

Published 2 July 2013

Agenda for meeting of the Cabinet to be held at 6.00pm on Wednesday, 10 July 2013 in the Town Hall, Grove Road, Eastbourne

Members of the public are welcome to attend and listen to the discussion of items in the "open" part of the meeting. Please see notes at end of agenda concerning public rights to speak and ask questions.



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Members of the Cabinet:

Councillor David Tutt (Leader and Chairman of Cabinet): Responsibilities aligned with Chief Executive and including the Community Strategy, Local Strategic Partnership, the Corporate Plan and economic development.

Councillor Gill Mattock (Deputy Leader and Deputy Chairman of Cabinet): Financial services including accountancy, audit, purchasing and payments.

Councillor Margaret Bannister: Direct assistance services including revenues and benefits, housing and community development, bereavement services and the Crime Reduction Partnership.

Councillor Carolyn Heaps: Commercial and recreational services including sport and leisure, theatres, tourism, events and Devonshire Park, galleries and museums.

Councillor Troy Tester: Core support and strategic services.

Councillor Steve Wallis: Place services including cleansing and recycling, parks and downland, engineering, building and development control, planning policy and strategy, environmental health and licensing.

[KD] against an item indicates that the matter involves a Key Decision and that the item has been listed in the Council's Forward Plan for at least 28 clear days.

[BPF] against an item indicates that the matter is part of the Council's Budget and Policy Framework and as such will require the approval of the Full Council.

Publication of this agenda also constitutes notice (or confirmation that such notice has previously been given) to the Chairman of the Scrutiny Committee and members of the public as appropriate:

(1) Under regulation 10(3) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in respect of any key decision not included in the Council's Forward Plan of Key Decisions within 28 days of this meeting. Such items (if any) are marked **[KDGE]** and the reasons why compliance with regulation 9 (publicity in connection with key decisions) was impracticable are given.

(2) Under regulation 5(4) of the above mentioned regulations that certain matters listed on this agenda (if any) may need to be considered in private. (This notice is given further to the earlier notice given under regulation 5(2). The reasons for private consideration are given at the relevant item, together with details of representations received (if any) about why the meeting should be open to the public.

(3) Under regulation 5(7) of the above mentioned regulations that the Chairman of the Council's Scrutiny Committee (or the Mayor if the Chairman of Scrutiny was unable to act) has agreed to a matter listed below (if any) being considered in private where compliance with regulation 5(2) (the giving of at least 28 days notice) was impracticable and that consideration of the item is urgent and cannot be reasonably deferred. Such items (if any) are marked **[PU]**.

- 1 Minutes of the meeting held on 29 May 2013** (Pages 1 - 20)
- 2 Apologies for absence**
- 3 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct (please see note at end of agenda).**
- 4 Questions by members of the public**
- 5 Urgent item(s) of business**
- 6 Right to address the meeting**

- 7 Provision of a Skate Park in Hampden Park (KD)** (Pages 21 - 36)
Report of Senior Head of Development
Cabinet lead member: Councillor Steve Wallis
- 8 Annual Accounts 2012/13 [KD]** (Pages 37 - 44)
Report of Financial Services
Cabinet lead member: Councillor Gill Mattock.
- 9 Medium Term Financial Strategy 2013/17 [KD]** (Pages 45 - 60)
Report of Chief Finance Officer
Cabinet lead member: Councillor Gill Mattock
- 10 Sustainable Service Delivery Strategy Programme - Implementation of the Future Model Phase 2 [KD]** (Pages 61 - 88)
Report of Deputy Chief Executive
Cabinet lead member: Councillor Troy Tester.
- 11 Towner - Transfer to Charitable Trust [KD]** (Pages 89 - 96)
Report of Senior Head of Tourism and Leisure
Cabinet lead member: Councillor Carolyn Heaps.
- 12 Save the Pub Group Council Survey** (Pages 97 - 102)
Report of Senior Head of Development
Cabinet lead member: Councillor Steve Wallis
- 13 Eastbourne Community Infrastructure Levy (CIL) - Preliminary Draft Charging Schedule [KD].** (Pages 103 - 124)
Report of Senior Head of Development
Cabinet lead member: Councillor Steve Wallis
- 14 Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions Supplementary Planning Guidance (SPG) [KD]** (Pages 125 - 128)
Report of Senior Head of Development
Cabinet lead member: Councillor Steve Wallis.
- 15 Welfare Reform Initiatives** (Pages 129 - 132)
Report of Senior Head of Community
Cabinet lead member: Councillor Margaret Bannister

16 Human Resources Strategy [KD] (Pages 133 - 138)

Report of Head of Corporate Development
Cabinet lead member: Councillor Troy Tester

17 Calendar of Meetings - May 2014

To ensure Cabinet in May avoids half-term week it is proposed date be moved back 2 weeks to 14 May 2014 (instead of 28 May). (Note - European Parliament elections provisionally scheduled for Thursday 22 May 2014). Members are asked to agree this change of date.

18 Exclusion of the Public

The Chief Executive considers that discussion of the following items likely to disclose exempt information as defined in Schedule 12A of the Local Government Act 1972 and may therefore need to take place in private session. The exempt information reasons are shown beneath the items listed below. Furthermore, in relation to paragraph 10 of Schedule 12A, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. (The requisite notices having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)
Note: Exempt papers are printed on pink paper).

19 Alternative Employment Procedure (Pages 139 - 142)

Report of Head of Corporate Development
Cabinet lead member: Councillor Troy Tester

Exempt information reasons 1 and 2. Information relating to an individual or likely to reveal the identity of an individual.

Inspection of background papers – Please see contact details listed in each report.

Public right of address – Requests by members of the public to speak on a matter which is listed in this agenda must be **received** in writing by no later than 12 Noon, 2 working days before the meeting (e.g. if the meeting is on a Wednesday, received by 12 Noon on the Monday before). The request should be made to Local Democracy at the address listed below. The request may be made by, letter, fax, or electronic mail. For further details on the rules about speaking at meetings or for asking a question on a matter not listed on the agenda please contact Local Democracy.

