per FTE equivalent staff (cumulative)	9.0 days	2.51 days	2.98 days		Sickness absence for Q2 has increased from Q1 and has also increased from the same quarter last year. This can in part be attributed to a number of long term absence cases, particularly in the areas of Housing and Waste Services. Overall, long term sickness represented 67% of the total absence figure in Q2. In Waste Services specifically, 75% of absence in Q2 relates to long term cases, the majority of which were down to musculoskeletal issues, and all of which are being managed through the Sickness Procedure. By removing Waste Services absence, the overall LDC figure for Q2 reduces to 2.18 which is a figure that is more in line with neighbouring authorities who don't have an in house waste service, and also with national public sector absence rates which averaged 1.98 days per quarter in 2014.
Total number of customer feedback received; a) complaints; b) compliments	Data Only	a) 306 b) 6	a) 297 b) 19	Data Only	There has been a small drop in complaints and an increase in compliments during Quarter 2. Data is based on complaints/compliments made to the Customer Services Hub. [NB - The number of compliments reported in Quarter 1 was incorrectly stated in the last report and has now been corrected.]
Average time taken to answer telephone calls	30 seconds	25 seconds	19 seconds		There were 71,552 calls to the switchboard during the Quarter 2 period, a notable increase on the previous quarter. In spite of the increased volume of calls, the speed of answering calls has improved.
Overall satisfaction with how the Council runs things	Baseline	-	63%	Data Only	The last Residents' Survey was carried out in 2008. Although no specific target has been set, there has been a marked improvement in satisfaction since 2008 when the result was 45%. The wider results of the survey will be used to inform the priorities in the Council Plan which will be reported to Cabinet and Council early next year.

KPI Description	2015-16 Target	Q1 Apr-June	Q2 July-Sept	Current Status	Explanatory Note
Number of people receiving Dementia Awareness training	150 by 2017	40	0	Data Only	Dementia Awareness training has been focussed on frontline staff to date. It is hoped to cover around 20 people each quarter and a good start was made in Quarter 1 which has kept the Council on track. Staff sickness/changes have had an impact during Quarter 2. Training for waste and recycling staff did not take place as planned due to time and operational constraints. Further training for staff and councillors will take place in Quarter 3.

Agenda Item No: 9.3 **Report No:** 150/15
Report Title: Response to the South Downs Local Plan: Preferred Options Consultation
Report To: Cabinet **Date:** 23 November 2015
Cabinet Member: Cllr Tom Jones
Ward(s) Affected: All wards within the South Downs National Park
Report By: Nazeya Hussain, Director of Business Strategy and Development
Contact Officer(s)-
Name(s): Robert King
Post Title(s): Senior Strategic Policy Officer
E-mail(s): robert.king@lewes.gov.uk
Tel No(s): 01273 484417

Purpose of Report: To consider the South Downs Local Plan Preferred Options document published by the National Park Authority and endorse the Council's draft comments previously submitted in order to meet the consultation deadline of 28 October 2015

Officers Recommendation:

- 1 To endorse the comments at Section 4 of this report as the Council's response to the South Downs Local Plan: Preferred Options consultation.

Reasons for Recommendation

- 1 To ensure that the next version of the South Downs Local Plan is informed by the Council's views prior to its submission to the Secretary of State for independent examination.

Information

2 Introduction

- 2.1 The South Downs Local Plan (SDLP) sets out the planning policies that will guide development in the National Park over the period to 2032. The SDLP covers the whole of the designated national park area, including more than half of Lewes district and the town of Lewes itself (see map in Appendix A). On adoption, its policies will replace the 'saved' policies of the adopted Lewes District Local Plan 2003 and all the policies of the

Lewes District Joint Core Strategy that are currently being applied in that part of the district located within the National Park.

2.2 The SDLP Preferred Options document builds upon the framework of the *South Downs National Park Partnership Management Plan* (PMP) adopted in 2013 and the SDLP *Issues and Options* document published for consultation last year. All the comments received will be taken into account by the National Park Authority (SDNPA) in formulating the next version of the Local Plan that will be submitted to the Secretary of State for examination. This 'publication' version of the plan will be subject to a further round of public consultation prior to the examination in public, anticipated in early 2017.

2.3 The SDLP Preferred Options document can be viewed at www.southdowns.gov.uk/localplanconsultation and a hard copy is available for inspection at Southover House, via the report contact officer. A public drop-in session was held in Lewes Town Hall on 8 September.

3 Structure and Content of the Preferred Options Document

3.1 The Preferred Options document sets out a vision for the National Park (taken from the adopted PMP), followed by a set of objectives and planning policies that will help to achieve that vision. The planning policies are grouped in the document as follows:

- *Core policies* that provide the overarching framework for assessing all development proposal in the National Park
- *Strategic policies* that are considered fundamental to achieving the overall vision
- *Strategic site allocations*, which include the North Street Quarter and adjacent Eastgate area in Lewes
- *Housing site allocations*, which include land at Old Malling Farm, Lewes, and land at Normansal Park Avenue, Seaford
- *Development management policies* that are intended to provide the detailed policy framework for assessing planning applications

The wording of the policies referred to in this report can be found in Appendix B.

3.2 Strategic Policies SD22 and SD23 identify towns and villages which are able to accommodate growth and which will have defined 'settlement boundaries'. In Lewes, these settlements are Ditchling (15 dwellings), Kingston (11 dwellings), Lewes town (835 dwellings), and Rodmell (11 dwellings). These proposed levels of housing growth are in addition to extant planning permissions and windfall development.

3.3 The SDNPA states that all these policies have been developed having regard to the requirement to consider landscape first, in accordance

with the purposes and duty of all the national parks. They are supported by a range of evidence documents, including a Strategic Housing Land Availability Assessment (SHLAA), Infrastructure Delivery Plan (IDP), Sustainability Appraisal and Duty to Cooperate Statement.

4 Response to the National Park Authority

4.1 The Council welcomes the publication of the SDLP Preferred Options document and supports the majority of the aspirations and policies contained within it. We consider that the key issues have been correctly identified within the document and that the draft policies generally reflect the twin purposes of the national parks and the social and economic duty of the Park Authority. We are also of the view that the general approach to planning for growth, in the part of the National Park within Lewes District, is reflective of the approach set out in our Joint Core Strategy.

4.2 The Council particularly supports:

- a) Policies SD17 and SD42 that seek to manage or reduce the risk of flooding and promote the use of sustainable drainage systems as part of new developments wherever appropriate. Flood risk is a significant concern for large areas of the district, both within and outside of the National Park, and reducing the district's vulnerability to the flooding is therefore a key priority of the Council and many of its local communities.
- b) The strategic policy support given to promoting sustainable tourism and the visitor economy (Policy SD20), sustaining the rural economy (Policy SD 27), safeguarding existing employment sites and allocations (Policy SD28), and promoting and protecting town and village centres (Policy SD29). The approach set out in these strategic policies will help in achieving the Council's own priorities and aspirations, as set out in its Regeneration Strategy: Building a Brighter Future (2012).
- c) The mixed use allocation in Policy SD34; North Street Quarter and adjacent Eastgate area, Lewes, and the housing allocations in Policies SD-SS03: Land at Old Malling Farm, Lewes, and SD-DS02: Land at Normansal Park Avenue, Seaford. These proposed allocations are considered to be crucial in terms of helping to meet some of the identified development needs of the district in the early part of the plan period (in particular housing). With regards to Policy SD34, we consider its content to reflect that of the evidenced Spatial Policy 3 (North Street and Eastgate area) contained within the Lewes District Joint Core Strategy.
- d) Policy SD58, which seeks to improve air quality throughout the National Park. This policy will help support the delivery of the Council's Air Quality Action Plan, which has been produced in order to fulfil its statutory obligations under section 84(2) of the Environment Act 1995.

- 4.3** However, the Council also has a number of concerns over the document. These concerns are principally about whether the Local Plan has due regard to paragraph 154 of the NPPF, which requires planning policies to provide decision makers with a clear indication of how to react to a development proposal, and whether its policies are capable of effective implementation. We are keen to set out these concerns as, through the current partnership working between our two authorities, we would wish to ensure the effective application of these policies on your behalf. Our concerns are set out below, following the numerical policy sequence set out in the Preferred Options document.
- 4.4** The Development Strategy. The document splits the National Park into five broad landscape policy areas and disperses development growth between them through Policies SD4/CP: Coastal Plain, SD4/DS: Dip Slope, SD4/WD: Western Downs, SD4/SS: Scarp Slope, SD4/WW: Western Weald, SD22: Development Strategy, and SD23: Housing.
- 4.5** We have no argument with the concept of applying different policy approaches to the different landscape character areas of the National Park. However, the terms ‘limited growth’, ‘small-scale growth’ and ‘moderate-scale growth’ employed in the Core Policies listed above are not considered to be particularly meaningful or helpful in terms of decision making. It is unclear whether these terms relate to the size of the settlements allocated for housing growth in Policy SD23 or to the broad landscape policy areas themselves.
- 4.6** For example, Policy SD23 makes provision for 87 additional dwellings in villages within the Dip Slope Policy Area, which is categorised as ‘*moderate-scale growth*’, whilst Policy SD23 makes provision for housing growth of 99 additional dwellings in villages within the Scarp Slope Policy Area, which is categorised as ‘*small-scale growth*’. An explanation in the supporting text for the rationale behind this terminology would be helpful to users of the Local Plan when the next version is produced.
- 4.7** Policy SD6: Design. We consider that this policy does not adequately address the need to create safe and accessible environments where crime, or the fear of crime, does not undermine quality of life or community cohesion and therefore fails to have proper regard to paragraphs 58 and 60 of the NPPF.
- 4.8** Policy SD11: Historic Environment. We are concerned that the wording of Policy SD11 (4) does not provide sufficient clarity about how a decision maker would weigh the public benefits of proposed works to a non-designated heritage asset against any unacceptable adverse impact of those works. We therefore consider that the policy fails to have proper regard to paragraph 154 of the NPPF.
- 4.9** As stated in our response to the SDLP Options Consultation, it should be noted in paragraph 5.102 of the supporting text that, in addition to Adur and Eastbourne, Lewes District also has a list of buildings of local, visual or historic importance. These buildings are identified in Appendix 2 of the

adopted Lewes District Local Plan 2003 and are currently protected by 'saved' Policy H3.

- 4.10** Policy SD22: Development Strategy. We support the definition of settlement development boundaries to indicate where development will be supported in principle. However, we note that development boundaries have not been defined for Lewes or Ditchling on the grounds that these settlements are located within proposed neighbourhood plan areas. We are concerned that this approach could potentially leave a significant policy vacuum in the event that the Lewes or Ditchling Neighbourhood Plans do not progress according to their respective timetables or fail at examination/referendum.
- 4.11** We are also concerned that the policy requirement for development proposals within the settlement boundaries to be "of a scale and nature appropriate to the character and function of the settlement" may be open to wide interpretation and could consequently result in an increased number of S78 appeals. It is considered that the policy in this respect fails to have proper regard to paragraph 17 of the NPPF, which requires local plans to provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency.
- 4.12** Policy SD23: Housing. We support the principle of clearly setting out the levels of housing growth planned for individual settlements within the National Park over the plan period. However, we are concerned that sufficient capacity has not yet been identified to accommodate all the new homes planned in the villages of Kingston and Rodmell. Local Plan policies should be justified by clear, robust and up-to-date evidence, including the SHLAA, and in the absence of such evidence, we would query whether the levels of growth identified for these settlements is achievable (particularly given that it is proposed to contract the development boundary at Kingston).
- 4.13** We also note that no sites are allocated for the 15 new homes proposed in Ditchling village, presumably in the expectation that the Ditchling Neighbourhood Plan will allocate sufficient land to accommodate this level of growth. However, we are concerned that the Local Plan fails to address appropriate contingencies/alternatives in the event that the Ditchling Neighbourhood Plan, or indeed Neighbourhood Plans elsewhere, do not proceed as anticipated. Without the flexibility to respond to changing circumstances, there is a real risk that the levels of housing growth proposed in Policy SD23 will not be deliverable.
- 4.14** Policy SD24: Affordable Housing. We note that this policy was drafted in accordance with an earlier Government policy that has since been quashed by the judge of the High Court case of *R on the Application of West Berkshire District Council v Department for Communities and Local Government*. We therefore welcome the statement in paragraph 7.61 of the supporting text that a change in Government policy will result in an immediate review of Policy SD24 to secure affordable housing provision on sites of 5 or less dwellings.

- 4.15** Policy SD26: Gypsies and Travellers and Travelling Showpeople. We are concerned that no sites have been allocated within the National Park to meet the accommodation needs of Gypsies and Travellers. We urge the SDNPA to make every effort to identify and allocate appropriate Gypsy and Traveller sites to meet the needs for permanent and transit accommodation arising within its area, prior to the publication of the next version of the Local Plan. Alternatively, the SDNPA should request other adjoining local planning authorities to meet all or a proportion of its unmet needs for such sites (provided you have evidence demonstrating that you have exhausted all reasonable options within the National Park area).
- 4.16** Policy SD31: Climate Change and Sustainable Construction. The Environment Agency's classification of water stressed areas indicates that the water supply areas in relation to the National Park are under serious water stress and the effective management of water resources has been identified as a key challenge for the Local Plan. We therefore consider that there is a locally justified need for the SDNPA to seek higher standards of water efficiency in new developments, e.g. requiring new homes to achieve the Building Regulations optional requirement of no more than 110 litres per person per day. Such an approach to the prudent use of water resources would help to support the aims and objectives of the River Basin Management Plan for the South East and accord with the current water efficiency policy (CP14) in the Lewes District Joint Core Strategy – Proposed Modifications Version.
- 4.17** Policy SD35: Provision and Protection of Open Space. The policy's objective that all new residential development should contribute to the wider green infrastructure network is supported but it is unclear what mechanisms will be employed by the SDNPA to secure delivery. In Lewes District, where new residential development would result in or exacerbate a shortage of outdoor play space in a town or parish, it has been a long-standing policy to require appropriate on-site provision or seek developer contributions towards enhanced provision in the locality.
- 4.18** This policy has delivered a significant improvement to outdoor play space provision across the district, most recently at the Peacehaven Big Park Project. However, this has only been achieved by the application of clear and robust open space standards for new residential developments (as currently set out in Policies RE1 and RES19 of the adopted Lewes District Local Plan 2003). We would therefore urge the SDNPA to adopt replacement open space standards in its Local Plan to ensure that open space provision effectively keeps pace with the needs arising from the residents of new housing developments across the National Park.
- 4.19** Policy SD49: Conversion of Redundant Agricultural Buildings. We are concerned that, whilst the importance of the setting of redundant agricultural buildings is recognised in the supporting text, the policy itself does not specifically address this issue except in the case of buildings identified as heritage assets. We consider that Policy SD29 therefore fails to have proper regard to paragraph 55 of the NPPF, which requires

the residential re-use of *all* redundant or disused buildings in the countryside to lead to an enhancement to the immediate setting.

4.20 Appendix 1: Current Development Policies. Paragraph 1.2 in the document introduction states that Appendix 1 lists all the planning policies that will be replaced on adoption of the SDLP. However, the Appendix does not include the following 'saved' policies of the adopted Lewes District Local Plan 2003: H2, H3, H4, H5, H7, H13, H14, RE1, RE6, RE7, RE8, LW1, LW3, LW4, LW5, LW6, LW8, LW9, LW10, LW11, LW13, LW14, SF12 and BG1. Does the exclusion of these policies, which currently apply to that part of the district within the National Park, mean that the SDNPA intends to retain them as written or review them prior to the publication of the next version of the Local Plan? This needs to be clear within the document, particularly in relation to the specific site allocations in Lewes, Seaford and Glynde.

4.21 Duty to Cooperate Interim Statement. We have reviewed this statement and agree with its content, particularly in terms of the strategic planning priorities that have been identified. Clearly, the need to satisfy the Duty to Cooperate is ongoing for all authorities and we will continue to work alongside the National Park Authority in seeking to address strategic planning priorities both in the short and long term.

Financial Appraisal

5 There are no direct financial implications of endorsing the Council's comments on the SDLP: Preferred Options document.

Legal Implications

6 The Legal Services Department has made the following comments:

In accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, the South Downs National Park Authority must take into account any representation made by the District Council.

Risk Management Implications

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

Equality Screening

8 An Equality Analysis Report (Appendix C) has been undertaken. No significant negative or positive outcomes have been identified.

Background Papers

9 South Downs Local Plan: Preferred Options (September 2015)

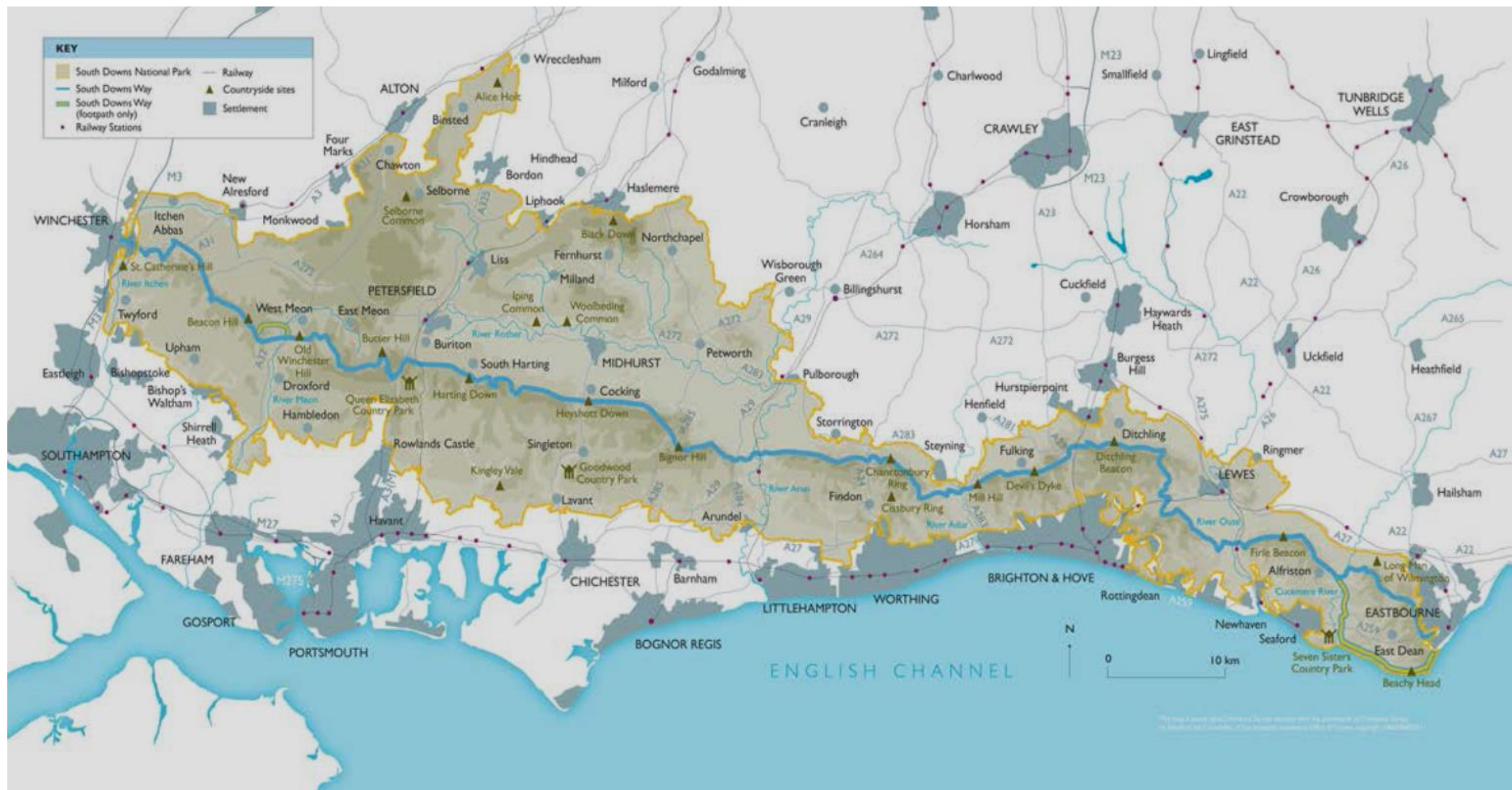
Appendices

Appendix A - Map of the South Downs National Park

Appendix B – Policies from the South Downs Local Plan Preferred Options referred to in this report.

Appendix C – Equality Analysis Report

Appendix A MAP OF DESIGNATED NATIONAL PARK AREA



Appendix B: Policies in the SDLP: Preferred Options document referred to in the Council's draft comments

Core Policy SD4/CP: The Coastal Plain

1. Development proposals in the Coastal Plain that comply with this Policy and the Development Strategy (SD22), will be supported provided that they comply with other relevant policies in this Local Plan.
2. Limited growth is proposed recognising the sensitivity of the predominantly open landscape. Small-scale opportunities for further growth in settlements identified in Policy SD22 (Development Strategy) will be delivered.
3. Any growth in the Coastal Plain should, as appropriate, deliver multiple benefits through ecosystem services. These may include provisioning services such as farming and regulating services such as water management.
4. Development will be guided by the South Downs Integrated Landscape Character Assessment and Built Environmental Characterisation Study, in compliance with Policy SD5 (Landscape Character) and Policy SD6 (Design), by taking into account the management and development considerations for the landscape types in this area.

Core Policy SD4/ WD: The Western Downs

1. Development proposals in the Western Downs that comply with this Policy and the Development Strategy (SD22), will be supported provided that they comply with other relevant policies in this Local Plan.
2. Limited growth is proposed in the Western Downs recognising the relative tranquillity and sense of isolation in this Broad Area.
3. Any growth in the Western Downs should, as appropriate, deliver multiple benefits through ecosystem services. These may include provisioning services such as aquaculture and cultural services such as tranquillity.
4. Development will be guided by the South Downs Integrated Landscape Character Assessment and Built Environment Characterisation Study, in compliance with Policy SD5 (Landscape Character) and Policy SD6 (Design), by taking into account the management and development considerations for the landscape types in this area.

Core Policy SD4/ DS: The Dip Slope

1. Development proposals in the Dip Slope that comply with this Policy and the Development Strategy (SD22), will be supported provided that they comply with other relevant policies in this Local Plan.

2. Moderate-scale growth, which is proportionate to the size of settlements and the landscape's capacity to accommodate further development, will be delivered in settlements identified in Policy SD22 (Development Strategy).

3. Any growth in the Dip Slope should, as appropriate, deliver multiple benefits through ecosystem services. These may include provisioning services such as viticulture and regulating services such as water management.

4. Development will be guided by the South Downs Integrated Landscape Character Assessment and Built Environment Characterisation Study, in compliance with Policy SD5 (Landscape Character) and Policy SD6 (Design), by taking into account the management and development considerations for the landscape types in this area.

Core Policy SD4/SS: The Scarp Slope

1. Development proposals in the Scarp Slope that comply with this Policy and the Development Strategy (SD22), will be supported provided that they comply with other relevant policies in this Local Plan.

2. The focus of development in this area will be in Lewes, reflecting the scale, accessibility and strategic importance of this market town as a service and employment centre.

3. Small-scale growth, which is sensitively planned to reflect the Scarp Slope setting and important views will be delivered in settlements identified in Policy SD22 (Development Strategy).

4. Any growth on the Scarp Slope should, as appropriate, deliver multiple benefits through ecosystem services. These may include regulating services such as water management and cultural services such as the arts.

5. Development will be guided by the South Downs Integrated Landscape Character Assessment and Built Environment Characterisation Study, in compliance with Policy SD5 (landscape Character) and Policy SD6 (Design), by taking into account the management and development considerations for the landscape types in this area.

Core Policy SD4/WW: The Western Weald

1. Development proposals in the Western Weald that comply with this Policy and the Development Strategy (SD22), will be supported provided that they comply with other relevant policies in this Local Plan.

2. The focus of development in this area will be in the market town of Petersfield, reflecting the scale, accessibility and strategic importance of this settlement as a service and employment centre.

3. Moderate scale growth will be supported in the two smaller market towns of Midhurst and Petworth and the large village of Liss, which provides sustainable development consistent with the scale and function of these settlements and further enables each town to meet its own needs and those of the surrounding areas.

4. Small-scale growth, which is sensitively planned to reflect the Scarp Slope setting and important views will be delivered in settlements identified in Policy SD22 (Development Strategy).

5. Any growth in the Western Weald should, as appropriate, deliver multiple benefits through ecosystem services. These may include supporting services such as biodiversity and provisioning services such as timber.

6. Development will be guided by the South Downs Integrated Landscape Character Assessment and Built Environment Characterisation Study, in compliance with Policy SD5 (Landscape Character) and Policy SD6 (Design), by taking into account the management and development considerations for the landscape types in this area.

Strategic Policy SD6 Design

1. Development proposals will only be permitted where they comply with other relevant policies, in particular, Policy SD5 (Landscape Character), and are of a high-quality design which, where relevant, clearly demonstrates that it has been informed by:

- village and town design statements where available;
- the Built Environment Characterisation Study;
- Strategic Stone Study (where available);
- a robust master plan or all estate plan, where relevant; and
- appropriate site-based investigations.

2. Development proposals, where appropriate, will:

- a) make a positive contribution to the character, functions and local distinctiveness of the built environment and landscape through their design, layout, scale and use of locally appropriate materials;
- b) demonstrate a locally appropriate design and layout which takes into account its location and context, reduces the need for screening planting, and respects the setting of settlements, including farmsteads, land at the settlement edge, green corridors and the links to the settlement.
- c) be suitable for their location and use appropriate design and layout and ensure green infrastructure is effectively provided;
- d) create high-quality public and private realms that are clearly defined;
- e) incorporate appropriate hard and soft landscaping which provides a setting for development within the immediate surroundings and a connection to the wider landscape to enhance local landscape character, green infrastructure and biodiversity;
- f) ensure buildings are durable and adaptable over time; and
- g) avoid harmful impact upon neighbouring uses and amenities.

Strategic Policy SD11: Historic Environment

1. Planning permission and, where necessary, listed building consent, will be granted for development proposals that comply with other relevant policies, conserve the cultural heritage of the National Park and realise opportunities to re-use redundant or under-used heritage assets with an optimal viable use which secures its long-term conservation and enhancement, including setting.
2. Development proposals which affect identified heritage assets (whether nationally designated, locally designated or non-designated) or their setting will be determined with proper regard to the National Park's Purposes and Duty including promoting opportunities for their understanding and enjoyment.
3. Development proposals that would have an unacceptable adverse impact on a designated heritage asset or its setting will only be permitted in wholly exceptional circumstances.
4. Development proposals that would have an unacceptable adverse impact on a non-designated heritage asset will be weighed against assured and substantial public benefits related to the proposed works.

Strategic Policy SD17: Flood Risk Management

1. Development proposals will be permitted that comply with other relevant policies and where:
 - a) the sequential and exception tests demonstrate that the development is acceptable;
 - b) the risk of flooding is not increased elsewhere and, wherever possible, is reduced;
 - c) the integrity of existing coastal and river defences are not undermined; and
 - d) a site specific Flood Risk Assessment, where required demonstrates an acceptable flood risk and/or suitable flood protection mitigation measures are incorporated into the proposals, where necessary, which can be satisfactorily implemented. The site specific flood risk assessment will need to demonstrate:
 - i.) safe access and egress from the site; and
 - ii.) management and maintenance plans for flood protection/mitigation measures, including arrangements for adoption by any public authority or statutory undertaker and any other arrangements to secure the operation of the scheme throughout its lifetime;

- e) it would not negatively impact on water quality of surface water and ground water.

2. Development proposals that would have an unacceptable adverse impact on flood risk management will be refused.

Strategic Policy SD20: Sustainable Tourism and the Visitor Economy

1. Development proposals for visitor accommodation and visitor attractions will be permitted provided that they comply with other relevant policies and they are in accordance with the following requirements:

(a) It should be clearly demonstrated and evidenced that:

- i.) the facilities proposed will provide opportunities for visitors to increase their awareness, understanding and enjoyment of the special qualities;
- ii.) the design and location of the development reduces the need for travel by private car and encourages access by sustainable means;
- iii.) development proposals will not generate an increased level of activity which would detract from the experience of visitors or adversely affect the character, appearance and amenity of the area;
- iv.) development proposals make use of existing buildings, where appropriate; and
- v.) it is demonstrated that any proposed on-site facilities or ancillary buildings are necessary and that on-site facilities will not have an unacceptable adverse impact on the vitality and viability of town or village centres or assets of community value.

b) In addition, where proposals are located in the countryside as defined on the Policies Map, it should be clearly demonstrated and evidenced that it is in accordance with Policy SD22 (Development Strategy) and:

- i.) there is a need for development in that location;
- ii.) the scale, intensity of use or activity is appropriate in that location;
- iii.) it can be satisfactorily accessed by sustainable means, including public transport, walking, cycling or horse riding; and
- iv.) it is closely associated with other attractions/established tourism uses, including the public rights of way network.

2. Visitor accommodation will be controlled and retained as such, unless it can be demonstrated that it is financially unviable or that any net loss of accommodation is

necessary to allow appropriate relocation or redevelopment. Evidence of a robust marketing campaign of at least 12 months, for accommodation located within settlement boundaries, or of at least 24 months for accommodation located close to a geographically specific feature or a long distance footpath or outside of settlement boundaries, will be required that clearly demonstrates that there is no market demand for the premises.

3. Opportunities for appropriate relocation or redevelopment of existing visitor accommodation or related development which is currently resulting in harm to the special qualities will be encouraged.

4. The Authority will support a year-round visitor economy, through the relaxation or removal of seasonal planning restrictions, where appropriate, while ensuring the facility remains for visitor use.

5. Development proposals for visitor accommodation and visitor attractions that would have an unacceptable adverse impact on the National Park's special qualities or that do not provide adequate opportunities for visitors to increase their awareness, understanding and enjoyment of the special qualities will be refused

Strategic Policy SD22: Development Strategy

1. The following settlements within the five Broad Areas of the National Park will have defined settlement boundaries:

- Alfriston (Scarp Slope)
- Amberley (Scarp Slope)
- Binsted (Western Weald)
- Buriton (Scarp Slope)
- Bury (Scarp Slope)
- Chawton (Western Downs)
- Cheriton (Western Downs)
- Cocking (Scarp Slope)
- Coldwaltham (Western Weald)
- Compton (Dip Slope)
- Ditchling (Scarp Slope)
- Droxford (Dip Slope)
- Easebourne (Western Weald)
- East Dean and Friston (Dip Slope)
- East Meon (Scarp Slope)
- Fernhurst (Western Weald)
- Findon (Dip Slope)
- Fittleworth (Western Weald)
- Funtington (Coastal Plain)
- Graffham (Scarp Slope)
- Greatham (Western Weald)
- Hambledon (Coastal Plain)

- Itchen Abbas (Western Downs)
- Kingston Near Lewes (Scarp Slope)
- Lavant (including East Lavant and Mid Lavant) (Coastal Plain)
- Lewes (Scarp Slope)
- Liss (including Liss Forest and West Liss) (Western Weald)
- Lodsworth (Western Weald)
- Lower and Upper Farringdon (Western Downs)
- Corhampton and Meonstoke (Dip Slope)
- Midhurst (Western Weald)
- Milland (Western Weald)
- Northchapel (Western Weald)
- Petersfield (Western Weald)
- Petworth (Western Weald)
- Poynings (Scarp Slope)
- Pyecombe (Dip Slope)
- Rodmell (Scarp Slope)
- Rogate (Western Weald)
- Selborne (Scarp Slope)
- Sheet (Western Weald)
- Singleton (Dip Slope)
- South Harting (West Sussex)
- Stedham (Western Weald)
- Steep (Scarp Slope)
- Stroud (Western Downs)
- Twyford (Dip Slope)
- Washington (Scarp Slope)
- Watersfield (Western Weald)
- West Ashling (Coastal Plain)
- West Meon (Scarp Slope)

2. The principle of development within the settlement policy boundaries as defined on the Policies Map will be supported provided that it complies with the other relevant policies, is of a scale and nature appropriate to the character and function of the settlement and is in compliance with the policy for the relevant Broad Area (policies SD4/CP Coastal Plain, SD4/DS Dip Slope, SD4/WD Western Downs, SD4/SS Scarp Slope and SD4/WW Western Weald).

3. Development proposals will **not** normally be permitted outside of settlement boundaries and the countryside will be protected in accordance with relevant policies in the Local Plan and national policy. In exceptional circumstances, development in the open countryside will be permitted, where it is demonstrated to the satisfaction of the Authority that it is in accordance with the policy for the relevant Broad Area (policies SD4/CP Coastal Plain, SD4/DS Dip Slope, SD4/WD Western Downs, SD4/SS Scarp Slope and SD4/WW Western Weald), and:

a) It is in accordance with Policy SD25 on rural exception sites, or

b) It is in accordance with Policy SD27 on Sustaining the rural economy, or

c) There is an essential need for a countryside location, or

d) It is an appropriate reuse or redevelopment of an existing building(s).

4. Development proposals within estates and large farms that support appropriate diversification, which may not otherwise be considered acceptable outside of settlement boundaries, may be exceptionally considered suitable providing that they clearly meet the following criteria to the satisfaction of the Authority:

a) The development proposals comply with other relevant policies and are part of a comprehensive Estate or Farm Plan that conserves and enhances the landscape; and

b) The development proposals as part of an estate or farm plan deliver multiple benefits in line with the Purposes and Duty and the special qualities of the National Park and in regard to ecosystem services.

5. Small sites with the potential for development that are located within the National Park, but on the edge of settlements which are outside of the National Park, will only be allocated for development where they comply with other relevant policies.

6. The efficient and effective re-use of previously developed land will be encouraged, where appropriate, and in compliance with other relevant policies.

Strategic Policy SD23: Housing

1. In accordance with Policy SD24 (Affordable Housing), the SDNPA will aim to deliver approximately 1,840 affordable homes between 2014 and 2032.

2. The SDNPA will make overall provision for approximately 4,596 net additional homes between 2014 and 2032.

3. These will be delivered through:

(i) the development of strategic sites and the allocation of land for housing in the Local Plan and neighbourhood plans;

(ii) the implementation of planning permissions; and

(iii) the development of land previously unallocated or identified (windfall), in accordance with Policy SD22 (Development Strategy) and subject to relevant policies in this Local Plan.

4. The allocation of sites to accommodate approximately the following levels of housing in addition to extant planning permissions and windfalls:

- Alfriston – 6*
- Amberley – 6*
- Binsted – 12
- Buriton – 7
- Bury – 6*
- Chawton – 6*
- Cheriton – 6*
- Coldwaltham – 20
- Corhampton and Meonstoke –11*
- Compton – 6*
- Ditchling – 15
- Droxford – 11*
- Easebourne – 20*
- East Dean and Friston (East Sussex) –11*
- East Meon –15
- Fernhurst – 211 (including Syngenta)
- Findon – 20
- Fittleworth – 6
- Greatham (Hampshire) – 30
- Hambledon – 6*
- Itchen Abbas – 8
- Kingston Near Lewes –11*
- Lavant (including Mid Lavant and East Lavant) – 20*
- Lewes – 835 (including North Street Quarter)
- Liss (including West Liss and Liss Forest) - 150
- Midhurst – 150*
- Northchapel – 6*
- Petersfield – 700
- Petworth – 150
- Pyecombe – 8
- Rodmell – 11*
- Rogate – 11
- Selborne – 6*
- Sheet – 20*
- South Harting – 8
- Stedham – 6*
- Stroud –11*
- Twyford – 20*
- West Meon – 16

5. Development that meets an identified local housing need in settlements, in addition to the requirements set out above, is identified in neighbourhood plans and is in compliance with Policy SD22 (Development Strategy) and other relevant policies in this Local Plan will be supported.

6. The size and type of homes for each proposal will be based on up-to-date evidence of local needs. A suitable mix will be determined through liaison with parish or town councils, housing authorities and rural housing enablers where applicable.

*** Sufficient capacity has yet to be identified in these settlements for all the new homes identified.**

Strategic Policy SD24: Affordable Housing Provision

1. Development proposals for new residential development that maximise the delivery of affordable housing in the National Park and provide for the size, type and tenure of homes to meet local needs as set out in this policy will be permitted, provided they comply with other relevant policies. The application of this policy will maintain a focus on affordable housing, but will be sufficiently flexible to take account of viability and changing market conditions over time.

2. A target of at least 40 per cent of all net dwellings (C3 use class) on schemes of 6 or more units will be provided as affordable homes in perpetuity to meet local needs.

3. Development proposals of 11 or more net dwellings will provide affordable housing on-site unless in exceptional circumstances when the Authority, at its discretion, may accept an alternative form of delivery in a cascade of forms with first preference for provision on an alternative site, then the provision of serviced land in lieu and then a financial contribution in lieu.

4. Development proposals of 6 to 10 net dwellings will provide affordable housing on-site where possible. Where on-site provision is will be accepted.

5. The layout and design of affordable housing will be appropriately integrated into each development to assist the management by registered providers where necessary.

6. The size (number of bedrooms), type (flat, house) and tenure (social and affordable rented, intermediate, shared ownership or other) of affordable homes for each proposal will be based on up-to-date evidence of local needs. A suitable mix will be determined through liaison with the applicant, parish council, relevant housing authority and rural housing enablers where applicable.

7. Occupancy conditions and local connection criteria will be applied to affordable housing to ensure local needs are met. Selection will be managed through a partnership approach with the housing authority and established community-led and legally constituted organisations where applicable.

8. Development proposals that do not comply with all the criteria of this policy and do not provide affordable housing on suitable schemes will be refused.

Strategic Policy SD26: Gypsies and Travellers and Travelling Showpeople

1. Existing lawful permanent sites for Gypsies and Travellers and Travelling Showpeople that are required to meet the identified needs of these communities will be safeguarded, unless it can be established that the site is no longer necessary based on identified local need.

2. Development proposals for the provision of permanent or transit accommodation, or temporary stopping places, to meet the needs of Gypsies and Travellers and Travelling Showpeople will be supported where they meet a proven need, as identified by a Gypsy and Traveller Accommodation Assessment.

3. In addition to proving a need for either permanent or transit accommodation, development proposals for both types of sites will only be permitted where they comply with other relevant policies and they:

a) are well related to existing settlements and do not harm the character and appearance of the area;

b) avoid sites being over-concentrated in any one location or disproportionate in size to nearby communities;

c) are capable of being provided with adequate infrastructure such as power, water supply, foul water drainage and recycling/waste management;

d) are accessible to education and healthcare facilities;

e) have clearly defined physical boundaries and, where appropriate, include suitable additional landscaping and any surfacing or boundary treatments;

f) provide sufficient amenity space for residents;

g) do not cause unacceptable harm to the amenities of neighbouring uses and occupiers;

h) have a safe vehicular access from the public highway and adequate provision for parking, turning and safe manoeuvring of vehicles within the site;

i) restrict any permanent built structures in rural locations to essential facilities;

j) demonstrate there is no alternative empty lawful pitch which could be used and confirmed by the local housing authority; and

k) demonstrate that occupiers of the site satisfy either the definition of a Gypsy and Traveller or Travelling Showpeople as outlined in Planning Policy for Traveller Sites (2012) or any subsequent policy.

4. Development proposals that would have an unacceptable adverse impact on the special qualities of the National Park will be refused.

Strategic Policy SD27: Sustaining the Rural Economy

1. Development proposals for rural businesses will be permitted provided that they comply with other relevant policies and they, as appropriate:

a) promote and protect the National Park's key sectors such as tourism and the visitor economy, forestry and wood-related activities, and local food and beverages;

b) promote and protect green businesses linked to ecosystem services;

c) support rural supply chains across the National Park and encourage closer ties between rural businesses;

d) encourage and support small businesses through the provision of small, flexible, start-up and move-on business units;

e) facilitate flexible working practices and promote home working, providing this does not cause unacceptable harm to the amenity of neighbours, and

f) encourage smart economic growth and promote advances in information and communications technologies, particularly, superfast broadband.

2. Business proposals that would have an unacceptable adverse impact on the special qualities of the National Park will be refused

Strategic Policy SD28: Employment Land

1. The SDNPA will seek to accommodate the following amounts of new employment land between 2014 and 2032 provided that development proposals comply with other relevant policies:

- Office (B1a/b): approximately 2 to 3 hectares.
- Industrial (B1c/B2) and small-scale warehousing (B8): approximately 5 hectares.

2. The Authority will take a flexible approach to the change of use of redundant B2 premises and land to accommodate the need for new offices and/or warehousing providing that there would not be a potentially adverse impact on the landscape and other special qualities of the National Park including traffic, noise or pollution.

3. The Authority will safeguard all existing employment sites and allocations that are fit for purpose from development proposals for non-employment uses. Evidence of a robust marketing campaign of at least 12 months will be required that clearly demonstrates that there is no market demand for the business premises. The key employment sites safeguarded by the SDNPA are shown on the Policies Map.

Strategic Policy SD29: Town and Village Centres

1. Development proposals for town centre development that comply with other relevant policies will be permitted where they promote and protect the following hierarchy of identified centres as shown on the Policies Map:

- Market Town Centres: Lewes, Midhurst, Petersfield and Petworth.
- Larger Village Centre: Liss.
- Smaller Village Centres: Alfriston, Ditchling, Fernhurst and Findon.

Development proposals will be supported where they retain and enhance:

- a) local markets, including farmers' markets; and
- b) independent retailers, particularly those linked to supply chains across the National Park.

2. The Market Towns and Larger Village Centres

- a) Within these defined town and village centre areas as shown on the Policies Map, development proposals for retail and town centre uses will be supported providing that they are compatible with the size, scale and historic nature of the town or village centres, and comply with other relevant policies.
- b) Within the defined primary shopping frontage, as shown on the Policies Map, the loss of units in use Class A (including retail, financial and professional services, restaurants and cafes) will not be supported.
- c) Other appropriate uses within the town and village centres including tourism, cultural and leisure facilities will be supported so long as these do not harm the retail function of the town centre. There will be a presumption in favour of such uses within the secondary shopping frontage as shown on the Policies Map.
- d) Development that supports the evening economy, particularly for visitors/tourists will, in principle, be supported, provided the use would not result in adverse impacts on the amenity of town centre residents.

3. Smaller village centres

- a) Development proposals for retail development will be supported providing they are of a size and scale appropriate to the community they sit within and comply with other relevant policies. Such development should be well related to any existing shops and services within the village centre unless it can be demonstrated that this is not possible.
- b) The Authority will safeguard existing retail units (A1, A2, A3) that are fit for purpose from development proposals for non-retail uses. Evidence of a robust

marketing campaign of at least 12 months will be required that clearly demonstrates that there is no market demand for the premises.

