



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 Southover House, Southover Road, Lewes** on **Monday, 26 June 2017** 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.

16/06/2017

Catherine Knight
Assistant Director of Legal and Democratic Services

Agenda

- 1 Minutes**
To approve the Minutes of the meeting held on 20 March 2017 (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 11 (if any).

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 12 (if any).

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 – Performance Report - 2016-2017 - Report and Appendix 1

Cabinet Member: Councillor Giles

To consider the Report of the Deputy Chief Executive (Report No 89/17 herewith – page 5).

- Non-Key Decision

9.2 Portfolio Progress and Performance Report 2016-17 - Quarter 4 (January – March 2017)

Cabinet Member: Councillor Merry

To consider the Report of the Director of Regeneration and Planning (Report No 90/17 herewith – page 41).

- Key Decisions

9.3 Review of the Council Plan 2016-2020 - Report

Cabinet Member: Councillor Smith

To consider the Report of the Director of Regeneration and Planning (Report No 91/17 herewith – page 64).

9.4 Joint Venture on Energy & Sustainability - Report and Appendix A

Cabinet Member: Councillor Linington

To consider the Report of the Director of Regeneration & Planning (Report No 92/17 herewith – page 76).

9.5 Corporate Asset Management Plan 2017-2020 - Report

Cabinet Member: Councillor Giles

To consider the Report of the Director of Regeneration and Planning (Report No 93/17 herewith – page 98).

9.6 Turkish Baths, Lewes

Cabinet Member: Councillor Giles

To consider the Report of the Director of Regeneration and Planning (Report No 94/17 herewith – page 149).

9.7 North Street Quarter – Consideration of Delivery Options - Report

Cabinet Member: Councillor Smith

To consider the Report of the Director of Regeneration and Planning (Report No 95/17 – page 163).

(NB The Appendix to the above Report contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) (ie information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It can be found starting on (pink) page 249).

9.8 Springman House Site, North Street - Design and Redevelopment to Accommodate new Community Fire Station

Cabinet Member: Councillor Smith

To consider the Report of the Director of Regeneration and Planning (Report No 96/17 herewith – page 170).

9.9 Housing Revenue Account - Housing Development Update - Report

Cabinet Member: Councillor Maskell

To consider the Report of the Director of Service Delivery (Report No 97/17 herewith – page 178).

9.10 Cliff Tops at Peacehaven (The Promenade) - Report

Cabinet Member: Councillor Giles

To consider the Report of the Director of Regeneration and Planning (Report No 98/17 herewith – page 191).

9.11 Public Space Protection Orders (PSPO) for (1) Public Consumption of Alcohol and (2) Dog Fouling - Report

Cabinet Member: Councillor Nicholson

To consider the Report of the Director of Service Delivery (Report No 99/17 herewith – page 199).

9.12 Stronger Together Joint Transformation Programme Update

Cabinet Member: Councillor Merry

To consider the Report of the Assistant Director of Business Transformation (Report No 100/17 herewith – page 224).

- Non-Key Decision

9.13 Discretionary Disabled Facilities Grants - Report

Cabinet Member: Councillor Maskell

To consider the Report of the Director of Service Delivery (Report No 101/17 herewith – page 228).

Exclusion of the Public and Press

To consider, under Section 100(A)(4) of the Local Government Act 1972 (as amended), excluding the public and press from the meeting during the discussion of Items 9.14 and 9.15 on this Agenda as there are likely to be disclosures of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act (ie information relating to the financial or business affairs of any particular person (including the authority holding that information)). It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- Key Decisions

9.7 North Street Quarter – Consideration of Delivery Options - Appendix 1

9.14 Waste and Recycling Review Update - Options for a Joint Service with Eastbourne Borough Council - Report

9.15 Waste and Recycling Review Update - Report on Results from Procurement for the Disposal of Recycling Materials

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: P Franklin, B Giles, T Jones, I Linington, R Maskell, E Merry, T Nicholson and A Smith

Agenda Item No: 9.1 **Report No:** 89/17
Report Title: Finance Update – Performance Report - 2016/2017
Report To: Cabinet **Date:** 26 June 2017
Cabinet Member: Councillor Bill Giles
Ward(s) Affected: All
Report By: Alan Osborne, Deputy Chief Executive
Contact Officer(s)-

Name(s): Steve Jump
Post Title(s): Deputy Head of Finance, Finance Shared Service
E-mail(s): steve.jump@lewes.gov.uk
Tel No(s): 01273 085257

Purpose of Report:

To provide an update on the Council's financial performance in 2016/2017 and explain the impact on the Council's current financial position..

Officers Recommendation(s):

That Cabinet:

- 1 Agrees the financial position on the General Fund, Housing Revenue Account and Collection Fund accounts for 2016/2017.
- 2 Confirms the allocation of Reserves at 31 March 2017 shown in paragraph 4.2.9.
- 3 Agrees the Capital Programme outturn for 2016/2017 as shown in Appendix 2.
- 4 Approves the updated 2017/2018 Capital Programme set out in Appendix 3.
- 5 Approves the write-off of irrecoverable debts noted in paragraph 4.5.

Recommends to Council

- 6 That the Annual Treasury Management Report for 2016/2017 (Appendix 4) be approved.
-

Reasons for Recommendations

- 1 A report on financial performance following the end of each quarter is made to Cabinet to ensure that the financial health of the General Fund, Housing Revenue Account, Council Tax and Business Rates Collection Funds and the Capital Programme are 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 At the end of the financial year, Cabinet should review the impact of the financial performance on its current financial position, determine the level of Reserves available for use and variations, if any, which may be required to the revenue budget or capital programme.
- 3 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 (the Code) prepared by CIPFA (the Chartered Institute of Public Finance and Accountancy) and adopted by the Council. The Code requires the Council to receive an Annual Treasury Management Report at the end of each financial year.

Information

4 Closure of 2016/2017 Accounts

4.1 The Council's 2016/2017 Accounts have now been closed. At the time of writing this report, the Deputy Chief Executive is expected to approve the draft Statement of Accounts in the week beginning 26 June 2017, immediately following which they will be released to the Council's external auditor, BDO, and made available to the public for inspection.

4.2 General Fund

4.2.1 The General Fund year end position for 2016/2017 is in line with the forecast made when updating the Medium Term Financial Strategy at the time of preparing the 2017/2018 budget, and with the quarterly performance reports made to Cabinet during the course of the year.

4.2.2 Table 1 shows the final net expenditure/income for 2016/2017 analysed by management area, the format used in the Quarterly financial performance reports to Cabinet during the year.

Table 1 - General Fund Services Net expenditure

(a)	(b) 2016/17 budget £'000	(c) 2016/17 actual £'000	(d) = (c)-(b) variance £'000
Management area			
Director of Regeneration and Planning	44	(483)	(527)
Director of Service Delivery	9,151	8,873	(278)
Director of Tourism	759	781	22
Deputy Chief Executive	4,489	4,889	400
Corporate costs and income	662	1,167	505
Netting off of Central Support Services recharges included above	(3,288)	(3,581)	(293)
Net cost of Service provision	11,817	11,646	(171)

4.2.3 Table 1 indicates that net spending on services was £171,000 less than budgeted. Details of each service are given at Appendix 1. Table 2 below summarises the variations which led to the overall net saving. The key variations are consistent with those reported to Cabinet in the Quarterly Finance reports through the year. Those reports noted that trends in housing benefit awarded and the associated Government subsidy receivable can have a net impact on the General Fund: in 2016/2017, the net budget variation, £0.277m, was less than 1% of the total value of benefits awarded, £36.048m.

Table 2 - General Fund summary of variations

	£'000	£'000
One-off costs associated with voluntary severance	383	
Reduced cost of salaries	(156)	
Net increase in employee costs		227
Additional expenditure:		
- Joint Transformation Programme (net of HRA share)	317	
- Housing Benefits	277	
- Operating costs	399	
- Regeneration portfolio	137	
- Energy Joint Venture	48	
- Business Engagement	22	
		1,200
Reduced Service income:		192
Reduced Service expenditure and efficiency savings		(677)
Increased Service income		
- Government Grants	(253)	
- Waste and Recycling	(147)	
- Investment Properties	(157)	
- Other Services	(556)	
		(1,113)
Total		(171)

4.2.4 In addition to spending on services, contributions to Reserves were made in 2016/2017 as shown in Table 3. Further details are given in Table 5.

Table 3 – Contributions to Reserves

(a)	(b) 2016/2017 Budget £'000	(c) 2016/2017 Actual £'000	(d) =(c) – (b) Variance £'000
Net cost of Service provision	11,817	11,646	(171)
Net Transfers to Reserves	780	1,180	400
Total cost to be financed	12,597	12,826	229

4.2.5 The £400,000 increase in the net amount transferred to Reserves shown in Table 3, comprises £618,000 additional transfers into Reserves (primarily the result of activities where balances are retained to smooth out costs between years and the transfer of Government grants received in 2016/17 ahead of future years' spending) offset by £218,000 increased use (primarily due to the phasing of the JTP programme).

4.2.6 Table 4 shows the sources of General Fund financing in 2016/2017.

Table 4 - General Fund financing

(a)	(b) 2016/2017 Budget £'000	(c) 2016/2017 Actual £'000	(d) =(c) – (b) Variance £'000
Retained Business Rates	(2,430)	(2,638)	(208)
Non-specific Government Grants	(3,171)	(3,188)	(17)
Council Tax	(6,996)	(6,996)	0
Sub-total	(12,597)	(12,822)	(225)
Use of Uncommitted Reserve	0	(4)	(4)
Total Financing	(12,597)	(12,826)	(229)

4.2.7 Income from retained business rates, including Government grants received as compensation for the impact of Government measures which reduced the rates that businesses pay (eg small business rates relief) was £208,000 more than budgeted. This benefit to the General Fund is largely transitional, however, with the deficit on the Business Rates Collection Fund at the end of year being higher than anticipated (see paragraph 4.4.2 below). In order to smooth business rates movements between years, a contribution of £123,000 has been made into the Strategic Change Reserve.

4.2.8 As noted in paragraph 4.2.4 above, an additional £229,000 compared with the budget was to be financed in 2016/2017. This has been funded from increased external finance, £225,000, and a minor use of the General Fund uncommitted reserve, £4,000.

4.2.9 General Fund Reserves

Table 5 lists the contributions to and use of each General Fund Reserve in 2016/2017, and the balance held at the end of the year. It also identifies the anticipated movement on each Reserve in 2017/2018, reflecting the approved General Fund budget and the capital programme.

Table 5 - Reserves 2016/2017 and 2017/2018 projection

Ref	Reserve	Balance at 1 April 2016	Contribution/ transfer 2016/2017	Use 2016/2017	Balance at 31 March 2017	Contribution/ transfer 2017/2018	Use 2017/2018	Projected Balance at 31 March 2018
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
	General Fund							
1	Strategic Change	(3,657)	(2,642)	2,631	(3,668)	(1,473)	3,489	(1,652)
2	Asset Maintenance	(2,653)	(418)	480	(2,591)	(283)	887	(1,987)
3	Vehicle and Equipment							
3	Replacements	(2,440)	(320)	169	(2,591)	(320)	1,388	(1,523)
4	Economic Regeneration	(351)	0	77	(274)	0	66	(208)
5	Revenue Grants and							
5	Contributions pending use	(253)	(244)	96	(401)	0	267	(134)
6	Unallocated Reserve	(3,105)	813	4	(2,288)	226	0	(2,062)
7	General Fund Sub-total	(12,459)	(2,811)	3,457	(11,813)	(1,850)	6,097	(7,566)
	HRA							
8	Major Repairs Reserve	(2,158)	(5,160)	2,384	(4,934)	(5,173)	8,432	(1,675)
9	HRA Balance	(2,726)	(542)	396	(2,872)	0	0	(2,872)
10	Total	(17,343)	(8,513)	6,237	(19,619)	(7,023)	14,529	(12,113)

4.3 Housing Revenue Account

4.3.1 As shown in Table 6 the HRA outturn for 2016/2017 (after financing specific one-off costs from the Special Projects element of the working balance as planned) was a net surplus of £542,000 compared with a surplus of £519,000 projected when setting the budget for the year, a net positive variation of £23,000.

Table 6 - Housing Revenue Account Summary 2016/2017

(a) Service area	(b) 2016/17 budget £'000	(c) 2016/17 actual £'000	(d) = (c)-(b) variance £'000
Income:			
Rents	(15,290)	(15,212)	78
Service charges	(1,156)	(1,211)	(55)
Contributions towards expenditure	(220)	(183)	37
	<u>(16,666)</u>	<u>(16,606)</u>	<u>60</u>
Expenditure:			
Repairs and maintenance	4,666	4,873	207
Supervision and Management	1,657	1,596	(61)
Special Services eg sheltered	1,468	1,233	(235)
Rents, rates, etc	202	171	(31)
Provision for debt repayment	787	807	20
HRA share of corporate costs	547	777	230
Net interest and debt management	1,866	1,843	(23)
	<u>11,193</u>	<u>11,300</u>	<u>107</u>
Net cost of Service provision	(5,473)	(5,306)	167
One-off costs above funded from	0	(396)	(396)
Balance			
Transfer to Major Repairs Reserve	4,954	5,160	206
Surplus for year	<u>(519)</u>	<u>(542)</u>	<u>(23)</u>

4.3.2 Table 7 summarises the main variations compared with that projection.

Table 7 - HRA variations

	£'000	£'000
Reduced income – rents and service charges		36
Increased income		(37)
Increased expenditure		
- employees including severance costs	186	
- external advice	77	
- Joint Transformation Programme	<u>254</u>	
		517
Reduced expenditure		
- Repairs	(35)	
- utility costs	(26)	
- insurance excesses	(24)	
- corporate recharges	(79)	
- cleaning	(31)	
- uncollectable debt	<u>(54)</u>	
		(249)
Use of Special Projects element of Working Balance		(396)
Increase in contribution to Major Repairs Reserve		206
Miscellaneous net variations		<u>(100)</u>
Total variation		(23)

- 4.3.1** An appropriate share (£305,000 in total) of JTP costs, including severance payments, has been allocated to the HRA. The HRA holds funding for these one-off costs within the Special Projects element of the HRA balance, which has been applied.
- 4.3.2** Active management of planned and responsive repairs (which are accounted for as revenue expenditure) alongside major repairs, replacements and improvements (which fall within the HRA capital programme) has been in place. Variations in the HRA capital programme are explained elsewhere in this report. A stock condition survey was completed in the year, with the cost (£91,000) financed from the Special Projects element of the HRA balance.
- 4.3.3** The contribution to the Major Repairs Reserve is calculated in accordance with accounting guidance and is based on the depreciation of the various components of the housing stock (windows, bathrooms, heating systems, etc) over time. The total contribution made is higher than the original budget to reflect the current cost of replacing these components. This increase is consistent with the projection made at the time of setting the 2017/2018 HRA budget. The Major Repairs Reserve is used to fund capital expenditure.
- 4.3.4** The net surplus generated in 2016/2017, £542,000, is added to the Housing Revenue Account balance, which is £2,872,000 at 31 March 2017. Table 8 identifies the components of the balance. The Special Projects element of the balance will continue to provide funding in 2017/2018 for costs of the Council's Joint Transformation Programme which can be attributed to the HRA.

Table 8 - HRA Balance

		£'000
1	General Working Balance	(1,585)
2	Special Projects	(1,012)
3	Self Insurance	(275)
4	Total	<u>(2,872)</u>

4.4 Collection Fund

- 4.4.1** The actual balance on the Council Tax Collection Fund at 31 March 2017 was a surplus of £1.792m, compared with a surplus of £1.700m which had been estimated at the time of setting the Council Tax for 2017/2018. This positive variation, at 0.1% of income, reflects growth in the taxbase, changes in entitlement to discounts and a decrease in the value of Council Tax Reduction Scheme awards compared with the projection. The variation is well within the acceptable level of tolerance given that the total annual amount of Council Tax due was £64.7m. The earliest that this additional surplus can be distributed is during 2018/2019. The distribution would be between Lewes District Council, East Sussex County Council, East Sussex Fire Authority and the Sussex Police and Crime Commissioner, based on 2017/2018 Council Tax amounts. Approximately 15% of the surplus will be returned to this Council.
- 4.4.2** The actual balance on the Business Rates Collection Fund at 31 March 2017 was a deficit of £1.598m (of which this Council's share will be £0.639m)

compared with a deficit of £1.386m which had been estimated at the time of setting the 2017/2018 budget. This increased deficit is largely the result of backdated transitional relief and an increased provision for non-collectable debt. Appeals against business rate valuations, which are beyond the Council's control remain a key risk. At 31 March 2017, 180 appeals against the LDC rating list were yet to be settled. The provision for business rates appeals was reduced by £0.100m to £1.8m at 31 March 2017.

4.5 Debts written off

4.5.1 Financial Procedure Rules authorise the Deputy Chief Executive to write-off a debt which is below £10,000 or where the amount involved is claimable in bankruptcy or liquidation proceedings. Cabinet or Council approval is required to write off a single debt in excess of £10,000 or £50,000 respectively. It is important to ensure that only those debts for which a realistic prospect of recovery exists remain active, and the Council's external auditor can be expected to review this as part of the statutory audit of accounts. There is nothing to prevent the Council from reinstating a debt, following its write-off, if new information comes to light about the debtor's circumstances.

4.5.2 In 2016/2017, the following amounts have been written off in total when action to recover individual debts has proved to be unsuccessful or uneconomic to pursue. No individual case was in excess of £10,000.

	Total value £
Sundry debtors	34,725
Housing Benefit overpayments	117,890
Housing Rents	39,530
Council Tax	56,305
Business Rates	67,150
Total	315,600

4.5.3 Cabinet is recommended to approve the following two write-offs where continuing recovery action is no longer considered to be appropriate.

- i Housing Benefit overpayment, period 2003 to 2015, £38,294. The claimant gave full and correct information to the Council at the start of his claim, which was erroneously treated as a passported claim although the claimant was not in receipt of Income Support or Pension Guarantee Credit. The claimant would not have been aware of the overpayment at the time and is now in his 80's and no longer capable of dealing with his own financial affairs due to illness.
- ii Temporary accommodation (bed and breakfast) charge, period May 2014 to October 2015, £18,370. A couple with a large family presented homeless at end of April 2014. The Council accepted a duty to house them on an interim basis in self-contained B&B accommodation. The family challenged the Council's subsequent decision that it was 'intentionally homeless' and remained in B&B accommodation while the case was reviewed. The Council accepted a duty to house the family in

March 2015 but finding adequate permanent accommodation was problematic and the family was only able to leave the B&B in October 2015. As a result of the cap on total benefits paid to non-working claimants, there was a significant shortfall between the B&B charge and the family's benefit entitlement, allowing this debt to accrue. There is no realistic prospect of recovery.

4.6 Capital Programme 2016/2017 and 2017/2018

4.6.1 The Capital Programme is an allocation of resources (principally capital receipts from the sale of assets, grants or contributions received with specific conditions attached, and reserves) to projects relating to the major repair, enhancement or purchase of long-term assets. In many cases these projects will span financial years.

4.6.2 Table 9 summarises the final position of the 2016/2017 Capital Programme. Appendix 2 gives a detailed analysis.

Table 9 - Capital Programme 2016/2017 Summary

	£'000
Original allocation for year	12,204
Variations agreed in year including allocations c/fwd from 2015/16	13,342
Revised allocation for the 2016/2017 year and beyond	25,546
Further variations (explained in paragraph 4.6.3)	(1)
Final allocation	25,545
Less: Actual spend in 2016/17	(19,239)
Remaining allocations to be used in 2017/18 and beyond	<u>6,306</u>

4.6.3 In some cases, further variations to the allocations previously agreed during 2016/2017 are necessary. Details of the most significant changes noted on Appendix 2 are shown in Table 10:

Table 10 - 2016/2017 Capital Programme variations

HRA Capital Programme	
Line 2	<p>New Homes – the construction of new homes on former garage sites is close to completion. The project is part-financed from Right to Buy receipts (including retained receipts under the Governments 1-4-1 scheme) with 60% funding from borrowing. The project has spanned three financial years and an adjustment of £325,000 to the 2016/17 capital programme allocation is necessary to realign the project costs between years.</p> <p>A provision of £185,000 had been made to enable the re-purchase of homes sold under Right to Buy. No suitable opportunity arose in 2016/17.</p>
Line 3	<p>Improvements to stock - there are a number of amendments to the individual elements of the programme (kitchen and bathroom replacements, roofing works, etc) which has been managed as a whole and in conjunction with the revenue budget for planned and responsive repairs. The net variation represented an</p>

	increase of just over 1% against the £5m total value of the programme. This will be funded by an additional call on the Major Repairs Reserve.
Line 12	Common Room conversions – 7 sheltered housing common rooms/offices have been converted into housing units. A £27,000 addition to the allocation is needed to enable the completion of the conversion of the hub office at Meridian Court into 2 housing units.
General Fund Housing Investment	
Line 10	Disabled Facilities Grant – an adjustment to the programme is necessary to ensure that the allocation carried forward into 2017/18 is fully financed from external funding made available by the Government via East Sussex County Council
General Fund Capital Programme	
Line 13	Commercial Property Acquisition and Development – when acquiring the lease of Newhaven Square a budget of £305,000 was allowed for improvement works and fees. An increase of £57,000 in this initial budget has been required to fund the actual cost of refurbishment.
Line 19	New Depot: as reported to Cabinet in November 2016, the intended site of a new depot at Avis Way, Newhaven proved to be unsuitable as a result of particularly poor ground conditions and the capital programme allocation was deleted. A final adjustment of £32,000 is needed in respect of fees that had been incurred but not paid at that time.
Line 21	Coastal Defence: New Forest District Council is the lead authority for a programme of coastal monitoring in South East England. Costs, which are funded by DEFRA, are apportioned between local authorities in the region pro-rata to the length of coastline. This Council's allocated share for 2016/17 was £50,000.
Lines 23, 24, 26	Provisional allocations are made in the capital programme in respect of major repairs and improvements to Council-owned property, to be drawn down as individual schemes are brought forward. Unused allocations are not rolled forward to supplement the following year's capital programme, but funding is retained in the Asset Maintenance Reserve should it be required.

4.6.4 The Capital Programme for 2017/2018 (Appendix 3) has been updated to include the amounts brought forward from 2016/2017. Proposed variations to the 2017/18 programme comprise:

- New Homes (line 2): a £99,000 reduction in the allocation is required to reflect the final contractual commitments for the construction of new homes on former garage sites
- Disabled Facilities Grants (line 10): East Sussex County Council have now confirmed the funding that will be available for DFG's and the allocation is increased by £82,000 accordingly

- Commercial Property (line 13): the reduction of £48,000 reflects the expected cost of works at the Turkish Baths, Lewes
- IT Equipment Replacement (line 19): since the formation of the shared ICT service in late 2016, a review of the Council's ICT infrastructure has taken place. Elements of the infrastructure which received investment during the agile working programme, such as the network, meet modern standards and are fit for purpose for some years forward. However, it has become clear that a number of business critical systems are end of life and need to be replaced to ensure ongoing service delivery. This includes the entire data storage infrastructure and key security systems. There are other systems, such as the VMware server farm, which are in need of some additional capacity to support immediate business requirements. These are requirements separate to the Joint Transformation Programme and would have needed to be addressed irrespective of that programme, and thus should be funded separately. For this reason, the ICT capital allocation has been increased from £50,000 to £300,000 for 2017/2018, with additional financing being drawn from the Strategic Change Reserve. At this time, an annual allocation of £150,000 is considered appropriate from 2018/2019 onwards.
- Parks, Recreation and Play Areas (line 24): this technical adjustment, £147,000, ensures that the 2017/18 allocation to the Big Parks Project matches the balance of funding available from developers' (s106) contributions
- Property Assets Major Works (line 25): additional funding of £58,000 is made available from the Asset Maintenance Reserve to ensure that a number of priority projects can take place in 2017/18. These include external works at Lewes House and The Maltings; relocating the power supply to Lewes Bowls Club (facilitating essential tree works to take place on The Mount, a scheduled ancient monument); and high priority internal work at Stanley Turner pavilion.

5 Financial Performance - Treasury Management

- 5.1** The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services Code and complies with its requirements, one of which is that the Council should receive an Annual Treasury Management Report following the end of each financial year. This Report also includes the results of the various indicators which the Council sets each year in accordance with the Prudential Code for Capital Finance in Local Authorities.
- 5.2** The Annual Report for 2016/2017 is attached at Appendix 4. The Audit and Standards Committee considered the report at its meeting on 19 June 2016, following the drafting of this report. Any comments made by the Audit and Standards Committee will be reported verbally to this meeting of Cabinet. Cabinet is asked to recommend that Council approves the Annual Report.

5.3 Temporary borrowing of £4m was taken on 28 March, repayable on 11 April 2017. This covered the cashflow requirement arising from the acquisition of Springman House, Lewes and Railway Quay, Newhaven. Grant funding for each of these acquisitions was received in May 2018.

6 Financial Appraisal - referred to under individual items above.

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

8 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 expenditure 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 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 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>

Lewes District Council Draft Statement of Accounts 2016/2017 (subject to audit)
<http://www.lewes.gov.uk/council/4055.asp>

Appendices: (all to be completed)

Appendix 1 – General Fund expenditure and income 2016/2017: service analysis

Appendix 2 – Capital Programme 2016/2017

Appendix 3 – Updated Capital Programme 2017/2018

Appendix 4 – Annual Treasury Management Report 2016/2017

General Fund expenditure and income 2016/2017: service analysis

	Budget £'000	Actual £'000	Variance £'000
Director of Regeneration and Planning			
Assets and Property			
: Investment Properties	(197)	(270)	(73)
: Industrial Estates	(669)	(728)	(59)
: Public Conveniences	221	228	7
: Car Parking	(350)	(452)	(102)
: Office Accommodation	466	394	(72)
: Solar Panel installations	(147)	(210)	(63)
: Depots	111	134	23
Sub-total	(565)	(904)	(339)
Planning			
: Development Control	(822)	(843)	(21)
: Planning Policy	0	(1)	(1)
: Planning Policy - Conservation	25	(18)	(43)
Sub-total	(797)	(862)	(65)
Regeneration			
: Economic Development	464	275	(189)
: Newhaven Enterprise Centre	(140)	(144)	(4)
: Property Portfolio/Regeneration	0	137	137
: Street Naming	8	8	0
Sub-total	332	276	(56)
Salaries and Administration			
: Property	385	476	91
: Strategic Policy	444	318	(126)
: Salaries, management, admin costs	245	213	(32)
Sub-total	1,074	1,007	(67)
Director total	44	(483)	(527)
Director of Service Delivery			
Community			
: Building Control	(342)	(297)	45
: Regulatory Services - Travellers sites	17	17	0
: Community Safety	9	24	15
: Voluntary Sector Support	212	212	0
: Town and Parish Council grant	201	201	0
Sub-total	97	157	60
Environmental Health and Licensing			
: Regulatory Services - Licensing	(188)	(218)	(30)
: Regulatory Services - Public Health	36	35	(1)
: Regulatory Services - Food Safety	3	6	3
: Regulatory Services - Environmental Protection	21	16	(5)
: Regulatory Services - Health and Safety	13	18	5

	Budget £'000	Actual £'000	Variance £'000
: Regulatory Services - Port Health	2	1	(1)
: Regulatory Services - Animal and Pest Control	19	20	1
: Coast Protection	8	(23)	(31)
: Flood Defence	143	106	(37)
: Cemeteries	(15)	(16)	(1)
Sub-total	42	(55)	(97)
Housing (General Fund)			
: Homelessness	150	32	(118)
: Housing Strategy, Enabling and Advice	20	(166)	(186)
: Private Sector Housing Renewal	11	(4)	(15)
: Contributions to the HRA re shared items	166	164	(2)
: Housing Benefit Administration	82	19	(63)
: Housing Benefit	(460)	(182)	278
Sub-total	(31)	(137)	(106)
Local Taxation			
: Council Tax Support Scheme Mgt	15	(24)	(39)
: Local Tax Collection - Council Tax	(55)	(120)	(65)
: Local Tax Collection - Business Rates	(134)	(118)	16
Sub-total	(174)	(262)	(88)
Parks and Playing Fields			
: Open Spaces	358	399	41
: Sports and Playing Fields	243	254	11
Sub-total	601	653	52
Waste and Recycling			
: Recycling	965	934	(31)
: Waste Collection	956	816	(140)
: Street Cleansing	651	632	(19)
: Vehicle Workshop	(182)	(50)	132
Sub-total	2,390	2,332	(58)
Salaries and Administration			
: Customer Services - Planning Revenues and Benefits	1,945	1,935	(10)
: Housing and Environmental Health	2,656	2,706	50
: Hub, Mobile Team and Parks	1,295	1,229	(66)
: Waste and Recycling	330	315	(15)
Sub-total	6,226	6,185	(41)
Director total	9,151	8,873	(278)
Director of Tourism			
Tourism			
: Tourism	131	140	9
: Culture and Heritage: Arts Development	7	6	(1)
Sub-total	138	146	8
Wave Leisure			
: Culture and Heritage - Newhaven Fort	110	119	9

	Budget £'000	Actual £'000	Variance £'000
: Indoor Leisure - Wave	511	516	5
Sub-total	621	635	14
Director total	759	781	22
Deputy Chief Executive			
Corporate Services			
: Emergency Planning	23	22	(1)
: Organisational Development	120	729	609
: Treasury Management	58	34	(24)
: Local Land Charges	(90)	(60)	30
Sub-total	111	725	614
Democratic Services			
: Democratic Representation	260	268	8
: Electoral Registration	79	25	(54)
: Elections - LDC	8	3	(5)
: Elections - other	0	0	0
Sub-total	347	296	(51)
Salaries and Administration			
: Business Strategy and Performance	493	451	(42)
: Legal Services	417	308	(109)
: Finance	675	633	(42)
: Audit, Fraud and Procurement	265	248	(17)
: Democratic Services	366	365	(1)
: Information Technology	1,420	1,495	75
: HR service	250	250	0
: Recruitment and Training	145	118	(27)
Sub-total	4,031	3,868	(163)
Director Total	4,489	4,889	400
Corporate costs			
: Corporate Management	159	562	403
: CMT - Salaries, management, admin costs	560	453	(107)
: Interest payments and receipts	(180)	(189)	(9)
: Pensions accounting	80	77	(3)
: Service Priority budget and savings target	(287)	0	287
: Provision for Debt Repayment	330	264	(66)
	662	1,167	505
Netting off of Central Support Services recharges included above	(3,288)	(3,581)	(293)
Net cost of Service provision	11,817	11,646	(171)

Line No	SUMMARY	Initial Allocation 2016/17	Variations previously agreed	Year End Adjustments	Budget C/Fwd to 2017/18	Final Allocation 2016/17
		£	£	£	£	£
1	HRA HOUSING INVESTMENT CAPITAL PROGRAMME					
2	New Homes	185,000	3,956,600	138,010	(675,000)	3,604,610
3	Improvements to Stock	4,840,000	258,770	58,700	(2,820,080)	2,337,390
4	Recreation & Play Areas	62,000	12,590	0	(12,960)	61,630
5	Room in Roof Conversions	165,000	40,000	0	(201,940)	3,060
6	Common Room Conversions	0	110,000	26,600	(50,000)	86,600
7	TOTAL HRA HOUSING INVESTMENT CAPITAL PROGRAMME	5,252,000	4,377,960	223,310	(3,759,980)	6,093,290
8	GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME					
9	Private Sector Housing Support	135,000	59,890	(5,460)	(23,120)	166,310
10	Mandatory Disabled Facilities Grants	600,000	287,630	(45,620)	(313,620)	528,390
11	TOTAL GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME	735,000	347,520	(51,080)	(336,740)	694,700
12	GENERAL FUND CAPITAL PROGRAMME					
13	Commercial Property Acquisition	0	5,325,500	78,170	(172,450)	5,231,220
14	North Street Quarter	2,900,000	672,000	16,450	0	3,588,450
15	Newhaven Enterprise Zone	0	1,580,000	(500)	0	1,579,500
16	Newhaven Growth Quarter	0	78,570	(9,380)	0	69,190
17	Joint Transformation Programme	950,000	1,300,000	0	(1,541,770)	708,230
18	Implementing Change to Waste and Recycling service	1,800,000	(1,800,000)	0	0	0
19	Avis Way Depot	0	220,000	31,550	0	251,550
20	Vehicle, Plant & Equipment Replacement	215,000	0	(9,530)	(36,450)	169,020
21	Coastal Defence Works	0	40,170	49,730	(35,860)	54,040
22	Flood Alleviation Project	112,750	0	0	0	112,750
23	Newhaven Fort (Major Repairs & Improvements)	50,000	21,980	(50,680)	0	21,300
24	Indoor Leisure Facilities (Major Repairs & Improvements)	0	369,180	(44,860)	(6,160)	318,160
25	Parks, Recreation & Play Areas	19,000	486,420	1,700	(262,660)	244,460
26	Property Assets Major Works	150,000	322,580	(229,080)	(153,490)	90,010
27	Photovoltaic Panel Housing Installation	0	0	5,000	0	5,000
28	Community Infrastructure	20,000	0	(11,930)	0	8,070
29	TOTAL GENERAL FUND CAPITAL PROGRAMME	6,216,750	8,616,400	(173,360)	(2,208,840)	12,450,950
30	TOTAL OVERALL CAPITAL PROGRAMME	12,203,750	13,341,880	(1,130)	(6,305,560)	19,238,940
31	CAPITAL PROGRAMME FUNDING					
32	CAPITAL PROGRAMME FUNDING					
33	Borrowing					8,711,870
34	Capital Receipts					1,907,390
35	Reserves					4,200,710
36	Capital Grants					2,124,930
37	Section 106 Contributions					143,390
38	Other Capital Contributions					2,137,870
39	Capital Expenditure Financed from Revenue (General Fund)					4,710
40	Capital Expenditure Financed from Revenue (Housing Fund)					0
41	CIL Grants					8,070
42	TOTAL CAPITAL PROGRAMME					19,238,940

Line No	SUMMARY	Initial Allocation 2017/18	Budget B/Fwd from 2016/17	Proposed variations	Revised Allocation 2017/18
		£	£	£	£
1	HRA HOUSING INVESTMENT CAPITAL PROGRAMME				
2	New Homes	283,800	675,000	(98,800)	860,000
3	Improvements to Stock	5,182,500	2,820,080	0	8,002,580
4	Recreation & Play Areas	50,000	12,960	0	62,960
5	Room in Roof Conversions	165,000	201,940	0	366,940
6	Common Room Conversions	0	50,000	0	50,000
7	TOTAL HRA HOUSING INVESTMENT CAPITAL PROGRAMME	5,681,300	3,759,980	(98,800)	9,342,480
8	GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME				
9	Private Sector Housing Support	135,000	23,120	0	158,120
10	Mandatory Disabled Facilities Grants	840,000	313,620	81,630	1,235,250
11	TOTAL GENERAL FUND HOUSING INVESTMENT CAPITAL PROGRAMME	975,000	336,740	81,630	1,393,370
12	GENERAL FUND CAPITAL PROGRAMME				
13	Commercial Property Acquisition and Development	4,970,000	172,450	(48,000)	5,094,450
14	North Street Quarter	0	0	0	0
15	Newhaven Enterprise Zone	0	0	0	0
16	Joint Transformation Programme	0	1,541,770	0	1,541,770
17	Implementing Change to Waste and Recycling Service	1,800,000	0	0	1,800,000
18	Vehicle, Plant & Equipment Replacement	183,000	0	0	183,000
19	IT Equipment Replacement	50,000	36,450	213,550	300,000
20	Coastal Defence Works	0	35,860	0	35,860
21	Flood Alleviation Project	136,000	0	0	136,000
22	Newhaven Fort (Major Repairs & Improvements)	50,000	0	0	50,000
23	Indoor Leisure Facilities (Major Repairs & Improvements)	250,000	6,160	0	256,160
24	Parks, Recreation & Play Areas	394,000	262,660	(146,990)	509,670
25	Property Assets Major Works	190,000	153,490	58,000	401,490
26	Community Infrastructure	0	0	0	0
27	TOTAL GENERAL FUND CAPITAL PROGRAMME	8,023,000	2,208,840	76,560	10,308,400
28	TOTAL OVERALL CAPITAL PROGRAMME	14,679,300	6,305,560	59,390	21,044,250
29	CAPITAL PROGRAMME FUNDING				
30	CAPITAL PROGRAMME FUNDING				
31	Borrowing				5,542,000
32	Capital Receipts				673,940
33	Reserves				13,043,430
34	Capital Grants				1,271,110
35	Section 106 Contributions				377,770
36	Other Capital Contributions				0
37	Capital Expenditure Financed from Revenue (General Fund)				136,000
38	Capital Expenditure Financed from Revenue (Housing Fund)				0
39	CIL Grants				0
40	TOTAL CAPITAL PROGRAMME				21,044,250

Lewes District Council

Annual Treasury Management Report 2016/2017

Contents

1. Background.....	1
2. Overall Summary of Activity 2016/2017	1
3. Detailed Analysis – Borrowing	2
4. Detailed Analysis - Investments	5
5. Counterparty Update	7
6. Compliance with Prudential Indicators.....	8
7. Investment Consultants	8
8. Reporting and Training	8
Appendix A – Prudential Indicators 2016/2017.....	10
Appendix B – Economic Background explained by Arlingclose	15
Appendix C – List of Term Deposits made and/or maturing in 2016/2017	16
Glossary of Terms	17

1. Background

1.1 The Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury management report. The report must review treasury management activities and set out the final position of the Council's Treasury Prudential Indicators. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

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 The Council agreed its Treasury Management Strategy Statement and Investment Strategy 2016/2017 to 2018/2019 at its meeting in February 2016.

2. Overall Summary of Activity 2016/2017

2.1 The table below lists the key elements of the 2016/2017 Strategy and records actual performance against each one of them.

Key Element	Target in Strategy	Actual Performance	
Borrowing			
Underlying need to borrow (CFR) at year end	£75.049 million	£77.042 million	-
Internal borrowing at year end	£18.376 million	£20.369 million	-
New external long-term borrowing in year	None anticipated	None undertaken	✓
Debt rescheduling in year	Review options but not anticipated	Options kept under review, none undertaken	✓
Interest payments on external borrowing	£1.730 million	£1.728 million	✓
Investments			
Minimum counterparty credit ratings for investments of up to 6 months	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	£0.104m	£0.119	✓
Appointment of Investment Consultants			
Independent Treasury Adviser to be retained	Arlingclose to be retained as Treasury Adviser	Arlingclose retained as Treasury Adviser	✓

Key Element	Target in Strategy	Actual Performance	
Reporting and Training			
Reports to be made to Audit and Standards Committee and Cabinet	Every meeting	Every regular meeting.	✓
Briefing sessions for Councillors and Staff	Treasury Adviser to provide	Staff training October 2016	-

2.2 For those who are looking for more than this overall confirmation that all treasury management and investment activity in 2016/2017 has been carried out in accordance with the Council's agreed Strategy, the remainder of this report explores each of the key elements in more depth. Appendix A gives details of the final position on each of the Prudential Indicators, and Appendix B explores the Economic Background to the year's activity. A Glossary appears at the end of the document to explain 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 projects. A bid from this Council was successful and the debt cap has been increased to £75.248m to match expenditure incurred in building new houses on 7 specified former garage sites.
- 3.2 In accounting terms, the underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR) while usable reserves and working capital are the underlying resources available for investment below their underlying levels, known as internal borrowing, and this remained the Strategy for 2016/2017.
- 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 (PWLB) or banks. Alternatively it is possible to 'internally borrow' the significant levels of cash which has been set aside in Balances and Reserves and which would otherwise need to be invested with banks or other counterparties.
- 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 2016/2017, the revised position reported at the time of producing the Treasury Strategy 2017/2018 (February 2017) and the final position for the year are shown in the table below. The variation between the revised and

final position reflects the changing profile of capital spend across financial years, and the set aside of £2m in capital receipts for debt repayment which had not been anticipated in February 2017.

	2016/17 Original £m	2016/17 Revised £m	2016/17 Outturn £m
Opening CFR	70.893	71.531	71.531
Capital expenditure in year	17.471	24.855	19.160
Less financed	(11.469)	(14.506)	(10.448)
Less amount set aside for debt repayment	(1.846)	(1.289)	(3.201)
Closing CFR	75.049	80.591	77.042

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

CFR Component	2016/17 Revised £m	2016/17 Outturn £m
General Fund	14.810	11.709
Housing Revenue Account	65.781	65.333
Total	80.591	77.042

- 3.6 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).

	31/3/17 Revised £m	31/3/17 Outturn £m
(a) Capital Financing Requirement	80.591	77.042
(b) Actual external long-term borrowing	(56.673)	(56.673)
(c) Use of Balances and Reserves and working capital as alternative to borrowing (a)–(b)	23.918	20.369

- 3.7 The Council's long-term loan portfolio at 31 March 2017 was:

Lender	Interest	Amount £m	Rate %	Maturity
PWLB	Fixed	4.00	2.70	01/03/2024
PWLB	Fixed	5.00	3.30	01/03/2032
PWLB	Fixed	2.00	3.05	01/09/2027
PWLB	Fixed	2.00	2.76	01/09/2024
PWLB	Fixed	4.00	2.97	01/09/2026
PWLB	Fixed	5.00	3.28	01/09/2031
PWLB	Fixed	4.00	2.63	01/09/2023
PWLB	Fixed	5.00	3.44	01/03/2037
PWLB	Fixed	6.67	3.50	01/03/2042
PWLB	Fixed	5.00	3.43	01/09/2036
PWLB	Variable	5.00	0.62	28/03/2022
PWLB	Fixed	4.00	3.01	01/03/2027
	Sub-total	51.67		
Barclays	Fixed	5.00	4.50	06/04/2054
	Total	56.67		

- 3.8 In the table above the Barclays loan was taken out in April 2004 with a term of 50 years. The original loan agreement with Barclays enabled the bank to increase the interest rate of the loan on a specified date every four years, although the Council could, in that event, repay the loan without penalty. In June 2016 the bank decided to permanently waive its right to vary the interest rate on this loan, which was effectively fixed at the rate of interest applicable at that time, 4.5%.
- 3.9 Total interest paid on external long-term borrowing in the year was £1.728m, which was consistent with the revised budget for the year. No new long-term borrowing was undertaken. The Council remained eligible to access the Government's 'Certainty Rate' allowing the Council to borrow, had it been appropriate to do so, at a reduction of 0.20% on the Standard Rate.
- 3.10 Through the year, officers, supported by Arlingclose, monitored opportunities for the rescheduling of external loans and the possibility of repayment utilising cash balances that would otherwise be invested. No beneficial rescheduling opportunities were identified and the loan portfolio remained unchanged through the year.
- 3.11 As determined by the Council, two separate Loans Pools operated in 2016/2017, for the General Fund and HRA respectively. At 31 March 2017 the balance on internal loans from the General Fund to the HRA was £8.660m, a net increase of £1.408m compared with the previous year (which comprised new lending of £2.215m as funding for the construction of new homes offset by a repayment of £0.807m). Interest was charged on internal borrowing at 1.33% (equivalent to a one-year maturity loan from the PWLB at the start of the financial year).
- 3.12 For cash flow purposes, temporary borrowing with a value of £4m was undertaken at the end of the financial year. This was in the form of a single

fixed term loan covering the period 28 March to 11 April 2017 at an interest rate of 0.5%.