Public questions – Members of the public may ask a question on a matter which is not on the agenda. Questions should be made in writing and by the same

deadline as for the right of address above. There are rules on the matters on which questions can be asked. Please ask Local Democracy for further information

Councillor right of address - Councillors wishing to address the meeting who are not members of the Cabinet must notify the Chairman in advance (and no later than the immediately prior to the start of the meeting).

Disclosure of interests - Members should declare their interest in a matter at the beginning of the meeting, and again, at the point at which that agenda item is introduced.

Members must declare the existence and nature of any interest.

In the case of a disclosable pecuniary interest (DPI), if the interest is not registered (nor the subject of a pending notification) details of the nature of the interest must be reported to the meeting by the member and subsequently notified in writing to the Monitoring Officer within 28 days.

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation). If a member has a DPI he/she may not make representations first.

Implementation of decisions - Implementation of any key decision will take place after 5 working days from the date notice is given of the Cabinet's decision (normally on the day following the meeting) unless subject to "call-in". Exceptions to this requirement are allowed when the decision is urgent.

Further information – The Forward Plan of Key Decisions, Councillor contact details, committee membership lists and other related information are available from Local Democracy. To receive regular e-mails alerting you to the publication of Cabinet agendas (or other meeting agendas) please send an e-mail to:

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Cabinet



Minutes of meeting held on Wednesday 29 May 2013 at 6.00pm

Present:-

Councillors **David Tutt** (Chairman and Leader of the Council), **Gill Mattock** (Deputy Chairman and Deputy Leader of the Council), **Margaret Bannister**, **Carolyn Heaps**, **Troy Tester** and **Steve Wallis**.

1 Minutes

The minutes of the meeting held on 20 March 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

2 Members' interests

Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and other interests as required by the Code of Conduct and regulation 12(2)(d) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012:

- Councillor Tutt declared a personal interest in minute 5 (Devonshire Park review – procurement strategy and phasing) in view of his role as a board member of iESE (the Improvement and Efficiency Social Enterprise) who were assisting in respect of the procurement arrangements for this project. He did not however consider this to be a prejudicial interest and he remained and participated in the proceedings.

3 Princes Park development plan

- 3.1 Councillor Murdoch addressed the Cabinet and raised questions about the level of investment being proposed for the café and park. He noted that the re-opened café was trading successfully and queried whether further investment was necessarily a priority. He also noted that there had only been 21 responses to the questionnaire.
- 3.2 Cabinet considered the report of the Senior Head of Development. The Council had been working closely with the Friends of Princes Park since 2005 to improve the park and during this time, the park had benefitted from two newly equipped play areas and a splash pad, in addition to many other enhancements. The sale of the coach and lorry park at Wartling Road had resulted in a capital sum being assigned for further improvements to the park. A development plan for the park had been prepared last year in

consultation with the Friends and subject to wider consultation with the public and stakeholders.

3.3 In response to Councillor Murdoch's comments, it was pointed out that although the interior of the café had recently been refurbished, extensive work was required to the exterior along with the removal of the outside toilets and provision of internal toilets. It was considered that the approval of an overall plan for the park along with the recent designation of the park as a Queen Elizabeth II field should improve the chances of securing external funding. It was also considered important that improvements continue to be made to the park for the benefit of residents and visitors and to contribute to the enhancement of the eastern seafront area as a whole.

3.4 The outcome of the stakeholder consultation identified some key issues within Princes Park, and the consultants identified improvement proposals within the draft plan to deal with them. These were:

- That the priority was to improve the café.
- That a hub was created around the café as a meeting place, and the landscaping and viewing areas would be improved.
- That the disused land where the bowling greens were located was used to create an entrance directly from the seafront.
- That the Dotto Train was able to enter Princes Park via this new entrance but that non authorised vehicles were prevented from doing so.
- That there are improvements to the lake edge and opportunities for introducing more wildlife interest are investigated.

The response to the public consultation indicated good support for the above priorities with the exception of the Dotto Train proposal where support was less strong.

3.5 The capital budget available to commence work on the key areas, such as the café and hub, was £183,000, however, the estimated costs to improve the café was £331,000 and the creation of the hub was a further £494,000. The cost for completing all the proposals within the development plan totalled £1,805,050. Given the funding shortfall, there would be a need to secure external funding to commence works for improvements to the café as the first priority. The services a professional fund raiser would be required, who would be tasked with securing external funding on the proviso that their fees would only be paid for a successful bid. They would be initially appointed for a year and reviewed thereafter.

3.6 **Resolved (key decision):** (1) That the Princes Park development plan be approved and published.

(2) That the existing capital allocated to Princes Park be used for the purposes of attracting further funding if possible.

(3) That a professional fund raiser be appointed to secure additional funding.

4 Environment and natural resources strategies (Cabinet, 18 April 2012, minute 115, page 365 (2011/12 minutes).

4.1 Cabinet considered the report of the Senior Head of Development providing an update on the action plans of the above named strategies and outlining the future development of a 2020 carbon reduction pathway. The environment strategy was an overarching strategy for the town as a whole and the natural resources strategy addressed environmental issues within the Council's own operations and estate. Cabinet had previously considered an update report in April 2012. This report also gave an outline of the future work still required if Eastbourne was to address climate change and move towards a sustainable future. The 2020 carbon reduction pathway set out aims and objectives for neighbourhood-wide clean energy programmes, locally grown food and resilience to extreme weather events.

4.2 The report listed the key areas of activity and achievements within both strategies. To address the future challenges it was proposed to develop a 2020 carbon reduction pathway. This would be a 7-year action plan and would build on the framework of the environment strategy to achieve the 2020 target of reducing carbon emissions by 40%. It would:

- Give a clear vision to the community.
- Enable the Council and the town to create a planned programme of investment over the next seven years.
- Give stability and control over work that needed to be done.
- Help to create a green economy with the establishment of local companies who assist delivery of energy efficiency and clean energy technology.

The draft objectives for the pathway had been developed in conjunction with CEPE (the Community Environment Partnership for Eastbourne) and were set out in an appendix to the report.