4. Retail Impact Assessments

In order to promote and protect the town and village centres, a retail impact assessment will be required for development outside of the defined Market Town and Larger Village Centre boundary, where the proposal exceeds the following thresholds for retail floorspace:

- Market Town: 750 sqm
- Larger Village: 500 sqm
- All other locations (including farm shops and garden centres): 150 sqm

5. Development proposals that fail the sequential test or would have an unacceptable adverse impact on the vitality and viability of the market or village centres will be refused.

Strategic Policy SD31: Climate Change and Sustainable Construction

1. Development proposals that incorporate high standards of sustainable construction and comply with other relevant planning policies will be permitted provided, where appropriate, they:

- reduce;
- mitigate against; and/or
- adapt to the impacts of climate change.

2. Major non-residential development must meet at least BREEAM 'excellent' standard.

Strategic Site Policy SD34: North Street Quarter and adjacent Eastgate area, Lewes

1. Development proposals for the sustainable mixed-use development of land amounting to approximately 9 hectares at North Street and the neighbouring part of Eastgate, as shown on the Policies Map, will be permitted provided they comply with Core Policies SD1 (Sustainable Development), SD2 (Ecosystem Services), SD3 (Major Development) and other relevant policies of this Local Plan, and the criteria below. The development would create a new neighbourhood for the town of Lewes. The development mix should be based on the following uses and broad quantum of development:

a) approximately 415 residential units, predominantly focused towards the northern part of the site, of which 40 per cent should be affordable;

b) at least 5,000 square metres of B1a office and / or B1c light industrial floorspace, subject to market needs and general viability;

c) the redevelopment or relocation of the existing A1 food supermarket;

d) other uses that are deemed to aid in the successful delivery of a new neighbourhood, whilst not undermining the wider function of the town (this could include A1 Shops, A2 Financial and Professional Services, A3 Restaurants and Cafes, A4 Drinking Establishments, A5 Hot Food Takeaways, C1 hotel, D2 Assembly and Leisure uses and community floorspace);

e) C2 nursing/ care home (self-contained units will be counted as residential within the above figure);

f) D1 non-residential institutions such as medical and health services, crèches, exhibition and training space; and

g) other cultural, artistic and artisanal floorspace not covered by the above uses.

2. The redevelopment should comply with the following criteria:

a) It incorporates the early provision of flood defences to an appropriate standard and to the approval of the Environment Agency,

b) It facilitates improved linkages across Phoenix Causeway and Eastgate Street and a better balance between the car and other modes of transport, in order to enable the safe flow of pedestrians and the improved integration of the area to the north of Phoenix Causeway with the wider town centre,

c) It delivers enhancements to vehicular access and off-site highway improvements, arising from and related to the development and its phasing,

d) It respects and enhances the character of the town and achieves a high standard of design, recognising the high quality built environment, on and within the vicinity of the site, and the site's setting within the South Downs National Park and adjacent to a Conservation Area,

e) It is subject to an analysis and appropriate recognition of the site's cultural heritage and a programme of archaeological work, including, where applicable, desk-based assessment, geophysical survey, geo-archaeological survey and trial trenching to inform design and appropriate mitigation,

f) A riverside shared foot/cycle route along the western bank of the River Ouse is incorporated to extend the town's riverside focus and contribute to its character and quality, and additional pedestrian and cycling routes are incorporated to aid in linking the site to the rest of the town, in improving permeability within the site and in providing views out of the site,

g) It results in no net loss of public parking provision,

h) The retail element is incorporated into the designated town centre boundary as far as possible and the amount of retail provision is informed by a Retail Impact Assessment, if necessary.

i) Alternative uses on the bus station site are subject to the facility being replaced by an operationally satisfactory and accessible site elsewhere.

j) It makes contributions towards off-site infrastructure improvements arising from, and related to, the development, and

k) It provides a connection to the sewerage and water supply systems at the nearest point of adequate capacity, as advised by Southern Water, and ensures future access to the existing sewerage and water supply infrastructure for maintenance and upsizing purposes.

Policy SD-SS03: Land at Old Malling Farm, Lewes

Land at Old Malling Farm, Lewes as shown on the Policies Map, is allocated for the development of approximately 200 dwellings. Detailed proposals that comply with other relevant policies, meet the following site-specific development requirements and with a Design Brief to be approved by the local planning authority in advance of an application will be permitted:

- 50 per cent of dwelling units are affordable;
- Development is restricted to the parts of the site above the 10 metre contour in the northern field and further than 20 metres from the western and southern boundary in the southern field, or in such other way as is agreed by the SDNPA through a detailed site appraisal and included in the Design Brief;
- Development on the western edge of the southern field is lower density than other parts of the site with gardens bounded by hedges rather than walls or fences;
- Development and appropriately designed equipped play space integrates into a multi-functional network of green infrastructure;
- The design, layout, built form, spatial arrangements, landscaping and materials, including the pattern, scale and colour of roofs, respect and reflect the National Park location;
- Views from elevated chalk hills to the east and west, from Hamsey to the north, and from Lewes itself are protected and enhanced. The design shall incorporate views within, to and from the site to surrounding landmarks and features;
- Development is consistent with positive local character and local distinctiveness and respects the character, amenity and setting of the adjacent Malling Deanery Conservation Area and the listed Church of St Michael;
- Impacts on tranquillity, dark night skies and biodiversity are minimised by restricting access to some areas of floodplain outside the site and by

providing only limited night lighting and the use of low level lighting where required;

- An ecological survey is undertaken and appropriate measures are implemented to mitigate adverse impacts on the South Malling Disused Railway SNCI and Offham Marshes SSSI;
- Fields which are in the same ownership but are outside the developable area shall be retained as a designated Local Nature Reserve and/or Local Green Space and be subject to an agreed Land Management Plan, funded through a section 106 agreement; public access within this area shall be controlled to protect the most ecologically valuable areas;
- The primary access point is to be off Monks Way at a point opposite Mantell Close the design of which should minimise impacts on views from the north; the existing former railway bridge forms a secondary access point for emergency use and an access for pedestrians and cyclists and to the existing farm buildings;
- Development respects the amenity of the existing dwellings adjoining the site;
- A site specific flood risk assessment is undertaken and an appropriate surface water drainage strategy is agreed by the appropriate body and implemented as agreed;
- A survey is undertaken of existing trees and hedgerows and appropriate measures are implemented for their protection in accordance with a schedule to be agreed with the local planning authority;
- Development is subject to a geophysical survey and trial trench evaluation of the high archaeological potential in the area and any resulting measures are implemented;
- Contributions are made towards other off-site infrastructure improvements arising from and related to the development, including complementary measures in keeping with the landscape setting to reduce the attractiveness to existing traffic of Church Lane/Mayhew Way/Brooks Road as an alternative to Malling Hill and to improve the capacity of the junctions at the A26 /B2192 Earwig Corner, Church Lane/Malling Hill, and the Brooks Road/Phoenix Causeway roundabout;
- Measures are put in place to improve access from the site to the town centre by non-car modes; and
- The development will provide a connection to the sewerage system at the nearest point of adequate capacity, as advised by Southern
- Water.

Policy SD-DS02: Land at Normansal Park Avenue, Seaford

Land at Normansal Park Avenue, Seaford as shown on the Policies Map is allocated for the development of approximately 20 dwellings. Detailed proposals that comply with other relevant policies, meet the following site-specific development requirements and with a Design Brief to be approved by the local planning authority in advance of an application will be permitted:

- Improvement, enhancement or replacement of existing open/recreation space.
- A Landscape and Visual Impact Assessment will be required and should inform the design and layout of the site proposals.
- Careful consideration to be given to the boundary treatment of the site.
- The retention of existing mature trees and appropriate buffering of protected trees.
- Re-provision of existing open space in close proximity to the existing open space and the residents it serves

Development Management Policy SD35: Provision and Protection of Open Space

1. Development proposals for new residential development that comply with other relevant policies will be permitted where they:

a) improve the multi-functional environmental and social benefits and accessibility of existing open spaces by conserving and enhancing biodiversity, landscape, recreation, water management, social and cultural benefits to underpin the health, enjoyment and wellbeing of the community and, where appropriate, achieve a national standard such as a Green Flag Award;

b) retain open spaces, including children's play space and sports facilities, which are valued by local communities unless a suitable alternative can be provided; or

c) create new open spaces that are located within or close to housing developments, that are safe and accessible for all members of the community; and

d) support increased non-motorised access, through the design of the development, and create and improve connectivity with the wider rights of way network.

2. Planning permission will not be granted for development proposals that would result in the loss of open space unless like-for-like provision of a similar quantity, quality and accessibility is made in close proximity to the existing open space.

Robust evidence will also have to be provided of the following criteria:

a) alternative provision is available in the vicinity without causing an unreasonable reduction or shortfall in meeting the local need; and

b) it has been demonstrated that the land cannot reasonably be converted to another form of open space provision for which the SDNPA has identified a deficit.

3. Development proposals for new cemeteries and burial grounds that comply with other relevant policies will be permitted where they are:

a) appropriately sited in a sustainable location.

- b) designed to make the most of opportunities to improve and/or create new biodiversity, habitats and green infrastructure; and
- c) will have no adverse impact on controlled waters including groundwater and surface water.

Development Management Policy SD42: Sustainable Drainage

1. In order to attenuate the rate and volume of surface water run-off and improve water quality all new development in areas at risk of flooding will identify opportunities to incorporate Sustainable Drainage Systems (SuDS) that is appropriate to the size and characteristics of the development at an early stage of the design process, taking consideration of natural site drainage and topography. SuDS that comply with other relevant policies will be permitted providing that they satisfy the following criteria:

- a) Compliant with the National Standards and Specified Criteria for Sustainable Drainage;
- b) Take account of the 1 in 100 year 6 hour storm event plus 30 per cent allowance for climate change, on stored volumes, to ensure that there is no flooding of properties or the public highway or inundation of the foul sewerage system. Any excess flows must be contained within the site boundary, and within designated storage areas and compliant with Policy SD15 on Flood Risk Management;
- c) The SuDS is designed to ensure that there is no flooding on a 1 in 30 year storm event;
- d) Demonstrate that management and maintenance arrangements for the lifetime operation of the scheme are in place;
- e) Retain existing open drainage ditches in their current form;
- f) Follow the hierarchy of preference for different types of surface water drainage disposal systems as set out in Approved Document H of the Building Regulations, planning practice guidance and the SuDS manual produced by CIRIA;
- g) Effectively manage water including maintenance of and, where possible improvement to water quality; and
- h) Provide amenity for local residents whilst ensuring a safe environment.

2. Where SuDS via ground infiltration is feasible, in order to ensure that SuDS discharge water from the development at the same or lesser rate as prior to construction, developers must undertake:

- a) up to six months groundwater monitoring within the winter period;
- b) winter percolation testing in accordance with BRE365.

3. Proposals for 'major' development should seek to integrate SuDS within public open spaces and roads, in liaison with the appropriate county council or unitary authority.

Development Management Policy SD49: Conversion of Redundant Agricultural Buildings

1. The conversion of redundant agricultural buildings outside of defined settlement boundaries will only be permitted where they comply with other relevant policies and:

a) it is not in a wholly isolated location from infrastructure, amenities and services;

b) it is structurally sound and capable of conversion without substantial reconstruction which may constitute a re-build;

c) existing traditional buildings within the holding are not capable of being re-used in the first instance;

d) it can accommodate the proposed use(s) without the need for significant extensions or ancillary buildings;

e) it incorporates measures to enhance the environmental performance of the building, where appropriate;

f) the proposed use does not impact upon the amenities and/or activities of neighbouring properties and uses;

2. And in instances where agricultural buildings are identified as heritage assets:

a) the optimal viable use is proposed to conserve and enhance its architectural and historic interest and leads to an enhancement of its setting;

c) wherever possible, essential utilities and other functional requirements do not harm significant internal fabric.

Development Management Policy SD58: Air Quality

1. The Authority, working with local authority partners and other relevant agencies will seek to improve air quality throughout the National Park. Development proposals that may lead to a significant deterioration in local air quality resulting in unacceptable effects on human health, the natural environment or local amenity, will require the submission of an air quality assessment, which should address:

a) The existing background levels of air quality;

b) The cumulative impact of development levels of air quality; and

c) The feasibility of any measures of mitigation that would prevent the national air quality objectives being exceeded, or would reduce the extent of the air quality deterioration.

2. Development proposals that by virtue of their location, nature or scale could impact on an AQMA will be required to:

a) Have regard to any relevant AQAP and to seek improvements in air quality through implementation of measures in the AQAP; and

b) Provide mitigation measures where the development and/or associated traffic would adversely affect any declared AQMA.

3. Development proposals that comply with other relevant policies, will be permitted where they:

a) Provide mitigation measures where the development and/or its associated traffic could lead to a declaration of a new or extended AQMA,

b) Ensure that the development will not have a negative impact on the surrounding area in terms of its effect on health, the natural environment or general amenity, taking into account cumulative impacts,

c) Promote opportunities for walking, cycling and public transport and congestion management to reduce traffic levels in areas of reduced air quality, particularly in town or village centre locations, and promote the opportunity for cycling through the provision of cycleways, and

d) Secure best practice methods to reduce levels of dust and other pollutants arising from the construction of development and/or from the use of the completed development.

Appendix C: Equality Analysis Report Template

Title:	Response to the South Downs Local Plan: Preferred Options Consultation
EA Lead :	Robert King
EA Team:	Robert King
Date Commenced:	October 2015
Target Completion Date:	Cabinet decision on 24th November
Reason for assessment:	Cabinet Key Decision

Context and Scope

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

To seek Cabinet endorsement of the Council's draft comments on the South Downs Local Plan Preferred Options consultation.

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

The recommendation seeks to ensure that the South Downs National Park Authority is informed by the Council's views prior to

preparing the next version of the South Downs Local Plan.

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?

The recommendation seeks to ensure that the emerging South Downs Local Plan addresses local economic, social and environmental issues whilst having proper regard to the National Planning Policy Framework.

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

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)
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Lewes District Council

Impact	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?

As there are no obvious impacts on people with protected characteristics, our general duties under the Equality Act 2010 are not compromised.

7. What is the scope of this analysis?

To ensure that no unlawful discrimination would result from the Cabinet's recommended decision.

Information gathering and research

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

All the relevant information in terms of demographics is set out in the background documents to the Lewes District Joint Core Strategy.

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?

None.

Analysis and assessment

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

The main finding was that no unlawful discrimination would result from the Cabinet's recommended decision.

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

Between 9 October and 13 October 2015 Equality Analysis was undertaken by Robert King on the decision to endorse the Council's draft comments on the South Downs Local Plan Preferred Options consultation.

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 is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

Approval

Director/Head of Service	
Signed	
Dated	

Agenda Item No: 9.4 **Report No:** 151/15

Report Title: Lewes District Joint Core Strategy – Affordable Housing Policy

Report To: Cabinet **Date:** 23 November 2015

Cabinet Member: Cllr Tom Jones – Lead Member for Planning

Ward(s) Affected: All

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

Contact Officer(s)-

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Purpose of Report: To seek an endorsement from Cabinet to recommend to Full Council that the proposed modification to the Council’s affordable housing policy, as set out in the Joint Core Strategy, is withdrawn and that the Council reverts to the version of the policy as presented in the Joint Core Strategy - Submission document.

Officers Recommendation(s):

- 1 To recommend to Full Council that the proposed Main Modification MM15 to the Joint Core Strategy is withdrawn and that the Council makes it clear to the Planning Inspector, through the ratification of the letter of 5 October 2015 to the Inspector (Appendix 3), that it wishes to adopt and implement the Submission version of Joint Core Strategy Core Policy 1 (affordable housing), subject to minor alterations (as set out in Appendix 2).

Reasons for Recommendations

In order to reflect the recent removal of national planning policy and guidance and revert to an appropriate affordable housing policy for the district, that is based upon and reflects robust local evidence of need and development viability.

Report

1 Background

- 1.1 In partnership with the South Downs National Park Authority, the District Council has been preparing the Joint Core Strategy (JCS) over a number of years. The JCS is currently at an advanced stage in the examination process and it is anticipated that it will be adopted in early 2016.

1.2 As part of the examination into the JCS, the Planning Inspector wrote to the authorities to set out his initial findings on the plan. In turn, the authorities were invited to submit proposed modifications to the plan that would overcome some of the issues that had arisen during the examination. These proposed modifications were agreed for publication, consultation and subsequent submission to the Planning Inspector at the Council meeting held on the 16th July 2015.

2 Core Policy 1 – Affordable Housing

- 2.1 One of the Main Modifications (MM15)¹ proposed to the JCS was to amend Core Policy 1, which relates to the provision of affordable housing. The modification was proposed solely to ensure that Core Policy 1 would be consistent with the Government's Written Ministerial Statement of 28th November 2014, and the associated advice in the National Planning Practice Guidance (NPPG). This statement and guidance set a national threshold for development size below which affordable housing contributions could not be sought. This threshold was 11 units, although an allowance was made for financial contributions towards affordable housing provision to be sought on schemes between 6 and 10 units within certain designated rural areas, including the South Downs National Park.
- 2.2 Prior to the publication of the Ministerial Statement and NPPG additions, the Council and National Park Authority had proposed that Core Policy 1 would seek 40% affordable housing on schemes delivering 10 or more units. On schemes of between 3 and 9 net additional dwellings a graduated threshold and target was set out, which allowed for levels of less than 40% affordable housing to be delivered on these smaller developments, consistent with local viability evidence.
- 2.3 The nationally prescribed policy position set out in the Ministerial Statement and NPPG was challenged in the High Court by West Berkshire District Council and Reading Borough Council. The judgement, handed down on the 31st July 2015, advised that the challenge had been successful and therefore the decision to adopt the new policy by way of Written Ministerial Statement has been quashed, together with the associated sections of the NPPG which have subsequently been deleted.
- 2.4 The implication of the judgement for the JCS is that the sole reason for proposed modification MM15 no longer exists. The nationally prescribed 'policy' for affordable housing thresholds is quashed and this appears to give local planning authorities the flexibility to set their own, locally evidenced, thresholds once more.
- 2.5 In developing Core Policy 1, robust evidence particularly relating to local affordable housing need and development viability has been collected. The Council and National Park Authority have previously considered that this evidence provides robust justification to support the requirements of Core

¹ Lewes District Local Plan Part 1: Joint Core Strategy – Submission Document Main Modifications Schedule 3 July 2015

Policy 1, as described in paragraph 2.2 of this report. This local evidence does not support the Government's main driver for introducing the higher threshold for affordable housing provision, which was to make smaller residential development schemes more financially viable. Local evidence shows there to be sufficient viability in smaller housing schemes in Lewes district to deliver affordable housing provision in accordance with Core Policy 1 in most cases.

- 2.6 The evidence behind Core Policy 1, as it appeared in the Submission version of the JCS, is still considered to be up to date and robust. In light of this and the High Court judgement, it is considered that the Submission version of Core Policy 1 remains the most appropriate affordable housing policy position for this district.
- 2.7 On the 28th September 2015 the Government was granted permission to appeal the High Court judgement. The case will be heard by the Court of Appeal in due course and it is premature to speculate on the chances of the appeal being allowed and the ruling being quashed. Nevertheless, it has to be considered that this may be the outcome.
- 2.8 Even if the Court of Appeal dismisses the case, the Government has indicated its intent to reintroduce a nationally imposed minimum threshold, below which affordable housing contributions cannot be sought. However, there is currently no guarantee that this will happen or any date specified for when it might take effect.
- 2.9 To cover a scenario whereby the Court of Appeal finds in favour of the Government, or the Government reintroduces the intended policy (or alternative changes to affordable housing policy) at some point in the future, it is proposed that some additional future-proofing wording is included in Core Policy 1 and its supporting text. It is considered that Core Policy 1 should set out that in the event of a further national (mandatory) policy change that affects the threshold or level of affordable housing provision, Core Policy 1 would be superseded, as relevant and necessary, by any such changes in national policy. This is considered a minor modification to the policy, since it would simply provide clarification, given that the national position may be subject to change again in the short term, potentially not long after the anticipated adoption of the JCS. The additional text is identified in italics and underlined in Appendix 2 of this report.
- 2.10 The High Court judgement and deletion of the relevant parts of the NPPG occurred too late for MM15 to be removed from the schedule of proposed Main Modifications as published for consultation. However, a notice was published on the consultation website to update interested parties of the changed circumstances and our intention to write to the Planning Inspector to request that MM15 should not be pursued, subject to Council authorisation. A letter dated 5 October 2015, explaining the situation, has been submitted to the Inspector along with all material related to the Proposed Modifications consultation. The letter advises that this report will be considered by the Council and that its decision will be communicated to the Inspector following the Council meeting on 9 December 2015. Resumed examination hearings

are scheduled in mid-December 2015, which means the Inspector will be able to make his subsequent Final Report recommendations knowing the Council's position.

- 2.11 Please note that the letter to the Inspector also advises him that, following the agreement by Council on 16 July 2015 to publish the Proposed Modifications for consultation, additional work carried out by LDC and SDNPA found no requirement to propose further modifications to Core Policy 10 (Natural Environment and Landscape Character) in light of the 9 July 2015 Court of Appeal judgement relating to the Ashdown Forest.

3 Financial Appraisal

- 3.1 No financial implications will arise for the Council if the recommendations of this report are implemented. The change in the affordable housing policy will have financial implications to those landowners/developers who wish to bring forward residential schemes for between 3 and 10 units. However, a robust viability appraisal has been undertaken as part of the evidence for the affordable housing policy. This demonstrates that the requirements of Core Policy 1 (as set out in Appendix 2) should not undermine the viability of such residential schemes.

4 Legal Implications

- 4.1 As detailed within the report the proposed modifications take account of the High Court judgement R (oao West Berkshire District Council and Reading Borough Council v. Secretary of State for Communities and Local Government) [2015] EWHC 2222 (Admin).

5 Risk Management Implications

- 5.1 Should the recommendation from this report be implemented then the main risk that may arise is that at some point in the near future the District Council may have an affordable housing policy that is non-compliant with national planning policy. This scenario could arise if the Court of Appeal finds in favour of the Government, regarding the Reading and West Berkshire case, or if new/amended policy is introduced concerning affordable housing. This risk has been mitigated by making it clear what the Council's position would be, if such a scenario arises, in the amendments to Core Policy 1 (see paragraph 2.9 of this report for further information on this).

6 Equality Screening

- 6.1 An Equality Analysis Report (Appendix 4) has been undertaken. No specific negative or positive outcomes have been identified.

7 Background Papers

- 7.1 The following documents provide background to this report.

- i) Lewes District Local Plan Part 1: Joint Core Strategy – Submission Document Main Modifications Schedule 3 July 2015

http://www.lewes.gov.uk/Files/plan_Proposed_Main_Modifications_Schedule_3_-_July_2015.pdf

- ii) Lewes District Local Plan Part 1: Joint Core Strategy – Submission Document http://www.lewes.gov.uk/Files/plan_CS_Submission.pdf
- iii) Lewes District Affordable housing Viability Assessment 2011 http://www.lewes.gov.uk/Files/plan_AH_CIL_viability_study.pdf

8 Appendices

Appendix 1- Proposed Main Modification MM15

Appendix 2 – Revised Core Policy 1, including supporting text, as now proposed

Appendix 3 - Letter to the Planning Inspector October 2015

Appendix 4 – Equality Analysis Report

Appendix 1

MM15 as published for consultation in the proposed Main Modifications to the Submission Joint Core Strategy (Schedule 3)
http://www.lewes.gov.uk/Files/plan_Proposed_Main_Modifications_Schedule_3_-_July_2015.pdf

<p>MM15</p> <p>Originally listed as MOD 38 in Schedule 2</p>	<p>Section 7 (Core Delivery Policies)</p> <p>Core Policy 1, p70</p>	<p>Amend Core Policy 1, paragraphs 1 and 2 as follows:</p> <p>1. A district wide target of 40% affordable housing, including affordable rented and intermediate (shared ownership) housing, will be sought for developments of 40 <u>11</u> or more dwelling units. For developments of less than 40 units, in designated rural areas, affordable housing, <u>or financial contributions towards</u>, will be sought <u>on developments of 6 or more</u> according to the stepped target and threshold below:</p> <table border="1" data-bbox="721 671 1357 928"> <thead> <tr> <th colspan="2">Affordable Housing Target/Threshold</th> </tr> <tr> <th>Scheme size (units)</th> <th>Affordable Housing (units)</th> </tr> </thead> <tbody> <tr> <td><u>6-8</u></td> <td><u>2*</u></td> </tr> <tr> <td><u>9-10</u></td> <td><u>3*</u></td> </tr> <tr> <td><u>11+</u></td> <td><u>40%</u></td> </tr> </tbody> </table> <p>*commuted sum financial payment</p> <p>2. The affordable housing requirement may exceptionally be determined on a site by site basis where justified by market and/or site conditions. The target levels will be expected to be provided by all developments of 3 <u>11</u> or more <u>and 6 or more in designated rural areas</u> (net) dwelling units (including conversions and subdivisions) unless the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level.</p> <p>(The remaining text in Core Policy 1 is unaltered)</p>	Affordable Housing Target/Threshold		Scheme size (units)	Affordable Housing (units)	<u>6-8</u>	<u>2*</u>	<u>9-10</u>	<u>3*</u>	<u>11+</u>	<u>40%</u>	<p>Statement 28 November 2014 which sets thresholds below which affordable housing contributions should not be sought.</p> <p>Reference to shared ownership is removed and replaced with a glossary definition for intermediate housing, which provides a fuller meaning as the intention was not to narrow the definition to just shared ownership</p>
Affordable Housing Target/Threshold													
Scheme size (units)	Affordable Housing (units)												
<u>6-8</u>	<u>2*</u>												
<u>9-10</u>	<u>3*</u>												
<u>11+</u>	<u>40%</u>												

Appendix 2

The full wording of Core Policy 1, including supporting text, as the Council now intends to pursue to adoption, is set out below. This is the Submission JCS version of Core Policy 1 plus minor text modifications that are now proposed for clarity. These minor alterations essentially caveat the policy to make it clear that in the event of the national policy position changing again, the Council will defer to the national position, where relevant.

Core Policy 1 – Affordable Housing

Key Strategic Objective:

- **To deliver the homes and accommodation for the needs of the district and ensure the housing growth requirements are accommodated in the most sustainable way.**

Key Strategic Issue/Challenge: Improving access to housing

- 7.2 The core delivery policies that are considered integral to addressing this key issue/challenge are identified in this section.
- 7.3 A sufficient supply of housing of all tenures, including affordable housing, is essential to meet the objectives of the Core Strategy and to meet the wide range of housing needs that will be experienced in the district over the plan period as far as sustainably possible.
- 7.4 As identified in Section 6 (The Spatial Strategy), the objectively assessed need for housing over the plan period will not be fully met. Much of this housing need is generated from internal migration pressures and such pressures will not significantly subside as a result of not being accommodated. The reality is that older households who have built up equity in existing houses, potentially elsewhere in the country, will be in a position to out-compete other groups in the housing market. This may include younger households, or those with comparatively low levels of income. Pushing such groups out of the housing market in the district could have significant consequences, particularly in terms of sustaining an economically active population and supporting the local economy.
- 7.5 The Duty to Co-operate Housing Study identifies the provision of affordable housing as one way of avoiding the above scenario. The delivery of the highest feasible levels of affordable housing is a clear way of mitigating the potential negative impacts of not delivering the full objectively assessed housing needs. The provision of such housing will be integral in achieving the key objective relating to this policy, as it will assist in delivering homes and accommodation that meets the needs of those within the district. Such an approach is also consistent with the

District Council's corporate priority of increasing the provision of affordable housing throughout the district. This priority is also shared by the National Park Authority in its area.

- 7.6 Putting aside the argument that there is a need for affordable housing to mitigate against the wider housing needs not being met, there is still significant evidence of a considerable need for affordable housing in the district. The migration pressures, highlighted in Section 2 (Social Characteristics), are not new to the district. Such migration pressures have been a contributing factor to property prices in the district, which are significantly higher than national and regional averages. This is reflected in Lewes District having one of the highest house price to income ratios (the 'affordability gap') in the country, which is having a marked impact upon the availability and affordability of housing for those on low to modest incomes who wish to live locally. Both the Strategic Housing Market Assessment (2008) and the Assessment of the Local Need for Housing (2011) recognise this situation.
- 7.7 The Strategic Housing Market Assessment, produced in 2008, found that the district had an annual requirement for affordable housing, after allowance was made for re-lets, of 230 units per annum. More recently (Autumn 2013) an Affordable Housing Needs Assessment has been undertaken for Lewes District. This demonstrates that in order to meet the level of affordable housing need in the district over the next 5 years (both current backlog and newly arising need) an additional 389 affordable homes would need to be provided per annum, on top of those already expected to be delivered.
- 7.8 The Strategic Housing Market Assessment suggested initial percentage figures for the level of affordable housing that might be sought on new residential development. These percentage figures formed the basis for a preferred policy approach in the Emerging Core Strategy. However, the Emerging Core Strategy recognised that the draft policy approach was not based on any financial viability assessment, which would need to be undertaken before determining the appropriate policy requirements for the district. The recommendations in the Strategic Housing Market Assessment were also made in the light of the prevailing economic conditions and national planning policy requirements in 2008. This was the best available information at the time of the consultation on the Emerging Core Strategy and therefore that policy approach included a caveat regarding the need to undertake more up to date evidence, particularly in terms of viability testing.
- 7.9 The Affordable Housing Viability Assessment took the Strategic Housing Market Assessment's suggested requirements as the starting position for testing affordable housing viability in the district and then, finding them all to be comfortably viable, tested various other targets and thresholds across the district. The Viability Assessment also included viability based consideration of the relationship between affordable housing provision and the potential implications of a future Community Infrastructure Levy

Charging Schedule and meeting at least the full Level 4 requirements of the Code for Sustainable Homes.

- 7.10 The Affordable Housing Viability Assessment recommended a flexible approach to affordable housing delivery, with a district wide target (rather than requirement) of 40% and a graduated threshold for delivery as set out in the core policy below.
- 7.11 The graduated threshold for developments of less than 10 units is to reflect the increased build costs and generally somewhat reduced viability demonstrated for the smaller development sites.
- 7.12 The recommendation for a target percentage rather than a requirement is to allow appropriate flexibility in the policy to respond to variations in the housing market, land values and build costs which could result in reduced development viability on any given site. This is considered essential given the continuing economic uncertainty. The viability evidence tested a 10% fall in market values, which resulted in development remaining broadly viable. However, this would start to become marginal or unviable for some sites if the market fell much more than 10%. Monitoring of delivery rates and for significant changes in house prices and/or build costs would allow for a reassessment of the policy in the event of, for example, a 10% or more fall in the market, or persistent under-delivery.
- 7.13 No affordable housing requirement was recommended on developments of one or two units as the viability evidence shows that these smaller developments generally would not be able to bear both the cost of CIL and a commuted payment towards affordable housing. Housing proposals will be expected to make efficient use of land in accordance with Core Policy 2. Any proposal that appears to have an artificially low density as a possible measure to avoid the required thresholds for affordable housing will be scrutinised and may be refused planning permission where they fail to make efficient use of land and provide appropriate levels of affordable housing.
- 7.14 The actual affordable housing requirement may be determined on a site by site basis, taking into consideration market and site conditions. The target levels shown in the policy below will be expected to be provided by all developments of 3 (net) or more dwelling units (including conversions and subdivisions) unless the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level. Such evidence is required to be submitted by the applicant with the planning application to justify any reduced levels of affordable housing provision proposed and may be subject to independent assessment (e.g. by the Valuation Office Agency or other appropriately qualified independent assessor). An open-book approach will be taken and with the onus being on the applicant to clearly demonstrate the case for the reduced level of affordable housing proposed. Applicants intending to make a planning application with a reduced level of affordable housing provision below the relevant identified

target are strongly advised to raise this with planning officers in pre-application discussions.

- 7.15 There is a very strong presumption that affordable housing will be provided by the developer on the development site. In exceptional circumstances, where justified by robust evidence, the local planning authority will consider provision on an alternative suitable and serviced site provided by the developer in the first instance. Failing that, the local planning authority will exceptionally consider accepting a financial contribution in lieu, which will be used to enable further affordable housing provision in the district, and may be pooled as necessary.
- 7.16 The affordable housing tenure split will generally be expected to be 75% affordable rented and 25% intermediate tenure. However the tenure split may vary on a site by site basis depending upon the identified needs of the local area at the time. Applicants should discuss tenure requirements with the Council's Housing Services section before submitting a planning application.
- 7.17 For the purposes of this policy affordable housing is defined as in the National Planning Policy Framework Annex 2 (and in the glossary section of this document – see appendix 1).
- 7.18 In rural parts of the district, Local Plan Policy RES10 'Affordable Homes Exception Sites' has achieved relatively good success rates for the delivery of affordable homes for local needs on sites outside the planning boundary of the villages. The National Planning Policy Framework makes provision for the continuation of a rural exception sites policy and, as a result, it is proposed that Policy RES10 is carried forward.
- 7.19 For clarity, the affordable housing policy applies to sheltered, extra care and assisted living residential development in the same way as it does to general dwelling houses, where each residential unit has its own kitchen and bathroom facilities and therefore falls within the C3 Use Class. It also applies to conversions and subdivisions where there is a net residential gain of dwelling units in accordance with the target and thresholds set out in the policy below.
- 7.20 June 2011 average house prices are taken as the baseline position for this policy because this was the latest information at the time of the Affordable Housing Viability Assessment. This is the baseline from which a 10% market fall buffer was tested.
- 7.21 For the avoidance of doubt, in the event of any future change in Government policy that requires alternative thresholds, levels or types of affordable housing to be provided by development, the resulting national policy position will supersede the relevant part(s) of Core Policy 1 below, where necessary.

Core Policy 1 - Affordable Housing

1. A district wide target of 40% affordable housing, including affordable rented and intermediate housing, will be sought for developments of 10 or more dwelling units. For developments of less than 10 units affordable housing will be sought according to the stepped target and threshold below:

Affordable Housing Target/Threshold	
Scheme size (Units)	Affordable housing (Units)
1 - 2	0
3 - 4	1
5 - 7	2
8 - 9	3
10+	40%

Any future change in Government policy that requires alternative thresholds, levels or types of affordable housing will supersede this part of the policy, as relevant.

2. The affordable housing requirement may exceptionally be determined on a site by site basis where justified by market and/or site conditions. The target levels will be expected to be provided by all developments of 3 or more (net) dwelling units (including conversions and subdivisions) unless the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level. Such evidence will be required to be submitted with the planning application to justify any reduced levels of affordable housing provision proposed for assessment using an open-book approach and may be subject to independent assessment (e.g. by the Valuation Office Agency or equivalent).
3. The guideline affordable housing tenure split will be 75% affordable rented and 25% intermediate. The local planning authority will negotiate the appropriate tenure split on a site by site basis based upon the latest evidence of needs in the site locality.
4. Affordable housing units will be integrated throughout the development site, be indistinguishable in design and materials from the market housing on the site and remain affordable in perpetuity.

The strong presumption is that affordable housing will be provided on the development site. In exceptional circumstances, the local planning authority may, at its discretion, consider accepting in lieu an off-site contribution on another suitable serviced site provided by the developer in

the first instance or a financial contribution of broadly equivalent value. In such circumstances the local planning authority will have particular regard to the need to develop mixed and balanced communities and will need to be persuaded that the affordable housing cannot satisfactorily be provided on the development site itself. In the National Park the focus will be on the provision of affordable housing to ensure that the needs of local communities in the National Park are met.

Where sites are allocated in a Development Plan Document a different affordable housing requirement may be specified (either higher or lower), taking into consideration any site specific factors that may affect financial viability and/or the wider planning benefits of the development of that site.

The local planning authority will monitor the delivery of affordable housing through the Authority Monitoring Report. In the event of persistent under delivery against this policy target and the Housing Strategy annual target the Council will review the targets and thresholds of this policy. In the event of a fall of 10% or more in East Sussex average house prices (Land Registry House Price Index June 2011 baseline) the local planning authority will review the thresholds and targets of this policy.

Due to the largely rural nature of the district, Rural Exception Sites for local needs affordable housing outside the planning boundary of rural settlements will continue to be considered according to the requirements of Policy RES10 carried forward from the Lewes District Local Plan 2003.

Mr N Payne
Planning Inspector

By email c/o Claire Jones-Hughes
Programme Officer

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5 October 2015

Dear Mr Payne

**Submission of Proposed Modifications to the Submission Joint Core Strategy
and associated consultation documents.
Lewes District Local Plan Part 1: Joint Core Strategy**

Please find enclosed/attached the Schedules of Proposed Modifications and associated documents that have been prepared by the two local planning authorities in response to your 'Initial Findings' letter [ID/05].

These Proposed Modifications to the Joint Core Strategy (JCS) were agreed for publication and consultation by Lewes District Council's Full Council on 16 July 2015 and by South Downs National Park Authority's Planning Committee on 9 July 2015. The documents were subsequently published on 7 August 2015¹ and made available for an 8 week consultation period to 2 October 2015. Representations received have been summarised and set out in an addendum to the Consultation Statement [LDC/082].

There are two particular matters that have arisen since we received your Initial Findings letter in February, to which we would like to draw your attention:

1. The Court of Appeal judgement² dated 9 July 2015 regarding the adopted Wealden Core Strategy Policy WCS12 and the Ashdown Forest 7km Zone of Influence; and
2. The High Court judgement³ dated 31 July 2015 regarding the Written Ministerial Statement of 28 November 2014⁴ and the consequent deletion of paragraphs 12 to 23 of the Planning Obligations section of the National Planning Practice Guidance (NPPG).

¹ Following the agreed 2 week postponement in order to review the evidence and policy position in relation to the Ashdown Forest.

² Ashdown Forest Economic Development LLP v Wealden District Council and South Downs National Park Authority

³ West Berkshire District Council and Reading Borough Council v Department for Communities and Local Government

⁴ 'Support for small scale developers, custom and self builders' House of Commons: Written Statement (HCWS50) made by The Minister of State for Housing and Planning (Brandon Lewis) DCLG

1. Ashdown Forest 7 km zone – Core Policy 10

The 9th July 2015 Court of Appeal judgement resulted in the quashing of the policy wording relating to a 7km zone around the Ashdown Forest SPA/SAC in policy WCS12 of the adopted Wealden District Core Strategy Local Plan 2013. In light of this, LDC and SDNPA considered it prudent to review the position in Submission JCS Core Policy 10 [CD/001] relating to the 7km zone, including appropriate and alternative policy approaches to the mitigation of recreational pressure, arising from residential development, on the Ashdown Forest.

On order to expedite this we engaged expert SA/SEA consultants at AECOM to undertake a review and appraisal of alternatives, which has then been used by the authorities to inform, and confirm, our preferred approach in this matter. This remains as set out in Core Policy 10 of the Submission JCS.

We therefore do not propose any further main modifications to Core Policy 10, beyond those set out in the schedule of Main Modifications [LDC/065], which arose from discussions at the January 2015 hearings.

We have prepared and consulted upon an Addendum to the Sustainability Appraisal [LDC/081], within which section 6 details our consideration of reasonable alternatives to Core Policy 10 criterion 3, including the report provided by AECOM in full.

The quashing of the policy wording relating to the zone in WCS12 is specific to that policy only, not to principles of a 7km zone *per se*, or the evidence behind it. Moreover the Habitats Regulations that protect the Ashdown Forest Special Protection Area (SPA) are unchanged. The Court of Appeal judgement noted that the conclusion on WCS12 was arrived at “with a degree of reluctance”, rather than as a result of the 7km zone itself or the requirement for specific mitigation measures⁵. The removal of the wording of WCS12 was required due to a matter of process whereby it was concluded that Wealden District Council had not explicitly met its duty under the Strategic Environmental Assessment Regulations.

Natural England was engaged in the work undertaken by AECOM and the authorities. Natural England supports the continued use of the 7km zone and specific mitigation measures and has advised that it ‘stands firm’ behind evidence that justifies this approach, as discussed at our January hearings. This is confirmed in their recent representations on the Proposed Modifications consultation.

2. Affordable housing thresholds – Core Policy 1

Core Policy 1 of the Submission JCS sets a target of 40% affordable housing for developments of 10 or more dwellings and for developments of less than 10 it sets out a stepped target and threshold whereby 1-2 units = 0 affordable; 3-4 units = 1 affordable; 5-7 units = 2 affordable and 8-9 units = 3 affordable.

⁵ . Suitable Alternative Natural Greenspaces (SANGs) and on-site visitor management measures through the Strategic Access Management and Monitoring Strategy (SAMMS)

This target and threshold for affordable housing has been established according to robust local viability evidence and subject to consultation⁶ prior to Submission for examination in September 2014. Core Policy 1, as submitted, was also approved by LDC Cabinet and Council and SDNPA Full Authority.

Subsequent to Submission of the JCS to the Planning Inspectorate in September 2014, the Government issued a Written Ministerial Statement and updated the NPPG stating that small-scale developments providing 10 or fewer residential units were not required to provide affordable housing or other tariff-type S106 contributions. This changed national position was published on 28 November 2014, in the period between the submission of the JCS for examination and the commencement of the hearing sessions in January 2015. As a result, in November 2014, the affordable housing thresholds in Core Policy 1 of the Submission JCS became inconsistent with national policy.

In response, officers proposed modifications to Core Policy 1 to ensure consistency with the NPPG. This modification was introduced to the examination in our January 2015 Written Matters Statement for Issue 9i – Housing Policies [LDC/037]. This modification was subsequently formally agreed by both authorities in July 2015 for publication and consultation (under reference MM15 in the Proposed Main Modifications [LDC/065]).

On the 31 July 2015 the High Court ruled that this element of the NPPG was "incompatible" with the statutory planning framework and that the Written Ministerial Statement should not be a material consideration, including for development plan procedures. Since this ruling the Government has deleted the related paragraphs 12 to 23 of the Planning Obligations section from the NPPG.

In light of the above, the authorities now request that the proposed main modification MM15 [LDC/065] is not proceeded with⁷. LDC and SDNPA made the decision to modify the thresholds in Core Policy 1, as per MM15, solely in order that the JCS would be consistent with the NPPG. This decision was not taken because the authorities considered that higher thresholds for affordable housing delivery should be set for the district. To continue with the higher thresholds as proposed in MM15 would be inconsistent with robust local evidence for affordable housing viability. This would result in an unnecessarily reduced delivery of affordable housing over the plan period, which is much needed to contribute to meeting the significant level of need identified in Lewes district.

This change in the national policy position will be reported to LDC Cabinet on 23 November 2015 and Council on 9 December 2015, prior to the scheduled resumed hearing sessions in mid-December. The report will recommend the ratification of the position set out in this letter and specifically that MM15 should not be pursued.

⁶ The target and thresholds in the format set out in Submission CP1 were included in the Proposed Submission JCS in January 2013 and these elements of the policy remained unchanged in the Focussed Amendments JCS in May 2014 and the Submission JCS in September 2014.

⁷ Except for the deletion of the words " (shared ownership)" which we intend to continue with as an additional/minor modification.