4. Detailed Analysis - Investments

4.1 The Council held an average of £21.6m as cash during the year. 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. Throughout 2016/2017, the Council's investment priorities 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 were managed in-house. Security of capital was maintained by following the counterparty policy set out in the Investment Strategy for 2016/2017. Investments during the year included:

- Fixed Term Deposits with the Debt Management Office (total £116.75 million – 44 occasions)
- Fixed Term Deposits with other Local Authorities (total £14.00 million – 7 occasions)
- Fixed Term Deposits with UK Banks/Building Societies (total £27.00 million – 16 occasions)
- Investments in Money Market Funds (MMFs) (average balance held in year £5.49 million)
- United Kingdom Treasury Bills (total £20.09 million – 18 occasions)
- Tradable Investments - Floating Rate Notes, Certificates of Deposit, Bonds (total 6.78 million – 5 occasions)
- Deposit accounts with UK Banks (average balance held in year £0.73 million)
- Overnight deposits with the Council's banker, Lloyds Bank (average balance held in year £0.99 million)

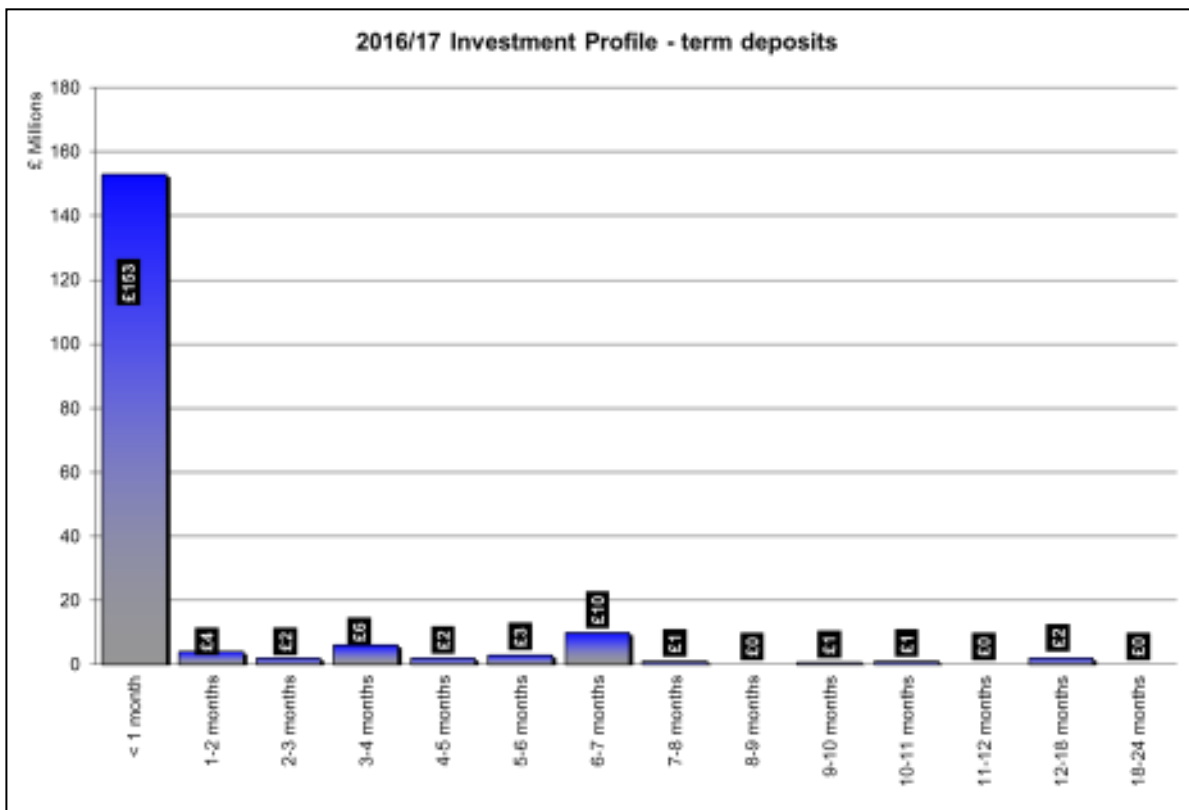
4.4 Counterparty credit quality was assessed and monitored with reference to credit ratings (a minimum long-term counterparty rating of A across all three rating agencies Fitch, Standard and Poors, and Moody's applied); credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.

4.5 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, the average balance held being £7.21 million.

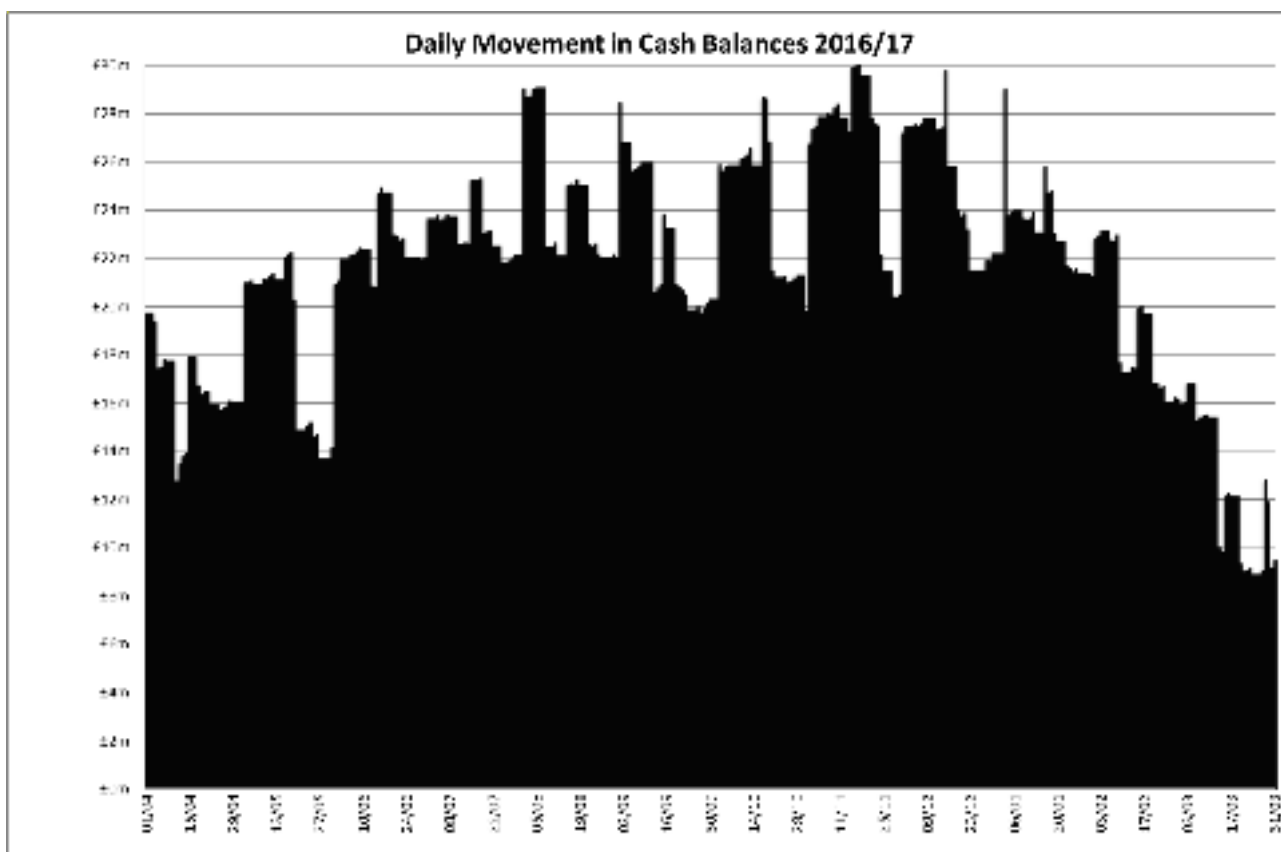
4.6 The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Treasury Management Strategy anticipated an increase in the UK Bank Rate of 0.25% in the third quarter of 2016. However

the UK economic outlook changed significantly on 23 June 2016. The surprise result of the referendum on EU membership and the subsequent political turmoil prompted a sharp decline in household, business and investor sentiment. The repercussions of this plunge in sentiment on economic growth were judged by the Bank of England to be severe, and resulted in a cut in Bank Rate to 0.25%.

- 4.7 A full list of term deposits made in the year is given at Appendix C. 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 aggregate fixed term deposits by duration.



- 4.8 The next chart shows how the total amount invested varied from day to day over the course of the year. The movement largely reflects the cycle of grant, council tax and business rate receipts and precept payments made.



4.9 Interest generated from investments in the year was £0.119 million, well above the total budget for investment income, £0.104 million. This favourable position arose as a result of higher than anticipated levels of cash being held pending expenditure on capital programme projects, etc.

4.10 The average rate of return from investments at the end of each quarter in 2016/2017 is shown in the table below, along with comparative benchmark information, the 7-day LIBID rate.

Average rate of investments at:	Lewes District Council	7 day LIBID
30 June 2016	0.51%	0.45%
30 September 2016	0.48%	0.37%
31 December 2016	0.44%	0.32%
31 March 2017	0.43%	0.30%

5. Counterparty Update

5.1 Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune, although the fall in their share prices was less pronounced.

- 5.2 Fitch and Standard & Poor's downgraded the UK's sovereign rating to AA. Fitch, S&P and Moody's have a negative outlook on the UK. Moody's has a negative outlook on those banks and building societies that it perceives to be exposed to a more challenging operating environment arising from the 'leave' outcome.
- 5.3 None of the banks on the Council's lending list failed the stress tests conducted by the European Banking Authority in July and by the Bank of England in November, the latter being designed with more challenging stress scenarios, although Royal Bank of Scotland was one of the weaker banks in both tests. The tests were based on banks' financials as at 31st December 2015, 11 months out of date for most. As part of its creditworthiness research and advice, Arlingclose regularly undertakes analysis of relevant ratios - "total loss absorbing capacity" (TLAC) or "minimum requirement for eligible liabilities" (MREL) - to determine whether there would be a bail-in of senior investors, such as local authority unsecured investments, in a stressed scenario.

6. Compliance with Prudential Indicators

The Council can confirm that it has complied with its Prudential Indicators for 2016/2017. A detailed review of each of the Prudential Indicators is at Appendix A.

7. Investment Consultants

In June 2012 Arlingclose had been reappointed as the Council's treasury management adviser, for a four year term with the Council having the option to extend for a further year. The Council exercised its option to extend, which will now come to an end on 30 June 2017. A joint procurement exercise covering all of the East Sussex district and borough councils took place in early 2017, the result of which enables the Council to enter into a new agreement with Arlingclose from July 2017. In 2016/2017, Arlingclose was the primary source of information, advice and assistance relating to investment activity, with individual investment decisions being made by the Council.

8. Reporting and Training

- 8.1 The Deputy Chief Executive reported the details of treasury management activity to each regular meeting of the Audit and Standards Committee and Cabinet held in 2016/2017. A mid-term summary report was issued in November 2016.
- 8.2 The training needs of the Council's treasury management staff were reviewed as part of the annual corporate staff appraisal/training needs assessment process for all Council employees. Members of staff attended Arlingclose workshops alongside colleagues from other local authorities during 2016/2017.

- 8.3 In May 2016, Arlingclose met with all Council officers with a role in treasury management both to explain developments within the sector, as well as review the Council's own investment and debt portfolios.
- 8.4 The Treasury Strategy had anticipated that Arlingclose would hold a local briefing session for all councillors tasked with treasury management responsibility, including scrutiny of the the treasury management function. It did not prove practicable for this session to take place, and the next councillor briefing is now expected to take place in autumn 2017.

Appendix A – Prudential Indicators 2016/2017

1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Some of the Prudential Indicators relate directly to the Council's Capital Programme These Indicators are also included below for completeness of reporting.

2. Net Borrowing and the Capital Financing Requirement

- 2.1 This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
- 2.2 The Deputy Chief Executive reports that the Council has had no difficulty meeting this requirement in 2016/2017, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the budget for 2017/2018.

3. Estimates of Capital Expenditure (direct link to Capital Programme)

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

No.	Capital Expenditure	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
1a	Non-HRA	8.731	14.102	6.093
1b	HRA	8.740	9.717	13.146
	Total	17.471	23.819	19.239

4. Ratio of Financing Costs to Net Revenue Stream (direct link to Capital Programme)

- 4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.
- 4.2 The ratio is based on costs net of investment income. Where investment income exceeds interest payments, the indicator is negative.

No.	Ratio of Financing Costs to Net Revenue Stream	2016/17 Original %	2016/17 Revised %	2016/17 Actual %
2a	Non-HRA	1.64	1.61	1.88
2b	HRA	15.71	15.70	15.02

5. Capital Financing Requirement

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

No	Capital Financing Requirement	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
3a	Non-HRA	10.067	13.858	11.709
3b	HRA	64.982	65.722	65.333
	Total CFR	75.049	79.580	77.042

5.2 The year-on-year change in the CFR is set out below.

Capital Financing Requirement	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
Balance B/F	70.893	71.531	71.531
Capital expenditure financed from borrowing	6.002	11.239	8.712
Revenue provision for Debt Redemption.	-1.846	-3.190	-3.201
Balance C/F	75.049	79.580	77.042

6. Actual External Debt

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit (see 8 below).

No.	Actual External Debt as at 31/03/2017	Revised £m	Actual £m
4a	Borrowing	56.673	56.673
4b	Other Long-term Liabilities	0.080	0.281
4c	Total	56.753	56.954

7. Incremental Impact of Capital Investment Decisions Stream (direct link to Capital Programme)

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No.	Incremental Impact of Capital Investment Decisions	2016/17 Original £	2016/17 Revised £	2016/17 Actual £
5a	Increase in Band D Council Tax	127.19	167.97	111.29
5b	Increase in Average Weekly Housing Rents	1.31	1.21	0.69

The increase in Band D council tax/average weekly rents reflects the funding of the capital programme: for example, new borrowing increases interest payable, and funding from reserves utilises resources which could have otherwise been used to fund revenue expenditure. The actual indicators are less than the revised as a result of significant capital projects being deferred from 2016/2017 into 2017/2018.

8. Authorised Limit and Operational Boundary for External Debt

- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The 2016/2017 Actual values shown below are the maximum levels of borrowing, including temporary borrowing, experienced at any time during the year.

No.	Authorised Limit for External Debt	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
6a	Borrowing	76.00	81.00	60.67
6b	Other Long-term Liabilities	0.50	0.50	0.28
6c	Total	76.50	81.50	60.95

- 8.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based

on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

- 8.6 The Deputy Chief Executive has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet. The 2016/2017 Actual values shown below are the maximum levels of borrowing, including temporary borrowing, experienced at any time during the year.

No.	Operational Boundary for External Debt	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
7a	Borrowing	70.50	75.50	60.67
7b	Other Long-term Liabilities	0.50	0.50	0.28
7c	Total	71.00	76.00	60.95

9. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Council has adopted best practice.

No.	Adoption of the CIPFA Code of Practice in Treasury Management
8	The Council approved the adoption of the CIPFA Treasury Management Code in 2002. Following revisions to the Code published in December 2009, reconfirmed its adoption of the Code in February 2010.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- 10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums ie fixed rate debt net of fixed rate investments.
- 10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

No.		2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
9	Upper Limit for Fixed Interest Rate Exposure	76.50	81.50	51.67
10	Upper Limit for Variable Interest Rate Exposure	(27.5)	(27.5)	(25.1)

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's Treasury Management Strategy.

10.4 Because the Council's investments are substantially in excess of its variable rate borrowing, the Upper Limit for Variable Interest Rate exposure is shown as a negative figure.

11. Maturity Structure of Fixed Rate borrowing

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No.	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %	Actual %
11a	under 12 months	0	70	0
11b	12 months and within 24 months	0	70	0
11c	24 months and within 5 years	0	75	0
11d	5 years and within 10 years	0	75	35
11e	10 years and above	0	100	65

12. Upper Limit for total principal sums invested over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. No investments of more than 364 days were made during 2016/17.

No.	Upper Limit for total principal sums invested over 364 days	2016/17 Original %	2016/17 Revised %	2016/17 Actual %
12	Upper limit	50	50	0

13. HRA Limit on Indebtedness

This indicator is associated with self-financing for housing. It indicates the residual capacity to borrow for housing purposes, while remaining within the overall HRA Debt Cap specified by the Government.

No	Capital Financing Requirement	2016/17 Original £m	2016/17 Revised £m	2016/17 Actual £m
13a	HRA CFR	64.982	65.722	65.333
13b	HRA Debt Cap	75.248	75.248	75.248
	Difference	10.266	9.526	9.915

Appendix B – Economic Background explained by Arlingclose

Politically, 2016/17 was an extraordinary twelve month period which defied expectations when the UK voted to leave the European Union and Donald Trump was elected the 45th President of the USA. Uncertainty over the outcome of the US presidential election, the UK's future relationship with the EU and the slowdown witnessed in the Chinese economy in early 2016 all resulted in significant market volatility during the year. Article 50 of the Lisbon Treaty, which sets in motion the 2-year exit period from the EU, was triggered on 29th March 2017.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However the sharp fall in the Sterling exchange rate following the referendum had an impact on import prices which, together with rising energy prices, resulted in CPI rising from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.

In addition to the political fallout, the referendum's outcome also prompted a decline in household, business and investor sentiment. The repercussions on economic growth were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August and embark on further gilt and corporate bond purchases as well as provide cheap funding for banks via the Term Funding Scheme to maintain the supply of credit to the economy.

Despite growth forecasts being downgraded, economic activity was fairly buoyant and GDP grew 0.6%, 0.5% and 0.7% in the second, third and fourth calendar quarters of 2016. The labour market also proved resilient, with the ILO unemployment rate dropping to 4.7% in February, its lowest level in 11 years.

Following a strengthening labour market, in moves that were largely anticipated, the US Federal Reserve increased rates at its meetings in December 2016 and March 2017, taking the target range for official interest rates to between 0.75% and 1.00%.

Financial markets: Following the referendum result, gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. After September there was a reversal in longer-dated gilt yields which moved higher, largely due to the MPC revising its earlier forecast that Bank Rate would be dropping to near 0% by the end of 2016. The yield on the 10-year gilt rose from 0.75% at the end of September to 1.24% at the end of December, almost back at pre-referendum levels of 1.37% on 23rd June. 20- and 50-year gilt yields also rose in Q3 2017 to 1.76% and 1.70% respectively, however in Q4 yields remained flat at around 1.62% and 1.58% respectively.

After recovering from an initial sharp drop in Q2, equity markets rallied, although displaying some volatility at the beginning of November following the US presidential election result. The FTSE-100 and FTSE All Share indices closed at 7342 and 3996 respectively on 31st March, both up 18% over the year. Commercial property values fell around 5% after the referendum, but had mostly recovered by the end of March.

Money market rates for overnight and one week periods remained low since Bank Rate was cut in August. 1- and 3-month LIBID rates averaged 0.36% and 0.47% respectively during 2016-17. Rates for 6- and 12-months increased between August and November, only to gradually fall back to August levels in March, they averaged 0.6% and 0.79% respectively during 2016-17.

Appendix C – List of Term Deposits made and/or maturing in 2016/2017

Ref	Counterparty	From	To	Days	Principal	Int
228115	Nationwide Building Society	18 Feb 16	18 Aug 16	182	1,000,000	0.71%
228315	Eastbourne Borough Council	24 Mar 16	1 Jun 16	69	2,000,000	0.50%
228415	Stafford Borough Council	24 Mar 16	1 Apr 16	8	2,000,000	0.50%
228516	Debt Management Office	1 Apr 16	5 Apr 16	4	5,000,000	0.25%
228616	Debt Management Office	5 Apr 16	11 Apr 16	6	3,500,000	0.25%
228716	Thurrock Borough Council	27 May 16	28 Nov 16	185	3,000,000	0.50%
228816	Debt Management Office	15 Apr 16	18 Apr 16	3	3,000,000	0.25%
228916	Debt Management Office	18 Apr 16	25 Apr 16	7	2,000,000	0.25%
229016	Debt Management Office	3 May 16	9 May 16	6	4,000,000	0.25%
229116	Debt Management Office	9 May 16	19 May 16	10	2,250,000	0.25%
229216	Debt Management Office	16 May 16	20 May 16	4	2,000,000	0.25%
229316	Debt Management Office	18 May 16	20 May 16	2	1,000,000	0.25%
229416	Debt Management Office	1 Jun 16	2 Jun 16	1	3,500,000	0.25%
229516	Debt Management Office	1 Jun 16	6 Jun 16	5	4,000,000	0.25%
229616	Debt Management Office	6 Jun 16	13 Jun 16	7	5,000,000	0.25%
229716	Nationwide Building Society	6 Jun 16	6 Dec 16	183	1,000,000	0.71%
229816	Thurrock Borough Council	1 Jul 16	5 Oct 16	96	1,750,000	0.46%
229916	Coventry Building Society	10 Jun 16	1 Jul 16	21	2,000,000	0.40%
230016	Debt Management Office	13 Jun 16	20 Jun 16	7	3,000,000	0.25%
230116	Debt Management Office	15 Jun 16	20 Jun 16	5	3,000,000	0.25%
230216	Coventry Building Society	18 Jul 16	25 Jul 16	7	2,000,000	0.35%
230316	Debt Management Office	18 Jul 16	19 Jul 16	1	2,000,000	0.25%
230416	Debt Management Office	18 Jul 16	25 Jul 16	7	1,000,000	0.25%
230516	Coventry Building Society	23 Jul 16	1 Aug 16	7	2,000,000	0.35%
230616	Debt Management Office	1 Aug 16	8 Aug 16	7	5,500,000	0.25%
230716	Coventry Building Society	1 Aug 16	8 Aug 16	7	2,000,000	0.35%
230816	Debt Management Office	15 Aug 16	22 Aug 16	7	3,000,000	0.15%
230916	Nationwide Building Society	18 Aug 16	20 Feb 17	186	1,000,000	0.40%
231016	Debt Management Office	1 Sep 16	5 Sep 16	4	2,000,000	0.15%
231116	Debt Management Office	1 Sep 16	12 Sep 16	11	2,000,000	0.15%
231216	Debt Management Office	15 Sep 16	19 Sep 16	4	3,000,000	0.15%
231316	Thurrock Borough Council	5 Oct 16	4 Jan 17	91	1,750,000	0.25%
231416	Coventry Building Society	3 Oct 16	10 Oct 16	7	2,000,000	0.19%
231516	Coventry Building Society	10 Oct 16	24 Oct 16	14	2,000,000	0.20%
231616	Debt Management Office	10 Oct 16	20 Oct 16	10	3,000,000	0.15%
231716	Thurrock Borough Council	21 Oct 16	23 Jan 17	94	500,000	0.25%
231816	Debt Management Office	17 Oct 16	20 Oct 16	3	3,000,000	0.15%
231916	Coventry Building Society	24 Oct 16	31 Oct 16	7	1,000,000	0.19%
232016	Thurrock Borough Council	28 Nov 16	30 May 17	183	3,000,000	0.35%
232116	Coventry Building Society	1 Nov 16	15 Nov 16	14	2,000,000	0.20%
232216	Debt Management Office	1 Nov 16	7 Nov 16	6	2,000,000	0.15%
232316	Debt Management Office	2 Nov 16	7 Nov 16	5	1,000,000	0.15%
232416	Debt Management Office	7 Nov 16	14 Nov 16	7	3,500,000	0.15%
232516	Debt Management Office	8 Nov 16	14 Nov 16	6	2,000,000	0.15%
232616	Debt Management Office	14 Nov 16	21 Nov 16	7	4,000,000	0.15%
232716	Debt Management Office	15 Nov 16	24 Nov 16	9	1,500,000	0.15%
232816	Coventry Building Society	15 Nov 16	22 Nov 16	7	2,000,000	0.19%
232916	Debt Management Office	21 Nov 16	24 Nov 16	3	3,000,000	0.15%
233016	Debt Management Office	22 Nov 16	24 Nov 16	2	1,000,000	0.15%
233116	Debt Management Office	1 Dec 16	9 Dec 16	8	3,000,000	0.15%
233216	Coventry Building Society	1 Dec 16	15 Dec 16	14	2,000,000	0.20%
233316	Debt Management Office	6 Dec 16	13 Dec 16	7	1,000,000	0.15%
233416	Debt Management Office	9 Dec 16	16 Dec 16	7	3,000,000	0.15%
233516	Nationwide Building Society	13 Dec 16	13 Jun 17	182	1,000,000	0.42%
233616	Coventry Building Society	15 Dec 16	16 Jan 17	32	2,000,000	0.22%
233716	Debt Management Office	15 Dec 16	19 Dec 16	4	1,000,000	0.15%
233816	Debt Management Office	15 Dec 16	22 Dec 16	7	2,000,000	0.15%
233916	Debt Management Office	3 Jan 17	4 Jan 17	1	3,000,000	0.15%
234016	Debt Management Office	3 Jan 17	9 Jan 17	6	2,500,000	0.15%
234116	Debt Management Office	3 Jan 17	13 Jan 17	10	2,000,000	0.15%
234216	Debt Management Office	9 Jan 17	19 Jan 17	10	2,000,000	0.15%
234316	Debt Management Office	16 Jan 17	9 Feb 17	24	4,000,000	0.15%
234416	Coventry Building Society	17 Jan 17	17 Feb 17	31	2,000,000	0.22%
234516	Debt Management Office	15 Feb 17	1 Mar 17	14	2,000,000	0.15%
234616	Debt Management Office	17 Feb 17	20 Feb 17	3	2,000,000	0.15%
234716	Debt Management Office	3 Mar 17	6 Mar 17	3	1,000,000	0.10%
234816	Debt Management Office	10 Mar 17	13 Mar 17	3	4,500,000	0.10%

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 others rates are based.
Bonds	Debt instruments issued by government, multinational companies, banks and multilateral development banks. Interest is paid by the issuer to the bond holder at regular pre-agreed periods. The repayment date of the principal is also 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. Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy, namely 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 can be 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. At present, 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.
Lenders' Option Borrower's Option (LOBO)	A long term loan with a fixed interest rate. On pre-determined dates (eg every five 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 imposed 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.
Treasury Bills (T-Bills)	These are issued by the UK Government as part of the Debt Management Office's cash management operations. They do not pay interest but are issued at a discount and are redeemed at par. T-Bills have up to 12 months maturity when first issued.

Agenda Item No: 9.2 **Report No:** 90/17
Report Title: Portfolio Progress and Performance Report 2016/17 - Quarter 4
(January – March 2017)
Report To: Scrutiny **Date:**
Cabinet
Cabinet Member: Councillor Elayne Merry, Portfolio Holder
Ward(s) Affected: All
Report By: Nazeya Hussain, Director of Regeneration and Planning
Contact Officer
Name: Jo Harper
Post Title: Head of Business Planning and Performance
E-mail: Jo.Harper@lewes.gov.uk
Tel No: 01273 484049

Purpose of Report:

1. To consider the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year (January to March 2017 (Quarter 4)) as shown in Appendix 1.

The Scrutiny Committee is recommended to;

2. Consider progress and performance for Quarter 4 and make any relevant recommendations to Cabinet.

The Cabinet is recommended to;

3. Consider progress and performance for Quarter 4 and consider any relevant recommendations made by the Scrutiny Committee.
-

Reasons for Recommendations

4. To enable Scrutiny and Cabinet to consider specific aspects of the Council's progress and performance.

Background

5. The Council has an annual cycle for the preparation, implementation and monitoring of its business plans and budgets. 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.







6. It is important to monitor and assess progress and performance on a regular basis, to ensure the Council continues to deliver priority outcomes and excellent services to its customers and communities. These priorities are set out in the Council Plan that was adopted by the Council in February 2016, supported by associated projects and service performance targets approved by Cabinet in July 2016.
7. The Scrutiny Committee has a key role in terms of oversight of the Council's progress and performance and challenging areas of under-performance. This report sets out the Council's performance against its targets and projects for the fourth quarter of 2016/17 (the period running from 1st January to 31st March 2017).

Performance in the Fourth Quarter of 2016/17

8. [Appendix 1](#) provides a high level summary of progress and performance arranged by Cabinet portfolio. The summary shows where performance and projects are 'on track/on target' and where there are areas of risk, concern or under-performance. Where performance or projects are 'off track/below target', an explanation of the management action being taken to address this is also provided.*

**The recent addition to the Cabinet of a portfolio holder for Environmental Impact will be reflected in the next performance report.*

9. Detailed project/performance tracking information is recorded in the Council's performance management information system (Covalent). 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 acceptable 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;
-  = Data with no performance target.

Portfolio Progress and Performance – Quarter 4

10. An overview of the Council's performance for the year as at the end of the 4th quarter is set out below:
 - 93% of the Council's key projects were either completed or on track at the end of the 4th quarter. There are no project delays which constitute any serious risk to the Council.

- 86% of the Council's performance targets were either met, exceeded or within acceptable levels during the 4th quarter.
- 3 indicators did not meet planned targets during the 4th quarter (see paragraph 22 below).

11. In July last year we set out for Members how the Council Plan would be monitored using a set of performance indicators and projects. Most of these have been reported on a quarterly basis to Members throughout the year. However, there were a small number of items where it was agreed that annual reporting would be more suitable for various reasons. Progress in these areas is set out in this section of the report.

12. Members should note that, due to the refresh of the Council Plan, also being considered by Cabinet in June, some measures may be subject to change or have been discontinued.

The Good News for Quarter 4 –  Notable project milestones or service performance achieved.

13. This section of the report provides specific highlights by portfolio in terms of notable project progress or performance achievements.

Regeneration and Business Portfolio

14. The strategic regeneration projects the North Street Quarter, the Newhaven Flood Alleviation Scheme, and the Newhaven Enterprise Zone have all now launched and are currently on track with no significant risks arising.

Value for Money Portfolio

15. Council tax and Business Rates collection have met their end of year target of 98%.

Housing Portfolio

16. The project to extend use of temporary accommodation in the District is now complete, delivering 24 additional leasehold properties, while the Local Growth Fund and Housing Investment Company projects are also on track.

17. The time taken to re-let Council homes to new tenants has improved further to 19 days, comfortably within the 25 day target, and the time taken to process new housing/Council Tax benefits claims has also improved to 18.1 days against a 20 day target. Additionally to this the District has seen an improvement to the number of households in emergency accommodation.

Waste and Recycling Portfolio

18. The waste strategy has moved forward with the Cabinet decision regarding future recycling/food waste collection methods. The Garden Waste collection

service continues to be rolled out with 1,300 new users in Lewes town, Ringmer and Kingston.

Planning Portfolio

19. The Local Plan is progressing to Pre-Submission with the public consultation planned for October 2017.
20. ESCC are continuing to develop the Newhaven Port Access Road detailed design. Procurement documentation is being prepared and the scheme will go out for tender in Spring 2017. Final submission of the business case to Department of Transport is planned for early Summer 2017. Subject to approval of the business case, construction will start in late Summer 2017 financial year with completion anticipated in early 2019.
21. Performance across all the key measures in planning is largely on track for the fourth quarter with the exception of performance in respect of major applications determined within 13 weeks (see para 43 below).

People and Performance Portfolio

22. The Dementia Friends project has now completed successfully. Two volunteer Dementia Friends Champions within the council have been recruited so we can offer periodic Dementia Friends Information sessions to staff and Councillors into the future. The Havens and Lewes Dementia Action Alliance Groups are now established and are meeting regularly and are in the process of forming their action plans. Our grant to 3VA to support the establishment and development of these groups will enable support to be in place until March 2018.

Customers and Partners Portfolio

23. Calls to the customer hub continue to be answered within the target time with an average of 14 seconds being achieved in quarter 4. Sign-up for the council's email alert system continues to grow and is now at almost 5,500 as at the end of March 2017, well above the baseline target of 1,500.

Projects and Performance where progress is only reported annually

Regeneration and Business Portfolio

24. Arts and culture brand: As is stated in the Council Plan refresh, this priority is now proposed for progression through developing a new arts and culture brand and tourism offer in conjunction with Eastbourne as a shared service.

25. Gatwick Airport: In the Council Plan refresh it is stated that as a decision has now been taken on this matter, it is proposed that this be removed from the Plan and Cabinet's endorsement of this is sought.
26. Superfast broadband: In respect to this project the Council Plan refresh states that project is being delivered by ESCC and the district council's involvement has been minimal in practice, so it is therefore proposed that this project be removed from the Plan.
27. Lewes Business Awards: This third annual event took place on 14 July 2016 and was again very successful, attracting around 160 people, helping to promote and support local business.
28. Value of tourism to the local economy. A new measure was introduced last year to place a monetary value on the impact of tourism on the local economy. Due to the complexity of background data required to generate this measure, the most recent figure available for this report relates to 2015. It is estimated that the value of tourism to the Lewes District is £146.7 million. This is based on 291,000 total overnight trips, resulting in 1,043,000 visitor nights in the district.

Customers and Partners Portfolio

29. Wave Leisure: We have continued to work with Wave Leisure to ensure they deliver the business plan we have agreed with them. Two new indicators have been established to measure their performance. The first of these measures is user satisfaction with the services provided and in 2016/17 84% of users were satisfied against a target of 85%. The second measure relates to the level of participation in leisure activities by older people and by those from rural areas. Of the 213,087 visitors to leisure centres over the year, 2,389 were older people and 25,643 from rural areas. As this is a new measure, no target was set and this year's data will be used to compare against future performance.
30. Voluntary sector partnerships: In 2016/17 the council has continued to support key voluntary sector organisations in the district with grants of over £200,000. This enables our voluntary sector partners to enable and support other parts of the community and voluntary sector (3VA and AiRS) and to provide advice and support to those experiencing hardship or disadvantage (CAB and Sompriti).
31. Working with town and parish councils: The town and parish councils across the district continue to be key partners for the council. Through devolution of functions, neighbourhood planning, the consideration of planning applications and the part they play in many other local initiatives such as community safety, we work to ensure a strong and on-going relationship. This is cemented in our annual parish conference which last year took place in October.
32. Customer engagement: In 2016 we launched our new email alert service. This enables local residents to sign up to receive regular information on topics of their choice. Using this system we are now able to undertake simple surveys to

gauge residents' views on a range of topics. In the past year we sought views on a range of subjects, including; recycling and food waste, our anti-social behaviour policy, developing online housing services, the redesign of a Lewes skate-park, playground improvements, the Newhaven air quality action plan, affordable housing policy guidance, tenant cleaning services.

Finance Portfolio

33. Benefits: The recovery of benefits overpayments is an important financial indicator for the council which it is only appropriate to report on at the end of each financial year. A target of 70% was set for the year which was achieved.

Planning Portfolio

34. Road and rail infrastructure: Over the past year the council has been active in lobbying of rail providers, including by the scrutiny committee, to tackle disruption to local rail services. The council has also, through Team East Sussex and the Greater Brighton Economic Board, supported the establishment of a Sub-National Transport Body for the South East. This body will bring Network Rail, Highways England and the transport providers to the table with local authorities to align infrastructure investments with the priorities and growth plans of the region.
35. Delivery of housing: Members agreed that the key indicators of housing delivery would be reported on an annual basis. In 2016/17, 204 (net) additional homes were completed in the District of which 30 were affordable homes. We achieved 66% of the housing completions target in the Joint Core Strategy target (310). 83% of planning permissions granted on schemes of 11 or more residential units met the 40% affordable housing requirement.

Waste and Recycling Portfolio

36. Environmental Crime: Through partnership working with the County Council, Sussex Police and others, the council has been very active in the past year tackling environmental crime. We have undertaken initiatives such as Paws on Watch and the fly-tipping reduction campaign which have positively reduced environmental crime across the district by engaging with our communities to increase reporting, change behaviour and encourage community participation to tackle the issues. Environmental crime continues to be a focus for the Lewes District Joint Action Group and issues raised by Town and Parish Councils are tackled there using a multi-agency approach.


Areas for Improvement – 🟡 Project/performance is slightly off track (but within acceptable/5% tolerance). The 'amber' warning flags up performance that has fallen very slightly below target or projects that are slipping behind schedule or going slightly off-track.

37. There were 3 performance areas which fell into this category during the fourth quarter:

- Payment of Invoices
- Overall tenants' satisfaction
- Visitors to leisure centres

The context regarding these performance issues is set out in Appendix 1. Only 1 project is being reported as amber at the end of the fourth quarter;

38. Devolution: Work has recommenced with Newhaven Town Council. Progress is being made on the transfer of 5 sites and terms have been agreed. Discussions have re-opened with Lewes Town Council and the Legal team has been instructed to offer a transfer of sites at Malling and Landport Bottom on the same basis as that agreed with Newhaven Town Council. Discussions with Telscombe and Peacehaven Town Councils will commence within the next month. It is proposed that the target date for the project be revised to better reflect the current position.

39. **Areas for Improvement** –  Performance well below target and/or project significantly off-schedule or revised.

40. Where service performance falls well below target levels, or a project is significantly off track or has been significantly revised or cancelled, priority is given to addressing these issues. There were 3 areas where this was the case in the fourth quarter.

41. Temporary Accommodation: The number of households in Temporary Accommodation is above the target of 50 due to the decision by Council in February 2016 to increase the Private Sector Leased stock to reduce reliance on emergency/B&B accommodation, which was overseen by a Working Panel, Chaired by the Cabinet Member for Housing with representation from the opposition group, and with the Director of Service Delivery. This figure includes 24 households living in Private Sector Leased accommodation leased by LDC.

42. The development and implementation of an extension to the private sector leasing scheme in Lewes District was an invest to save proposal by reducing reliance on emergency/B&B accommodation. The success of this can be seen in the increase in Temporary Accommodation and decrease in emergency /B&B, and next years' target should perhaps be amended to reflect this.

43. Percentage of major applications determined within 13 weeks (LDC only): Three major planning applications were determined, but each was decided beyond the prescribed timescale, without extensions of time being agreed with each respective applicant. In each case steady progress was made while the application was live, the reasons for delay including resolving highway and Environment Agency issues, programming to meet Planning Applications Committee timescales and liaising with Brighton and Hove City Council (on a

University of Sussex application). In order to improve performance in future, extensions of time will be agreed with applicants where it can be anticipated that the 13 week deadline will not be achievable due to external factors.

44. Average working days lost to sickness per FTE equivalent staff: The Quarter 4 sickness figures for Lewes was 2.9 days (per FTE) which means the overall total for the year was 10.6 days. This is a considerable reduction on the 12 days from last year (and many other years prior to that). The hard work undertaken for the new Attendance Management Policy which was introduced in September 2016 is clearly now having a very visible positive impact not only in reducing absence levels but also in supporting those who are absent from work due to sickness in a consistent manner across the organisation.

Financial Appraisal

45. Project and performance monitoring and reporting arrangements are contained within existing estimates. Corporate performance information should also be considered alongside the Council's financial update reports (also reported to Cabinet each quarter) as there is a clear link between performance and budgets/resources.

Legal Implications

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

Risk Management Implications

47. It is important that corporate performance is monitored regularly otherwise there is a risk that reductions in service levels, or projects falling behind schedule, are not addressed in a timely way.

Equality Analysis

48. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis. The equality implications of projects that form part of the Joint Transformation Programme are addressed through separate Equality and Fairness assessments.

Background Papers

[Council Plan 2016 to 2020](#)

Appendices

Appendix 1 – Portfolio Progress and Performance Report (Quarter 4)

APPENDIX 1

PORTFOLIO PROGRESS AND PERFORMANCE QUARTER 4 (January to March 2017)

Key to Symbols



- Project is complete; Performance is at or above target (please note, in some instances performance data has been rounded to the nearest whole number/percentage);



- 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;







- No performance target set.

PLACE - GROWTH AND PROSPERITY

Portfolio: Councillor Andy Smith (Regeneration and Business)

Portfolio Projects and Initiatives

Project / Initiative	Target Project Completion	Current Status	Update
North Street Quarter	September 2017		Work now being done to look at delivery of Phase 1 with Cabinet reports due in June and September 2017.
Newhaven Flood Alleviation Scheme	April 2017		Work continues on site, with areas 3 and 4 (western side of the river) close to completion. Detailed design work ongoing on area 5 (the port) and discussions with stakeholders continues for area 2 (North Quay) due some unsafe buildings that may need moving on the Skip-It site. The design and treatment at the point the defences meet the A26 are being considered further to ensure lowest possible long-term running costs.
Newhaven Enterprise Zone	December 2018		The EZ is live and there are a number of ongoing activities including the rescheduling of the launch event due to the General Election, a fully operational EZ website now available at www.newhavenenterprisezone.com , and enquiries already being received from potential occupiers regarding EZ benefits
Tourism Strategy	March 2018		Further work to consider future management and operation of the tourism service forms part of the wider Joint Transformation Programme in partnership with Eastbourne Borough Council, and the Tourism function in Lewes is being looked at by Scrutiny Committee.

VALUE FOR MONEY



Portfolio: Councillor Bill Giles (Finance)



Portfolio Projects and Initiatives

Note:

- 1) There are no strategic projects currently within this portfolio.
- 2) There is a separate process for monitoring the Council's financial performance including key targets. This is reported as part of the regular financial update reports to Cabinet.

Key Performance Indicators




KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Percentage of invoices paid on time (within 30 days)							There has been an improvement in the payment of all invoices within target times compared with 2015/16. Payment of housing invoices exceeded the target for 2016/17 in three of the four quarters of the year, and for the year as a whole. Payment of all other invoices stepped up after Qtr 1 and was slightly below target for the remainder of the year. Action has been taken to ensure that staff with a role in the payment of invoices have the appropriate skills and knowledge needed to ensure that valid invoices are processed promptly. Authorisation limits have been standardised to reduce bottlenecks. This approach will continue through 2017/18 and is of increasing importance in light of the JTP organisational changes which are taking place. Work is underway to implement a new (shared) Finance system for LDC from 1 April 2018. This will incorporate electronic purchase
a) Housing	a) 95%	a) 97%	a) 93%	a) 96%	a) 97%		
b) All Other	b) 98%	b) 95%	b) 96%	b) 97%	b) 97%		

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
							ordering for all service areas, which is expected to reduce invoice payment times by removing the need for manual authorisation of invoices.
Percentage of Council Tax collected during the year	98%	29.7%	57.8%	85.6%	98.2%		
Percentage of Business Rates collected during the year	98%	29.8%	56.4%	83.5%	98%		


PLACE - DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE


Portfolio: Councillor Ron Maskell (Housing)

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Local Growth Fund (Affordable Housing) Project	June 2017		3 of the 5 sites are completed and occupied. The completion of the remaining two sites has slipped and will now be by the middle of June 2017.
Housing Investment Company	October 2017		<p>At Lewes Cabinet on 20th March the set up of a Housing Investment Company, Lewes Housing Investment Company Ltd (LHICL) was agreed. The asset holding vehicle will predominately be used to develop residential housing on a commercial basis. At the same meeting the Lewes Cabinet also agreed to set up a Joint Housing Investment Partnership (JHIP) with Eastbourne Borough Council. The JHIP will initially develop affordable housing products. Eastbourne Borough Council also agreed to the set up of JHIP at their Cabinet on 23rd March.</p> <p>At present draft documentation is being agreed to incorporate LHICL and JHIP. This work will be completed by the end of April 2017.</p>
Extension of temporary accommodation	October 2016		As reported in quarter 3, the project is now complete and the Member Working Group met to sign off the project in October 2016. The project has delivered 24 private sector leasehold properties into the market place. Marketing assistance, advice and support to landlords has been developed and streamlined to ensure leasehold properties meet suitable standards and are sustainable in the longer term.