4.3 It was proposed that the existing strategies be incorporated into a single action plan for the 2020 carbon reduction pathway and for the plan to be finalised by the end of 2013. The draft objectives would be used as the platform to consult with the wider community and to develop specific actions to achieve the 2020 target. This would assist the Council in engaging with the community and assessing the level of support for initiatives and partnership delivery. The consultation would be done interactively and carried out with community groups and residents over a 12-week period.

4.4 **Resolved (key decision):** (1) That progress made with the environment and natural resources strategies and the proposed 2020 carbon reduction pathway objectives be noted and endorsed.

(2) That the Senior Head of Infrastructure, in consultation with the Carbon

Reduction Board, be given delegated authority to approve the action plan for the 2020 carbon reduction pathway.

5 Devonshire Park review – procurement strategy and phasing
(Cabinet 12 December 2012, minute 65, page 220 and 20 March 2013, minute 102, page 321, 2012/13 minutes).

- 5.1 Councillors Ede, Jenkins and Warner addressed the Cabinet. Councillor Ede asked about the source of the funding for the repairs to the Congress Theatre and whether the £850,000 allocation would be the final amount. He was advised that the funds were available within the Council's capital reserves and that the sum was an estimate at this stage; the final amount would depend on the outcome of the procurement process. A question regarding the total cost of the scaffolding which had been erected to cover the front and side elevation of the theatre would be answered in writing. Councillor Jenkins suggested that there should be lead member involvement in the matter of further decision making in respect of the first stage priority works. The Chairman pointed out that the project board, with cross party membership, already allowed for the necessary member oversight of this project. The Chairman responded to questions from Councillor Warner who had asked why repairs had not been carried out sooner and why the works now proposed did not deal with the ground floor frontage of the theatre by explaining the reasons for the Council's approach which were set out in the report.
- 5.2 Cabinet considered the report of the Senior Head of Tourism and Leisure and the Senior Head of Development updating Cabinet on the work so far on the procurement strategy for the project, seeking agreement to an amended governance structure for the initiative and approval to the works to the upper façade of the Congress Theatre being carried out. Cabinet had previously agreed to review the procurement routes for the master-plan for Devonshire Park to RIBA Stage C and commission from David Clark Associates (DCA) more detailed work on the business plan, financing models, organisational and governance structure for the Devonshire Park complex.
- 5.3 Since December, work had been undertaken on the practicalities of realising the Council's ambitions for Devonshire Park. Detailed consideration had continued on how best to bring about the significant development and the most favourable way to phase the construction works with the minimum impact on business continuity. The review of the optimum procurement route was not yet complete, however, there was sufficient confidence to prioritise essential works and timetable the start of these by way of a separate specialist contract for the restoration and replacement of the upper façade of the Congress Theatre.
- 5.4 The key information that had informed the recommendation before Cabinet was as follows:-
- Retention of the original structure was the more viable option, with

refurbishment and repurposing of the interiors being key to the long term sustainability.

- The existing façade had a design fault which has caused the water ingress to corrode the internal re-enforcement which had led to the failure of the façade fixings. The design solution needed specialist consideration.
- As the Congress Theatre was a listed building any changes to the façade required discussion with English Heritage. They said that they would prefer the façade to remain in the current alignment but had accepted the need for a solution to the design fault.
- The upper floors could be authentically redesigned and restored, while dealing with the inherent flaws of the original façade, without compromising the master-plan that proposes putting in place a new public realm and box office service at ground level. The future work to remodel the entrance, box office and public realm to the front of the Congress and create integrated links with the new build were therefore not compromised.

5.5 Once the procurement strategy had been finalised, a set of briefs would be issued for the services required to fulfil the ambition for the whole site. Cabinet would then be presented with a further business case outlining the programming implications of the contracts and financial model for the development alongside future operational management and governance recommendations for the long term viability of the scheme.

5.6 At this stage the business case was predicated on all the buildings to the south of the park being of equally high quality, operationally efficient, fit for purpose and attractive to the contemporary market demands of visitors, touring theatre, audiences, conference agent and delegate needs. Therefore the programme, which included intensive restoration of the historic buildings; relocation of box office services; introduction of full disabled and technical access needs and circulation space; new bars, cafes and retail areas; new conference exhibition spaces and new public realm was considered to be part of a single phase of works, albeit subject to a programme that allowed for operational continuity.

5.7 Works to enhance the overall visibility of the park, landscaping and configuration of the tennis courts alongside refurbishment of the International Lawn Tennis Centre, player facilities, stadia seating and car parking, to allow for future requirements could also be considered as a single phase; the timetable of which would be governed by the tennis season and continued discussions with the Lawn Tennis Association around investment options as well as detailed consideration of the most economic and practical phasing of the construction works.

5.8 The current governance arrangements had worked well. The technical project team had been undertaking work for the project board, consisting of stakeholders and partners, to be engaged in the process. This had assisted the member board to make informed recommendations. It was now

proposed that one board be established with the role of a capital project board.

5.9 Extensive consultation had taken place with stakeholders, business and community groups as the programme had progressed, with several presentations and public events inviting feedback on the plans throughout their iterations. Further consultation on the results had also been instigated with conference agents and exhibition designers; potential funders; sports and leisure; theatre and audience; catering and retail bodies and display boards were on permanent display in the foyer of the Congress. The project as a whole was subject to an equalities and fairness assessment and dialogue was underway with the Council's Disability Involvement Group.

5.10 **Resolved (key decision):** (1) That the governance of the Devonshire Park review work is arranged as shown in appendix 1 to the report, including a single project board.

(2) That the decision on the final procurement strategy for the overall development of Devonshire Park is delegated to the Senior Head of Development in consultation with the relevant lead Cabinet members.

(3) That up to £850,000 is released from capital reserves to enable the re-design and restoration of the upper levels of the Congress Theatre façade, as a priority first stage in the development.

(4) That all matters to complete this first stage of the development are delegated to the Senior Head of Development in consultation with the Senior Head of Tourism and Leisure.

Note: See minute 2 above as to disclosure of a personal (and non-prejudicial) interest by Councillor Tutt.