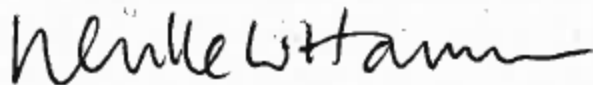
It is the case that the thresholds and target for affordable housing set out in Core Policy 1 of the Submission JCS [LDC/001] are clearly justified by robust local evidence. Details of this were provided in our Written Matters Statement for Issue 9i in January 2015 [LDC/037] and submitted evidence documents [CD/052, CD/053, CD132 and CD133]. While our Statement [LDC/037] was written in the context of the national policy position being in accordance with the 28 November Written Ministerial Statement, its content remains valid for the stepped threshold for developments of 3 to 9 residential units, inclusive, which was and remains fully justified by the viability evidence.

We respectfully request that the content of this letter is taken into account in your Final Report.

Yours sincerely



Tom Jones
Cabinet Member for Planning
Lewes District Council



Neville Harrison
Chair of Planning Committee
South Downs National Park Authority

Appendix

Title:	Lewes District Joint Core Strategy – Affordable Housing Policy
EA Lead :	Edward Sheath
EA Team:	Edward Sheath
Date Commenced:	October 2015
Target Completion Date:	Cabinet decision on 24th November
Reason for assessment:	Cabinet Key Decision

Context and Scope

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

To recommend to Full Council that the proposed modification to the Council's affordable housing policy, as agreed in July 2015, is withdrawn and that the Council reverts to the version of the policy as contained within the Submission version of the Joint Core Strategy (September 2014).

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

No commitment of resources involved. The change should not materially impact upon other organisations.

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

The change in policy will provide a policy basis for securing contributions towards affordable housing on small development sites (less than 10 units).

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

The recommendation is made in order to secure a robust policy that maximises the potential to secure affordable housing through market led housing – the approach is considered to be consistent with national planning policy and guidance. The delivery of affordable housing is a clear local priority for Lewes DC.

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

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)
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Lewes District Council

Impact	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?

As there are no obvious impacts on people with protected characteristics, our general duties under the Equality Act 2010 are not compromised.

7. What is the scope of this analysis?

To ensure that no unlawful discrimination would result from the Cabinet's recommended decision.

Information gathering and research

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

All the relevant information in terms of demographics is set out in the background documents to the Lewes District Joint Core Strategy.

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?

The affordable housing policy has been developed through extensive consultation undertaken during the course of the past 5 years. The proposed policy approach has been consulted upon as part of this consultation.

Analysis and assessment

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

The main finding was that no unlawful discrimination would result from the Cabinet's recommended decision.

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

Between 9 October and 19 October 2015 Equality Analysis was undertaken by Edward Sheath on the decision to recommend to Full Council that the proposed modification to the Council’s affordable housing policy, as agreed in July 2015, is withdrawn and that the Council reverts to the version of the policy as contained within the Submission version of the Joint Core Strategy (September 2014).

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 is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

Approval

Director/Head of Service	
Signed	
Dated	

Agenda Item No: 9.5 **Report No:** 152/15
Report Title: Newhaven Enterprise Centre
Report To: Cabinet **Date:** 23 November 2015
Cabinet Member: Cllr Andy Smith, Leader of the Council
Ward(s) Affected: Newhaven Valley Ward
Report By: Nazeya Hussain – Director of Business Strategy & Development
Contact Officers-
Name(s): Peter Sharp
Post Title(s): Regeneration Project Manager
E-mail(s): peter.sharp@lewes.gov.uk
Tel No(s): 01273 661125

Purpose of Report:

To consider a proposed 2-year contract amendment to the existing Operational Management Agreement between LDC and Basepoint Centres Ltd.

Officers Recommendation(s):

- 1 To note the strong performance of Newhaven Enterprise Centre and the work being undertaken to expand the facility.
- 2 That Cabinet approves the waiver of the Contract Procedure Rules for the reasons set out in this report to allow the direct award of the contract proposed to Basepoint without a competitive tender process.

Reasons for Recommendations

- 1 The existing Operational Management Agreement expires in November 2017 and it is considered financially advantageous for LDC to re-tender the Agreement once the new extension is fully occupied.
- 2 The existing arrangement between Basepoint and LDC has been highly successful and an excellent working relationship has been fostered between Centre management and LDC's Regeneration & Investment team.

Information

3 Local Challenges and Opportunities

- 3.1** Newhaven faces a number of challenges and opportunities. These include pockets of high unemployment, low skills and poverty of aspiration; a weak economic base associated with the decline in traditional port and related manufacturing industries; and poor quality commercial property that is unsuitable for modern business needs within emerging higher value sectors.
- 3.2** Newhaven has a real opportunity for growth, with money being committed through the Greater Brighton City Deal and Local Growth Funding to improve flood defences in the town and build a new port access road, as well as the identified opportunity to establish Newhaven as a 'Clean Tech' Growth Hub linked to the development of the University Technical College, E.ON's Rampion Offshore Wind Farm, Newhaven Growth Quarter and the bid to obtain Enterprise Zone status for specific development sites.

4 Newhaven Enterprise Centre

- 4.1** Newhaven Enterprise Centre is located on Denton Island and was opened in November 2007. The Centre was built using £4.75 million of funding secured from the now defunct South East England Development Agency (SEEDA).
- 4.2** The Centre provides approximately 2,000m² of high quality managed business space across 45 furnished incubator units, for business start-ups and larger units aimed at micro-businesses¹. The units are let on flexible "easy in, easy out" terms that are ideal for new businesses.
- 4.3** Newhaven Enterprise Centre is managed by Basepoint Centres Ltd on behalf of LDC under a 10-year Operational Management Agreement (OMA) which is due to expire in November 2017. Under the terms of this agreement, the Council pays Basepoint a fixed annual management fee, along with performance-based fees linked to the net income generated at the Enterprise Centre.
- 4.4** As part of the Newhaven Growth Quarter project (funded primarily through a successful bid to the Coastal Communities Fund), LDC is currently extending the Enterprise Centre to create an additional 769m² of managed business space. This extension is focused on fostering growth in the emerging clean, green and marine technologies sector linked to other local developments including the new UTC@harbourside and the Rampion Offshore Wind Farm.
- 4.5** Occupancy levels at the Centre have remained consistently high in recent years. The annual occupancy² average for 2013/14 was 96.33%,

¹ Those employing up to 10 people

² In terms of occupied square feet of available business workspace

which rose to 97.57% during 2014/15. The YTD³ occupancy for 2015/16 is currently⁴ 97.74%, despite the disruption created by the new extension as part of the Newhaven Growth Quarter scheme.

- 4.6** As of the end of August 2015, the Centre had a waiting list of 33 potential new tenants to take space. This further emphasises the success of the Enterprise Centre under Basepoint’s management thus far.
- 4.7** The business plan for the extension to the Enterprise Centre envisages a gradual build-up in unit occupancy levels, from 10% in Q1, Year 1, rising to a target annual occupancy of 90% by Q1, Year 3. Given the nature of the OMA, whereby LDC and the operator share the risk, it is considered that LDC will be in a stronger negotiating position once the next extension is better occupied. It would therefore be financially advantageous to defer the letting of a new long-term management agreement until the higher level of occupancy has been achieved. For these reasons, it is recommended that we authorise a new OMA for Basepoint to cover the 2-year period from November 2017 to November 2019.

5 Basepoint Centres Ltd

- 5.1** Basepoint Centres Ltd opened their first business centre in 1994 in Romsey in Hampshire. They now operate 31 innovation and enterprise business centres in the UK, covering more than 700,000ft² of business space across Southern England, the Midlands, East Anglia and Wales.
- 5.2** Basepoint is wholly owned by The ACT Foundation – a charitable trust with a mission to “enhance the quality of life for people in need”. Any profits made by Basepoint are re-invested by the trust to further its community-based charitable objectives.
- 5.3** As a result, all Centres owned or managed by Basepoint provide financial support to a local charity as part of their own objective to help develop sustainable communities. Management in Newhaven are working with FitzRoy – national charity working to transform the lives of people with learning disabilities, helping them to live more independently at home and in their communities.

6 Financial Appraisal

- 6.1** In the last three years, Newhaven Enterprise Centre has generated net income in excess of £350,000, supporting the Council’s overall General Fund budget. Details are as follows:

Net income generated	£
2012/13	97,500
2013/14	122,900
2014/15	130,300
Total	350,700

³ Year to Date (ie. since 1st April 2015)

⁴ YTD occupancy as at end September 2015

- 6.2** The growth in net income shown above reflects the increased occupancy rate of the units available at the Enterprise Centre along with improvements in revenue generated from the use of telecoms and the hire of meeting rooms.
- 6.3** Reflecting this increasing performance, the annual fee paid to Basepoint for the operational management of the Enterprise Centre has also increased as indicated below:

Fees paid	£
2012/13	48,200
2013/14	54,500
2014/15	57,600
Total	160,300

- 6.4** In 2015/2016, the last year of the current OMA, the total fee paid to Basepoint is expected to reduce to £39,700. This is because income from rents and hire charges will drop while the work to build the Enterprise Centre extension takes place, and no performance fee will be payable under the terms of the OMA.
- 6.5** If the existing OMA is extended for a further two years, the total fees paid to Basepoint are projected to increase as occupancy rates return to their former level, the units in the new extension become available for letting and the client base for room hire and telecoms fees expands. Projections are:

Fees payable	£
2016/17	54,500
2017/18	62,100

- 6.6** Compared with 2014/15, the fee payable to Basepoint in 2017/18 will increase by £4,500. This increase will be more than offset by the additional income generated for the Council by the extension, which is projected to be £22,000 in that year.

7 Legal Implications

Public Procurement Regulations

- 7.1** The proposal to enter a new contract when the contract comes to an end in November 2017 in order to continue the existing arrangements with Basepoint for a further two years is compliant with the public procurement regime which the Council must comply with. It is considered that the proposed new contract is a services concession contract but even if this analysis was not correct, the contract will be a public services contract where the Council will still not need to follow a regulated public procurement process to award the contract as its value will be below the relevant threshold of £172,514.
- 7.2** The Public Contract Regulations 2006 continue to apply to services concessions contracts, but these specifically exclude such contracts (of

whatever value) from a requirement to follow a full public procurement process. There is only a need to run some form of open competition advertised Europe-wide if the services concession contract is of a kind that will be of interest to undertakings in other Member States. If not, then it is up to the Council to determine what sort of competition it undertakes or whether it runs a competition at all. We do not consider that the nature or value of the proposed contract will be of sufficient cross-border interest to require a Europe-wide competition to be held. New concessions contracts will become regulated from 16 April 2018. The threshold for the application of the rules requiring a competition will not be triggered unless the value of the contract exceeds €5,186,000.

Contract Procedure Rules

- 7.3** The Council's Contract Procedure Rules require a contract for services with a value of over £30,000 but below EU Thresholds to be awarded after at least four organisations have been invited to tender for the opportunity.
- 7.4** Provided the waiver will not breach public procurement regulations, the Contract Procedure Rules allow Cabinet to waive any requirement within the Contract Procedure Rules for any specific project, in which case its reasons for doing so shall be recorded in the Minutes of the Cabinet. As a general principle, Cabinet should only agree to waive these requirements if there are good and objectively demonstrable grounds for doing so.
- 7.5** In deciding to waive any requirement, Cabinet should have regard to its general fiduciary duty to its wider taxpayers and the duty to achieve best value from its procurement arrangements. The reasons for waiving the requirement for a tender process and continuing the arrangements with Basepoint through the award of a new 2-year contract are set out elsewhere in this report, and Cabinet are asked to agree to waive the Contract Procedure Rules on this occasion and allow the award of the contract proposed without a tender process.

8 Risk Management Implications

- 8.1** A detailed Risk Register was prepared at the time of construction of the Newhaven Enterprise Centre. This was debated by the Newhaven Enterprise Gateway Sub-Committee in July 2006 (Report No. 133/06).
- 8.2** In addition, the following risks will arise if the recommendations are not implemented, and I propose to mitigate these risks in the following ways:

Risk	Likelihood	Impact	Mitigation
The Centre operates below full capacity, thereby reducing revenues for LDC	Medium	High	Any alternative specialist operator would be likely to have coherent marketing plans, although an initial detrimental effect on short-term revenues is highly likely.

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

Risk	Likelihood	Impact	Mitigation
Basepoint don't manage the Centre effectively	Low	High	The Centre has been highly successful since opening and has been under Basepoint's management throughout.
By extending the existing OMA, the Council does not achieve best value	Low	High	The Centre is currently full, with a significant waiting list for the new extension. Basepoint are one of the leading operators of managed business space in the UK and have a strong track record of success. LDC is likely to be in a stronger position to re-tender for the management of the Centre in 2019, once the new extension has been established and is fully occupied (allowing for build-up of tenants and revenues).

9 Equality Screening

9.1 Between 28 September 2015 and 2 October 2015, an Equality Analysis was undertaken on this proposal. 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.

9.2 The assessment identified that no major changes are required. The EA demonstrates the decision is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

9.3 A copy of the EA is attached as an Appendix to this report.

Background Papers

10 None.

Appendices

11 Appendix 1: Equality Analysis report, together with copies of Basepoint's Equality and Diversity policies.

Appendix 1: Equality Analysis Report Template

Title:	Newhaven Enterprise Centre
EA Lead :	Peter Sharp
EA Team:	Regeneration & Investment
Date Commenced:	28 September 2015
Target Completion Date:	2 October 2015
Reason for assessment:	Cabinet Report on Proposal to extend Operational Management Agreement with Basepoint Centres Ltd

Context and Scope

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

The main purpose of this decision is to extend the existing Operational Management Agreement for Newhaven Enterprise Centre to continue our working relationship with Basepoint Centres Ltd for an additional two years (ie. to November 2019).

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

None.



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

The Enterprise Centre enables local businesses to rent flexible and affordable managed workspace which supports the creation of local jobs for the local community. This includes apprenticeships, which have been offered by a number of existing tenants.

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

No political impact.

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	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Tick if relevant														



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

Newhaven Enterprise Centre has a diverse range of business tenants, working together to achieve common goals and fostering good business practice and relationships between the tenants and the wider community.

7. What is the scope of this analysis?

The scope for this analysis is somewhat limited. The Centre is run by Basepoint Centres Ltd on behalf of LDC. Basepoint have established equality and diversity policies, which are adhered to in the operation of Newhaven Enterprise Centre.

Information gathering and research

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

The equality and diversity policies of Basepoint Centres Ltd have been obtained and reviewed to ensure that sufficient procedures are in place.

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

None



Lewes District Council

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

No consultations have taken place. Newhaven Enterprise Centre is operational and policies are in place to ensure equality of opportunity for all.

Analysis and assessment

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

No consultations have been undertaken.

12. What positive outcomes were identified?

Basepoint Centres Ltd have suitable equality policies in place to protect any user of the facility from discrimination.

13. What negative outcomes were identified?

None.



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
No issues identified.					



Lewes District Council

Summary Statement

Between 28 September 2015 and 2 October 2015, Equality Analysis was undertaken by Peter Sharp on the proposal to extend the existing Operational Management Agreement with Basepoint Centres Ltd for Newhaven Enterprise Centre.

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:

*(*delete as appropriate)*

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

Approval

Head of Service	Max Woodford
Signed	
Dated	2 October 2015



Equal Opportunities Policy

Basepoint is committed to the principle of equal opportunity in employment.

Accordingly, management will ensure that recruitment, selection, training, development and promotion procedures result in no job applicant or employee receiving less favourable treatment because of a protected characteristic i.e. race, colour, nationality, ethnic or national origin, religion or belief, disability, trade union membership or non-membership, sex, sexual orientation, pregnancy and maternity, gender reassignment, marriage/civil partnership, age, or on the basis of being a part-time or fixed term worker. The Company's objective is to ensure that individuals are selected, promoted and otherwise treated solely on the basis of their relevant aptitudes, skills and abilities.

Management has the primary responsibility for successfully meeting these objectives by:


- not discriminating in the course of employment against employees or job applicants
- not inducing or attempting to induce others to practise unlawful discrimination; and
- bringing to the attention of employees that they will be subject to action under the Disciplinary Procedure for discrimination of any kind.

Staff can contribute by:

- not discriminating against fellow employees, customers, suppliers or members of the public with whom you come into contact during the course of your duties
- not inducing or attempting to induce others to practise unlawful discrimination; and
- reporting any discriminatory action to any Director.

The successful achievement of these objectives necessitates a contribution from everyone and you have an obligation to report any act of discrimination known to you.

If you consider that you are a victim of unlawful discrimination you may raise the issue through the Grievance Procedure.

Signed 

Brian Andrews

Executive Director - Basepoint Centres Ltd

Agenda Item No: 9.6 **Report No:** 153/15
Report Title: Local Council Tax Reduction Scheme 2016/17
Report To: Cabinet **Date:** 23 November 2015
Cabinet Member: Councillor Bill Giles
Ward(s) Affected: All
Report By: Alan Osborne, Director of Corporate Services
Contact Officer(s)-
Name(s): Ian Morris
Post Title(s): Head of Customer Service
E-mail(s): ian.morris@lewes.gov.uk
Tel No(s): 01273 484079

Purpose of Report:

To consider options for the local Council Tax Reduction scheme for 2016/17.

Officers Recommendation(s):

- 1 To recommend to Council that the following changes are made to the current Council Tax Reduction Scheme for 2016/17:-
 - 1.1. To limit the maximum amount of Council Tax Reduction to 80% of the claimant's Council Tax liability and
 - 1.2. To introduce an assumed minimum income floor for self-employed claimants
 - 1.3. To retain the current qualifying Capital savings limit at £16,000.
 - 1.4. To retain the current eight week extended payment for claimants that go into work.
 - 2 To delegate to the Assistant Director of Corporate Services in consultation with the Director of Corporate Services/S151 officer to make minor amendments to the text of the final scheme
 - 3 To agree to the adoption of an Exceptional Hardship scheme.
-

Reasons for Recommendations

- 1 The Council is under a duty to review its local Council Tax Reduction scheme each year and any changes to the scheme must be adopted by 31 January 2016, preceding the start of the new financial year. If it fails to do this the current year's scheme will remain in force.

Information

2 Introduction

- 2.1 The coalition government abolished the national Council Tax Benefit scheme from April 2013 and required local authorities to develop and adopt their own scheme of financial support for **working age** claimants. This change came with a 10% reduction in funding, for the Council this amounted to c£90k.
- 2.2 To protect pensioners from any reduction in support, the government put in place a national scheme that local authorities had to adopt. Therefore, any reduction in support had to come from those of working age. The Council is only permitted to change the scheme for **working age** claimants.
- 2.3 On 10 January 2013 the Council adopted a local scheme of support for 2013/14 which, in the main followed the rules of the Council Tax Benefit scheme, as well as agreeing changes to certain council tax discounts and exemptions.

3 The current local scheme 2015/16

- 3.1 The current Council Tax Reduction (CTR) scheme, which was also adopted by the other East Sussex districts and boroughs, follows the principles of protecting the most vulnerable, incentivising individuals into work and takes into account and responds to the requirement of government to reduce the overall cost of the previous Council Tax Benefit scheme by 10%.
- 3.2 The local scheme has remained unchanged since 2013/14 and follows the rules of the Council Tax Benefit scheme in that it is means-tested, with the following main changes:
 - (a) Removal of second adult rebate
 - (b) A minimum award of £5.00 per week, whereby a claimant who qualifies for less than this will not receive any support
 - (c) A reasonable increase in non-dependant deductions
 - (d) An additional four week extended payment for those claimants going back into work

4 Options for the 2016/17 local scheme

4.1 A project team of senior officers from the East Sussex district and borough councils and the County Council has been looking at options for the 2016/17 scheme. A series of reports were presented to Chief Executives and Leaders outlining what options were available. Several options were rejected for a variety of reasons. They are detailed below:

a. Council Tax Band Cap

The principle of this option is to only pay CTR to an agreed maximum level of Council Tax. It is primarily designed not to disadvantage applicants who live in smaller or lesser value premises. The level of banding restrictions is normally determined by each authority taking into account the typical banding levels within the area and number of premises within each band. It does, however, add a great deal of complexity and administrative burden to areas with town and parish councils.

b. Limitation to Dependants Allowances

The limiting of dependant additions within the CTR calculation is one of the newer options being considered by many authorities, although it should be noted that at the current time (including 2015/16 schemes), this has not been implemented within any CTR scheme. By generally limiting the amount 'added into the calculation' for dependants, savings can be made. Within the UK the average number of dependants within a family is around 1.7. By restricting the additions to just above the average per household, the change would have no effect on an average family or applicants with no dependants but would limit the CTR payments to any family who have more than the average number of dependants.

c. Inclusion of Child Benefit and Child Maintenance as income

Within all CTR schemes in East Sussex certain incomes are disregarded in full, which means that they will have no effect on any entitlement to support. Of particular interest are incomes which up until recently were counted in full as income within benefits schemes but which have subsequently been disregarded; these are Child Benefit and Child Maintenance. Twenty-two authorities nationally have decided, with the implementation of CTR, to include either, or both, incomes within the calculation. The effect has been to create a CTR scheme that closely resembles Council Tax Benefit schemes from pre-2009. The inclusion of child benefit and maintenance is likely to attract criticism due to the child poverty considerations.

d. Inclusion of Disability Living Allowance and personal Independence Payments as income

Certain disability benefits such as Disability Living Allowance (DLA) and Personal Independence Payments (PIP) are not currently included as

income within the calculation of Housing Benefit or CTR. It should be noted that when calculating Discretionary Housing Payments (DHP) for Housing Benefit claimants, DLA and PIP are taken into account as 'available income. Again due to the potential impact on a vulnerable group this option has been discounted.

4.2 Options to be considered

The project team has proposed that the following options are considered for inclusion in the 2016/17 scheme:

- (a)** Limiting CTR to a percentage of the Council Tax liability
- (b)** Assumption of a minimum income for self-employed claimants
- (c)** Reduction in the qualifying capital limit

4.3 Limiting CTR to a percentage of Council Tax liability

This option, if adopted, would require claimants to pay at least a certain percentage of their Council Tax irrespective of their circumstances. It is, in effect, a return to the principles of the Community Charge. It should be noted that 244 of the 336 Local Authorities have adopted some level of minimum payment, many at over 20%.

The team has modelled the effects of a 10%, 15% and 20% limit to liability. The estimated savings against the current costs of the scheme would be:

	Savings	LDC share	Claimants affected
10%	£ 355,000	£ 39,500	3,685
15%	£ 534,154	£ 58,750	3,685
20%	£ 715,325	£ 79,000	3,685

4.4 Assumption of a minimum income for self-employed claimants

This option, if adopted, would introduce an assumed minimum income for self-employed claimants of 35 hours times the minimum wage (currently £6.70). This is in line with the government's proposal for those claiming Universal Credit.

A grace period of 12 months from the start-up of a business would be allowed before the assumed minimum income would come into effect.

This proposal would result in savings to the cost of the scheme of £270,000 (LDC c£30,000) and would affect approximately 400 claimants.

4.5 Reduction in the qualifying capital limit

This option, if adopted, would reduce the limit that people can have in savings and still qualify for support. The current scheme has a limit of £16,000. The consultation was based on a reduction of the level of qualifying capital to £6,000.

This would result in potential savings to the cost of the scheme of c£87,000 (LDC c£9,500) and affect at least 60 claimants in the district. However the Council does not currently hold the capital details of those claimants in receipt of Jobseeker's Allowance, Income Support or Employment Support Allowance and if this proposal is adopted we would need to contact approximately 2,100 claimants to get details of their capital as well as implementing procedures to continually review the capital levels of these households. The additional administrative burden of this proposed change is likely to require an additional FTE which would be funded directly by the Council.

It is also likely that the additional administrative processes will result in very low income households not receiving any financial support for their Council Tax due to failing to supply the required information to the Council. These households will already have supplied this information to the DWP to satisfy the £16,000 qualification criteria for the welfare benefits named above, as a consequence the estimated savings may not be realised.

4.6 Extended payments for claimants going into work

When the council adopted the original scheme in 2013 it made the decision to provide an additional incentive to work by doubling the extended payment award from four weeks to eight.

Extended payments are awarded when Income Support, Employment Support Allowance, Job Seekers Allowance, Incapacity Benefit or Severe Disablement Allowance ends because the claimant or their partner starts work or increase their hours of work. To qualify for extended payments they must have been receiving one of the above benefits for at least 26 continuous weeks.

The cost to the scheme in 2014/15 was c£18,000, with the cost to the Council being c£2,000.

5 Exceptional Hardship Fund

- 5.1** Whichever changes are adopted, it is proposed that a separate hardship fund is created to assist those applicants suffering exceptional hardship. Applications would be accepted where applicants have qualified for CTR but are still experiencing severe financial hardship. (Other taxpayers may also apply, however the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case). As part of the process of applying for additional support, it is proposed all applicants must be

willing to provide sufficient personal information to allow officers to make the necessary decision.

- 5.2 The financing of such a fund is to be shared between the major precepting authorities in proportion to their share of the Council Tax. In Lewes's case the proposed fund would be c£39,000, which is 0.5% of the estimated cost of the scheme, with the cost to the Council being c£4,300.
- 5.3 An Exceptional Hardship scheme would mitigate the impact of any changes to the current local scheme that severely affects someone's ability to pay the tax due. A draft Exceptional Hardship policy is attached at Appendix A.

6 Alternatives to reducing the amount of help provided by the CTRS

The project team has also thought about other ways to address the reduction in Government grant whilst maintaining the current level of financial support provided by the CTR scheme which is currently in place. These have not been completely rejected and need consideration. The options are:

- 6.1 Increase the level of Council Tax
- 6.2 Reduce funding available for other services
- 6.3 Use Council reserves

7 Collection Rates, Scheme Administration and targeted intervention

- 7.1 It is likely that there will be an impact on Council Tax collection rates if the CTR scheme is changed, with all claimants having to pay part of their Council Tax. Measures to reduce the impact are discussed below, but to give an indication of the potential financial effect, two scenarios have been modelled, based on a 0.25% and 0.75% reduction on the amount of Council Tax collectable in 2014/15:

Net collectable debit	Overall impact of an additional 0.25% loss on collection	Overall impact of an additional 0.75% loss on collection
£59,226,704	£148,070	£444,200

The impact on Lewes District Council is as follows:-

Net collectable debit	Impact on LDC of an additional 0.25% loss on collection	Impact on LDC of an additional 0.75% loss on collection
£59,226,704	£16,300	£48,900

- 7.2** To help minimise the losses on collection, experience from work undertaken within other areas where similar schemes are in operation suggest substantial pre-billing work is required to educate and support claimants in understanding the impact on them of the forthcoming changes to the scheme. It is also essential that early intervention with claimants falling into arrears is undertaken in order to ensure continued recovery of income owed. Based on similar schemes across the country it is likely that up to 2 FTEs would be required plus a further 0.5 FTE to administer the hardship fund. It is proposed that the funding for this is met by both Precepting and Billing Authorities in direct proportion to their share of the Council Tax.
- 7.3** East Sussex County Council have indicated that they would be prepared to contribute to the additional staffing costs, based on costs incurred, impact on collection rates and on overall financial impact of the adopted scheme(s). Further work will be carried out under the direction of the East Sussex Finance Officers group into the effects and mitigation measures required to minimise any fall in collection rates.

8 Transitional Relief

- 8.1** Paragraph 5 (4) of Schedule 1A to the Local Finance Act 1992 requires local authorities who are revising or replacing a scheme which has the effect of reducing or removing a reduction to which any class of persons is entitled that the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.
- 8.2** This means that the authority must consider easing the financial impact on those affected by any change by, for example by only applying the change to new claimants or by limiting the impact of any change to say £5.00 per week.
- 8.3** There is no requirement to introduce such transitional relief; rather the authority must consider it.

9 Consultation

- 9.1** Before making a new scheme, or before making changes to the scheme, the Council must consult with the major preceptors and other interested parties.
- 9.2** East Sussex County Council has been involved throughout in the discussions and project work of the East Sussex Collaboration Project. They have also made a written response to the consultation. East Sussex Fire Authority and the Sussex Police and Crime Commissioner have also been consulted on the proposals via the East Sussex Finance Officers group. A copy of East Sussex County Council's formal response is attached at Appendix B.
- 9.3** A public consultation was carried out on options for the 2016/17 scheme. The consultation ran from 27 July 2015 to 17 September 2015 and there were a total of 103 responses, although not every respondent answered

every question. The results from the consultation and comments received are at Appendix C.

- 9.4** Respondents to the consultation were asked to consider the proposed changes to the scheme in a broader Local Government Finance context. They were asked if the Council should choose any of the following options to help pay for the scheme
- (a)** Increase the level of Council Tax, to which 61% answered No.
 - (b)** Reduce the funding available for other services, to which 64% answered No
 - (c)** Use Council reserves, to which 51% answered No
- 9.5** In brief, 68% of the people who answered the question, 'Do you believe that every working age applicant for Council Tax Reduction should have to make a minimum payment towards their Council Tax?' answered 'Yes'.
- 9.6** 29% of those who agreed said the level of payment should be 10% of the council tax, 21% preferred 15%, whilst 46% opted for a 20% minimum payment.
- 9.7** 47% of those who answered the question about setting a minimum income for self-employed persons agreed with the proposal, 45% disagreed and 8% didn't know.
- 9.8** 49% agreed with the proposal to reduce the capital limit from £16,000 to £6,000, 43% disagreed and 8% didn't know.
- 9.9** 88% were in agreement with the proposal to establish an Exceptional Hardship fund.

Financial Appraisal

- 10** The Scheme is a discount scheme rather than a benefit scheme. Entitlement to Council Tax Reduction is applied to council tax accounts as a discount. This has the effect of reducing the Council Tax Base. The grant funding for local council tax support is contained within the Revenue Support Grant (RSG) and retained Business Rates and is distributed to County, Fire, Police and the Borough.
- 10.1** For the first year of the scheme (2013/14), the previous Council Tax Benefit grant was transferred to the Department for Communities and Local Government (DCLG) and became part of their 'Department Expenditure Limit' which meant it was fixed for the Spending Review period. The transferred grant was reduced by 10%, c£830k for Lewes District Council, so that the Treasury guaranteed their savings target.
- 10.2** For 2013/14 Transitional Grant funding of £100million was made available by the Government to authorities whose support schemes

limited the financial impact on applicants. The East Sussex area claimed some £1.136m grant funding for 2013/14. Transitional funding has not been made available since.

- 10.3** The then Secretary of State for Communities and Local Government stated in 2014 that the funding for the Scheme is protected in the RSG and within the Localisation of Business Rates arrangements. However, it is not possible to identify any specific amount of grant funding within these funding streams and in practice the allocation to councils has and continues to reduce.
- 10.4** Expenditure on the CTR scheme in 2016/17 is expected to be c£7.55m (compared to c£8.1 in 2012/13); £3.88m on working age and £3.67m on pension age claimants. The Council's share of this cost is c£830k (11%).
- 10.5** Due to changes in baselines it is difficult to estimate the net cost to the Council of running the existing scheme compared to the implementation in April 2013. If, however, it was assumed that the Government grant that the Council received to support this scheme, c£834,000, has reduced at the same rate as the Revenue Support Grant, estimated to be in the region of 28%, the additional cost to the Council is c£233,000 if the scheme remains unaltered.
- 10.6** The two changes to the current scheme recommended in this report will reduce that overall cost to the Council by approximately c£109,000.

Legal Implications

- 11** The legal implications are explained within the body of the report:
 - 11.1** Para 1 above— statutory duty to review scheme annually and make any revision no later than 31 January in each financial year
 - 11.2** Para 8.1 above – in the event that any revision to a scheme has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision “must include such transitional provision relating to that reduction or removal as the authority thinks fit”.
 - 11.3** Para 9.1 above – statutory duty to consult major precepting authorities and other persons considered likely to have an interest. There is also a statutory obligation upon the Council to publish its draft scheme, which includes any draft revised scheme, in such manner as it thinks fit, before it proceeds to *make* its scheme.
 - 11.4** The law gives the Council discretion to determine the detail of its scheme, but legislation sets out those matters which are to be included in any scheme. Any scheme must state the classes of person who are to be entitled to a reduction, the reduction to which persons in each class are to be entitled, the procedure by which a person may apply for a

reduction, the procedure by which a person can make an appeal (Local Government Finance Act 1992 as amended by Local Government Finance Act 2012)

Risk Management Implications

- 12** A risk assessment has been carried out and identified the following risks and mitigations.

12.1 Risk

Whilst the recommended changes to the scheme purport to reduce the cost of the scheme, this is not guaranteed until the money is actually collected from the Council Tax payer. As many of these households will be only low or very low incomes the collection procedures need to be robust and timely.

Mitigation

East Sussex County Council have indicated that they would be prepared to contribute to any additional staffing costs required to collect the additional debt.

12.2 Risk

Drawing up local scheme regulations is a relatively new service area for the Council. Nationally a number of schemes have been subjected to legal challenges. The financial consequences of drafting the scheme incorrectly could be considerable.

Mitigation

The scheme regulations for the districts and boroughs in East Sussex are drafted by an external organisation, who are doing the same for a number of Local Authorities across the country. The scheme is also peer reviewed by representatives from each of the councils and subject to final scrutiny by independent lawyers who are expert in this field.

12.3 Risk

The estimated savings generated through the recommended changes assume the current level of activity and behaviour of the existing claimant caseload. There are many other welfare reforms that are due to be implemented at a national level and it is difficult to assess the likely impact on the CTR scheme caseload. The scheme cannot, in law, be changed within the financial year so, consequently, the planned savings may not materialise.

Mitigation

The East Sussex County Finance Officers group will regularly monitor the impact of any changes to the current CTR scheme with a view to make adjustments for the 2017/18 scheme if necessary.

Equality Screening

13

An Equality Assessment report (Appendix D) has been carried out on the options recommended for the 2016/17 scheme.

Background Papers

14

Appendices

Appendix A – Exceptional Hardship Policy

Appendix B – East Sussex County Council response to the consultation

Appendix C – Consultation results and comments

Appendix D – Equality Analysis report

APPENDIX A

Lewes District Council

**Council Tax Reduction Scheme
Exceptional Hardship Policy**

1.0	Background.....	3
2.0	Exceptional Hardship Fund and Equalities	3
3.0	Purpose of this policy.....	3
4.0	The Exceptional Hardship Fund Process.....	3
5.0	Awarding an Exceptional Hardship Fund Payment.....	4
6.0	Publicity	5
7.0	Claiming an Exceptional Hardship Fund payment	5
8.0	Changes in circumstances.....	6
9.0	Duties of the applicant and the applicant's household	6
10.0	The award and duration of an Exceptional Hardship Payment.....	6
11.0	Award of the Exceptional Hardship Fund payment.....	6
12.0	Overpaid Exceptional Hardship Fund Payments	6
13.0	Notification of an award	6
14.0	Appeals	6
15.0	Fraud.....	7
16.0	Complaints	7
17.0	Policy Review	7

1.0 Background

1.1 An Exceptional Hardship Fund (EHF) has been set up by the Council as part of the Council Tax Reduction Scheme to assist applicants for Council Tax Reduction who are facing 'exceptional hardship'. The fund has been created to provide further assistance where an applicant is in receipt of Council Tax Reduction but the level of support being paid by the Council does not meet their full Council Tax liability.

1.2 The EHF will be available to any applicant where their daily award of Council Tax Reduction does not meet 100% of their Council Tax liability (less any appropriate discounts and non dependant deductions).

1.3 The main features of the fund are as follows:

- The operation of the Fund will be at the total discretion of the Council;
- The Fund will be operated by the Revenues and Benefits section on behalf of the Council;
- There is no statutory right to payments from the fund although the Council will consider all applications received;
- Exceptional Hardship Fund payments will only be available from 1st April 2016 and **will not be available for any other debt other than outstanding Council Tax;**
- A pre-requisite to receive a payment from the Fund is that an amount of Council Tax Reduction **must be in payment** for any day that an EHF payment is requested;
- Where an Exceptional Hardship Payment is requested for a previous period, Exceptional Hardship must have been proven to have existed throughout the whole of the period requested;
- Exceptional Hardship Payments are designed as a short-term help to the applicant only and it is expected that payments will be made for a short term only; and
- All applicants will be expected to engage with the Council and undertake the full application process. Failure to do so will inevitably mean that no payment will be made.

2.0 Exceptional Hardship Fund and Equalities

2.1 This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted that the Exceptional Hardship Fund is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exceptional Hardship' is not defined by this policy, it is accepted that changes to the level of support generally will cause financial hardship and any payment made will be at the total discretion of the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'

3.0 Purpose of this policy

3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship Fund payment can be made.

3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

4.0 The Exceptional Hardship Fund Process

- 4.1 As part of the process of applying for additional support from the Exceptional Hardship Fund, all applicants must be willing to undertake **all** of the following:
- a. Make a separate application for assistance;
 - b. Provide full details of their income and expenditure;
 - c. Accept assistance from either the Council or third parties such as the CAB or similar organisations to enable them to manage their finances more effectively including the termination of non essential expenditure;
 - d. Accept potential changes in payment methods and arrangements to assist the applicant;
 - e. Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted; and
 - f. Maximise their income through the application for other welfare benefits, cancellation of non-essential contracts and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

- 4.2 Through the operation of this policy the Council will look to:
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and to enable them to “bridge the gap” during this time, whilst the applicant seeks alternative solutions;
 - Establish long term support to households in managing their finances;
 - Assist applicants through personal crises and difficult events that affect their finances;
 - Prevent exceptional hardship; and
 - Help those applicants who are trying to help themselves financially.

- 4.3 It cannot be awarded for the following circumstances:
- Where full Council Tax liability is being met by Council Tax Reduction;
 - For any other reason, other than to reduce Council Tax liability;
 - Where the Council considers that there are unnecessary expenses/debts etc and that the applicant has not taken reasonable steps to reduce these;
 - To pay for any overpayment of Council Tax Reduction caused through the failure of the applicant to notify changes in circumstances in a timely manner or where the applicant has failed to act correctly or honestly; or
 - To cover previous years Council Tax arrears

5.0 Awarding an Exceptional Hardship Fund Payment

5.1 The Council will decide whether or not to make an Exceptional Hardship Fund award, and how much any award might be.

- 5.2 When making this decision the Council will consider:
- The shortfall between Council Tax Reduction and Council Tax liability;
 - Whether the applicant has engaged with the Exceptional Hardship Payment process;
 - The personal circumstances, age and medical circumstances (including ill health and disabilities) of the applicant, their partner any dependants and any other occupants of the applicant’s home;

- The difficulty experienced by the applicant, which prohibits them from being able to meet their Council Tax liability, and the length of time this difficulty will exist;
- Shortfalls due to non-dependant deductions;
- The income and reasonable expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home, whether the income may fall to be disregarded under the Council Tax Reduction scheme;
- Any savings or capital that might be held by the applicant, their partner and any member of their household irrespective of whether the capital may fall to be disregarded under the Council Tax Reduction scheme;
- Other debts outstanding for the applicant and their partner; and
- The exceptional nature of the applicant and/or their family's circumstances that impact on finances.

5.3 The above list is not exhaustive and other relevant factors and special circumstances will be considered.

5.4 An award from the Exceptional Hardship Fund does not guarantee that a further award will be made at a later date, even if the applicant's circumstances have not changed.

5.5 An Exceptional Hardship Fund payment may be less than the difference between the Council Tax liability and the amount of Council Tax Reduction paid. The level of payment may be nil if the authority feels that, in its opinion, the applicant is not suffering 'exceptional hardship' or where the applicant has failed to comply with the Exceptional Hardship process.

6.0 Publicity

6.1 The Council will make a copy of this policy available for inspection and will be published on the Council's website.

7.0 Claiming an Exceptional Hardship Fund payment

7.1 An applicant must make a claim for an Exceptional Hardship Fund award by submitting an application to the Council. The application form can be obtained via the telephone, in person at one of the Council offices and/or via the Council's website.

7.2 Applicants can get assistance with the completion of the form from the Revenues and Benefits Service or Customer Services at the Council.

7.3 The application form must be fully completed and supporting information or evidence provided, as reasonably requested by the Council.

7.4 In most cases the person who claims the Exceptional Hardship Fund award will be the person entitled to Council Tax Reduction. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.

8.0 Changes in circumstances

8.1 The Council may revise an award from the Exceptional Hardship Fund where the applicant's circumstances have changed which either increases or reduces their Council Tax Reduction entitlement.

9.0 Duties of the applicant and the applicant's household

9.1 A person claiming an Exceptional Hardship Fund payment is required to:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances (e.g. a change in income) that may be relevant to their ongoing claim; and
- Provide the Council with such other information as it may require in connection with their claim.

10.0 The award and duration of an Exceptional Hardship Payment

10.1 Both the amount and the duration of the award are determined at the discretion of the Council, and will be done so on the basis of the evidence supplied and the circumstances of the claim.

10.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the award will not exceed the end of the financial year in which the award is given.

11.0 Award of the Exceptional Hardship Fund payment

11.0 Any Exceptional Hardship Fund payment will be made direct onto the customer's Council Tax account, thereby reducing the amount of Council Tax payable.

12.0 Overpaid Exceptional Hardship Fund Payments

12.1 Overpaid Exceptional Hardship Fund payments will be recovered directly from the applicant's council tax account, thus increasing the amount of council tax due and payable.

13.0 Notification of an award

13.1 The Council will notify the outcome of each application for Exceptional Hardship Fund payments in writing. The notification will include the reason for the decision and advise the applicant of their appeal rights.

14.0 Appeals

14.1 Exceptional Hardship Fund payments are subject to the statutory appeal process. However the authority will look to review any decision where requested by the applicant as detailed in the following paragraphs

14.2 If the applicant is not satisfied with the decision in respect of an application for an Exceptional Hardship Fund payment, a decision to reduce an amount of Exceptional Hardship Fund payment, a decision not to backdate an Exceptional Hardship Fund payment or a decision that there has been an overpayment of an Exceptional Hardship Fund payment, the Council will look at the decision again.

14.3 An officer, other than the original decision maker, will consider the appeal by reviewing the original application and any other additional information and/or representation made, and will make a decision within 14 days of referral or as soon as practicable.

14.4 Where the applicant is still dissatisfied with the outcome of the review they will be able to appeal to the Valuation Tribunal. An appeal to the Valuation Tribunal can be made at any time.

15.0 Fraud

15.1 The Council is committed to protect public funds and ensure funds are awarded to the people who are rightfully eligible to them.

15.2 An applicant who tries to fraudulently claim an Exceptional Hardship Fund payment by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

15.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

16.0 Complaints

16.1 The Council's 'Compliments and Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this policy.

17.0 Policy Review

17.1 This policy will be reviewed at least every year and updated as appropriate to ensure it remains fit for purpose. However, the review may take place sooner should there be any significant changes in legislation.