Key Performance Indicators


KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Percentage of rent collected during the year (cumulative)	95%	94%	94%	98%			<i>Data currently unavailable due to systems issues</i>
Total number of days that families need to stay in emergency/B&B accommodation	15 days	0 days	0 days	0 days	0 days		
Total number of households living in: a) emergency accommodation b) other temporary accommodation	a) 15 or fewer b) 50 or fewer	a) 15 b) 47	a) 13 b) 49	a) 15 b) 58	a) 11 b) 55	 	b) The number in TA is above the target of 50 due to the decision by Council in February 2016 to increase the Private Sector Leased stock to reduce reliance on emergency/B&B accommodation, which was overseen by a cross-party Working Panel, Chaired by the Cabinet Member for Housing, and with the Director of Service Delivery. This figure includes 24 households living in PSL accommodation leased by LDC.
Performance Improvement Plan		The development and implementation of an extension to the private sector leasing scheme in Lewes District was an invest to save proposal by reducing reliance on emergency/B&B accommodation. The success of this can be seen in the increase in TA and decrease in emergency /B&B, and next years' target should perhaps be amended to reflect this.					
Average number of days to re-let Council homes (excluding temporary lets)	25 days	21 days	21 days	21 days	19 days		
The number of days taken to process new housing benefit/ Council tax benefit claims	20 days	18.9 days	19.8 days	18.4 days	18.1 days		

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Overall tenants satisfaction	90%	88 %	90 %	98%	88%		


CUSTOMERS - CLEAN AND GREEN DISTRICT

Portfolio: Councillor Paul Franklin (Waste and Recycling)

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Waste Strategy	April 2018		<p>Cabinet in February agreed to adopt a co-mingled recycling collection service, continuing on a fortnightly basis.</p> <p>The garden waste service has been rolled out to Lewes, Ringmer and surrounding villages. There are over 1,300 subscribers.</p>



Key Performance Indicators



KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Percentage of household waste sent for reuse, recycling and composting	To be confirmed	27%	28%	27%	27%		

PLACE - DELIVERING SUSTAINABLE NEW HOUSING AND INFRASTRUCTURE


Portfolio: Councillor Tom Jones (Planning)







Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
The Local Plan (Part 2)	March 2018		Work on the Local Plan (Part 2) is progressing to Pre-submission stage. The public consultation is not due to start until October 2017. Work is ongoing to ensure we have a 5 year housing land supply and the timetable remains the same.
Neighbourhood Plans	February 2020		<p>All on track. Neighbourhood Planning officer in post.</p> <p>The Wivelsfield Neighbourhood Plan was adopted on 7 December 2017.</p> <p>Newhaven Town Council is consulting on their Draft Neighbourhood Plan under Regulation 14 until 21 June 2017.</p> <p>Plumpton Parish Council will be carrying a second Regulation 14 consultation late June 2017 (the first consultation showed that a number of sites allocated for housing were not deliverable and therefore the Parish decided to review their proposal).</p> <p>Seaford Neighbourhood Plan is progressing well.</p> <p>Barcombe and Chailey Parish Councils are both at early stages of preparing their neighbourhood plans.</p> <p>Peacehaven and Telscombe Town Councils have now gathered a group of volunteers to start preparing their joint neighbourhood plan.</p>

Project / Initiative	Target Completion	Current Status	Update
Newhaven Port Access Road (ESCC Project)	April 2019 (revised)		ESCC are continuing to develop the scheme's detailed design. Procurement documentation is being prepared and the scheme will go out for tender in Spring 2017. Final submission of the business case to DfT is planned for early Summer 2017. Subject to approval of the business case, construction will start in late Summer 2017 financial year with completion anticipated in early 2019.
Upper Ouse Flood Protection and Water Prevention Project	March 2019		The project is on schedule. A small underspend has been identified in year one and this will be reassigned to priority projects currently not in the work schedule.

Key Performance Indicators



KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Percentage of major planning applications determined within 13 weeks (LDC only)	80%	100%	100%	88%	33%		Three major planning applications were determined, but each was decided beyond the prescribed timescale, without extensions of time being agreed with each respective applicant. In each case steady progress was made while the application was live, the reasons for delay including resolving highway and Environment Agency issues, programming to meet Planning Applications Committee timescales and liaising with Brighton and Hove CC (on a University of Sussex application).

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Performance Improvement Plan		In order to improve performance in future, extensions of time will be agreed with applicants where it can be anticipated that the 13 week deadline will not be achievable due to external factors					
Percentage of minor planning applications determined within 8 weeks (LDC/SDNP combined)	75%	66%	88%	90%	94%		
Percentage of all planning appeals allowed (officer/committee decisions)	Less than 33%	40%	0%	33%	28%		
Number of major applications for new housing granted planning permission following appeal (LDC Only)	0	1	0	1	0		
Percentage of major planning applications allowed on appeal (as a percentage of all major applications made to LDC)	Less than 10%	50%	0%	16%	0%		
Outcome of planning appeals (Costs awarded (£))	Data Only	£0	£0	£0	£0		
Number of appeals where the Inspector has considered that there has been unreasonable behaviour by the Local Planning Authority	0	0	1	0	0		


VALUE FOR MONEY


Portfolio: Councillor Elayne Merry (People and Performance)

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Joint Transformation Programme (JTP) (Implementation)	May 2020		On track. Progress of this project is reported separately to Cabinet.
Dementia Friends	March 2018		This project has now completed successfully. Two volunteer Dementia Friends Champions within the council have been recruited so we can offer periodic Dementia Friends Information sessions to staff and Councillors into the future. The Havens and Lewes Dementia Action Alliance Groups are now established and are meeting regularly and are in the process of forming their action plans. Our grant to 3VA to support the establishment and development of these groups will enable support to be in place until March 2018.

Key Performance Indicators


KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Average working days lost to sickness per FTE equivalent staff	9.0 days	3.0 Days	2.0 days	2.7 days	2.9 days		The Quarter 4 sickness figures for Lewes was 2.9 days (per FTE) which means the overall total for the year was 10.6 days. This is a considerable reduction on the 12 days from last year (and many other years prior to that). The hard work undertaken for the new Attendance Management Policy which was

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
							introduced in September 2016 is clearly now having a very visible positive impact not only in reducing absence levels but also in supporting those who are absent from work due to sickness in a consistent manner across the organisation.
Number of relevant staff/councillors receiving dementia awareness training	Data Only	7	0	3	5		In the 4th quarter a number of sessions were arranged, with one attracting 5 staff and councillors. Approach to be reviewed.






CUSTOMERS – IMPROVED CUSTOMER SERVICE

Portfolio: Councillor Tony Nicholson (Customers and Partners)

Portfolio Projects and Initiatives

Project / Initiative	Target Completion	Current Status	Update
Devolution of Open Spaces	March 2017		Work has recommenced with Newhaven Town Council. Progress is being made on the transfer of 5 sites and terms have been agreed. Discussions have re-opened with Lewes Town Council and the Legal team has been instructed to offer a transfer of sites at Malling and Landport Bottom on the same basis as that agreed with Newhaven TC. Discussions with Telscombe and Peacehaven Town Councils will commence within the next month. It is proposed that the target date for the project be revised to better reflect the current position.

Key Performance Indicators

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
Average time taken to answer telephone calls	Less than 30 seconds	13 seconds	12 seconds	10 seconds	14 seconds		
Proportion of complaints (received by Customer Hub) responded to within target (currently 2 working days)	90%	97%	97%	98%	96%		
Number of new sign-ups to the Council's social media channels	Data Only	231	246	171	234		
Number of people registering for our email service	1,500	766	2,271	1,070	1,379		
Wave Leisure: Visitors to leisure centres	945,000 (Revised)	234,787	204,418	213,087	268,824		Last quarter showed improved visitor figures and exceeded the quarterly target. Annual target was missed by 2.5% which can be attributed to functions that did not occur in 2016/2017, a risk which

KPI Description	2016-17 Target	Q1 Apr-June	Q2 July-Sept	Q3 Oct-Dec	Q4 Jan-Mar	Status	Explanatory Note
							<p>Wave are already attempting to mitigate for 2017/18.</p> <p>Peacehaven Leisure Centre was awarded "Best Facility Managed by Quest". Downs Leisure Centre and Seahaven Swim and Fitness Centre have been upgraded to 'Very Good' after Quest assessments in Dec and Jan.</p>

Agenda Item No: 9.3 **Report No:** 91/17
Report Title: Review of the Council Plan 2016-2020
Report To: Cabinet **Date:** 26 June 2017
Cabinet Member: Cllr Andy Smith
Ward(s) Affected: All
Report By: Nazeya Hussain, Director of Regeneration and Planning
Contact Officer(s)-
Name(s): Jo Harper
Post Title(s): Head of Business Planning and Performance
E-mail(s): Jo.harper@lewes.gov.uk
Tel No(s): 01273 484049

Purpose of Report:

This report sets out the results of a review which has been undertaken of the Council's four year plan (2016 – 2020) at the end of the first year. The report enables the Cabinet to consider the successes and achievements to date and to approve the further development and refinement of the Plan as it moves into its second year.

Officers Recommendation(s):

- 1** To note the progress made in the first year of delivery of the Council Plan (appendix A); and
 - 2** To approve the action plan for year 2 of the Council Plan (appendix B), including the additional projects as set out in paras 8 and 12.
-

Reasons for Recommendations

- 1** During the period of a four year Council Plan adjustments and refinements may need to be made to respond to changed circumstances and emerging opportunities. In acknowledgement of this an annual review is a helpful way of ensuring that the Plan remains focused on delivery of the organisations overall strategic objectives.

Information

- 2** The Council Plan is a key corporate document. It sets out the Council's commitments to its residents and businesses and outlines a programme of important strategic objectives and the projects that will deliver these for the

District. The Plan draws upon a range of statistical data, as well as the views of key stakeholders, to inform and help shape the policy priorities for the Council.

- 3 The 2016-2020 Council Plan was adopted by the Council in February 2016, following extensive consultation and engagement with local residents, partners and stakeholders.
- 4 Progress against key success measures and project deliverables set out in the Plan has been reported to Members on a quarterly basis, as part of normal performance management arrangements (through both Scrutiny and Cabinet). This reporting will continue in 2017/18.
- 5 It was agreed by Council that, although covering a four year period, the Plan would be considered a dynamic document that would evolve over time. As such, an annual review was agreed. The results of the first such review are set out in this report.

Achievements in the First Year

- 6 The Council has made good progress in the past year in delivering across a range of the projects and initiatives set out in the Council Plan. The table at Appendix A shows which projects have been completed already, and what has been achieved. It also sets out progress made to date on those longer term projects which will take more time to fully deliver.
- 7 Also included in Appendix A is information about the volume and range of services the council has delivered across its functions.
- 8 As well as the projects set out in the Council Plan, through the year opportunities have arisen for two additional areas of work to be progressed, which help to deliver the Council Plan objectives. Cabinet is asked to agree that these two projects be included in the 2016-2020 Council Plan.
 - 8.1 Housing investment company. A proposal to establish a company enabling the development of housing in the district was considered and agreed by Cabinet in November 2016.
 - 8.2 Asset use and property acquisitions. A number of opportunities have arisen through the year for the council to make better use of its existing assets and to invest further in property for income generation purposes. This approach is increasingly important as other sources of council funding decrease. This work has been reported to Cabinet in a number of reports through 2016/17.
- 9 The original Plan stated that we would make the case for a second runway at Gatwick. As a decision has now been taken on this matter, it is proposed that this be removed from the Plan and Cabinet's endorsement of this is sought.
- 10 Also the Plan contained a commitment to work in partnership to deliver superfast broadband. This project is being delivered by ESCC and the district council's involvement has been minimal in practice, so it is therefore proposed that this project also be removed from the Plan.

Work Plan for 2017/18

- 11** Appendix B sets out the work which the Council will be focusing on in the coming year to continue to ensure that our objectives and priorities are delivered. Amongst these are a number existing projects which will be moving in to new phases, alongside some new projects which will help us to further our strategic aims. Some of the larger, longer duration projects will deliver key milestones in the coming year. These are highlighted below.
- 11.1** North Street Quarter
See report elsewhere on this Cabinet agenda.
- 11.2** Waste Strategy
July 2017 – procurement and mobilisation of goods and services to support new recycling service
Sept 2017 –Pilot of new recycling service starts
April 2018 –Full roll out of new recycling service (phased in from April)
Summer 2017 – green waste service available to whole district
- 11.3** Newhaven Enterprise Zone
June 2017 - Enterprise Zone launch
Dec 2017 - Eastside South – phase 1 complete
Dec 2017 - New CAB main office, refurbished by LDC, opens in town centre
August 2018 - Rampion Wind Farm maintenance base operational
- 12** Six new projects are being proposed for inclusion in the Council Plan in 2017/18. These are all in line with the overall aims and objectives of the Plan and have resulted, in the main, from new opportunities which have presented themselves since the original Plan was developed. Cabinet is asked to agree that these projects be included in the refreshed 2016-2020 Plan;
- 12.1** Develop a town centre master plan for Newhaven;
- 12.2** Review of the council's asset portfolio;
- 12.3** Joint Venture for Energy and Sustainability (see report elsewhere on this Cabinet agenda)
- 12.4** Acquisition and investment schemes for Lewes Town (4 Fisher Street, Saxonbury, Springman House, Turkish Baths – the latter two of which form the subject of reports elsewhere on this Cabinet agenda);
- 12.5** Develop air source heat pumps for Council properties; and
- 12.6** A change in scope for work on the arts and culture brand, and tourism offer, working in conjunction with Eastbourne Borough Council.
- 13** The changes and additions suggested are all in line with the overall aims and objectives of the Council Plan, which remain unchanged, and therefore no further public consultation is considered necessary at this stage.

Financial Appraisal

- 14** The recommendations in this report have no direct financial implications for the General Fund or the Housing Revenue Account. The financial aspects of all projects and actions within the Council Plan are either included within the approved budget for 2017/18 and the Medium Term Finance Strategy, or (in the case of new initiatives which may still be at an early planning stage) will be subject to future reports to, and approval by, Cabinet.

Legal Implications

- 15** The function of revising the previously adopted Council Plan is the responsibility of the Council's executive to the extent that this is authorised by full Council when it adopted the original Plan – regulation 4(4)(a) of the Local Authorities (Functions and Responsibilities) Regulations 2000 refers. When Council adopted the Plan in February 2016 it authorised the Leader to make minor contextual changes; this would include minor annual revisions of the sort detailed in this report. The Leader has power to delegate this task to Cabinet, which he has chosen to do in this instance.

Date of legal advice: 9 March 2017. Legal ref: 006146-LDC-OD.

Risk Management Implications

- 16** The risk management implications of individual decisions relating to the projects and initiatives covered in this report will be addressed as part of the planning and delivery of those individual projects.

Equality Screening

- 17** Equality Analyses are being undertaken in relation to the individual projects which make up the Council Plan, and therefore it has not been considered necessary to undertake an overarching analysis of the Plan as a whole.

Background Papers

- 18** The Council Plan 2016 – 2020 – Report to Council 23 February 2016

The Council Plan 2016 – 2020

http://www.lewes.gov.uk/Files/Council_Plan_2016-2020.pdf

Appendices

- 19** Appendix A – Progress to date against the Council Plan 2016 – 2020 – achievements in 2016-17

Appendix B – Work plans for 2017/18

Achievements in 2016/17

Our Commitment: <i>We will deliver improvements for customers and communities</i>	
Communities	
Dementia Awareness - over 50 staff and councillors trained to date; 2 dementia action alliances set up in the district to raise awareness and enable people with dementia to be better supported	Completed
Social Media Strategy and Policy adopted – over 6,300 people signed up to our council social media channels improving engagement with the Council and a simple way for customer service enquires to be resolved	Completed
Engagement Protocol adopted - to provide a framework for our engagement work and to ensure all consultations are carried out following best practice	Completed
White Ribbon - Council re-accreditation given for ongoing support for national campaign to raise awareness of male violence towards women	Completed
Delivered	
<ul style="list-style-type: none"> ❖ Around 6,000 individuals and organisations have been helped through the voluntary organisations we supported by grants totalling £209K ❖ LDC Tweets appeared 784,000 times in the past year with 1,538 being ‘re-tweeted’ ❖ Over 200,000 visits to Wave leisure centres each quarter 	
Customer	
New phone system installed and went live in February to improve call handling and provide better customer service	Completed
Email alert system up and running – 6,590 people signed up and over 35k topic subscriptions. 117 alerts sent out, with most popular topics have been District News, consultations, local events, recycling and local plan	Completed
Delivered	
<ul style="list-style-type: none"> ❖ We have over 3,000 Council homes – tenant satisfaction reached 98% at the end of last year ❖ 206,582 calls were made to the council in the last 12 months, on average calls to the Switchboard were answered within 13 seconds ❖ 500 taxi drivers, licensees and hoteliers attended the Sussex safeguarding training events for the licensing and hospitality trade to raise awareness and offer advice on child sexual exploitation, Human trafficking and safeguarding 	

Our Commitment: <i>We will achieve investment in our towns and villages</i>	
Place (sustainable new housing and infrastructure)	Status
North Street Quarter (NSQ) development - Project Manager appointed	Progressing
Local Growth Fund (garage sites) first houses about to be completed – 5 sites providing 22 new homes	Progressing
Temporary accommodation project complete – 24 private sector let properties, 12 managed by LDC	Completed
Neighbourhood Plans - 4 plans adopted	Progressing
PV Panels - project complete – 595 Council homes fitted with panels; estimated annual energy savings of around £50 per Council home	Completed
Newhaven Flood Alleviation Scheme - work started which will unlock sites for future development and reduce the flood risk to approximately 431 homes and 387 commercial properties	Progressing
Upper Ouse Flood Protection – Project started – Funding and structure in place to identify opportunities to reduce the risk/impact of flooding in local communities	Progressing
Housing Investment Company - Approval to proceed granted - Company to enable development of housing to meet local needs	New progressing
Council Housing Stock – Conditions survey completed annual investment of £3.16m to keep houses in good condition	Completed
Community Facilities <ul style="list-style-type: none"> ○ investment of £530,000 for new skatehouse in Newhaven ○ residents consulted on skatepark and recreational facilities in Lewes ○ successful funding bid of £2,000 for drinking fountain ○ Two Green Flag awards for Council Nature Reserves 	Completed
Rail Infrastructure – Lobbying of rail providers, including by Scrutiny, to tackle disruption to local rail services	Completed
Delivered <ul style="list-style-type: none"> ❖ Rent collection levels reached 98% in December last year ❖ Processed 3,937 new benefit claims within an average of 18 days per claim ❖ Planning applications processed well above target last year – reaching 100% of applications processed within target times 	

Our Commitment: <i>We will achieve investment in our towns and villages</i>	
Place (Growth and Prosperity)	
Newhaven Enterprise Zone - EZ status secured and Project Manager appointed	Progressing
Artwave Festival 2016 – Most successful ever with over 400 artists at 120 venues; use of social media up by 80%	Completed
Lewes Business Awards 2016 – Around 200 attendees at Awards event; 27 local business finalists	Completed
Denton Island - 700sq.m of new floor space for start-up businesses opened	Completed
Tourism Offer- Our Tourist Information Centres assisted and provided information to 83,794 visitors	Completed
Delivered	
<ul style="list-style-type: none"> ❖ 22 aspiring entrepreneurs took part in the LEAP scheme in 2016 ❖ 70 businesses applied for awards in the 2016 Lewes Business Awards ❖ £5.1m of Local Growth Funding was successfully bid for recent funding round opened up by Coast to Capital LEP 	
Place (Clean and Green)	
Waste Strategy - Garden waste service introduced and now being extended –1311 participants (at end of April 2017)	Progressing
Fly-tipping – Successful public awareness campaigns leading to notable reduction in fly-tipping incidents	Completed
Food waste and garden waste - promotional campaigns launched in Feb 2017	Completed
Street Cleaning – Successful community events in Seaford, Newhaven, Lewes, Plumpton and Newick; removal of litter and unauthorised signs	Completed
Day of Action – clean-up of verges along A26/A27 in partnership with Police and highways; litter cleared, 34 waste vehicles checked; new litter bins in laybys	Completed
Delivered	
<ul style="list-style-type: none"> ❖ Our recycling rate was 25.1% ❖ Our new garden waste service collected a total of 232 tonnes in 2016/17 ❖ LDC Rangers ran 6 events in our parks and nature reserves 	

Our Commitment: <i>We will keep close control of our budgets and make the best use of our resources</i>	
Value for money	
Shared Services - Property and IT services now shared with EBC - external shared IT supplier to deliver shared network and telephony	Progressing
Joint Transformation Programme launched – Aim to deliver up to £2.79m savings by 2019/20; reduction of up to 79 FTE posts; early implementation includes move to sole employer (Feb 2017) Phase one staff restructure – delivering £1.05m savings	Progressing
Asset Use and Property Acquisitions - revenue to date £322,250	New Progressing
Lottery Funding – Successful Transitional Funding bid by Wave Leisure of £54,300 to secure longer term viability of Newhaven Fort	Completed
<p>Delivered</p> <ul style="list-style-type: none"> ❖ Sale of land at Old Malling Farm and Anchor Field, Ringmer to generate capital receipts in the region of £8 million. ❖ 96% of invoices processed within 30 days at end of last year ❖ Council tax and business rate collection on track to reach 98% by year end 	

Work plans for 2017/18

Our Commitment: <i>We will deliver improvements for customers and communities</i>	
Communities	
Review voluntary organisations' Service Level Agreements	Action 2017/18
Develop further links with health service providers to promote wellbeing	Action 2017/18
Develop community engagement arrangements to inform design of customer journeys for JTP	Action 2017/18
Undertake scrutiny reviews of housing supply and demand and transport planning	Action 2017/18
Customer	
Develop call-centre to enable increased proportion of calls to be dealt with at first point of contact – Target 75%	Action 2017/18
Launch new shared website with EBC	Progressing
Enable more self-service options through JTP technology	Progressing
Introduce new aligned complaints policy across LDC/EBC	Action 2017/18
Customer insight work to inform design of shared services	Action 2017/18

Our Commitment: <i>We will achieve investment in our towns and villages</i>	
Place (sustainable new housing and infrastructure)	
North Street Quarter (NSQ) development of 416 houses (40% affordable), 330 car parking spaces, health club, flood defences and riverside walkway - <ul style="list-style-type: none"> Demolition phase begins Autumn 2017 	Progressing
Local Growth Fund (garage sites) 5 sites providing 22 new homes	Progressing
Newhaven Flood Alleviation Scheme - work started which will unlock sites for future development and reduce the flood risk to approximately 431 homes and 387 commercial properties	Progressing
Upper Ouse Flood Protection –identify opportunities to reduce the risk/impact of flooding in local communities	Progressing
Establish and operate new Housing Investment Company	New
Develop sustainable air source heat pumps for Council properties	New
Joint Venture for Energy and Sustainability	New
Help develop and adopt 2 new Neighbourhood Plans (Plumpton and Chailey) and deliver Referendums in Ditchling, Streat and Westmeston, Lewes and Plumpton	Progressing
Community and partner engagement on the Coastal Management Plan	Progressing

Place (Growth and Prosperity)	
<p>Newhaven Enterprise Zone - Project aims to safeguard and create 2,000 full-time equivalent jobs over the next 25 years</p> <ul style="list-style-type: none"> • Enterprise Zone goes live in April 2017 covering 8 key sites in Newhaven <ul style="list-style-type: none"> ○ East Quay – commence construction of Rampion Wind Farm operational/maintenance base April 2017 ○ Eastside South – commence development of new business park May/June 2017 ○ CAB – new office, refurbished by LDC, opens in town centre Sept 2017 	Progressing
Develop a new arts and culture brand and tourism offer in conjunction with Eastbourne as a shared service	Changed Scope Action 2017/18
Artwave Festival 2017	Action 2017/18
Lewes Business Awards 2017	Action 2017/18
Develop Newhaven Town Centre Master plan - commence delivery on priority sites (Newhaven Square and wider Town Centre)	New
Place (Clean and Green)	
<p>Waste Strategy</p> <ul style="list-style-type: none"> • Continuation of food waste collection promotion to increase recycling rates • Introduce co-mingled recycling service <ul style="list-style-type: none"> ○ Procurement and mobilisation of goods and services to support new recycling service July 2017 ○ Pilot of new recycling service starts Sept 2017 ○ Full roll out of new recycling service (phased in from April) April 2018 • Roll out garden waste service to the remainder of the District Summer 2017 • Expand commercial waste service 	Progressing
Devolve more open spaces to towns and parishes	Action 2017/18

Our Commitment: *We will keep close control of our budgets and make the best use of our resources*

Value for money

<p>Joint Transformation Programme</p> <ul style="list-style-type: none"> • Complete JTP Phase 2 (service delivery) restructure – resulting in majority of functions shared across LDC and EBC – target efficiency savings circa £545k • Introduce Shared Finance Service with EBC • Deliver new housing IT system • Deliver single IT infrastructure across LDC and EBC 	<p>Progressing</p>
<p>Review Asset Portfolio - to ensure all assets are required for operational or investment purposes and to identify potential options for surplus property.</p>	<p>New</p>
<p>Acquisitions and investment schemes in Lewes to deliver target revenue in excess of £250K</p> <ul style="list-style-type: none"> ○ Turkish Baths ○ 4 Fisher Street ○ Saxonbury ○ Springman House 	<p>New</p>

Agenda Item No: 9.4 **Report No:** 92/17
Report Title: Joint Venture on Energy & Sustainability
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Councillor Linington
Ward(s) Affected: All
Report By: Nazeya Hussain, Director of Regeneration & Planning
Contact Officer(s)-
Name(s): Lisa Rawlinson
Post Title(s): Strategy & Partnership Lead for Growth & Prosperity
E-mail(s): E-mail lisa.rawlinson@eastbourne.gov.uk
Tel No(s): 01323 415250 or internally on extension 5250.

Purpose of Report:

To appoint a preferred bidder to work with Lewes District Council and Eastbourne Borough Council to set up a structure that will deliver a range of projects to meet environmental ambitions, while also ensuring resilience against future energy, food, sustainability and climate change challenges.

Officer Recommendations:

- i. Appoint the Robertson Aecom Consortium as the Preferred Bidder for the Energy & Sustainability Joint Venture and award it a contract to work with Lewes District Council and Eastbourne Borough Council as the private sector partner subject to satisfactory finalisation and completion of the contractual agreements;
- ii. Approve the setting up of a new Joint Board for Energy & Sustainability comprising Lewes District Council and Eastbourne Borough Council members as nominated by the group leaders on a politically proportionate basis. Such Board will be advisory only and substitute members may be drawn from any political group.
- iii. Delegate authority to the Director of Regeneration and Planning to take all necessary operational decisions to implement the Joint Venture in consultation with the Portfolio Holder for Environmental Impact and where appropriate the Chief Finance Officer and Assistant Director – Legal and Democratic Services
- iv. Delegate authority to the Director of Regeneration and Planning to agree the inclusion in the Joint Venture structure of other participants in consultation with the Portfolio Holder for Environmental Impact and where appropriate the Chief Finance Officer and Assistant Director – Legal and Democratic Services;
- v. Delegate authority to the Director of Regeneration and Planning in consultation with the Portfolio Holder for Environmental Impact and where appropriate the

Assistant Director – Legal and Democratic Services to agree the terms of an inter-authority agreement to govern the relationship between Lewes District Council and Eastbourne Borough Council as founding participants under the arrangement.

Reasons for Recommendations

Setting up a Strategic Partnership Agreement (SPA) Joint Venture, is a low cost, low risk option for Lewes District Council, putting the Council in a strong position alongside Eastbourne Borough Council to deliver sustainability ambitions, and invest in significant capital projects with the potential for financial return.

The Joint Venture can be used to accelerate the delivery of projects, which will be completed to agreed timescales, and to a high standard, achieving members' ambitions for their respective areas. Use of a private sector Joint Venture partner will mean that other contractors can be brought into projects without the requirement for a procurement exercise, which can take time and have cost implications, so will have a positive impact on the Councils' budgets.

A local supply chain will be developed and projects with community benefit can be delivered.

As the SPA forms and grows, it will be a platform for advice and capacity building to other local authorities, something the Department for Business, Energy and Industrial Strategy (BEIS) formerly the Department for Energy and Climate Change (DECC) is keen to encourage and see develop.

Information

1.0 Background

- 1.1 Lewes District Council has made a commitment in its Council Plan 2016 – 2020, to having a Clean and Green District. Likewise, Eastbourne Borough Council has made a similar commitment to providing a Quality Environment in its Corporate Plan 2016 – 2020, with this being one of four key themes. Specifically, by 2020, the Councils intend to be moving towards becoming low carbon areas, with a wide range of locally derived environmentally friendly initiatives. Both Councils have ambitious plans to improve their respective areas and deliver significant projects, along with high quality operational services, and so have made a commitment to deliver a shared service.
- 1.2 Both Councils have already given consideration to the Joint Venture, and approved the public procurement process for a private sector partner, with reports going to Eastbourne's Cabinet on 25th May 2016, and Lewes's Cabinet on 4th January 2017.
- 1.3 Within the energy sector there is a combination of increasing prices, future shortage of supply, and the need to reduce carbon emissions. The food chain faces similar future uncertainty with population growth and major global food

regions under threat from extreme weather patterns. There will also be future sustainability issues with transport, waste and water.

- 1.4 Lewes District Council and Eastbourne Borough Council have good track records of investing and delivering in sustainability, and both have invested in solar panels on social housing, reduced their own carbon footprints, invested in green spaces, supported local community groups, and increased the amount of recycling collected. However in the context of future needs, a more ambitious approach to achieve large scale change is required, and a step change in investment, and working alongside commercial organisations for their specialist skills and experience, is required.
- 1.5 This report sets out how the Councils will be taking a leading role to develop projects that both tackle the issues in paragraph 1.3 above, and in addition, provide an income for the Councils. Whilst a key focus of the Joint Venture is to deliver potentially innovative Energy & Sustainability projects, it is of course possible that many capital projects could be delivered through the Joint Venture, provided that they come within the wide scope of the procurement and there is a sufficient element of energy/sustainability.
- 1.6 The Joint Venture is in effect a partnering relationship between the two Councils and the private sector partner, and offers significant advantages to accelerate the delivery of projects, which will be completed to a high standard and will achieve members' ambitions for their respective areas. There would be no requirement for forthcoming projects to be procured, which takes time and can have cost implications, however a request can be made to the private sector partner to run a mini-competition. Another benefit is the facility to bundle up smaller projects, some of which will be of community benefit. Finally, Robertson Aecom will need to build a local supply chain for sub-contractors, and they have made a commitment to holding open days for local suppliers, with a view to setting up the local supply chain.
- 1.7 Given that Lewes District Council and Eastbourne Borough Council are in the process of sharing services, the procurement process has been undertaken on behalf of both councils, as founding partners. The Invitation to Submit Final Tender stage has now concluded, completing the procurement process. The Robertson Aecom Consortium are recommended as the preferred bidder and subject to the approval of both Lewes District Council's Cabinet, and Eastbourne Borough Council's Cabinet at its meeting on 12th July 2017, and satisfactory finalisation of the contractual agreements it is recommended that they are appointed as the Joint Venture partner for a period of 20 years, to provide a long term arrangement for a framework for the right strategic planning and investment to take place. There will also need to be an inter authority agreement between the two councils to govern the occasions when they must make decisions jointly e.g. at the Steering Board where they will have one collective vote.
- 1.8 Officers from the Department for Business Energy, and Industrial Strategy (BEIS) have approved the approach taken by both Councils, and the long-term thinking.

They have also been regularly briefed on the procurement process.

2.0 Robertson Aecom

2.1 The term “Robertson Aecom Consortium” is used in this report to refer to:

- Robertson Capital Projects Limited; and
- Aecom Limited

who will jointly and severally enter the Strategic Partnership Agreement with the Councils.

2.2 Robertson Aecom have been working with the hub programme, which operates across five geographical territories in Scotland. In each, the participating public bodies have teamed up with a private sector partner to form a joint venture company known as a hubCo, to develop and deliver a diverse pipeline of community infrastructure projects. Robertson and AECOM were each appointed to establish and operate one of the hubCo areas. They have over five years of experience and success, helping multiple council areas to deliver a wide range of project types. Particular points to note are:

- The total project value of each hub is just under £500m, which is a combination of schemes that have been delivered, are in development or are under construction;
- A significant proportion of SMEs are involved in delivering contracts;
- New jobs and apprenticeships have been created (in excess of 500);
- There are high satisfaction scores on completed schemes;
- Ability to reinvest any surpluses into developing a new pipeline of projects.

2.3 Robertson’s Hub East Central Scotland projects have included early years, primary schools, secondary schools, health centres, mental health facilities, pharmaceutical manufacturing facilities, community facilities, museums, libraries, leisure facilities, cultural attractions, offices, customer facing facilities, depots, vehicle maintenance facilities, affordable housing and care homes.

2.4 AECOM deliver a full range of technical services to public and private sector bodies throughout the UK. Two relevant projects to the Energy & Sustainability Joint Venture and the delivery of early projects in Eastbourne are the Sussex Coast College at Hastings where they have provided full development services and the Splashpoint in Worthing where they have contributed significant design services in parallel with the development management services.

3.0 Operation of the Joint Venture

3.1 The objectives of the Joint Venture are to:

- Strategically identify, develop and deliver a diverse range of projects and services embedding energy and sustainability;
- Provide an opportunity for public, private and third party organisations to strategically collaborate, plan and deliver improved aggregated outcomes;
- Provide a tool that will deliver major capital projects to budget and to a high standard; [Page 79 of 248](#)

- Support local businesses and the community through long-term needs review and investment planning;
- Create low carbon sustainable communities.

3.2 There are a number of background documents that support this report, that help to explain how the Joint Venture might work operationally and the different processes that are involved, including how other public bodies and organisations can access the Joint Venture. These are listed below along with a short summary about each one:

- i. **Joint Venture Toolkit** – a guide to the key processes and how projects can be delivered;
- ii. **Q&A Briefing Document** – answers key questions on Scope, Governance, Finance, and Delivery;
- iii. **Governance Method Statement** - further detail on how the Council and private sector partners will operate the Joint Venture;
- iv. **Stage 0 Method Statement** - how sites can be taken from concept and vision to workable or ‘qualifying’ projects;
- v. **Project Development Method Statement** – how qualifying projects can be taken forward to delivery;
- vi. **Engagement Method Statement** – how the community and other stakeholders will be engaged.

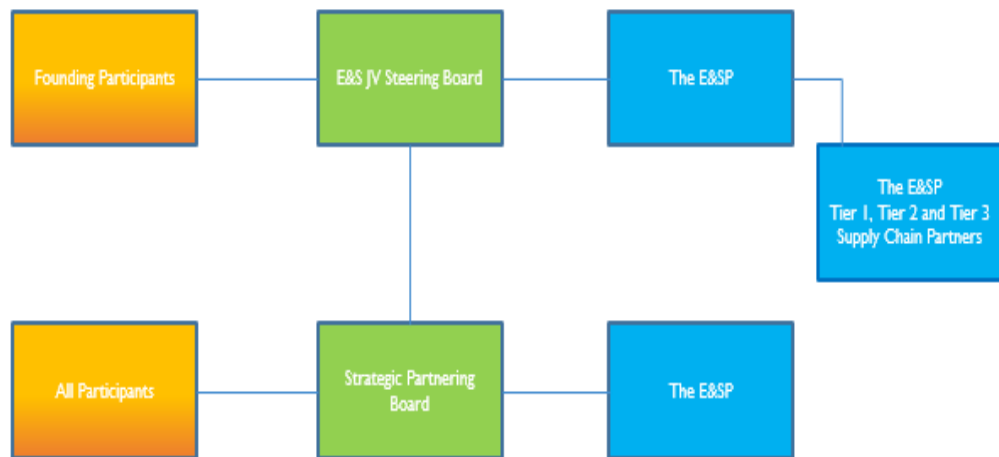
4.0 Governance

4.1 The governance arrangements are explained in detail in the Governance Method Statement, but in summary, the Councils as founding partners will be able to:

- Recommend which of their own projects to develop and will, alongside the joint venture partner, approve the project delivery plan, which may include projects put forward by other public sector bodies;
- With the joint venture partner, decide to allow access to other participants (other local authorities and public bodies) to use the joint venture, and agree the terms on which they do so;
- Cancel or reject a project proposal at various gateways (although it should be noted that cancellation or rejection for certain reasons can result in liability for aborted costs, and where a final approval has been given to a project, potentially loss of profits);
- Invest in projects which generate a financial return.

A Carbon Reduction Board has operated in Eastbourne for some years, attended by relevant Portfolio Holders and senior officers. It is proposed to extend this and create an Eastbourne/Lewes Joint Board for Energy and Sustainability to scrutinise and review all projects prior to Cabinet consideration. All projects will be reviewed by this Board prior to any Cabinet decisions to proceed, so members will be involved at each stage of the project gateway process. The community will be consulted (as appropriate) before any project is approved and funding given.

4.2 A diagram setting out Project Governance is shown below.



The Joint Venture consists of 3 parts as shown by the coloured boxes above:

Yellow area (public sector)

The founding participants are Lewes and Eastbourne councils.

All participants will be Lewes and Eastbourne councils and any other public sector body that joins the Joint Venture.

Green area (public and private sector)

The role of the Energy & Sustainability Joint Venture (E & S JV) Steering Board is oversight and accountability review, strategic leadership, strategic planning and Stage 0 Overview.

The Strategic Partnering Board oversees the work of the E & SP (see below). Its role is guidance, performance review, scrutiny, strategic engagement and alignment of priorities.

Blue area (private sector)

The E & SP is the Energy and Sustainability Partner and comprises Robertson Aecom, and their supply chain partners.

Tier 1 Supply Chain Partners - the Contractor or Service Provider

Tier 2 Supply Chain Partners - Consultant or Single service provider

Tier 3 Supply Chain Partners - SME or service specialist

5.0 Identifying the pipeline

5.1 Once appointed, the private sector partner will work with the two Councils to examine our investment pipeline. Once established the private sector partner will commence a ‘100 day plan’ which will scope out in more detail the potential pipeline for the next five to ten years.

5.2 Within the 100-day plan all the key themes (energy, food, transport, water waste, and climate resilience) will be mapped onto the Geographic Information System

(GIS), which will allow the Councils to take a holistic master-view of regeneration. All sites would be ranked and prioritised and aligned with the JV Project Approval Process, which closely follows the RIBA stages. This process will build in the appropriate Cabinet approvals, and will involve workshops and a wider set of stakeholders.

5.3 The Councils can choose which projects are included in the Joint Venture, and may not want to use the Joint Venture for schemes that are already underway, or for future projects. If it looks like the initial potential pipeline is small in the Eastbourne/Lewes Joint Venture Area, then the private sector partner will work with other Participants in the Joint Venture Core Area of Kent, Surrey, Brighton & Hove, East Sussex and West Sussex, and their supply chain of contractors, to develop a larger project pipeline. To ensure all costs are recovered a notional first 5 year minimum pipeline scenario would be in the region of £175m - £185m, approximately £35m a year.

5.4 When either Council wants to consider a project, a project approval process will be followed, with six steps outlined below

E&S JV Stage	Summary	Key Outputs
Pre-Stage 0	Site Listing	<ul style="list-style-type: none"> Internally the Council agrees which sites can be considered by the JV Part 1 list created, which will require Cabinet approval
Stage 0	Strategic Definition	<ul style="list-style-type: none"> Scope out all of the Part 1 sites Prioritisation and classification of potential projects
Stage 1	Preparation & Brief	<ul style="list-style-type: none"> Develop scope of potential projects including outline delivery programme, project requirements, planning requirements and affordability cap Agree which sites can be taken forward as Qualifying Projects (Part 2 projects) which will require Cabinet approval Submit new project requests
Stage 2	Concept Design	<ul style="list-style-type: none"> Agree affordability cap, comparators, and benchmarks Price cap adjustments Options appraisal Initial design and feasibility Develop preferred option

		<ul style="list-style-type: none"> • VfM assessment • Guaranteed maximum price
Stage 3 & 4	Developed and Technical Design	<ul style="list-style-type: none"> • Develop Design • Pre-planning consultation • Confirm VfM • Market test construction packages • Finalisation of price
Contract Finalisation	Completion of contract	<ul style="list-style-type: none"> • Resolve residual risks • Technical Project Agreement • Financial Close

At each stage the level of work increases and will be paid for through the Ongoing Partnering Services (OPS) OPS and Transformational Partnering Services (TPS) fees (see paragraph 6.3 of this report for definitions of these fees). Prior to each stage commencing the criteria for the next stage is agreed and if these criteria are delivered, it is expected that the costs will be paid through the OPS & TPS fees. If the Council decides to withdraw at any stage and the criteria has been that met, the Council will be expected to pay the costs, and the amount will depend on the type and size of the project. At the start of the Joint Venture, the private sector partners will be carrying out Stage 0 work at risk, with a view to delivering a Qualifying Project. Their costs will be repaid (with interest) once a Qualifying Project has been delivered.

5.5

Cabinets will be required to give approval to projects being listed in Part 1 of the Joint Venture Delivery Plan as well as Part 2.

Part 1 projects are a shortlist of potential projects which may require further development and feasibility studies to be undertaken.

Part 2 projects are “Qualifying Projects” to which the exclusivity provisions apply.

Approval will also be required before a new project request is made to take forward a Qualifying Project and during the project approval process at the Stage 1 decision and at the Stage 2 decision, (unless a particular decision is delegated to officers), so members will always be in the position of deciding which projects are progressed.

A diagram of the Gateway Approval Process is shown at Appendix B.

The ‘Stage 0’ and ‘Project Development’ Method Statements explain in detail how projects will be taken from concept to delivery.

An initial Part 1 list of projects is shown below:

Lewes District Council

North Street Quarter: Springman House New Community Fire Station

North Street Quarter: Energy Services Company

Newhaven Enterprise Zone: Railway Quay

Newhaven Enterprise Zone: Town Centre

Eastbourne Borough Council

New Sovereign Leisure Centre
Bedfordwell Road
Wish Tower Restaurant

With regard to North Street Quarter (NSQ), one of the first tasks of the Joint Venture could be to develop a business case and designs for the energy elements of the project. The NSQ project has always envisaged drawing heat and power for the development site from the River Ouse as a way of minimising the environmental impact of the development and also of minimising the running cost of the development and making it more appealing to potential occupiers. Furthermore, BEIS have granted c.£63,000 to look into how that energy source might be expanded to benefit the rest of the town. The development has therefore always assumed an energy services company would contract with the management company to run that combined heat and power facility. A Special Purpose Vehicle (SPV) established through the SPA would have the potential to be that energy services company, and as such the NSQ project offers a potential early win for the Joint Venture and a source of income. The Joint Venture may also look at undertaking and implementing the BEIS study to look at spreading the benefits to the wider town.