***6 2013/14 Corporate plan refresh** (Cabinet 12 December 2012, minute 63, page 216, 2012/13 minutes).

6.1 Cabinet considered the report of the Head of Corporate Development. Extensive consultation on the corporate plan priorities had been conducted with the community and stakeholders. The results had been reported to Cabinet and Scrutiny in 2012 and would be linked to relevant projects on Covalent to show where the Council was acting on the feedback received. Development of projects and targets had also been influenced by the recent service and financial planning process, reference to the local development framework and the sustainable community strategy.

6.2 The refreshed plan built upon previous year's versions and retained the same four priority chapters – each owned by a senior member of the corporate management team and Cabinet lead member who were responsible for managing the overall delivery of projects in that theme. An overview of the projects for each chapter was as follows:

6.3 **Prosperous Economy**

1. Deliver a sustainable events programme – Develop the events programme as a key part of the tourist and community economy.
2. Tourism marketing and development – Deliver and evaluate the marketing campaign for Eastbourne.
3. Employment - Town centre master-plan – Continue to progress the master-plan.
4. Employment - Sovereign Harbour business park – Development of a business park at Sovereign Harbour.
5. Activating Eastbourne – Multi-agency partnership with focus on promoting employment.
6. Eastbourne loyalty – Establish a loyalty scheme for Eastbourne to help sustain local businesses and understand spending needs.
7. Support secondary shopping areas – Continue to progress the Town Centre local plan.

6.4 **Quality Environment**

1. Managing waste responsibly – To procure the services of a waste collection and street cleansing contract in partnership with Wealden, Rother and Hastings councils and continue to divert waste from landfill.
2. Improving the cleanliness of the street and public areas – Work with the neighbourhoods to identify and improve further 'grot spots'; Difficult Properties Group to continue with the success of improving secondary shopping areas and streets near the town centre.
3. Allotment provision – To provide additional allotment plots for the community.
4. Towards a low carbon town – Prepare guidance for existing building and new development on sustainable design; To work with the community and within the Council's own estate and operations to improve the environment and reduce carbon emissions
5. Transport – Progress implementation of the cycling strategy and prepare borough parking strategy
6. Eastbourne Park supplementary planning document (SPD) – Provide a SPD for Eastbourne Park setting out a clear strategy and providing a sustainable framework for the future management of the area.
7. Pride in Our Parks – Enhance and preserve the quality of the town's parks.

6.5 **Thriving Communities**

1. Youth activities – Development and delivery of youth activities – putting on Youth Fair to showcase activities/clubs operating in the town and encourage greater participation, launch of a youth network and delivery of the partnership youth strategy.
2. Improving neighbourhood delivery – Supporting delivery of the £1m Big Local Devonshire West project, launch program of ward walks, handover Langney Community Centre and deliver Healthy Eastbourne Campaign.
3. Maximising our housing assets – Finish decent homes for retirement courts, construction of new council homes in Seaside and Langney, launch E-Switch energy buying and review future housing management options.
4. Support to vulnerable households – Helping households adjust to changes in welfare benefits, managing and reducing rough sleeping, developing a scheme for council tax support and working with partners to support troubled families.
5. Town Hall community hub – Development of a strategy and plans for future use of the Town Hall as a community hub.
6. Cultural development – Develop networks and opportunities for the sustainable growth of cultural activity in the town.
7. Cultural development - Devonshire Park – Progress the development to provide a quality cultural brand and diverse arts and leisure programme at Devonshire Park.
8. Cultural Development – Sustainable strategy for Eastbourne Theatres – Develop audiences, programming and investment plans for Eastbourne Theatres, including options for revenue generating and alternative governance.

6.6 **Sustainable Performance**

1. Efficiency (Future Model phase 1) – Embed phase 1 of the Future Operating Model.
2. Efficiency (Future Model phase 2) – Deliver phase 2 of the Future Operating Model.
3. Assets – Move towards an asset portfolio that is appropriate for the Council's needs and economically sustainable for the future.

6.7 It was highlighted that a significant majority of consultation respondents (84%) agreed that the priorities listed in the 2012/15 corporate plan were "important" or "very important." This factor, combined with the use of 'Local Futures' statistical evidence, had reinforced the validity of the Council's priority planning. The specific projects that most respondents agreed were top priorities were:

1. Re-development of Town Centre.
2. Transport – public transport and cycling provision.
3. "Activating Eastbourne" – jobs for young people.
4. Street cleaning – including public open spaces and derelict sites.
5. Housing strategy – affordable and decent homes.

All of these projects were continued and developed in the refreshed corporate plan reflecting the feedback received.

- *6.8 **Resolved (budget and policy framework)** (1) That the draft 2013/14 refresh of the corporate plan be approved subject to detail on performance indicators and final formatting being agreed by senior heads of service and lead Cabinet members.
- (2) That full Council be recommended to approve the refreshed corporate plan at their meeting on 17 July 2013.

7 Corporate performance - Quarter 4/year-end 2012/13 (Cabinet, 6 February 2013, page 269, minute 85).

- 7.1 Cabinet considered the report of the Deputy Chief Executive reviewing the Council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme; and treasury management activities for the fourth quarter of 2012/13 and giving the provisional financial outturn for the year. The final outturn figures would be reported to Cabinet and the Audit and Governance Committee in July.
- 7.2 Progress against key projects and indicators was updated on the online Covalent system on a regular basis and provided a "live" view of the Council's performance accessible at any time. It was noted that the capability now existed within Covalent to analyse performance data via dashboard reporting. This allowed looking beyond green – amber – red performance reporting and 'drilling down' into the data. This showed best performing indicators and those demonstrating the best relative improvement in performance. The success of the 2012/13 devolved ward budget programme comprising 68 projects was also highlighted.
- 7.3 **Resolved (key decision):** (1) That performance against national and local performance indicators and actions from the 2010/15 corporate plan (2012 refresh) be agreed.
- (2) That the provisional general fund outturn on services expenditure for 2012/13 of £16.2m, a net under-spend of £57,000 against the revised budget be agreed.
- (3) That the transfers to and from reserves as set out at appendix 3 to the report be agreed.
- (4) That the provisional balances on non-earmarked revenue reserves as at 31 March 2013, as shown in paragraph 5.1 of the report, be agreed.
- (5) That the provisional housing revenue account surplus for 2012/13 of £177,000 be agreed.