Becky Shaw
Chief Executive

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Jenny Rowlands,
Chief Executive,
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East Sussex BN7 1AB

Our Ref
BS/vf/CTR

Your Ref
SEP

Date
14 September 2015

Dear Jenny ,

2016/17 Council Tax Reduction Scheme Consultation response

The County Council fully supports the recommendations of the East Sussex Joint Leaders and Chief Executive Group for significant change to Council Tax Reduction (CTR) schemes from April 2016 onwards. The purpose of this response is to reaffirm the County Council's support for our Partnership approach, to provide a formal County Council response within the District and Borough consultation process, and also to enable appropriate consideration to be given when Districts and Boroughs approve their 2016/17 Council Tax Reduction schemes.

The Partnership approach is important, because, if one authority has a different council tax policy to the others (proportionately) within the County area, then council tax payers over the rest of the County are likely to be financially disadvantaged, and an important revenue stream would be lost that can provide improved local services, including to vulnerable persons across the East Sussex area.

Scheme cost and funding

As you know since 1 April 2013, local billing authorities have been responsible for running their own local schemes for council tax support. These Council Tax Reduction schemes replaced the national Council Tax Benefit scheme. It was a new financial burden to local authorities, with financial responsibility transferring from Central Government, but the grant which once fully (100%) financed the national scheme was reduced to 90%, and the County Council received initial "non-ringfenced" funding assessed on this 90% basis.

The "cost" of Council Tax Reduction Schemes is by reduction of the council tax base of Districts and Boroughs, within their council tax Collection Fund Accounts. Receiving the major share (approximately 70+%) of council tax collected by billing authorities, the County Council is therefore caused to forego the difference in council tax revenues that would be otherwise locally due/collectable by District and Borough authorities.

The 2013/14 cost of the scheme was £45.9m (CTR Group Report v2.11 p12). The County Council received new burdens funding from the Government of £30.2m (£45.9m x 90% x 73%), which became part of the County Council's general Settlement funding. However, general Settlement funding from Government of this sum has since progressively and significantly reduced (-28% or -£9.4m, ESCC share) due to the Government's austerity programme (-10% 2013/14, -8.5% 2014/15, -13.3% 2015/16).

CTR schemes protected

From 2013/14 to 2015/16, the County Council has had to reduce the funding of its services by £64million. In broad terms, we have absorbed our annual cost pressures, as well as incurring 15% cuts in (essential) frontline services, inevitably affecting (directly or indirectly) services to vulnerable people. The cost of County Council back office functions has been reduced by 20%. During this same period, the cost of local CTR schemes has been locally protected from savings programmes.

From 2015/16, according to a national survey by the New Policy Institute, some 250 of the 326 local schemes require all working age residents to pay some council tax regardless of income. At the same time, the number of local authorities requiring minimum payments to their council tax levies has been increasing year on year and by 2015/16, 129 councils (more than half of the schemes) require a minimum payment of at least 20% of their liability.

According to a recent Joseph Rowntree review, a 20% liability is the most common. Authorities are also introducing further ways to reduce the cost of their Council Tax Reduction schemes, including changing their means-test components to assume self-employed people earn at least the minimum-wage and reducing the capital savings limit. Each of these proposals is identified in the supported recommendations of the East Sussex Joint Leaders and Chief Executive Group for significant change to their Council Tax Reduction schemes from April 2016 onwards.

Continuing savings requirements

For 2016/17, the County's currently reported saving requirement is a further £20m - £25m (State of County report July 2015). At the same time, the County's total funding challenge (2016/17 to 2018/19) is projected to be £70m-£90m. This will be reviewed post the deferral of some of the Care Act new responsibilities and the outcome of the Government's Spending Review, and also, the County's annual financial Settlement. Notwithstanding these, the funding priorities of the County Council continue to be driving economic growth, keeping vulnerable people safe and helping people to help themselves, whilst making the best use of its resources. It is inevitable that savings programmes will have already impacted upon all County Council services and its core priorities.

Services across the whole budget of the County Council have been required to make a contribution toward ongoing savings requirements and appropriate savings have become more difficult to find. The County Council believes that previously protected Council Tax Reduction schemes should now be properly encompassed in local savings proposals. If fully adopted, the CTR consultation proposals for 2016/17 will be consistent with reductions in Government funding and reductions in County Council frontline services. They will reflect the way that many other authorities have already progressed.

County Council financial impact of proposals

The County Council assesses its increased revenues from these 2016/17 consultations potentially as follows:

(say 70% share)	10% min charge	15% min charge	20% min charge	Capital savings limit	Min income level
	£m	£m	£m	£m	£m
Eastbourne	0.42	0.63	0.85	0.04	0.26
Hastings	0.41	0.62	0.83	0.03	0.28
Lewes	0.32	0.47	0.64	0.03	0.19
Rother	0.28	0.42	0.55	-	0.25
Wealden	0.34	0.50	0.67	0.04	0.29
Countywide	1.77	2.64	3.54	0.14	1.27

As a result, the total additional revenues available to the County Council would be £4.95m if the 20% minimum charge, capital savings limit and minimum income level recommendations were each incorporated into the 2016/17 CTR schemes, which incidentally appears to be an overall saving of approximately 15% of the original scheme cost (£45.9m x 73%x15%).

The County Council recognises an additional cost of collection will be associated with this increase in revenue, if collection rates are to be maintained. This is because householders who have not paid council tax before (including low income applicants) do not easily fall into normal recovery processes. It will be essential to engage with these council tax support applicants at the earliest opportunity and the County Council will accept a fair share of the cost of the additional resources if consultation proposals are fully implemented.

Exceptional Hardship Funding

The County Council also wishes to participate in funding for Exceptional Hardship to mitigate the negative impacts resulting from these proposals. The County Council notes a percentage (0.5%) on the current level of CTR expenditure (total say £0.22m), for the Exceptional Hardship funding, and if consultation proposals are fully implemented, the County Council will participate in proportion to its share of the collection fund and are open to support some staffing costs to administer the fund.

Conclusion

In conclusion, the County Council welcomes the progress made with the consultation proposals for 2016/17 CTR schemes across East Sussex, and unreservedly looks forward to their successful implementation.

Yours sincerely



Becky Shaw
Chief Executive

Lewes - Council Tax Reduction Scheme Consultation

This report was generated on 17/09/15, giving the results for 103 respondents. A filter of 'All Respondents' has been applied to the data.

The following charts are restricted to the top 12 codes.

I have read the background information about the Council Tax Reduction Scheme



Are you responding on behalf of yourself or an organisation?

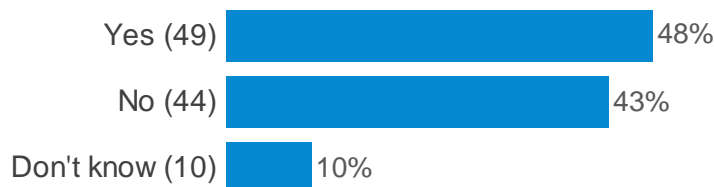


If responding on behalf of an organisation please provide the name and type of organisation in the space below:

If you are responding on behalf of yourself, are you a Lewes District Council resident?



Do you agree that the Council should continue with a scheme which provides the same level of financial support as the current scheme?



Please use the space below to make any comments you have on Question 4:

Please use the space below to make any comments you have ...

I do not support the scheme

I feel that if a disabled person of working age is not able to work, they are going to find it hard to have a reduction in their money, with no way of making it up

Please use the space below to make any comments you have on Question 4:**Please use the space below to make any comments you have ...**

I Believe that the scheme should remain but the levels be reviewed so as not to impact on other Council Tax payers

I consider that people on lower income should be helped and perhaps encouraged to go for higher job prospects which would take them out of the need for financial support.

I think everyone should pay some contribution to council tax, but not necessarily the full charge

Alternative corporate cost savings are not exemplified, therefore it is not possible to respond positively.

We are all having to manage on less pensioners are extremely vulnerable we should all make economies

financial support should align to welfare reduction

Some small changes will help

there are some people who cannot work at all like myself and there are others that work and could probably pay more. some people on benefit also do some part time work so they could pay a bit extra to compensate for the people who are in hardship

All households should contribute. I is a sad fact that substance misuse clusters around many families in the lower income group. While people can afford tobacco and alcohol they can afford services like bin collection, street lights and policing.

We all have difficult financial decisions to make and asking other people to pay for yours is not correct.

The scheme should be means tested and if you have say more than £6,000 in savings the it should be nil irrespective of income.

It's hard to say how much the current system can be abused, some families with two adults have more children and therefore less money but have to pay full council tax, some homes have only one person in them, but that one person uses facilities more than a young couple...it doesn't always seem fair but I'm not sure how to look at changing it

We understand the need for savings, but feel strongly that they should be no greater than the 10% set by government.

It is important to continue support for those least able to pay.

Those who need help with council tax qualify based on the fact that they have low incomes. Suddenly demanding money from some or all of these people will not make these people have any more money than they are already struggling to survive on. The withdrawal of help from these households will only serve to plunge people further into destitution, adding stress and anxiety, particularly for those with small children and illnesses.

I have had five housing benefit tenants in this area and have given up. Only one of the five was in true financial need and even then the property was too big for her. You do notice their standard of living and compare it to your own. Who is the mug?

Further savings will need to be made

the Council should take all necessary steps to keep Council tax to an absolute minimum

The elephant in the room is the unwarranted continued austerity cuts by the Tory Government. How about Lewes District Council refusing to play along with them? So many sensible economists declare that there is not only no need for Mr Osborne's draconian cuts, but that they are positively harmful to the economic health of the UK.

I would also like to say that none of the options you have come up with are viable options. They will not save money as the cost involved in the collections of this money would wipe out any savings! You cant collect from people that don't have any money which would be 90% of the people you are targeting! I would also add that I pay full council tax!

People who get you assistance still need that assistance tell national government that you cannot find further savings/cuts without causing severe hardship to people already having assistance

Please use the space below to make any comments you have on Question 4:

Please use the space below to make any comments you have ...

This proposal will hit those on low incomes particularly hard - and probably become uncollectable, and therefore more expensive in the long run.

the rich should help out more in this time of need. there are plenty of very well of people in lewes ... how much dose a new 4x4 range rover cost ?

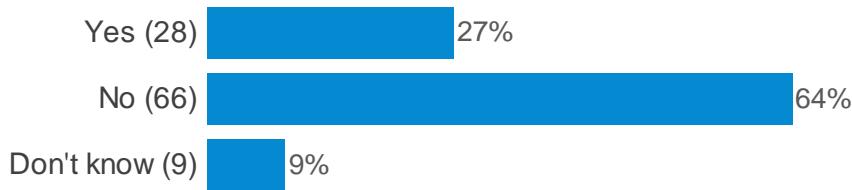
Having read the background informations there are areas that should be continued and areas that should not, therefore the answer of 'don't know' to be justified fully within the further questions of the survey.

This response assumes that the Conservative Government's cuts should just be accepted, rather than resisted.

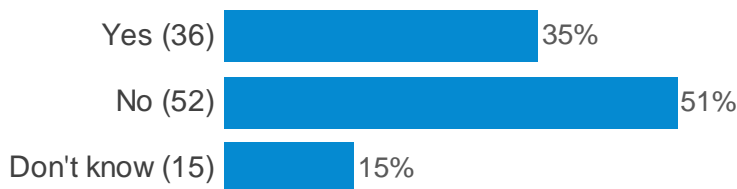
**Do you think the Council should choose any of the following options to help pay for the scheme? Please select one answer for each option.
(Increase Council Tax by 4.7%)**



**Do you think the Council should choose any of the following options to help pay for the scheme? Please select one answer for each option.
(Reduce the funding available for other Council Services)**



**Do you think the Council should choose any of the following options to help pay for the scheme? Please select one answer for each option.
(Use the Council's reserves)**



Please use the space below to make any other comments you have on Question 5:**Please use the space below to make any other comments you...**

review the amount paid out to householders and be stricter in qualifications

use part tax increase and part reserves

Reserves are for emergencies and not to be used for other funding on a short term basis.

Council Tax is already too high, further economies are required.

I am sure the Council could make savings that would not mean reducing services or using reserves Sharper management and leaner staff numbers is what should be done. In a competitive what business could survive just deciding to raise prices by 4.7 percent in a time of low inflation. A 10 percent reduction in staff numbers could must likely be achieved without a reduction in services.

as question 4

Can they not use money from the sale of land, after all if land is sold locally surely the money should be put back into the town

it would depend on which services the council would have to reduce to pay to keep the options as they are now. and as it says if we use the reserves we will probably be doing this survey again in a year or two so that one should be ruled out i think. we all hate things being increased as the cost of living is rising very month/year so to find extra money to pay the council tax will be hard too

There are services that are not mandatory. Cut some of these.

If Council tax went up as much as 4.7% then we, as pensioners with a disabled daughter living with us, would not be able to pay our Council tax bill.

Council Tax should not be increased because people who manage their money in difficult circumstances should not be asked to pay for other peoples finances. If the council wish to continue with this scheme then they should fund it with cuts to other services. Reserves should not be used for this scheme, much better to use reserves for local residence housing.

In Oder to sister in costs by the council,as a pensioner and bus pass holder why not charge the bus pass holders £1 per ride surely we would not decry this small amount each time we use the bus.

It's time to stand up to the Govt's austerity program. Local Authorities should unite in opposing the stringent and excessive cuts proposed.

Reduce the level of support.

I don't mind a rise in council tax personally, the amount 4.7% would be a month is affordable, but I'd be worried it would then become a 4.7% rise every year and my wages wouldn't be going up in line

LDC should press to government to increase the upper levels of council tax. the range of house values in the top band is so wide. there should be extra bands to reflect the higher levels of house values so that those with more can contribute more.

Some reserve is obviously required but using a proportion of existing reserves to cushion the blow of an increase (if only in the short term) would seem a sensible option to consider.

Increase Council tax by 2.5% & balance other options

I think that current council tax is actually already very high if you are one of the people paying it. There is a real argument for increasing council tax on the higher band properties who seem to get away with a lot. It is disproportionally loaded on the lower bands.

If people want levels of service to be maintained they need to pay for them

Really need to know how big those reserves are to answer this but given the economy is growing, the subsidy from the reserves may only be necessary in the short term. I have not had a pay rise for 7 years so an increase to me is not acceptable

If there is still some shortfall after the adjustment to benefits, this could be covered by reserves. However this is not a long term solution.

the Council must not increase Tax. Every possible step must be taken to reduce it to an absolute minimum

Please use the space below to make any other comments you have on Question 5:

Please use the space below to make any other comments you...

These choices are invidious. Confront the Government. The least worst choice is to raise the Council tax for those who can afford it, but that is very difficult to determine, and expensive to put into action.

Whether or not reducing funding for other Council Services is acceptable depends on what those services are. As no details have been provided, the option is meretricious.

I and other relatively affluent people should pay more to enable the poorest residents to be exempt from Council tax

It could be raised but not the amount you are proposing. There is huge waste within the council that is a disgrace. I have also been an employee of LDC and now as a council tax payer, can see mass wastage even as a lay person!with this in mind there should be a time in motion survey and a small increase which after saving from waste would be possible.

Why not increase the tax by a lower amount? e.g. 2.5 %

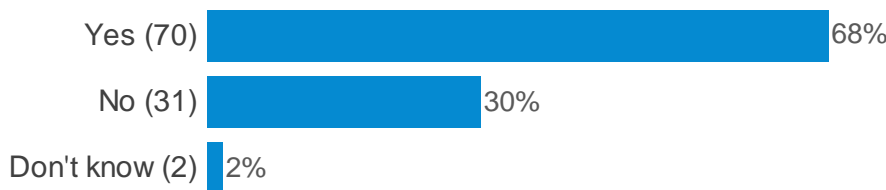
Please shift the cost from the poorest to the better off, who can afford it. (That includes me)

how much have they got.

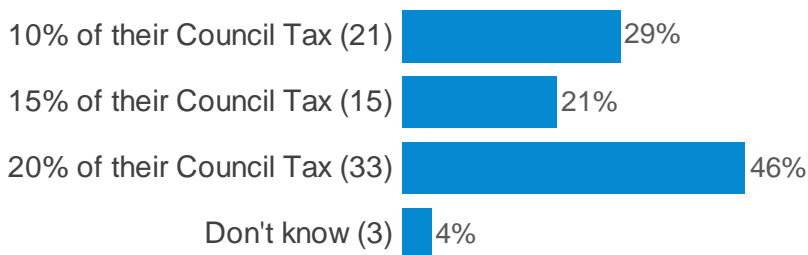
So far I cannot find details of how much are in the Council's reserves, what the Council expects to use these reserves for, nor if reserves will be able to be replaced in the future, therefore I am unable to comment on this.

see response to question 4.

Do you agree that every working age applicant for Council Tax Reduction should have to make a minimum payment towards their Council Tax?



If 'Yes', what level of minimum payment do you think should be applied?



Please use the space below to make any comments about Option 1:

Please use the space below to make any comments about Opt...

Everyone should contribute to the cost of local services

Not if they are disabled and cannot make up the money by working.

I think there should be a maximum cap of say £3 a week. People on lower fixed incomes would find it very difficult to find any additional monies.

Please use the space below to make any comments about Option 1:**Please use the space below to make any comments about Opt...**

Ownership of the services provided is a good thing. I hope you are not thinking of removing the 25% reduction for single households as even on a working income I find this invaluable, I know that retirement will make it essential.

'Working age' says it all, coupled with other benefits in the pipeline, such as the national Living Wage programme.

All those using services should make some contribution I believe an 80 percent reduction is fair

some people who are of working age cannot work because of their health/disabilities so wouldn't be able to pay any extra as they are already paying pit extra for heating water ect and in my case fresh food as i cannot eat processed food so my food bill eat week is probably higher than most peoples

People do not value what they do not pay for, and this is a disenfranchisement in itself.

save as much as possible

They will have to reduce some other costs as they benefit from services.

I think AT LEAST 10%, 20% would be great but I can see may be hard, so maybe 15% is a compromise

In proportion with government reduction to council.

The issue here is the ability to pay - a charge of even a few hundred pounds may well prove an intolerable burden to working families on low pay (especially give current reforms to welfare payments and the possibility of interest rate rises that may impact on mortgage/rent payments).

Yes, if feasible for certain individuals, but not as a blanket statement

The fact that council tax is something that affects them may make them less likely to abuse those services i.e. refuse collection, police, schools. It gives them some form of ownership

It is unfair to make the most vulnerable in society pay for services they often need, rather than want.

Additional council tax bands should be brought in on largest most expensive properties.

The cost of billing and collecting small amounts outweighs the amount that could potentially be collected

I doubt (but don't know) that those eligible for ctb are receiving less than 20% (in benefits) of an average workers income so this seems fair.

It is fairer to make those who do not qualify for and need CTR pay more than to increase the cost to those on benefits

A small contribution only if this applies to people on job seekers as the amount they receive barely covers the cost of living as it is. To expect a larger contribution would cause hardship.

Everyone should pay so they are part of the democratic process. The key issue is to reduce the total as far as possible, therefore the 20% will be less

This proposal would cause hardship to some of the most vulnerable people in the district, possibly plunging them into debt. It would be difficult, expensive and, in many cases impossible, to collect, reducing any savings made

The Council Tax system is outdated, with calculations of Bands being well out of date. Would you please agitate to have the system updated to take account of huge rises in property prices. This in turn would help to bring in more income, and to penalise the poorer people less.

Adopting a blanket approach like this is absurd. It must depend on the particular circumstances of each individual. Some people may be able to make a minimum payment; many others will not. Those applying for Council Tax Reduction are by definition amongst the poorest. The proposed measure will hit the poorest hardest.

Some people cannot afford it and should be exempt

You are hitting the poorest in society it is appalling that people who work need to claim benefits they should be paid a living wage

Please use the space below to make any comments about Option 1:

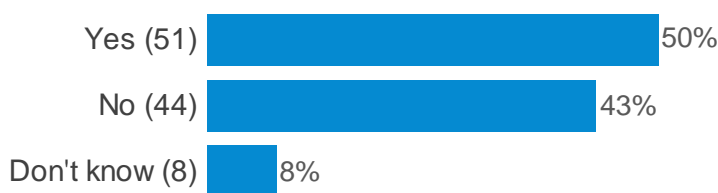
Please use the space below to make any comments about Opt...

Some people are stretched to the limit and beyond already.

In circumstances where the claimant is vulnerable (ill/disabled) and solely reliable on benefits I think it would be wrong for the Council to expect payment. Ultimately this will just lead to arrears, debt, additional stress, anxiety and depression. In other areas which have adopted schemes like this huge arrears of uncollectible council tax have been built up and people have been dragged through the courts at great expense to get them to pay money they have not got.

10% for the first year with the possibility of increasing it in future years

Do you agree that the maximum amount of savings and investments someone can have and still qualify for support should be reduced from £16,000 to £6,000?



Please use the space below to make any comments about Option 2:

Please use the space below to make any comments about Opt...

But this would depend if they are disabled and need certain paid for help where their money will be reducing very quickly.

It would be quite simple to implement this option and a minimum % contribution without unduly complicating the administration of the scheme.

I think if you are going to reduce the maximum amount of savings someone can have it should be £8,000.

This is a disincentive to thrift.

£10000 would appear about right..

Reduce limit to £10000

People stay just under the limit in order to qualify, this will make it just that bit harder to do this.

Save as much as possible

£6000 is a lot to have managed to save for some people, perhaps they have a lot of spare money they could put towards helping the council?

A reduction from £16,000 may be a sensible option but the proposed reduction is too draconian.

If you have savings, you have a pot to dip in to for survival. Those who qualify for support and have no form of safety net need to be allowed to find their feet without further monetary stress.

It is mean & saves very little money

I think that £6,000 is a bit low. Should be more like £10,000. People who have saved up something are at least not being feckless and in a financial crisis £6,000 would disappear very quickly.

all claims including passported ones where we do not have capital details would need to be checked and the administration involved would be significant

I would have to use my savings if i couldn't pay my council tax

Savings of £16k provide a very modest cushion for a rainy day. We should encourage savings of this type and respect it.

Please use the space below to make any comments about Option 2:

Please use the space below to make any comments about Opt...

I don't consider someone with £16,000 savings hardup. That is more than I earn in a year and I have to pay full council tax. I think savings of £6,000 to 10,000 is adequate

The gain may not be worth the admin and people could simply move their savings into another persons name eg: Children's savings account

again the total size of the Council tax bill for residents must be reduced

This is a disincentive to save and encourages fecklessness

The proposed measure disincentivises any attempt to make savings.

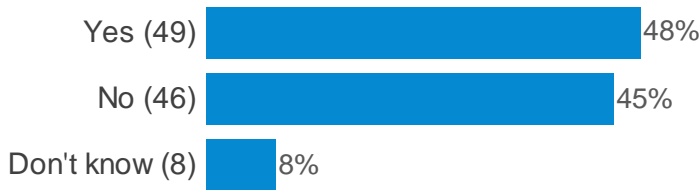
There are many situations where people have these levels of money in their account but that can be misleading and as a result of a reduction could push many in to poverty!

I think elderly people need some savings to cover carers or moving to sheltered accommodation

In fact even £6,000 seems a lot to me. Most people I know who are low earners or on benefits don't even have £1,000 in savings because every single penny is required to pay bills and live.

The £16,000 limit has been in place for years, is it worth the extra administration costs for a small saving?

Do you agree that the Council should use a minimum earned income figure, which would be the national minimum wage for a 35 hour week (currently £234.50 a week), for self-employed residents who have been in business for more than 12 months?



Please use the space below to make any comments about Option 3:

Please use the space below to make any comments about Opt...

Assuming a minimum income for self-employed people after they have been in business for 12 months may discourage people from becoming, or staying self-employed. Many self-employed people have very low incomes. Growing a small business should be a business decision not based on whether or not it would affect Council Tax contributions.

This will deter people from starting a business and being self employed is already difficult enough, i would have no problem with being means tested if i were self employed but to have you make assumptions is unfair and unjust.

Many self-employed earn below min wage, even though longer term established (NB I'm not and never have been self-employed)

I think after 12 months a check should be done to confirm the minimum wage. It could be less.

Self employed can mean anything. These people should perhaps pay a min amount is 15% if that is the min agreed for others of working age. More if income is higher as with employed people. It is not always possible to grow a business.

most self employed accept cash payment as a preferred payment option, leave it up yo individuals to appeal

Please use the space below to make any comments about Option 3:**Please use the space below to make any comments about Opt...**

This would cause great hardship. I have known self-employed people who work 40 hour weeks for less than the minimum wage. Also disabled people and older people work many hours self-employed but do not achieve the minimum wage. There is no legislation on what clients pay self-employed people. Pressure to quote before doing a job and finding the work goes over quoted time by several weeks is common.

It would act as an incentive and legitimise the status.

Even self-employed need to pay their fair share.

I know this sounds mean to some people, but we'd all love to be self employed. Most self employed people work all hours under the sun and only just scrape a living, but some people are 'self-employed' and working minimal times but getting benefits. As harsh as it is, they all equally use the facilities council tax pays for

Assumed minimum incomes are likely to be unrealistic in the present economic climate - many small businesses exist on marginal levels of income that may well fall below the national minimum wage).

Not all self employed people will meet the minimum wage, even if their business is over a year old. This scheme will threaten to sink small businesses/traders, or deter people from becoming self employed at all.

I have been self-employed for the last 7 years and have yet to make the national minimum wage (not that I claim benefits as my wife works). Very unfair to make such an assumption and would stop a number of people from starting & running businesses

It sounds a reasonable idea but I am in mind of people who are older, whose bodies are worn out and in bad health. Maybe for those under 40.

If someone says they're earning £100, then that should be the amount they are assessed on, otherwise you are assuming they're lying. What would happen if someone was self employed for 6hrs a day (whilst children were at school etc), but a full time carer/parent for them after that? 35hrs a week doesn't account for all of this and I would suggest that many people receiving a reduction but who are self employed probably can't work 35hrs a week for a variety of reasons (care obligations, disability etc.). Just because Universal Credit uses something, doesn't mean everything else should copy it.

Assumptions are dangerous. Council needs to only deal in facts.

Could they not just use the last 12 months income, like they do with Tax Credits payment?

Or if the customer can provide evidence that they are doing less hours then use the amount of hours multiplied by the NMW

They should be able to demonstrate their exact income, as they have to for HMRC so what is the point of this assumed minimum.

Having been self employed myself, I know how precarious it can be. Cash flow is a continuous problem even when things are going well. Making assumptions about income that turn out not to be true is grossly unfair.

If this brings the benefit in line with universal credit then it is fair. It would also penalise people underestimating or underdeclaring their income

This penalises business people just at the stage when their business may be going through a bad time.

It is not fair to assume a level of income and penalise the self-employed for doing something to help themselves.

This proposed measure attacks the self-employed and small businesses just at the point at which they are in need of assistance. Many self-employed people and small businesses struggle hard to keep themselves above water (and off benefits). This measure is just kicking them when they're down.

Please use the space below to make any comments about Option 3:

Please use the space below to make any comments about Opt...

Most definitely not my son in law is a self-employed window cleaner working for some one if he can work he gets £60 but only if weather allows. So it doesn't take much to work out that most years he is lucky if he makes minimum wage! Just because someone is self-employed doesn't mean they earn minimum wage!

You should find out what their actual income is they could be building a business up in the first few years

Income should be based on actual earnings, many self-employed people earn less than the minimum wage.

work is still very hard to find on a permanent basis.

This assumption could lead to people who would have considered self-employment as an option, in to rethinking. Thus reducing enterprise within the county, which is needed for future prosperity. Personally I think using an assumption of this kind is dangerous ground.

Do you agree with the principle of maintaining an Exceptional Hardship Fund?



Please use the space below to make any comments about the Exceptional Hardship Fund:

Please use the space below to make any comments about the...

Very necessary for some disabled people.

It should be available to any resident, including single people, not just to families. Council Tax is a heavy burden for young single people on low wages.

It seems to be changing from 'personal income' to household income'. This seems not quite right as there could be several working people in a household but more money obtained from individual people. Bit complicated.

But these people should probably still pay something as a contribution

Using Council reserves to finance it.

as long as the qualifying criteria was strictly adhered to

I think the current system of housing benefit and council tax reduction should be maintained.

for the disabled and elderly

There should always be compassion in the system as long as it is rigourosly tested.

There are always exceptional cases and as long as the council apply proper controls (this is public money).

Yes, for example, anyone suddenly finding themselves unable to pay (self employed person who is ill and cannot work) can apply for support while they get back on their feet

everyone who applies to this fund should be given info on national and local servcies where they can get help in managing their finances and other aspects of their life that mean they are struggling to pay

Essential if even some of the proposed changes are implemented.

Personally I think all council tax exemptions should be assessed in this way.

Please use the space below to make any comments about the Exceptional Hardship Fund:

Please use the space below to make any comments about the...

Yes definitely but, as there are quite a few charlatans out there, they should expect to loose some of their privacy in order for the council to check out their claims.

However, if people are not having to pay council tax anyway it shouldn't be necessary.

If claimants of housing benefit are entitled to a type of hardship fund then this should be available to everyone. Whilst rents are high so are most mortgages, help should be available to everyone.

in VERY exceptional circumstances. the key goal is to reduce the amount that ALL residents are forced to pay in tax, making whatever cuts are necessary to achieve that

The scheme should be maintained as it is. A hardship fund is arbitrary and expensive to administer

Most definitely not! This is no guarantee of help and again many would be pushed in to poverty and dare I say make people them depressed and suicidal!

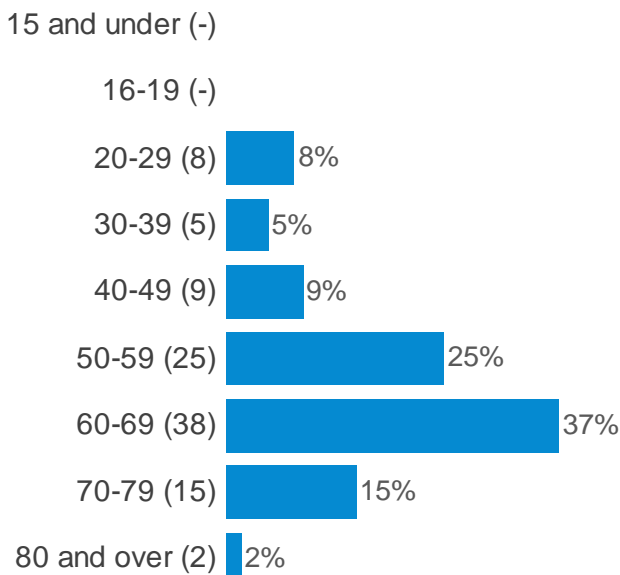
if I say yes that means I support your whole case and I don't. It is already hard to fill in any type of claim from Lewes DC you would have to employ more staff so no savings

In principle yes, however considering each application on merit is surely just adding to costs. Would it not be a less expensive approach to just ring fence a basic criteria for 100% council tax reduction? For example someone vulnerable (on DLA/PIP) who is solely in receipt of benefit to live and receives full Housing Benefit. Or a family with a disabled child in receipt of DLA, in receipt of Housing Benefit and not subject to Bedroom Tax. This sector of the community are unable enough pressure, with enough forms to fill in, without yet another and the stress of waiting for a decision.

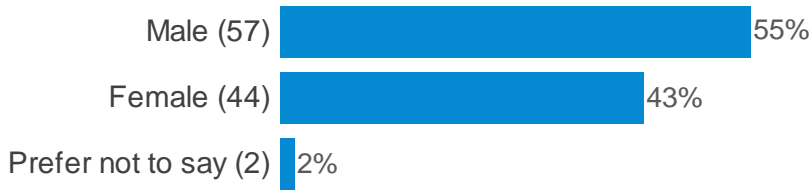
Yes in theory but it seems strange to cut someone's entitlement and then offer them more money, however this is available to Housing Benefit customers

This should not be reliant upon a separate fund.

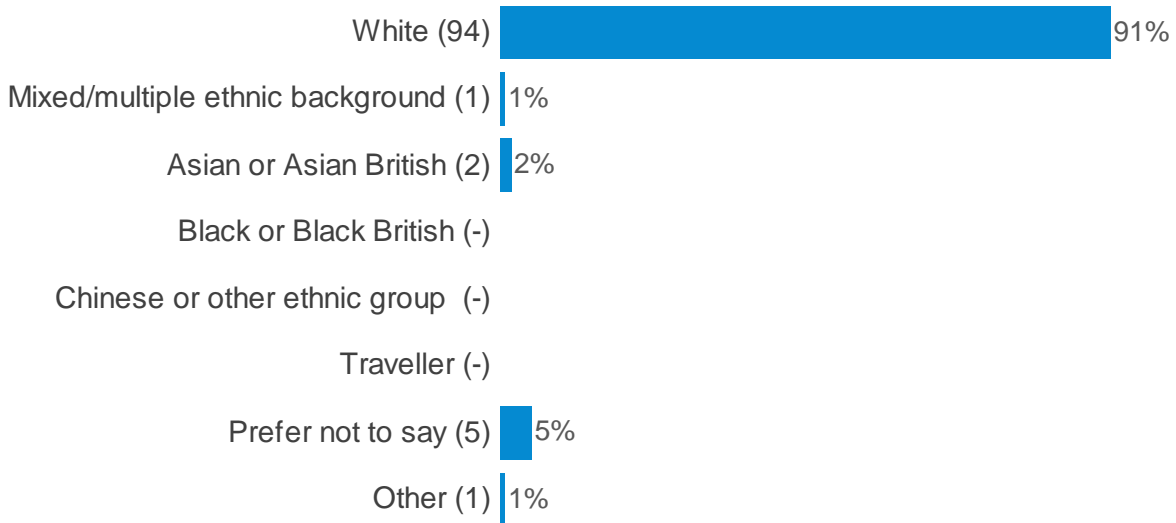
Which of these age groups do you belong to?



Gender:



What do you consider your ethnic origin to be?



If other, please specify:

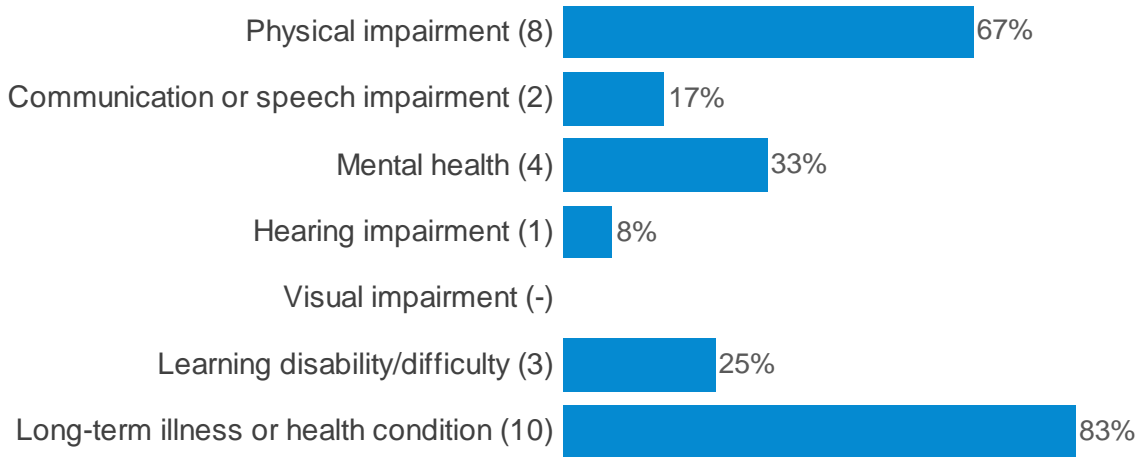
If other, please specify:

Mainly Anglo-Saxon, but with some Scottish

Do you consider yourself to be disabled?



Please provide details of your disability or disabilities (please tick all that apply)



Appendix D: Equality Analysis Report

Title:	Local Council Tax Reduction Scheme 2016/17
EA Lead :	Ian Morris
EA Team:	
Date Commenced:	18 September 2015
Target Completion Date:	16 October 2015
Reason for assessment:	To support key decision

Context and Scope

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

The main purpose of the decision is to develop a Council Tax Reduction (CTR) scheme which is fit for purpose in the provision of financial support for Council Tax to working age households in the district for the 2016/17 financial year.

The Local Government Finance Act (the “Act”) imposes a duty on council tax billing authorities (Lewes DC) to make a CTR scheme by 31st January preceding the financial year to which it relates and to consult with major precepting authorities and other such persons as it considers likely to have an interest in the scheme, about the scheme. Major precepting authorities in East Sussex are

East Sussex County Council, Sussex Police and Crime Commissioner and East Sussex Fire Authority. Other interested parties, for example are benefit claimants, special interest groups, voluntary organisations and support groups.

The Act specifies that before amending a scheme, the billing authority must, in the following order:

- a. Consult any major precepting authority
- b. Publish a draft scheme
- c. Consult other persons as it considers are likely to have an interest in the operation of the scheme

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

Council Tax is collected by the Council on behalf of East Sussex County Council, East Sussex Fire Authority, Sussex Police and Crime Commissioner and Town and Parish councils throughout the district. It is an important source of income to all of them.

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

Financial support for Council Tax is currently given to just under 3,500 working age households across the district

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

Central Government grants are continually reducing. This decision is one of many responses to the reduction in income..

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

	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)		
Impact	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	

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

The proposed scheme maintains the protection inbuilt in the former Council Tax benefit scheme for families with Children, elderly households and households with disabled residents who are in receipt of financial support for Council Tax

7. What is the scope of this analysis?

The groups affected by the proposed decision are low income, working age households across the district. This will result in a reduction in their disposable income.

Information gathering and research

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

We have considered:

1. The information held in our benefits databases using modelling tools to evaluate the impact of the proposed changes on households within the district. The attributes of the affected households which are held within the benefits system, i.e. gender, age, disabilities, but do not include ethnicity, sexual orientation or religion.
2. Comments and feedback from our public consultation process. The questionnaire ran from 27 July 2015 to 17 September 2015. A total of 103 responses were received and analysed.
3. Comments from various local and national stakeholder groups, including voluntary sector, landlords, The Department for Communities and Local Government, the Department for Work and Pensions and the Institute for Revenues Rating and Valuation either through formal workshops or focused meetings.
4. The views of the major preceptors were also considered throughout the process of scheme design. There are 45,341 occupied dwellings in the Lewes District. The total number of benefit claimants in July 12 was 7,247 of which 3,685 are of working age and 3,562 are pensioners. In percentage terms, 16% of households in Lewes District Council are claiming council tax benefit and, of these claimants, 51% are of working age.

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

The impacts of the welfare reform changes announced in the summer budget could not be fully factored into the impacts of the proposed scheme as there is insufficient detail available. Once the information is gained, after April 2016, this will be used to inform any changes to the scheme for 2017/18. The scheme cannot be changed in law part way through a financial year.

For the attributes of the affected households which are not within the benefits system, i.e., sexual orientation or religion, district wide figures have been assumed.

The gender of the claimant is irrelevant when deciding a claim for and making an award of CTR.

The CTR scheme does not exclude claimants on the basis of their sexual orientation. The Council's CTR scheme does not preclude people from receiving support based on their religious belief.

Under the scheme, entitlement is solely based on the claimant's income, household composition and liability to pay council tax. However, claims from large or multigenerational households could be affected by a maximum award (or a restriction to the closest council tax band) as they are more likely to be living in large properties which have a higher council tax.

The Council's CTR scheme does not preclude transgendered or transsexual claimants from receiving help towards paying their council tax.

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

A full Public consultation was open to all households and organisations in the district. It was run in conjunction with the other district and borough Councils in East Sussex.

Analysis and assessment

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

Many working age households in the district will have less disposable income as a consequence of the proposed decision and some will face having to pay some Council Tax for the first time. Additional resources will be required by the Council in order to promote the revised scheme and to provide support and guidance for those adversely affected.

12. What positive outcomes were identified?

An Exceptional Hardship scheme is proposed to act as a safety net for those households that are in exceptional circumstances that means that are unable to pay their Council Tax bill as a result of the implementation of this decision.

13. What negative outcomes were identified?

Many working age households in the district will have less disposable income as a consequence of the proposed decision and some will face having to pay some Council Tax for the first time.

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
Support required for those who will be required to pay Council Tax for the first time	Employ and train support and recovery staff	Ian Morris	2 * FTE funded by major preceptors	01/02/16	Sustain Collection rates
Implement Exceptional Hardship scheme	Employ and train fund administration staff	Ian Morris	0.5 * FTE funded by major preceptors	01/04/16	Sustain Collection rates and receipt of applications to EH fund

Summary Statement

Between 18 September 2015 and 16 October 2015 Equality Analysis was undertaken by Ian Morris on the decision to revise the Council Tax Reduction Scheme for working age households.

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:

Minor adjustment is required. There are potential problems or missed opportunities, and so actions have been identified to remove barriers and better promote equality. The EA Action Plan will be incorporated and monitored within the service/project plan.

The EA Action Plan will be incorporated and monitored within the service/project plan. Once actions have been undertaken, the position will be reassessed.

Approval

Director/Head of Service	Gillian Marston
Signed	
Dated	23 October 2015

Agenda Item No: 9.7 **Report No:** 154/15

Report Title: Devolution Update

Report To: Cabinet **Date:**

Cabinet Member: Cllr Andy Smith

Ward(s) Affected: All

Report By: Jenny Rowlands – Chief Executive

Contact Officer(s)- Max Woodford

Name(s): Max Woodford
Post Title(s): Head of Regeneration and Investment
E-mail(s): max.woodford@lewes.gov.uk
Tel No(s): 01273 471600

Purpose of Report:

To update Cabinet on the Council's engagement with the Government's Devolution agenda and specifically the two local bids that Lewes District Council is participating in - Greater Brighton and the 3 Southern Counties (3SC);

Officers Recommendation(s):

- 1 To note the progress of both the Greater Brighton and 3 Southern Counties (3SC) bids to Government;
- 2 To recommend that Officers continue to engage proactively with both bids;

Information

1 Background and Context

Devolution

- 1.1 In November 2014 the Chancellor signed a devolution agreement with the leaders of the Greater Manchester Combined Authority which outlined new powers and responsibilities that were to be devolved to the city region;
- 1.2 In May 2015, the Chancellor announced a wider programme of devolution to a larger number of local authorities identified as part of a "Northern Powerhouse" and in the Queen's Speech in May 2015, the Queen announced that a Cities and Local Government Devolution Bill

would be laid before Parliament in 2015 to provide for the devolution of powers to cities and local authorities. The main purpose and benefit of the Bill are identified as to boost local and national economic growth by devolving power and increasing productivity and efficiency in local government;

- 1.3** In July 2015 the Government published the 2015 Spending Review. The foreword indicated one of the aims of the Spending Review was to begin the process of a radical devolution of powers from central government to local government within England. The Spending Review states:

“The government is committed to building strong city regions led by elected mayors, building on ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services. City regions that want to agree a devolution deal in return for a mayor by the Spending Review will need to submit formal, fiscally-neutral proposals and an agreed geography to the Treasury by 4 September. The Treasury and DCLG will work with city regions to help develop their proposals...”