6.0 Strategic Partnership Agreement

- 6.1 The Joint Venture will be overseen at its top level through a 'Strategic Partnership Agreement' (SPA) which gives the greatest flexibility for the long term aims. The SPA will act as an enabling agreement through which individual projects will be delivered.
- 6.2 The SPA has been procured by both Councils through the Competitive Procedure with Negotiation. Key elements of the SPA are:
- Flexible governance arrangements, providing the Councils with the capability to take forward projects with the private sector partner;
 - Other public sector bodies can have a direct relationship with the private sector partner;
 - The Joint Venture Business plans are jointly developed between all parties, with final approval by the Founding Participants (Lewes and Eastbourne Councils) and the private sector partner;
 - There will be no need for further procurement as the private sector partner can choose its own supply chain of contractors and sub-contractors in conjunction with Lewes and Eastbourne Councils (subject to usual best value tests);
 - Internal and external capital can be raised as and when required;
 - Contracts for additional joint ventures and regeneration projects will be drawn up to suit the project, templates will be available, and over time these will be developed for repeating projects.

The SPA is of necessity a detailed legal document.

- 6.3 The private sector partner has the sole and exclusive right and obligation for a period of 10 years from the commencement date of the SPA to provide:

- (i) On-going Partnering Services; and
- (ii) Transformational Partnering Services in respect of Qualifying Projects.

Definitions of these terms are provided below.

On-going Partnering Services: are constant or recurring services which include:

- Partnering and Collaborative Working, supporting participants to develop the JV Delivery Plan, to establish and develop the SPB;
- Supply Chain Management to establish, manage and refresh a supply chain of contractors that can deliver and demonstrate continuous improvement;
- Value for Money to the participants during the term of the SPA.

The private sector partner has no obligation to provide On-going Partnering Services if there are no Qualifying Projects.

Transformational Partnering Services: are services in connection with the development of new projects and include:

- New Project Development and Delivery;
- Selection from Supply Chain for each New Project;
- Funding;
- Value for Money.

6.4

With regard to exclusivity, there are a few points worth emphasizing:

- The private sector partner will have conditional exclusivity rights over Qualifying Projects (the Part 2 list);
- There is no obligation on the Councils to use the Joint Venture to deliver projects unless they choose to make them Qualifying Projects, however if there are no Qualifying Projects over a continuous three year period either party may terminate the arrangements;
- Exclusivity can be suspended if the private sector partner fails to meet certain Key Performance Indicators;
- With regard to Qualifying Projects, exclusivity operates by the project being offered to the private sector partner through the submission of a New Project Request (NPR). This does not oblige a Council to take forward a project. The private sector partner can reject the NPR and then, depending on the circumstances for the rejection, the Council is free to take the project forwards through a different means;
- If other public bodies join the Joint Venture, the E & S JV Steering Board will have the ability if it wishes to consider projects in their areas, and if appropriate take the decision that they cannot be delivered if they are in conflict with the values and visions of Lewes and Eastbourne Councils in their roles as Founding Participants.

6.5

The procurement process required the tenderer to provide example business cases to test their potential to deliver, and their competitiveness.

6.6

Once Eastbourne Borough Council and Lewes District Council approve the appointment of the Joint Venture private sector partner, it is anticipated that the

SPA will be in place by July/August 2017.

- 6.7 The SPA contains detailed termination provisions. Each new project will be governed by its own set of contractual documents which will contain separate provisions. Compensation is payable on termination in some situations.
- 6.8 The intention is that only Eastbourne Borough and Lewes District Councils as the Founding Participants will be able to terminate the overall arrangements, although individual participants may terminate their own involvement. Participants are liable on a several (not a joint) basis, and compensation is payable on termination in some situations by either party depending on fault. Further detail on these arrangements can be found in the SPA.

7.0 Legal implications

- 7.1 Legal Services have been closely involved with the project from inception, and in particular with the procurement process.

The Joint Venture on Energy & Sustainability involves both the selection of a joint venture partner and the award of contracts/concessions. The process undertaken has therefore covered both of these elements to create a long term incremental partnership arrangement. The nature of this arrangement may entail contracts covered by the Utilities Contracts Regulations 2016 and the Concessions Contract Regulations 2016 as well as the Public Contract Regulations 2015 (PCR 2015).

A compliant competitive procedure with negotiation has been undertaken under the PCR 2015 in order to select the proposed Preferred Bidder.

Previous reports have set out the relevant powers. When considering a complex or multi layered arrangement, a number of powers will be used to cover all aspects of the arrangements. It is considered that there are sufficient powers to enable the Councils to procure and participate in the proposed arrangements. Key powers include:

- Section 1 Localism Act 2010: general power of competence
- Section 11 of the Local Government (Miscellaneous Provisions) Act 1976 (as amended by the Electricity Act 1989) which provides that a local authority may generate and sell heat and electricity, and may also purchase and supply heat.

It is considered that the proposed arrangements are compliant with State Aid rules. This element will be monitored throughout the life of the arrangement and in relation to individual projects.

8.0 Resource Implications

8.1 Staffing

Staff time will be required for both the development of the 100 day plan, and for on-going project development. Each project that is delivered through the Joint Venture will be charged an Ongoing Partnering Service Fee. This will be used to pay both the public and private sector's set up costs. Following that 0.25% will be payable to the Council. Over time, this should enable the Council to recover its costs of

participation.

8.2 Financial

8.2 i) Start-up costs

The total start-up costs are up to £300,000, which comprises:

- £100,000 for both Councils' set up costs (£50,000 from Lewes District Council and £50,000 from Eastbourne Borough Council);
- £100,000 for Robertson/AECOM's set-up costs;
- Up to £100,000 to cover Robertson AECOM's costs for the initial scoping and potentially the 100-day plan.

The Councils' set up costs have been met by an existing budget and Robertson/AECOM will be doing work at risk. The £300,000 will be recovered through the fees that will be applied to new projects.

Eastbourne Borough Council will contribute the Government's Heat Networks Delivery funding of £32,500 which is matched by £32,500 of its own funds.

8.2ii) On-going costs

As mentioned in 7.1 the Councils will be required to invest staff time in project development (approx. 181 days) and these costs are recoverable through the income generated by the management fee that is applied.

8.2iii) Capital

A business case will be developed for each individual project that sits beneath the SPA, to include fees, and capital allocations will be requested for each project. Both the business case and capital allocation for each project will require Cabinet approval.

8.2.iv) Fees

There are two types of fees:

On-going Partnering Services (OPS) fee

An Ongoing Partnering Services (OPS) fee of 1.75% will be charged against the total contract value of capital and services projects. This fee is effectively a project management charge, received by the partners, which is broken down as follows:

- | | |
|-------------------------|-------|
| • Founding Participants | 0.25% |
| • E&SP | 1.20% |
| • Surplus Fund | 0.30% |

A brief explanation of each follows:

Founding Participants (FP) - a Management Fee will be taken by EBC/LDC that reflects the Participants' involvement in delivering OPS and recognises their ongoing stewardship of the E&S JV procurement mechanism;

Energy & Sustainability Partner (E&SP) - an OPS Fee will be taken by the Robertson/AECOM JV that reflects it is the primary deliverer of OPS and this necessitates the commitment to a range of fixed annual as well as periodic scalable costs;

Surplus Fund - a contribution to the E&S JV surplus fund will be made to generate cash balances that can be used to fund Stage 0 activities and in turn support the development of an ongoing pipeline of projects and services.

The Business Plan modelling shows that a surplus is likely to start arising once a stated threshold of income is received, most likely towards the end of year 3 / beginning of year 4. Accordingly, the FP and E&SP have agreed that from a cash flow perspective they will have first call on income received ahead of the surplus fund.

All OPS costs incurred by the FP and the E&SP are incurred at risk, and are only recoverable (with interest) when enough OPS income is generated from the E & S JV's pipeline of projects and services. No party has any obligation to the other to make OPS payments in the absence of sufficient OPS income being received to cover the costs of service provision.

Transformational Partnering Services fee

In addition to the OPS fee of 1.75%, a Transformational Partnering Services (TPS) fee of 2.75% will be charged against the capital value of all projects that are delivered as Qualifying Projects. This fee effectively covers any technical input that is required. The TPS for Services & Supplies projects will be calculated on a project by project basis.

Projects generating lower returns but which hold strategic importance will be considered as part of a blended approach.

The OPS and TPS rates will be reviewed every 5 years.

Income generation

8.2v) The main route for income generation is the returns on investments for particular projects. In addition to the Council obtaining a Management Fee income of 0.25% on all projects to cover its costs, it can also invest in projects as a shareholder/investor and generate an income.

Robertson/AECOM intend to invest in projects, and the Councils and other Participants can invest where appropriate. Robertson/AECOM are comfortable with 100% public sector investment for particular projects, but the SPA provides for the option of up to 50% equal footing.

9.0 Risk Management Implications

The table below sets out key risks and mitigation measures.

Risk	Mitigation
Decision not to proceed with joint venture	<ul style="list-style-type: none"> • Procurement already commenced; • Lewes District Council can continue to deliver small-scale projects but these will not have the same impact.

Failure of joint venture	<ul style="list-style-type: none"> • Expectations to be set out clearly in procurement documentation and subsequent contract; • Private sector partner advised that whilst Councils intend to proceed with large scale transformation of the local energy and sustainability infrastructure, this will be dependent on business cases being developed, and projects being approved by Cabinet, and therefore the formation of the SPA will be a commercial risk to the eventual SPA private sector partner; • Experience of other local authorities undertaking similar projects has been investigated.
Failure of energy & sustainability projects	<ul style="list-style-type: none"> • Separate business case required for each individual project; • Cabinet approval required for each individual project; • Gateways and exit rights to be developed and agreed with private sector partner.
Escalation of costs to Councils	<ul style="list-style-type: none"> • Procurement and legal advice to be provided by Council staff; • Costs of development, investment, risk and returns can be shared with private sector partner.

10.0 Equality Screening

10.1 See Appendix A.

Background Papers

The Background Papers used in compiling this report were as follows:

Eastbourne Borough Council Cabinet report 25th May 2016

Lewes District Council Cabinet report 4th January 2017

Joint Venture Toolkit

Q&A Briefing Document

Governance Method Statement

Stage 0 Method Statement

Project Development Method Statement

Engagement Method Statement

To inspect or obtain copies of background papers please refer to the contact officer listed above.

Appendices

Appendix A – Equality Screening

Appendix B – Gateway Approval Process

Appendix A: Equality Analysis Report Template

Title:	Joint Venture on Energy & Sustainability
EA Lead :	Sue Oliver
EA Team:	N/A
Date Commenced:	5th May 2017
Target Completion Date:	12th May 2017
Reason for assessment:	The Joint Venture is being set up via OJEU procurement and will be in place in August 2017.

Context and Scope

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

Within the energy sector there is a trilemma of increasing prices, future shortage of supply, and the need to reduce carbon emissions. The food chain faces similar future uncertainty with population growth and major global food regions under threat from extreme weather patterns. There will also be future sustainability issues with transport, waste and water.

Meeting our future needs will require a step change in investment and working with commercial organisations for their specialist skills and experience. Therefore Lewes District Council together with Eastbourne Borough Council is setting up a Joint Venture for Energy and Sustainability which at its top level is through a 'Strategic Partnership Agreement' (SPA), as this gives the greatest flexibility for long term aims and the different needs for each Council.

The SPA has been procured through the Competitive Procedure with Negotiation. Key elements of the SPA are:

- Flexible governance arrangements, providing the Council with the capability to take forward projects with the private sector partner. Other public sector bodies can have a direct relationship with the private sector partner, subject to some oversight by the Founding Participants in relation to On-going Partnering Services and the Joint Venture Delivery Plan. There is flexibility in how resulting projects are structured and the parties to them;
- The Joint Venture Business plans are jointly developed on a needs basis between all parties, with final approval by the Founding Participants and the private sector party;
- There will be no need for further procurement as the private sector partner can choose its own supply chain in conjunction with the Founding Participants (subject to usual best value tests);
- Subsidiary joint ventures (which are likely to be incorporated SPVs) can be set up as and when appropriate. The structure can be determined to suit the project;
- Internal and external capital can be raised as and when required;
- Contracts for additional joint ventures and regeneration projects will be drawn up to suit the project, but there will be templates available and over time these will be developed for repeating projects;
- The opportunity to build in potential for other public bodies to be able to participate and use the new project approval process and access strategic partnering services.

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

There is no impact on any other organisation in terms of operation or commitment of resources. They can join the Joint Venture at their own discretion and with the agreement of the Founding Participants, Lewes District Council and Eastbourne Borough Council.

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

Individual projects to deliver energy and sustainability measures will sit under the JV. The policy will have a positive impact for the wider community, and as the joint venture is proposed to be long term (10-30 years), there is the potential to benefit large number of residents across all tenures. In particular it is anticipated those in fuel poverty will benefit from a more sustainable energy supply.

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

The project has no local or national political implications, but worth noting that it is supported by BEIS (formerly DECC).

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The proposal has the potential to benefit all residents, in particular those on low incomes and in fuel poverty. It will not affect different protected groups differently.

It is considered that the PSED does not have any impact on the proposal to set up a Joint Venture for Energy and Sustainability.

7. What is the scope of this analysis?

The scope of the analysis is the setting up of the JV and the appointment of the preferred private sector partner, subject to satisfactory finalisation and completion of the contractual agreements. Individual projects will be considered by Cabinet at the appropriate stage, with a full business case for each, and a further EA will be required for each.

Information gathering and research

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

No specific data was gathered for the purposes of this assessment.

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

N/A

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

No consultation has taken place with communities and groups in Lewes District, but in Eastbourne, the local Community Environment Partnership (CEPE), Friends of the Earth and Bespoke groups have been consulted about setting up the JV, and all are positive and keen to support and assist the Council's aims in this area of work.

Analysis and assessment

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

See q 10

12. What positive outcomes were identified?

Reduction of carbon emissions and sustainable energy opportunities, and the delivery of projects, many of which will have a community benefit .

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
Equality analysis of each project that sits beneath the JV	Undertake EA	Lisa Rawlinson	To be reviewed	TBC	To be determined for each project

Summary Statement

In May 2017 an Equality Analysis was undertaken by Sue Oliver on the Joint Venture for Energy & Sustainability.

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

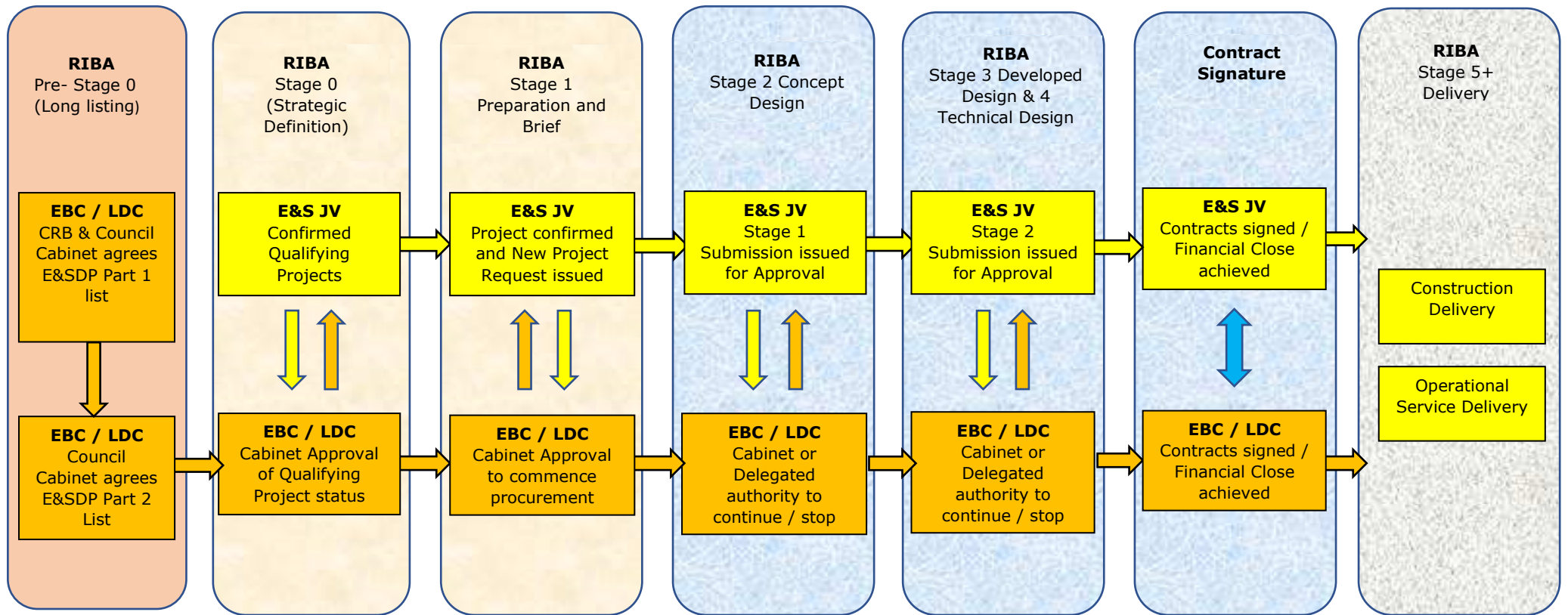
The assessment identified: (*delete as appropriate)

*The policy/service/decision/project was found to have positive outcomes for all groups.

Approval

Director/Head of Service	
Signed	
Dated	

E&S JV GATEWAY APPROVAL PROCESS



Agenda Item No: 9.5 **Report No:** 93/17
Report Title: Corporate Asset Management Plan 2017-2020
Report To: Cabinet **Date:** 26 June 2017
Cabinet Member: Councillor Bill Giles
Ward(s) Affected: ALL
Report By: Nazeya Hussain, Director of Regeneration and Planning
Contact Officer(s)-
Name(s): Mark Langridge-Kemp
Post Title(s): Senior Manager, Asset Development
E-mail(s): Mark.langridge-kemp@eastbourne.gov.uk
Tel No(s): 01323 415876

Purpose of Report:

For Members to approve the Corporate Asset Management Plan 2017-2020 and implementation of a Strategic Property Board.

Officers Recommendation(s):

1. To approve adoption the Corporate Asset Management Plan 2017-2020;
 2. To delegate authority to the Director of Regeneration and Planning, in consultation with the Cabinet Member for Finance, to make minor amendments to the Plan if required before formal publication;
 3. To approve implementation of a Strategic Property Board;
 4. To delegate authority to the Director of Regeneration and Planning, in consultation with the Cabinet Member for Finance, to approve procurement waivers in respect of commercial agents and legal fees relating to strategic acquisitions undertaken in line with the Council's Acquisition and Investment Strategy.
 5. To agree that save for exceptional circumstances, the Council's policy will be to apply open market rent for all new leases.
-

Reasons for Recommendations

1. The financial outlook for the Council continues to be challenging with a need for the Council to reduce its annual budget by 2020 in response to continuing reductions in government funding. Although by sharing services with Eastbourne Borough Council (EBC) Lewes District Council (LDC) can build resilience that will help protect services for local communities and visitors, this alone will not be enough to face the challenges ahead.

- 1.1 The Council has an overarching aspiration to achieve a sustainable asset base by 2021. Two decisions are required by the Council to help move forward a strategy that will support this aim:
 - Adoption and implementation of the Corporate Asset Management Plan 2017-2020 (AMP). The Plan sets out the strategic framework for how the Council will manage its property portfolio (excluding Housing Revenue Account assets) to support the Council's aims.
 - Implementation of the Strategic Property Board (SPB) to ensure Member oversight on property-related matters.
- 1.2 Progress on meeting the objectives of the AMP will be reported through SPB to ensure continued advancement in meeting the aspirations of the Council Plan.

Information

2. Purpose of the Corporate Asset Management Plan

- 2.1 The Corporate Asset Management Plan (AMP) is a fundamental document outlining the Council's strategy and priorities for its non-residential property. It encapsulates key initiatives and aims relating to the property portfolio and sets the direction for managing the property portfolio to help achieve the property aspirations of the Council Plan and the Council's overarching aim of reaching a sustainable asset base by 2021.
- 2.2 The AMP 2017-2020 (attached at Appendix 1a (AMP) and 1b (AMP Appendices)) is designed to run concurrently with the lifespan of the current Council Plan and will then be reviewed in light of the revised priorities from 2021. It is an important plan and is the first joint property document between LDC and EBC. In line with the commitment both Councils have to sharing services whilst retaining sovereignty over their respective areas, property asset management will be aligned across LDC and EBC but each Council's property portfolios will be treated separately. Accordingly, the AMP reflects both the shared vision and each Council's individual priorities.
- 2.2 Poorly managed property assets can be a major drain on Council resources, but when managed efficiently, the asset base plays a key part in helping to realise savings and generate income needed in order to meet future financial challenges. The Council requires flexibility from its property portfolio to support local communities, business and visitors and ensure that any held assets are efficiently managed to maximise and improve their uses and fully unlock their potential.
- 2.3 The strategy to support this objective has been captured in a management plan against which progress can be clearly monitored and objectives updated in line with the changing future economical and environmental needs of the Council and its communities. It will be the primary tool the Council will use to deliver the property elements of its corporate objectives and priorities working within the legislative framework and the Council's Constitution.

- 2.4 There is a yield growth target of 10% year on year which will be achieved through the strategic management of current and future assets in line with the AMP. Costs incurred in meeting objectives and carrying out works arising out of the adoption of the Plan will generally come from existing budgets, however, there may be circumstances, subject to relevant approvals, when additional funding is sought from central resources to support future one-off projects that will help achieve the aspirations of the Council Plan.
- 2.5 With the Property and Facilities Shared Service (PFSS) now established, the AMP sets out a clear framework for how the service area will manage the LDC and EBC portfolios and how PFSS will realise anticipated savings and benefits of the service. This will be accomplished through the establishment of the Corporate Landlord model which brings property management and the responsibility for maintenance, development, disposal, estate management (including leases and licences), and statutory compliance under a centralised corporate unit.

3 Aims and themes of the AMP

- 3.1 The AMP focuses on four key areas for realising efficiencies:
- Improving yield from the investment portfolio.
 - Reducing maintenance costs and liabilities.
 - Delivering efficiencies through smarter procurement.
 - Increasing the capital value of each Council's asset base.
- 3.2 The Plan:
- Provides the strategy framework for LDC and EBC to manage and maximise the potential of their property portfolios and meet the Asset Challenge;
 - Ensures that the respective property portfolios are managed and operated in accordance with the Councils' Corporate and Council plans and priorities and Medium Term Financial Strategies;
 - Ensures that the Property and Facilities Shared Service (PFSS) efficiently delivers benefits to each Council from the respective property portfolios;
 - Unlocks the potential of land and buildings across Lewes District and Eastbourne Borough, working with external partners where appropriate.
- 3.3 The efficiency areas and aims of the Plan are met through six themes which underpin the AMP Implementation Plan (within Appendix 1b), the area of the document that sets out the AMP objectives over its lifespan and beyond. The themes are:
- **Theme 1:** Establish a clear vision regarding how LDC and EBC will achieve a sustainable asset base by 2021: delivered through the Corporate Landlord model and Property and Facilities Shared Service planning;
 - **Theme 2:** Challenge the reasons for retaining assets and ensure that retained assets contribute towards a sustainable asset base: this comprises a critical part of Phase 1 of Asset Challenge;

- **Theme 3:** Identify the benefits and make best use of each asset to stimulate regeneration including the provision of affordable housing: Phase 2 of Asset Challenge;
- **Theme 4:** Seek opportunities where key strategic assets could realise significant capital and/or revenue returns in order to reinvest in the retained operational portfolio: the key element of Phase 2 of Asset Challenge as the portfolios move towards achieving a sustainable asset base;
- **Theme 5:** Reduce on-going property maintenance and financial liabilities for LDC and EBC: supports theme 4 in achieving the sustainable asset base objective;
- **Theme 6:** Ensure that retained assets combine social, cultural, environmental and economic benefits: guarantees that the Councils are only holding properties that meet corporate aims and objectives.

3.4 The AMP Implementation Plan will be subject to progress reporting to Strategic Property Board and annual refresh in line with changes in legislation and government requirements and the priorities of the Council's Corporate Plan and Medium Term Financial Strategy.

3.5 Whilst the AMP sets the strategy for managing the Council's property portfolio, it also provides the foundation stone for a number of supporting documents that will bring the AMP's aspirations and objectives to life as set out below:

3.5.1 Building Maintenance Plan

This identifies the overarching priorities for maintenance, such as Health & Safety, Statutory Compliance, and ensuring that buildings are weathertight and sets out how LDC and EBC will move from the current position of almost 100% reactive maintenance to a 60/40 planned/reactive maintenance basis over a two-year period;

3.5.2 Strategy and Policy principles

There are a number of strategies and policies that provide the governance and procedures to support AMP workstreams. They outline pledges from PFSS, and set the principles and decision-making processes. The principles of each strategy and policy are summarised within the AMP Appendices and below:

Acquisition and Investment Strategy

- That the yield from the investment should achieve a return to the Council at a specific % above the cost of capital borrowing, and after servicing the purchase costs, to be agreed on a case by case basis by the Council's Section 151 Officer.
- Due diligence checks are to be carried out on each acquisition
- That investment risk is spread over a range of property assets
- The asset base is to be balanced with the overall aim to achieve 70% of assets held as a long-term investment and 30% trading for profit.
- Where the business case is strong enough, acquisitions may occur outside of the Council's boundaries.

Disposal and Transfer Strategy

- In the normal course of events, property will only be identified as surplus to requirements having first been taken through the Asset Challenge process and clear reasoning provided. In exceptional circumstances, properties may be identified in advance of Asset Challenge.
- Due diligence to be carried out prior to consideration of a disposal/asset transfer.
- The most appropriate disposal method to be identified, which will usually be either private sale, private auction, informal negotiated tender, formal tender, or exchange of property.
- All disposals will be advertised via an agent and on the Council's website.

Lease and Rent Management Policy

- All new leases will generally be assessed on an open market rent basis. Social value may be taken into consideration if this is clearly in support of the Councils' main aims and objectives.
- New leases cover standard issues that will clearly explain both the landlord's and the tenant's responsibilities.
- Tenant selection and assessment will be clearly defined.
- Leases will specify how rent reviews will be conducted, along with the basis for assessment.
- Lease term will be considered on a case by case basis.

Accessibility Policy

- Accessibility funding will be prioritised in order to enable access to all.
- Where it is not possible to improve access to a building, an access plan will be put in place and alternative arrangements made so that the Councils' services remain accessible.
- Poorly performing assets will be identified and recommendations made to rationalise the corporate Estate.
- Equality Impact Assessments will be carried out where relevant to ensure no-one has been discriminated against by our property management processes.

Risk and Compliance Policy

- The Councils will provide and maintain buildings that are safe for users and staff by ensuring that the duty of care is fulfilled by meeting our statutory requirements.
- A rolling programme of surveys and assessments will be undertaken to identify, quantify, and prioritise any risks, or possible risks, to our staff, users, contractors, the general public and to our buildings.
- Safe management and ultimately the safe removal of any high priority risks identified will be prioritised.
- Procedures and measures will reflect the requirements of current legislation and regulations.
- In partnership with other public sector agencies, LDC and EBC will explore shared learning with the aim of reduce our costs, sharing opportunities to streamline the inspections and testing regime, and to develop best practice.

- Contractors will be monitored to ensure that their performance targets are being met in relation to the Councils' inspection and testing regime.

Property Maintenance Policy

- Maintenance spend will be focused on planned rather than reactive works.
- Energy saving works will be included in replacement programmes where it is cost effective to do so.
- Operational buildings will be maintained to a Good (Grade B) standard.
- Essential statutory maintenance will be undertaken correctly and by competent contractors
- PFSS will engage with service managers through provision of appropriate and timely information to help them comply with all current policies, strategies and management procedures for health and safety including associated compliance.
- Predictable risks will be identified and managed for the H&S of occupants and visitors.

- 3.6 When acquiring property, market opportunities are frequently presented by commercial agents on a time-limited basis. As a result, there is limited ability for the Council to scope best fees relating to external property agents and also for external legal fees. In order to ensure compliance with Council Contract Procedure Rules and allow the Council the flexibility to move quickly to secure acquisitions, this report recommends that authority to be delegated to the Director of Regeneration and Planning, in consultation with the Cabinet Member for Finance, to agree waivers in respect of agents and legal fees relating to acquisitions.

4 Asset Challenge

- 4.1 A key part of the AMP is the Asset Challenge process whereby officers will stress-test existing assets considering income generation, and costs of the assets to the Council. Decisions will then need to be made regarding retention, disposal, investment, or transfer of assets.
- 4.2 Importantly, whilst disposal and realising capital receipts is part of efficient property management, Asset Challenge is not solely a disposals programme. Whilst inevitably there will likely be some assets identified for disposal as they no longer meet the needs of the Council and its communities, all elements that will help achieve a sustainable asset base will be considered, such as regeneration opportunities, opportunities for increased yield, and reduced maintenance and financial liabilities for retained properties. Key to the process is recognition of the Council's unique role as custodian for its communities and ensuring all assets that are retained have strong social, cultural, environmental and economic benefits and clearly contribute to increasing social value.

5 Purpose of the Strategic Property Board (SPB)

- 5.1 SPB has operated in EBC for a number of years and has proved extremely useful for officers in allowing early engagement with Members on property-related matters. This has enabled officers to gain a directional steer and make

decisions in a transparent and co-ordinated manner outside of the normal Cabinet cycle process in line with delegated authority and the Council's Constitution

- 5.2 LDC's implementation of an SPB will play a key part in the AMP strategy moving forward, providing the property governance mechanism for the Council. SPB will monitor progress against AMP objectives to ensure that LDC is achieving the aspirations of the Council Plan as well as consider estate management and strategic property matters. Terms of reference for the Board are set out in Appendix 3. Subject to Cabinet agreement, the membership will include Councillor Giles as Chair, Councillor Smith and Councillor Osborne. Council will be informed of appointments to the Board on 17 July.
- 5.3 SPB is not designed to replace the Cabinet decision-making process and there will still be the need to bring reports to Cabinet for approval. It is however, an additional means of giving Members input to property matters and testing out early thinking on property proposals.

6.0 Consultation and approval

- 6.1 As the AMP is a joint property document across LDC and EBC, it will need to be formally agreed by each Council's Cabinet. EBC's Cabinet are due to consider adoption of the Plan on 12 July 2017. Subject to adoption by both Cabinets, the Plan will then be published and adopted.

7.0 Financial Appraisal

The implementation of a Strategic Property Board has no direct financial implications. A key purpose of the Corporate Asset Management Plan is to support the achievement of the savings target within the Medium Term Finance Strategy, by reducing the cost of operational property and improving yields from the commercial investment property portfolio.

8.0 Legal Implications

There are no legal implications arising directly out of this report (21 April 2017 Ref: 006238-JOINT-MR).

9.0 Risk Management Implications

The proposals outlined in this report are not significant in terms of risk. No new risks will arise whether or not the recommendations are implemented or rejected.

10.0 Equality Screening

An Equality Analysis (attached at Appendix 2) has been undertaken regarding the adoption of the AMP as outlined in this report, and has not identified any negative impacts for any of the protected characteristics.

Background Papers

None

Appendices

Appendix 1a	Corporate Asset Management Plan 2017-2020
Appendix 1b	Corporate Asset Management Plan 2017-2020: Appendices
Appendix 2	Equality Analysis (Adoption of the Corporate Asset Management Plan 2017-2020)
Appendix 3	Strategic Property Board: Terms of Reference



Lewes District Council *and* Eastbourne Borough Council

Corporate Asset Management Plan 2017-2020



STRONGER together

CONTENTS

	PAGE
<u>FOREWORD</u>	2
<u>SECTION 1 - INTRODUCTION</u>	3
<u>SECTION 2 – MEETING THE CHALLENGE</u>	7
<u>SECTION 3 – INTERNAL AND EXTERNAL INFLUENCES</u>	11

(NB use Cntrl+Click to go directly to any of the contents)

Appendices (separate document)

Appendix 1 – Implementation Plan

Appendix 2 – Strategy and Policy Principles

Appendix 3 – Property and Facilities Shared Service Structure Chart

Note: The Corporate Asset Management Plan 2017-2020 replaces the LDC Property Strategy 2012 and the EBC Asset Management Plan 2008-2013.

FOREWORD

Welcome to the Corporate Asset Management Plan (AMP) 2017-2020.

This is the first AMP following the decision by Lewes and Eastbourne to integrate services. Both Councils will retain their own sovereignty with separate corporate and strategic plans that reflect the nature of the areas they cover, however, Lewes and Eastbourne are looking to achieve the same aims with their assets and this AMP sets out how our Councils intend to plan and manage their corporate property portfolios.

This AMP is produced against a backdrop of change for local authorities with the need to find new ways to help face reduced funding from the Government and the changing face of local government itself through the move to devolution with more partnership arrangements and greater autonomy from central Government. Although by sharing services we can build resilience and protect services for our local communities and visitors, this alone will not be enough to face the challenges ahead.

Property and land needs to be responsive to changing future needs and buildings need to be fit for purpose providing services communities want and need. This AMP sets out the strategy for how we will challenge the reasons for continuing to hold the Councils' corporate property and how we will ensure that only those assets that help support the aims of the Councils' Corporate and Council Plans and priorities are retained.



Councillor Andy Smith

Leader

Lewes District Council



Councillor David Tutt

Leader

Eastbourne Borough Council

SECTION 1 – INTRODUCTION

Purpose and aims of the Corporate Asset Management Plan



The future continues to look very challenging for local authorities. Lewes District Council (LDC) and Eastbourne Borough Council (EBC) are faced with finding substantial savings at a time when the Government grant for Councils will disappear altogether by 2019.

Across the portfolios there are a wide variety of assets including office buildings, commercial, industrial, retail, community centres, tourist attractions, recreation areas, theatres, and leisure centres which reflect the diversity of our local communities.

Efficiently managing these assets will play a key part in helping to realise the savings needed in order to meet the future financial challenges the Councils are faced with. Each Council will require flexibility from its property portfolio to support local communities, business and visitors and ensure that any held assets are efficiently managed to maximise and improve their uses.

LDC and EBC need to challenge themselves to see whether there are better ways of delivering services from their properties in order to ensure they continue to deliver what customers want and need, both now and in the future. The AMP focuses on 4 key areas:

1. Improving yield from the investment portfolio.
2. Reducing maintenance costs and liabilities.
3. Delivering efficiencies through smarter procurement.
4. Increasing the capital value of each Council's asset base.

Key aims and objectives

The key corporate objectives and priorities for the Councils are outlined within the Lewes District Council Plan 2016-2020 and the Eastbourne Borough Corporate Plan 2016-2020. The Councils' plans are supported through the Medium Term Financial Strategy which governs and reports on the financial structure of LDC and EBC. The AMP is the primary tool to deliver the property elements of the corporate objectives and priorities working within legislation and the Constitution (fundamental principles) of each Council. It will help deliver the agreed priorities by defining how the Councils manage their property portfolios and setting objectives that need to be achieved over the lifespan of the AMP, progress against which will be reviewed annually. The Property and Facilities Shared Service (PFSS) will deliver the objectives of the AMP on behalf of service areas.

The AMP will:

- Provide the strategy framework for LDC and EBC to manage and maximise the potential of their property portfolios and meet the Asset Challenge;
- Ensure that the respective property portfolios are managed and operated in accordance with the Councils' Corporate and Council plans and priorities and Medium Term Financial Strategies;
- Ensure that the Property and Facilities Shared Service (PFSS) efficiently delivers benefits to each Council from the respective property portfolios;
- Unlock the potential of land and buildings across Lewes District and Eastbourne Borough, working with external partners where appropriate.

The AMP objectives are underpinned by six asset management strategy themes outlining the iterative work that will be undertaken across the Councils.:

- **Theme 1: Establish** a clear vision regarding how LDC and EBC will achieve a sustainable asset base by 2021: delivered through the Corporate Landlord model and Property and Facilities Shared Service planning;
- **Theme 2: Challenge** the reasons for retaining assets and ensure that retained assets contribute towards a sustainable asset base: this comprises a critical part of Phase 1 of Asset Challenge;
- **Theme 3: Identify** the benefits and make best use of each asset to stimulate regeneration including the provision of affordable housing: Phase 2 of Asset Challenge;
- **Theme 4: Seek** opportunities where key strategic assets could realise significant capital and/or revenue returns in order to reinvest in the retained operational portfolio: the key element of Phase 2 of Asset Challenge as the portfolios move towards achieving a sustainable asset base;
- **Theme 5: Reduce** on-going property maintenance and financial liabilities for LDC and EBC: supports theme 4 in achieving the sustainable asset base objective;
- **Theme 6: Ensure** that retained assets combine social, cultural, environmental and economic benefits: guarantees that the Councils are only holding properties that meet corporate aims and objectives.

One of the key over-arching corporate objectives that the Councils have set for their property portfolios is to achieve a sustainable asset base by 2021. In other words, reaching a position where every asset should at least 'break-even' and pay for itself, ensuring assets are not a drain on the Councils' resources or those of local tax-payers.

Difficult decisions will need to be made if the Councils are to achieve a sustainable asset base, particularly those around disposal, acquisitions, investment and transfer of properties. This AMP sets out the visions, values and objectives to help the Councils meet this aim. It will ensure that LDC and EBC only hold property assets that are fundamental in

supporting the social, economic and environmental wellbeing of those that live, work and visit the Lewes District and Eastbourne Borough areas, through either directly providing space for services to be delivered or creating income that can be reinvested in the property portfolios.

Central to the AMP is the AMP Implementation Plan set out in Appendix 1 which outlines the main objectives to be achieved over the life of the AMP. Each objective links to one or more of the six asset management strategy themes as well as the Councils Corporate and Council plans. These objectives provide a framework to enable the Councils to reshape their assets in response to corporate objectives, challenges, opportunities and changing needs and will ensure that retained properties are managed efficiently and effectively.

The diagram on the following page shows how the plans are inter-connected.

How do the Asset Management Plan and Asset Challenge fit in?



SECTION 2 - MEETING THE CHALLENGE

Corporate Landlord and Shared Service



The property functions of the Councils aligned in May 2016 as the Property and Facilities Shared Service (PFSS), part of a move to a Corporate Landlord model aimed at bringing savings and improvements to quality of service. The structure chart for the service is attached at appendix 3. Under the Corporate Landlord model, the management of a property asset and the responsibility for maintenance, development, disposal, management (including leases and licences) and statutory compliance is delivered by a centralised corporate unit. Budgets are transferred from the service department to enable strategic procurement of services and the service departments become clients of PFSS.

The service plan for PFSS sets out the main objectives for the service, which includes the following areas of responsibility:-

- Maintenance and Facilities (including planned and reactive repair and maintenance service for the Councils' non-housing property, caretaking for the Councils' administrative properties, capital works, and building security);
- Asset Development (including disposals, acquisitions, leases, licences, rent reviews, and support to strategic property projects);
- Corporate Landlord and Procurement (including delivering savings for both Councils through joint procurement of service and supply contracts, off-street car parking policy and tariffs, management of public conveniences across LDC, compliance with landlord statutory obligations, client functions and implementation of the Councils' property asset management system.

PFSS will, working with service heads across both Councils and external partners, deliver the objectives of the AMP on behalf of LDC and EBC. Service delivery, efficiency and quality will be monitored through performance indicators. Within the AMP, progress against each AMP implementation objective will be assessed and reported annually and the AMP objectives will continue to be refined over the lifecycle of the AMP to reflect priorities and central government policy changes.

Service areas will be better supported by PFSS as the strategic responsibilities for assets will now fall to the shared service Corporate Landlord allowing service areas to focus more on their own areas of expertise. It will continue to be important to maintain close liaison between service areas and the Corporate Landlord to ensure a shared understanding of service plans, and property priorities in order to ensure that the Councils' property portfolios deliver the objectives of each service area. Service Level Agreements will be established between PFSS and the service departments to ensure the asset base meets service need.

Asset Challenge



To achieve a sustainable asset base by 2021, LDC and EBC must test why they hold the assets they do, along with the true costs of those assets, and how they benefit our customers. Difficult decisions will need to be taken by both Councils. This will be represented through the Asset Challenge programme - a key strand of the Councils' AMP and asset management strategy objectives.

The programme will give each Council the opportunity to consider their assets in a new light and make strategic decisions about their future and indeed the future face of LDC and EBC. Asset Challenge will assess each asset's viability, to include considerations such as retention, investment, transfer or disposal. There will need to be a proven case for the retention of any assets, which will need to be supported by a business case setting out the benefits as well as how any costs relating to the asset will be funded in future years. In addition to the relative costs associated with each asset, the social, economic and environmental benefits will be a key factor in determining future actions. The Asset Challenge process is supported by a suite of property appraisal documents establishing property management criteria including disposal, acquisition and investment.

Whilst undoubtedly there is a strong financial need to complete the Asset Challenge process, key to the process is making sure that all assets that are retained have strong social, cultural, environmental and economic benefits to the areas served by each Council and clearly contribute to increasing social value.

In addition to considering the existing portfolio, it is important that both Councils are open to opportunities to increase income through investment in the purchase of new properties. As funding from central government decreases, the Councils will move towards a more commercially focused position seeking investment opportunities that can generate good rates of income to ensure frontline services are protected and improvements are made across the District and Borough areas. Opportunities will be sought to increase potential through marriage values of schemes where possible by incorporating mixed-use development opportunities and other benefits.

On 23 June 2016, the country decided to leave the European Union. It is too early to say what impact Brexit may have on land and property prices and invariably the extent of any impact will vary from area to area. As a consequence it brings with it uncertainty, however, what is clear is that undoubtedly property is going to need to work harder than ever before to sustain not only itself but support other services and the Councils will need to invest in property in order to build resilience against the future challenges faced. Innovation and opportunity will be key to this success.

Acquisition, investment and disposals will be considered on a case by case basis in line with asset policies, the principles of which are set out in Appendix 2.

Building Maintenance Plan



Key to realising the aspirations of this AMP is the development of a joint Building Maintenance Plan (BMP) setting out the Councils' priorities for planned maintenance expenditure on their assets over the next five years.

The BMP identifies the overarching priorities for maintenance, such as Health & Safety, Statutory Compliance, and ensuring that buildings are weathertight.

The Plan sets out how LDC and EBC will move from the current position of almost 100% reactive maintenance to a 60/40 planned/reactive maintenance basis over a two-year period. It also sets out the sustainability priorities for LDC and EBC that need to be factored in when work is taking place, such as the EBC priority to reduce the carbon footprint in Eastbourne by 40% from the 2009 baseline.

Existing condition data will be reviewed and funding forecasts will identify the resources needed over the life of the plan in order to achieve the maintenance priorities and act as a tool to inform strategic decisions on the future of assets through the Asset Challenge process.

With regards to any Heritage buildings and facilities, repairs and maintenance will be prioritised to ensure that the buildings are weather tight, and so that health and safety risks are managed. Major works and refurbishments will be subject to external funding bids that will be co-ordinated through the relevant lead officer.

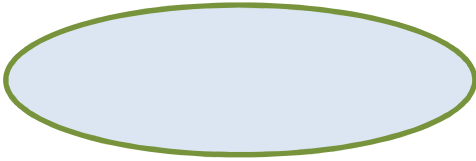
The Plan will be subject to periodic review, reflecting repairs and maintenance works undertaken, increased knowledge of the condition of each Council's assets, and changes to the Councils' property portfolios.

Asset Policies



The AMP is supported by a number of strategies and policies, which form the basis for evaluation and recommendations on the Councils' portfolios in a clear and transparent manner. These work in conjunction with Asset Challenge and the Building Maintenance Plan to ensure that decisions are made in accordance with the AMP and corporate policies and priorities.