(6) That the final capital programmed and outturn for 2012/13 of £12.5m, a variance of 0.6% against the final programme, be agreed.

8 Strategic asset management (Cabinet, 24 October 2012, page 165, minute 51).

- 8.1 Councillors Jenkins and Warner addressed the Cabinet. Councillor Jenkins queried the value of the proposed work noting that a sum of £90,000 had been included in the recommendation and a sum of £75,000 mentioned in the financial implications section for the cost of the asset challenge scoping exercise. The Chairman confirmed that the latter sum was included within the overall budget allocation of £90,000. Councillor Warner challenged the use of consultants for this work and generally for other work undertaken by the Council in the past. The Chairman explained that a district council of Eastbourne's size and resources could not be expected to retain the services of a wide range of experts and that buying in such professional advice as and when required was necessary and appropriate.
- 8.2 Cabinet considered the report of the Senior Head of Infrastructure. The Council had identified asset management as a corporate plan priority in 2010 and set a goal to make the council's asset portfolio sustainable and self-financing. Recommendations from a CIPFA (Chartered Institute of Public Finance and Accountancy) review had been implemented including the establishment of the Strategic Property Board, condition surveys on all core operational premises and the allocation of additional resources to ensure completion of the programme on track. 'Asset challenge' was a key recommendation of the CIPFA review and was a fundamental process necessary to assist the Council in reaching the goal of a sustainable asset base. Adopting a 'corporate landlord' model on the retained asset base would enable the Council to drive out further savings, ensure assets were properly managed and mitigate risk.
- 8.3 The scale of the asset challenge facing the Council had been the subject of presentations to the Strategic Property Board and a full member briefing. Key elements were as follows:
- Average annual expenditure on the Council's property assets was approximately £4.5m per annum with a net cost (after deducting income directly from the asset base) of £3.2m per annum.
 - The Council's portfolio was a combination of operational and non operational buildings and land. Both sectors needed to be included in the asset challenge process.
 - Unless challenged, addressing the backlog of maintenance and introducing an effective planned and term maintenance programme could see total expenditure on property assets reach approximately £50m over the next 5 years, excluding development proposals.
 - Over 40% of the Council's property asset expenditure was required to support leisure and heritage assets.
 - Unless challenged, the total budget for property assets would exceed

- the total combined budget for all services across the Council over the next 5 years.
- Undertaking a scoping study on the potential for disposal or transfer of assets to trust would establish the options for asset challenge.
 - Undertaking a scoping study on the on the optimum model and savings achievable through adopting a 'corporate landlord' model would inform the sustainable asset base strategy on the retained estate.
- 8.4 'Asset challenge' and the adoption of a 'corporate landlord' approach were consistent with and linked to the ongoing initiatives at Devonshire Park and the Town Hall community hub initiative. The scoping studies proposed related to general fund properties only. Separate initiatives to assess the future potential and management of housing revenue account assets were being undertaken concurrently.
- 8.5 Certain of the Council's operational assets generated significant revenue. In addition various current initiatives sought to improve the yield and enhance the cultural and community offering. However the true cost of property related expenditure was not fully reflected in revenue forecasts; this was evidenced by the backlog of maintenance, the lack of effective planned and term maintenance, little or no notional rent liability and the lack of allocated 'asset specific' staff costs. Maintaining all of the Council's existing buildings (excluding housing revenue account) was not sustainable, even allowing for best case potential savings from the corporate landlord approach. The Council therefore needed to explore either the disposal or transfer of assets to reduce revenue cost and/or realise capital receipts to support future investment in retained assets. It was recognised that the sale or transfer of heritage/community assets would be both sensitive and a challenge, however the case for a comprehensive asset transfer strategy was compelling given the scale of the asset challenge. The report detailed a range of options for achieving the Council's objectives.
- 8.6 Implementation of a full corporate landlord model on the retained asset base (i.e. post asset challenge/transfer) would be a substantial cultural change for the Council; full corporate support would be necessary for the centralisation of budgets, together with re-profiling of staff roles where there was previously a building function and the transfer of risks and responsibilities to a single corporate entity. Prioritisation of investment on assets or the transfer of assets to the third sector to support the wider corporate objectives might also have an impact on existing service delivery. A limited corporate landlord model, where for example only risks were transferred centrally and existing processes enhanced to take advantage of savings through procurement, planned and term maintenance etc., might be a preferred route, provided the objectives of the asset challenge could be met. In order to establish the best option for the Council to pursue it was recommended that a scoping exercise be undertaken.
- 8.7 The outcomes of both studies were expected to be reported back to Cabinet

in the autumn of this year and would lead to a recommendation on the optimum route to achieve a sustainable asset base and how best to manage the retained asset base thereafter. Consultation with community groups and stakeholders would be crucial in forming recommendations, particularly in respect of the conditions upon which the transfer of community/heritage assets becomes viable. In the meantime, and in order to be able to assist in funding the backlog of maintenance whilst these initiatives are ongoing, capital receipts would be targeted from the non operational portfolio. A disposal programme would be submitted to the Strategic Property Board with the intention of realising capital receipts to fund expenditure in the short term. The Chairman also thanked the Eastbourne Society for their continuing interest in this initiative and productive dialogue with the Council.

8.8 **Resolved (key decision):** (1) That the recommended approach to asset challenge, including the scoping exercise to establish the viability and programme for transfer of assets to trust, be agreed.

(2) That the scoping exercise to establish the savings and improvements to quality of service by transferring the retained asset base into a corporate landlord model be agreed.

(3) That the release funds, as the asset challenge programme progresses and upon reaching key milestones, of up to £90,000, from the strategic change fund, be agreed.

(4) That an exemption to the Council's contract procedure rules be agreed for resolutions (1) and (2) above to benefit from efficiencies in cost and programme.