- 1.4** In September 2015 both Greater Brighton and 3SC submitted devolution prospectuses to DCLG and the Treasury. These bids represent discussions between the partners as to their mutual strengths, challenges and interests. They summarise these discussions with the intention that they will be used as an agenda for an ongoing dialogue with Government about devolution.

Greater Brighton

- 1.5** Lewes District Council is a signatory to the Greater Brighton City Deal which was signed by Greg Clarke MP in May 2014. The aims of the City Deal are to:

- i. Enable the City Region to fulfil its economic potential;
- ii. Build on the City Region’s economic assets – its skilled workforce, its innovative business and its universities;

- 1.6** In its 2014/15 annual report, Greater Brighton identified the successes that the Board and Partners had achieved in the first year;

- i. Built a strong alliance of public and private sector partners recognised by Government, investors and stakeholders;
- ii. Created the Greater Brighton Investment Programme – an ambitious £1.6bn programme that is estimated to create 20,000 jobs, 11,000 homes and 495,000m² of employment space over its lifetime;
- iii. Secured over £96m of Government funding for the Programme to date;

- 1.7** In February 2015 the Greater Brighton Economic Board agreed the need to develop its response to the national policy debate on place-based devolution in advance of an offer by Government, and to be ready to seize new opportunities that might be introduced by an incoming Government;
- 1.8** In September 2015 Greater Brighton submitted a devolution prospectus to the Treasury entitled “Platforms for Productivity” to which Lewes District Council was a partner alongside the members of the Greater Brighton Economic Board;

Three Southern Counties

- 1.9** SE7 is a partnership of seven local authorities that have committed to working together under a Memorandum of Understanding to improve the quality of services and to achieve savings. The SE7 authorities are:
- i.** Brighton and Hove City Council;
 - ii.** East Sussex County Council;
 - iii.** Hampshire County Council;
 - iv.** Kent County Council;
 - v.** Medway Council;
 - vi.** Surrey County Council; and
 - vii.** West Sussex County Council;
- 1.10** Following the Queen’s Speech announcement and discussions amongst the group of SE7 authorities, East and West Sussex and Surrey County Council as the Three Southern Counties group (3SC), separate from the SE7 authorities, submitted a letter to government in June indicating their interest in discussions with Government about devolution for their joint area;
- 1.11** In September 2015 3SC submitted a devolution prospectus to the Treasury entitled “The Cost of Success” to which Lewes District Council was a partner alongside the other constituent District and Borough Councils of East Sussex, West Sussex and Surrey Counties;

2 The Devolution Bids

Both devolution bids constitute the beginning of discussions with the Department for Communities and Local Government and the Treasury about the scope and timeline for the devolution of powers. The proposals outlined in the summaries below are not legal commitments and would be subject to further discussions between partners;

Greater Brighton

2.1 A summary of the Greater Brighton devolution prospectus is included below, and the full prospectus is included as Appendix A:

2.2 Greater Brighton builds on the City Deal and the Greater Brighton Economic Board (GBEB). The devolution bid for the Greater Brighton City Region intends to use the ability and assets of the City Region (business, academic, public and other) to drive productivity in the financial, social and public service economies;

2.3 The Greater Brighton devolution governance model is to continue with the Greater Brighton Economic Board as currently constituted, but to investigate the possibility of a combined authority where this is a condition of devolved powers;

2.4 The Greater Brighton bid is structured around three key platforms:

(a) Platform 1 – Economic Productivity

Transport infrastructure – creating a Greater Brighton infrastructure plan, assessing East/West connectivity, seeking a 10-year funding block, widening ticketing connectivity and escalated discussions with the Highways Agency and Network Rail on investment;

Making property assets work harder – creation of a Greater Brighton Investment Plan, a Greater Brighton Property Board based on the “one public estate” model, support for the Newhaven Enterprise Zone, escalated discussions with Treasury on retention of stamp duty (the request for Business Rates retention now superseded by the Chancellor’s September announcement of retention of business rates by local government by 2020);

Enterprise Support - focusing on the creative, digital and information technology sectors, engineering and life and health sciences as the growth sectors for the region, development of a Greater Brighton Investment Fund, Greater Brighton business portal, devolution of UKTI funding and devolution of the Business Growth Service;

(b) Platform 2 – Social Productivity

Education Promise Zone – promise to the young people of the region to obtain skills and work in the new economies of the region, and to the region to provide a supply of skilled workers to support growth; creation of an apprenticeship company to coordinate activity in the region and to distribute a devolved apprenticeships levy and AGE grant;

Housing Supply – “living wage housing” – creation of a joint venture company to create 1000 new homes as a pilot, creation of a Greater Brighton housing company; right-to-buy receipt retention, escalated engagement with the HCA and devolution of HCA funding for affordable housing;

Digital infrastructure and capacity – improved broadband connectivity across the region, 5G connectivity and development of “Government as a Platform” proposals;

Supporting the information economy – support and creation of platforms for the social economy, promotion of careers in the caring sectors; supporting social innovation including alternative credit and banking platforms and collaboration on craft and food service production sectors;

(c) Platform 3 – Public Service Productivity

Accelerating public service redesign and collaboration alongside maintaining strong open governance systems, intervening to address both market and public service failures and gaps, and working to remodel public services to be networkers and civic social entrepreneurs;

Three Southern Counties (3SC)

2.5 A summary of the 3SC devolution prospectus is included below, and the full prospectus is included as Appendix B;

2.6 The 3SC bid is structured around two main focus points:

(a) Economic Growth and Enhanced Productivity

- i.** Infrastructure Strategy including transport (strategy to 2050 and alignment with strategic road and rail planning) and digital (comprehensive superfast and ultrafast broadband pilots);
- ii.** Smart sector specialisms including working with universities, and up-skilling the workforce (devolution of all 14-25 funding, apprenticeships and influence over curriculum);
- iii.** Housing and priority locations – powers to expedite key sites, duty to cooperate with HCA, strategic planning functions, engagement with Enterprise Zone designation process;
- iv.** International – exploration of ports and airports connectivity and opportunities to promote trade and tourism;

(b) Public Service Transformation

- i.** Creation of a 3SC fund where monies for public sector transformation is pooled for the 3SC region;
- ii.** 3SC transformation dividend – creation of an ability for the government to recoup financial benefits realised elsewhere in public service supply chain through transformation activity within the 3SC area;

- iii. 3SC transformation deal – an agreement with government to escalate facilitation of transformation programmes requiring central government engagement i.e. blue light, and troubled families;

3 The Interaction of the Bids

- 3.1 Greater Brighton and 3SC have signed a Memorandum of Understanding to acknowledge that their devolution bids raise key areas of common interest and will benefit from close cooperation between the organisations both in their development and realisation.
- 3.2 The Memorandum commits both partnerships to maintaining effective cooperation in planning, consultation and public and partner engagement in respect of their individual bids and their interaction;
- 3.3 The Memorandum specifically identifies the areas of transport, infrastructure and skills and social care as areas for cooperation, in addition to the review of governance arrangements to ensure they are appropriate to enable the effective delivery of the proposals contained within the prospectuses;
- 3.4 The Memorandum of Understanding is included as Appendix C to this report;

4 The Next Steps

- 4.1 Both prospectuses signal their respective members' commitment to agreeing a deal with government and begins this process. Both 3SC and Greater Brighton expect to continue a formal and informal dialogue with government during the 2015 calendar year.
- 4.2 Greater Brighton are continuing to develop the evidence surrounding their devolution requests and anticipate submitted the final version of their prospectus, following discussion with Government, to the Greater Brighton Economic Board in January 2016;

5 Financial Implications

- 5.1 A report has gone to the Greater Brighton Economic Board requesting that partners release a further £50,000 of funding to complete the process of the devolution bid. LDC is requested to contribute a 12% share (£6,000) of this additional funding. This can be met from existing Economic Development budgets.
- 5.2 Were further proposals to be developed through either 3SC or Greater Brighton that required investment or affected the financial operations of the Council, a report will be brought to Cabinet;

6 Legal Implications

- 6.1 There are no direct legal implications arising from the bid submissions, but if any aspects are to be developed and adopted more formally then

the legal implications will be considered by both the Greater Brighton Economic Board and the Cabinet of Lewes District Council;

7 Risk Management Implications

None

8 Equality Screening

Not required at this stage of the process.

9 Background Papers

9.1 Greater Manchester Devolution Settlement

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369858/Greater_Manchester_Agreement_i.pdf

9.2 Chancellor's May 2015 Northern Powerhouse Announcement

<https://www.gov.uk/government/speeches/chancellor-on-building-a-northern-powerhouse>

9.3 Background Briefing Notes to the Queen's Speech 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/430149/QS_lobby_pack_FINAL_NEW_2.pdf

9.4 Cities and Local Government Devolution Bill 2015

<http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution.html>

9.5 "A country that lives within its means" – Spending Review 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447101/a_country_that_lives_within_its_means.pdf

10 Appendices

10.1 Appendix A – "Platforms for Productivity" Greater Brighton Devolution Prospectus

10.2 Appendix B – "The Cost of Success" 3SC Devolution Prospectus

10.3 Appendix C – Memorandum of Understanding between 3SC and Greater Brighton

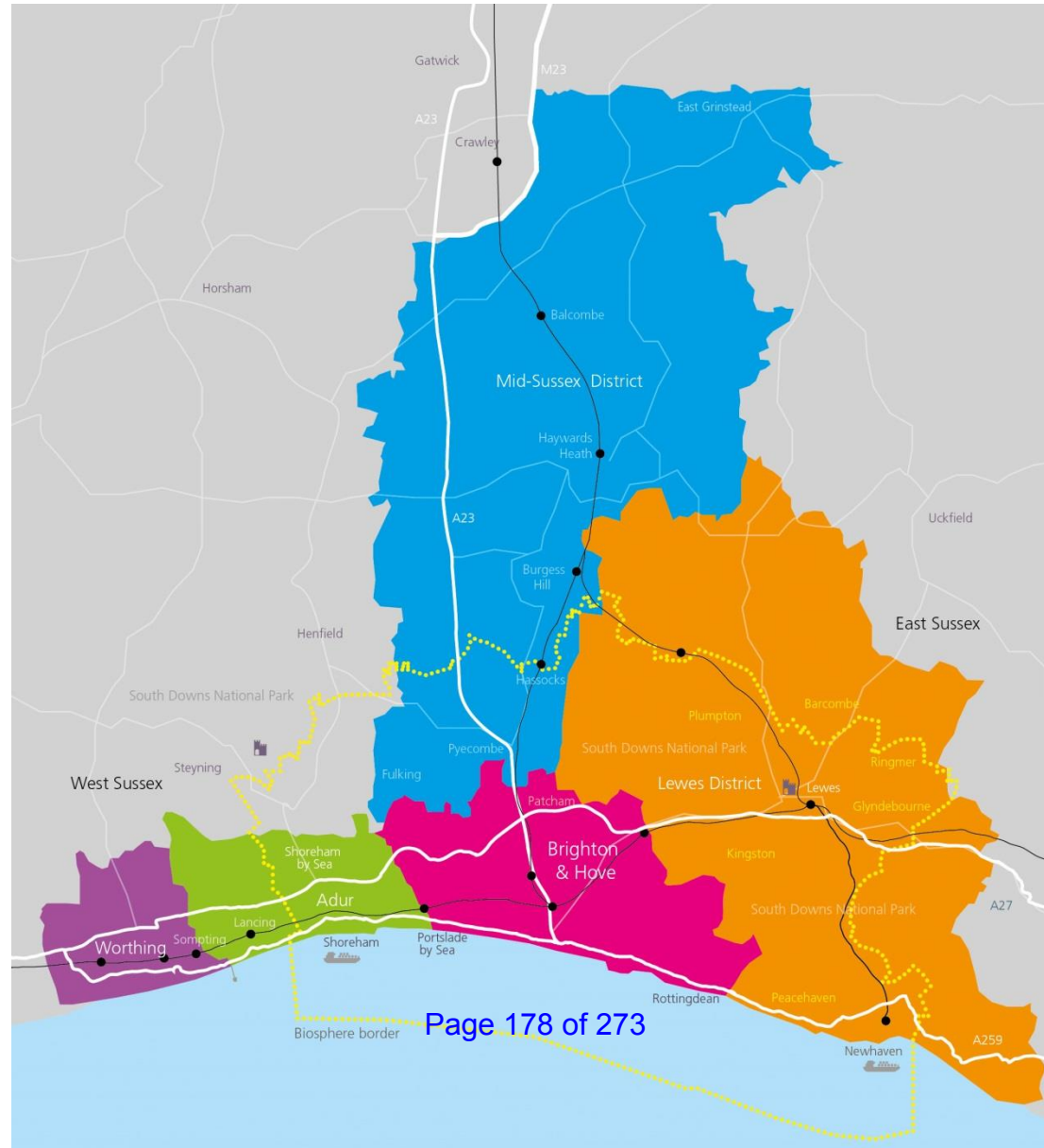
Greater Brighton Devolution Prospectus

Platforms for Productivity

September 2015



The Greater Brighton City Region



Contents

Section	Page
1. Greater Brighton – Platforms for productivity	4
2. Greater Brighton – Who we are	5
3. Greater Brighton – Our vision	6
4. Greater Brighton – Our delivery model	7
5. Alignment with neighbouring devolution proposals	8
6. Three platforms for productivity	9
7. Increasing productivity – Our core offer to Government	10
8. Our key asks of Government	11
9. Why seek devolution?	12
10. Platform 1: Driving economic productivity	13
11. Platform 2: Releasing social productivity	29
12. Platform 3: Driving public service productivity	40
13. Greater Brighton Devolution Deal – in summary	44

Greater Brighton – Platforms for productivity

Northern Europe is at the start of the “third great economic revolution”; the transition to a new type of information economy.

The first revolution, from feudalism to merchant capitalism, saw the state providing the platform of ships, navies and lending institutions to support the shift and enable productivity. The state facilitated the second revolution to an industrial economy by providing the platform of built infrastructure, free trade, legal foundations, regulated banking and commercial systems.

The transition to a post industrial economy is likely to take several decades. The abundance of accessible information, innovative networked individuals, companies and communities is only just starting to deliver new products, services, business models and technologies that will push the UK, and Greater Brighton, towards greater abundance.

Our strategic aim therefore is to provide platforms to grow productivity in the existing industrial economy whilst providing a platform for the accelerated development of productivity in the information economy using economic interventions in a radical and at times disruptive way to further catalyse the information economy.

Greater Brighton is up for the challenge and enthusiastic to build on the City Deal approach started in 2014. We can further catalyse the new information economy by state, market and academia collaborating effectively across our region.

This devolution prospectus is the start of a longer dialogue that we want to have with Government and partners, focused on three areas where we believe we can make significant productivity gains: economic, social and public service. Greater Brighton looks forward to exploring the proposals contained within this submission and to ultimately agreeing the best deal for our people and businesses.

Greater Brighton – Who we are

Greater Brighton is a diverse, innovative and culturally-rich region that provides a unique opportunity to exemplify new ways of working, new ways of living and new ways of governing.

Greater Brighton is made up of the local authority areas of Brighton & Hove, Adur, Worthing, Lewes and Mid Sussex. It is a true functional economic area of around 700,000 people and 32,000 active businesses. We have significant national and international connections: situated less than one hour from London and 30 minutes from Gatwick (and therefore the world) and with two ports – Newhaven and Shoreham – providing connections to France and main land Europe.

Greater Brighton has an extraordinary mix of coastal, urban and rural landscapes (including the South Downs National Park, a UNESCO biosphere and a number of areas of Outstanding Natural Beauty). It has a strong cultural, heritage, visitor (including business tourism) and sports components. This richness and variety within a 15 mile radius is regarded by residents and national and international visitors alike as a strong attractor for skilled labour and inward investment. There are a number of significant brownfield sites for regeneration and a growing investor appetite across the whole area (rather than just in established pockets of investment).

The region has two highly regarded universities (Sussex and Brighton) and a range of Further Education and secondary provision (including a new University Technical College (UTC) in Newhaven and the potential for other sector specific new providers). It also has a strong community, voluntary and social enterprise sector, which is leading a range of social innovation ideas and turning them into viable propositions.

The region has attracted a number of high-value industries. In Brighton & Hove these include, creative, digital and information technology (CDIT) businesses (with a number of world leaders in the digital and tech sectors) and financial/business services; and across the region there are a number of large and successful engineering and advanced engineering companies in sectors such as marine, aviation, automotive, defence, electronics and, pharmaceuticals (as well as financial services and a growing number of CDIT companies).

Greater Brighton's productivity, whilst comparable to the UK average, is not what it should be for its proximity to London and asset base. More than half of all jobs in the area are in tourism, retail and public sector industries, well above the national average. We have a highly skilled workforce but a high proportion are *under*-employed.

With the physical assets, people, practical exploitation of the information economy, and history of high end engineering (together with transport links to London, Europe, and the world), Greater Brighton has a strong and unusual basis upon which to grow its economic and social productivity for the benefit of the region and UK economy as a whole.

We recognise our resources are finite and not currently used as productively as they should be. This also provides a significant opportunity to radically redesign the platform the state provides at a local level for its financial and social economies and the provision of public services.

Greater Brighton – Our vision

Our vision is that Greater Brighton will become the most successful economy in the South East connected with London.

Our Devolution Deal takes both the Greater Brighton City Deal and the Coast to Capital Growth Deal to the next level to deliver our aspiration. This ambition will be delivered through the Greater Brighton Investment Programme, which over the next ten years will generate approximately:



24,000 jobs



455,000 sqm employment floor space



22,500 homes¹

Our goal is to be globally recognised as:

- having a strong and successful **Creative, Digital and Information Technology (CDIT) sector** that is driving per capita GVA 5% above the UK South East average;
- having an **engineering and manufacturing economy** comparable in GVA terms with the best in northern Europe and 5% above the UK South East average;
- a centre of **economic dynamism** with world class culture, creative and heritage attracting far greater inward investment and acting as a template for other coastal economic areas;
- a **strong 'brand'**, where the region is seen as a place for innovation, business and where people choose to live and visit;
- both a **generator and an attractor of investment**, energy, skills, ideas and entrepreneurs, and;
- a **thought leader in the re-imagining of public service** and the support of new economic models and models of service provision.

Page 182 of 273

¹ The South Downs National Park Authority's draft Local Plan has a provision for an additional 4,500 homes over the next 17 years.

Greater Brighton – Our delivery model

With the signing of the City Deal in 2014, the strategic economic agenda of the region is led by the Greater Brighton Economic Board. Greater Brighton is an established entity with formal governance arrangements built on strong collaborative relationships between partners.

5 Local Authorities

Adur District Council
Brighton & Hove City Council
Lewes District Council
Mid Sussex District Council
Worthing Borough Council

3 Business Partnerships

Adur & Worthing Business Partnership
Brighton & Hove Economic Partnership
Coastal West Sussex Partnership

2 Universities

University of Brighton
University of Sussex

4 Further Education Colleges

City College Brighton and Hove
representing
City College Brighton and Hove
Northbrook College
Plumpton College
Sussex Downs College

Local Enterprise Partnership

Coast to Capital Local Enterprise Partnership

National Park Authority

South Downs National Park Authority



We want to extend our existing partnership to include Government. We are making a credible offer to accelerate growth and the creation of a centre of excellence for public service that we believe justifies the devolution of the powers needed to enable this.

We have excellent foundations upon which to build with our experience of the City Deal; Coast to Capital's Growth Deal; and our strengthened Greater Brighton Economic Board as the mechanism for strong delivery. Through our devolution ambitions we are determined to drive sustainable economic growth across the region. This document outlines our commitment to local collaboration and working in partnership with Government.

We see the role of the Board over the next 10 years is to create and sustain three platforms enabling:

1. **Economic productivity**, through the provision of infrastructure, housing and employment land and enterprise support;
2. **Social productivity**, through the creation of skills, living wage housing and the acceleration of the information/"sharing" economy to drive a vibrant social economy; and
3. **Public service productivity**, through the radical redesign of public services and the introduction of new models of governance.

Our approach builds on our City Deal and Growth Deal of 2014, which identified key strategic interventions required (particularly to our infrastructure) and created a governance framework necessary to take it forward. Platforms for Productivity takes the City Deal approach a significant step on.

We have a detailed understanding of our existing economy (and the barriers and challenges to increased productivity) and an ability to have "grown up" conversations between the key players across the region to shape priorities and target interventions.

Alignment with neighbouring devolution proposals

The Greater Brighton Economic Board recognises the need to work collaboratively with neighbouring authorities who are also discussing devolution proposals with Government. In particular a Concordat has been agreed with East Sussex County Council, West Sussex County Council and Surrey County Council (3SC). 3SC is a group of 26 local authorities comprising the three Counties and their respective District and Borough Councils. The Concordat acknowledges that key areas for the Greater Brighton Devolution proposal and the 3SC proposal raise issues of common interest and will benefit from close cooperation both in terms of their development and realisation. There will also be specific elements of each proposition which will give rise to issues of shared concern and mutual benefit and in respect of which close work at operational and political levels will be important.

Throughout this document we have identified areas where we will work with 3SC to ensure that our proposals are aligned and to ensure effective delivery of proposals in the Devolution Deals relating to or impacting on Greater Brighton, areas such as transport, infrastructure, skills and social care. We will also ensure that appropriate governance arrangements are developed which enable the effective delivery of the respective proposals within the Devolution Deals and support the continued delivery of Coast to Capital LEP's Strategic Economic Plan.

In particular, the Greater Brighton Economic Board will commit to work collaboratively with Government, the Coast to Capital LEP, and 3SC to review all existing funding streams, governance structures and delivery bodies with the aim of reducing bureaucratic barriers to economic, social and public service productivity.

Three platforms for productivity

We believe that the role of the Greater Brighton Economic Board over the next 10 years is to create and sustain three productivity platforms:

Economic productivity	Social productivity	Public service productivity
The infrastructure, floor space and enterprise support to increase productivity in our economy	The skills and conditions to accelerate the information economy and unlock a vibrant social economy to the benefit of all our residents	The radical redesign of public services creating new models of governance, delivery and collaboration

Driving economic productivity

- 1. Transport infrastructure:** The creation of an integrated regional transport system. Infrastructure to provide high speed connectivity to London and Gatwick, ensuring that supply and demand can be more readily connected for skills, business premises and housing.
- 2. Unlocking growth sites:** Delivering our ambitious housing plans and creating new employment and business space to realise our productivity potential.
- 3. Enterprise:** Providing business in key sectors with the support that they need to grow effectively, including support for the growth centres at Burgess Hill, Brighton, Shoreham and Worthing and the creation of an Enterprise Zone for Newhaven.
- 4. Smart infrastructure:** Improvements to digital infrastructure to be a gigabit region.

Releasing social productivity

- 5. Skills for employment:** Creating an Educational & Skills Promise to provide seamless education and skills pathways, providing the skills our businesses need for growth and ensuring all our young people have equal access to education, training and employment opportunities.
- 6. Living Wage Housing:** Ensuring that our housing mix meets the changing demands of our citizens across our diverse urban area.
- 7. The Information Economy:** Growing this collaborative economy through the creation of new digital business models in both the public and private sector, to create a centre of excellence around “government as a platform” through the Greater Brighton Local Government Digital Service.

Driving public service productivity

- 8. Regional leadership:** The Development of a stronger and more open governance system, developing new models of service delivery, including moving towards the formation of a combined authority and active dialogues with our neighbouring authorities and the Gatwick Diamond.
- 9. Cooperative and strategic working:** Driving efficiency by actively pursuing cooperation and collaboration between partners and with neighbours, including shared services, a Greater Brighton Property Board and joint working on planning and the delivery of strategic priorities.
- 10. Accelerating public service reform:** Radically rethinking the role of the public sector as a service provider and commissioner, moving toward a model of government as convener, networker, champion and shaper of new social models that will harness economic productivity whilst ensuring the equitable distribution of rights and responsibilities.

Increasing Productivity – Our core offer to Government

We will drive our productivity through our core offer to Government to:

- Commit to **strengthen local governance and accountability**, including moving towards a Greater Brighton Combined Authority.
- Commit to **accelerate public service reform** and drive efficiency through a radical reimagining of the role of the public sector, including new integrated and shared services and new models of service delivery.
- Deliver an **intelligent transport network** that supports viable business and commercial activity across the region, supported by a high-speed connection both east to west and to Gatwick and London, making a strong proposition for growth sites such as Burgess Hill, Newhaven and Shoreham Harbour.
- Create a **Greater Brighton Housing Company** to accelerate housing delivery to meet and surpass our planned housing supply of 22,500 homes. This will help to develop a balanced regional economy, with new housing to support local employers and growing businesses whilst also retaining a focus on affordability and quality (particularly in the private rented sector).
- Pilot a Joint Venture to deliver 1000 affordable homes with a local housing association, with a new **Greater Brighton Living Wage house model**.
- Create a **Greater Brighton Digital Service**, a pilot local government digital service as part of the wider public service reform programme of the region.
- Work with the support of Government to deliver enough sites of sufficient quality to secure development where land values are lower or currently underutilised and maximise the release of surplus public sector land, to drive economic growth through a **One Public Estate Approach**.
- Utilise the existing **Business Growth Hub** model to take control of the business support agenda and build a place-based approach that creates the appropriate support network to accelerate enterprise growth, creating the conditions that enable new businesses to start and existing businesses to scale.
- Create a **Greater Brighton Apprenticeship Company** supported by an **Employer Skills Task Force** and an **Education & Skills Promise** that puts employers in the driving seat of the local skills system, enabling the delivery and successful completion of an increased number of high quality traineeships and apprenticeships that target local high-growth specialisms along with established pathways into employment.
- Create **digital infrastructure and a gigabit region** that offers ultrafast connections for every business, resident and community and in doing so transform the digital sector in terms of economic value and establish new digital models for the public and private sector, with digital technology deployed across infrastructure, opportunities, institutions, democracy and communities.

For a full table of our asks and offers please see the summary table on page 44.

Our key asks of Government

We want Greater Brighton to go further and faster. We have both the capacity and ambition to generate significant productivity gains and economic growth, with the following asks as catalysts (indicative):

- Funding for **gigabit infrastructure across all major settlement areas** in the region along with devolution of the **BDUK and DCMS incentive initiatives** to support delivery of distributed digital exchange for Greater Brighton and the establishment of Greater Brighton as the **UK's 5G demonstrator region** using the UK's first 5G test bed at the Digital Catapult Brighton.
- Creation of a **Joint Property Board** with the HCA to enable the creative use of Government land and capital assets with the support of a **housing investment fund** and powers to retain **stamp duty**, levers that will help to generate a new revenue stream for the region to drive further housing delivery.
- Devolved **Apprenticeship Grant for Employers (AGE)** and the **proposed Apprenticeship Levy for large firms** to the Greater Brighton Apprenticeship Company.
- Commitment to accelerate A27 improvements, fastline improvements across our rail network, a **high speed Brighton to London Mainline** along with a 10-year funding commitment to **devolve transport funding**.
- Establishment of an **Enterprise Zone for Newhaven** and powers to retain **business rates** on specific projects, such as the growth centres in Brighton, Burgess Hill, Shoreham and Worthing, so a greater proportion of the growth dividend can support essential infrastructure requirements.

- Devolved **business support budgets and proportion of UKTI budgets** to enable Greater Brighton to take a more direct and proactive role in local trade and investment opportunities.
- Growth Deal to unlock the development of a **City and National Park park and ride**, to provide sustainable transport access to the region and the South Downs National Park.

For a full table of our asks and offers please see the summary table on page 44.

Why seek devolution?

Our productivity ambitions fit well with and support the HM Treasury “Fixing the Foundations” approach and in particular we believe we have a significant contribution to make.

Parts of our ambition can be realised by further developing the Greater Brighton Economic Board as it currently operates. However, if we are to really create effective platforms for our economic, social and public service productivity ambitions, then we need the tools to do the job.

Increasing productivity requires a complex set of interventions across the economy of the region. The requirement to bid, negotiate, liaise and convince a large number of Whitehall departments, arms-length agencies and funding bodies (and to do so at pace) has a significant impact on our ability to realise our productivity ambitions. We need the levers to use local knowledge, creativity and innovation to create solutions and catalyse significant economic change.

Austerity has at times been a helpful lever to enable focus on elements of productivity and create the required collaborative intent. However it only takes us so far. The devolution of certain resources and responsibilities from central government to the region (and in certain cases onto other bodies to exercise on behalf of the region) becomes essential.

In Greater Brighton we have enjoyed good working relationships with Whitehall over the last decade, particularly in the growth and innovation space. We have the sense that we are understood and are respected for our willingness to innovate. Our “Ask” in this document is for a “Phase 1” set of levers as we become more adept at driving productivity and seeing new opportunities to collaborate better. We anticipate “knocking on the door of Government” again.

Platform 1: Driving economic productivity

The role for both central and local government is to create conditions for markets that work efficiently and to work, together with the private sector, to create conditions that drive improvement and catalyse growth. This Devolution Deal provides a unique opportunity to ensure that the conditions are right and that the necessary levers are being pulled in order to improve productivity and accelerate growth.

We want to build on our City Deal and create a network of linked growth centres; be recognised internationally for our creative and technological expertise; our capacity to innovate; and to attract and develop talent and ambition. In the future, our productivity will reflect our high skill levels, our university-business collaboration will be at the heart of our economy and our region will create high-quality jobs and be truly international and outward-looking. On many economic and competitiveness measures the region is performing strongly, with Brighton & Hove a critical driver of the economic strength of the area.

However, below these headline measures it is apparent that the region is increasingly congested and physically constrained, especially with regard to housing and employment land - these factors are already hindering growth and eroding competitiveness for leading sectors. This issue will only be exacerbated as the small businesses that currently form part of a vibrant and thriving business base mature and grow. Our micro businesses find it difficult to grow here because our accommodation is not good enough. This is compounded by limited capacity to train new graduates in the specific skills required and a lack of the leadership skills required to achieve their ambitions.

At the same time, some parts of the region have not yet developed the broader mix of sectors or skills that can sustain higher skilled jobs and economic output. What these areas do offer, however, is capacity for future growth including new strategic employment and housing sites identified in Local Plans.

Different parts of the region are therefore interdependent in driving further growth and this Devolution Deal provides the opportunity to further formalise and catalyse this joint approach; creating the conditions that enable the interdependencies to be realised for the benefit of all. It is an approach that will be underpinned by the:

- Development of a detailed **Greater Brighton Infrastructure Plan** – in conjunction with the Coast to Capital LEP and 3SC – that will identify our infrastructure deficit and the growth dividend that we can deliver through targeted investment.
- Development of a **Greater Brighton Housing & Property Investment Plan** – in conjunction with the Coast to Capital LEP and 3SC – to provide a strategic delivery plan to deliver more housing across the region.

1. Transport infrastructure

Efficient transport is an aggregator of economic growth – it draws in funding, employment, visitors and residents. However, at present Brighton & Hove and the surrounding region is not maximising the benefits of its status as a transport hub and its connectivity to London and Gatwick.

The region has significant transport inequalities and inefficiencies. The region's road network suffers from high traffic levels, meaning that even on the routes that enjoy good connectivity, there is a significant difference between theoretical and actual journey times. Evidence suggests that the A27 represents a significant constraint on east-west travel for business and commuting. Housing and strategic site location will increase traffic on key strategic routes and the A27 (as well as the A259 and connecting roads) and will therefore be a focus for growth.

The Greater Brighton rail network suffers from congestion and unreliability; an issue that has been materialising over a number of years. Peak period trains on the Brighton Main Line (BML) carry passengers above capacity (with some sections over 40% above capacity), with Network Rail suggesting that the existence of “flat” junctions on the BML route combined with the high service frequency contribute to continuing reliability issues.

Continued investment in Greater Brighton's transport infrastructure is necessary to both realise and accelerate the region's economic growth. Across the region we need to better connect our communities and neighbourhoods to employment and skills opportunities and adequate housing whilst meeting the demands of businesses and visitors. We want to create genuinely sustainable communities through the better use of technology, through better-quality and better-designed places and developments that enable people to make better choices about their need for travel.

As Greater Brighton has high levels of congestion and is located within a valued and protected environment the area needs innovative and light-touch transport solutions alongside a long-term strategic infrastructure plan if growth is to be sustained and increased.

Brighton & Hove offers a blueprint for achieving transport improvements through incremental gains and the pursuit of “light-touch” solutions alongside major infrastructure improvements. It has a successful and effective bus transport service, which alongside proactive management of traffic and bus routes, technology innovations – including real-time arrivals information and e-ticketing – has encouraged residents to view the bus service as their version of the London Underground, with the ability to quickly hop-on/hop-off and traverse the city.

Driving economic productivity – Transport infrastructure

Transport infrastructure: Our ambition and offer

We want to deliver a transport network that **supports viable business and commercial activity (including the movement of freight), travel to work/learn and our vibrant visitor economy across the region.** This in turn will make a stronger proposition for growth centres at Brighton, Burgess Hill, Newhaven, Worthing and Shoreham Harbour and ensuring that our rural areas are also well connected.

At the heart of our offer is an ambition for a **high speed Brighton Mainline** alongside enhanced east-west connectivity creating quicker, more reliable and better connections across the region as well as to London, the rest of the UK and internationally.

This will be supported, and the benefits realised, across a wider geography through a step change in the delivery of an **Intelligent Transport Systems (ITS)** and smart infrastructure. Together this will play a key role in supporting one of the region's main goals – economic growth – by reducing congestion and enhancing the economic viability of the region.

Technology will therefore play a central role in delivering a region that can compete at the highest level, perform efficiently by adapting to changing circumstances and demands and remain resilient during extreme events. By considering journeys from door-to-door and taking into account all forms of transport, technology can help to deliver a transport system that is safer, more efficient and more sustainable to use and operate.

Improvements can include access to public transport information and directions to interchanges such as car parks, before and during journeys; electronic payment methods; and smartcards and strategic control centres where partners can jointly manage access and movement to assist in enabling journeys to be undertaken as seamlessly as possible.

Driving economic productivity – Transport infrastructure

Transport infrastructure: Our proposed initiatives

The transport infrastructure needs of Greater Brighton have been assessed from the perspective of future economic and housing growth. In order to support jobs and match housing forecasts, six specific areas of focus have been identified:

- Development of a detailed **Greater Brighton Infrastructure Plan** in collaboration with 3SC and Coast to Capital LEP, that will identify our infrastructure deficit, in terms of what is required to improve efficiency, safety, increase resilience and the growth dividend that we can deliver through targeted investment. Additionally, local determination of strategic infrastructure priorities will give us the ability to directly determine strategic infrastructure priorities to drive economic growth. This means directly influencing decision-making processes and securing the necessary investment to deliver the Greater Brighton Infrastructure Plan.
- Delivery of a **High Speed Brighton Mainline** that will significantly enhance and improve connections to London and beyond.
- Delivery of **improved east-west connections** across the region, in partnership with 3SC and Coast to Capital LEP, identified through the development of the Infrastructure Plan, and resourced through a growth deal for improvements to the A27 and a wider investigation of the A27/A259 corridor.
- A **10-year Funding Commitment**. Local decision making will bring significantly better use of our existing transport infrastructure and assets across the administrative boundaries and different responsibilities that exist for maintaining, delivering and operating the transport system within the region. We are seeking a fair deal for local transport in the form of a 10-year commitment to devolve central government funding for transport.

This would include:

- A Greater Brighton Local Growth Fund allocation (capital);
 - Local transport block settlements for Integrated Transport Block and Maintenance (capital);
 - Funding to deliver the Greater Brighton Active Travel Strategy (to include walking and cycling) in order to support Government to meet its commitment within the Infrastructure Act 2015, and to secure an ongoing funding commitment (capital);
 - Direct allocation of funding to deliver smart transport solutions, e.g access to OLEV programme funding (capital) to deliver air quality improvements; and
 - Local Sustainable Transport Fund long-term continuation funding (capital and revenue).
- **Improve connectivity across the region, working collaboratively with 3SC and Coast to Capital LEP.** Rail and bus provision, both north-south and east-west, can help support growth. In the longer term the region needs a high speed Brighton Main Line or a second Brighton Main Line (BML2) to ensure it reaches its productivity potential. The role of buses in improving connectivity for Adur, Worthing, Mid Sussex, Brighton & Hove and Newhaven can also support the development of housing and unlock growth sites.
 - **Investment in the Region-Wide Bus Network** underpinned by integrated e-ticketing, real time signs, Wi fi and USB charging points in all buses, next stop announcements on all buses and talking bus stops in all bus shelters.
 - **Develop a City and National Park park and ride scheme**, providing improved sustainable transport access to both the region and the South Downs National Park.
 - **Improve international links**, including aligning our devolution proposals with the Gatwick Diamond to maximise the positive economic impact that Gatwick airport has on the region's economy, and by continuing to work with Dieppe Maritime to secure the future of the Newhaven to Dieppe ferry service. The secured future of the Newhaven to Dieppe ferry service also relieves pressure on the Dover/Calais service and so improves the resilience of the south east's connections to northern France.

Transport infrastructure: Our ask of Government

- **Government commitment for fastline improvement** to the east-west rail coastway. A high speed Brighton Main Line to realise the productivity, agglomeration and regenerative benefits of this investment and help establish Greater Brighton as major economy in the South East connected to London.
- A **Growth Deal to unlock development of a City and National Park park and ride scheme** that would run and be managed commercially, providing improved sustainable transport access to both the city and town centres and the South Downs.
- A **10-year Funding Commitment to devolve Central Government funding for transport**. This would include:
 - A Greater Brighton Local Growth Fund allocation (capital);
 - Local transport block settlements for Integrated Transport Block and Maintenance (capital);
 - Greater Brighton Authorities to be recognised Cycle Ambition partners and secure an ongoing funding commitment (capital);
 - Direct allocation of OLEV programme funding (capital); and
 - Local Sustainable Transport Fund long-term continuation funding (capital and revenue).
- DfT support to **accelerate and extend Brighton & Hove's integrated e-ticketing pilot** across the Greater Brighton rail and bus network.
- **Certainty that current plans** for investment by Highways England, Network Rail and the Environment Agency **are realised**.
- A **Growth Deal to fund road and rail improvements** and greater flexibilities around access to strategic transport funding and planning.

- **Meaningful dialogue with the DfT** on future rail service specifications focused on achieving journey time reductions and reducing congestion and delays.
- Devolved powers to **change local rights of way and to upgrade local cycling / walking routes**.

2. Accelerating growth sites

Across the region there are a number of opportunities to make land and property assets 'work harder'. By pooling sites across the region and aligning leadership and vision there is the potential to generate value of a significant enough scale to secure the interest and active involvement of partners in the development of sites with a range of values and potential uses.

Our asks provide the necessary tools and resources to balance these demands and realise these opportunities.

Delivering new housing and employment space is central to supporting and facilitating all aspects of growth. Through our City Deal we are unlocking growth sites to develop a network of growth centres, underpinned by a co-ordinated programme of business innovation support that combines our university expertise and commercial specialisms. Our two universities, Sussex and Brighton, are central to achieving our ambition. They are two of our most significant “anchor” businesses, supporting around 12,000 jobs and contributing nearly £1bn to the South East economy, they have extensive international connections, are major suppliers of skilled labour and they have specialist technological expertise that can be better harnessed to support strong growth in our region’s economy.

We will extend the presence of our universities and further education colleges throughout the region, northwards into Burgess Hill and along the coast to Newhaven and Worthing, commercialising technologies linked to their expertise in digital media, nanotechnology, big data, regenerative medicine and the recycling of economically critical materials.

Greater Brighton's housing market is characterised by significant levels of recent population growth and movement of people both within and from outside of the area. Attracting and retaining working-age residents across the region will therefore be particularly important in meeting the area's economic needs.

The local population is highly mobile demonstrated by internal migration flows within the area, notably outwards from Brighton & Hove. Constrained housing supply and increasing costs are creating a number of pressures including affordability challenges for residents and businesses. In addition, in Brighton & Hove a third of the housing stock is private rented and often of poor quality.

The plans to create 22,500 new dwellings over the next decade (a 55% increase on the current average rate of housing completions) covering a mix of types and tenures and 455,000 sqm of employment space, along with the interdependencies that exist between different parts of the region in terms of growth sites, mean that this Devolution Deal presents a unique opportunity to create a fully joined up approach to delivery.

The pressure does not only exist within housing. Providing suitable employment land and associated infrastructure that not only attracts and retains business but also actively supports their growth and expansion is equally pressing. Currently employment space, particularly office space, is of variable quality and a significant proportion does not support modern employment needs. If it is to facilitate, and indeed drive growth, employment land needs to accommodate businesses at different stages in their life-cycle from start up to scale up. It also needs to be aligned to the areas sector strengths and higher value industries.

Driving economic productivity – Accelerating growth sites

Accelerating growth sites: Our ambition and offer

Building places that support and drive growth requires **civic leadership and collaboration across our region**. Our Devolution Deal seeks to provide this leadership and collaboration as it aims to bring about increased housing delivery alongside new employment space as well as higher standards in the private rented sector.

We want to accelerate housing delivery across Greater Brighton. We aim to do this alongside initiatives such as the growth centres and the proposed Enterprise Zone in Newhaven and new business and science parks at Burgess Hill where significant housing development is planned. This will help to develop a **balanced regional economy** with new housing supporting local employers and growing businesses.

By working together with the support of Government, Greater Brighton can begin to deliver enough sites of sufficient quality to secure development where land values are lower or currently underutilised, including brownfield sites. **This approach will help to deliver sites that would otherwise not come forward or would be outbid**. This would also enable opportunities for housing, employment and businesses expansion in different parts of the region. This could take the form of a Greater Brighton Housing Company as the key delivery vehicle.

Through a **One Public Estate** approach we can also maximise the release of surplus public sector land to increase the number of homes being built and drive economic growth. We would seek to create a vehicle such as a Joint Property Board with Government to influence asset development in a way that supports the growth of the region's economy.

There are further ambitions to **improve the management and quality of the existing private rented stock**, combined with the opportunity to bring significant investment into the sector for new private rented homes. This would transform the tenure into one that supports growth by providing high quality, easy-access housing, for example a 'pocket living' type model.