The principles of the strategies and policies are set out in Appendix 2.



Part of the work around aligning property functions across LDC and EBC is the move to streamlining and a shared approach regarding property data management and systems including details of agreements relating to each property, asset valuations, insurance details, rent reviews, condition surveys and a photographic record of the asset.

In addition, LDC and EBC have computerised Geographic Information Systems (GIS), which shows the Councils' land ownership with associated information such as site and ward boundaries, planning, and contaminated land.

Decision making

The Councils are in the process of aligning their property decision making processes. Once this is completed there will be a similar decision making procedure in place across both Councils as follows:

- PFSS: this is the service responsible for the day to day management of the portfolios working in its capacity as Corporate Landlord with service areas to deliver the corporate priorities and AMP implementation objectives. PFSS additionally meets finance and legal colleagues monthly to discuss each respective property portfolio and associated legal matters affecting each portfolio.
- Strategic Property Board: The aim is for both Councils to have a Strategic Property Board (SPB) which will act as the consultation forum with Members regarding strategic property matters (acquisitions, disposals, debtors, investment opportunities and development updates). There is already an SPB in place in EBC and proposals are similarly being considered for an SPB in Lewes.
- Cabinet: is the decision making body of each Council and considers recommendations put forward by officers at Cabinet meetings. In some cases, final decisions are then delegated by Cabinet back to senior managers, in other cases decisions are made at the Cabinet meeting itself, the Cabinet having decided on whether to agree, disagree or change any recommendations that have been made to them.

SECTION 3 – INTERNAL AND EXTERNAL INFLUENCES

Internal

The AMP is not a stand-alone plan. It exists in conjunction with the Councils' corporate strategies and priorities, ensuring a clear joined up vision and aims to support their delivery.

Below are the main plans and governance that the AMP supports and works within:-

Constitution

Each Council has a Constitution in line with the Local Government Act 2000. This is a fundamental document which sets out the framework for how the Councils, councillors and officers carry out all of their business and it underpins the Councils commitment to openness and involvement.

The Constitution contains a number of parts which set out the basic rules for how each Council works. The respective Constitutions also tell residents how they can make their voices heard in the decision making process.



Lewes District Council: Council Plan 2016-2020

LDC's Council Plan sets out the Council's key priorities and projects over the four year period to 2020 and sets out a number of commitments to residents, businesses and local communities. The commitments are themed around communities, place and value for money and aim to provide:

- Resilient, healthy and engaged communities – making communities stronger and better able to support themselves through addressing environmental crime and anti-social behaviour, promoting healthy lifestyles and supporting people to maintain their wellbeing, and continuing to work with key voluntary organisations.
- Improved customer service – improving customer service by making better use of technology, joining up systems and training staff,
- Delivering sustainable new housing and infrastructure – delivering new and affordable homes and infrastructure improvements to new and existing homes and businesses.
- Growth and prosperity – working closely with strategic and economic partners to bring about investment in jobs, skills and training opportunities to contribute the regeneration needed, especially in coastal and rural areas.
- Clean and green district – investing in recycling services and encouraging much higher rates of recycling and preserving parks, open spaces and nature reserves for future generations.
- Delivering sustainable services – integrating all services with EBC by 2020 in order to achieve annual savings of £2.7million per year.

The full plan can be downloaded from:

http://www.lewes.gov.uk/Files/Council_Plan_2016-2020.pdf



Eastbourne Borough Council: Corporate Plan 2016-2020

One of EBC's main documents is the Corporate Plan and sets out the Council's priority aims in order to help make Eastbourne the best place to live, work and visit. The current plan is divided into four priority themes:

- Prosperous Economy sets out how EBC will help make Eastbourne a thriving borough. Priority aims include having an outstanding seaside resort and gateway to the South Downs National Park, a transformed and accessible town centre, and creating opportunities for improving skills, employment, learning, and participation for residents and tourists.
- Quality Environment outlines how the borough will be made more sustainable and a better place to live, work and visit. Priority aims are to transform sites that are currently under-used in the town centre, improve the quality and quantity of public space, produce less waste and recycle and reuse more and improve public transport and cycling facilities.
- Thriving Communities sets out the aims for improving the lives of our communities and for those who visit the borough. Priority aims include having the lowest levels of crime in comparison to similar towns in the South East, supporting families and young people to reach their full potential, having a wider range of activities and facilities for young people, enabling them to be the best they can be and a wide range of quality homes including affordable housing for those in need.
- Sustainable Performance outlines the ways in which the Council will continue to make sure that it provides value for money for its customers and visitors to the borough. Priorities include providing excellent service, being high performing and a valued partner across the public, private and voluntary sectors, continuing to be customer focused, being an excellent employer, and having a sustainable asset base.

The plan also sets out the 2026 Partnership vision for Eastbourne to be a premier seaside destination within an enhanced green setting - a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change.

The full plan can be downloaded from:

<http://www.eastbourne.gov.uk/resources/assets/inline/full/0/249015.pdf>



Pride of Place

Eastbourne is one of six local authorities and six Local Strategic Partnerships that have worked together to produce Pride of Place - the sustainable community strategy for East Sussex. The strategy sets out the vision for East Sussex to 2026 for improving people's quality of life based on the issues and priorities that local people have said they are most concerned about. Priorities include developing the economy; providing high quality education, learning and skills opportunities; improving travel choices and access to services; providing high quality affordable housing; protecting natural and built environments and adapting and responding to climate change; improving health, well-being, safety, security; creating strong communities and community leadership; and supporting older people, children, young people and carers.

Medium Term Financial Strategy (MTFS)

Each Council has a Medium Term Financial Strategy (MTFS) which provides the financial framework to support delivery of the corporate aims of the Council. It is updated annually and makes medium term forecasts about expenditure, funding and other resources. The MTFS allows the Councils to balance priorities and resources, anticipate and plan for change.

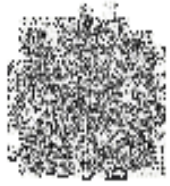
The medium term outlook for both Councils is extremely challenging. Both LDC and EBC have seen significant reductions in levels of government funding. The Councils' response to the challenge is the Joint Transformation Project discussed earlier in this document, which will see an integration of services across both Councils by 2020, enabling each Council to save around £3million per year.



Joint Efficiency Plan 2016-2020

In 2016 the Government offered local authorities a guaranteed minimum level of grant funding for four years starting in 2016/2017. This offer was conditional on each council approving and publishing an efficiency plan. LDC and EBC prepared a joint Efficiency Plan demonstrating how greater certainty around funding would help deliver the Councils' four years financial plans and bring about opportunities for further savings.

The full plan can be downloaded from: http://www.lewes.gov.uk/Files/efficiency_plan_-_final_October_2016.pdf



Localism Act 2011

The Localism Act was introduced in order to provide new freedoms and flexibilities for local government and new rights and powers for individuals and communities. Two of the main provisions of the Act are the Community Right to Bid and the Community Right to Challenge.

The Localism Act requires local authorities to maintain a list of assets of community value which have been nominated by the local community under Community Right to Bid. When listed assets then come up for sale or change ownership, community groups are given time to develop a bid and raise the money to bid to buy the asset.

Once on the register of Community Assets, an asset cannot be sold without first allowing a community group a period of up to 6 months to raise funds to make a market based offer.



Transparency Agenda and One Public Estate

The Transparency Agenda is aimed at opening up government and public services in order to improve local transparency and accountability and increase innovation and growth to meet local needs and demands. As part of this agenda local authorities are encouraged to make data openly available.

The One Public Estate programme is an initiative being delivered in partnership with central government and the Local Government Association (which works with the government on behalf of local authorities) supporting collaborative property-led projects in local areas, delivering ambitious projects that transform local services. It aims to support partnerships to use assets more effectively, creating economic growth and deliver more integrated public services.

Strategic Property Asset Collaboration in East Sussex (SPACES)

SPACES is a 10 year partnership programme with a range of public and voluntary sector partners across the south east. It is a property collaboration programme that aims to generate capital receipts and reduce costs through property sharing and alignment amongst partners. There are targets to achieve £10 million reduction in revenue cost of property assets, £30 million in capital receipts through the disposal of property and reduce carbon emissions by 10,000 tonnes across the life of the programme.

Property Legislation

The portfolios will be operationally and strategically managed in accordance with all relevant property legislation and procedures will be reviewed from time to time to ensure that they are updated to reflect changes in legislation.

The Property Market and the Economy

These are interlinked and will impact on the strategic and operational asset management of the portfolios. The assets will be managed having regard to the state of the Property Market and the expected trends within the different property uses and having regard to the economy and how economic trends will impact on property assets.



Lewes District Council *and* Eastbourne Borough Council

Corporate Asset Management Plan 2017-2020



Appendices

STRONGER together



Lewes District Council



Working in partnership with Eastbourne Homes

Appendix 1 – IMPLEMENTATION PLAN



The AMP Implementation Plan sets out the key activities to deliver the AMP. It will be reviewed on an annual basis with achievements and progress to date reported to the Strategic Property Board for each Council.

Each activity relates to one AMP strategy themes which in turn support the aims of the Councils Corporate and Council plans.

As this is the first year of the joint AMP, this is very much the start of the process. Each subsequent annual review will give the Councils an opportunity to:

- Include new objectives to meet changes in legislation and government requirements;
- Refine current objectives to reflect changes in the priorities of the Councils' Corporate and Council plans and Medium Term Financial Strategies; and,
- Meet the key strategy themes of the plan for achieving a sustainable asset base by 2021.

Theme 1: Establish a clear vision for how each Council will achieve a sustainable asset base by 2021			
Links to Corporate Plans	Deliverables	Delivery Dates	Status
LDC: Delivering sustainable services	Property & Facilities Shared Service (PFSS) launched to manage LDC and EBC assets.	May 2016	Green
	Objectives for Asset Management Plan (AMP) defined.	October 2016	Green
EBC: Sustainable performance	AMP produced for consultation.	December 2016	Green
	Develop and implement appropriate property management processes and procedures to support the AMP.	June 2017	Green
	Develop KPIs to measure progress.	July 2017	
	Draft of Building Maintenance Plan produced for consultation.	July 2017	
	Corporate Asset Management Plan adopted	July 2017	Green
	Alignment of decision making processes for each Council.	July 2017	Green
	Annual review of AMP	April 2018	
	Ensure that property data for each Council meets Data Transparency standards.	Ongoing	Green
	Populate and keep updated electronic asset records with good quality property data which will be used to analyse the portfolio and produce management information.	Ongoing	Green
	Develop an options appraisal for the future management of PFSS beyond 2020.	March 2019	

**Theme 2:
Challenge the reasons for retaining assets and ensure that retained assets contribute towards a sustainable asset base.**

Links to Corporate Plans	Deliverables	Delivery Dates	Status
	Identify potential under-performing or high risk assets	May 2017	Green
	Consult and engage with Service Heads and other key stakeholders to understand current and future service needs.	May 2017	Green
	Analyse assets by function, running cost, income and community benefit to set a framework for the first phase of asset challenge.	July 2017	Green
	Complete Phase 1 of the Asset Challenge Process	July 2017	Green
	Identify historic repairs and maintenance spend	April – July 2017	Green

Theme 3:**Identify the benefits and make best use of each asset to stimulate regeneration including the provisions of affordable housing.**

Links to Corporate Plans	Deliverables	Delivery Dates	Status
<p>LDC: Resilient, healthy & engaged communities; Delivering sustainable new housing and infrastructure; Growth and prosperity.</p> <p>EBC: Prosperous economy; Quality environment; Thriving communities; Sustainable performance; 2026 Partnership vision – Premier seaside destination</p>	Deliver an options appraisal on all void assets	September 2017	
	Develop an Estate Plan for the Downland Farms and Open Downland.	September 2017	
	Implement a programme of works to include development and refurbishment of assets to generate a capital receipt, improved yield or improved condition.	July 2017 – February 2018	
	Carry out a review of all leases to summarise the key points so that risks are identified and managed appropriately, maintenance liabilities are understood, and information is available to all in a standard format.	December 2017	
	Identify opportunities for asset disposal or transfer and complete a business case for each.	March 2018	
	Complete Phase 2 of the Asset Challenge process for all property.	March 2018	
	Implement a programme of new build to improve service delivery, asset value or yield generation	May 2017 – August 2018	
	Work with HEDP to deliver the best commercial terms from mixed-use developments.	Ongoing	Green

Theme 4:

Seek opportunities where key strategic assets could realise significant capital and/or revenue returns in order to reinvest in the retained property portfolio.

Links to Corporate Plans	Deliverables	Delivery Dates	Status
<p>LDC: Delivering sustainable new housing and infrastructure; Growth and prosperity.</p> <p>EBC: Prosperous economy; Quality environment; Thriving communities; Sustainable performance; 2026 Partnership vision – Premier seaside destination</p>	<ul style="list-style-type: none"> Using the business cases as an output within Themes 3 and 4, develop a pipeline programme of capital investment to improve rental yields. 	April – August 2018	
	<ul style="list-style-type: none"> Using the business cases as an output within Themes 3 and 4, develop a pipeline of disposals to ensure future capital receipts. 	April – August 2018	
	<ul style="list-style-type: none"> Conduct Phase 3 of the Asset Challenge Process 	September 2018	
	<ul style="list-style-type: none"> Identify opportunities for asset development and investment and complete a business case for each. 	March 2019	
	<ul style="list-style-type: none"> Identify opportunities to acquire property that will produce additional revenue streams and which meet the test(s) set out in the Property Acquisitions and Investment Strategy. 	Ongoing	Green

Theme 5:**Reduce ongoing property maintenance and financial liabilities for each Council.**

Links to Corporate Plans	Deliverables	Delivery Dates	Status
LDC Delivering sustainable services; Growth and prosperity. EBC Sustainable performance; Prosperous economy; Quality environment	Establish a procedure for procuring works and services <£100k that aligns with the Contract Procedure Rules.	December 2016	Green
	Assess current compliance levels, set up systems to record and resolve incidences of non-compliance and record inspections.	May 2017	Green
	Develop a PROTECT and PREPARE action plan	June 2017	
	Develop a facilities management SLA with service areas and arrange quarterly maintenance and SLA review meetings.	April – July 2017	
	Review, revise and update condition survey data.	September 2017	
	Develop Building Maintenance Programme for 2018-19 (1 year plan).	September 2017	
	Achieve 100% compliance.	September 2017	Green
	Develop a maintenance programme for car parks and public conveniences.	September 2017	
	Develop a programme of inspections to ensure that all incursions are identified.	September 2017	
	Implement a programme of Landlord inspections on the leased Estate to inform AMP and BMP.	October 2017	
Set up a programme of monthly H&S walkarounds for operational buildings and review and update Risk Assessments, Safe Systems of Work, Policies and Procedures.	May 2017-March 2018		

	Implement the FM procurement programme	March 2018	
	Complete 3-5 year maintenance plan	March 2018	
	Develop a plan to meet the requirements of the Energy Act 2011 (MEES), taking into account the need to be compliant by 1 st April 2018.	March 2018	
	Develop and implement a preferred suppliers framework for minor works.	September 2018	
	Deliver a shift from 100% reactive maintenance to 60% planned, identifying the resources required to deliver the plan.	December 2016 - March 2019	
	Rationalise the property portfolio for each Council to deliver revenue savings.	March 2019	
	Increase agile working and explore the potential for collaborative working with other public sector partners to reduce running costs.	Ongoing	Green
	Carry out Landlord's inspections of properties and agree schedules of dilapidations with tenants.	Ongoing	Green
	Review the procurement of consultants and contractors for the provision of works and services.	Ongoing	Green
	Carry out rent reviews generally on an open market rent basis in a timely manner. Social value benefits to be considered where relevant.	Ongoing	Green

	Identify and rectify all property risks associated with statutory compliance, including new and changed legislation.	Ongoing	Green
	Programme access audits to ensure adherence to Equality Act 2010 and public sector Equality Duty issues.	Ongoing	

Theme 6: Ensure that retained assets deliver social, cultural, environmental and economic benefits.			
Links to Corporate Plans	Deliverables	Delivery Dates	Status
LDC Delivering sustainable services; Growth and prosperity. EBC Sustainable performance; Prosperous economy; Quality environment	Identify leaseholders in receipt of EBC Rent Support Grant (RSG) and work with the Strategy and Partnership Lead for Thriving Communities to develop a business case for each which reduces the reliance on RSG over time.	March 2018	Green
	Achieve target increase of 10% growth in rental yield for LDC and EBC.	March 2018	Green
	Demonstrate cost savings achieved against current spend on FM services.	March 2018	
	Demonstrate contract management efficiencies achieved through the reduction of suppliers.	March 2018	
	Working with service areas, develop and deliver a pipeline programme of strategic property projects that meets the aims and objectives of each Council.	September 2018	
	Assess investment opportunities against the Acquisition and Investment Strategy.	Ongoing	Green

Appendix 2 – STRATEGY AND POLICY PRINCIPLES

PFSS have developed a range of strategies and policies to support the AMP and to ensure that property is managed in a transparent and equitable manner. The policies and the principles underpinning each one are set out as follows:

Acquisition and Investment

- That the yield from the investment should achieve a return to the Council at a specific % above the cost of capital borrowing, and after servicing the purchase costs, to be agreed on a case by case basis by the Council's Section 151 Officer.
- Due diligence checks are to be carried out on each acquisition
- That investment risk is spread over a range of property assets
- The asset base is to be balanced with the overall aim to achieve 70% of non-operational assets held as a long-term investment and 30% trading for profit.
- Where the business case is strong enough, acquisitions may occur outside of the Council's boundaries.

Disposal and Transfer

- In the normal course of events, property will only be identified as surplus to requirements having first been taken through the Asset Challenge process and clear reasoning provided. In exceptional circumstances, properties may be identified in advance of Asset Challenge.
- Due diligence to be carried out prior to consideration of a disposal.
- The most appropriate disposal method to be identified (subject to relevant approval), which will usually be either private sale, private auction, informal negotiated tender, formal tender, or exchange of property.
- All disposals will be advertised via an agent and on the Council's website.

Lease and Rent Management

- All new leases will generally be assessed on an open market rent basis. Social value may be taken into consideration if this is clearly in support of the Councils' main aims and objectives.
- New leases cover standard issues and will clearly explain both the landlord's and the tenant's responsibilities.
- Tenant selection and assessment will be clearly defined.
- Leases will specify how rent reviews will be conducted, along with the basis for assessment.
- Lease term will be considered on a case by case basis.

Accessibility

- Accessibility funding will be prioritised in order to duties under the Equality Act 2010 are discharged.
- Where it is not possible to improve access to a building, an access plan will be put in place and alternative arrangements made so that the Councils' services remain accessible.
- Poorly performing assets will be identified and recommendations made to rationalise the corporate estate.
- Equality Impact Assessments will be carried out where relevant to ensure no-one has been discriminated against by our property management processes.

Risk and Compliance

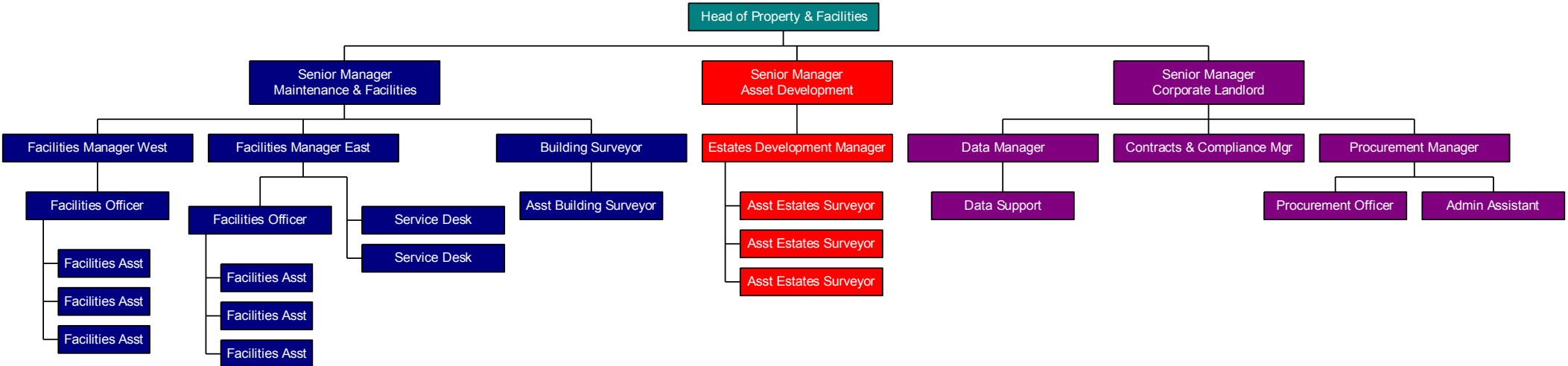
- The Councils will provide and maintain buildings that are safe for users and staff by ensuring that the duty of care is fulfilled by meeting our statutory requirements.
- Landlords' responsibilities will be met.
- A rolling programme of surveys and assessments will be undertaken to identify, quantify, and prioritise any risks, or possible risks, to our staff, users, contractors, the general public and to our buildings.
- Safe management and ultimately the safe removal of any high priority risks identified will be prioritised.
- Procedures and measures will reflect the requirements of current legislation and regulations.
- In partnership with other public sector agencies, LDC and EBC will explore shared learning with the aim of reduce our costs, sharing opportunities to streamline inspections and testing regime, and to develop best practice.
- Contractors will be monitored to ensure that their performance targets are being met in relation to the Councils' inspection and testing regime.

Property Maintenance

- Maintenance spend will be focused on planned rather than reactive works.
- Energy saving works will be included in replacement programmes where it is cost effective to do so.
- Operational buildings will be maintained to a Good (Grade B) standard.
- Essential statutory maintenance will be undertaken correctly.
- PFSS will engage with service managers through provision of appropriate and timely information to help them comply with all current policies, strategies and management procedures for health and safety including associated compliance.
- Predictable risks will be identified and managed for the H&S of occupants and visitors.

APPENDIX 3

PROPERTY AND FACILITIES SHARED SERVICE STRUCTURE CHART



Appendix 1: Equality Analysis Report Template

Title:	Corporate Asset Management Plan 2017-2020
EA Lead :	Mark Langridge-Kemp, Senior Manager Asset Development
Date Commenced:	24 April 2017
Target Completion Date:	3 May 2017
Reason for assessment:	Change of Council policy

Context and Scope

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

The Corporate Asset Management Plan (AMP) is a fundamental document outlining the Council's strategy and priorities for its non-residential property portfolio. It encapsulates key initiatives and aims relating to the Council's property assets and sets the direction for managing the portfolio to help achieve the property aspirations of the Council Plan and the Council's overarching aim of reaching a sustainable asset base (one that pays for itself) by 2021.

The Council requires flexibility from its property portfolio to support local communities, business and visitors and ensure that any held assets are efficiently managed to maximise and improve their uses and fully unlock their potential. The strategy to support this objective has been captured in the AMP against which progress can be clearly monitored and objectives updated in line with the changing future economical and environmental needs of the Council and its communities. It will be the primary tool the Council will use to deliver the property elements of its corporate objectives and priorities working within the legislative framework and the Council's Constitution.

A key part of the AMP will be progressing the Asset Challenge process, which essentially will involve looking afresh at each asset that the Council owns and re-considering whether the status quo should continue or whether there are other recommended courses of action for each property. However, it is important to note that this is not solely a disposals programme and offers the opportunity to target investment in the existing property portfolio and realise additional funding that could be reinvested to help protect frontline services in line with the Council's savings target.

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

If adopted, the AMP will set the property strategy for the Council's non-residential property portfolio. The AMP includes specific strategies, policies and procedures around future acquisition and investment, disposal and asset transfer, lease and rent management, accessibility, risk and compliance and building maintenance. As a result, the AMP has the ability to have an affect on the public, users and tenants of the Council's non-residential properties. Specifically for the protected characteristics, the AMP could have particular relevance in terms of policy around property disposals, new acquisitions and accessibility issues.

The AMP includes a number of objectives within the Implementation Plan (Appendix 1 of the AMP) which will be progressed through the lifespan of the Plan. Funding to support realisation of the objectives will be met from existing resources, however, there may be circumstances, subject to relevant approvals, when additional funding is sought from central resources to support future one-off strategic projects that will help achieve the aspirations of the Council Plan.

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

The financial outlook for the Council continues to be challenging with a need for the Council to reduce its annual budget by 2020 in response to continuing reductions in government funding. Although by sharing services with Eastbourne Borough Council Lewes District Council can build resilience that will help protect services for local communities and visitors, this alone will not be enough to face the challenges ahead. Poorly managed property assets can be a major drain on Council resources, but when managed efficiently, the asset base plays a key part in helping to realise savings and generate income needed in order to meet future financial challenges.

The Council has an over-arching aim to achieve a sustainable asset base by 2021 and it is therefore necessary to put in place robust strategy, policies and procedures that meet this aim in line with the Council's unique position of being custodian of its communities. The AMP sets in place the strategy to enable the Council to reduce its ongoing budget commitments in order to protect frontline services for the communities it serves.

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

The financial picture for local authorities continues to be challenging in the context of continuing reductions in funding from central government and pressures on services. LDC is therefore not alone in needing to look at new ways to work in order to continue to deliver the services needed by its communities.

By taking a proactive and innovative approach to managing its property assets through the AMP, the Council is facing these challenges and putting in place a robust strategy that will present future savings to the Council and local taxpayers.

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)		
	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None
Impact																					
Tick if relevant			√	√					√			√			√			√			√

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

Alongside the AMP, six supporting policies will be published so that standards are clearly set down and understood.

One of the AMP supporting policy documents is around accessibility; this policy describes the scope of the Equality Act 2010, outlines a number of commitments, and promotes understanding of the Act and the Council's duties thereof. The policy commits the Council to ensuring that budgets are prioritised wherever possible in order that the Council's duties under the Equality Act 2010 are discharged, and recommends an access plan is put in place for any public Council building to which public access cannot be improved in order that services can be accessed. There are therefore particular positive impacts for those with disability.

7. What is the scope of this analysis?

Adoption of the AMP is a change in Council policy.

There are no obvious impacts on the majority of the protected characteristics, however, a positive impact has been identified for those with disability as an accessibility policy will be published outlining the Council's commitment to discharging its duties under the Equality Act 2010.

Information gathering and research

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

Corporate Asset Management Plan 2017-2020 and the supporting AMP Strategies and Policies: Acquisition and Investment Strategy, Disposal and Transfer Strategy, Lease and Rent Management Policy, Accessibility Policy, Risk and Compliance Policy, and Property Maintenance Policy.

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

The Asset Challenge process may identify properties that require further consideration by the Council for future operation and investment. As a result, it is not yet possible to identify at this time whether there will be any obvious impact on any of the protected characteristics. It is likely that the issues most likely to have any impact would be those related to:

Property disposal: properties brought forward under this strategy must be supported by a business case and an Equalities Impact Assessment;

Rent and lease management: new rentals should reflect open market values and be supported with comparables for transparency, however, there is scope for social value may be taken into account in circumstances that clearly meet the Council's aims;

Accessibility: which commits to carrying out Equality Impact Assessments for most disabled access requests. All new operational acquisitions should be compliant or capable of being compliant with the Equality Act 2010 unless there are exceptional circumstances. Any new designed buildings, extensions, or refurbishments must be compliant with the Act and Building Regulations Part M.

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

Consultation has taken place with relevant Heads of Service and the Cabinet Member for Finance regarding this proposal. Future decisions arising out of the AMP will be subject to relevant approvals in line with the Council's Constitution.

Analysis and assessment

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

The AMP is a broad change to Council policy and is likely to have positive benefits for local communities. A key purpose of the Corporate Asset Management Plan is to support the achievement of the savings target within the Medium Term Finance Strategy, by reducing the cost of operational property and improving yields from the commercial investment property portfolio

12. What positive outcomes were identified?

The AMP has the ability to provide positive incomes for local communities by putting in place a robust strategy that will support the Council's aim of achieving a sustainable asset base by 2021. The AMP highlights the need for the Council to be flexible with its property portfolio in order to best suit the needs of the communities that it serves and puts in place strategies, policies and procedures that set the framework for future decision making processes arising from the AMP.

13. What negative outcomes were identified?

No negative outcomes have been identified.

Action planning

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

No specific actions have been identified as needing to be undertaken at this time. Future decisions arising from adoption of the AMP will be subject to relevant approvals in line with the Council's Constitution.

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

Summary Statement


Between 24 March 2017 and 3 May 2017 Equality Analysis was undertaken by Mark Langridge-Kemp on the proposed adoption of the Corporate Asset Management Plan 2017-2020.

Due regard was given to the general equalities duties and to the likely impact of the policy 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 policy is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

Approval

Director/Head of Service	Bee Lewis
Signed	
Dated	6 th May 2017

Lewes District Council

STRATEGIC PROPERTY BOARD TERMS OF REFERENCE



INTRODUCTION

Strategic Property Board (SPB) is the main Board advising property activities for non-housing property within the Council.

The future continues to look very challenging for local authorities as Government grant continues to be reduced. Lewes District Council is faced with the need to reduce its annual budget by 2020 in response to continuing reductions in government funding. In order to build resilience, Lewes District and Eastbourne Borough Councils have taken the decision to share services, whilst ensuring that each retains its own sovereignty over its area and functions.

Both Councils want to accomplish similar achievements from their property portfolios, and have a shared goal of realising a sustainable asset base by 2021. In order to achieve this a joint Corporate Asset Management Plan will be considered for adoption by the respective Cabinets (see Appendix 1 for main aims and objectives).

The Plan is supported by a suite of policies and procedures. It includes a number of objectives to be achieved and progressed against deadlines which will be reported through the respective Strategic Property Boards. The objectives will be subject to annual refresh to reflect changing priorities or legislative demands.

The Asset Challenge process will be a key element in achieving the over-arching aim of a sustainable asset base. The Councils must test why they hold the assets they do, along with the true costs of those assets, and how they benefit our customers. Difficult decisions will need to be taken by both Councils. Key to the process will be ensuring that all assets that are retained have strong social, cultural, environmental and economic benefits to the areas served by each Council and clearly contribute to increasing social value.

TERMS OF REFERENCE

1.0 Membership

1.1 Councillors

Normally consists of two Members from the administration and one from the opposition.

1.2 Officers

Nazeya Hussain – Director of Regeneration and Planning

Alan Osborne – Deputy Chief Executive

Bee Lewis – Head of Property and Facilities Shared Service

Mark Langridge-Kemp – Senior Manager, Asset Development

1.2 SPB is normally chaired by a Member from the administration.

1.2.1 Decisions on issues being brought before the group will be by consensus.

1.2.2 There may be occasion when additional officers attend SPB to present information on aspects of strategic asset management and/or specific issues for discussion.

1.2.3 At least two Members and one officer should be present to form the quorum and recommendations at each meeting.

2.0 Responsibilities

2.1 SPB will act in an advisory capacity to the Director in the discharge of his/her delegated powers and be responsible for:

- Ensuring decisions and recommendations around property matters are taken in line with corporate aims and objectives;
- Considering progress against the Asset Management Plan (AMP) implementation objectives as set out within the AMP;
- Considering progress of strategic asset management projects and making recommendations where appropriate;
- Making recommendations to Cabinet that come forward from the Asset Challenge process in line with the Councils' decision making processes;
- Receiving information regarding investment opportunities;
- Considering estate management issues such as debtors, lease/licence and other related matters where there are strategic issues to clarify (non-compliance with lease terms etc.) and providing a recommended course of action;
- Considering progress of implementation of the corporate landlord model and providing recommendations

3.0 Frequency of Meetings

- 3.1 Meetings will be scheduled bi-monthly, but can be cancelled if there are insufficient agenda items to warrant a meeting.
- 3.2 The Director of Regeneration and Planning may call an additional extraordinary SPB or agree to seek a consensus virtually if, in their view, a matter needs to be considered urgently.

4.0 Confidentiality

- 5.1 SPB may be presented with information that is deemed to be confidential, often for reasons of commercial sensitivity. Release of the information could have a detrimental impact on the Councils' commercial activities, or of third parties. Board members must undertake to respect the confidential nature of such information at all times.

CORPORATE ASSET MANAGEMENT PLAN

The AMP focuses on 4 key areas:

1. Improving yield from the investment portfolio.
2. Reducing maintenance costs and liabilities.
3. Delivering efficiencies through smarter procurement.
4. Increasing the capital value of each Council's asset base.

The AMP will:

- Provide the strategy framework for LDC and EBC to manage and maximise the potential of their property portfolios and meet the Asset Challenge;
- Ensure that the respective property portfolios are managed and operated in accordance with the Councils' Corporate and Council plans and priorities and Medium Term Financial Strategies;
- Ensure that the Property and Facilities Shared Service (PFSS) efficiently delivers benefits to each Council from the respective property portfolios;
- Unlock the potential of land and buildings across Lewes District and Eastbourne Borough, working with external partners where appropriate.

The AMP objectives are underpinned by six asset management strategy themes outlining the iterative work that will be undertaken across the Councils.:

- **Theme 1: Establish** a clear vision regarding how LDC and EBC will achieve a sustainable asset base by 2021: delivered through the Corporate Landlord model and Property and Facilities Shared Service planning;
- **Theme 2: Challenge** the reasons for retaining assets and ensure that retained assets contribute towards a sustainable asset base: this comprises a critical part of Phase 1 of Asset Challenge;
- **Theme 3: Identify** the benefits and make best use of each asset to stimulate regeneration including the provision of affordable housing: Phase 2 of Asset Challenge;
- **Theme 4: Seek** opportunities where key strategic assets could realise significant capital and/or revenue returns in order to reinvest in the retained operational portfolio: the key element of Phase 2 of Asset Challenge as the portfolios move towards achieving a sustainable asset base;
- **Theme 5: Reduce** on-going property maintenance and financial liabilities for LDC and EBC: supports theme 4 in achieving the sustainable asset base objective;
- **Theme 6: Ensure** that retained assets combine social, cultural, environmental and economic benefits: guarantees that the Councils are only holding properties that meet corporate aims and objectives.

Agenda Item No: 9.6 **Report No:** 94/17
Report Title: Turkish Baths, Lewes
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Cllr Bill Giles
Ward(s) Affected: Lewes Bridge
Report By: Nazeya Hussain, Director of Regeneration and Planning

Contact Officer(s)-

Name(s): Bee Lewis
Post Title(s): Head of Property & Facilities
E-mail(s): bee.lewis@lewes.gov.uk
Tel No(s): 01323 415521

Purpose of Report:

To seek Cabinet approval to negotiate and conclude a lease of the Turkish Baths and also Thebes Annexe.

Officers Recommendation(s):

- 1** To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive, the Leader of the Council, and the Strategic Property Board, to negotiate and conclude Heads of Terms for a lease of the Turkish Baths and to authorise completion of a lease based on the Heads of Terms.
- 2** To delegate authority to the Director of Regeneration and Planning to enter into contracts to undertake essential refurbishment works at the Turkish Baths, Friars Walk, Lewes at a cost of up to £171,600 (including fees and planning) so that the Council can meet its Statutory Obligation under the Energy Act 2011.
- 3** To recognise that the proposal for agreeing a lease at the Turkish Baths is being made as an exception to the Council's policy of achieving an open market rent on all new leases.
- 4** To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive, the Leader of the Council, and the Strategic Property Board, to negotiate and conclude Heads of Terms for a lease of the Thebes Annexe and to authorise completion of a lease based on the Heads of Terms.

Reasons for Recommendations

- 1 To deliver best consideration for the Council in relation to its property assets in accordance with S123 of the Local Government Act 1972.

Information

2

- 2.1 The Turkish Baths is a single-storey building located at Friar's Walk, Lewes. It was constructed in the late 19th century as a purpose-built Turkish Baths but no parts of the original baths remain, having closed as a Turkish Baths in 1882 (see Appendix A). The building is not listed and is not registered as an Asset of Community Value. However, it is within the conservation zone and the South Downs National Park.
- 2.2 The building previously housed the Council's print unit, but the service transferred to Eastbourne in June 2015. As a result, the building is now empty and the building is surplus to the requirements of the service.
- 2.3 The building has a net internal area (NIA) of around 2,000 sq ft with a 600 sq ft garden to the side. It is a substantial and attractive property, in reasonable condition which would benefit from improvement and modernisation.
- 2.4 In July 2016, Cabinet considered three options for the future management of the building. They were:
 - (a) Refurbishment.
 - (b) Letting the building in its current condition.
 - (c) Sale of the freehold
- 2.5 Cabinet opted to set aside capital funding to refurbish the building with the aim of maximising rental income. This approach is consistent with the aims set out in the emerging Asset Management Plan, subject to a decision on this Cabinet agenda, to deliver a sustainable asset base by 2021 by:
 - (a) Improving yield from the investment portfolio.
 - (b) Reducing maintenance costs and liabilities.
 - (c) Delivering efficiencies through smarter procurement.
 - (d) Increasing the capital value of the Council's asset base.
- 2.6 Additionally, new legislation as a result of the Energy Act 2011, places a statutory obligation on all commercial landlords to ensure that premises

which are let after 1st April 2018 meet an energy performance rating no lower than Rating E. The statutory obligation widens to include all commercially leased buildings by 1st April 2023.

- 2.7** The Turkish Baths do not currently meet the minimum requirements of the Energy Act 2011 and irrespective of who the building is eventually leased to, works are required to improve the glazing, insulation, heating, ventilation, and electrics. It is the Council's responsibility to bring the building up to a lettable standard and to reduce ongoing running costs for future tenants.
- 2.8** It would be possible to lease the building now in its current condition, however there are risks associated with not doing the work now to be ready for the Energy Act 2011 requirements in 2023. A further six years of poor insulation and ventilation would be likely to accelerate the deterioration that is currently evident, leading to increased refurbishment costs.
- 2.9** There is a lot of wasted space within the building and the layout could be improved, making it more attractive to a wider range of prospective tenants. At the same time as carrying out the energy performance improvement works, it was also proposed to take down the internal walls and replace with a steel support, opening up the building to offer a more flexible floorspace. These works are not essential, and could be negotiated with prospective tenants.
- 2.10** The cost of refurbishment had been previously estimated at up to £220,000 (to include professional fees). A tender exercise was carried out and the lowest tender was £156,000 plus fees at 10%.
- 2.11** The proposed refurbishment would also improve the asset value. The building was valued at £250,000 in Feb 2015, but if the refurbishment was completed sympathetically, the resulting valuation could be £600,000 and would meet one of the aims of the emerging Asset Management Plan.
- 2.12** In December 2016, a petition was received by the Council which stated:
- "We the undersigned call upon Lewes District Council to fully explore a range of options for the future use of the building called the Turkish Baths in Friars Walk, Lewes. These options should include exploring the potential for a creative hub and other uses not relying on full refurbishment prior to use and ways to ensure that this public building remains accessible and used by a wide section of the local community."*
- 2.13** The petition was debated and referred to Scrutiny and Overview in March. At the Scrutiny meeting, two groups with a community interest were invited to present their vision for how the Turkish Baths could be used to promote economic, regeneration, and social value in the town. Both groups also highlighted that there may be alternative means of funding capital works through bids to external organisations.

- 2.14** Scrutiny have recommended that Cabinet review whether it is possible to let the building on terms which take into account economic, regeneration, and social value. This aim could be achieved either by letting the building with minimum refurbishments and therefore adjusting the anticipated rental income to deliver a good yield while making it affordable for a number of community-related groups; or by acknowledging the external funding opportunities a community group may be able to access, therefore reducing the amount of capital the Council would be required to invest.
- 2.15** There has been (and continues to be) considerable interest from a broad range of people who would like to lease the Turkish Baths. Some of these interests are purely commercial, including local businesses seeking to establish in the town or expand; and some are more community led. To ensure fairness to all, it is recommended that the building is marketed in a two-stage process as follows:
- (a)** Interested parties will be asked to complete an Expression of Interest which will then be assessed by officers (see Appendix B). The form has been developed to enable a fair assessment of strengths and weaknesses in each bid, therefore it should be easier to compare a purely commercial bid against a one which has stronger community benefits.
 - (b)** Those shortlisted as a result of the Expression of Interest will be asked to submit their Best and Final Heads of Terms. The results will be summarised and presented to the Director of Regeneration and Planning in consultation with the Deputy Chief Executive and Strategic Property Board.
- 2.16** The selection criteria will be a mix of qualitative and financial proposals. The criteria will be weighted with a total potential score of 100 as follows:
- (a)** Site use (20 marks)
 - (b)** Community benefit (20 marks)
 - (c)** Deliverability (eg business and project management, and funding) (20 marks)
 - (d)** Commencement (20 marks)
 - (e)** Indicative financial offer (20 marks)
- 2.17** To be shortlisted, bidders will need to score a minimum of 5 marks against each criteria.
- 2.18** It is also recommended that the Council proceeds with the works to improve the energy efficiency rating of the building, as without doing so, it will be unlawful to either issue a new lease after April 2018, or to continue to lease the building after April 2023, and there is a risk that the costs of such work will increase over time.

- 2.19 There is also an opportunity to issue a new short-term lease at Thebes Annexe, which may offer an alternative option to a community-led group to the Turkish Baths. It is recommended that both opportunities are marketed simultaneously using the same criteria and methodology.

Financial Appraisal

3

- 3.1 The Council is able to borrow to fund capital expenditure on the purchase, improvement or enhancement of General Fund property assets. Before borrowing for capital purposes, it is necessary to ensure that it is prudent to do so, ie that the General Fund budget can afford any interest cost associated with the borrowing and to repay the amount borrowed over an appropriate period of time.
- 3.2 In the case of this project, the borrowing test is met with the additional annual borrowing costs expected to be outweighed by the additional rental income which will be generated. Following Cabinet's decision in July 2016, an allocation for this project was made within the Capital Programme and this remains available in 2017/2018 at an adjusted cost of £172,000.

Legal Implications

4

Section 123 Local Government Act 1972

- 4.1 The Turkish Baths are held by the Council in the general fund rather than the HRA. Local authorities have the power to dispose of general fund land in any manner they see fit so long as they obtain the best consideration reasonably obtainable.

*In determining "best consideration" the **only** consideration that can be taken into account is that which has commercial or monetary value to the local authority so, for example, an undertaking by a purchaser to create a number of jobs for people in the area cannot be taken into account.*

This obligation to obtain the best consideration does not apply where:

- (a) the (explicit) consent of the Secretary of State has been obtained;
- (b) where the disposal of land is by way of a short tenancy (less than seven years); or
- (c) where the General Consent 2003 applies.

- 4.2** The General Consent 2003 permits local authorities to dispose of land at an undervalue of up to £2m where the disposal will promote the economic, social or environmental well-being of a local authority's area. Specific consent from the Secretary of State is not necessary where the General Consent applies. The General Consent is wide in scope and is a mechanism used where a local authority wishes to dispose of property at an undervalue as a means of recognising the social value of a particular disposal.

State aid and other issues

- 4.3** Aside from the issue of best consideration, if publicly owned land is disposed of at less than best consideration, the local authority is providing a subsidy to the purchaser. Therefore, where a local authority disposes of land at an under value there is a risk that the disposal may breach state aid rules.

A disposal at an under value is only state aid if it distorts or threatens to distort competition within the EU. There is no state aid where an organisation is carrying out activities which do not affect cross-border trade between EU member states. Local community uses are likely to fall within this description and therefore any disposal at an undervalue for the purposes of a community use is unlikely to constitute state aid.