9 Housing strategy 'At Home in Eastbourne' and 'Housing Futures' review (Cabinet, 24 October 2012, minute 54, page 167, 2012/13 minutes).

9.1 Cabinet considered the report of the Senior Head of Community updating Cabinet on progress in developing the Council's housing strategy for the period 2013 through to 2020, entitled 'At Home in Eastbourne', and including a summary of priorities and an action plan. One of the tasks arising from the development of the strategy was a need to consider the future of the Council's role as a landlord. The Council was responsible for the homes of nearly one in ten of Eastbourne's households and the current management agreement with Eastbourne Homes Ltd was due to end in March 2015. The Council had also now completed its first year of being a landlord within the parameters of the self financing housing revenue account system.

9.2 The report outlined the challenges that would need to be tackled effectively if people were to be able to find, keep and enjoy a home in the town and detailed the development work and consultation undertaken to date. The

strategy (which was available as a draft to view on the Council's website) comprised 4 main themes:

Providing homes that support prosperity and choice.

Actions focused on encouraging developers and investors to provide more homes, with particular attention being paid to making sure those homes provided stability and security to households, at costs that allowed people to participate fully in the wider economy of the town. This included supporting the development of affordable homes to rent and buy by the Council itself and other investors and providers and working closely with new investors to make the most of development and housing opportunities arising in the town from the economic development of areas such as the Town Centre.

Finding and keeping a home.

This would embrace helping people secure the finance they need to buy a home, the support they may need to rent a home in the private sector and encouraging all types of landlord to offer high levels of tenure security. It also included helping people who faced losing their home. Particular attention would be paid to meeting the needs of rough sleepers, disabled people and those faced with the problems arising from domestic violence.

Improving the quality of homes

Actions to encourage property owners to invest in homes, with a particular emphasis on improving energy efficiency and reducing fuel poverty. Encouraging the design and development of new homes that had low maintenance requirements and a robust and pro-active approach to enforcing standards amongst the private rented sector and maintaining the decent homes standard in the Council's own homes.

Enjoying homes and neighbourhoods

Helping people enjoy where they lived and being able to take part in community life.

- 9.3 The 'Housing Futures' review would consider the future of the Council's role as a social landlord. The Council currently owned a mixed portfolio of 3,713 residential properties with a programme to add a further 23 properties to that total in 2013-2015. All Council-owned homes would by the middle of 2013 meet the decent homes standard and within current projected rent income could be kept to the standard over the next 30 years. This meant that there was no need for the Council to secure additional income over and above that which it currently earned from its landlord role if it wished to maintain the current position.
- 9.4 The current debt assigned to the Council's housing stock was £37,039,000 which equated to £9,976 per property. It was this amount that the Council would need to generate from any large scale stock transfer if it were to consider bringing to an end its role as a direct provider of social housing. The Council currently had £5,921,000 of unassigned borrowing capacity in the housing revenue account. This meant that it had capacity for a small

but significant programme of additional investment either in new homes or improvements. Demand for all types of Council-owned homes was extremely strong, far in excess of the 220 or so lettings the Council made each year. Future housing market projections suggested that demand for affordable, secure rented accommodation, of the type provided by the Council, would remain strong for the foreseeable future. Eastbourne Homes Ltd. (an 'arms length management organisation' wholly owned by the Council) would receive a management fee from the Council of £6,804,000 in 2013-2014 for managing and undertaking day-to-day and cyclical repairs to the housing stock.

9.5 As a first step, a project board would be established to oversee the overall review. Membership of the board would need to include a high level of housing knowledge and expertise, clear political authority and democratic accountability to the wider community, organisational independence and a clear role for tenants in determining the future of their homes. Membership of the board was proposed as follows:

- Cabinet lead member for community/housing (chair)
- Cabinet lead member for finance
- Opposition group lead member for community/housing
- Tenants' representatives
- Senior Head of Community
- The Council's Chief Finance Officer

It was emphasised that the above membership should be seen as indicative at this stage. Knowledge and expertise from Eastbourne Homes Ltd would be fully used to input and contribute to the review process.

9.6 Additional funds would be needed for the specialist financial and/or consultation work arising from the review. It was not yet possible to quantify this as the end cost would be dependent on the direction of the review but was not expected to exceed £20,000. These funds were available within the housing revenue account reserves.

9.7 **Resolved (key decision):** (1) That the Senior Head of Community, in consultation with the lead Cabinet member for Community, is given delegated authority to give approve the strategy following review of final consultation comments received.

(2) That the establishment of a project board to oversee the 'Housing Futures' review and the drawing down of funds from the housing revenue account of up to and not exceeding £20,000 to support this work be approved.

10 Housing investment in Eastbourne (Cabinet, 6 February 2013, page 281, minute 90).

10.1 Cabinet considered the report of the Senior Head of Community. The

Council's housing team had, over the last year, been identifying sites within the ownership of the Council that might provide an opportunity to develop additional affordable homes. To date, three sites had been identified and agreed for up to 23 affordable Council owned homes (at Hawkhurst Road/Faversham Road, Chilham Close and the site of garages at Faversham Road (all in Langney) to Raglan Housing Association.

10.2 Further work had taken place in Langney with Raglan Housing Association and the Council's housing specialists, and following consultation with representatives of the local community and planners, the following additional sites had been identified (and shown on the appendix to the report):

- Pensford Drive
- Foxglove Road
- Freshford Close
- Hever Close
- Wayford Close
- Barming Close

Taken together, these six sites had the potential to provide between 12 and 15 additional affordable homes.

10.3 Including these sites into the overall programme for Langney would allow the programme to be delivered more effectively, allow greater coherence of design and speed up delivery of a total of between 16 and 19 new homes. Working with Raglan Housing Association would allow for work already undertaken by the association on design and feasibility to be used effectively and would make the project more effective to manage and support developing a clear and focused vision and partnership for the local community.

10.4 The 6 sites had an estimated value of approximately £375,000 if sold on the open market. By leasing them for a peppercorn rent to a housing association, the Council would be foregoing a capital receipt. However, the transfer proposal would secure up to 15 new rented affordable homes. The estimated development cost of 15 family homes was in the region of £1,950,000. As such by transferring the sites at an average estimated net value of £25,000 per unit, the Council was able to cost effectively facilitate the provision of new affordable housing.