Driving economic productivity – Accelerating growth sites

Accelerating growth sites: Our proposed initiatives

In order to deliver new housing and employment space that supports and facilitates all aspects of growth, eight areas of focus have been identified:

- Development of a **Greater Brighton Housing & Property Investment Plan** to provide a strategic delivery plan to accelerate delivery and surpass our planned supply of 22,500 homes and 455,000 sqm of employment space across the region within ten years.
- Establish a **Greater Brighton Property Board** with a clear remit to promote and secure development. By transferring joint assets this Board can begin to deliver a One Public Estate approach to managing property and land assets. Comprising all relevant Government departments, other public sector bodies and the HCA, the Board would deliver a more integrated approach to how the public sector uses its assets across the region to support growth and deliver better value for public money.
- Development of a portfolio of **Greater Brighton rail station sites**, such as Hove Station, New England Quarter, Durrington, Worthing and Newhaven as early candidates for assessment and investment in by the new organisation to be set up by HCA and Network Rail to exploit station opportunities.
- Maximise housing delivery by building upon the work of the **Greater Brighton & West Sussex Strategic Planning Board** and the award winning Greater Brighton and Coastal West Sussex Joint Strategic Statement.
- Accelerate housing delivery through a **Greater Brighton Housing Company**. Delivering activity alongside other initiatives and ensuring that the strength of the housing market is captured, while also ensuring that the development of housing types and tenure aligns to local needs.
- Continued delivery of the network of university backed growth centres across Greater Brighton, including:
 - Delivery of over 2,500 new jobs and 1,000 new homes through Brighton's **Seafront Investment Programme**, leveraging over £800m of private investment and securing the extension of Churchill Square Shopping Centre, a new King Alfred Leisure Centre, and a new 10,000 capacity conference and entertainment venue at Black Rock;
 - Delivery of **Shoreham's business growth centres**, providing centres of excellence for eco tech growth. This will provide 15,000 sqm of employment space and an estimated 340 net new jobs as well as annual GVA impact of around £15m. Shoreham Harbour's regeneration will provide 1,400 jobs, additional economic output of up to £34m per annum.
 - Delivery of **Worthing's town centre and seafront investment prospectus** of seven sites, including Union Place and Teville Gate, to deliver new homes, and employment space;
 - Delivery of significant growth at **Burgess Hill** including 5,000 new homes, 5,000 new jobs and 200,000sqm of employment space; and
 - Delivery of a **Bio-Innovation Facility** on the **University of Sussex's** Falmer campus. This will provide 9,000 sqm employment floor space, 500 FTEs (100 graduate level) and will have an annual GVA impact of £6m based on the new jobs created.
- Establish an **Enterprise Zone for Newhaven** initiative to deliver up to 167,200 sqm of commercial development, supporting 2,000 new jobs and safeguarding a further 600.
- Development of collaborative public/private approaches to **unlock housing and employment land** through **institutional investment vehicles**.

Driving economic productivity – Accelerating growth sites

Accelerating growth sites: Our ask of Government

- Establish an **Enterprise Zone for Newhaven**.
- **Investment support in Greater Brighton rail station sites** from the new organisation to be set up by the HCA and Network Rail.
- A Greater Brighton **Growth Deal to fund essential infrastructure** in return for the delivery of housing and jobs.
- **Growth Deal funding** to enable the development of the University of Sussex's **Bio-Innovation Facility**.
- Retention of **business rates** on specific projects, such as the growth centres, so that a greater proportion of the growth dividend can support essential infrastructure requirements.
- Establish a mechanism for those councils generating growth to **retain a proportion of the business rates** before they are pooled.
- **Retention of stamp duty** to generate a new revenue stream for the region that together with the New Homes bonus can be invested to support and drive further housing delivery.
- Create a **Joint Property Board** comprising all relevant Government departments with other public sector bodies and the HCA, with a clear remit to promote and secure development.

3. Enterprise

Making the most of our successful firms requires tailored support that is specific to the needs of the individual business. It is only by addressing business needs that opportunities can be realised and growth supported in order to benefit the wider Greater Brighton economy.

This requires the resources used by Government to be effectively integrated with the planning powers, skills development and the understanding of local supply chains and barriers. This is particularly pertinent for the growth sectors of strategic importance to Greater Brighton and indeed the wider UK economy. Businesses want to see local government actively pursuing opportunities to provide joined-up support for enterprise and growth in their area.

This Devolution Deal seeks to ensure that these powers – particularly in terms of the niche growth sectors of the region – are held more firmly in local hands. By working with LEP partners, the two universities and local businesses, Greater Brighton is looking to provide targeted and tailored support for innovation, research and development, inward investment and export strategies.

Greater Brighton and Coast to Capital LEP have already established an integrated Business Navigator Growth Hub that acts as a shop window for a range of business support interventions – all co-ordinated and designed to help micro, small and medium-sized businesses to achieve growth. We are seeking to build on this hub to integrate it with local authorities and provide a one-stop-shop for start-ups, small, medium and major organisations that is able to be both comprehensive and sector-specific in its provision of advice and support.

The challenge is to ensure that growth is promoted outside of Brighton & Hove and spread across the region. The Enterprise Zone at Newhaven is of primary importance, as it will bring forward significant new commercial development and employment.

This Devolution Deal provides an opportunity to create place-based integration in relation to business support, driving the development of support that is directly responsive to a strong understanding of local business needs, their potential markets and sector strengths.

Driving economic productivity – Enterprise

Enterprise: Our ambition and offer

Our ambitions around transport and unlocking growth sites will play a central role in **providing the physical infrastructure necessary for enterprise to flourish**. We need to build on these foundations by creating the appropriate support network to accelerate enterprise growth and create the conditions that enable new businesses to start and existing businesses to scale.

Through wider control of the business support agenda and a clearer place-based approach, we will be able to develop support that is grounded in the local understanding of business needs, their potential markets and sector strengths.

By working with the region's two world-class universities and building on the existing Growth Hub model created with the Coast to Capital LEP, the ambition is to build a model that **maximises the growth potential and productivity of the region's businesses** and drives productivity gains in our priority sectors of:

- Creative and Digital Media;
- Advanced Engineering; and
- Life & Health Sciences.

Access to finance is a particular issue facing businesses in Greater Brighton and the ambition is to build on the already established and successful initiatives in this area to further support growth.

Enterprise: Our proposed initiatives

To achieve these ambitions and build on existing successes, five areas of focus have been identified:

- Establish a **Greater Brighton Investment Fund** that builds on the success of previously successful access to finance initiatives and creates a flexible fund that can be used to address specific business needs and opportunities. This initiative would bring together devolved capital funding for economic development, transport and regeneration, pooling locally and nationally determined funds. It could also be supplemented through the retention of business rates and possibly a tourism tax/night-time economy levy, due to Greater Brighton's unique tourist economy.

- The Investment Fund will also **bring together both private and public match-funding** (including European and EIB funding and local partners through the Local Growth Fund, and pension funds) to properly address and target the “local” issues faced by businesses in accessing finance under a single gateway as well as providing investment capital to bring forward infrastructure and regeneration projects – further driving the growth of our economy.
- Utilise the success of the Coast to Capital LEP Business Navigator to create a **Greater Brighton Business Hub** as a one-stop-shop for businesses that supports them to start up, manage and grow. The Hub would integrate national and local activity enabling a programme of support to be developed that is focused on both those businesses with the greatest growth potential and those in more economically challenged areas, ensuring benefits are spread across the region. Based on a successful model website in San Francisco (San Francisco Business Portal), this will also establish a single contact point for businesses applying for licenses, permits, seeking funding or grants, seeking employment space, or seeking networking or training opportunities. The establishment of this website would require significant organisational development across the region, and would occur alongside the public service reforms proposed as part of this Devolution Deal.
- Explore the creation of a local **business rates relief scheme to incentivise innovation and research and development** (R&D) in local businesses. This scheme would be in conjunction with the two universities which have specialisms within the growth sectors that Greater Brighton is seeking to incentivise.
- A coordinated approach to inward investment and reaching international markets through the **Greater Brighton Business Hub** with the support of a proportion of UKTI funding.

Driving economic productivity – Enterprise

Enterprise: Our ask of Government

- Devolved **business support budgets**, including European Regional Development funding for enterprise and a proportion of UKTI budgets, to enable the Greater Brighton Business Growth Hub to take a more direct and proactive role in local trade and investment opportunities.
- Devolve the **Business Growth Service** (formerly MAS and GrowthAccelerator) to the Greater Brighton Business Growth Hub following the end of the existing national contract in 2017.
- An **Enterprise Zone for Newhaven** to regenerate the area and deliver up to 167,200 sqm of commercial development, supporting c.2,000 new jobs and safeguarding a further 600 jobs.
- Retention of **business rates** at growth centres to generate a new revenue stream for the region that can be invested to support economic growth.
- A commitment to **examine all enterprise funding streams and explore the potential for rationalising** these as part of a joined-up approach to Enterprise support and growth in Greater Brighton.

4. Smart infrastructure

Outside London, Greater Brighton will be the UK's top digital and creative region. As well as its thriving small business creative, digital and IT sector, it will be the base for larger digital economy firms and be at the forefront of the latest innovations in the digital economy. The region will increasingly be connected in all aspects and the creative sector and digital technology will help firms, individuals and communities share in the benefits of growth.

Digital connectivity is a critical aspect of global competitiveness.

A central focus of this Devolution Deal for Greater Brighton is to ensure continued investment in broadband connectivity which is critical if our communities are to be fully inclusive and if our businesses are to maintain competitive advantage in a global economy. Our aspiration is for a gigabit region, with 100% connectivity across Greater Brighton, developing public wifi access in urban centres and using creative resources to innovate in digital applications.

There is a dynamic flow and exchange between different parts of the cultural, digital and creative industries which is vital to their future success. Creating synergies between the interlocking sectors of the Cultural and Creative Industries Ecosystem is a prime opportunity given the strengths of the Greater Brighton economy and the natural resources of the area.

We recognise the appeal of the natural environment of the region, including the South Downs to the new UNESCO Biosphere (which covers the Greater Brighton economic area – an area of 390 kilometers (150 square miles) of land and sea between the River Adur at Shoreham in the west and the River Ouse at Newhaven in the east). Smart infrastructure is critical to maintaining and capitalising on the social and environmental assets of the region, and to promote Greater Brighton as a high-quality leisure, residential and business destination.

National programmes aimed at rolling out broadband have lacked local knowledge and sensitivity to deliver the right outcomes. More imaginative and 'smarter' solutions are needed to ensure the social and economic wellbeing in these areas is enhanced. This Devolution Deal provides the perfect opportunity to achieve this.

The sector is also spreading geographically. The shortage of space, particularly move-on space, in Brighton itself has resulted in increasing numbers of companies locating across the region. More affordable housing is also pulling digital entrepreneurs to wider locations.

As the region develops, its economy will become increasingly interlinked. Firms will start, locate and thrive here. Whilst there are examples of a few larger firms that have either grown from digital start-ups in the city or who have moved here recently following Brighton's increasing reputation, the majority of activity is small and micro based and is based on creating value for other organisations. The challenge is therefore to grow larger indigenous businesses and to create inherent value through innovative products and services.

Driving economic productivity – Smart infrastructure

Smart infrastructure: Our ambition and offer

Our ambitions cover three core elements:

- **Digital infrastructure** – Fast, symmetrical, high capacity digital connections are the foundation of competitiveness and productivity for all UK regions. When the fastest growing private sector in the region is the CDIT sector, it becomes an issue of strategic imperative. Our intention is to have digital connectivity that offers the following:
 - Superfast connections (30 mbps) for every business;
 - Superfast connections for every residence and community organisation, including the rural areas, and;
 - Ultrafast connections (1 gbps) in every key business location across the region.
- **Digital sector** – Brighton's CDIT sector is thriving; it has demonstrated high rates of growth throughout the economic downturn. The ambition is to shift a good proportion of the sector up the value chain, so that they are increasingly capturing the value of their innovation and skill for themselves, and creating employers of regional, national and international importance. To do this, innovation, entrepreneurship, skills and business leadership are required.
- **Digital City Region** – Digital technology will be deployed across the region to ensure that benefits and opportunities are realised. This will include:
 - Use of digital technology and smart infrastructure to help people move across the region and to keep it moving;
 - Young people in all settings will know about the opportunities that are open to them and how they can match what they learn to their aspirations;
 - All individuals will have open access to the information they need to plan their careers, and to get back into rewarding employment when they suffer set backs;
 - Digital technology will open up our institutions and drive a digital democracy, with underlying digital equity, and;
 - Communities will use digital technology to make connections, to ensure those who are at a disadvantage, or who feel themselves to be different are included in society.

Super-fast broadband is now a fundamental requirement for business. However, the inability to access this in more rural settlements leaves them at a social and economic disadvantage.

Driving economic productivity – Smart infrastructure

Smart infrastructure: Our proposed initiatives

To achieve these ambitions we are proposing seven initiatives:

- **Digital Exchange (Dx) Greater Brighton** - A distributed digital exchange for the Greater Brighton region. Digital exchanges are designed to support and grow the digital, creative and tech sectors in and around a place, with consequent benefits for citizens and the wider business sector.
- The **creation of a network of connectivity hubs**, as part of the City Deal, in key centres along the Sussex coast to form a 'distributed digital exchange'. Each hub will serve a cluster of creative, digital and tech businesses, connecting them with each other and with the Brighton Digital Exchange.
- **Gigabit coast** – the development of ultra-fast broadband to power growth.
- **5G development** – funded by Coast to Capital Growth Deal, test rigs are being set up in the Digital Catapult Centre in Brighton so SMEs can get early access to the technology and begin innovating new products and services.
- Facilitate the **creation of new digital business models** which will support growth and productivity by either changing the way the business operates or by supporting the creation of new innovative businesses.
- Creating '**Government as a platform**' models looking at how to commission or create digital business model for public services both in terms of service delivery and operation but also community engagement, inclusion and democracy. Focused on the region in the first instance, if these models are successful then they can be rolled out nationally.
- Gigabit connectivity in the **Northern Arc** development in Burgess Hill.

Driving economic productivity – Smart infrastructure

Smart infrastructure: Our ask of Government

- Greater Brighton control of the **Broadband Delivery UK (BDUK) budget** and Department of Culture, Media and Sport **(DCMS) incentive initiatives** to support delivery of Dx Greater Brighton.
- Nomination of Greater Brighton region as a **pioneer** for the July Budget commitments **on ultrafast connection**.
- Establish Greater Brighton as the UK's **5G demonstrator region**.
- Increased **co-ordination of funding streams** such as Arts Council England and Heritage Lottery Fund – alongside Local Growth Fund and European Structural Investment Fund – with a regional input into the awarding of funding.
- Funding for **gigabit infrastructure** across all major settlement areas in the region, and ensuring superfast broadband to all rural areas.

Platform 2: Releasing social productivity

Supporting economic growth requires intervention beyond the provision of physical or digital infrastructure. It also requires long-term strategic action to ensure that there are employees with the right skills in the region. This not only involves strong education and skills pathways to employment but also the provision of Living Wage housing for our local working population who are on low wages.

This long-term strategic thinking also requires the public sector to anticipate and monitor new and changing growth sectors and emerging ways of working, as these will require different skills and infrastructure provision to more traditional industries. Driving social productivity is about a collective approach to social and economic resilience of the region. Delivering a healthy labour market and getting people into work is the best route to preventing an reducing overall public service demand.

If more and more people are supported into sustainable employment this could fundamentally shift the reliance of the state to act more radically in how it enables and support our most vulnerable people and communities; and also how the state operates and coproduces solutions across the region.

Whilst Greater Brighton is often seen as being a highly-skilled area, this is not true of all the areas within the region. Our proposals are therefore designed to improve the suitability, availability and spread of skills across the region, to support both the existing specialisms and the on-going growth of the information or "sharing" economy.

We are seeing the emergence of a new information economy across the Greater Brighton region.

Innovative networked individuals, companies and communities are beginning to deliver new products, services, business models and technologies that will push us and the rest of the UK into a new economic revolution.

The region offers a cluster of specialist skills in CDIT industries and Health and Life Sciences, alongside above-average employment in High-Tech Manufacturing. This Devolution Deal provides opportunities to build on these and to ensure that productivity is maximised

5. Skills for employment

Greater Brighton (through the partners of the Economic Board), is at the nexus of employers, educators and skills providers in the region. It is uniquely placed to make qualitative changes to the provision of both academic and vocational education in the area. We will inspire our young people and businesses to achieve, innovate and prosper.

Future employment growth is forecast in the financial and business services, media and technology sectors.

Participation in further education needs to be higher, with just 73% of 17 year olds in Adur, Worthing and Mid Sussex in education, placing them in the bottom 30% of performers nationally. Although it is higher in Brighton & Hove (85%) this could also be improved. The quality and impartiality of careers guidance for young people across Greater Brighton is inconsistent, with insufficient focus placed on vocational pathways.

There are gaps in skills and employment pathways as some young people leave further education with skills to contribute to the specialist industries that have the opportunity to thrive in the region but are unable to find suitable employment.

Greater Brighton has world class higher-education institutions and significant and successful vocational and Further Education (FE) colleges. The region has also been proactive in embracing new school models such as academies and UTCs. Greater Brighton has a significant track record in engaging a range of stakeholders (including employers and higher-education providers) in the development and delivery of post-16 education. However, these successes have not prevented significant inequality across the region in the provision of skills and education, attainment and employment prospects.

Greater Brighton, and Brighton & Hove in particular, has a number of standalone sixth form colleges that have demonstrated outstanding educational attainment and high-quality teaching. These colleges are facing a period of financial uncertainty and, through our Devolution Deal, we would seek to take on responsibility for the funding of these institutions to enable the region, the colleges, employers and other stakeholders to work together more effectively to rationalise current and future skills provision and ensure these high-quality education providers continue.

Releasing social productivity – Skills for employment

Skills for employment: Our ambition and offer

The post-16 education sector is critical to our strategy of **raising productivity and economic growth** across Greater Brighton. Our aim is to ensure clear, high quality professional and technical routes to local employment, alongside robust academic routes.

Achieving these aims is only possible through the agreement of a Devolution Deal that will enable the following:

- Further strengthening of the region as a **hub for knowledge and high productivity sectors**, building upon our growth sector strengths and university and FE specialisms;
- Raising the **aspiration, ambition and entrepreneurship** of our young talent by strengthening the delivery of careers advice, vocational learning enterprise and preparation for work - through localised employer-education activity; and
- Deliver a significant **expansion of the apprenticeship programme** across Greater Brighton – doubling the number of apprenticeships starts over the ten years.

We will create a **Greater Brighton Education & Skills Promise** to provide our young people with the skills and education needed to thrive in modern, agile and fast-paced employment; and businesses with the high-skill and employment-ready people that will enable their businesses to grow. We will ensure the provision of skills with a focus on the delivery of high-quality teaching in STEM subjects (science, technology, engineering and maths) including Key Stage 1 provision.

Our ambition through the **Greater Brighton Education & Skills Promise** is to reduce educational inequality and support the creation of a more productive workforce with skills aligned to local specialisms – in particular supporting high-value growth in digital and advanced engineering.

We will raise the **profile and prestige of apprenticeships** and make them an attractive offer to all students. We will **double the number of apprenticeship starts in Greater Brighton over the next ten years**. Improving the quality and quality of apprenticeships requires the engagement of not just students but also employers. We will work with business and enterprise to recognise that apprenticeship-ready 16 or 18 year olds will require their engagement in both primary and secondary education. We will work with employers and enterprise to create a **local area curriculum** alongside increased numbers of high quality apprenticeships targeting local high-growth specialisms, and established pathways into employment.

We will work to **reduce to zero the number of young people in Greater Brighton aged between 16-18 years not in employment, education or training (NEET)**. We believe our partnership with businesses, our examination of the school-to-employment pipeline and our focus on skills enables us to make a promise to our young people to provide them with every opportunity to earn and learn. In return, we ask them to engage with our aspirations for the region by being creative, ambitious and entrepreneurial as students, employees or business owners.

A **Greater Brighton Apprenticeship Company** will significantly raise skills and improve productivity by pooling resources and specialisms across the region. The Devolution Deal would provide employers with greater access to the skills they require and at the same time provide opportunities to support growth and expansion of the Greater Brighton economy.

Creating an **Employer Skills Task Force** will put employers in the driving seat of the local skills system. Better and more tailored careers advice will also help to create better and more seamless pathways between education and employment.

The policy and funding landscape for skills and employment activity is also complex and often confusing for stakeholders and beneficiaries. Our desire is to use the devolution deal to simplify this to ensure an **equality of provision** and provide **pathways for those that are long-term unemployed and/or NEET**.

Releasing social productivity – Skills for employment

Skills for employment: Our proposed initiatives

To meet the ambitions around skills for employment seven initiatives are proposed:

- A **local area curriculum** for Greater Brighton focusing on the delivery of education and skills in high-growth sectors for the region including STEM subjects.
- A **Greater Brighton Apprenticeship Company** to deliver our bespoke apprenticeship programme to significantly raise skills and improve productivity with a particular focus on high-level apprenticeships. Key to this would be securing the involvement of the Higher Education (HE) sector in developing regional training opportunities linked to the development of skills in science, technology and engineering.
- **Local delivery of the further education budget** to ensure a resilient local FE sector with effective collaboration across a range of institution types. A critical aspect will be to facilitate greater specialisation to support Greater Brighton growth sectors, with the establishment of centres of expertise.
- **Local delivery of the AGE grant.** Through the Greater Brighton Apprenticeship Company we will roll out an independent brokerage service to support employers (particularly small and medium enterprises and those in the Voluntary and Community Sector (VCS)) to create additional apprenticeship opportunities for young people. Local delivery of the AGE grant will enable us to vary the level of support according to the different types of learner, sector/subject area and level of apprenticeship. This will ensure that we drive up demand for apprenticeships, particularly within our target sectors, but also ensure that they are more accessible for all individuals within the labour market.
- A **co-ordinated approach to the provision of careers advice** for younger people in the local area. This would include:
 - Establishing a Greater Brighton ‘Ambitions’ Careers Offer. Working closely with the National Careers service to create a dynamic partnership between business and skills providers using a Skills for Growth Compact or Ambitions Careers Offer through which employers, schools, colleges and training providers can work closely together and align careers advice, learning and preparation for work;
 - Creation of a Compact/Pledge for every 17 year old school/college leaver not going on to further education or employment to receive a guidance interview with a view to routing them to appropriate apprenticeship vacancies of short terms soft skills training; and
 - Localisation of an enterprise passport which government plans to roll out in September 2015.
- **Local commissioning of Work Programme and Youth Contract** to implement joined-up employability support, which is aligned to locally delivered employment support, but also other local authority provision such as health and care services, educations and careers guidance. The localised approach will contribute to the reduction in the number of long term unemployed in the area and reduce the level of NEETs across Greater Brighton, delivering a reduction in the welfare bill.
- Working with the Department for Business Innovation and Skills, **conduct and implement the findings of a Greater Brighton area based review of the provision of post-16 education and training institutions**, with the potential engagement of neighbouring authorities.

Releasing social productivity – Skills for employment

Skills for employment: Our ask of Government

- The opportunity to create a **local area curriculum** for Greater Brighton – a collaborative enterprise between schools, academies, colleges, further and higher education providers and employers to ensure quality academic and skills provision for all young people from 5-18 years.
- The opportunity to work with the BIS to conduct and implement the findings of a Greater Brighton **area-based-review of the provision of post-16 education and training institutions**, with the potential engagement of neighbouring authorities.
- The devolution of **Further Education funding** to the Greater Brighton region.
- The devolution of both the **Careers and Enterprise Company and National Careers Service's Inspiration Agenda remit and funding** to the region in order to co-ordinate employer education activity more effectively.
- Devolution of **Apprenticeship Grant for Employers** and retention of the **potential Apprenticeship Levy** by the Greater Brighton Apprenticeship Company. Local delivery of the AGE grant and retention of a levy will enable us to provide a bespoke programme of tailored skills support to both learners and businesses. This will drive demand for apprenticeships, particularly within our target sectors, and also ensure that they are an accessible and attractive option for all individuals within the local labour market.
- Greater Brighton Economic Board to become responsible for commissioning the **Work Programme** (or its replacement) and the **Youth Contract**.

Releasing social productivity – Living Wage housing

6. Living Wage housing

It is crucial that significantly more new homes are built across Greater Brighton. In doing so, it is vital that our policy focuses not just on the number of houses provided, but on their affordability and tenure.

The Greater Brighton Economic Board aims to develop a mechanism to re-establish the crucial links between housing and the labour market, rents and ownership and the ability of people on low incomes to afford them.

One of the key benefits of social housing is that it acts as a platform for those on low incomes to build their lives. However, affordability has to a large extent been lost from the current low rent housing supply system and rent setting policies. Brighton & Hove is the primary destination for migrants moving into Greater Brighton but the evidence suggests that people are unable to afford to stay within the city as their housing requirements change. This affects a number of different types of households, including single people, couples, and those starting a family, but it is significant that 80% of those moving outside of the city into Greater Brighton are of a working age and many of those commute back into the city to work.

Retaining our cohort of young, highly skilled residents is key to the success of the region's economy. There is a danger that if affordability becomes so pressing in Greater Brighton that people move beyond the boundaries of the region, it will no longer be feasible to remain employed within the area and therefore individuals may choose to work elsewhere.

We have a good track record as individual authorities in pursuing innovative models for housing delivery. For example, Lewes District Council was the first authority in the UK to construct steel-framed, rapid-build homes as part of a deal in which the Council provided land, not capital, and in return received homes that it could lease to tenants on its housing waiting list significantly below the affordable rent for the area. Brighton & Hove's New Homes for Neighbourhoods programme is delivering 500 affordable homes on HCA land with six sites currently in construction.

Releasing social productivity – Living Wage housing

Living Wage housing: Our ambition and offer

Greater Brighton will be an exemplar region in reducing the cost to the state of the local housing allowance through the delivery of a range of affordable housing pilots, from living wage to low-cost rapid build. Through the creation of a Greater Brighton Housing Company, we will deliver greater numbers of new and more Living Wage homes through:

- A pilot **Joint Venture to deliver 1000 affordable homes** with a local housing association, the proposal would be to establish a **new Greater Brighton Living Wage housing model**. This would involve innovative approaches to providing more affordable housing to working people in Greater Brighton through a new Living Wage Rent Model and a Living Wage Homes Ownership Model. We can realise considerable savings on Housing Benefit by delivering well-managed good quality housing at below local Housing Allowance rates.
- **Raising standards in the Private Rented Sector**. Interventions to improve the management of the existing private rented stock, combined with the opportunity to bring significant investment into the sector for new private rented homes could transform the tenure into one which fully delivers for the local communities of Greater Brighton, providing high quality, easy-access housing for those working in a growing economy.
- **Moving to a Living Wage rent and home ownership models** which will produce three big opportunities:
 - Adopting Living Wage rents rather than Affordable Rents would give a long-term annual saving to the housing benefit bill and improve affordability for tenants;
 - Building more homes at Living Wage rents offers the potential to reduce the dependence of low-income households on the high rents in the Private Rented Sector; and
 - Living Wage rents would provide a stable base for Greater Brighton's working households to access a dynamic labour market, as well as security for those who are unable to participate in the jobs market.

Living Wage housing: Our proposed initiatives

These ambitions will be delivered through three key initiatives:

- Accelerate housing delivery through a **Greater Brighton Housing Company**. Delivering activity alongside other initiatives and ensuring that the strength of the housing market is captured, while also ensuring that the development of housing types and tenure aligns to local needs.
- Surplus employment sites which are released for residential development have to be considered – in the first instance – to be **allocated for a starter home use**.
- Raise **standards in and increase the supply in the Private Rented Sector** by exploring the options to treat VAT as zero rated on land purchases.

Releasing social productivity – Living Wage housing

Living Wage housing: Our ask of Government

- Greater flexibility on the use of **Right to Buy receipts** and the ability to **negotiate packages of grants for Registered Providers** to support a wider range of housing needs and deliver our innovative Greater Brighton Living Wage housing model rent and homes ownership products. Currently there are limits on the amount of Right to Buy receipts that can be spent on any one new dwelling and a short timeframe of three years in which to spend them.
- Create a **Joint Public Sector Property Board** with the HCA. Creative use of government land and capital assets and support for joint ventures would help facilitate more innovative approaches to unlocking housing supply and commercial development.
- Full retention of all income from **Stamp Duty Land Tax** to enable re-investment in housing delivery and improvement of standards in the private rented sector alongside the New Homes bonus. Full local discretion over eligibility, rates and banding for Stamp Duty Land Tax.
- Support for the creation of a **housing investment fund**.
- Local administration of **HCA funding for new Living Wage housing**.
- **VAT** on land for the private rented sector should be treated as **zero-rated** for the purposes of recovery of VAT.

Releasing social productivity –The Information Economy

7. Information Economy

The transition to the information economy is changing the way individuals and businesses think about the value of personal labour, physical assets (such as spare rooms and cars), knowledge and intellectual property. These changing attitudes will not only be a new source of economic growth but will also disrupt the way in which our residents expect our services to be delivered. Supporting the information economy will shape our organisations in the same way it will shape wider society.

Greater Brighton acknowledges the creativity, agility and ambition of the information economy, and will provide a platform for its accelerated development and growth alongside our ongoing strategic aim of providing platforms to grow productivity.

The information economy releases productivity from hitherto latent or ignored areas. As such the growth and innovation of this sector is significant but unquantifiable as it relies on the identification and monetisation of both “known unknowns” and “unknown unknowns”.

The information economy is an emerging and dynamic entity and as such Greater Brighton is uniquely placed geographically, economically and socially to catalyse its growth. The information economy requires a nexus of creative, entrepreneurial, and technological individuals and businesses to thrive and Greater Brighton as a region has both developing and existing strengths in all of these sectors. Greater Brighton is offering to be a convener, experimenter, contributor and advocate for the information economy in a way that will benefit both the region, the public sector and the wider national economy.

Releasing social productivity –The Information Economy

The Information Economy: Our ambition and offer

We believe that the information economy has particular relevance to Greater Brighton in **capturing value from scarce, underused or undervalued assets**. This can range from land and vehicles to economically inactive (or under-active) sectors of the economy. Our focus on delivering fairness and equality across our region means **our intent is to encourage the development of a social model for the information economy that both enables and protects individuals to benefit**.

Our ambitions therefore include:

- Developing **robust platforms for a sharing economy** with a particular focus on developing platforms for collaboration in the craft and food production industry.
- Ensuring **a higher social and financial value is put on the profession of caring as a career and a business opportunity**.
- Encouraging **social innovation through collaboration**.
- **Alternative credit and banking platforms**.
- Promoting Greater Brighton as **a centre of economic dynamism with its world class and creative environment, to attract far greater inward investment**. Its success could act as a template for other coastal economic areas in the UK.
- Creating a Greater Brighton Cultural, Creative and Heritage Growth Fund that aligns various funding streams (such as Arts Council, Heritage Lottery Funds, Coastal Communities Fund and LEP Growth Funds) to deliver growth in cultural and creative sectors.

Releasing social productivity –The Information Economy

Information Economy: Our ask of Government

- Establishment of a **Greater Brighton Digital Service** with a similar model and remit for local government as the Government Digital Service had for central government departments. With our focus on the information economy, public sector reform and shared services, our authorities' individual track records on delivering change programmes and reducing silo-departments, and our partnership including a range of authorities at different tiers, Greater Brighton would be a fertile test-bed for the creation of a digital service with the remit to transform.
- Engagement with the **“Sharing City” pilots** being undertaken by BIS in conjunction with NESTA and Innovate UK.
- Establish a **Greater Brighton Cultural, Creative and Heritage Growth Fund** that aligns the various funding streams (such as Arts Council, Heritage Lottery Funds, Coastal Communities Fund and LEP Growth Funds) to deliver growth in cultural and creative sectors.

Platform 3: Driving public service productivity

Our third productivity platform enables the far-reaching redesign of services and solutions offered by all tiers of government. This is not just about a necessary response to public sector funding reductions but is about seizing the opportunity to fundamentally review what the public sectors can and should deliver.

Greater Brighton with its rich cultural heritage, high-quality environment, students, scholars, activists and creative entrepreneurs is well placed to lead the creation of a new institutional and economic system based on the model of civic collaboration, with new collaborative relationships built between citizens, administrations and business to share our resources and take care of our urban and local communities.

This will entail:

- Working together across Greater Brighton to accelerate public service reform.
- Radical rethinking of roles as service provider, commissioner, convener of others, sharers of services and using the sharing economy to drive more value from waste or dormant assets.
- The development of stronger and more open governance system (that remain relevant to all in an information economy).
- Networkers (nationally and internationally) to support wealth generation and inward investment, and be champions and ambassadors for the region.

- Collaboration across local government and our two universities in a new 'City Lab' initiative. This initiative is designed to create a more efficient, effective and enduring partnership, and increase opportunities for collaborative learning, research and knowledge exchange. This will help contribute to the urban and rural environments, health, wellbeing, prosperity and employment and address the identified needs and challenges of Greater Brighton.
- Greater Brighton's businesses and civic institutions as guardians and shapers of the "new social models" that will arise from the information economy, ensuring good governance, rights and responsibilities.
- Greater Brighton's businesses, civic institutions and key partners working with central government in the delivery of the longer term economic and social aims of the nation.

8. City Region governance

Greater Brighton will commit to strengthening local governance and accountability.

Devolution properly conceived and thought through will provide a genuine democratic system for people to control and shape the city region for the better.

Greater Brighton is an **established and collaborative region based on a mature partnership**. The Greater Brighton Economic Board (a joint committee) brings together leaders of the further and higher education sectors and the commercial and business sectors, with the leaders of the five participant local authorities and the Coast to Capital LEP. We have a detailed understanding of our existing economy and the barriers and challenges to increased productivity and we have the ability to have “grown up” conversations between the key players across the region to shape priorities and target interventions.

There is a strong recognition within the Greater Brighton Economic Board that catalysing productivity across an entire region will mean some **necessary trade-offs** rather than an “equal share for all”. To date these tensions and dilemmas have been well managed through our Greater Brighton Economic Board. However, as we move forward dealing with challenging issues such as the greater distribution of jobs, level of skills, development sites and housing supply, would be likely to test the maturity and coherence of a less robust governance model.

It is envisaged, therefore, that there would be certain issues where a Greater Brighton region would wish to **collaborate closely with either neighbouring Combined Authorities or Combined Authorities elsewhere in the UK** with similar sectorial/thematic strategic intent.

Through this devolution deal we will:

- Further **strengthen our governance by moving towards a Greater Brighton Combined Authority** while maintaining the equal input in governance arrangements and decision making of the universities, FE colleges, business partnerships, Coast to Capital LEP and the South Downs National Park Authority.
- Agree a **concordat with neighbouring county councils and partnerships** to ensure alignment in our ambitions.
- Continue the **emerging dialogue with neighbouring authorities** who may wish to become part of a widened governance arrangement and agree a concordat with neighbouring county councils to ensure alignment in our ambitions.
- Seek to develop a **stronger relationship between Greater Brighton and the Gatwick Diamond** as the two high growth centres of the Coast to Capital LEP region. The economies of Greater Brighton and the Gatwick Diamond are inextricably linked and together provide an economic scale that could rival other UK Core Cities and an important growth corridor to London.

9. Cooperative and strategic joint working

Through our Devolution Deal, Greater Brighton authorities are exploring ways of accelerating public service reform and driving efficiency through new shared services and new models of service delivery.

Greater Brighton partners are currently exploring options for new models of service delivery that maximise their capabilities and avoid what could be an impossible situation – being responsible for supporting local economic growth but with insufficient tools and capacity to deliver this. The options appraisal would assess the various service delivery models, with the aim of maximising efficiency – by improving and streamlining service provision and delivery to better support sustained economic growth across the region. Areas where Greater Brighton authorities will look to further strengthen our co-operative and strategic joint working include:

- Maximise housing delivery by building upon the work of the **Greater Brighton and Coastal West Sussex Strategic Planning Board** and the award winning Greater Brighton and Coastal West Sussex Joint Strategic Statement.
- Exploring opportunities for additional **shared services** and new models of service delivery in relation to economic development, regeneration, strategic planning, infrastructure, housing, transport, employment & skills, and business support.
- Establishing a **Greater Brighton Property Board** – to deliver a One Public Estate approach to managing property and land assets. Comprising all relevant Government departments and the HCA. The Board would deliver a more integrated approach to how the public sector uses its assets across the region to support growth and deliver better value for public money.

- **Utilise the Business Navigator Growth Hub** model with the Coast to Capital LEP to provide a single gateway and integration of business support services.
- Exploring options for new region-wide service delivery models such as our proposals for a **Greater Brighton Housing Company and Greater Brighton Apprenticeship Company**.
- Commissioning of **Work Programme and Youth Contract**. Through local commissioning of the Work Programme, and the Youth Contract we will implement joined-up employability support, which is aligned to locally delivered employment support, but also other local authority provision such as health and care services, educations and careers guidance. The localised approach will contribute to the reduction in the number of long term unemployed in the area and reduce the level of NEETs across Greater Brighton, delivering a reduction in the welfare bill.
- Establish a **'Troubled Families Plus' programme** focusing on employment support and getting the very long term unemployed and those with employment challenges into work. This Trouble Families Plus programme would include a new regular outcome payment for successful employment and a monthly retention payment, like the Work Programme. We would seek devolved Work Programme money to cover the outcome payments for these individuals.

10. Accelerating public sector reform

Creating jobs and economic growth without radically reforming public services will not make Greater Brighton more sustainable. Tackling the largest areas of public spend – particularly welfare benefits and health – is central to addressing both the potential for growth, through increased tax revenues, and driving down the cost of dependency on public services.

Greater Brighton presents the ideal scale and corresponding agility for delivering integrated services.

Greater Brighton provides an opportunity to accelerate public sector reform through a long term dialogue about how aspects of the public sector, such as social care and health, can be replicated to a local government model.

Greater Brighton faces demographic challenges that are likely to put pressure on resources in future years. Greater integration of health and social care can help Greater Brighton plan for such demographic changes and maximise the efficient use of public resources. This will help enable local services to work better together, addressing issues of demand and financial pressure.

Integrating such complex services will require re-shaping the whole system which can only be achieved through careful planning. This will require co-operation between: local partners; arm's length bodies including NHS England; and Government. Whilst we are at the beginning of this journey, this Devolution Deal signals a commitment to take forward the goal of improving local services and building resilience for future generations.

In order to take forward their ambitions for health and social care integration, Brighton & Hove City Council will build upon the good progress being made on a whole systems approach to the integration of health and social care through the City's Health & Well Being Board and Better Care Fund. The City Council will work together with local Clinical Commissioning Groups and NHS partners, as well as 3SC to co-design a business plan that will continue progress towards integration of health and social care across Greater Brighton. This will see the bringing together of available local health and social care resources to improve outcomes for local people and include a plan to reduce pressure on Accident and Emergency departments and avoidable hospital admissions.

This would include working with the 3SC to address social care workforce challenges at a sub-regional level through the proposal that the responsibilities and resources of Skills for Care are devolved to Greater Brighton and 3SC. We would also want to see Health Education England responsibilities devolved where these relate to the overall integration agenda, promote early intervention or support community co-design and activation.

Greater Brighton Devolution Deal – in summary

Driving economic productivity

	Rationale	Offer	Key initiatives	Ask
<p>1. Transport: Efficient transport is an aggregator of economic growth – it draws in funding, employment, visitors and residents. However, at present Brighton & Hove and the surrounding region is not maximising the benefits of its status as a transport hub and its connectivity to London and Gatwick.</p>	<ul style="list-style-type: none"> The region has significant transport inequalities and inefficiencies. The regions road networks suffers from high traffic levels, meaning that even on the routes that enjoy good connectivity, there is a significant difference between theoretical and actual journey times. Evidence suggest a significant constraint on east-west travel for business and commuting. Housing and strategic site location will increase traffic on key strategic routes and the A27. Continued investment in Greater Brighton's transport infrastructure is necessary to both realise and accelerate economic growth. Across the region we need to better connect our communities and neighbourhoods to employment and skills opportunities and adequate housing whilst meeting the demands of business and visitors. Brighton & Hove offers a blueprint for achieving transport improvements through incremental gains and the pursuit of "light touch" solutions alongside major infrastructure improvements. It has a successful and effective bus transport service. 	<ul style="list-style-type: none"> To deliver a transport that supports viable business and commercial activity (including the movement of freight), travel to work/learn and our vibrant visitor economy across the region. In turn making a stronger proposition for growth centres at Brighton, Burgess Hill Worthing, Newhaven and Shoreham Harbour as well as ensuring rural areas are well connected. At the heart of our offer is an ambition for a high speed Brighton Mainline along side enhanced east-west connectivity, creating quicker and more reliable connections across the region as well as to London, the rest of the UK and internationally. This will be supported and the benefits realised across a wider geography through a step change in the delivery of Intelligent Transport Systems (ITS) and smart infrastructure. Together this will play a key role in supporting one of the region's main goals – economic growth – by reducing congestion and enhancing the economic viability of the region. Technology to deliver a transport system that is safer, more efficient and more sustainable to use and operate. Potentially including access to public transport information and directions, electronic payment methods and strategic control centres. 	<ul style="list-style-type: none"> A Greater Brighton Infrastructure Plan that will identify our infrastructure deficit in terms of what is required to improve efficiency and safety and increase resilience, and the growth dividend that we can deliver through targeted investment. A high speed Brighton Main Line, providing improved connections to London and beyond. Delivery of improved east-west connections across the region, identified through the development of the Infrastructure Plan, and resourced through a growth deal for improvements to the A27. A 10-year funding commitment. Local decision making will bring significantly better use of our existing infrastructure and assets. A growth deal for improvement to the A27 and wider investigation of the A27/A259 corridor. Rail and bus provision, both north-south and east-west, can help support growth. In the longer term the region need a high speed Brighton Main Line or a second Brighton Main Line to ensure it reaches its productivity potential. Investment in a region-wide bus network underpinned by integrated e-ticketing, real time signs, Wifi and USB changing points in all busses, and talking bus stops. Develop a City and National Park park and ride scheme, providing improved sustainable transport access to the region and South Downs. Improve international links including alignment with Gatwick Diamond. 	<ul style="list-style-type: none"> Government commitment for fastline improvements to the East-West Coastway line and a high speed Brighton Mai Lline. Growth Deal to unlock development of park and ride. A 10-year funding commitment to devolve transport funding. A Greater Brighton Local Growth Fund allocation. Local transport block settlements for Integrated Transport Block and Maintenance. Greater Brighton Authorities to be recognised Cycle Ambition partners and secure on-going funding commitment. Direct allocation of OLEV programme funding. Local Sustainable Transport Fund long-term funding. DfT support to extend Brighton & Hove's integrated ticketing pilot for rail and bus networks. Certainty that current plans for investment by Highways England, Network Rail and Environment Agency are realised. A Growth Deal to fund road and rail improvements and greater flexibilities around access to strategic transport funding and planning. DfT dialogue on future rail service specifications on journey time and congestion reductions. Devolved powers to change local rights of way and to upgrade local cycling/walking routes.