Where the disposal does amount to state aid there is potential for it to be lawful aid in particular circumstances, including what is known as "de minimis" state aid. This is aid granted to a single undertaking up to £200,000 over a rolling three year period. The financial ceiling of £200,000 covers aid received from any part of the UK state over the rolling period and includes aid from other UK public bodies. It is not limited to aid received from the council giving the proposed aid.

- 4.4** Any decision by the Director under the delegated powers set out in recommendation 1 above will have to comply with the rules relating to best consideration and state aid.

18 May 2017 Ref: 006315-LDC-MR

Risk Management Implications

5

- 5.1** Being unable to let the property once modernised presents the largest risk. However, there are few vacant commercial properties of this size in Lewes and the Premier Inn is anticipated to bring new footfall and interest into the Friar's Walk area. With the level of interest already

shown in the building, it is thought that the risk of the building remaining empty post-refurbishment is low.

Equality Screening

6

- 6.1** Equality impacts will be a consideration when assessing the Expressions of Interest.
- 6.2** Refurbishing the building to bring it up to modern standards, including improving accessibility, will bring positive impacts for many people who are protected under the Equality Act 2010.
- 6.3** All property decisions will have reference to the Asset Management Plan (also on this Cabinet agenda) and the policies that support the delivery of the Plan.

Background Papers

7

Appendices

8

- Appendix A: Plan of land at Friar's Walk, Lewes
- Appendix B: Proposed Expression of Interest Assessment Form

Appendix A



Turkish Baths, Lewes

Date: 23/05/2016

1:500

© Crown copyright and database rights 2015
Ordnance Survey 100019275.



Appendix B

PURPOSE OF THIS DOCUMENT

To determine the proposed use of the building to enable a fair and equal assessment of bids where there is more than one interested party.
Act as a base document against which the viability of the proposal can be assessed.
To determine what level of support (financial or other resources) may be required from LDC

PROPERTY PROPOSAL

Property Name:			
Organisation			
Name			
Position in Organisation:			
Address:			
Telephone:			
Email:			
Type of organisation			
Registered Charity		Company limited by guarantee	
Company limited by shares		Community Interest Company	
Unincorporated club or association		Public Sector	
Other (please specify)		Registration Number	

1. EXECUTIVE SUMMARY

Outline the proposed use of the building (or part of) – to include output(s) and tangible benefits expected from the proposal along with any measurement of success (where applicable). You may continue on a separate sheet if necessary.

2. PROPOSAL DETAILS

Does the proposal involve all or part of the building?	
If part, please identify approximate square footage required.	
Is there a specific area within the building that is key to the viability of the proposal? Please specify	
Would you consider a collaborative proposal with another organisation?	
Does the proposal involve a change of use of the building?	
Does the proposal involve any exterior or interior work? <i>If so, please submit no more than 1 side of A4 detailing the work needed, who would be responsible and how it would be funded.</i>	
Please specify how much per square foot (exclusive of rates and utilities) you would expect to pay in rent.	
There is no parking at the Turkish Baths, how will you manage your parking requirements?	
Length of lease required	
Preferred commencement date	
Does your proposal involve underletting?	

3. EXTERNAL FUNDING (where applicable)

3.1 Are there any expected sources of external funding / capital receipts to deliver the proposal or to cover on-going costs?

Funding Source	Amount	Comments
Total		
Externally-sourced professional advice / consultants / contractors		

3.3 Additional comments on the financial information (if applicable)

Please note, for example, if the figures are estimated. Please indicate any assumptions and whether these figures are fixed or liable to increase over time.

4. ASSUMPTIONS AND RISK

The scope of this proposal includes	
This proposal does not include	

4.2 RISKS

Please state and explain the most significant risks to the successful completion of the proposal, and how they can be mitigated. Examples may include planning or leasing issues or unconfirmed external funding.

Risk	Likelihood (low = 1, high = 3)	Impact (low = 1, high = 3)	Mitigation

4.1 ASSUMPTIONS

Have any assumptions been made? E.g. grant scheme continues; key staff in place at start etc.

4.3 STAKEHOLDERS - including customers

Who has a stake in the proposal? Identify those whose interests may be affected.

4.5 EQUALITY

Explain how the proposal will meet the requirements of the Equality Act 2010.

4.4 ENVIRONMENT AND SUSTAINABILITY

Please describe the environmental impact of this proposal and explain how this will be managed. Include both positive and negative impacts.

Authorised Signatory

This section must be signed by someone authorised by the organisation (eg Chairperson). An electronic signature is acceptable.

I confirm that to the best of my knowledge and belief, all the information in this Expression of Interest is true and correct. I understand that, should this proposal be further developed, you may ask for additional information at any stage of the application process.

Signed		Print name	
Position		Date	

Agenda Item No: 9.7 **Report No:** 95/17
Report Title: North Street Quarter – Consideration of Delivery Options
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Councillor Andy Smith
Ward(s) Affected: All Lewes Wards
Report By: Nazeya Hussain, Director of Regeneration and Planning
Contact Officers-

Name: Bev Lucas
Post Title: North Street Quarter – Regeneration Specialist
E-mail: beverley.lucas@lewes.gov.uk
Tel No: 01273 085523

Name: Max Woodford
Post Title: Head Regeneration
E-mail: max.woodford@lewes.gov.uk
Tel No: 01273 484008

1.0 Purpose of Report:

This report seeks authority to: progress work on a revised delivery route for Phase 1 of the NSQ scheme which would involve Santon North Street's (SNS) own development company Artisan as the development partner; to revise the scope and content of the Land Collaboration (joint venture) Agreement (LCA) to ensure that it contains the mechanisms necessary to protect the Council's interests, and to identify the assets (land and buildings) that the Council would wish to secure from the NSQ scheme. Cabinet approval for the recommendations resulting from this work will be sought at a future meeting (anticipated to be the meeting of 27th September 2017).

This report has been tabled at a meeting of the North Street Quarter Members' Oversight Board.

2.0 Officer Recommendations:

1. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and the Leader of the Council, to carry out due diligence in respect of the risks identified in Appendix 1.
2. Pending satisfactory resolution of the identified risk issues, to delegate authority to the Director of Regeneration and Planning, in consultation with the Leader of the Council, to negotiate revisions to the approved Heads of Terms of the LCA to enable SNS to appoint Artisan as Phase 1 developer, having particular regard to the securities and guarantees required by the

Council and the roles and accountabilities of all parties. Such amendments to be agreed at a future meeting of the Council's Cabinet.

3. To delegate authority to the Deputy Chief Executive, in consultation with the Leader of the Council and Cabinet Member for Finance, to investigate the potential of the Council as lender of construction finance to the development partner, and the opportunities and risks associated with this role.
Recommendations to be made to a future meeting of the Council's Cabinet.
4. To delegate authority to the Director of Service Delivery, in consultation with the Deputy Chief Executive, Leader of the Council and Cabinet Member for Housing, to carry out soft market testing of the affordable housing with Registered Providers.
5. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive, Leader of the Council and Cabinet Member for Finance, to identify the income generating assets that Lewes District Council (LDC) would wish to secure from the NSQ scheme in order to establish an on-going revenue stream from the development.
Recommendations to be made to a future meeting of the Council's Cabinet.

3.0 Reasons for Recommendations

1. To progress delivery of the strategically significant North Street Quarter (NSQ) development in Lewes. The NSQ is a £180m mixed use brownfield site that will deliver the following regeneration benefits to the area:
 - 416 new homes, of which 40% will be affordable,
 - 140,000 sq. ft. of new commercial space, including subsidised creative workspace,
 - 475 full time jobs,
 - 100 full time construction jobs,
 - a new modern health centre serving in excess of 26,000 patients,
 - strategically important flood defences, completing the defence of Lewes,
 - a new riverside promenade, new footbridge, extensive new cycle paths and footpaths, and
 - a public square hosting contemporary eateries and riverside dining.
2. To ensure that the Council maximises return on its investment into the NSQ scheme, while at the same time minimising any risks involved in delivery and potential financing.

4.0 Background information

The North Street Quarter development

- 4.1 On 1st October 2012, Cabinet resolved to explore the possible disposal of its land interests in the North Street area to facilitate a comprehensive development scheme with landowner Santon North Street (SNS). Following approval on 30th September 2013 to enter into a joint agreement with SNS

(subject to satisfactory Heads of Terms and the securing of planning permission), Cabinet endorsed a masterplan for the site on 24th April 2014. At the same meeting, Cabinet also agreed the Council's priorities (as landowner) which are:

Essential:

- Achievement of 40% affordable housing
- Maximisation of a return on the Council's investment through a recurring revenue stream.

Desirable:

- Up to 40,000 sq ft of commercial floor space including cultural quarter, retail and a health facility
- Extra care housing units, and
- Improved public realm and connectivity with the town

- 4.2 Following the decision to grant planning permission for the NSQ scheme at the 10th December 2015 meeting of the South Downs National Park (SDNP) Planning Committee, Cabinet approved a report covering a number of commercial and legal matters relating to the NSQ development. These matters included agreement of the Heads of Terms of the joint venture (LCA), the procurement approach for land disposals and the exploration of CPO powers to ensure site assembly for the scheme. Cabinet also agreed the necessary expenditure to buy back leasehold interests on Council owned land in the area.
- 4.3 Council officers continue to progress the acquisition of the outstanding land interests. SNS have also begun the process of discharging pre-commencement conditions that form part of the conditional planning permission granted by SDNP.
- 4.4 In March 2017, the Council completed the purchase of the Springman House site on North Street to enable the relocation of the existing fire station which currently sits within the area of the permitted NSQ scheme. The Council was successful in securing a £2 million capital grant from the Coast to Coast LEP towards the site purchase costs. The design and development of the new fire station is the subject of a separate report to Cabinet which is on the agenda of this current meeting (26th June 2017).
- 4.5 Also in March 2017, the Council appointed a dedicated project manager for the NSQ scheme.

5.0 Delivery of Phase 1

- 5.1 The approved Heads of Terms (and draft full agreement) of the LCA are predicated on the basis of it being an agreement between two neighbouring landowners. A developer(s) was to be procured by SNS via a competitive tender process, overseen by a Joint Venture Board comprising equal representation from SNS and LDC. SNS was also to appoint a development manager.

- 5.2 SNS has recently expressed a desire to appoint their own development company Artisan as the development partner for Phase 1 of the NSQ scheme.
- 5.3 The Council has commissioned a briefing from its financial advisor GVA (attached as Appendix 1) to identify the potential risks and opportunities (to the Council) associated with this approach. While GVA has noted that this delivery route may be acceptable to the Council, and could be financially rewarding, it also notes that additional due diligence work must be undertaken in order to address the identified risks and to protect the Council's interests.

Due diligence

- 5.4 Appendix 1 identifies a number of risks associated with progressing SNS' own development company Artisan to deliver Phase 1. Cabinet approval is sought to carry out additional due diligence in respect these identified risks which include the need to establish Artisan's capability and financial standing as development partner, the standing of SNS as potential guarantor in the event of any default by Artisan, the implications of any securities that will be required from LDC and the means by which the Council can ensure the capability and experience of the build contractor. Coupled with this is the need to ensure that the overall returns to SNS and the Council fairly reflect their respective exposure to risk and investment in the project.

Joint Venture – Land Collaboration Agreement (LCA)

- 5.5 Appendix 1 identifies that the current approved Heads of Terms of the LCA would still be relevant in the context of the revised delivery approach, however, a number of additional items would need to be included in order to protect the Council's interests. Pending satisfactory completion of due diligence in respect of the risks identified, the Heads of Terms will be reviewed and revised in order to provide SNS with the ability to appoint Artisan as the Phase1 development partner. Revisions will have regard to the securities and guarantees required by the Council in progressing this approach, and to the roles and responsibilities of all parties. A Development Agreement between the landowners (SNS and LDC) and developer (Artisan) would also be needed. The Council will need to consider the appointment of an independent project manager / client's agent (rather than relying on SNS) to monitor and enforce the performance of Artisan. SNS should also be 'conflicted out' of decisions to enforce the terms of the Artisan contract, with the Council taking the lead on any element where the performance of Artisan is at issue. Approval of the new Heads of Terms and Development Agreement will be sought at a future meeting of the Council's Cabinet.
- 5.6 Consideration will also be given to the potential role of the Council as lender of construction finance, and to the opportunities and risks that may be involved.

Affordable housing

- 5.7 165 units of affordable housing will be delivered as part of the NSQ scheme (including Extra Care units), the majority of these being in Phase 1 of the development. In order to inform the most appropriate delivery route for the affordable housing (which meets strategic housing needs in the area and maximises the Council's return from its investment in the NSQ scheme), officers will carry out soft market testing with Registered Providers (RPs).

Income generating assets

- 5.8 One of the Council's priorities in taking forward the NSQ development is to maximise a return on its investment through a recurring revenue stream. There are a number of potential income generating elements within the scheme, including commercial space, the health hub and car park. It is intended that the Council will agree to offset some of its capital receipt to instead take some of these income generating elements at their market value. As part of the work to revise the Heads of Terms of the LCA, officers will also identify which assets the Council should seek to acquire from the NSQ scheme, and the process by which they will be secured.

6.0 Timeframe / programme of work

- 6.1 The culmination of the work outlined above will be a report to the Council's Cabinet (anticipated to be the 27th September 2017 meeting) setting out a number of recommendations in respect of the delivery of Phase 1. The report will be accompanied by substantive information and guidance from the Council's financial and legal advisors to the NSQ scheme.
- 6.2 In terms of the NSQ programme moving forward, there are a number of workstreams being progressed by the Council, its partners and specialist advisors. These are:
- Scheme delivery – following approval of the recommendations contained in this report, officers will be working with the Council's financial (GVA) and legal (Gowling WLG) advisors to carry out due diligence in respect of the proposed delivery route and to revise the Heads of Terms of the LCA. GVA will also be asked to support the identification of income generating assets that the Council would seek to acquire from the scheme, and the preparation of a Section 123 report confirming that the Council is receiving best consideration.
 - Health Hub - work is progressing with prospective occupants in terms of the model of integrated service delivery, support for their business planning needs and fit-out specifications.
 - Affordable housing – officers will work to develop a type and tenure mix and carry out soft market testing with RPs in order to identify a preferred funding / delivery route for both the affordable housing and Extra Care units.
 - Planning conditions - SNS and its consultants, with support from council officers, continue to work to discharge the pre-commencement planning

conditions. This includes ongoing community involvement and public consultation on detailed elements of the scheme. Both SNS and LDC continue with land assembly across the NSQ development site.

7.0 Financial Appraisal

- 7.1 This report recommends that authority be delegated to officers to negotiate revised Heads of Terms to the LCA, carry out due diligence checks and undertake further research including soft-market testing. As such, there are no significant direct financial implications associated with the recommendations, with costs to be met from existing budgets.
- 7.2 When the due diligence checks and further analysis has been completed, a future Cabinet meeting will be asked to consider a number of proposals in respect of progressing this development. A full financial appraisal will be given at that time.

8.0 Legal Implications

- 8.1 Cabinet is asked to note the earlier advice given at the meeting held on 7 January 2016 in the context of the risk of procurement challenge given the proposal to contract directly with SNS. Similar considerations apply to any direct contract with Artisan and the justification/defence would be the same as for SNS. The Council can reduce the risk of a claim to have the contract set aside after it has entered into the contract by issuing a notice in OJEU in advance (a Voluntary Ex Ante Transparency Notice "VEAT"). At its meeting on 7 January 2016 Cabinet resolved to issue a VEAT.
- 8.2 As would be the case with any third party developer, the Council will ensure that the appropriate legal protections (guarantees, rights of step in etc) are contained in the documentation. The Council will also need to ensure that the deferral of any financial 'upside' to future phases 2 and 3 is adequately protected.
- 8.3 Where the Council advances funding to the project (the potential for which is highlighted at paragraph 5.6) the Council will ensure that this is on arms-length market terms so as to meet the requirements of the Market Economy Investor Principle and not fall foul of state aid law.
- 8.4 The Council will obtain advice on its statutory duty to secure best consideration.

005072-LDC-MR – 01.06.2017

9.0 Risk Management Implications

- 9.1 The following risks will arise if the recommendations relating to the delivery of Phase 1 of the NSQ scheme are not implemented:
- Phase 1 includes a high infrastructure requirement and the majority of the affordable housing. If SNS are unable to use their own developer to deliver

Phase 1, there may be difficulties in securing a third party developer to deliver this phase in isolation. This will impact upon the delivery of the wider scheme and the regeneration benefits it will deliver. In the event that a third party developer could be secured to deliver Phase 1 as a 'stand-alone' phase, the Council may be unable to achieve a satisfactory financial return on its land interests.

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

- The main risks of the proposed delivery approach to Phase 1 are set out in Appendix 1.
- Work will be undertaken to carry out due diligence on the risk issues identified in order to protect the Council's position.

10.0 Equality Screening

10.1 Equality screening has been carried out for previous NSQ reports. This report raises no new equalities issues.

11.0 Appendices

Appendix 1: North Street Quarter, Lewes - Delivery Options Review. GVA

Agenda Item No: 9.8 **Report No:** 96/17
Report Title: Springman House Site, North Street - Design and Redevelopment to Accommodate new Community Fire Station
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Councillor Andy Smith, Leader of the Council
Ward(s) Affected: All Lewes Wards
Report By: Nazeya Hussain, Director of Regeneration and Planning
Contact Officers-

Name: Bev Lucas
Post Title: North Street Quarter – Regeneration Specialist
E-mail: beverley.lucas@lewes.gov.uk
Tel No: 01273 085523

Name: Bee Lewis
Post Title: Head of Property & Facilities
E-mail: bee.lewis@lewes.gov.uk
Tel No 01323 415521

1.0 Purpose of Report:

This report seeks approval to progress the design and development of a new Community Fire Station, and Ambulance Community Response Post (ACRP), at the site of the vacant Springman House, North Street. The project will enable delivery of the North Street Quarter (NSQ) regeneration scheme by relocating the existing Lewes Community Fire Station from its current premises within the NSQ site.

2.0 Officer Recommendations:

1. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to authorise the design and development of a new fire station and ACRP at the site of Springman House and to take all and any steps necessary to facilitate implementation of such development.
2. To make an allocation of £3.5m for the delivery of the project within the 2017/18 capital programme.
3. To delegate authority to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to procure project management services as set out in paragraphs

5.4 – 5.6 and to waive any requirement in the Council’s Contract Procedure Rules which might otherwise require a different approach.

4. To delegate authority to the Director of Planning and Regeneration to conduct a feasibility study and/or options appraisal on the remainder of the site

3.0 Reasons for Recommendations

1. To unlock the strategically significant North Street Quarter (NSQ) development in Lewes. The NSQ is a £180m mixed use brownfield site that will deliver the following regeneration benefits to the area:
 - 416 new homes, of which 40% will be affordable,
 - 140,000 sq. ft. of new commercial space, including subsidised creative workspace,
 - 475 full time jobs,
 - 100 full time construction jobs,
 - a new modern health centre serving in excess of 26,000 patients,
 - strategically important flood defences, completing the defence of Lewes,
 - a new riverside promenade, new footbridge, extensive new cycle paths and footpaths, and
 - a public square hosting contemporary eateries and riverside dining.

This report has been tabled at a meeting of the North Street Quarter Members’ Oversight Board.

4.0 Background information

The North Street Quarter development

- 4.1 In 2012, Cabinet resolved to explore the possible disposal of its land interests in the North Street area to facilitate a comprehensive development scheme with landowner Santon North Street (SNS). Following approval in 2013 to enter into a joint agreement with SNS (subject to satisfactory Heads of Terms and the securing of planning permission), Cabinet endorsed a masterplan for the site. It also agreed the Council’s priorities (as landowner) which are:

Essential:

- Achievement of 40% affordable housing
- Maximisation of a return on the Council’s investment through a recurring revenue stream

Desirable:

- Up to 40,000 sq ft of commercial floor space including cultural quarter, retail and a health facility
- Extra care housing units, and
- Improved public realm and connectivity with the town

- 4.2 Following the decision to grant planning permission for the NSQ scheme at the December 2015 meeting of the South Downs National Park Planning Committee, Cabinet approved a report covering a number of commercial and legal matters relating to the development. These matters included agreement

of the Heads of Terms of the Joint Venture, the procurement approach for land disposals and the exploration CPO powers to ensure site assembly for the scheme. Cabinet also agreed the necessary expenditure to buy back leasehold interests on Council owned land in the area.

- 4.3 Council officers continue to progress the acquisition of the outstanding land interests, and work is underway by SNS to discharge the pre-commencement conditions that form part of the conditional planning permission for the scheme. Officers are also working with SNS to identify options for the delivery of the development. This work is the subject of a separate report to Cabinet.
- 4.4 A dedicated project manager for the North Street Quarter scheme was appointed by LDC in March 2016.

Relocation of Lewes Community Fire Station

- 4.5 The NSQ site includes the existing Lewes Community Fire Station on North Street. This site is in phase two of the NSQ development scheme and occupies land that is intended for market housing for families. Failure to relocate the fire station would impact on the return from the NSQ development and therefore the viability of the proposed scheme.
- 4.6 In line with the Council's Infrastructure Delivery Plan, there has been a long standing proposal to relocate the existing fire station. The site it currently occupies is in an area at risk from flooding (flood zone 3).
- 4.7 An initial site appraisal looked at a number of possible relocation sites and identified that Springman House was the best option operationally for East Sussex Fire and Rescue Services (ESFRS). As well as being located outside of a flood risk zone, the site offers opportunities to co-locate 'blue light' emergency service functions with Sussex Police, who occupy the adjacent building. The site's location also conforms to ESFRS' access time requirements.

Purchase of the Springman House site

- 4.8 The Springman House site is located on North Street in Lewes, but is outside of the area of the permitted NSQ scheme. The site comprises a mid to late 20th Century building, which was most recently used as NHS administration offices. An open yard and smaller buildings behind Springman House are still operated as an ambulance depot by South East Coast Ambulance Service (SECamb).
- 4.9 Following advice from GVA, acting as its financial advisors, and preliminary feasibility and ground investigation works, LDC completed the purchase of the Springman House site from the vendors in March 2017. The Council was successful in securing a £2 million capital grant from the Coast to Coast LEP towards the site purchase costs.
- 4.10 Prior to the purchase, the Council carried out extensive discussion with both ESFRS and SECamb to understand their ongoing / future operational requirements in terms of the delivery of services. SECamb requested that an Ambulance Community Response Post (ACRP) be included as part of the new

facility and ESFRS agreed to accommodate. A specification for the ACRP was included in the sale contract documents.

5.0 Design and development of the new facility

Project costs

- 5.1 Once the site has been developed by LDC, it is intended that part of the facility will be leased to SECamb and that ESFRS will then take freehold ownership of the facility, subject to the SECamb lease. In return, ESFRS will transfer the freehold of their existing fire station to the Council to allow for delivery of the NSQ scheme. This will increase the proportion of the NSQ development site that is owned by LDC, thus increasing the Council's share in, and subsequent revenue value from, the scheme. However, leasing arrangements may vary depending upon the final design of the new facility.
- 5.2 With the purchase of the site completed, Cabinet is now requested to authorise a budget of £3.5 million to deliver the design and build of the new fire station (and ACRP), including project management fees. Officers consider that construction costs may be considerably lower if there are opportunities to work with Sussex Police to co-locate facilities.
- 5.3 The site of the existing fire station represents circa 4.5% of the overall NSQ site area. It has been agreed with Santon that in return for the Council acquiring the Springman House site, the Council will increase its equalisation share of the NSQ scheme by the additional percentage and that the cost of building and funding the new fire station will be a direct scheme development cost, to be shared between the Council and Santon ahead of any distribution of land value or profit to the parties.

Procurement route

- 5.4 There are two possible procurement routes open to the Council. One is to procure a range of services from Orbis. The Orbis Professional & Technical Services Framework would be used to procure all necessary professional services and contractors and would be procured on either a design, build, or design and build contract. The framework, which will be launched on 1st August 2017, will include approved consultants / contractors that have been agreed through an initial competitive tendering exercise.
- 5.5 Orbis have previously delivered the collaborative project to build Saxon House in Newhaven and are familiar with requirements of each of the organisations who will have a stake in the new fire station. Saxon House is considered to be an exemplar project delivered on time, under budget, and meeting the requirements of three different partners. It is hoped that by appointing Orbis, there will be demonstrable efficiency savings because of their prior experience.
- 5.6 Alternatively, the Council may choose to procure the design, build, or design and build, through the Energy & Sustainability Joint Venture Agreement. Officers will continue to explore the best delivery route, which may be a hybrid

of both potential project management partners and is it recommended that authority is delegated to the Director of Regeneration and Planning, in consultation with the Deputy Chief Executive and Cabinet Member for Finance, to procure project management services to deliver the new fire station facility, to include a waiver of the Contract Procedure Rules if required.

Scope of work

5.7 The scope of the work to be undertaken by the Project Management Partner is as follows:

- Design, or design and build, a new Lewes Community Fire Station, and ACRP (for use by SECamb).
- Explore, as part of the project's feasibility and design stages, opportunities to integrate facilities for ESFRS, SECamb and the adjacent Sussex Police station.
- Inform any legal agreements relating to the end use of the site (as necessitated by the final approved scheme) through negotiation with landowners / prospective leaseholders.

Programme / timeframe

5.8 Should Cabinet approval be granted, the project will commence, in July/August 2017. The project programme will be as follows:

- Procurement of a multidisciplinary Design Team
- Feasibility work and development of a project brief
- Concept design and costings
- Procurement of build contractor
- Detailed design, planning permission and construction

5.9 It is intended that the new facility will be built concurrently with phase one of the NSQ development (2018 to early 2020) in order that ESFRS can relocate prior to the clearance of land for phase two (which includes the site of their existing premises).

Stakeholder involvement

5.10 The end users of the facility (ESFRS, SECamb and East Sussex Police) will be involved in the design stages of the development in order to ensure that it meets their operational requirements.

5.11 The planning application for the development will be determined by The South Downs National Park as planning authority. Public consultation on the concept design will take place as part of the pre-planning application stages of the scheme. The proposals will also be available for public comment during the life of the planning application.

6.0 Financial Appraisal

- 6.1 The gross cost of designing and building a new fire station and ACRP on the Springman House site is projected to be £3.5m. As explained in paragraph 5.3, this cost will be shared by the Council and Santon through the mechanism to distribute the profit to be realised from the NSQ scheme as a whole. The Council's relative share of the distribution will increase as a result of taking ownership of the current fire station site.
- 6.2 Pending the realisation of the profit from the NSQ development, funding for the design and build costs will be met by an interim increase in the General Fund borrowing requirement. Interest costs associated with this borrowing will be funded from the Strategic Change Reserve to alleviate the short-term impact on the General Fund budget.

7.0 Legal Implications

- 7.1 The Council's Contract Procedure Rules contain a set of procedures relating to the purchase of works, goods and services.
- 7.2 Cabinet is asked to agree a waiver of the Contract Procedure Rules to allow the Council to use the project management services described in paragraphs 5.4 – 5.6 above for the justifiable reasons set out in these paragraphs.

006319-LDC-KS 11th May 2017

8.0 Risk Management Implications

- 8.1 The following risks will arise if the recommendations relating to Springman House are not implemented:
- If the Council is unable to deliver a suitable replacement for the fire station, the North Street Quarter development may not come forward in its present consented form due to the need to give space over to a replacement fire station. This will impact the viability of the scheme and the regeneration benefits it delivers.
 - Lewes Fire Station will continue to be situated in a location that is vulnerable to flooding.
- 8.2 The following risks will arise if the recommendations are implemented, and I propose to mitigate these risks in the following ways:
- The main risk for Springman House is that the cost of purchase plus building a new fire station will not be off-set by the additional value of the old fire station to the development when looked at in isolation. Our initial analysis shows that this is very likely to be the case. To mitigate this risk, officers will explore options to extract maximum value from the Springman House site.

- The build cost risk for the new fire station will sit with LDC. This will be mitigated through effective project management and value engineering.

8.3 If the recommendations are implemented, the residual risks that cannot be mitigated fully are:

- The risk, outlined above, relating to the costs associated with Springman House being higher than value it generates is not fully mitigated, needs to be considered against the larger profits and benefits from the NSQ development as a whole.

9.0 Equality Screening

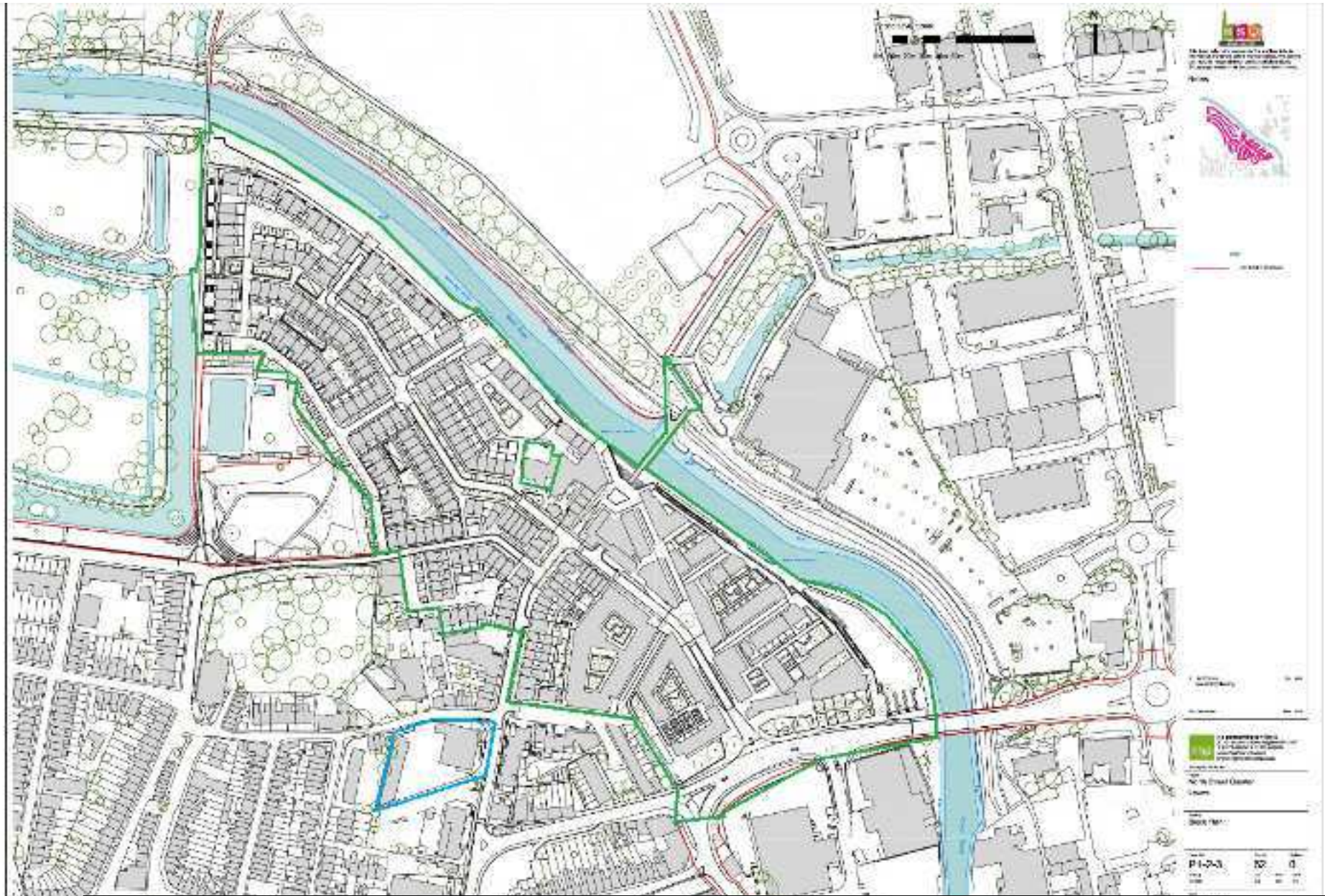
9.1 Equality screening has been carried out for previous NSQ reports. This report raises no new equalities issues.

10.0 Background Papers

10.1 North Street, Lewes: Proposed Property Acquisition of Springman House – Report to Cabinet, 21st March 2016.

11.0 Appendices

11.1 Appendix 1 – Plan of Springman House and the NSQ Site



Springman House edged Blue, NSQ Site edged Green

Agenda Item No: 9.9 **Report No:** 97/17
Report Title: Housing Revenue Account - Housing Development Update
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Councillor Ron Maskell, Cabinet Member for Housing
Ward(s) Affected: All
Report By: Ian Fitzpatrick, Director of Service Delivery
Contact Officer(s)-

Name(s): Leighton Rowe
Post Title(s): Development Project Manager
E-mail(s): leighton.rowe@eastbourne.gov.uk
Tel No(s): 01323 415367

Purpose of Report:

To update the Council on the existing Council programme for developing new housing through the Housing Revenue Account (HRA) and to seek approval for future stages of the programme.

Officers Recommendation(s):

- 1 To note the progress in developing 22 new affordable homes as part of the “Local Growth Fund” Project, predominantly upon former Council garage blocks.
- 2 To approve the outline proposals for refurbishment and future use of Saxonbury, Juggs Road, Lewes,
- 3 To approve an investment budget of up to £1,500,000 for the re-design and development of the HRA dwellings at Saxonbury, which will be fully recovered through the mixed-tenure sales of dwellings following the works.
- 4 To approve a budget of up to £200,000 for early feasibility work on HRA sites with residential development potential.

Reasons for Recommendations

- 1 Delivering sustainable new housing and infrastructure is a key priority within the Council Plan, and the Local Growth Fund is a key project within it.
- 2 The Council’s building at Saxonbury is currently uninhabited and will require substantial work in order to make it suitable for occupation. However, the market sales of a proportion of the flats will ensure the works are cost neutral, with no resultant long-term debt against the HRA. The business case for taking a mixed tenure approach to the development is covered within this report.

- 3 The Council has a large number of sites with potential to be developed and will form part of a future capital investment programme to provide much needed homes across the District. To better understand the resources required to deliver the capital programme early feasibility work is required such as legal reports and sites surveys.

Information

Garage Site New Builds

1. The Local Growth Fund project was commenced in August 2015 with the aim of building new affordable homes for the Council to offer to households on the housing register for rent.
2. The development of 22 new Council homes was close to completion as of the end of May, and the majority are already occupied:
 - Hythe Crescent, Seaford, (2 units) – **Completed and occupied**
 - Headland Way, Peacehaven – (3 units) – **Completed and occupied**
 - Balcombe Road, Peacehaven – (6 units) – **Completed and occupied**
 - Rectory Close, Newhaven – (5 units) - **Completed**
 - Grassmere Court, Telscombe Cliffs – (6 units) - **Completion due June 17**
3. These new homes have been funded through the HRA, by using existing borrowing capacity, additional borrowing sanctioned by the Department for Communities and Local Government and also retained –‘1-4-1’ receipts from the sale of council homes under the Right to Buy.
4. There are a significant number of similar Council sites located around the District with the potential for small developments of housing which can form part of a future capital programme. However, there is limited capacity within the HRA to fund the construction of many more homes through borrowing. This is because:
 - the Government has placed a cap on the level of HRA borrowing
 - the HRA cannot afford the interest charges associated with significant additional borrowing

As a result alternative capital funding options are being explored.

Saxonbury

5. The building known as Saxonbury was built in 1891 and is located on the south edge of Lewes Town. The house was converted into 6 flats with communal bathrooms in the late 1970's and then a three-storey extension was added to the rear of the original house in 1991, to increase its use for temporary accommodation.
6. By 2015 the necessary repairs required and the poor internal facilities had made the building not fit for purpose, and 12 Council homes were identified to use as alternative temporary accommodation. The age of the original property, along with

the design of the 1970's conversion mean that Saxonbury is a complex and expensive building to refurbish. In addition pressures on the HRA have meant that a number of different scenarios have had to be worked through to ensure the sustainability of the Councils HRA Business plan over the 30 year period .

7. The following feasibility options have been assessed for the future use of the empty building, and reasons for rejecting in italics:

- a. Market sale of building in current condition
 - i. *The valuation of property is poor under current market conditions and would deliver no affordable housing.
The independently assessed residual value, with planning uplift = £520,000, capital receipt*

- b. Conversion back into one dwelling for market sale
 - i. *The valuation of a refurbished property is poor under current market conditions and the costs of works are high and would deliver no affordable housing.
The independently assessed residual value, if LDC undertook the development risk = £850,000 capital receipt net of conversion cost*

- c. Refurbished as 12 flats for market sale and 40% affordable. –
 - i. *The constraints of the existing building restrict the refurbishment, and the goal of making all flats self-contained may not be achievable.*
 - ii. *The independently assessed residual value, if LDC undertook the development risk = £600,000 capital receipt net of conversion cost*

- d. Conversion of the building into fewer than 12 flats and to sell those located in the original part of the building for market sale and the remaining as affordable shared ownership (part buy/part rent) flats. The sale of flats on the open market along with receipts from the shared ownership

Sales receipts = £1,500,000 to cover maximum conversion costs including £1,300,000 on works

Year 1 rental yields of shared ownership properties = £32,100

Capitalised Net Present Value, based upon income generated for the HRA over a 40-year period = £1,061,140

8. Option D has been selected as the best approach to bringing Saxonbury back into use as it fulfils a number of key criteria:

- Funds the high cost of conversion
- Is deliverable and brings the property back into use quickly
- Has a positive impact on the HRA business plan, delivering additional net rent income
- Allows surpluses to be re-invested in more sustainable new build affordable housing elsewhere
- Optimising the financial return on the site.

9. The final number of flats delivered and how many are sold for market sale will be dependent on architect's best re-design of the internal layout of the building and the financial viability of the scheme. However at least 50% of the delivered dwellings will be for shared ownership housing.

Future Capital Programme of Work

10. The feasibility work on Council sites for future housing development is an important stage in the capital programme as it ensures money is not wasted on sites that cannot or should not be developed. Sites that have not had early due diligence carried out such on legal checks and site surveys can end up incurring extensive costs if critical obstacles to development are not identified at an early stage. This stage includes early public consultation, informing local residents about the Council's future plans.
11. The financial cost of the feasibility work will be incorporated into the overall cost of building the homes and any borrowing required will be accounted against future income that the homes generate.

Consultation

Saxonbury

12. All stakeholders with an interest in Saxonbury will be invited to engage in the design of the new homes and engagement will be ongoing until completion of the site. The support and encouragement of the community is thought to be a key aspect of the potential success of this project.

The allocation of the Shared Ownership homes will also be considered carefully with a Local Lettings Plan in place and eligibility criteria set on the basis of local needs in consultation with the Cabinet Member of Housing.

Additional HRA Garage Sites

13. This report asks for a budget of £200,000 to explore the opportunities to develop on additional garages sites in the District. However before more extensive appraisals for sites are agreed or planning applications made the Development Delivery team will hold community engagement events in each locality. The opinions of those present will be used to inform the design of any new developments.

Legal Implications

14. A high level report on title has been produced in respect of the land at Saxonbury House. This reveals that there are no title issues stopping the conversion of the building itself. There is a deed of grant giving Southern Water Authority rights to lay, enlarge, maintain, renew etc. a water main on a route to the west of the building at Saxonbury. This does not directly impact on the proposed conversion. Whilst there are restrictive covenants affecting part of the site to the east of the building, these do not affect the conversion of the building itself. A more detailed

report on title has been commissioned, with a view to checking the results of the high level report.

15. The site is held in the HRA. Disposals of HRA land are subject to the controls set out in the Housing Act 1985. A disposal may be effected in any manner but shall not be made without the consent of the Secretary of State. Various disposal consents are given by the Secretary of State in the General Housing Consents 2013. If a proposed transaction falls outside of the terms of the general consents an application for special consent may be made to the Department of Communities & Local Government. Paragraph 3.1 of General Consent A authorises a local authority to dispose of land for consideration equal to its market value, but subject to limitations which exclude certain types of disposal from the scope of the consent.
16. The proposal set out in this report relates to conversion of the building to new flats. Those in the original part of the building will be for market sale and the remainder will be affordable shared ownership flats. Subject to the consideration being equal to market value, disposals in these terms would fall within the scope of the general consent given in paragraph 3.1 of General Consent A. The final proposals will have to be checked against the general consents to confirm that they fall within the scope of the consents. Any proposal falling outside of the terms of the general consents will require special consent from the Secretary of State.

Financial Appraisal

17. Detailed financial modelling of the preferred option for the redesign and development of Saxonbury has taken place, evaluating expected development costs, sales income and future rental streams and management costs associated with the Shared Ownership homes. This modelling indicates that the preferred option will generate an additional long-term income stream for the HRA.
18. The projected cost of developing Saxonbury is £1.5m including fees. This cost would be recouped from the receipts generated by both the sale of flats within the old building and shares in the ownership of the other units on the site.
19. With the Saxonbury development costs being incurred before the sale proceeds are realised, there will be an increase in HRA borrowing of up to £1.5m. The 'headroom' between current borrowing and the Government cap is sufficient to cover this interim borrowing requirement. Interest costs associated with the additional borrowing will be funded from the Special Projects resource held by the HRA.
20. The £200,000 cost of feasibility studies resulting in the development of HRA garage sites, can be financed from capital receipts currently held following Right to Buy sales. However, it should be noted that the cost of the feasibility study on any site which did not then progress through to development could not be financed in this way and would be charged to the Special Projects resource.

Risk Management Implications

- 10** A risk assessment has been completed.

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

- Contractors go into liquidation – mitigation is checking financial performance and accounts – to minimise risk of selecting a contractor with lack of financial capacity
- Possible high increases in construction costs as a result of general market conditions in the construction industry – we will mitigate some of this risk by adding a 5% contingency to estimates

If the recommendations are implemented, the residual risks that cannot be mitigated fully are:

- Significant rise in build costs due to uncovering structural failings with the building at Saxonbury

The risk of not doing anything to the building is that the building could become a target for squatters. Additionally, empty buildings not only attract anti-social behaviour, but the fabric of the building deteriorates more rapidly, leading to higher renovation costs.