10.5 **Resolved (key decision):** (1) That approval is given to the transfer of the six pieces of land referred to in the report and indicated above by means of a 125 year lease to Raglan Housing Association at a peppercorn rent for the development of affordable housing and subject to the following conditions:

- That the sites are used exclusively for the provision of affordable housing, of a type and tenure approved by the lead member for Community and the Council's Strategic Housing Manager.
- That the properties are let on an introductory tenancy for a period of one year, followed by conversion, subject to the tenant complying with the terms of their introductory tenancy, to an

assured periodic tenancy.

(2) That the Senior Head of Community in consultation with the Chief Finance Officer and lead Cabinet member for Community be given delegated authority to agree the final arrangements for the land disposals to Raglan Housing Association.

11 Armed forces community covenant

11.1 Councillor Ansell addressed the Cabinet in support of this initiative.

11.2 Cabinet considered the report of the Senior Head of Community. The community covenant scheme was launched by the government in 2011 following a high profile British Legion campaign. Community covenants were voluntary statements of mutual support between civilian communities and their local armed forces community.

11.3 Community covenants aimed to :

- Encourage local communities to support the Armed Forces community in their areas.
- Nurture public understanding and awareness of the issues affecting the Armed Forces community.
- Recognise and remember the sacrifice made by the Armed Forces community.
- Encourage activities which help to integrate the Armed Forces community into local life.
- Encourage the Armed Forces community to help and support the wider community, whether through participation in events and joint projects, or other forms of engagement.

11.4 A joint community covenant for East Sussex had been agreed in principle by council leaders and chief executives. The full text of the covenant was attached as appendix 1 to the report. The local measures were to:

- Support the work of the Sussex Armed Forces Health Network in relation to the provision of housing and health services to the Armed Forces.
- Continue to use a person-centered approach to service provision that ensured veterans' issues were recognised and picked up as part of assessment processes.
- Ensure that information on the community covenant grant and how to bid was easily available to charities, community and voluntary organisations.

East Sussex Strategic Partnership (ESSP) would provide overall direction and oversight of the work under the covenant. A 'virtual' civilian-military partnership board would be established, comprising members of the ESSP and military personnel.

11.5 **Resolved (key decision):** That Cabinet notes the joint community covenant and work undertaken to date and that Eastbourne Borough Council has signed the joint covenant.

12 Discretionary housing payments policy (Cabinet, 2 July 2001, page 68, minute 24, 2011/12 minutes).

12.1 Cabinet considered the report of the Senior Head of Community. Discretionary housing payments (DHP) were introduced in July 2001 to replace the legislation providing for exceptional hardship payments in housing benefit and council tax benefit. The Council adopted a DHP policy in July 2001 (a copy was appended to the report). The government awarded the Council a sum of money each year to be used for DHPs. Any money unspent had to be returned. The Council could, if it wished, add to this sum. In past years the Council had decided not to add any additional funds and demand had been managed within the allocation.

12.2 Council tax benefit had now been abolished and replaced with a local scheme of support and there were also many changes to housing benefit, which would lead to a reduction in benefit for some people. These changes were likely to lead to a great demand on the DHP budget and a revised policy (also appended to the report) was necessary to take account of these changes.

12.3 The government grant for 2013/14 was £256,602 (an increase of c.£115,000 on the 2011/12 grant). However, the annual loss in income to benefit claimants affected by the spare room subsidy and the benefit cap was estimated to be in the region of £400k and £170k respectively. Other changes, such as the under 35 rule and restrictions to local housing allowance claims, would mean a loss in benefit of over £300k.

12.4 In 2012/13 there were 849 applications for a DHP. 547 awards were made totalling £142,319. So far this year, from 1 to 30 April 2013, 136 applications had been received and awards made in 100 cases (equivalent to 15% of the annual budget).

12.5 The main changes to the existing policy were:

- To remove awards to cover a shortfall in council tax benefit as this benefit had been abolished.
- To identify those type of circumstances that would be prioritised when making an award.
- To give more detail on the circumstances in which awards might be made.
- To make it more explicit that awards of DHP might be tapered and were for fixed periods.
- To make it more explicit that once the budget had been reached no further awards would be made irrespective of the circumstances of the claimant.

The cases considered as a priority would be those that affected by the

recent changes to benefit, specifically those affected by the spare room subsidy removal and the benefit cap, allowing time for households to adjust to their new entitlement where appropriate.

- 12.6 Consultation on the revised policy had taken place with the voluntary sector. The only comments received were around the time limits on making decision (a one month time limit had been proposed), however, every effort would be made to reach a decision within a week. Decision times would be monitored at six monthly intervals. An equality and fairness analysis had been undertaken. Members expressed concern at the potential impact of the government's welfare changes and the Chairman asked that Cabinet be kept updated on the operation of the DHP fund.
- 12.7 **Resolved (key decision):** That the revised discretionary housing payments policy is adopted.

13 Write-off of irrecoverable debts

- 13.1 Councillor Ede sought further detail regarding the steps previously taken to recover these debts. Information was provided in the Cabinet's private session on this matter.
- 13.2 Cabinet considered the report of the Chief Finance Officer seeking approval to the write-off of debts in excess of £5,000 as required by financial procedure rule 4.26. Full details were given in a separately circulated appendix covered under exempt information reason 3 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person, including the authority holding that information).
- 13.3 **Resolved:** That the write off of irrecoverable debts detailed in the exempt appendix, totalling £124,831, be approved.

14 Exclusion of the public

Resolved: That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraphs of schedule 12A and descriptions of the exempt information are shown in the above minute or beneath the item below.
(The requisite notices were given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)

15 Alternative employment procedure (AEP)

- 15.1 Cabinet considered the report of the Human Resources Manager. Nine employees were currently within the scope of the procedure. The Human Resources team was working with the Corporate Management Team to

identify suitable vacancies within the Council and otherwise provide support to those under threat of redundancy.