Driving economic productivity

	Rationale	Offer	Key initiatives	Ask
<p>2. Accelerating Growth sites: Across the region there are a number of opportunities to make land 'work harder'. By pooling sites across the region and aligning leadership and vision (e.g. around the consideration of density) there is the potential to generate value of a significant enough scale to secure the interest and active involvement of development partners, and secure the redevelopment of lower value sites.</p>	<ul style="list-style-type: none"> Delivering new housing and employment space is central to supporting and facilitating all aspects of growth. Through our City Deal we are unlocking growth sites to develop a network of growth centres. We will extend the presence of our universities and further education colleges throughout the region, northwards into Burgess Hill and along the coast to Newhaven and Worthing. Greater Brighton's housing market is characterised by significant levels of recent population growth and movement of people both within and from outside of the area. The local population is highly mobile demonstrated by internal migration flows within the area, notably outwards from Brighton & Hove. Plans to create 22,500 new dwelling over the next decade (a 55% increase on the current rate of housing completions) covering a mix of types and tenures and 670,000 sqm of employment space. Providing suitable employment land and associated infrastructure that not only attracts and retains businesses but also actively supports their growth and expansion is equally pressing. 	<ul style="list-style-type: none"> Our Devolution Deal seeks to provide this leadership and collaboration as it aims to bring about increased housing delivery alongside new employment space as well as higher standards in the private rented sector. Accelerate housing delivery across Greater Brighton. We aim to do this alongside initiatives such as the growth centres, the proposed Enterprise Zone in Newhaven and new business and science parks at Burgess Hill where significant housing development is planned. Secure development where land values are lower or currently underutilised. This approach will help to deliver sites that would otherwise not come forward or would be outbid. This could take the form of a Greater Brighton Housing Company as the key delivery vehicle. A One Public Estate approach to maximise the release of surplus public sector land to increase the number of homes being built and drive economic growth. Creation of a Joint Property Board with Government to influence asset development in a way that supports the growth of the region's economy. Improvement of the quality of the existing private rented stock, combined with the opportunity to bring significant investment into the sector for new private rented homes. 	<ul style="list-style-type: none"> Development of a Greater Brighton Housing & Property Investment Plan to provide a strategic delivery plan to accelerate delivery and surpass our planned supply of 22,500 homes and 455,000 sqm of employment space within ten years. A Greater Brighton Property Board with a clear remit to promote and secure development. Development of a portfolio of Greater Brighton rail station sites, such as Hove Station, New England Quarter, Durrington, Worthing and Newhaven as early candidates for assessment and investment in by the new organisation to be set up by HCA and Network Rail to exploit station opportunities. Accelerate housing delivery through a Greater Brighton Housing Company. Continued delivery of the network of university backed growth centres across Greater Brighton. Delivery of Worthing's town centre investment portfolio. Delivery of significant growth at Burgess Hill including 5,000 new homes, 5,000 new jobs and 200,000sqm of employment space. Establish an Enterprise Zone for Newhaven. Development of collaborative public/private approaches to unlock housing and employment land through institutional investment vehicles. 	<ul style="list-style-type: none"> Establish an Enterprise Zone for Newhaven. Investment support in Greater Brighton rail station sites from the new organisation to be set up by the HVA and Network Rail. A Greater Brighton Growth Deal to fund essential infrastructure in return for the delivery of housing and jobs. Growth Deal funding to enable the development of the University of Sussex's Bio-Innovation Facility. Retention of business rates on specific projects, such as the growth centres, so that a greater proportion of the growth dividend can support essential infrastructure requirements and establish a mechanism for those councils generating growth to retain a proportion of the business rates before they are pooled. Retention of stamp duty to generate a new revenue stream for the region that can be invested to support and drive further housing delivery. Create a joint Property Board comprising all relevant Government departments with other public sector bodies and the HCA with a clear remit to promote and secure development.

Driving economic productivity

	Rationale	Offer	Key initiatives	Ask
<p>3. Enterprise: Making the most of our successful firms requires tailored support that is specific to the needs of the individual businesses. It is only by addressing business needs that opportunities can be realised and growth supported in order to benefit the wider Greater Brighton economy.</p>	<ul style="list-style-type: none"> This Devolution Deal seeks to ensure that support for enterprise and growth are held more firmly in local hands. Greater Brighton is looking to provide targeted and tailored support for innovation, research and development, inward investment and export strategies. Greater Brighton and Coast to Capital LEP have already established an integrated Business Navigator Growth Hub that acts as a shop window for a range of business support interventions. We are seeking to build on this hub to integrate it with local authorities and provide a one-stop-shop for start-ups, small, medium and major organisations that is able to be both comprehensive and sector-specific in its provision of advice and support. The challenge is to ensure that growth is promoted outside of Brighton & Hove and spread across the region. The Enterprise Zone at Newhaven is of primary importance, as it will bring forward significant new commercial development and employment. This Devolution Deal provides an opportunity to create place-based integration in relation to business support, driving the development of support that is directly responsive to a strong understanding of local business needs, their potential markets and sector strengths. 	<ul style="list-style-type: none"> Through wider control of the business support agenda and a clearer place-based approach, we will be able to develop support that is grounded in the local understanding of business needs, their potential markets and sector strengths. By working with the region's two world-class universities and building on the existing Growth Hub model created with the Coast to Capital LEP, the ambition is to build a model that maximises the growth potential and productivity of the region's businesses and drives productivity gains in our priority sectors of: <ul style="list-style-type: none"> Creative and Digital Media; Advanced Engineering; and Life & Health Sciences. Access to finance an issue facing businesses in Greater Brighton and the ambition is to build on the already established and successful initiatives in this area to further support growth. 	<ul style="list-style-type: none"> Establish a Greater Brighton investment fund that builds on the previously successful access to finance initiatives and creates a flexible fund that can be used to address specific business needs and opportunities. It could also be supplemented through the retention of business rates and possibly a tourism tax/night-time economy levy, due to Greater Brighton's unique tourist economy. The investment fund will also bring together both private and public match-funding to properly address and target the "local" issues faced by businesses in accessing finance under a single gateway. Utilise the success of the Coast to Capital LEP Business Navigator to create a Greater Brighton Business Hub – a one-stop-shop for businesses that supports them to start up, manage and grow. Explore the creation of a local business rates relief scheme to incentivise innovation and research and development (R&D) in local businesses. This scheme would be in conjunction with the two universities which have specialisms within the growth sectors that Greater Brighton is seeking to incentivise. A coordinated approach to inward investment and reaching international markets through the Greater Brighton Business Hub. 	<ul style="list-style-type: none"> Devolved business support budgets, including European Regional Development funding for enterprise and a proportion of UKTI budgets, to enable the Greater Brighton Business Growth Hub to take a more direct and proactive role in local trade and investment opportunities. Devolve the Business Growth Service (formerly MAS and GrowthAccelerator) to the Greater Brighton Business Growth Hub following the end of the existing national contract in 2017. An Enterprise Zone for Newhaven to regenerate the area and deliver up to 167,200 sqm of commercial development, supporting c.2,000 new jobs and safeguarding a further 600 jobs. Retention of business rates at growth centres to generate a new revenue stream for the region that can be invested to support economic growth. A commitment to examine all enterprise funding streams and explore the potential for rationalising these as part of a joined-up approach to enterprise support and Greater Brighton.

Driving economic productivity

	Rationale	Offer	Key initiatives	Ask
<p>4. Smart infrastructure: Improvements to digital infrastructure to become a gigabit region.</p>	<ul style="list-style-type: none"> Outside of London, Greater Brighton will be the UK's top digital and creative region. As well as its thriving small business Creative, Digital and IT (CDIT) sector, it will increasingly be the base for larger digital economy firms. Digital connectivity is a critical aspect of global competitiveness and a central focus of a devolution deal for Greater Brighton is to ensure continued investment in broadband connectivity. Our aspiration is for a gigabit city region with 100% connectivity across Greater Brighton. Creating synergies between the interlocking sectors of the Cultural and Creative industries Ecosystem is a prime opportunity. Recognition of the appeal of the natural environment and the need to maintain and capitalise on Smart infrastructure to promote Greater Brighton as a high-quality leisure, residential and business destination. National programmes aimed at rolling out broadband have not delivered the right outcomes. The sector is spreading geographically with a shortage of space in Brighton. The majority of activity is small and micro based and focused on creating value for other organisations. There is a need to grow medium and large companies that create intrinsic value. 	<ul style="list-style-type: none"> Create digital infrastructure that offers superfast connections for every business; superfast connections for every residence and community organisation; and ultrafast connections in every key business location across the City Region. Support a Digital sector that shifts the sector up the value chain so they are increasingly capturing the value of their innovation and skill for themselves – creating employers of regional, national and international importance. Establish a Digital City Region with digital technology deployed across infrastructure, opportunities, institutions, democracy and communities. 	<ul style="list-style-type: none"> Digital Exchange (Dx) Greater Brighton – A distributed digital exchange for the Greater Brighton region, designed to support and grow the digital, creative and tech sectors in and around a place, with consequent benefits for citizens and the wider business sector. The creation of a network of connectivity hubs, as part of the City Deal, in key centres along the Sussex Coast to form a 'distributed digital exchange'. Gigabit coast - The development of ultrafast broadband to power growth. 5G development to support innovation amongst local SMEs. The creation of new digital business models that support growth and productivity. Creating 'Government as a platform' models/digital business models for public services. Gigabit connectivity in the Northern Arc development in Burgess Hill. 	<ul style="list-style-type: none"> City Region control of the BDUK and DCMS incentive initiatives to support delivery of Dx Greater Brighton. Nomination of Greater Brighton City Region as a pioneer for the July Budget commitments on ultrafast connection. Establish Greater Brighton as the UK's 5G demonstrator city region. Increased coordination of funding streams such as ACE and HLF – alongside LGF and ESIF – with a city region input into the awarding of funding. Funding for gigabit infrastructure across all major settlement areas in the city region, and ensuring superfast broadband to all rural areas.

Releasing social productivity

	Rationale	Offer	Key initiatives	Ask
<p>5. Skills for employment: Greater Brighton (through the partners of the Economic Board), is a nexus of employers, educators and skills providers in the region. It is uniquely placed to make changes to the provision of both academic and vocational education in the area.</p>	<ul style="list-style-type: none"> Future employment growth is forecast in the financial and business services, media and technology sectors. Participation in further education needs to be higher, with just 73% of 17 year olds in Adur, Worthing and Mid Sussex in education, placing them in the bottom 30% of performers nationally. Although it is higher in Brighton & Hove (85%) this could also be improved. There are gaps in skills pathways for some young people leaving further education, with skills to contribute to the specialist industries that have the opportunity to thrive in the region. Greater Brighton has world class higher-education institutions and significant and successful vocational and FE colleges. The region has also been proactive in embracing new school models such as academies and UTCs. Greater Brighton, and Brighton & Hove in particular, has a number of standalone sixth form colleges that have demonstrated outstanding educational attainment and high-quality teaching. These colleges are facing a period of financial uncertainty. 	<ul style="list-style-type: none"> We will create a Greater Brighton Education & Skills Promise to provide our young people with the skills and education needed to thrive in modern, agile and fast-paced employment; and businesses with high-skill and employment-ready people that will enable their businesses to grow. Our ambition through the Greater Brighton Education & Skills Promise is to reduce educational inequality and support the creation of a more productive workforce with skills aligned to local specialisms – in particular supporting high-value growth in digital and advanced engineering. A Greater Brighton Apprenticeship Company will significantly raise skills and improve productivity by pooling resource and specialisms across the region. We will double the number of apprenticeship starts in Greater Brighton over the next ten years. Creating an Employer Skills Task Force will put employers in the driving seat of the local skills system. Better and more tailored careers advice will also help to create better and more seamless pathways between education and work. 	<ul style="list-style-type: none"> A local area curriculum for Greater Brighton focusing on the delivery of education and skills in high-growth sectors for the region including STEM subjects. A Greater Brighton Apprenticeship Company to deliver our bespoke apprenticeship programme to significantly raise skills and improve productivity with particular focus on high-level apprenticeships. Through the Greater Brighton Apprenticeship Company we will roll out an independent brokerage service to support employers. Local delivery of the further education budget to ensure a resilient local FE sector with effective collaboration across a range of institution types. Local delivery of the AGE grant enabling us to vary the level of support according to learner / sector. A coordinated approach to the provision of careers advice for young people in the local area. Local commissioning of Work Programme and Youth Contract to implement joined-up employability support. Working with BIS, to conduct and implement the findings of a Greater Brighton area based review of the provision of post-16 education and training institutions, with the potential engagement of neighbouring authorities. 	<ul style="list-style-type: none"> The opportunity to create a local area curriculum for Greater Brighton - a collaborative enterprise between schools, academies, colleges, further and higher education providers and employers to ensure quality academic and skills provision for all young people from 5-18 years. The opportunity to work with BIS to conduct and implement the findings of a Greater Brighton area-based-review of the provision of post-16 education and training institutions, with the potential engagement of neighbouring authorities. The devolution of Further Education funding to the Greater Brighton region. The devolution of both the Careers and Enterprise Company and National Careers Service's Inspiration Agenda remit and funding to the region in order to co-ordinate employer education activity more effectively. Devolution of AGE and retention of the potential Apprenticeship Levy by the Greater Brighton Apprenticeship Company. Greater Brighton Economic Board to become responsible for commissioning the Work Programme (or its replacement) and the Youth Contract.

Releasing social productivity

	Rationale	Offer	Key initiatives	Ask
<p>6. Living Wage Housing: to meet the changing demands of our citizens across our diverse urban area. Intervening in the private rented sector to deliver good-quality and well-managed housing.</p>	<ul style="list-style-type: none"> It is crucial that significantly more new homes are built across Greater Brighton. In doing so, it is vital that our policy focuses not just on the number of houses provided, but their affordability and tenure. One of the key benefits of social housing is that it acts as a platform for those on low incomes to build their lives. However, affordability has to a large extent been lost from the current low rent housing supply system and rent setting policies. Retaining our cohort of young highly skilled residents is key to the success of the region's economy. There is a danger that a lack of affordable homes results in people moving beyond the boundaries of the region and as a result it will no longer be feasible to remain employed within the area and individuals may therefore choose to work elsewhere. 	<ul style="list-style-type: none"> Greater Brighton will be an exemplar region in reducing the cost to the state of the local housing allowance through the delivery of a range of affordable housing pilots, from living wage to low-cost rapid build. Through the creation of a Greater Brighton Housing Company we will deliver greater numbers of new and more affordable homes. A pilot Joint Venture to deliver 1000 homes with a local housing association, the proposal would be to establish a new Greater Brighton Living Wage house model. Raising standards in the private rented sector. Interventions to improve the management of existing private rented stock, combined with the opportunity to bring investment into the sector for new private rented homes could transform the tenure into one which fully delivers for the local communities of Greater Brighton. 	<ul style="list-style-type: none"> Accelerate housing delivery through a Greater Brighton Housing Company. Surplus employment sites which are released for residential development have to be considered – in the first instance – to be allocated for starter home use. Raise standards in and increase the supply in the Private Rented Sector by exploring the options to treat VAT as zero rated on land purchases. 	<ul style="list-style-type: none"> Greater flexibility on the use of Right to Buy receipts and the ability to negotiate packages of grant for Registered Providers to support a wider range of housing needs. Create a Joint Public Sector Property Board with the HCA. Creative use of government land, capital assets and support for joint ventures would help facilitate more innovative approaches to unlocking housing supply and commercial development. Full retention of all income from Stamp Duty Tax to enable re-investment in housing delivery and improvement of standards in the rented private sector alongside the New Homes bonus. Support for the creation of a housing investment fund. Local administration of HCA funding for new Living Wage housing. VAT on land for private rented sector should be treated as zero rated for the purposes of recovery of VAT.

Releasing social productivity

	Rationale	Offer	Key initiatives	Ask
<p>7. The information economy: Growing the collaborative economy by building on existing strengths.</p>	<ul style="list-style-type: none"> The transition to the information economy is changing the way individuals and businesses think about the value of personal labour, physical assets, knowledge and intellectual property. These changing attitudes will not only be a new source of economic growth but will also disrupt the way in which our residents expect our services to be delivered. Supporting the information economy will shape our organisations in the same way it will shape wider society. The information economy will provide a platform for accelerated development and growth alongside our ongoing strategic aim of providing platforms to grow productivity. The information economy releases productivity from hitherto latent or ignored areas. The information economy requires a nexus of creative, entrepreneurial, and technological individuals and businesses to thrive and Greater Brighton as a region has both developing and existing strengths in all of these sectors. 	<ul style="list-style-type: none"> With our focus on the information economy, public sector reform and shared services, our authorities' individual track records on delivering change programmes and breaking down silos, and our partnership including a range of authorities at different tiers, Greater Brighton would be a fertile test-bed for the creation of a digital service with the remit to transform. 	<ul style="list-style-type: none"> Developing robust platforms for a sharing economy with a particular focus on collaboration in the craft and food production industry. Ensuring a higher social and financial value is put on the profession of caring as a career and a business opportunity. Encouraging social innovation through collaboration. Alternative credit and banking platforms. Promoting Greater Brighton as a centre of economic dynamism with its world class creative environment to attract far greater inward investment. 	<ul style="list-style-type: none"> Establishment of a Greater Brighton Digital Service with a similar model and remit for local government as the Government Digital Service had for central government departments. Engagement with the "Sharing City" pilots being undertaken by BIS in conjunction with NESTA and Innovate UK. Establish a Greater Brighton Cultural, Creative and Heritage Growth Fund that aligns the various funding streams (such as Arts Council, Heritage Lottery Funds, Coastal Communities Fund and LEP Growth Funds) to deliver growth in cultural and creative sectors.

Driving public service productivity

	Rationale	Offer	Key initiatives	Ask
<p>8. Strengthened City Region governance and new models of service delivery, including moving towards the formation of a combined authority.</p>	<ul style="list-style-type: none"> Greater Brighton will commit to strengthening local governance and accountability. Devolution will provide a genuine democratic system for people to control and shape the City Region for the better. We acknowledge that devolution of powers from central government comes in return for a formalisation of governance structures. 	<ul style="list-style-type: none"> To adopt new and more robust forms of governance. 	<ul style="list-style-type: none"> Formation of a combined authority while also maintaining the equal input in governance arrangements and decision making of the universities, FE colleges, business partnerships, Coast to Capital Local Enterprise Partnership and the South Downs National Park Authority. Continue dialogue with neighbouring authorities who may wish to become part of a widened governance arrangement. Seek to develop a stronger relationship between Greater Brighton and the Gatwick Diamond. 	<ul style="list-style-type: none"> Formal recognition of the City Region as a Combined Authority.
<p>9. Exploring opportunities to strengthen co-operative and strategic working across our planning authorities .</p>	<ul style="list-style-type: none"> To deliver the ambitious growth Greater Brighton has set out to achieve will require the support of all local partners. A co-operative and strategic approach will ensure that delivery of key City Region projects are co-ordinated to maximise the benefit to the City Region as a whole. 	<ul style="list-style-type: none"> Greater Brighton authorities will look to further strengthen our co-operative and strategic joint working. 	<ul style="list-style-type: none"> Establishing a Greater Brighton Property Board. Building on the Greater Brighton City Region Integrated Hub model with Coast to Capital LEP. Exploring options for new City Region wide service delivery models. 	<ul style="list-style-type: none"> To be determined.
<p>10. Accelerating public sector reform through a long term dialogue about how aspects of the public sector, such as social care and health can be replicated to a local government model.</p>	<ul style="list-style-type: none"> Reform of social care and health care to a local level would allow targeted intervention and care that is designed and delivered in a way that provides the most benefit to the people of Greater Brighton. 	<ul style="list-style-type: none"> Accelerating public sector reform through a long term dialogue about how aspects of the public sector, such as social care and health can be replicated to a local government level. 	<ul style="list-style-type: none"> Greater integration of health and social care can help Greater Brighton plan for demographic changes and maximise the efficient use of public resources. Cooperation between local partners, arms length bodies including NHS England, and Government to co-design a business plan to move progressively towards integration of health and social care across Greater Brighton. 	<ul style="list-style-type: none"> To engage with Greater Brighton in a strategic long-term discussion.



DEVOLUTION PROSPECTUS

THREE SOUTHERN COUNTIES

SEPTEMBER 2015



DEVOLUTION PROSPECTUS THREE SOUTHERN COUNTIES

SEPTEMBER 2015

CONTENTS

EXECUTIVE SUMMARY PAGE 3	01 INTRODUCTION PAGE 7	02 ECONOMIC GROWTH AND ENHANCED PRODUCTIVITY PAGE 13	03 PUBLIC SERVICE TRANSFORMATION PAGE 27	04 GOVERNANCE PAGE 37
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EXECUTIVE SUMMARY




East Sussex, West Sussex and Surrey are known as the Three Southern Counties or the 3SC.

The combined GVA of Sussex and Surrey is £63.5 billion which is bigger than both the whole of Wales (£52 billion) and the Greater Manchester Combined Authority (£56 billion). The population (2,507,900) is comparable to that of the Greater Manchester Combined Authority (2,714,900). The population is forecast to rise to almost three million by 2037.

At the heart of our devolution offer is a commitment to work with Government to deliver strong and sustainable economic growth, enhance productivity, transform public services and build on our track record for fiscal efficiency.

We are seeking a deal in a two-tier area facing significant economic and demographic demand challenges. A deal that provides a leading edge vision that others could adopt, re-imagining service delivery and embracing digital technology.





We can deliver a deal that builds on existing positive partnership working across two-tier local government, with the Local Enterprise Partnerships (LEPs) and business and other parts of the wider public sector, including health, police, the East Sussex Fire and Rescue Service and the South Downs National Park.

DELIVERED BY STRONG LOCAL PARTNERSHIP

We can deliver a deal that builds on existing positive partnership working across two-tier local government, with the Local Enterprise Partnerships (LEPs) and business and other parts of the wider public sector, including health, police, the East Sussex Fire and Rescue Service and the South Downs National Park.

We will continue to work closely with neighbouring authorities, particularly Brighton & Hove and Hampshire and the Isle of Wight (which are also developing devolution proposals) to ensure the proposals are aligned and also those in the wider South East 7 (SE7) partnership.

We will maximise opportunities to collaborate with other key stakeholders such as Highways England, Network Rail, Heathrow and Gatwick Airports, Universities and Further Education Colleges and the Homes and Communities Agency and through the SE7. This will create innovative partnership models that deliver robust solutions meeting the needs of the 3SC residents and businesses.

We will also explore opportunities to engage residents and communities in the decisions that affect their daily lives, health and wellbeing.

BASED ON TWO COMPLEMENTARY WORKSTREAMS


The two complementary workstreams in our Prospectus set out our ambitions to be negotiated with Government:

- 1 **Economic growth and enhanced productivity; and**
- 2 **Public service transformation**

Together they will allow the 3SC to realise its full potential:

- investing in a **long-term infrastructure strategy**, promoting sustainable economic growth and developing a modern transport system which will also benefit London and other surrounding areas;
- **increasing housing delivery and land supply**, specifically addressing the need for affordable and starter homes, and unlocking land for business start-ups to encourage employers and employees to stay or locate in the area;
- **increasing productivity** by addressing the skills and employment needs of the area, boosting digital connectivity for businesses in rural areas and capitalising on digital opportunities, such as 5G and dark fibre; and
- **re-imagining public service delivery** with innovative approaches to health and social care integration, emergency services collaboration and other key challenges affecting the area, providing a test bed for whole system transformation.

01 INTRODUCTION

A photograph showing a group of people in a meeting. In the foreground, a man with short dark hair and a woman with blonde hair and glasses are looking down at a document. The man is wearing a light blue shirt and a patterned tie. The woman is wearing a green and white checkered shirt. In the background, other people are visible, including a woman in a red top. The lighting is warm and focused on the foreground subjects.

SE7 operates as a “coalition of the willing” with each Council deciding the extent to which it engages with a particular activity, based on its own priorities.

BACKGROUND TO THE 3SC BID

Formed in 2010, the South East 7 (SE7) partnership was created to deliver fundamental reform to services while achieving savings for the seven Councils involved¹. The aims of the partnership have been delivered through collaboration on shared priorities and by working with Government to deliver change.

SE7 operates as a “coalition of the willing” with each Council deciding the extent to which it engages with a particular activity, based on its own priorities. It has been and continues to be successful, delivering tangible benefits in a range of frontline services, including highways maintenance and construction, property asset management, special educational needs and disability, waste management plus information technology.

The 3SC has developed out of SE7, comprising three County Councils, 23 District and Borough Councils, three Local Enterprise Partnerships (LEPs)², businesses, 12 CCGs, two police forces and two Police and Crime Commissioners, one Combined Fire Authority, South Downs National Park and other wider public sector partners. All committed to working together to pursue a devolution deal.

Other members of SE7 are pursuing aligned devolution proposals. We are working closely with Brighton & Hove City Council and Hampshire County Council in particular to ensure our offers complement each other.



¹Brighton & Hove City Council, East Sussex County Council, Hampshire County Council, Kent County Council, Medway Council, Surrey County Council and West Sussex County Council.

²Coast to Capital, Enterprise M3 and South East.

RATIONALE FOR THE 3SC BID

There is a strong rationale for East Sussex, West Sussex and Surrey to come together in partnership with Government to deliver improved outcomes for residents and business, in particular our:

- combined scale;
- role as a powerhouse of the UK economy;
- relationship with London;
- shared demand challenges; and
- strong track record with established partnership working

Scale

The combined GVA of Sussex and Surrey is £63.5 billion³ which is bigger than both the whole of Wales (£52 billion)⁴ and the Greater Manchester Combined Authority (£56 billion)⁵. The population (2,507,900) is comparable to that of the Greater Manchester Combined Authority (2,714,900). The population is forecast to rise to almost three million by 2037⁶.

Powerhouse of the UK economy

The area is home to more than 121,500 businesses⁷, the majority of which are focused on services and manufacturing. A number of global businesses have headquarters or strategically important operations based in the area including Virgin, Sony, Samsung, Siemens, GSK, Rolls Royce and BP.

The area is important strategically to the UK economy as it forms the UK's gateway to the rest of the world. Heathrow and Gatwick are based in and around the 3SC area and the two airports are respectively the second and 12th busiest in the world⁸. Through them, UK passengers and businesses access more than 280 destinations across 113 countries⁹. Enhancing connectivity in the 3SC through improved rail and road links and potentially airport expansion will further boost economic capacity both within the area and beyond.

The area's economic strength is also reflected in an average employment rate that, at 76.4%¹⁰, is one of the highest in the country. Some parts of the area however

require further intervention to enable them to fulfil their unrealised economic potential.

The combination of the 3SC's thriving businesses, industrious working age population and physical links to other parts of the world has pushed economic growth well above the rest of the country.

Such strong growth means that the area is a major contributor to the Exchequer. We are seeking a greater share of the proceeds of growth within the 3SC to enable us to strengthen our economy, which at the same time will allow for greater investment in the UK.

Relationship with London

The relationship between the 3SC area and London has become increasingly interlinked. As London's population and economy has grown, the spill-over effect into neighbouring counties like East Sussex, West Sussex and Surrey has accelerated. London's spiralling housing costs and increased congestion has driven people into neighbouring counties in greater numbers. Businesses base themselves

³ONS Workplace based GVA1,2 NUTS3 by industry at current basis, prices, December 2014 release.

⁴As 3

⁵As 3

⁶ONS 2012-based sub-national Population Projections for Local Authorities in England 2003-13

⁷ONS 2013 Business Demography, Enterprises' Births, Deaths and Survivals

⁸Airport Council International Figures compiled for 2014. Data based on passenger volumes for the year

⁹CAA 2014 International Air Pax Route Analysis

¹⁰ONS Job Estimates, sourced from the Annual Population Survey, Job Centre Plus Administrative System and BRES

OVER THE LAST
10 YEARS
 AN ADDITIONAL
168,000
 PEOPLE



STARTED TO COMMUTE BETWEEN
 THE 3SC AREA AND LONDON

in London's periphery to access the city's assets without exposing themselves to the costs.

Between 2004 and 2013, almost 400,000 people¹¹ moved out of London and into the 3SC area. This drove an increase of 180,300¹² (to the net additional population over the period), equal to a 7.9% increase in population. This is the equivalent to the population of York moving out of London, into the 3SC area.

Shared demand challenges

The growing economy has brought significant demand challenges for the 3SC area. Over the last ten years an additional 168,000 people¹³ started to commute between the 3SC area and London. The total number of annual rail journeys in and out of the 3SC area has now increased to 145.4 million¹⁴.

However, investment has not kept pace and transport infrastructure is creaking under the additional volume. Regular rail congestion and delays are costing London and the 3SC economy significantly, not helped by the fact that two of the areas three franchises are among the worst performing in the country. The quality and capacity of the trunk road network varies significantly

across the area and these limitations act as a barrier to economic growth.

The increase in population has in turn added pressure on public services. In particular, more schools, social services and affordable and starter housing are needed.

This is exacerbated by the 3SC area coping with an increasing population. Over the next ten years the population is forecast to increase by 206,000, with more than half (55.8%) over the age of 65¹⁵. Many will require local authority funded services taking the total projected 3SC spend on social care to £1 billion from more than £970 million now¹⁶.

Despite the increase in population, the labour market is very tight. Unemployment rates are very low; for example, the claimant count is just 0.6% in Mid Sussex and 0.7% in Waverley, well below the UK average of 2.5%¹⁷. However, businesses find it difficult to find and keep skilled labour. For instance, the growth of the nascent bioengineering cluster is being choked by the lack of available engineers and medical technicians. London's demand for skilled labour is having a significant impact, and the areas of acute deprivation along the south coast present further employment challenges.

¹¹ONS 2012-based sub-national Population Projections for Local Authorities in England 2003 to 2013

¹²As 11

¹³Office for Rail Regulator (Steer Davies Gleave and DeltaRail) Regional Dataset, South East

¹⁴As 13

¹⁵ONS 2012-based sub-national Population Projections for Local Authorities in England

¹⁶3SC and GMCA authorities' 2013/14 Statement of Accounts

¹⁷ONS Job Estimates, sourced from the Annual Population Survey, Job Centre Plus Administrative System and BRES

A strong track record with established partnership working

Local authorities in Sussex and Surrey have proven themselves to be efficient, competent and open to service transformation and economic growth is a key priority for them all.

Positive partnership working underpins everything and operates at many levels and on various county and cross-county geographies.

The three LEPs have provided strategic and high impact partnerships for local authorities and wider public sector partners together with business, across a functional economic area, to develop Strategic Economic Plans and discuss a variety of local issues, including infrastructure, skills and housing.

Back office collaboration is well established, with Orbis, a shared services partnership between East Sussex and Surrey County Councils expected to deliver annual savings of £8 million within four years.

There are many examples of cross-partnership frontline service transformation too.

The County Councils and Clinical Commissioning Groups (CCGs) have worked intensively together to develop Better Care Plans and continue to develop ambitious projects to integrate health and social care.

County, District and Borough Councils have worked together with a range of local and central government partners to deliver the Troubled Families Programme, improving the lives of vulnerable people and those at risk.

East Sussex, West Sussex and Surrey Fire and Rescue Services, Sussex and Surrey Police and SECAMB (South East Coast Ambulance Service NHS Foundation Trust) are working together on blue light collaboration. The work has attracted interest in Whitehall and has been showcased by the Public Service Transformation Network, including at the Public Sector Show in June this year.

Working with Government

Building on its strong track record of efficiency and service delivery together with positive partnership working, **our offer is for the 3SC to be a test-bed for how smart, sustainable, high-productivity growth can be secured with an even greater dividend for the Exchequer and the national economy.**

The remainder of this Prospectus sets out the specific rationale for devolution in two key areas:



02 ECONOMIC GROWTH AND ENHANCED PRODUCTIVITY

Our aim is to increase productivity and the international competitiveness of the 3SC area and promote further smart and sustainable economic growth which makes an even greater contribution to national economic success.

BACKGROUND

In the 3SC, the combination of thriving businesses, an industrious working age population and strong connectivity has produced an economy now valued at over £65 billion per annum (far bigger than Greater Manchester), which is growing faster than the rest of the country outside London. The area is characterised by strong polycentric economic activity in small and medium sized settlements, reflecting specific sectoral strengths in the kind of smart, knowledge driven activity which is where future economic success lies.

Our proposals would strengthen this pattern of growth, which works well with the diverse urban and rural characteristics of the area and the natural environment. Our natural capital is an essential part of our productive economy and we will continue to improve our environment as we grow.

Growth has been associated with high levels of employment across the 3SC (the average rate is 76% well above the national average), although some places still need further support to increase their economic

contribution. The bigger issue for the area as a whole is that potential further growth has been constrained or stalled, particularly by inadequate infrastructure, and that this has also limited enhancements to productivity. Our proposals respond to these issues.

The Government has identified the drivers of productivity as a dynamic, open, enterprising economy supported by long-term public and private investment in infrastructure, skills and science¹⁸. The 3SC area offers precisely those characteristics - but it could do more. The 3SC can be a test bed for how smart, sustainable, high productivity growth can be secured with an even greater dividend for the national economy. The economic dynamism which characterises many parts of the area means that it can respond quickly and effectively to a stimulus. But it also needs a long term framework to make good on many years of relative neglect.

The 3SC area also offers a test bed for how a dynamic, mutually beneficial inter-relationship with London and places such as Brighton can be developed. As London's

population and economy has grown the South East economy has benefited, but the spill-over effect into neighbouring counties like those in the 3SC has also accelerated and has taken place alongside organic growth.

The UK needs both London and the South East more widely to be successful. For this to happen, the 3SC needs to be able to respond to the needs of its own economy and address increases in its own population; not just London's. London needs housing for a flexible workforce and transport routes that make it easy to access the city. The 3SC needs more housing too, including starter and affordable homes, but also sites for existing and new businesses to grow and develop so that people can both live and work in the area; lateral and orbital transport routes, and to keep more skilled workers within the area. This is crucial to ensuring that the economy of the 3SC remains strong in its own terms as well as making a contribution to meeting the needs of London and indeed the UK.

Proposals

Our proposals for economic growth and enhanced productivity reflect the two main planks in the Government's own plans in 'Fixing the Foundations'.

First; long-term investment in economic capital, including infrastructure, skills and knowledge:

- a 3SC Infrastructure Strategy to give a clear framework for future growth to 2050 which matches the plans for London;
- a modern transport system that enables and unlocks growth with a step change in road and rail connectivity and through our ports and associated improvements in the operation of transport services;
- world class digital infrastructure which will boost digital connectivity across the whole area, including rural areas where connectivity can be poor or non-existent; bolster a new generation of public services and promote SMART centres for businesses in some of our major growth locations;
- smart specialisation in pioneering sectors such as 5G where our universities are world leading and we have a strong ecosystem linking knowledge generators and commercial applications; and
- a highly skilled, adaptable and flexible workforce to meet business needs in our area.

Secondly; a dynamic economy that allows resources to be applied as effectively as possible:

- enhancing the supply and type of housing so that people can move into jobs that use their skills and can afford to live close to where they want to work;
- promoting growth in our priority locations, which have been identified in the plans of our Local Enterprise Partnerships, to provide opportunities and support for productive firms to scale up; and
- enhancing trade and inward investment given the location and comparative advantages of the 3SC area, particularly the international connectivity through Heathrow and Gatwick and through our ports such as Newhaven

INVESTMENT IN INFRASTRUCTURE, SKILLS AND KNOWLEDGE

A 3SC Infrastructure Strategy 2050

We are clear that there has been insufficient public and private infrastructure investment over many years to keep up with a growing population and a changing economy. This has to be addressed if future growth and productivity is to be secured. More local influence over what happens and when it happens is essential since infrastructure is the fulcrum for growth in the area. It is the only plausible way to address the problems that are seen on a daily basis in terms of congestion and to open up future development.

By way of illustration of the scale of the problem: Surrey has the slowest rush hour roads in the entire country due to congestion and some of the major employers and research institutions in the area now schedule meetings for international visitors so that they are bookended by the small windows in the day during which the reliability of journeys to and from the airports is anticipated to be at its best.

We will develop the Infrastructure Strategy building on the detailed analysis that each of the three County Councils and the LEPs are already developing of future infrastructure needs. It will provide the framework to plan and implement infrastructure investment to attract and retain high quality businesses and benefit local communities.

If the ambition of developing a planned approach to the inter-dependence of the area with London is to be achieved, the Infrastructure Strategy needs to cover the same time period as London's infrastructure plan (to 2050) setting out population and people movement projections. This in turn will drive planning assumptions around urban density, new housing volumes, road and rail usage, community infrastructure and utilities including water, waste and power and public service requirements.





The Infrastructure Strategy would form the basis for unlocking other aspects of devolution which could take the form of an Investment Agreement combining:

- improvements to infrastructure investment planning and delivery so that all partners are clear about what is needed and when it is needed;
- identification of the benefits of investment in terms of opening up or supporting more homes, jobs or business spaces;
- the potential fiscal dividend from such development, a portion of which could be used to reinvest in the 3SC; and
- arrangements to recycle that locally retained portion of the growth dividend to support the necessary investment in infrastructure, housing and public services to support growth alongside some locally pooled funds.

This approach is carried through in our specific propositions on:

- **housing and planning** (described in subsequent sections of this Prospectus in terms of specific actions that are needed) including use of public sector land to support or unlock development.
- **infrastructure delivery** by national agencies particularly in relation to transport (also described below) so that local action to secure planned growth

is accompanied by more certainty and control over investment. We would want to extend this approach to agencies with responsibility in relation to housing and flood defence as well as developing approaches with the major utilities.

- **fiscal devolution** - to provide additional resources to support our aims for economic growth and public service reform, our aim is to change the balance in the sources of income for the authorities within the 3SC towards income generated in the area. This includes increasing the retention of business rate income and future **business rate growth** which may eliminate the need for a complex arrangement for Government to distribute business rate top ups and tariffs. To accompany this we would seek greater autonomy to determine the discounts within the Council Tax system.
- building on this headline proposal we would create a pool of funding across the 3SC from a number of existing local funding streams for matched investment alongside additional revenue sources which could support large scale investment. In particular we would seek to retain a proportion of **stamp duty** reflecting the growth in population which can be used for investment, particularly in infrastructure.

A Modern Transport System

There has been insufficient investment in the transport infrastructure that is the lifeblood of business, particularly road and rail. Studies by the LEPs, South East England Councils (SEEC) and by the County Councils have identified very clearly what is needed in the area including significant improvements to a number of crucial transport corridors of which the most significant are the M23 and Brighton Main Line; the South West Quadrant of the M25; the A27; the A21 and the A3 and M3:

- better road and rail access to nationally important airports and ports as well as to London;
- improved cross country routes (which would have benefits across the wider South East) including extension of HS1 high speed rail services in the east of the 3SC area
- reduction in congestion and removing bottlenecks; and
- improved journey times and reliability.

Our ambition is not just limited to the 3SC area. We recognise that interventions are needed across a wider SE7 area and the LEPs and the highways authorities are working with neighbouring organisations to undertake further detailed work on the case for major strategic transport corridor improvements that would benefit the wider South East.

The growth in usage of the **rail connections** in the area has far outstripped investment by National Rail or the rail franchisees. This has become very problematic as the continual signal failures, delays and poor quality rolling stock is impacting economic performance and productivity across the area and within London. Rail improvements are urgently needed in areas that have growing economies such as the 3SC. The recently announced findings of the Wessex Route Study suggest, however, that this is not yet fully recognised. Our aim is to ensure that we have better mechanisms in the future for reflecting the needs of the 3SC area in both analysis and decision making.

The need for infrastructure improvements will be identified in the Infrastructure Strategy. However, action is needed to improve both the performance of the franchises and the planning of investment. We are aware of various approaches towards more devolution in respect of rail franchises and are looking for the development with Government of a more collaborative mechanism which would promote:

- the development by local partners of a clearer strategy for rail services in the area for meeting future growth and the need for enhancements and capacity to mitigate overcrowding (building on work that has been undertaken by the County Councils and the LEPs);
- greater influence over franchise commissioning and operation so that the

needs and interests of the area are properly reflected in the specification and then the management of franchises; and

- a co-operation agreement with Network Rail and the Department for Transport on the planning of investment.

We would provide the formal structure needed to develop such arrangements. **Roads** in the area are significantly over capacity. The need for additional transport links that would help the area to become more interconnected and open up employment space will be identified in the Infrastructure Strategy building on the work already undertaken through LEP Strategic Economic Plans.

We will work with Government on the development of an investment fund reflecting the fiscal devolution proposals; existing funding sources; prudential borrowing and asset backed vehicles.

We would also be looking for an enhanced agreement with Highways England perhaps along the lines of the Partnership Agreements that have been made with some areas to agree shared priorities and a longer term vision for the strategic road network in the 3SC area, and prioritising planning investment and operational expenditure on repair and maintenance and some operational sharing of assets such as depots.

World-class digital infrastructure

Effective investment in digital infrastructure is crucial to attracting and retaining businesses in the 3SC. We want businesses and households across the 3SC to be able to play their full part in the digital economy and to take full advantage of the opportunities it offers to increase productivity and economic activity and to improve services to the public.

Our ambition is for the 3SC area to:

- develop a digital infrastructure through additional investment in superfast broadband coverage, the use of ultrafast dark fibre (the optical fibre infrastructure that is not in use) in our towns and the roll out of 5G that will be a catalyst for economic growth, supporting SMEs and large corporations by giving them the connectivity they need to thrive in our area, access new markets and reduce unnecessary commuting; and
- use 5* open data that is accessible, real time and in a machine readable format to support further growth by seeding development opportunities for tech start-ups, for example those involved in deep data, as well as supporting our businesses and residents to make more informed decisions around commercial opportunities and local public service usage.

Our proposals address five main issues:

- completing **superfast roll out** with the intention to design and commission local solutions to “final mile and final third” challenges and tackle remaining “not spots” (where there is no mobile connectivity at all). We intend to explore local commissioning of this activity through a new set of arrangements that go beyond what has been possible through the existing National Framework and which can utilise innovative solutions, potentially harnessing the specialist supply chain that exists in the area;
- establishing a number of **SMART Places**, transforming them as places to do business using ultrafast broadband networks and 5G technology so that our firms have international class digital connections locally to capitalise on the internet of things, and more widely to connect to partners and businesses across the world. Initially we would aim to develop proof of concept in two small urban areas such as the Chichester ultrafast broadband dark fibre programme as well as demonstrating rural models to support small high value added and sustainable business;

- through our proposals for **smart specialisation** (set out below), developing the opportunity to test and trial further opportunities for innovation and new delivery models with university, research and business partners based in the 3SC;
- through our **public service transformation proposals** for which the new level of connectivity will support the wireless technologies that allow real time monitoring and analysis of the use of public services generating insight that allows us to take more preventative action that reduces demand as well as making them more user focused and efficient, initially with health, blue-light and community partners; and
- working with the private sector to put in place world-class **voice and data telephony** to meet the demands of today’s businesses who need to be fast, agile and responsive.

These interventions will make a big contribution to addressing the particularly acute way in which connectivity problems are experienced in rural areas and to increasing and diversifying economic activity within them.

Digital investment will also be an increasingly significant element of investment in transport, housing and other infrastructure to improve efficiency and capacity.