Equality Screening

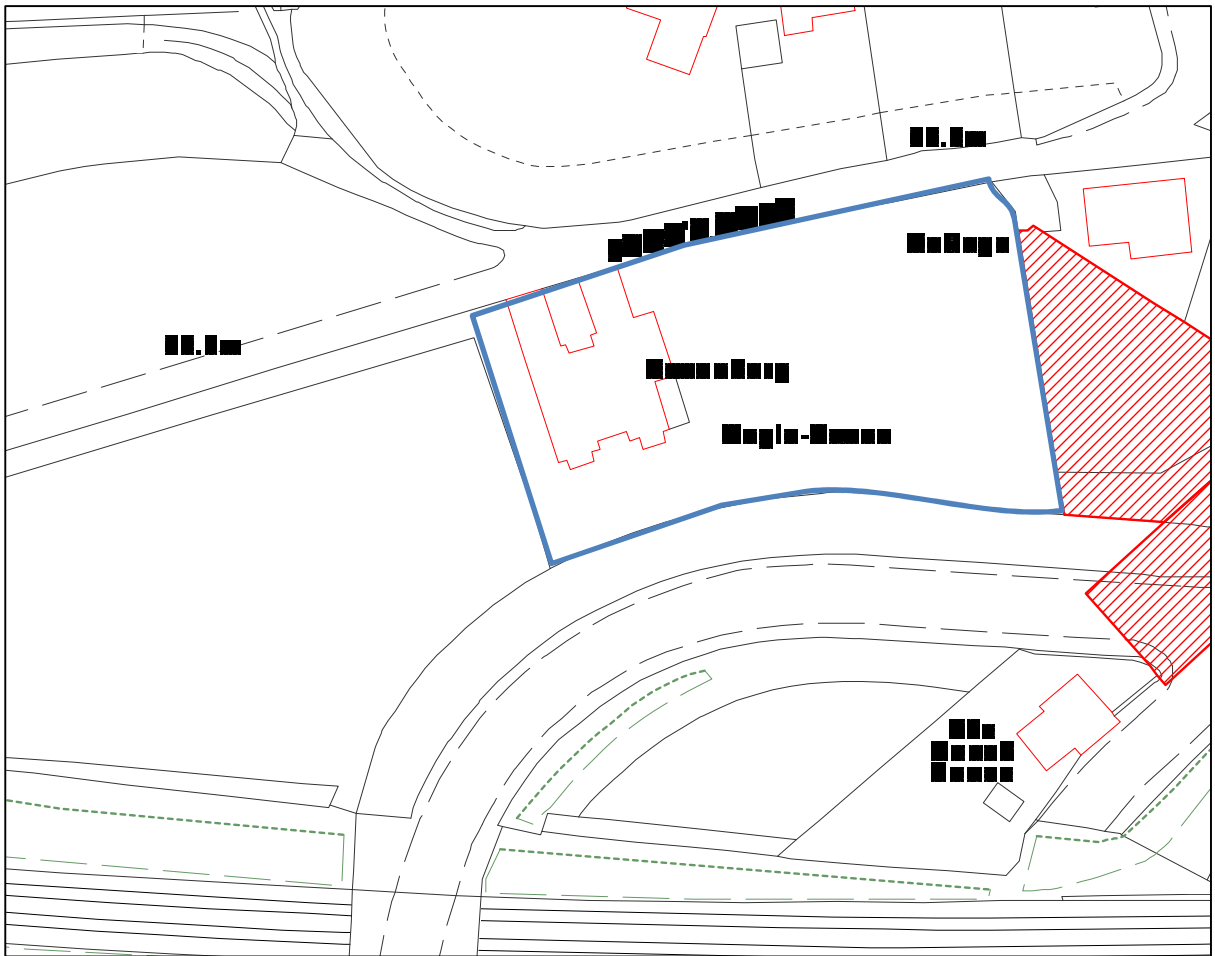
13

The assessment identified: The decision was found to have no impact on any of the protected groups.

Appendices

Appendix A:	Saxonbury site plan
Appendix B:	Equalities Impact Report

Appendix A – Saxonbury Plan (Juggs Road, Lewes)



Appendix B: Equality Analysis Report Template

Title:	New Affordable Housing Update – Housing Revenue Account
EA Lead :	Leighton Rowe
EA Team:	Development Delivery
Date Commenced:	May 2017
Target Completion Date:	Cabinet Decision on 26th June 2017
Reason for assessment:	Cabinet Decision

Context and Scope

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

To update the Council on the existing Council programme for developing new affordable housing through the Housing Revenue Account and to seek approval for the next stage of the programme.

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

The overall project may cost up to the £1,500,000 – but this will be paid for by sales receipts.

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

The work is designed to invest in housing which could help to regenerate areas and meet local housing needs.

--

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

<i>The recommendation is aimed at delivery of increased numbers of affordable housing, which is a key political target at both local and national levels.</i>

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			x			x			x			x			x			x

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

<i>There are no obvious impacts on people with protected characteristics; our general duties under the Equality Act 2010 are not compromised.</i>

7. What is the scope of this analysis?

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

Information gathering and research

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

No futher information was required.

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

No gaps in infromation were 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 8th May and 9th May 2016 Equality Analysis was undertaken by Leighton Rowe on the Cabinet Report to Update the Cabinet on the HRA new homes development programme.

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

The assessment identified: *(*delete as appropriate)*

*The decision was found to have no impact on any of the protected groups.

Approval

Director/Head of Service	Ian Fitzpatrick
Signed	
Dated	

Agenda Item No: 9.10 **Report No:** 98/17
Report Title: Cliff Tops at Peacehaven (The Promenade)
Report To: Cabinet **Date:** 26th June 2017
Cabinet Member: Cllr Bill Giles
Ward(s) Affected: Peacehaven
Report By: Nazeya Hussain, Director of Regeneration and Planning

Contact Officer(s)-

Name(s): Bee Lewis
Post Title(s): Head of Property & Facilities
E-mail(s): bee.lewis@lewes.gov.uk
Tel No(s): 01323 415521

Name(s): Tim Bartlett
Post Title(s): Specialist Advisor
E-mail(s): tim.bartlett@lewes.gov.uk
Tel No(s):

Purpose of Report:

To seek Cabinet approval to undertake works to reduce deterioration of the road surface at The Promenade, Peacehaven.

Officers Recommendation(s):

- 1 To delegate authority to the Director of Regeneration and Planning, to engage contractors to specify and carry out works designed to reduce deterioration of the road surface at key points along the Promenade, Peacehaven in line with Option 2 within the body of this report.
 - 2 To set aside funding of up to £30,000 to develop an access road drainage plan in conjunction with any repair or improvement works carried out.
-

Reasons for Recommendations

- 1 To reduce the risk of accidents due to the poor road surface along the cliff tops at Peacehaven.

Information

2

- 2.1 For a number of years, the Council has received complaints from residents in Peacehaven about the poor condition of the access road along the cliff-tops to their properties. The road is not adopted and is therefore not maintained by ESCC. It is owned by LDC and the residents have no obligation to keep the roadway in good repair.
- 2.2 The road surface was never designed to take the weight or volume of traffic that now uses it. It has also become a 'rat run' for delivery drivers and the surface is breaking up with deep ruts and considerable ponding in wet weather.
- 2.3 LDC have historically undertaken repairs to the road. These have been of varying standards and at times in an unsuitable material for the existing roadway. There is no positive water drainage system present and water drains with the contours of the land which washes out any fine content in the loose road surface, leaving it more susceptible to breaking up.
- 2.4 The Promenade is divided into 4 sections (see appendix A), these are:-
 - (a) Bayview Avenue to Cornwall Avenue
 - (b) Mayfield Avenue to Roderick Avenue
 - (c) Cairo Avenue South to Lincoln Avenue South
 - (d) Rowe Avenue to Phyllis Avenue
- 2.5 There are broadly three options to consider:
 - (a) Option 1:

Carry out essential works only. Cost estimate £100,000. This would involve patching-in of the road surface at the junctions with a suitable material; re-profiling the corner to Mayfield Avenue to shed surface water; and installing drainage grips to divert water and minimise the washing out of fines.
 - (b) Option 2:

Carry out essential works and improve drainage. Cost estimate £175,000. This option would include all of the works in Option 1, but also construct turning areas at the junctions with the adopted road to

encourage motorists to turn, rather than use the roads at right angles to the Promenade, therefore reducing traffic and associated wear.

(c) Option 3:

Install a new carriageway. Estimated cost £1,000,000 plus. It would be possible to install a completely new carriageway, but the cost is prohibitive and may actually encourage more traffic diverting from the A259.

- 2.6** Of the three options identified, option 2 would appear to be the most cost-effective and it is recommended that option 2 is implemented.
- 2.7** The access roads lie at certain locations within a few metres of the cliff edge and at other sites many tens of metres away. The cliff is at risk of erosion from weathering and erosion from the top of the cliff and from the sea at its toe where there are no cliff defences. There is also a risk of major rock falls or slips. The last occurred in the wet winter of 2000. The plan at Appendix C illustrates where there are sea defences.
- 2.8** Lewes District Council has permissive power under the Coast Protection Act 1949 to take steps to manage the risks posed by the erosion of the coast. In 2014 with Brighton and Hove City Council, LDC commissioned a study into the long term management of the coast. The result was the Brighton to Newhaven Coastal Management Implementation Plan (CMIP).
- 2.9** CMIP provides an understanding of how this stretch of coastline is likely to change due to the action of the sea over next 100 years. It identifies properties, roads, and infrastructure along the coast and seeks to estimate when these items may be at risk if no further steps are taken to manage the coast. The plan also examined how the coast is likely to develop utilising current understanding of how the sea behaves by working with leading experts on chalk cliffs and analysing how a changing climate may impact on the coast in the future.
- 2.10** CMIP explores many options for how we manage the coast, but points that are directly pertinent to the provision of improved access roads along the cliffs tops are:
- (a)** Need to undertake regular monitoring of the cliff tops to assess how the cliff edge is retreating.
 - (b)** Undertake yearly assessment of the development of the cliff faces to identify potential rock falls or slips
 - (c)** Monitor the status of the cliff top defences and undertake repairs and relocation of the fences as and when necessary
 - (d)** Improvement to the management of rain water running of the cliff access roads and so reducing the risk of cliff top erosion and the potential for rock falls from the cliff faces

- (e) It is therefore recommended that in taking forward any of the options identified in paragraph 2.5, that an access road drainage plan should be developed and delivered as part of the improvements to the access roads. The likely cost of the plan and improvements to land drainage in this location would be in the region of £30k.

Financial Appraisal

3

- 3.1 The cost of the recommended option for works to the road surface and drainage improvements is estimated to be £175,000, with a further £30,000 requested as funding for a drainage plan. The General Fund budget for 2017/18 includes £150,000 as an allocation for repairs to Council-owned assets, which is held in the Asset Maintenance Reserve pending release to specific projects. The balance held in the Reserve, is adequate to fund this project.

Legal Implications

4

- 4.1 The legal implications are contained within the body of this report.

Risk Management Implications

5

- 5.1 The risk management implications are contained within the body of the report.

Equality Screening

6

- 6.1 There are no equality impacts as a result of this report.

Background Papers

- 7 None

Appendices

8

Appendix A: Plan showing sections of road to be repaired

Appendix B: Photographs of road surface

Appendix C: Plan of existing sea defences

Appendix A: Plan showing sections of road to be repaired



Appendix B: Photographs of road surface





Map illustrating location of sea defences in relation to cliff top access roads in Peacehaven and Telscombe Cliffs, East Sussex

Agenda Item No: 9.11 **Report No:** 99/17

Report Title: Public Space Protection Orders (PSPO) for (1) Public Consumption of Alcohol and (2) Dog Fouling

Report To: Cabinet **Date:** 26th June 2017

Cabinet Member: Councillor Nicholson, Cabinet Member for Customers and Partners

Ward(s) Affected: All

Report By: Ian Fitzpatrick, Director of Service Delivery

Contact Officer(s)-

Name(s): Harry Williams
Post Title(s): Policy & Engagement Coordinator
E-mail(s): Harry.williams@lewes.gov.uk
Tel No(s): 07809100745

Purpose of Report:

To enable the Cabinet to consider the proposal to introduce two Public Space Protection Orders to replace the Designated Public Place Order in Lewes town and Dog (Fouling of Land) Order across Lewes district.

To approve the draft Public Space Protection Orders for consultation and authorise the Director of Service Delivery to undertake the consultation, amend as necessary and subsequently adopt.

Officers Recommendation(s):

- 1 To approve the Public Space Protection Orders in draft form set out in Appendices D and E, for consultation.
- 2 To grant authority to Director of Service Delivery:
 - i. to carry out statutory consultation on the draft Public Space Protection Orders;
 - ii. if necessary, to amend the content of the Orders in light of consultation responses;
 - iii. to make and publicise the Orders in accordance with relevant legislation;
 - iv. to put in place arrangements, including with external parties, to enforce the Orders; and
 - v. to keep the Orders under review; and to cease, renew or amend them at the end of their term, as appropriate.

Reasons for Recommendations

3. To ensure a continued response to alcohol related anti-social behaviour in Lewes town and dog fouling across the district in light of recent changes introduced by the Anti-Social Behaviour, Crime & Policing Act 2014⁽¹⁾.

Information

4.0 Designated Public Place Orders & Dog Control Orders

- 4.1 Lewes District Council implemented a DPPO, in conjunction with Sussex Police, covering areas of Lewes, Newhaven, Seaford, Peacehaven and Telscombe.
- 4.2 DPPOs enable local authorities to designate places where restrictions on public drinking apply. Police officers (and other accredited persons) then have the powers to deal with anti-social drinking in areas where a DPPO applies. This includes the power to require a person in a DPPO not to drink alcohol and, if required, to ask a person to surrender any alcohol in their possession.
- 4.3 Where it's not an offence to drink alcohol in a designated public place and the power is used with discretion, failure to comply with an officer's requirements, without reasonable excuse, is an arrestable offence. Penalties for the offence include: (i) a Penalty Notice for Disorder (PND); (ii) arrest and prosecution for a level 2 fine, maximum of £500.
- 4.4 The Lewes District Council Dogs (Fouling of Land) Order came into force on 18th July 2005. The order designated land to which the Dogs (Fouling of Land) Act 1996 applies, meaning that if a dog defecates at any time on the designated land and a person who is in charge of the dog and at that time fails to remove the faeces, without reasonable excuse, is guilty of an offence.
- 4.5 The designated land included any land within the administrative boundary of the Council, which is open to the air and to which the public are entitled or permitted to have access with or without payment - excluding areas described and defined in section 1(3) and (6) of the Dogs (Fouling of Land) Act.
- 4.6 However, the Clean Neighbourhoods and Environment Act 2005 repealed Orders and were replaced with Dog Control Orders, introduced by the 2005 Act. These Orders were designed to encourage Councils to deal with dog fouling by means of the Order.
- 4.7 The 2014 Act then removed the power to make any further DPPOs or DCOs. At that time all existing DPPOs and DCOs remained valid for a period of three years (unless terminated in the interim), at which time they automatically convert to a PSPO.

5.0 Public Space Protection Orders

5.1 The 2014 Act gave local authorities the power to implement a PSPO if satisfied on reasonable grounds that two conditions have been met. The first condition is that:

- a) Activities carried out in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or
- b) It is likely that activities will be carried out in a public place within that area and that they will have such an effect.

5.2 The second condition is that the effect, or likely effect, of the activities:

- a) is, or is likely to be, of a persistent or continuing nature
- b) is, or is likely to be, such as to make the activities unreasonable, and justifies the restriction imposed by the notice.

5.3 The Order outlines the space to which it applies and can make requirements, prohibitions or both within the area. The Council can then enforce the prohibitions/requirements where Officers believe that they are reasonable in order to prevent or reduce the detrimental impact.

5.4 The Order can apply for a maximum of three years, after which a review and consultation must again be carried out to ensure that the issues are still occurring and the Order is having the required affect. After the review the Order can be renewed for periods of up to three years.

5.5 Failure to comply with either a prohibition, or requirement, within an Order is an offence. A breach of the Order can incur a fixed penalty notice of up to £100 or a fine not exceeding level three (£1,000) upon summary conviction.

6.0 The Proposal

6.1 It is recommended the Council make two Public Space Protection Orders: one to deal with anti-social drinking in public, the other to deal with dog fouling.

6.2 The first of these (see draft at Appendix A) would replicate the current DPPO in Lewes town and would provide that:

Person(s) within the area defined within the attached map (see draft at Appendix B) shall:

- not continue to drink alcohol or consume intoxicating substances when required to stop doing so by an Authorised Officer of the Authority
- surrender any alcohol or intoxicating substances in his or her possession when required to do so by an Authorised Officer of the Authority.

- 6.3** The current DPPOs are solely related to alcohol anti-social behaviour, which continues to be an issue within Lewes. There are also regular street drinkers who congregate in various locations in the town centre and can cause a nuisance to residents, visitors and business.
- 6.4** Lewes town also has unique issues relating to alcohol anti-social behaviour at the bonfire night celebrations and issues relating football fans travelling to the Amex Stadium, Brighton.
- 6.5** Analysis of crime and incident data obtained from Sussex Police, presents challenges to justify the introduction of PSPOs outside of Lewes. Where there is evidence to support the issues as outlined in Paragraphs 6.3 and 6.4 this is not the case for the DPPOs outside of the town.
- 6.6** With the need to act justifiably and proportionately, this report does not recommend that a PSPO to tackle alcohol related anti-social behaviour is sought outside of Lewes town at this time. In addition, powers are already available to Sussex Police to deal with local issues outside this area; such as the powers to address underage drinking along (as sometimes experienced along Seaford seafront).
- 6.8** The second proposed PSPO would reflect the Council's Dogs (Fouling of Land) Order (see draft at Appendix C) and makes it an offence, subject to minor exceptions, for any person in charge of a dog on any land in the Lewes District to fail to remove their dog's faeces from that land.
- 6.9** Although incidence of dog fouling in the Lewes district has decreased slightly since 2013/14, there were 131 reports during 2016/17. Initiatives such as Paws on Watch have positively contributed to the reduction of reports, but dog fouling across the district still remains a top priority for our local residents.
- 6.10** Consideration was given to whether the scope of this PSPO need be widened to encompass other forms of dog control. However, it was concluded that the Council's byelaws adequately deal with such issues, by prohibiting or restricting the presence of dogs in specified seashores, promenades and cemeteries, and by requiring dogs to be kept on leads in certain locations.

7.0 Consultation

7.1 Following Cabinet agreement, a formal consultation would be launched and run for a minimum of 28 days. The Council must consult with the following bodies over the proposals:

- Chief Officer of Police for the local area
- Police and Crime Commissioner
- Land owners of the affected areas
- Any community representatives the local authority considers

appropriate

- 7.2** Consultation letters will be sent to all of the above, along with relevant partnership agencies (such as the Lewes District Community Safety Partnership and Business Crime Group).
- 7.3** The Act requires that landowners within the area are consulted. In this case, due to the number of properties within the proposed area, making direct individual contact would not be viable. Therefore an online survey will be created to consult with the wider public. The Council's email alter system will be used to inform residents and businesses of the consultation and a press release will be issued to the media to raise awareness of the survey.
- 7.4** The Director of Service Delivery would have regard to all consultation responses in deciding whether any amendments to the draft PSPOs are required. The Director would then prepare the definitive PSPOs and bring them in to force in accordance with the 2014 Act.

8.0 Implementation

- 8.1** A public notice of the Orders must be published on the Council's website before they come into force.
- 8.2** Signage will also be placed in Lewes town to explain the alcohol PSPO and what it means in practical terms. This is to provide support for the enforcement agencies and prevent risk of mitigation pleas from those found to be in breach.

9.0 Enforcement

- 9.1** Like DPPOs, PSPOs can be enforced by Police Officers and Police Community Support Officers. A PSPO can also be enforced by the Council and any groups that it designates, including officers accredited under the community safety accreditation scheme.
- 9.2** However, through consultation with Sussex Police, it has been agreed that, whilst the Council may have the legal ability to enforce, it does not currently have the skills or resources to undertake on-street enforcement of requirements and probations relating to the consumption or surrendering of alcohol at this time.
- 9.3** Sussex Police have therefore agreed to undertake the majority of enforcement in relation to the above and this will be reviewed by the Council following any changes to resourcing or structures that may impact on this decision.
- 9.4** The Council will, however, enforce requirements on dogs fouling on land as part of its usual business. In addition, as noted in paragraph 10.1, the Council can designate groups to carry out the enforcement of PSPO. This could include Town & Parish Councils if it is seen as a viable option.
- 9.5** The Council could also explore consulting with Town & Parish Councils to identify where a PSPO may assist in dealing with an on-going local issue in

their areas. The Council could then introduce a PSPO to support Town & Parish Councils in tackling these problems.

9.6 However, in both occasions, this would require Town & Parish Councils to have the necessary skills and resources to enforce the prohibitions and requirements of the PSPOs. In addition, the Council would also not be responsible for any legal implications following the enforcement of a PSPO and Town and Parish Councils would require their own legal services.

9.7 It is important to note that even if PSPOs are in place, if the prohibitions are breached and this is not witnessed by a designated officer, legal action cannot be taken.

10.0 Financial Appraisal

10.1 Finance have made the following comments:

10.2 The cost associated with consulting on and the subsequent implementation and enforcement of the two PSPOs outlined in this report will be met from existing budgets and there is no additional impact on the General Fund recurring budget

11.0 Legal Implications

11.1 The Legal Services Department have made the following comments:

11.2 Section 75 of the 2014 Act sets out the basis on which DPPOs and DCOs in existence when the Act commenced continue for a maximum of 3 years, after which, if those Orders still exist, they become PSPOs

11.3 The Council's powers and obligations in relation to PSPOs are set out in Part 4 of the 2014 Act and associated regulations. The Council must be satisfied that for each PSPO, the behaviour being restricted has to:

- be having, or be likely to have, a detrimental effect on the quality of life of those in the locality;
- be persistent or continuing in nature
- be unreasonable

11.4 A further requirement is that in deciding whether to make a PSPO and what it should include, the Council must have particular regard to the rights of freedom of expression and freedom of assembly set out in articles 10 and 11 of the European Convention on Human Rights. It is not considered that either of these Convention rights will be infringed by the proposed PSPOs.

11.5 A PSPO must be publicised in accordance with regulations laid down in statutory instrument no. 2014/2591. These provisions are reflected in the body of the report above.

11.6 Each draft Order includes the required information about how its validity may

lawfully be challenged.

11.7 Lawyer consulted 16 May 2017. Legal ref: 005600-Joint-OD

12.0 Risk Management Implications

12.1 It is possible that the proposed alcohol PSPO will not adequately deal with the anti-social behaviour it is targeting. It is also possible that the PSPO will lead to displacement of such behaviour to areas outside the PSPO boundary.

12.2 To mitigate this risk, communities will be encouraged to report incidents of anti-social street drinking as part of the implementation phase; so too will Police reports of this behaviour be monitored. In response, the scope of the PSPO will be kept under review, and amendments drafted if required. A PSPO may be varied at any time, so long as the statutory process is followed.

12.3 There is still negative national press coverage in relation to the implementation of PSPOs by local authorities. There is a risk that the PSPO could result in negative feedback about Lewes District Council.

12.4 However, analysis of PSPO consultations across the country shows that the prohibitions relating to rough sleeping, begging and unauthorised encampments draw the greatest controversy.

12.5 As outlined in Paragraph 7.2 and 7.3, the prohibitions and requirement of the proposed PSPOs reflect the current Orders in place, which are justifiable and proportionate to the needs of Lewes district.

12.6 A full consultation plan will be developed in partnership with Sussex Police and reactive statements will be prepared in case of any media interest.

13.0 Equality Screening

13.1 A full equality analysis has been produced to identify any impact to protected groups following the introduction of the PSPOs. A copy of the Equality Analysis can be found under Appendix D. The equality analysis will be included within the consultation.

Background Papers

The Background Papers used in compiling this report were as follows:

*1 - Anti-Social Behaviour, Crime & Policing Act 2014, available at:
<http://www.legislation.gov.uk/ukpga/2014/12/contents/enacted/data.htm>*

Appendices

Appendix A – Draft Lewes District Council Public Space Protection Order (Street Drinking)

Appendix B – Draft Map of Draft Street Drinking PSPO

Appendix C – Draft Lewes District Council Public Space Protection Order (Dog Fouling)

Appendix D – Copy of Draft Equality Analysis for the introduction of Lewes District Council Public Space Protection Orders

Lewes District Council

**Anti-social Behaviour, Crime and Policing Act 2014,
Part 4, Chapter 2**

Lewes Public Spaces Protection Order (Consumption of Alcohol) 2017

Lewes District Council (“the Council”), in exercise of its power under sub-section 59(1) of the Anti-Social Behaviour, Crime and Policing Act 2014 (“the Act”), being satisfied that the conditions set out in sub-sections 59(2) to (3) of the Act have been met, and having complied with the requirements of section 72 of the Act, makes the following public spaces protection order (the “Order”):

1. This Order shall be known as the Lewes Public Spaces Protection Order (Consumption of Alcohol) Order 2017.
2. This Order shall come into force on [date] and shall have effect for a period of 3 years unless extended pursuant to section 60 of the Act.
3. Save for premises specified under section 62 of the Act, this Order applies to the areas edged in black on the Plan in the Schedule to this Order (“the Restricted Area”).
4. BY THIS ORDER:
 - 4.1 The Lewes District Council (Alcohol Consumption in Designated Public Places) (No. 2) Order 2005 is revoked.
 - 4.2 In the Restricted Area it is **prohibited** for a person–
 - (i) to continue to drink alcohol when required to stop doing so by an Authorised Officer;
 - (ii) not to surrender any alcohol in his or her possession when required to do so by an Authorised Officer.
 - 4.3 Where an Authorised Officer reasonably believes that a person in the Restricted Area (a) is or has been consuming alcohol in breach of this Order or (b) intends to consume alcohol in circumstances in which doing so would be a breach of this Order, the Authorised Officer may require that person–
 - (i) not to consume, in breach of the Order, alcohol or anything which the Authorised Officer reasonably believes to be alcohol;
 - (ii) to surrender anything in that person’s possession which is, or which the Authorised Person reasonably believes to be, alcohol or a container for alcohol.

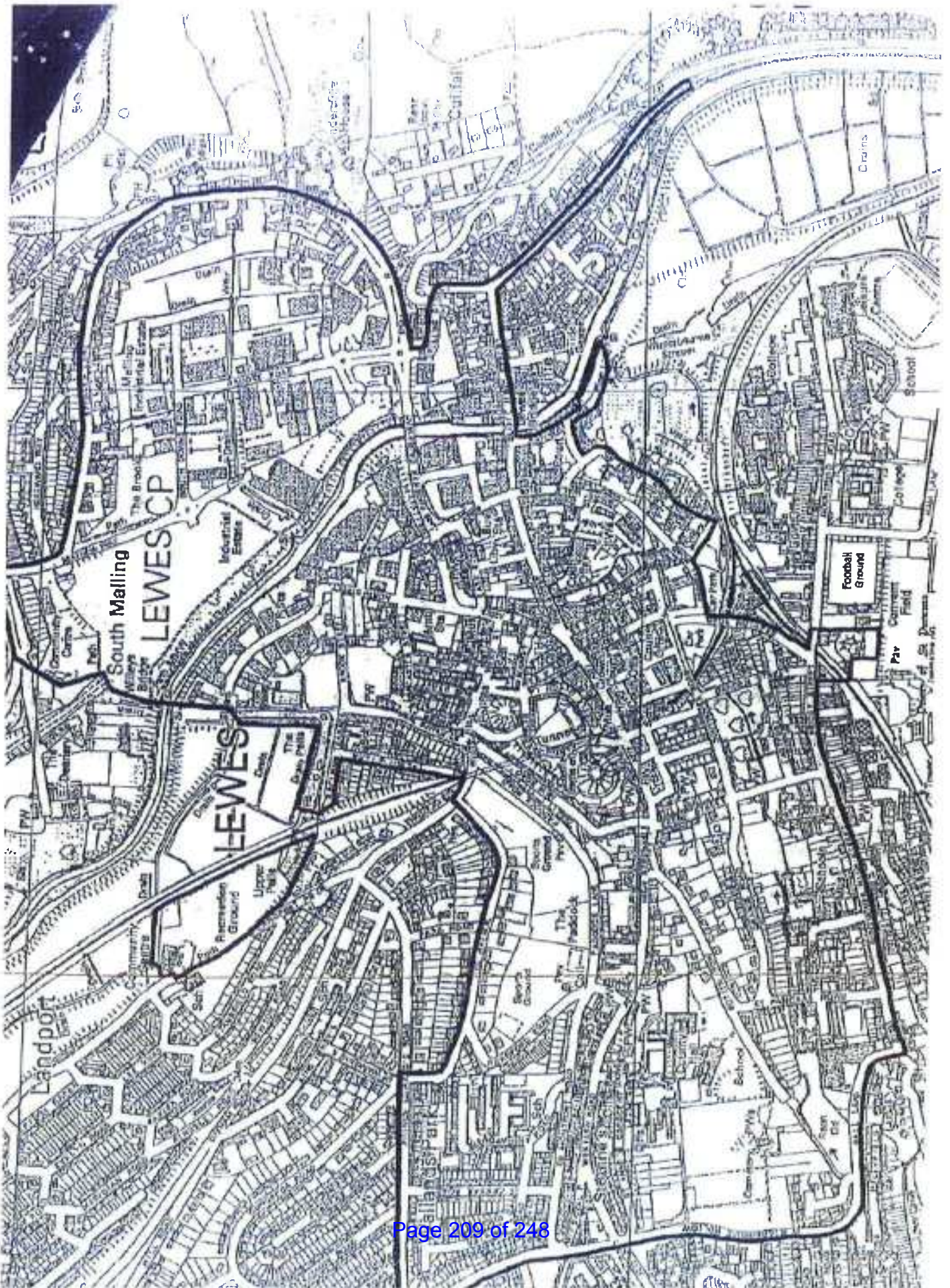
Appendix A

5. An “Authorised Officer” means a duly authorised Council officer, a person designated by the Council, a Police Officer or Police Community Support Officer.
6. A person who fails without reasonable excuse to comply with a requirement imposed on him under paragraph 4.3 commits an offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale.
7. If any person who lives in, regularly visits or works in the Restricted Area wishes to question the validity of this Order on the grounds that the Council had no power to make it or that any requirement of the Act has not been complied with in relation to this Order, he or she may apply to the High Court within six weeks from the date on which this Order is made.

GIVEN under the COMMON SEAL of LEWES DISTRICT COUNCIL this [*nth* day of *month* and *year*]

THE COMMON SEAL OF
LEWES DISTRICT COUNCIL
was hereunto affixed in the presence
of:-

Authorised signatory



Lewes District Council

**Anti-social Behaviour, Crime and Policing Act 2014,
Part 4, Chapter 2**

Lewes District Public Spaces Protection Order (Dog Fouling) 2017

Lewes District Council (“the Council”), in exercise of its power under section 59(1) of the Anti-Social Behaviour, Crime and Policing Act 2014 (“the Act”), being satisfied that the conditions set out in section 59(2)-(3) of the Act have been met, and having complied with the requirements of section 72 of the Act, makes the following public spaces protection order (the “Order”):

1. This Order shall be known as the Lewes District Public Spaces Protection Order (Dog Fouling) 2017.
2. The Order shall come into force on [date] and shall have effect for a period of 3 years unless extended pursuant to section 60 of the Act.
3. This Order applies to the whole of the administrative area of the Council (“the Restricted Area”).
4. BY THIS ORDER:

If within the Restricted Area a dog defecates at any time on land to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission, and a person who is in charge of the dog at the time fails to remove the faeces from the land forthwith, that person shall be guilty of an offence unless:
 - a) he has reasonable excuse for failing to do so; or
 - b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.
5. This Order shall not apply to a person who:-
 - a) is registered as a blind person in a register compiled under section 29 of National Assistance Act 1948; or
 - b) is deaf, in respect of a dog trained by Hearing Dogs for Deaf People (registered charity number 293358) and upon which he relies for assistance or;
 - c) has a disability which affects his mobility, manual dexterity, physical coordination or ability to lift, carry or otherwise move everyday objects, in respect of a dog trained by a prescribed charity upon which he relies for assistance.

Appendix C

6. For the purpose of this Order:-

- a person who habitually has a dog in his possession shall be taken to be in charge of the dog at any time unless at that time some other person is in charge of the dog;
- placing the faeces in a receptacle on the land which is provided for the purpose or for the disposal of waste, shall be sufficient removal from the land;
- being unaware of the defecation (whether by reason of not being in the vicinity or otherwise), or not having a device for or other suitable means of removing the faeces shall not be a reasonable excuse for failing to remove the faeces.
- each of the following is a “prescribed charity”:
 - Dogs for Good (registered charity number 700454)
 - Support Dogs Limited (registered charity number 1088281)
 - Canine Partners (registered charity number 803680)

7. A person guilty of an offence under paragraph 4.1 is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

8. If any person who lives in or regularly works or visits the Restricted Area wishes to question the validity of this Order on the grounds that the Council had no power to make it or that any requirement of the Act has not been complied with in relation to this Order, he or she may apply to the High Court within six weeks from the date on which this Order is made.

GIVEN under the COMMON SEAL of LEWES DISTRICT COUNCIL this [date] in pursuance of a resolution of the Council passed on [date]

THE COMMON SEAL OF
LEWES DISTRICT COUNCIL
was hereunto affixed in the presence
of:-

Authorised signatory

STRONGER together



Equality and Fairness Analysis Findings report – Public Space Protection Orders

Policy = the full range of our policies, practices, activities, projects, procurement and decisions, whether it is formally written down or whether it is informal custom and practice. This includes all existing policies and any new policies under development.

Person responsible for analysis	<i>Harry Williams, Policy & Engagement Coordinator</i>	
Person responsible for policy development	Harry Williams	
Policy area (or function)	Community Safety, including anti-social behaviour and environmental crime	
Service area responsible for implementing the policy	Service Delivery	
Originator (if not the Council)	N/A	
Is the policy proposed (new) or existing?	Proposed	
Is it an LDC/EBC policy or a partnership initiative?	LDC only	
Key people involved in the policy development and its implementation	Ed Hele, Functional Lead for Quality Environment. Inspector Rob Lovell, Sussex Police.	
Decision making bodies the policy will be referred to	Lewes District Council Cabinet.	
Director/Assistant Director	Ian Fitzpatrick.	
Date of first equality quality check (internal)	18/05/2017	
Date of external equality stakeholder group		

The Public Sector Equality Duty

The public sector equality duty is made up of a 'general equality duty' which in turn is supported by 'specific duties'. The general equality duty is set out in section 149 of the Equality Act 2010 and came into force on 5th April 2011. The general equality duty sets out what is required of public authorities and the specific duties help public authorities comply with the statutory obligations.

As a summary, we must, in the exercise of our functions, have due regard to the need to:

1. Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
2. Advance equality of opportunity between people who share a characteristic and those who do not share it;
3. Foster good relations between people who share a characteristic and those who do not share it.

These are commonly referred to as the three aims of the general duty.

The second aim (advancing equality of opportunity) involves, in particular, having due regard to the need to:

- Remove or minimise disadvantages experienced by people because of their protected characteristics.
- Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people.
- Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

The Equality Act further states that the steps involved in meeting the needs of disabled persons that are different to the needs of persons who are not disabled include, in particular, steps to take account of a disabled persons' impairment.

It describes the third aim (fostering good relations) as tackling prejudice and promoting understanding between people who share protected characteristics and those who do not.

It explains that compliance with the general equality duty may involve treating some people more favourably than others, as long as this is within the law.

The duty also covers a 'person' who is not a public authority but who exercises public functions. We retain the responsibility for the 'person' having due regard to the three aims when delivering a service on our behalf. This should be written into their contract with us.

By thoroughly assessing what we do against the general duty we are able to make better decisions about what we do, leading to better outcomes for people who work for us and for people who access our services and facilities.

Context and Scope

What is the purpose of the policy and why is it needed?

The purpose of the policy is to introduce two Public Space Protection Orders in Lewes district, to replace the current Designated Public Place Order and Dog (Fouling of Land) Order 2005, following the introduction of the Anti-Social Behaviour, Crime and Policing Act.

The project is needed to ensure that there's an effect response to alcohol related anti-social behaviour in Lewes and environmental crime across the district.

In what context will it operate and who is it intended to benefit?

In Lewes there's an on-going and emerging issue with alcohol related anti-social behaviour in parts of the town. Between 01/05/2016 and 30/04/2017 there has been a 31.3% increase in reports of street drinking in the Lewes Ward with a 20% increase in the Lewes Southover Ward. This is coupled within an increase in complaints from businesses and members of the public about this behaviour.

The Designated Public Place Order (DPPO) is used by Sussex Police to request those that are in possession of alcohol, and acting in an anti-social manner, to stop drinking or surrender any alcohol in their possession. As outlined above, the Anti-Social Behaviour, Crime & Policing Act replaces DPPOs with PSPOs. The introduction of the PSPO is to combat an arising issue within Lewes and ensure there's an effective response to the anti-social behaviour.

Anti-social behaviour can have a detrimental impact on communities' quality of life. It can leave people feeling frightened, unsafe and anxious within the neighbourhoods. It is a precursor, and sometimes cause, of wider crime. The Order will benefit visitors, residents and businesses in Lewes. Making it a safer place to live, work and visit.

Like street drinking, dog fouling is anti-social behaviour and can have similar affects on the quality of life of the community. In Lewes District 131 reports of dog fouling were made between 2016 and 17, highlighting an on-going issue for the district. The PSPO will ensure that relevant systems are in place to tackle the problems.

What are the expected outcomes/longer term benefits of the policy?

The policy provides a number of expected outcomes/long term benefits.

Research shows that street drinkers can sometimes be found to be intimidating and can cause nuisance and disorder. However, they often have a number of complex needs, such as poor health and homelessness, and are amongst some of the most vulnerable.

The policy has identified these issues and support for the street community, through sign-posting towards support services, is at the core of the enforcement.

Taking this policy approach may also provide further benefits, as it may lead to reducing demand for emergency services, and admission to health services, as street drinkers are sign-posted towards said support services to begin addressing these

vulnerabilities.

The policy will also provide the benefit of ensuring an ongoing response to alcohol related anti-social behaviour in Lewes town by providing the Council, and Sussex Police, with the required powers to reduce and prevent the behaviour. It's hoped that this will encourage businesses, residents and visitors to continue to use these areas without the negative impact of anti-social behaviour.

Policy benefits around the control of dogs are also expected. There's evidence to suggest a link between the spread of diseases in livestock and the presence of faeces from infected dogs on agricultural land. Lewes district has a range agricultural and rural land, some of which is open to the public. The policy may take positive action to assist in preventing the spread of disease within these areas.

Furthermore, research has recognised that dog excrement can have an economic impact in terms of deterring inward investment and tourism to an area. The policy would ensure that negative impact surrounding dog fouling is reduced through enforcement of the Order.

Lastly, the *Environmental and social impacts of domestic dog waste in the UK: investigating barriers to behavioural change in dog walkers (2014)*, estimates that individual authorities spend up to £100,000 per year on dog waste collection and disposal. The policy may provide financial benefits as costs associated to the collection and disposal of dog waste could be reclaimed through enforcement of the Order.

In addition, research shows that the effectiveness of enforcement agencies (such as the Council) can have a positive contribution towards the reduction of crime, as potential perpetrators are deterred from committing offences as they believe they are more likely to be caught.

Information and Research

List all sources of information and relevant data that was obtained and considered in the assessment and include the groups you consulted with?

The following was reviewed in the process of developing this assessment;

- Anti-Social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers, statutory guidance for frontline professionals.
- Lewes District Council Dogs (Fouling of Land) Order (No.1) 2005
- The Local Authorities (Alcohol consumption in designated public places) regulations 2001 – Designation Order.
- Consultation with partner agencies through local Joint Action Groups, including Sussex Police and LDC officers.
- Report - Tackling Street Drinking: Police and Crime Commissioner Guidance on Best Practice.
- The impact of Anti-Social Behaviour, Victim Support.

- The Modern Crime Prevention Strategy, Home Office.
- Environmental and Social Impacts of Domestic Dog Waste in the UK: Investigating Barriers to Behavioural Change in Dog Walkers.
- Sussex Police reports on street drinking in Lewes, 01/01/2016 to 03/02/2017
- Sussex Police Partnership Reports, 01/05/2016 to 30/04/2017

On approval from Cabinet, a full consultation will be launched prior to the introduction of the PSPO. The Act doesn't specify what constitutes an appropriate consultation; but is clear that the following parties must be consulted:

- Chief Officer of Police for the local area;
- Police and Crime Commissioner;
- Land owners in the area;
- Any community representatives the local authority considers appropriate.

A full consultation plan will be developed to assist in managing the consultation. The Equality and Fairness Analysis will form part of that consultation and will be updated once approval has been granted from Cabinet and contact with relevant groups has been made.

Were any gaps identified in this information and if so, what are these and what actions are being taken to address them?

As mentioned above, the Act doesn't specify what constitutes an appropriate consultation for the purpose of a PSPO but provides a list of parties that must be consulted.

To ensure that all relevant parties are consulted with, a consultation plan will be written with the support of the Customer Communication and Engagement Lead.

Analysis and Assessment

What are the main findings, trends and themes arising out of the research and information you have gathered and any consultation you have carried out?

From the research carried out, and review of the data, it was found there's evidence to support the introduction of a PSPO, being justifiable and proportionate with prohibitions/requirements on the consumption and surrendering of alcohol from those acting anti-socially.

However, where a PSPO applies to everyone within the designated area, there are concerns that the PSPO may have a negative impact on individuals. Where there's no

data to assist in identifying the groups that are more likely to be effected by the prohibitions/requirements of the PSPO, the report *'Tackling Street Drinking: PCC Guidance on best practice'* attempts to profile 'street drinkers' across the country and identified that:

- 80% of street drinkers are Male with a smaller group of female drinkers (around 5% to 23%)
- An average street drinker is in their early 40's
- 80-90% of street drinkers are white British.

The above research suggests that it's more likely that a white British male in their early 40s will be affected by a PSPO that aims to address street drinking in Lewes.

In addition, the report identified that 40-50% of street drinkers are either in accommodation or are staying in hostels, squats or sleeping with friends, the report states that one quarter to one third are sleeping rough.

Furthermore, the report *Understanding the mental health effects of street drugs* written by Mind, identifies a correlation between 'street drugs' (including alcohol) and mental health. The reports states that substance abuse can lead to long-term mental health problems, such as depression and schizophrenia.

On the other hand, PSPOs are designed to prohibit certain activities to enable people to feel safer whilst out in their neighbourhoods. Anti-social behaviour can be intimidating and frightening to most people but research shows that disabled people, older people and Black, Asian and Minority Ethnic (BAME) people can find ASB even more intimidating than others. The introduction of a PSPO could have a positive impact for these groups.

Research also identified the possible impact of a PSPO, with prohibitions/requirements in regards to dog controls, adversely impacting on particular disability groups.

To combat this issue, certain restrictions on the Order placed within in PSPO (No.2) to ensure that it will not apply to a person who:

- a) is registered as a blind person in a register compiled under section 29 of National Assistance Act 1948; or
- b) is deaf, in respect of a dog trained by Hearing Dogs for Deaf People (registered charity number 293358) and upon which he/she relies for assistance or;
- c) has a disability which affects his/her mobility, manual dexterity, physical co-ordination or ability to lift, carry or otherwise move everyday objects, in respect of a dog trained by a Prescribed Charity upon which he/she relies for assistance.

Which protected groups will it affect/benefit the most?	Age	M	E	L
	Disability	M	E	L
	Gender reassignment	M	E	L

<i>Considering who the policy is intending to benefit and what the expected outcomes are, assess each characteristic and indicate whether the policy has 'M' more, 'L' less, or 'E' equal relevance. Highlight the finding.</i>	Marriage and civil partnership	M	E	L
	Maternity and pregnancy	M	E	L
	Race	M	E	L
	Religion or beliefs	M	E	L
	Sex	M	E	L
	Sexual orientation	M	E	L
Which parts of the Public Sector Equality Duty are most relevant to the policy?	1. Eliminate discrimination, harassment and victimisation		M	L
	2. Advance equality of opportunity		M	L
	3. Foster good relations		M	L

Please explain your reasons for the above assessments and how you have given consideration to the different needs of people and taken steps to minimise potential disadvantages and maximise equality of opportunity

Public Space Protection Orders place certain prohibitions/requirements in a defined area to reduce or prevent the detrimental impact of anti-social behaviour within the locality. Where they don't necessarily target individual groups, the above analysis has identified that the protected characteristics of Age, Disability, Race and Sex are more relevant. .