WORLD-LEADING UNIVERSITIES

SUPPORTING
HIGH-QUALITY
SCIENCE AND
INNOVATION



WE AIM TO GIVE FULL EFFECT TO
SMART SPECIALISATION
BY ACTIVELY LINKING OUR
UNIVERSITIES AND RESEARCH INSTITUTIONS
TO INNOVATING FIRMS AND SUPPLY CHAINS

World-leading universities supporting high-quality science and innovation

We aim to give full effect to smart specialisation by actively linking our universities and research institutions to innovating firms and supply chains.

Building on approaches already being supported by the LEPs, we will be **pioneers in the next generation of digital connections**

working with the national 5G Innovation Centre at the University of Surrey so that the 3SC is a testing ground for 5G roll out. Firms across the area and beyond will have the ability to generate new products and applications using the 5G test-bed at Surrey and the development of more emulators (of the kind that has been put in place in Basingstoke already) across the 3SC area. The Institute of Cyber Security Innovation and Royal Holloway is supporting this opportunity by providing services that give business confidence to develop and exploit new products.

This is a unique business advantage which is of national significance, embedding the potential of the local economy in this area into wider flows of trade and investment and the rapid diffusion of ideas.

We will promote this approach further and **extend it to other specialist sectors** in which we already have high profile research. This could be undertaken in the context of the Science and Innovation Audits that Government will now be developing for different parts of the country. Our intention is to work with universities in and beyond our area and with businesses in the 3SC area to develop the case for additional support for industries where we could be world leading. This practical development of smart specialisation could incorporate comprehensive support arrangements based in our universities and research institutions for promoting and developing local supply chains and attracting inward investment to the area.

The ability to develop **University Enterprise Zones** (UEZs) would strengthen the ability to take this forward by emphasising the role of our universities as strategic partners in local growth, offering access to business support packages and their specialist facilities and expert knowledge. UEZs could help extend this to the development of incubator or 'grow-on' space for small businesses in appropriate locations.

Retaining and attracting a highly skilled workforce

Our proposals address both the supply of skilled people and some of the major factors that affect the relative attractiveness of working in the 3SC area, particularly the housing offer.

In terms of **demand**, aggregate employment levels are high. However, there is increasing unemployment and economic inactivity in some parts of the area at the same time as companies across the South East are reporting an inability to fill vacancies with the right people. In the 3SC area as a whole 80% of hard to fill vacancies were as a result of skills shortages and in Surrey the proportion is almost 85%. There are also simply not enough applicants: for the 3SC this was a factor in 42% of hard to fill vacancies compared to 28% nationally. If we can better meet the clear demand for skilled people we can have a positive impact on productivity.

Currently, many highly skilled people commute to London because the 3SC area does not offer the same opportunities. We aim to stimulate more of those opportunities through our proposals for:

- developing the supply chains, applying some of the leading edge research work being undertaken in the area;

- promoting further our main growth locations;
- developing SMART Places that will allow businesses to develop and grow; and
- promoting further inward investment

We also have major demands for skilled people to work in schools, nurseries, social and health care and in the service sectors of the economy which need to be met to ensure that the area continues to provide the necessary social infrastructure.

Housing remains the other critical factor: in particular, housing in places to suit the workforce including starter and affordable housing. Our proposals for enhancing housing supply set out below would help to address this.

On the **supply side**, long-term investment in skills is a crucial part of developing the economic capital of the 3SC area to increase growth and improve productivity.

Our proposals are for **more local influence in reshaping and commissioning employment and skills provision in the area to meet business needs.**

Our headline proposal is for devolution of **all skills and employment programmes for people aged 14-25 run by the Education Funding Agency, the Skills Funding Agency, and Department for Work and Pensions**

(including the Work Programme or its successor) to form an integrated programme of support for young people in the 3SC area which can be directed at local level. This would cover both revenue and capital budgets.

Responsibility and funding for apprenticeships and post-16 provision of training, work experience and education including the Apprenticeships Grant to Employers would also be devolved.

We would establish a **Skills and Employment Board** involving our LEPs and businesses to oversee skills and employment policy and direct the use of these funds

This investment would be grounded in strategic partnerships between employers and training providers to better match skills provision to local demand with a greater focus on promoting **professional and technical education** which would involve:

- developing and shaping the **curriculum offer** within schools and beyond to improve the quality of our workforce and support opportunities within identified growth sectors for employment;
- creating an **employability framework** that supports all young people to be work ready on leaving education or training, including the transferable skills that employers demand;



PROMOTING A DYNAMIC ECONOMY

Housing

Demand for housing is always likely to outstrip supply in an area such as the 3SC. The mismatch harms productivity and restricts labour market flexibility. It also puts increased pressure on transport infrastructure when people are required to travel considerable distances to their place of work.

There is also a critical need in the area for more starter and affordable housing particularly for those working in some of the services that will be increasingly required given the demographic changes in the area. This is particularly significant for attracting and retaining front line staff like teachers or social care staff - a critical component of our proposals for health and social care integration and transformation. Given the demographic profile of the area, mechanisms are also needed to release under-occupied accommodation to the market through 'last time' housing.

Planned housing increases are already a major challenge for the area. Historically, the record in the 3SC on housing delivery is significantly lower than the trajectory planned over the next 10 years. Indeed, for West Sussex planned numbers are over 50% more than has been achieved in the

last 10 years. The constraints within which development can take place are severe with Green Belt, National Park and environmental designations covering large parts of the area.

Against that background, the greater certainty and control over appropriate infrastructure delivery which would flow from the Infrastructure Strategy would be critical in providing greater confidence in housing delivery. This would allow the 3SC to make **further progress on delivering planned numbers across the area, accelerating delivery where possible and balancing delivery against affordability to meet the needs of businesses and public services.** In order to make delivery more certain, we would also work with Government to streamline local planning processes in return for greater freedoms and flexibilities at local level.

There are major opportunities, already being developed in the 3SC, to be far more ambitious in how public sector land and assets are used to support both housing and commercial development, in particular to stimulate developers and the associated supply chains to engage in the development which is needed in the area. We are well placed to add value to the land, particularly through securing consents and permissions, in some cases putting in infrastructure and in all cases being more creative in how land is made available to the market.



There is also significant scope for redevelopment of existing assets to meet the growing demand for integrated services and using income from sales to reinvest in more sustainable sites. In Surrey, to date £30 million of assets have been released providing for the development of 1,000 new homes.

More specifically the 3SC will explore:

- delivery of more starter and affordable housing. We will identify land across the 3SC area in the ownership of local authorities, Government and the wider public sector which can be promoted as sites for affordable housing. Councils will put in the land for free (or at reduced value) in return for which the sites would be affordable in perpetuity with rents capped by the developing registered providers with associated savings in housing benefit; and
- unblocking key sites across the 3SC through specific powers to take forward a number of larger schemes which have proved intractable within the current arrangements, for example, Shoreham Harbour, Littlehampton Hospital site and

sites in Newhaven. The 3SC would undertake to deliver them and the additional housing and employment space they would bring which could increase delivery beyond the numbers envisaged in Local Plans.

Other elements of the package to support these initiatives and housing delivery generally could include:

- increasing the value of disposals by strengthened arrangements for the effective and faster release of **Government and public sector land** (which could include railway land and other sites offering strong connectivity), building on the experience of Surrey in working with the Government Property Unit and achieving a better financial return by managing the way in which land is released to the market ;
- a **duty of co-operation with the Homes and Communities Agency** (HCA) which would form the basis for agreeing shared priorities, influencing the application of relevant funding streams; their own assets and their land assembly powers;

- establishing a **Housing Delivery Board** with Government Departments, HCA and other public sector organisations;
- building on the headline fiscal devolution proposal for retention of Non Domestic Rates growth, powers to use some **locally raised funds, some prudential borrowing and some additional flexibilities** such as greater freedom over charging for certain services (land charges, building control and planning) to enable us to offer ways of supporting accelerated development, including forward funding;
- permissive powers to develop **strategic planning functions** for the area allowing for development of strategic spatial frameworks by agreement; improvements to arrangements for making local plans and incentives for rapid and effective plan making by linking plans much more directly to investment, particularly on infrastructure, to support housing delivery;
- removing the **cap on Housing Revenue Account borrowing**.

Growth Locations

The 3SC is characterised by small and medium sized settlements and we have identified specific places in the South East LEP, Coast to Capital and Enterprise M3 Strategic Economic Plans that offer growth potential. Some of these are already thriving; in others there is a need to do more to support economic development and communities through mechanisms such as the current Newhaven Enterprise Zone bid. The proposals in this Prospectus will allow us to do more to accelerate and intensify the plans that are being developed, covering transport, business premises, infrastructure (including digital infrastructure), support for business and developing skills for the workforce.

An important example is the risk of flood damage at some locations within the 3SC. Some of these areas could be established as places for residential housing or employment sites and we would want a duty of co-operation with the Environment Agency to bring them into use more quickly.

The demand for housing also means that we are losing sites for commercial development and over time will lose employment if these sites are not identified and protected. We want to explore opportunities for providing more incentives for commercial development for example, through Enterprise Zones or similar designations (building on the work that has been undertaken through the LEPs) and asset backed vehicles utilising public sector land and assets.

We will also promote further **business support arrangements**. This will include developing the activity of the Growth Hubs in supporting simplification and in providing more intensive support to the high growth and innovation companies in the area; improving linkages with our Higher Education institutions and enhancing the responsiveness of national programmes such as Manufacturing Advisory Service and Growth Accelerator to local needs.



Gateways: Ports and Airports

The 3SC is strategically important to the UK economy and forms a major part of the UK’s gateway to the rest of the world. Heathrow and Gatwick are respectively the second and 12th busiest airports in the world. Through them, UK passengers and businesses access more than 280 destinations across 113 countries.

The two airport gateways at Heathrow and Gatwick offer major advantages to the area as a globally competitive location for inward investment, and the ports are significant both for the import and export of goods and for bringing visitors to the area.

We want to:

- promote the improvements in connectivity to and from the airports and ports that will make these gateways as attractive as possible both to investors and exporters and to promote freight movements. The infrastructure improvements that are needed will form part of the Infrastructure Strategy;
- promote international business and trade and tourism reflecting our sector specialisms and location advantages and the opportunity in particular for increasing export via the airports (highly relevant to high value, time critical products) and strengthening the national resilience of ferry services by developing those operating from our area; and
- develop and build supply chains in the 3SC area which can take full advantage of these opportunities including making sure that commercial land is available for development in suitable locations around the ports and airports.



HEATHROW AND GATWICK ARE RESPECTIVELY THE SECOND AND 12TH BUSIEST AIRPORTS IN THE WORLD



THROUGH THEM, UK PASSENGERS AND BUSINESSES ACCESS MORE THAN 280 DESTINATIONS ACROSS 113 COUNTRIES




03 PUBLIC SERVICE TRANSFORMATION



Our aim is to accelerate and extend public service transformation in the 3SC area, building on a strong track record of working together to improve services for our residents and save money. Working with Government, we will provide a test bed for whole system transformation and demonstrate the full potential of areas that are ambitious about public service reform.

BACKGROUND

Public service transformation is core to the 3SC devolution proposals. We see public service transformation and economic growth as two sides of the same coin and mutually supportive. Public service transformation demonstrates the effective cross boundary and inter-agency working that already exists across the 3SC and which supports our broader devolution proposals.

The members of the 3SC are already working in many different ways to transform how services are delivered. We are working individually and jointly, including as part of wider groupings such as SE7. We are also working with our wider public sector partners, eg developing new approaches to deliver better outcomes through closer health and social care integration and closer inter-operability between our emergency services.

Surrey was one of nine areas in the country selected to be part of the Government's Public Service Transformation Network, with the access to dedicated resources, expertise, support and learning that has

brought. Surrey has led on public service transformation within SE7, and the work quickly recognised the need to move beyond county boundaries to achieve lasting transformation. East Sussex and West Sussex are both key partners in the programme.

While not all public service transformation is dependent upon devolution, devolution does provide opportunities for the 3SC to accelerate transformation work, and the potential to extend and deepen work already underway. Health and social care integration and emergency services collaboration are two of the areas where we see potential to do more by working together across the 3SC area.

Public service transformation also supports the other proposals in this Prospectus. For example, our proposals for world class digital infrastructure will support and open up new opportunities to transform local services and how they are delivered. This will be important as we continuously adapt to how residents want to interact with services and find new ways to meet the demand pressures that services face.

Our devolution ambitions for public service transformation include:

- a **3SC Transformation Fund** – providing a single pot of transformation funding as a necessary investment to support and extend further transformation across the 3SC;
- a **3SC Transformation Dividend** – so that local partners can share in the financial benefits that accrue to Government as a result of local partnership working for reinvestment in further transformation; and
- a **3SC Transformation Deal** – a deal between Government and the 3SC setting out how Government will work with us to tackle blockers to further transformation and trial innovative approaches to provide valuable learning for other areas of the country.

These proposals will give us the confidence and certainty in which to accelerate public service transformation across the 3SC. By investing in and supporting public service transformation we can support sustainable economic growth and improved productivity across the 3SC. Examples include:

- services that support a workforce that better meets the skills need of the local economy;
- supporting individuals and families with complex needs with a pathway into work; and
- reducing crime and reoffending by helping offenders through different interventions and support into work.

A track record of doing things differently together

Across the 3SC there is a strong track record of partnership working and developing new approaches to delivering services: driving efficiencies, savings and greater value; and better services and outcomes for residents. Examples include:

- **joint procurement** – working together as part of SE7 to deliver highways efficiencies and a more competitive market for property asset management and investment; and joint procurement by East Sussex District Councils for a single waste collection contract, saving around £3 million per year.

- **shared functions** – East Sussex and Surrey County Councils working together through a new partnership, Orbis, to deliver a range of shared functions, including finance, procurement, property, IT, HR, legal services, internal audit, payroll and pensions - expected to save residents £8 million annually within four years.

- **shared services** – a pilot shared Youth Offending Team covering East Sussex and West Sussex; a single Fire Control and Mobilising Centre for East Sussex and West Sussex; joint commissioning for domestic abuse and sexual violence services between East Sussex County Council and Brighton & Hove City Council.

- **new approaches** – adopting new ways of generating income and new models for delivering services including: Surrey Choices, established as a local authority trading company providing social care for people with disabilities; and integrating the East Sussex Adult Social Care Living at Home Service with the East Sussex Healthcare Trust Community Rehabilitation and Domiciliary Teams to provide more-timely integrated rehabilitation and reablement services.

- **sharing senior staff** – East Sussex District Councils sharing senior staff and posts; and Surrey County Council's Strategic Director for Customers and Communities

taking on the role of Chief Executive of Mole Valley District Council, improving day-to-day working and saving more than £100,000. Shared procurement functions and management in East Sussex and Surrey.

- **sharing assets** – West Sussex County Council shares accommodation with Horsham District Council, in addition to other public services, delivering significant savings for both and enhancing joint working opportunities.

A TRACK RECORD OF SUCCESS THE TROUBLED FAMILIES PROGRAMME

Across the 3SC area we have had considerable success in turning around the lives of people with complex needs as part of Government's Troubled Families Programme – **3,230 families successfully helped across the area so far.**

This has been achieved through new partnership approaches involving County and District and Borough Councils, schools, health, police and the Voluntary, Community and Faith Sector. This has improved outcomes for individuals and families and benefits the whole system – removing the need for a range of costly interventions from various public sector agencies. The members of the 3SC are part of the expanded second phase of the programme which will **help a further 11,230 families.**

East Sussex achieved its target of turning around the lives of 1,015 families earlier than planned. A further 3,570 families will be helped over the next five years, and it is on target to support a further 757 families in the first year of the extended programme. The Troubled Families model has successfully been integrated into East Sussex's Early Help services and is seen by the Department for Communities and Local Government (DCLG) as an example of transformation good practice.

West Sussex with the seven Districts and Boroughs in an alliance with all of their public sector partners and the Voluntary, Community and Faith Sector achieved their target of turning around the lives of 1,165 families earlier than planned. It is the leading area in England for securing jobs for families, with 665 families with one or more adults now back in work and similar results for reducing anti-social behaviour and improving school attendance. As early starters for phase two, a further 4,060 families will be supported over the next five years. Investment in technology is giving all practitioners secure access to a case management and information system to support multi-agency working.

Surrey has turned around the lives of 1,050 families, with a Team Around the Family approach –with local coordination led by Surrey's 11 Districts and Boroughs supported by other agencies. A further 3,600 families will be supported over the next five years, including support for families with domestic abuse, pre-school children, low income, offenders, mental health, unemployment, adult social care needs, families who frequently visit accident and emergency, and families at risk of homelessness.



Working Together – the public service transformation programme

As part of the Government's Public Service Transformation Network, Surrey public service partners are taking a collaborative, multi-agency approach to redesigning local services, removing duplication and integrating service delivery, with services focussed around the needs of residents to deliver better outcomes and greater value. This partnership extends across the Surrey public sector and beyond eg Sussex Police, West Sussex County Council, East Sussex Fire and Rescue Service and the South East Coast Ambulance Service NHS Foundation Trust all working on Emergency Services Collaboration.

Transformation projects include:

MENTAL HEALTH CRISIS CARE

This work is establishing safe places for people in mental health crisis, providing better support and avoiding pressures on NHS Accident and Emergency (A&E) departments and detention in police custody. Surrey public services are responding to people in crisis as 'one team' with a defined care pathway,

including a 24-hour telephone line staffed from all public services and a 'buddy' network to provide support in local communities. This has been supported by £1.5 million from the DCLG's Transformation Challenge Award¹⁹.

TRANSFORMING JUSTICE

This work aims to improve the justice system and deliver better quality justice, with increased victim and witness satisfaction, reduced reoffending and reduced demand for criminal justice services. Surrey are developing a pilot for a whole system approach to women in the criminal justice system²⁰.

SYSTEMS LEADERSHIP

Underpinning all the other transformation work is a programme to develop leadership capacity across Surrey public services and a wider organisational development multi-agency support network²¹.

Proposals

We will:

- build on our shared track record of success in collaborating to deliver efficiencies and transform local services;
- share the lessons of what works and identify opportunities to broaden, deepen and extend public service transformation and support whole systems leadership across the 3SC;
- use the strong ties underpinning the 3SC and across both tiers of local government across Sussex and Surrey to extend the benefits of transformation already in place; and
- lead the way nationally on innovative approaches to whole system transformation, providing a template for other areas of the country to adopt.

¹⁹The Mental Health Crisis Care partnership includes Surrey County Council, Surrey's District and Borough councils, Surrey's six Clinical Commissioning Groups, NHS Trusts, Surrey Police, South East Coast Ambulance and Voluntary, Community and Faith Sector.

²⁰The Transforming Justice partnership includes Surrey County Council, Surrey Police, Surrey Police and Crime Commissioner, National Probation Service, HM Courts Service, HM Prison Service, Community Rehabilitation Company, Victim Support, Legal Aid Board and NHS England.

²¹The Systems Leadership partnership includes Surrey County Council, Surrey's Districts and Boroughs, Surrey Police, Surrey and Borders Partnership NHS Trust, North East Hampshire and Farnham CCG, and Surrey Youth Focus.

EMERGENCY SERVICES COLLABORATION

We have been working across the 3SC area over the last two years to co-design how emergency services are delivered and to improve service to the public. Surrey Police, Sussex Police, Surrey Fire and Rescue Service, West Sussex County Council, East Sussex Fire and Rescue Service and the South East Coast Ambulance Service NHS Foundation Trust (SECAMB) have led this work. Collectively these services cover an area of 2,140 square miles and serve 2.7 million residents.

Transformation provides the opportunity for the emergency services partners to work closer together, improving service to the public, reducing costs, increasing resilience, reducing overlap and responding to the changing pattern of demand. The programme would build on initiatives underway, and on which we are already working closely with Government, including:

- **improving contact, control and dispatch** – the programme, with the support of £750,000 from the Home Office Police Innovation Fund, has introduced a new electronic 'point to point' information link between Surrey Police and Surrey Fire and Rescue, ensuring the right information is transferred between services faster, allowing

a more coordinated, quicker response. Pilot work is underway to enable SECAMB to join this hub. Surrey and Sussex Police are also exploring the potential steps towards co-location and West Sussex County Fire and Rescue Service and East Sussex Fire and Rescue Service are now operating a combined control and mobilisation centre.

- **joint operational response** – greater collaboration in how each Service responds to incidents, to provide a better more joined up response. SECAMB and Surrey Fire and Rescue Service have worked together to improve fire fighters' skills. This means fire fighters can provide immediate patient care where they are first on scene in emergencies.
- **joint operational support** – there is an opportunity to explore coordination for the provision of support functions for the operational activity of the emergency services and other Council functions and support services. Work is looking at developing an Integrated Transport Function - such as buying fuel across Surrey and Sussex emergency services - which has been supported by £6 million from DCLG's Fire Transformation Fund. The Joint Fire Control Centre across Sussex is another example.

- **joint prevention** – community safety activities and support functions are delivered independently. Collaboration would allow a reduction in duplication and cost. For example, frequent callers to the emergency services can tie up resources unnecessarily – one caller contacted emergency services over 2,000 times in a six month period. By working together we can better identify frequent callers and address their needs, as well as improve the response to other emergency callers.

Our devolution ambitions will support and strengthen the collaboration already underway across the 3SC area and provide further opportunities to broaden and deepen this work. This work has the potential to lead the way nationally in how to improve the delivery of emergency services through collaboration.

HEALTH AND SOCIAL CARE INTEGRATION

BACKGROUND

The 3SC area is home to a large number of older residents, many of whom retire to the area from London and the Midlands. Over the next ten years the population is forecast to increase, with more than half (55.8%) over the age of 65. Many will require local authority funded services, projected to cost the 3SC local authorities around £1 billion per year. This poses a significant challenge to both local government and the NHS as numbers grow and individuals' care needs become more complicated.

This growth in demand also challenges the labour market. There is an acute shortage of health and social care workers across the area as lower skilled workers are attracted by opportunities elsewhere, for example at Heathrow and Gatwick Airports and in town centres. Many care homes complain that they are unable to attract quality staff which in turn undermines the overall quality of the care sector across the 3SC area. The NHS faces similar issues, compounded by the lack of affordable housing and the increased use of agency staffing, particularly for nursing roles.

We believe that the best way to tackle these issues is by continuing to work together across health and social care investigating the freedoms and flexibilities devolution may offer, building on innovative locality delivery and commissioning that is already being developed or in place. This will be done on the basis of a strategic understanding of local place and circumstance. We will work together as a system to develop best practice and enabling sub regional approaches where these are appropriate.

Proposals

Building on existing examples of best practice we propose to accelerate progress by continuing collaborative conversations on the following:

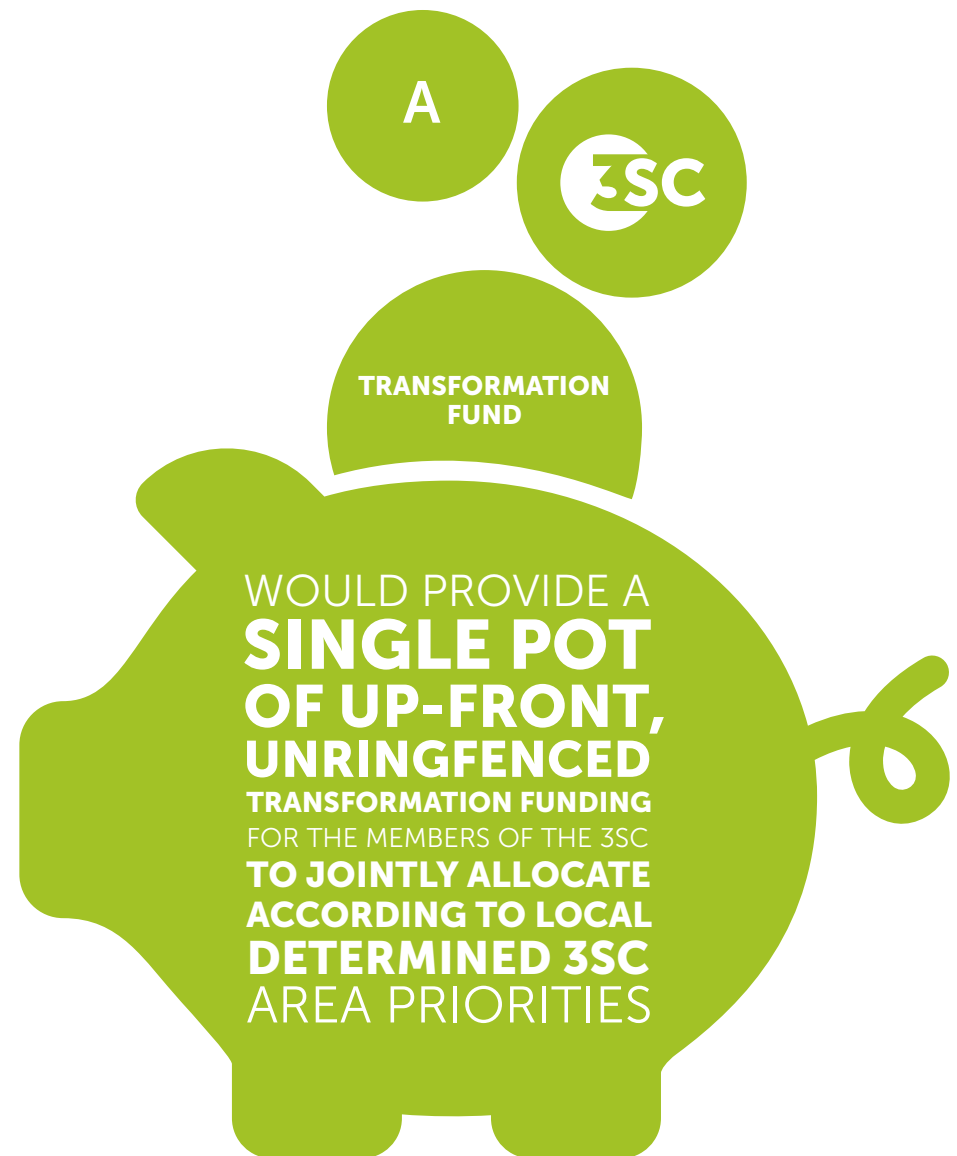
- **joint financial planning and commissioning, building for example, on the Better Care Fund and Vanguard in North East Hampshire and Farnham.**
- **helping people to remain healthy and well through work, for example, on public health and prevention, reducing the demand on statutory services and A & E and invest to save opportunities.**
- **addressing workforce and skills issues.**
- **opportunities around estates and infrastructure.**
- **optimising the use of telecare and telehealth and other exciting advances in digital technology.**
- **developing local outcomes based performance frameworks.**

3SC TRANSFORMATION FUND

Access to additional Government funding, allowing us to ‘invest to save’, has made transformation work across the 3SC possible. A necessary enabler of whole systems change, this has, however, meant time consuming and costly bids to multiple, unaligned competitive funding schemes run by separate Government Departments (eg Transformation Challenge Award, Fire Transformation Fund, Police Innovation Fund, etc) some of which required significant work for little return (eg the DCLG Delivering Differently in Neighbourhoods Fund required a lengthy expression of interest as well as an interview process, with only £90,000 available to each successful applicant). This process distracts from the transformation we are seeking to achieve. The independent Service Transformation Challenge Panel²² also recommended rolling together Government transformation funding.

A 3SC Transformation Fund would provide a single pot of up-front, unringfenced, transformation funding for the members of the 3SC to jointly allocate according to locally determined 3SC area priorities. This would give us the certainty and ability to take the tough decisions and invest in redesigning integrated service provision that better meets the needs of our residents. For example:

- using the Emergency Services Collaboration work as a vanguard for inter-force operability;
- building on the excellent progress in Sussex and Surrey to support individuals and families with complex needs into work; and
- new approaches through digital technology, building services around the customer and seeking opportunities to trial new delivery models, including through the use of 5G (currently being piloted in Surrey).



3SC TRANSFORMATION DIVIDEND

Successful transformation requires confident partnerships that are willing to take tough investment decisions in the expectation of longer term shared benefits and financial returns. For example, a move to early intervention or prevention may require new ways of working or additional investment from one partner, but the benefits and any financial savings may accrue to another. This is particularly true where local transformation results in savings to Government Departments and Agencies (ie as a result of lower welfare costs through supporting people with complex needs into work and helping young people get the skills that local employers need; and finding alternative criminal justice interventions, reducing court, prison and offender management costs and reducing rates of reoffending).

A 3SC Transformation Dividend - an agreement with Government that local transformation resulting in savings to Government Departments and Agencies will also be shared with the 3SC would give confidence and greater certainty for the 3SC to invest in transformation. The additional funding resulting from the 3SC Transformation Dividend would be available to the 3SC Transformation Fund to fund future transformation work.

3SC TRANSFORMATION DEAL

A 3SC Transformation Fund would support identifying and exploring potential for further public service transformation work across the 3SC. Successful transformation will, however, require true collaboration between local and national partners. Just as local partners are committed to working as 'one team' to explore new approaches to delivering better resident outcomes and greater value, so too must Government Departments and Agencies. The cohesiveness and stronger governance that would underpin the 3SC would help achieve this too.

In developing our proposals for further 3SC public service transformation, we would like Government to commit to a 3SC Transformation Deal – a cross Government agreement with the 3SC on how Departments and Agencies will work with us on removing specific barriers to transformation and opportunities to test new and innovative approaches for faster delivery of integrated services. This might include:

- co-location and closer integration of Government teams with local partners;
- decentralising central government decisions to local/regional government teams giving them greater flexibility to make decisions as part of local partnerships;
- better use of central government assets locally to support joint working, transformation or broader economic growth or regeneration plans;
- different approaches to commissioning nationally funded services, to better join up and support local transformation;
- more local flexibility around local structures and governance arrangements, rather than centrally prescribed arrangements that no longer reflect how local services are provided;
- more local flexibility around local budgets to support closer partnership working and shared local priorities, particularly in support of early help and preventative work;
- more local flexibility around public sector workforce policies and strategies to support integration of services;
- new approaches to regulatory and reporting requirements that recognise how local services are now provided through integration and partnership;
- identifying legislation or regulations that are blockers to transformation and developing solutions to overcome them, including information sharing;
- opportunities for digital technology to transform the services provided and how they are delivered and accessed; and
- planning future investment with Government and national agencies such as Highways England, Network Rail, the HCA and the Environment Agency.

04 GOVERNANCE

The 3SC comprises three County and District and Borough Councils. There are 12 CCGs, three LEPs, two police forces and two PCCs, one Combined Fire Authority and the South Downs National Park. All lend their support to the aims and principles of this devolution proposal. We have seen the devolution proposals for Hampshire and Greater Brighton and the 3SC proposal complements and will be developed in close liaison with those to ensure alignment.

GOVERNANCE APPROACH FOR THE 3SC

We are committed to a review of governance and the assessment of options to provide clear democratic accountability and assurance for the delivery of the additional functions and responsibilities that comprise the devolution proposal. The review will examine mechanisms based on the continuation of two tier local government (there being no appetite for unitary status) and equal participation for each council. It will also cover the arrangements needed to facilitate working relations and align aims with Brighton & Hove City Council and Hampshire as they develop their governance models. Formal protocols to support those relations are being settled. Meetings have been held between the two devolution bids to develop a formal concordant with Brighton & Hove which would see the two devolution bids working together on issues like infrastructure. The review will also cover the links with LEPs, CCGs, police and PCCs, Employment and Skills Boards, partnerships with businesses and local neighbourhood committees and Parish and Town Councils, with initial support and engagement already secured.

INVOLVEMENT IN DEVELOPING A NEW STRUCTURE

This first account of the devolution proposal has been endorsed by the Councils and has the support of the other key stakeholders who are all committed to working on the more detailed next phase. We propose to consult our elected Members, residents and stakeholders on an overarching framework for governance which focuses on the principles of accountability and effective decision making through a range of alternative approaches. The consultation will move to a constructive engagement with the key stakeholders - the LEPs, CCGs and neighbouring authorities all of whom have made clear their commitment to that task.

Proposed arrangements will be set out through full constitutional modelling to adequately describe establishment and mandate, decision-making and accountability, overview and scrutiny, appointments, delegations and rules for managing business as well as the options for administrative support.

INITIAL APPROACH TO PRINCIPLES OF GOVERNANCE

The promoting authorities are aware of the complexities of connecting the governance of the authorities while retaining effective local accountability and scrutiny. The preference for as simple a model as can be achieved will need to be balanced against the requirement for systems of assurance and transparency.

All participant authorities will be fully engaged in the development of a governance model designed around equality of influence and respect for community connections.

The established and sound relationships between the 3SC participants and their respective partners and stakeholders as well as with the emerging neighbouring devolution proposals will be reviewed only so as to enhance the benefits of those relationships in light of the 3SC devolution proposition.

Executive responsibilities will be aligned to the key strands of the 3SC areas of joint responsibility and based on collective responsibility.

Overview and scrutiny arrangements will reflect both the need for simplicity and ease of governance while ensuring full accountability across the authorities. Any impact upon County Council Health Overview and Scrutiny Committees will be considered and agreed with CCGs and Health Trusts to avoid confusion or duplication.



DEVOLUTION PROSPECTUS
THREE SOUTHERN COUNTIES

SEPTEMBER 2015

www.westsussex.gov.uk

WS31256 09.15

This **MEMORANDUM OF UNDERSTANDING** is made this day of September 2015

between **BRIGHTON & HOVE CITY COUNCIL** ("BHCC") of King's House Hove BN3 2LS acting in its capacity as the Lead Authority for the **GREATER BRIGHTON ECONOMIC BOARD** ("GBEB") and **WEST SUSSEX COUNTY COUNCIL** of County Hall West Street Chichester PO19 1RQ, **EAST SUSSEX COUNTY COUNCIL** of County Hall St Anne's Crescent Lewes BN7 1VE and **SURREY COUNTY COUNCIL** of County Hall Penrhyn Road Kingston Upon Thames Surrey KT1 2DW (together "3SC").

1. BHCC is the Lead Authority for the GBEB, a combined board which comprises the Greater Brighton Economic Joint Committee ("GBEJC") and the Greater Brighton Business Partnership ("GBBP").
2. The members of GBEJC sitting as a joint committee in accordance with section 102(1)(b) of the Local Government Act 1972 are BHCC, Adur District Council, Worthing Borough Council, Lewes District Council and Mid Sussex District Council and the members of GBEB are University of Sussex, University of Brighton, City College Brighton & Hove (as the further education representative representing further education across the Greater Brighton area), Coast to Capital Local Enterprise Partnership ("C2CLEP"), Brighton & Hove Economic Partnership, Adur & Worthing Business Partnership, Coastal West Sussex Partnership and South Downs National Park Authority.
3. 3SC is a group of 26 local authorities comprising the three County Councils of East and West Sussex and Surrey and their respective District and Borough Councils. GBEB and 3SC are each working up a bid and devolution prospectus ("Devolution Bids") in response to the Government's call for devolution proposals, with the aim of meeting the requested date for initial submission of 4th September 2015.
4. GBEB and 3SC acknowledge that key areas for the GBEB Devolution Bid and the 3SC Bid raise issues of common interest and will benefit from close cooperation both in terms of their development and realization, the discussions with the Government and in working on the relationships with respective partners and stakeholders. There will also be specific elements of each proposition which will give rise to issues of shared concern and mutual benefit and in respect of which close work at operational and political levels will be important.
5. GBEB and 3SC are also committed to ensuring that they maintain effective cooperation on the planning, consultation and public and partner engagement in relation to their respective Devolution Bids and will seek to work together on communication plans.
6. GBEB and 3SC acknowledge that they shall work together and closely align areas of economic development and devolution interest within their Devolution Bids and seek to make them complementary, with a view to (a) strengthening the overall devolution proposals within the two Devolution Bids, (b) supporting the delivery of C2CLEP's Strategic Economic Plan and equivalent Plans for Local Economic Partnerships related to 3SC (c) continuing constructive ongoing dialogue in respect thereof in the period following submission of the Devolution Bids.


7. GBEB and 3SC shall continue to co-operate with each other in respect of the Devolution Bids and issues subsequently arising and shall collaborate together to (a) ensure effective delivery of proposals in the Devolution Bids relating to or impacting on the Greater Brighton area relating to transport, infrastructure and skills, (b) ensure that appropriate governance arrangements are developed which enable the effective delivery of the respective proposals with the Devolution Bids and (c) support the continued delivery of C2CLEP's Strategic Economic Plan.
8. GBEB and 3SC will work closely together in relation to the reviews of Governance arrangements for their respective Devolution Bids, will ensure full and timely consultation over such reviews and will endeavor to ensure that the eventual Governance models further complement the delivery of the ambitions that underpin them
9. For the avoidance of doubt if it is considered appropriate to do so this Memorandum may be appended to each Devolution Bid.

Signed on behalf of BRIGHTON & HOVE CITY
 COUNCIL as Lead authority for the GREATER
 BRIGHTON ECONOMIC BOARD

Authorised Officer

Signed by the Leader of BRIGHTON & HOVE CITY COUNCIL

Signed by the Leader of ADUR DISTRICT COUNCIL 

Signed by the Leader of WORTHING BOROUGH COUNCIL 

Signed by the Leader of LEWES DISTRICT COUNCIL 

Signed by the Leader of MID SUSSEX DISTRICT COUNCIL 

Agenda Item No: 9.8 **Report No:** 155/15
Report Title: Ward Issues Raised by Councillors at Council
Report To: Cabinet **Date:** 23 November 2015
Cabinet Members: Councillors Merry and Smith
Ward(s) Affected: Chailey and Wivelsfield; Plumpton, Streat, East Chiltington and St John Without; Peacehaven East; and Newhaven Valley
Report By: Catherine Knight, Assistant Director of Corporate Services
Contact Officer(s)-
Name(s): Trevor Hayward
Post Title(s): Committee Officer
E-mail(s): 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 issues were raised at the Council meeting on 14 October 2015:

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
Councillor Davy – Chailey and Wivelsfield Ward	Councillor Davy reported that the Bluebell Railway’s application to the Heritage Lottery Fund in support of its Accessible Steam Heritage Project, had passed the first round for agreed support in the sum of £30,000. The Project would revitalise the way that the Railway displayed its locomotives by way of substantial repairs to the Running Shed which would be converted into an exhibition hall.	

<u>Councillor/Ward</u>	<u>Ward Issue Concerning</u>	
	<p>Councillor Davy thanked the Chair and the Council for their support of the Railway.</p> <p><u>Suggested action to be taken by the Council:</u> That the Council be requested to continue its support of the Bluebell Railway.</p>	DBSD
<p><u>Comment by Chief Officer (Director of Business Strategy and Development):</u> Lewes District Council welcomes the funding from the Heritage Lottery Fund. We continue to be supportive of the work of the Bluebell Railway, and are happy to publicise or promote its work.</p>		

<p>Councillor Osborne – Plumpton, Streat, East Chiltington and St John Without Ward</p>	<p>East Chiltington Parish Council had repeatedly written to the Council with Freedom of Information requests in respect of the Council's strategy regarding the '49 Sites' (ie the New Homes Project), with particular regard to the potential building of homes on land at Hollycroft. No replies had yet been received and they were currently outside the timescale for such responses.</p> <p><u>Suggested action to be taken by the Council:</u> That the Officers be requested to reply immediately to East Chiltington Parish Council's Freedom of Information requests.</p>	ADCS
<p><u>Comment by Chief Officer (Assistant Director of Corporate Services):</u> East Chiltington's request for information was set out under five different headings.</p> <p>The Council's response in respect of the matters under heading (v) was provided in early August. Responses to the remaining matters under headings (i) to (iv) was provided on 28 October.</p>		

<p>Councillor Enever – Peacehaven East Ward</p>	<p>The Steyning Avenue car park in Peacehaven was included for development in the Council's New Homes Project. The parking assessment that had been prepared for the Council had indicated that, in the event of the car park being closed, there would be insufficient on-street spaces available. The car park also offered an informal park-and-ride facility which supported wider sustainable travel initiatives. The proposed development of the site, and that of the Piddinghoe Avenue car park in Peacehaven, would also involve the loss of recycling facilities.</p>	
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	<p>Councillor Enever felt that the closure of the car park facility would result in the loss of local businesses and employment.</p> <p>The Council had indicated that, in the event that the car park was to close, it would look to provide alternative car parking facilities. East Sussex County Council was also looking to improve bus and cycling travel along the A259 road which might also result in the loss of further parking places.</p> <p><u>Suggested action to be taken by the Council:</u> In light of the impact on the local economy and the environment, that the proposal to develop Steyning Avenue car park be reconsidered at a future meeting of the Cabinet.</p>	DSD
<p><u>Comment by Chief Officer (Director of Service Delivery):</u> The Council has received the finalised report conducted by independent experts into the impact of removing car parks at Steyning Avenue, Piddinghoe Avenue and Roderick Avenue South. The report is available on our website and identifies a significant minority of users at the Steyning Avenue car park are using the site as an informal park-and-ride. The report also indicates that surrounding on-street and off-street parking would be sufficient to mitigate the loss of all previously identified car parks except Steyning Avenue. The Council believes that the existing recycling site can be either relocated, and due to proposed changes in the waste and recycling service, some of bins decommissioned without impact to residents.</p> <p>Officers have met with Peacehaven Chamber of Commerce and a business owner adjacent to the Steyning Avenue Car Park to discuss what mitigating work could be undertaken to ensure the impact on surrounding businesses is minimal. The Council is committed to working with local businesses to find a solution, and are meeting with the Chamber, alongside representatives from East Sussex Highways, to explore available and preferable options. One of the options available to the Council would be to designate and signpost the Fairlight Avenue car park (which is no longer a viable site for development due to ground conditions) as a park-and-ride therefore reducing long-stay users in the car parks closer to the commercial businesses.</p>		
Councillor Saunders – Newhaven Valley Ward	<p>In some previous years, Councillors Saunders and Robertson had successfully requested the provision of free parking concessions in Newhaven on the approach to Christmas.</p> <p><u>Suggested action to be taken by the Council:</u> That consideration be given to again supporting such concession and that parking charges be waived in the town of Newhaven for the two weeks prior to Christmas 2015 in order to support the businesses therein.</p>	DBSD

<p><u>Comment by Chief Officer (Director of Business Strategy and Development):</u> The last time that two weeks' free parking was granted in Newhaven was in December 2012. At the time, the Facilities team took a number of calls from traders in both Newhaven and Seaford who were concerned that the car parks were being used as commuter parking because they were free (and therefore unenforceable). As a result, parking spaces were not turning over as quickly, and it was suggested anecdotally that it actually had a negative impact on trade. The exercise has not been repeated in subsequent years, although there have been occasions where free parking has been agreed for 24 hours at a time.</p> <p>Councillor Giles has recently taken a Lead Member decision to allow up to three free parking days per year in the off-street car parks of the towns affected. The cost of this is to be met by the District Council and used on days nominated by the Town Councils. The Town Councils will be in a position to determine how best to use the free parking days to support events and traders within Seaford, Newhaven and Lewes.</p>	
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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