Age in relation to legislation covering legal drinking and the purchase of alcohol as well as the age and sex demographic outlined by PCC guidance previously mentioned.

Age also features in research together with Race and Disability as particular groups of people who find ASB significantly more intimidating, leaving them feeling fearful, anxious and unsafe, when compared with other groups of people.

To try and address these issues, whilst taking into account the needs of the wider community, those that are identified as street drinkers in Lewes will be sign posted to support services (such as substances misuse and accommodation) to try and address the root causes where possible. In addition, police reports of street drinking will be monitored to see if there is a change within the demographic and if one group is being disproportionately, and unreasonably, targeted.

Analysis has identified a possibility that conditions around dog control within PSPO may have a disproportionate impact on particular disabled people as previously outlined.

In addition, the planned consultation will have a specific focus to include representation from the groups identified above. This will ensure that their views will contribute towards the development of the PSPO and influence the decision-making regarding its

establishment.

Based on your findings is there a need to balance conflicting views or counter resentment and inaccurate perceptions, if so what will you do?

Currently there are no identified conflicts or inaccurate perceptions but this situation could change once the results of the planned consultation exercise are known. Therefore, should a need arise, this will be outlined together with our resulting actions when the analysis is revisited post-consultation.

Appendix D

Action Planning

If you have identified specific areas that require action to promote equality, what steps are you going to take to ensure this work is carried out and completed?					
Issue Identified	Action Required	Lead Officer	Required Resources	Target Date	Measure of Success
The PSPO prohibitions/requirements around dog control disproportionately impacting on particular disabled people.,	Relevant representative disability groups to be included within the consultation.	Harry Williams, Policy and Engagement Coordinator.	Coordinator time	TBC.	Views of representative disability groups included within the consultation outcome report to Director of Service Delivery.
Disproportionate and unreasonable impact on white British males in their 40s.	On going review of street drinking reports in Lewes. To include sign-posting to support services within the enforcement processes for the PSPO.	Harry Williams, Policy and Engagement Coordinator.	Police reports.	Ongoing. TBC.	Processes developed, which included the sign posting to support services.

Outcome

Considering all the evidence and the potential or actual effect of the policy on equality, I conclude that:

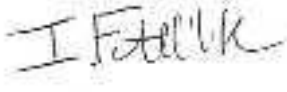
2. Minor adjustments can be made to better promote equality in the proposals - some steps have been identified to remove barriers or to better advance equality.

Quality Assurance

<p>How will you implement any recommendations made?</p>	<p><i>Through consultation and developing procedure for the enforcement of the PSPOs, which takes into account the above findings. Also, any recommendations made by the quality checking process for equality i.e. internal and external stakeholder groups, will be considered and where relevant will form part of the analysis as it is reviewed following consultation.</i></p>
<p>How will the issues covered in the action plan be monitored and reviewed and who will do this?</p>	<p><i>The Action Plan will be checked regularly and this will be carried out by the author of this report. In addition, the Action Plan will be reviewed every three years (in line with the duration of a PSPO) and if any adjustments to the Order is made.</i></p>
<p>Who will sign off the action plan once all actions are completed?</p>	<p>Harry Williams, Policy & Engagement Coordinator.</p>
<p>How will you share the results with stakeholders?</p>	<p><i>A copy of the Equality and Fairness Analysis will be included within the initial report to Cabinet. It will also be available to partners and residents of Lewes district on request.</i></p>

Approval

<p>Report Author</p>	<p>Harry Williams, Policy and Engagement Coordinator</p>
<p>Signed</p>	<p>Harry Williams</p>
<p>Dated</p>	<p>17/05/2017</p>

Director/Assistant Director	Ian Fitzpatrick, Director of Service Delivery.
Signed	
Dated	19/05/17

Please now send this report to equality@eastbourne.gov.uk

For completion by the Business Planning and Performance Team:

Quality Checking

Initial quality check carried out by	Harry Williams		
Report cleared for internal quality checking or returned to EaFA author for further action	Cleared	<input checked="" type="checkbox"/>	Returned to EaFA author for action
	Tick the box that applies		
Date sent to the internal equality checking group			
Record of comments/ recommendations made by this group			
Date comments sent back to EaFA author for inclusion in final draft report – where relevant			
Date final draft report received			
Final draft report cleared by			

Date of the Equality and Fairness External Steering Group final draft report was sent to	
Record of any comments/ recommendations made by this	

group	
Date comments/recommendations sent back to EaFA author for inclusion	
Date final EaFA received	
Final EaFA cleared by	
Date EaFA published on website	

Agenda Item No: 9.12

Report No: 100/17

Report Title: "Stronger Together" Joint Transformation Programme Update

Report To: Cabinet

Date: 26 June 2017

Cabinet Member: Councillor Elayne Merry

Ward(s) Affected: All

Report By: Henry Branson, Assistant Director for Business Transformation

Contact Officer(s)-

Name(s): Henry Branson

Post Title(s): Assistant Director for Business Transformation

E-mail(s): henry.branson@lewes-eastbourne.gov.uk

Tel No(s): 01273 085155

Purpose of Report:

To update Cabinet on the progress of the Joint Transformation Programme and key decisions taken by the Programme Board

Officers Recommendation(s):

It is recommended that Cabinet notes the delivery of Phase One of the programme and endorses the decisions made by the Programme Board.

1.0 Executive Summary

1.1 In May 2016 the Cabinets of Eastbourne and Lewes councils approved the Joint Transformation Programme ('the Programme') to deliver the majority of council services via shared teams adopting new ways of working.

This is a major change programme for both councils and a significant contributor to our medium term financial strategy savings targets.

1.2 In October Cabinet approved the three phase delivery of the programme, with Phase One lasting from September 2016 to March 2017. This update outlines the progress made in delivering Phase One, looks ahead to the work happening in the next 4-6 months and outlines key decisions made by the Programme Board.

1.3 The Programme has a clear governance structure led by the Programme Board. The Programme Board meets bi-monthly and consists of the leaders and deputy leaders, the leaders of the main opposition groups, the Chief Executive and three other Corporate Management Team (CMT) members.

2.0 Programme Activity October 2016 – May 2017

2.1 Phase One

Phase One involved the design of and recruitment to new roles and teams in Strategy, Planning and Regeneration and Democratic Services, and new leadership and management roles in Service Delivery.

Formal consultation on the proposals with staff and Unison took place in January and February 2017. Consultation resulted in more than 500 pieces of feedback which were addressed through a series of face to face briefings with staff and more than 70

published questions and answers. Staff and Unison views were listened to and changes were made to reflect these views in the second and third (and final) versions of the proposals.

The final Phase One structure consisted of 63 posts. The internal recruitment process ran from March to early May and 50 appointments were made. One post, the Head of Planning, was subject to an open recruitment process and an external candidate was selected. At the time of writing, 12 posts remain vacant and will be filled through external recruitment.

The savings target for Phase One was £1.05m across the two councils. Although the exact savings figure will not be established until the final vacant roles are recruited, we expect to slightly exceed the savings target for Phase One.

Support is also being provided to the new managers to transition from old teams to new teams. This transition process will last until June and involves a number of meetings and workshops, supported by tools to help plan and track the changes.

2.2 New Technology

To enable new joint teams to work effectively, it is essential that we provide the right technology to support them. At the start of the Programme, there were significant differences between the two councils' respective computer systems. The Programme consists of a number of projects to move the councils to a common set of technologies.

Good progress has been made on these key technology projects:

- **One Network**

A new joint network is an essential building block for the whole programme. It enables teams to communicate and joint software applications to be used. The new network is built and staff are now being moved over.

- **One Telephone System**

Lewes and Eastbourne are now on a single telephone system with staff able to login to phones on any desk in either of the councils' main offices. This involved a major system upgrade for Eastbourne and a whole system migration for Lewes. The project was delivered successfully working with local company Cavendish Communications and will deliver additional savings for the councils, as well as underpinning the joint customer contact team in Phase Two.

- **One Mobile**

Both councils have aging mobile phones and outdated management systems that do not meet modern security or functional standards. We have selected and installed a new joint system that will enable us to provide manage a wide range of devices for both staff and councillors. New devices will be rolled out during May and June.

2.3 Since October the Programme Board has made a number of key decisions:

- **Branding**

The councils will maintain separate corporate brands based around their current logos for all separate and distinct services and communications.

Shared public services will be delivered under a joint brand based on a revised version of the Customer First brand already known in Eastbourne, adapted to incorporate elements of Lewes visual identity.

- **Lewes-eastbourne.gov.uk**

Both councils will move over to a new joint domain, lewes-eastbourne.gov.uk, which is an essential foundation for the shared network. All staff will get a new lewes-eastbourne.gov.uk email address. Councillors will continue to use the email address that matches the specific council they represent (lewes.gov.uk or eastbourne.gov.uk).

- **New joint website**

A condition of the Cabinet Office granting permission for the use of the lewes-eastbourne.gov.uk domain was that the councils replace their two separate websites by a new, joint website at www.lewes-eastbourne.gov.uk. The Cabinet Office also imposed a tight deadline of Summer 2017 for delivery of this site, meaning that design decisions will need to be taken quickly, and it was agreed that the Board will sign off the new website design.

- **Joint committees**

Following a review of shared services governance at other councils by Improvement and Efficiency Social Enterprise (iESE), the Board authorised the development of terms of reference for two new joint committees:

- A joint committee for employment matters delegated from full Council
- A joint advisory committee concentrating on external facing regional development and growth.

The creation of these new committees will be subject of a report to meetings of both Full Councils.

3.0 Looking Ahead

3.1 The next update to Cabinet will be in Autumn 2017 after the completion of the Phase Two design but before recruitment has been done. Between now and then we will:

- Complete the transition process for the Phase One teams.
- Complete the initial design of the Service Delivery teams that form the focus of Phase Two, namely:
 - Customer Contact and Neighbourhood Services
 - Case, Account and Specialist Services
 - Homes First
- Carry out a full consultation exercise with staff and Unison and publish a final set of proposals.
- Launch the new website – members should be aware that due to the Cabinet Office deadlines mentioned at paragraph 2.3, it will not be possible to complete all the work we would like to before the new site is launched. The behind-the-scenes work to join up systems and enable customers to do more online will not be complete until early 2018, so many of the planned new online facilities will not be live when the site launches. We will not have had the time to engage customers in detailed feedback sessions on new site designs, so customer engagement will take place through the Autumn and ideas for improvements will be taken forward after that.
- Complete the migration of all staff to the new network.
- Roll out new technology to councillors to support them to carry out their council work efficiently using their council email addresses.

- Deliver the revised joint Customer First brand.

4.0 Consultation

4.1 Staff and Union Consultation

As summarised at paragraph 2.1, we communicated with staff and staff representative groups throughout Phase One. This has been done both face to face and via email and Intranets.

The Joint Transformation Programme Consultative Forum will continue to meet on a bimonthly basis, involving a range of staff representatives including UNISON representatives.

Similar consultation processes will be used for Phase Two.

5.0 Equality and Diversity

5.1 The JTP Equality and Fairness Forum has been set up and equalities and fairness assessments have been started for the Programme.

6.0 Conclusion

The Programme is on budget and Phase One was delivered on time. The Phase One savings will be delivered. There are significant time pressures on the delivery of key technologies to support both Phase One teams and enable the development of joint business processes for the Phase Two teams. There will be a need to strictly prioritise delivery of the most important technologies and business processes that enable the new teams to go live in early 2018. We will then work to further improve and develop them through 2018 and 2019 to fully deliver the planned improvements and efficiencies.

Agenda Item No: 9.13 **Report No:** 101/17

Report Title: Discretionary Disabled Facilities Grants

Report To: Cabinet **Date:** 26 June 2017

Cabinet Member: Councillor Maskell

Ward(s) Affected: All

Report By: Ian Fitzpatrick – Director of Service Delivery

Contact Officer(s)-

Name(s): Rebecca Wynn
Post Title(s): Environmental Health Specialist
E-mail(s): Rebecca.wynn@lewes.gov.uk
Tel No(s): 01273 484591

Purpose of Report:

1. To introduce discretionary assistance for Disabled Facilities Grants (DFG's) within the Private Sector Housing Financial Assistance Policy.

Officers Recommendations:

1. To approve the amended Lewes District Council Financial Assistance Policy 2017/18, set out in Appendix A.
-

1 Reasons for Recommendations

Introducing discretionary elements will:

- Allow the fast track adaptations approach in line with the best practice from the National Audit Office, DCLG and Department of Health.
- Take account of the increase in labour and material costs
- Increase the incentive for residents to move to a more suitable property
- Provide a safety net for cases of genuine hardship
- Allow fees to be paid for feasibility studies
- Increase the availability of warranties for equipment

2 Information

It is a statutory requirement under the Housing Act 1985 that our private sector housing renewal strategy includes a Financial Assistance Policy in respect of grant aid and other forms of financial assistance.

Appendix A is the revised Financial Assistance Policy with amendments highlighted.

3 Background

In 2013 a main objective of the Government's spending round was to ensure better cooperation between local services. Following this the Chancellor of the Exchequer announced that in 2015-16 £3.8 billion would be pooled into a single budget for health and social care services to work more closely together – the Better Care Fund (BCF).

Following the announcement of the BCF in 2013 there were a number of changes affecting Disabled Facilities Grants:

- In 2014 the funding of DFG's moved from DCLG ownership to become part of the BCF fund. This was a fundamental shift of policy removing the previous 'ring fencing' of how DFG's could be spent. The introduction of the BCF came at the same time as the Care Act 2014 with legislation encouraging local authorities to 'collaborate, cooperate and integrate'. DCLG, however, retained the responsibility for setting DFG policy.
- In 2016-17 the Department of Health providing an extra £394m towards DFG's (compared with £220m in 15-16), an increase of c.80%.
- In Lewes this increased the DFG budget from £600,000 in 2015-16 to £887,000 in 2016-17 with an increase to 922k for 2017-18.
- **LDC's DFG spend in 2016-17 was 574k allowing for an approved 313k carry over giving an overall budget for DFG's in 2017-18 of £1.2 million.**
- DFG funding is set to increase nationally to £500m by 2020 so it is anticipated the above budget may rise again over the next two years.

For this reason it is recommended that Cabinet agree the amended private sector housing financial assistance policy appended to this report, reflecting how the increase in funding can be best spent to achieve improved outcomes for the most vulnerable people in the Lewes area.

4 Summary of Policy

4.1 With the removal of ring fencing there is a greater opportunity to make best use of surpluses within the DFG fund by 'top-slicing' an amount to use at the Council's discretion to improve the lives of our disabled residents. The essence of the policy is to prevent or relieve people from accessing acute or high cost care facilities by supporting them to stay as independent as practicable.

It is important to note that discretionary funding will only be available for eligible works, i.e. those meeting the mandatory DFG criteria. Recommended changes:

a) East Sussex County Council (ESCC) to manage the installation of straightforward equipment

This is a county wide proposal that ESCC takes over the installation of stairlifts and washer drier WCs, and that £70,000 is set aside from the 2017/18 Lewes DFG budget for this work (to be reviewed annually). We believe this arrangement would reduce the installation time by 60%.

These grants would not be means tested.

Reason

These proposals will reduce not only the risk of residents experiencing accidents and requiring acute care, but they will ensure that work can be carried promptly allowing people to return from hospital without unnecessary delays.

b) An increase in the maximum grant for disabled facilities

i) It is proposed that an additional £10,000 be made available as 'top up' from the DFG budget before recourse to funding from ESCC.

ii) For any work above £40k, the Council would match fund any top up offered by ESCC to a maximum of £20,000. For example if the cost of work was £50,000, the Council would fund £45,000 of the work and ESCC contribute £5k.

iii) There is no means test required for the mandatory DFG available for children. However for the discretionary 'top up' it is deemed appropriate to means test the parents/guardians for the amount of grant above £30,000. For example if the eligible works are £40k, the means test would be relevant to the portion above £30,000 i.e. £10k. If the parents/guardians were assessed as having a contribution of £2k then a grant would be awarded for £38k i.e. £30k mandatory + £8k discretionary.

Reason

The cost of building materials and labour has risen in the 9 years since the £30,000 limit was introduced but the mandatory maximums have remained the same. It has been found that if top up is not available the grant/adaptation work does not go ahead and presents a risk to the disabled person and will have onward implications to all aspects of health and social care.

Means testing of Children's cases would mirror ESCC policy for means testing all 'top up' funding.

c) **Home Relocation**

Lewes District Council currently offers a grant of up to £7,500 towards the cost of moving home to a property which is deemed suitable either for immediate use or for adaptation at reasonable cost. The expenses may include estate agent's fees, solicitor's fees, stamp duty, and/or removal costs.

This grant may be used towards the cost of purchasing a new home where the applicant owns their existing home or for moving to alternative rented accommodation for an existing tenant.

We propose to raise the current grant limit from £7,500 to £10,000 towards the purchase of a new home and provide a grant for rental applicants at a maximum of £1,000 towards moving costs.

Reason

In some cases, it is considered that moving home is more appropriate to meet the needs of a disabled occupant, and it is not reasonable or practicable to adapt the existing home.

d) **Hardship DFG**

There are a small number of cases each year where DFG applicants have a means tested contribution but have insufficient capital to meet that obligation. Currently they are guided to Parity Trust for a loan to cover their contribution. If Parity Trust are unable to approve a loan (i.e. the applicant will be left in unnecessary financial hardship by making loan repayments) the Council will provide discretionary funding to a maximum of £10,000.

Reason

The DFG means test solely considers income and does not take into account the applicant's outgoings. Families with high mortgages can be assessed as having a high contribution with no means of paying it.

e) **Feasibility assistance**

Fees for technical support are not payable until a grant is approved. It is proposed that a discretionary grant of up to £1,000 per household is available to fund feasibility studies for complex cases before the grant process commences.

Reason

Some cases fail before approval, for technical reasons, refusal of planning or building regulations permission, where a great deal of work has been carried out in the design. Providing funding for a feasibility study will save time and resources and prevent the applicant from funding such costs up front without guarantee of receiving a grant.

f) **Warranties for equipment**

Lewes District Council already allows for extended warranties for a number of large items of equipment, particularly where they are installed outdoors (e.g. step lifts).

We propose to add extended warranties for common way stairlifts (for the period of time before ESCC take over stairlift installation) and items of equipment that receive heavy use i.e. automatic doors, rise and fall baths and wash dry toilets.

g) **Local Land Charge**

It is proposed that any discretionary funding over £30,000 should be registered as a local land charge against the resident's (owner occupier's) property for 10 years following the completion of work. The land charge relating to mandatory grants is up to a maximum of £10,000 when the cost of work is over £5,000. The proposed land charge relating to discretionary grants would be applied to any funding over £30,000, resulting in a total maximum land charge of £30,000 (i.e. £10,000 for mandatory and £20,000 for discretionary.)

For the example given in b) above, if the cost of work was £60k, the Council would fund £50k of the work and ESCC would be asked to contribute £10k. A Local Land Charge would be placed on the property for £30,000 (£10,000k mandatory and £20,000k discretionary.)

Reason

This would give some protection to the budget in years to come when government funding may suddenly decrease.

h) **Appointment of a progress Chaser**

The above provisions will still leave approximately £400,000 of the budget unspent. There are parts of the process that have been identified as causing significant delays to the timely and efficient delivery of the adaptation work. It is proposed to allocate £32,642 of the budget to staff a progress chaser role. This role will be invaluable if the discretionary policy is implemented.

Reason

Progress chasing will strive to unblock the current delays experienced throughout the often complex process and ultimately achieve a higher grant spend

5 Financial Appraisal

We are seeking authority to release £220,000 of DFG budget for discretionary funding. Listed below are the estimated projected budgets for each key initiative.

- a) ESCC to provide stairlifts and specialist WCs – £70,000
(the budget implication for this initiative is actually £0 as the amount transferred would have been committed under the mandatory DFG budget.)
- b) Increase in maximum amount - £150,000
- c) Home relocation - £20,000
- d) Hardship - £20,000
- e) Feasibility fees - £4,000
- f) Warranties - £1,000
- g) Estimated amount of discretionary DFG to be recycled – £50,000
- h) Progress Chaser - £33,000

The Discretionary grant will include a caveat that, with the exception of the equipment transfer, these grants are dependent on the availability of funding.

6 Legal Implications

Under the Regulatory Reform (Housing Assistance) Order 2002, the Council may, for the purpose of improving living conditions in its area, provide assistance in any form to a person, to enable him to take the measures set out in paragraph 3(1) of the Order. These include:

- acquiring living accommodation (subject to certain conditions)
- adapting or improving living accommodation
- repairing living accommodation

Paragraph 6 of the Order enables the Council to take any form of security (including a charge) in respect of the whole or part of any assistance granted.

The Council may only offer the assistance mentioned above if they have adopted a policy for the provision of assistance of that type, hence this report seeking such

adoption. The Council must also, prior to offering assistance, give public notice of the policy adoption and make the policy available for inspection free of charge.

The changes recommended in the new policy represent a material variation of the Council's existing private housing policy and the disabled grant facilities arrangements. Changes of this nature require the approval of Cabinet.

Lawyer consulted: 19.5.17. Legal ref: 006258-LDC-OD

7 Risk Management Implications

I have completed a risk assessment (LDC73693). No new risks will arise if the recommendations are implemented. The Council should have a current Private Sector Housing Financial Assistance Policy that is transparent, accountable, proportionate and consistent.

8 Equality Screening

- 8.1 On 15th May 2017 an Equality Analysis was undertaken on the amendments to the private sector housing Financial Assistance Policy. Due regard was given to the public sector equality duty and to the likely impact of the policy on people with protected characteristics, as set out in the Equality Act 2010. The amendments to the policy were found to have positive outcomes, by removing barriers associated with the mandatory DFG.
- 8.2 The removal of the ring fence by the Better Care Fund ensures that there is greater opportunity to make the best use of surpluses, responding to the needs of our residents, supporting innovative projects in the town to improve the lives of our disabled residents. The policy particularly removes discrimination against families in financial hardship due to high housing costs. The previous policy did discriminate by age in that the mandatory means test allowed a higher 'living' premium for those over 65.
- 8.3 The assessment identified the policy was found to have positive outcomes for all residents and site owners in our district. However, minor adjustments are required. There are missed opportunities especially in the area of equalities monitoring and customer feedback. Actions have been identified to remove barriers and better promote equality. The Equalities Analysis action plan will be incorporated and monitored with implementation of the amended Policy recommended by this report.

9 Background Papers

- Planning for the Better Care Fund (National Audit Office 2014)

<https://www.nao.org.uk/wp-content/uploads/2014/11/Planning-for-the-better-care-fund.pdf>

- Innovation in Homes Adaptations: A Fresh Chance (Care and Repair England, 2016)

<https://homeadaptationsconsortium.files.wordpress.com/2013/10/integration-briefing-3-final.pdf>

- Integration and Better Care Fund Policy Framework 2017-2019

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf

10. **Appendices**

Appendix A – Proposed Financial Assistance Policy 2017/18

Appendix A

Financial Assistance Policy 2017/18

This policy sets out the type of assistance and eligibility criteria for qualification for financial assistance to improve residential accommodation for the occupant. The types of assistance available are:

Disabled Facilities Grants
Home Trust Loans
Hard to Treat Insulation Grants
Heating and Repair Grants

1. Disabled Facilities Grants (DFGs)

1.1 Purpose of Grant

Mandatory grants are available for people who are registered disabled for works to:

- facilitate access by the disabled occupant to, from and within the dwelling (for the purpose of this grant a dwelling includes mobile homes and houseboats);
- provide essential facilities and amenities within the dwelling; and
- facilitate access to and from a garden by a disabled occupant or making access to a garden safe for a disabled occupant.

1.2 Eligibility

All owner-occupiers and tenants, licensees or occupiers (meeting the statutory criteria set out in the Housing Grants Construction and Regeneration Act 1996) are eligible for DFGs. All applications must be supported by East Sussex County Council's (ESCCs) Adult Social Care or Children's Services Department.

Council tenants can apply for adaptations but this will not be via the DFG process as all works are funded from the Housing Revenue Account. LDC works closely with Housing Associations to deliver adaptations and whilst RSL's are expected to build funding into their business plans and adaptations should be part of their core activities there is a statutory duty for Councils to approve DFG's across all tenures. LDC will therefore work with each Housing Association in its area to develop robust and equitable funding agreements which are review on an annual basis.

1.3 Age of Property

There is no minimum age of a property which is the subject of a DFG application.

1.4 Application

In order for the Council to consider awarding a DFG a complete and valid application must have been received. Such an application consists of:

- A completed application form.
- A minimum of two complete estimates from different contractors detailing particulars of the relevant works.
- Where appropriate an Occupational Therapist's (OTs) recommendation detailing the relevant works.
- Details necessary to apply the test of resources.
- Details of any fees or charges, e.g. architects or agents fees. These will normally not exceed 12.5% of the eligible expenses.
- Certificate of Future Occupation.
- Proof of Title.

All valid and completed grant applications are to be determined no later than six months after a completed application is received by the Council. We may exercise our discretion to determine that grant monies will not be paid before a specified date (which cannot be later than 12 months after the date of application).

1.5 Commencement of Works

Work cannot be commenced before grant is approved. Any works started before grant is approved will not be grant aided.

1.6 Certificate and Conditions of Occupation

Applications must be accompanied by a certificate relating to the future occupation of the property. These are:

- A Certificate of Owner Occupation
- A Tenant's Certificate
- A Certificate of Intended Letting (if the circumstances require it)
- An Occupier's Certificate

1.7 Estimated Expenses

In determining the estimated expense and calculating a DFG the following elements are considered:

- Which of the relevant works are eligible for grant 'the eligible works'.
- The amount of the expenses to be properly incurred in the execution of the eligible works.
- Costs attributable in relation to grant works, i.e. fees and charges.
- The grant is means tested and the amount of grant paid will be determined by a 'test of resources' that determines the applicant's contribution to the works. The mandatory grant will in no event exceed £30,000.

- If the grant applicant is unable to meet their assessed contribution they can apply for a Home Trust Loan under the Council's subsidies loan scheme. In such circumstances the Housing, Health and Safety Rating system (HHSRS) criteria does not have to be met, providing the DFG has been assessed as being necessary and appropriate, reasonable and practical.
- Any work that falls outside the criteria for mandatory DFGs will be referred to ESCC's Social Services Department for their consideration under the Chronically Sick and Disabled Persons Act 1970.
- Applications in respect of disabled children and young people under the age of 19, who are dependant are exempt from the means test.
- Extended warranties for external stairlifts, *communal stairlifts*, through floor lifts and *wash-dry toilets, automatic doors, and rise and fall baths*.

1.8 Supervision and Payment of Grant

Council Officers will inspect the grant works during their progress and, subject to satisfactory execution; officers can recommend the Authority make interim payments. Final payments will be made on the Officer's satisfaction that the works have been completed satisfactorily and on receipt of the builder's (or in the case of materials, suppliers) invoice.

Grants will only be paid when the applicant has signed a consent that payment can be made. Payments will in general terms be paid directly to the builder/agent unless the applicant has indicated otherwise.

NB The Council Officers act on behalf of the Authority to ensure public funds are spent correctly. Applicants must be aware that Officers do not act on their behalf. There are therefore no guarantees as to the quality of workmanship and any disputes arising between applicants and their contractors are their responsibility.

1.9 Conditions of Grant

The eligible works must be undertaken by the contractor(s) who provided the approved estimate(s) included in the application. We may vary this requirement where we consider there is a genuine reason to do so and it is in the interest of achieving efficient housing renewal. Prior permission shall be obtained in writing from the Council by the applicant before any change in contractor takes place. The use of a different contractor to one included in the application without our permission may result in our cancellation of the grant and/or repayment by the relevant person.

We will consider redetermining a grant approval where the eligible works cannot be completed without carrying out further works which were unforeseen or where the works are required to ensure the property is free from Category One Hazards. Unforeseen works will only be considered for financial assistance by the Council where they could not reasonably have been foreseen and work has not been started prior to the work having been agreed as 'unforeseen work' by the Council.

Applicants must pay their contribution to grant aided works and provide satisfactory evidence that payment has been made, i.e. a signed and dated receipt, before the Council will make any grant payment.

Where works are taking place in addition to grant aided works, but which are not grant aided and are funded by the applicant, these works must be completed and paid for by the applicant to the satisfaction of the Council before any payment will be made with respect to the grant aided works.

In the event of a breach of any of the conditions set by the Council, we may demand payment from the applicant/owner/occupier/landlord/trustee/beneficiary, whichever is appropriate, a sum equal to the amount of the grant paid or, as the case may be, any instalments of grant paid and the same shall be repayable to the Council. We have the discretion either not to demand repayment, or to require payment of less than the full amount.

1.10 Local Land Charge

A Local Land Charge will be placed on the owner/occupiers adapted property where the cost of the DFG exceeds £5,000, limited to a maximum of £10,000. The Charge will be incurred if the property is sold within 10 years.

The grant will be registered as a Local Land Charge and will be enforced when the applicant has disposed (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given. In which case the Council may demand repayment of up to £10,000, inclusive of any fees or charges.

The applicant shall, from the certified date throughout the grant condition period of 10 years, notify the Council of their intention to sell or otherwise dispose of the property. Pursuant to this condition the applicant shall furnish the Council with any information reasonably requested by them in connection with such notification.

1.11 Agents

All applicants are encouraged, though this is not a mandatory requirement, to enlist the services of an agent or architect or architectural technician to assist them in the process of application where the adaptation involves building alterations. Agency assistance is not normally required where the adaptation involves the straightforward installation of lifting equipment e.g. stairlifts.

2. Discretionary Disabled Facilities

In 2015 £3.8 billion was pooled into a single budget for health and social care services to work more closely together – the Better Care Fund. The Fund provided increase in funding for home adaptations and related opportunities to improve integration and meet performance targets, particularly reducing delayed transfers of care.

The Council's increased budget for 2017/18 has allowed for the development of a discretionary policy. It is important to note that discretionary funding will only be available for eligible works, i.e those meeting the mandatory DFG criteria.

Note: with the exception of the equipment transfer, these grants are dependent on the availability of funding.

2.1 Equipment

East Sussex County Council (ESCC) will order and supply straightforward equipment i.e hand rails, stairlifts, steplifts and washer-dryer toilets. This will be a fast track process and the applicant will be referred directly to the equipment service by their Occupational Therapist. The equipment will be funded from money allocated directly from the DFG accounts but would not be means tested.

2.2 Maximum Grant Amount

With the increase in the cost of building materials and labour in the 9 years since the £30,000 limit was introduced, an additional £10,000 will be made available as 'top up' from the DFG budget before recourse to funding from ESCC. For any work above 40k the Council will match fund any top up offered by ESCC to a maximum of £20,000. For example if the cost of work was 50k, the Council would fund 45k of the work and ESCC contribute 5k. A Local Land Charge will be applied see below for details.

DFG's for children will be subject to a means test for any 'top up' funding above the mandatory 30k. For example if the eligible works are 40k, the means test would be relevant to the portion above 30k i.e 10k. If the parents/guardians were assessed as having a contribution of 2k then a grant would be awarded for 38k i.e 30k mandatory + 8k discretionary.

2.3 Relocation Expenses

In some cases, it is considered that moving home is more appropriate to meet the needs of a disabled occupant, and it is not reasonable or practicable to adapt the existing home.

Relocation expenses up to a maximum of £10,000 will be considered at the Council's discretion where the property is not cost effective to adapt. The new property must either be already adapted or be adaptable at a reasonable cost. The expenses may include estate agent's fees, solicitor's fees, stamp duty, and/or removal costs.

This grant may be used towards the cost of purchasing a new home where the applicant

owns their existing home or for moving to alternative rented accommodation for an existing tenant. The Council will also offer up to £1,000 for applicants living in the private rented sector to move to a more suitable rental property to cover reallocation expenses.

2.4 Hardship DFG

Where DFG applicants have a means tested contribution but have insufficient capital to meet that obligation they are guided to Parity Trust for a loan to cover their contribution. If Parity Trust are unable to approve a loan (i.e. the applicant will be left in unnecessary financial hardship by making loan repayments) the Council will provide discretionary funding to a maximum of £10,000 for eligible work.

2.5 Feasibility Studies

For complex work the Council will, at its' discretion provide £1000 towards a feasibility study for eligible work before a grant is approved. If a grant is then awarded the £1,000 will be included in the grant and not be an additional amount.

2.6 Local Land Charge

Any discretionary funding awarded over £30,000 will be registered a Local Land Charge against the resident's (owner occupier's) property for 10 years following the completion of work. The maximum Land Charge will be 20k for discretionary funding which will be in addition to the 10k maximum for mandatory work upto 30k.

For the example if the cost of work was 60k, the Council would fund 50k of the work and ESCC be asked to contribute 10k. A Local Land Charge would be placed on the property for 30k (10k mandatory and 20k discretionary).

3 Decent Homes Assistance (DHA)

In 2003 the Government extended the requirement for Decent Homes Standards to vulnerable households in the private sector. A decent home is one that:

- Meets the current statutory minimum standards for housing, i.e. free from Category One Hazards
- Is in a reasonable state of repair
- Has reasonably modern facilities and services
- Provides a reasonable degree of thermal comfort

The Government has set a target that by 2010 70% of vulnerable people will live in a decent home, increasing to 75% by 2020. A vulnerable household is one in receipt of at least one of the principal means tested or disability benefits.

The following assistance is targeted at vulnerable households to bring homes up to the Decent Homes Standard

3.1 Heating and Repair Grants

In cases of emergency repair or lack of a suitable heating system a grant of up to £3,500 may be awarded. An officer from the council must visit and be satisfied that:

1. The applicant meets the eligibility criteria
2. The works are eligible
3. Two written estimates have been obtained.

Applicants will only be eligible to a maximum of £3500 in any 3 year period.

Eligibility Criteria

Applicants must:

- be aged 18 or over on the date of application;
- live in the dwelling as his/her only or main residence;
- the relevant property must be within Council Tax Band A-E;
- have lived in the property for at least a year prior to grant application;
- have an owner's interest in the dwelling or be a tenant of the dwelling;
- have a duty or power to carry out the works in question;
- be (or alternatively his/her partner be) in receipt of a means tested benefit:

Income Support, Council Tax Benefit, Housing Benefit, Income-Based Job Seeker's Allowance, Guarantee Pension Credit. An applicant who is receipt of Working Tax Credit (to include a disability element or a joint income of less than £16,040) or child tax credit whose joint income is less than £16,040 will also be eligible.

Grant would be available for those vulnerable groups who fall outside the criteria for means tested benefit:

- Disabled
- Chronically sick
- Low income families with Children under the age of 10, who fall just outside of the benefit criteria. A low income will classed as a joint income of below £20,000.

To satisfy this exemption criteria they must have less than £10,000 in savings (single person) or £15,000 in savings (couple).

Property Criteria

It is our policy to target HRG assistance in accordance with the following: -

The repairs must make the property suitable for occupation through rectifying hazards rated A-D+ under the Housing Health and Safety Rating System (HHSRS). The rating system lists 29 hazards which include:

- Excess cold
- Damp and Mould Growth
- Carbon Monoxide and fuel combustion products
- Protection against hazards, including falls and electrical hazards

Any items of disrepair eligible for assistance must be rectified to such a standard that they will not need replacing or repairing again for the next 10 years.

By using the HHSRS grants and loans can be targeted to the properties exhibiting the greatest risk to the occupiers. This will ensure all assistance is channelled to the housing issues affecting the District i.e. thermal comfort in the rural areas and damp and mould problems on the coast.

The Inspecting Officer will apply the HHSRS assessing any defect in terms of its effect upon the occupiers, the perceived vulnerable group and the building structure.

Using this information a HHSRS calculation will be carried out. All scores generated that are more than 930 (D+) will be eligible for grant or loan assistance.

Decent Homes Assistance will not normally be available for:

- conservatories;
- lean-tos;
- out-houses;
- porches; or
- any part of the building which does not form part of the main structure.

However, assistance will be available for means of access to the property i.e. paths and steps.

Dwellings include mobile homes on licensed residential sites.

3.2 'Hard to Treat' Insulation Grants

Eligible home owners (freeholders or leaseholders) who are not eligible for assistance from any central Government funding will be able to receive a discretionary grant of up to £5000 for thermal insulation.

Qualification Criteria

To qualify for an Insulation Grant the property must:

1. be at least 10 years old;
2. be the applicant's only or main home;
3. be your only or main residence for at least the next 5 years;
4. a property that you are entitled to or you can obtain the necessary permission to have the work carried out;

and

5. you are receiving a means tested benefit

or

6. you are over 70 and have household savings of less than £10,000 (single) or £15,000 (couple)

Eligible works

Works eligible for assistance are as follows:

1. The provision of energy efficiency works as assessed by the council officer that are necessary and appropriate to improve the thermal efficiency of the property, bring the occupiers out of fuel poverty and increase its SAP rating. Such works include external insulation to mobile homes, internal insulation to solid wall properties and other suitable measures for tile hung properties.

Council funds available for these works are limited. If available funding has been committed and no further resources are available applicants will be advised accordingly. Those meeting the eligibility criteria will be placed on a waiting list until funds are available and/or be offered a loan.

4. Home Trust Loans

For items of repair owners will be encouraged to apply for a Home Trust Loan for the total cost of work. To be eligible for the loan, applicants must meet the criteria for the HRG as listed above, but do not have to be in receipt of a means tested benefit.

The Home Trust Loan is a secured loan provided by Parity Trust, a socially responsible not-for-profit lending organisation. The Loan is subsidised by the Council to guarantee a low interest rate of 5.49% (5.63%APR), this rate is fixed for the full term of the Loan. There is also an option to make overpayments or settle the loan in full without penalty.

There are three borrowing options tailored to suit the applicant's circumstances. The following table provides a quick comparison of each, highlighting the main differences. Loans are available for amounts between £1,000 - £25,000. Loan Examples are also shown for the three loan options.

The Home Trust Loan scheme provides the support of a dedicated Home Trust Loan Officer who will carry out a home visit to assist with the loan process.

Loan Option	Available to	Maximum term	Do I make monthly repayments?	What happen to the loan balance?
Capital Repayment Loan	18yrs and over	15 years	Yes - repayments and interest	Decreases every month until balance is cleared
Interest Only Loan	60yrs and over	life	Yes - interest only	Remains the same, regardless of when the loan is settled
Interest Roll-up Loan	60yrs and over	life	No	Increases every month as interest is added

Secured Loan Examples (Typical APR 5.1%)

Capital Repayment Loan

Loan Amount	Term	Monthly Repayment	Total Interest
£5000	5 years	94.36	£661.60
£5000	10 years	53.03	£1,363.60
£5000	15 years	39.54	£2,117.30

- Loan balance decreases with each monthly repayment

Interest Only Loan: Available to clients aged 60+

Loan Amount	Term	Monthly Repayment	Settlement Figure
£5000	Life	20.83	5 yrs £ 5000
			15 yrs £ 5000
			30 yrs £ 5000

- Loan capital of £5000 paid when the property is sold
- Your Monthly repayment is applied against the interest accrued **but not** the capital

Interest Roll Up Loan - Available to clients aged 60+

Loan Amount	Term	Monthly Repayment	Settlement Figure
£5000	Life	£0	5 yrs £6417
			15 yrs £10,569
			30 yrs £22,341

- Outstanding balance of capital and interest paid when the property is sold.
- No regular repayments - Loan balance **increases** as the Interest accumulates over time as illustrated above.

4.1 Application Process for Decent Homes Assistance and Loans

In order for the Council to consider awarding any of the above grants or loans, a complete and valid application must have been received. Such an application consists of:

- a valid completed application form;
- proof of identity
- evidence of means tested benefits where appropriate
- 2 estimates of the cost to the applicant of the works.

All valid and completed applications are to be determined no later than six months from the date of application.

An inspection will be undertaken by an inspecting officer of the enquirer's property to assess the required works. The inspection may be carried out by a Council officer or another outside agency employed to administer grants.

4.2 Payment

Council officers will inspect the grant/loan works during their progress and, subject to satisfactory execution; officers can recommend the Authority make interim payments.

Final payments will be made on the inspecting officer's approval that the works have been completed satisfactorily and on receipt of a contractor's (or in the case of materials, suppliers) invoices.

The Grant or loan will only be paid when the applicant has signed a consent that payment can be made. Payments will in general terms be paid directly to the builder/agent unless the applicant has indicated otherwise.

NB The Council's Officers act on behalf of the Authority to ensure public funds are spent correctly. Applicants must be aware that officers do not act on their behalf. There are therefore no guarantees as to the quality of workmanship and any disputes arising between applicants and their contractors are their responsibility.

4.3 Conditions of Grant or Loan

The eligible works must be undertaken by the contractor(s) who provide the estimates(s) included in the application. We may vary this requirement where we consider there is a genuine reason to do so and it is in the interest of achieving efficient housing renewal. The applicant shall obtain prior permission in writing from the Council before any change in contractor takes place. The use of a different contractor to one included in the application, without our permission, may result in the Council's cancellation of the grant and/or repayment by the relevant person.

We will consider redetermining a grant or loan approval where the eligible works cannot be completed without carrying out further works which were unforeseen or where the works are required to make the property decent. Unforeseen works will only be considered for financial assistance by the Council where they could not

reasonably have been foreseen and work has not been started prior to the work having been agreed as 'unforeseen work' by the Council.

Applicants must pay their contribution to grant aided works and provide satisfactory evidence that payment has been made, i.e. a signed and dated receipt, before the Council will make any grant payment. Alternatively any loan or equity release scheme must have written agreement before being approved.

The eligible property must meet the Decent Homes Standard after the works are complete.

Where works are taking place in addition to grant aided works, but which are not grant aided and are funded by the applicant, these works must be completed and paid for by the applicant to the satisfaction of the Council before any payment will be made with respect to the grant aided works.

In the event of a breach of any of the conditions set by the Council, we may demand payment from the applicant/owner/occupier/landlord/trustee/beneficiary, whichever is appropriate, a sum equal to the amount of the grant paid or, as the case may be, any instalments of grant paid and the same shall be repayable to the Council. We have the discretion either not to demand repayment, or to require payment of less than the full amount.

It is a condition of the grant that the applicant takes all reasonable steps to pursue any relevant insurance claim or legal claim for damages in which the cost of the works to the premises to which the grant relates is part of that claim. The applicant shall repay to the Council the grant so far as is appropriate, out of the proceeds of the claim. This condition is not subject to a time limit and will therefore remain operative until such time as any claim is settled and the appropriate amount of grant is repaid.

The Local Authority will take full consideration of the terms of the settlement received by the grant applicant and request repayment accordingly.

Where insurance claims have been received before the grant application is made, details of the insurance payments should be included in the application form.

Council funds available for these works are limited. If available funding has been committed and no further resources are available applicants will be advised accordingly. Those achieving the required number of points will be placed upon a waiting list until funds are available.

To apply for all of the above grants and loans please contact the Service Delivery Team on 01273 471600.

5 Exceptions Policy

Grants or loans not meeting the requirements of the above policy and criteria, can be awarded at the discretion of the Director of Service Delivery in consultation with the Lead Member for Housing. Such an award will only be made subject to the

provision of the Regulatory Reform (Housing Assistance) England and Wales Order 2002 and subsequent guidance.

DRAFT