- 15.2 **Resolved:** That action taken to support, redeploy and assist with self-marketing under the AEP and the use of the AEP in managing the change resulting from implementation of phase one of future model be noted.

*Notes: (1) Exempt information reasons 1 and 2 – information relating to an individual or likely to reveal the identity of an individual.
(2) The minute was declared open, but the report and discussions thereon remain confidential.*

The meeting closed at 8.05pm.

Councillor David Tutt
Chairman

(der\P:\cabinet\minutes\13.05.29)

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Agenda Item 7

Body:	Cabinet
Date:	10th July 2013
Subject:	Provision of a Skate Park in Hampden Park
Report Of:	Jefferson Collard, Senior Head of Development
Ward(s)	Hampden Park
Purpose	To agree a location within Hampden Park for the provision of a new skate park.
Decision Type:	Key decision
Recommendation:	<p>That Cabinet agrees the location of the skate park as follows:</p> <ul style="list-style-type: none">a) That it is located within the parameters of the Cross Levels Way site ORb) That it is located within the parameters of the disused rifle range <p>If option (a) is selected, Cabinet is further recommended to:</p> <ul style="list-style-type: none">i. agree a capital bid for the additional build cost to develop the site into a skate park estimated up to a sum of £21,000;ii. That agreement between ESCC and EBC is finalised to transfer the freehold of the Cross Levels Way land to EBC;iii. seek planning permission to develop a skate park at the Cross Levels Way site. <p>If option (b) is selected, Cabinet is further recommended to:</p> <ul style="list-style-type: none">i. agree a capital bid to cover any additional noise mitigation measures that may be required;ii. agree a capital bid for the additional build cost to develop the site into a skate park, estimated up to a sum of £7,000;iii. consider a capital bid to provide a BMX pump track at the Cross Levels Way site as part of the 2014/15 service and financial planning process;iv. seek planning permission to develop a skate park at the disused rifle range site.
Contact:	<p>Gareth Williams, Senior Specialist Advisor, Telephone 01323 415281 or internally on extension 5281. Gareth.williams@eastbourne.gov.uk</p> <p>Sue Oliver, Manager, Specialist Advisory Team Telephone 01323 415360 or internally on extension 5360. Sue.oliver@eastbourne.gov.uk</p>

1.0 Introduction and Background

- 1.1 A budget of £120,000 has been approved by Cabinet to provide a skate park within Hampden Park and there was initially an expectation that it would be located on the existing BMX ramp site near Cross Levels Way, where there are currently earth ramps that are well used.
- 1.2 A meeting with representatives from the skate park users' community raised very strong reservations and concerns in relation to the Cross Levels Way site being used. These were mainly in relation to the close proximity of the hospice which they considered inconsiderate and disrespectful, the isolation of the site, the cost of the build and the exclusion of skate park users from the wider parks community.
- 1.3 Other potential suitable sites within the Hampden Park area were investigated such as Tugwell Park, Elm Grove and Holly Park but all had issues with drainage, being former tip sites and/or close to residential properties of varying degrees and were therefore discounted.
- 1.4 A further site within Hampden Park that was adjacent to the Sports Park athletics track was also considered, but objections were received from our contractual partners and it was discounted.
- 1.5 One other site, the former Rifle Range Club Site within Hampden Park, was considered to have some advantages as a potential skate park and was supported by the skaters. However the Friends of the Hampden Park (FotHP) expressed strong opposition to the use of any of the area of the disused rifle club as a skate park as they were developing their own ideas about how to best use the site. The FotHP had previously undertaken consultation about how the rifle range site could be used and this resulted in the following recommendations:-

- the creation of an earth stage
- butterfly sanctuary
- bog garden
- woodland walks
- wood sculptures in the trees
- radio controlled cars area
- covered seating
- roller blade facility and possibly even an ice skating rink

Consequently the FotHP do not support the idea of a skate park co-existing in the same vicinity as the proposals they were developing for the disused rifle range site.

- 1.6 As there were very conflicting views on where the skate park should be located, a consultation questionnaire was designed to determine the preferred site and the Council undertook this work. The questionnaire provided a choice of two sites, one identified as Site A which is located off Cross Levels Way and the second was Site B which is the disused rifle

range, near to the indoor and outdoor bowls club.

- 1.7 Currently, the Cross Levels Way site is owned by East Sussex County Council. The transfer of the freehold for the site to Eastbourne Borough Council was put on hold, pending the outcome of the skate park questionnaire.

2.0 Works associated with the locations of the skate park

- 2.1 The two sites that were put forward were both considered as possible locations for the creation of a skate park.
- 2.2 The development of a part of the disused rifle range to create a skate park will be more economically viable as the temporary access required for the build process will be cheaper than that required to develop Cross Levels Way.
- 2.3 A preliminary assessment of noise impact was obtained from an independent noise consultant in December 2012. Proposals for the design and layout of the skate park were not available to them at this very early stage, so noise impact was assessed assuming a worst typical case scenario. No noise measurements were taken at the time, and a standard skate park sound power level was modeled at each proposed site, and associated impact at nearby noise sensitive development was considered.
- 2.4 The report indicated that as regards the disused rifle range, the existing wall will act as a noise mitigation barrier for the residential area to the east of the site, and additional mitigation or careful design/layout may be required to reduce noise levels at the housing to the north. There is also mention within the report that an extension to the existing wall would likely be sufficient to result in acceptable levels of noise at all housing to the north. If an extension to the wall is required, this represents a further cost.
- 2.5 The report indicated that there would be a need for a noise mitigation barrier in the Cross Levels Way site due to the relatively close proximity of the hospice. This would have represented a further cost. However, one of the issues raised at the site visit between members and the Friends of The Hampden Park in June 2013 was whether the earth bund and the planting at the boundary of the hospice site would provide sufficient mitigation and avoid the need for a sound barrier. The noise consultant has been contacted about this matter, as it was understood that they were aware of the earth bund when they visited the site in December 2012, and therefore factored it into their modelling. They replied to say they were not aware of the bund, and they undertook further modelling. They suggest that based on their calculations, no mitigation needs to be in place if the skate park is built at Cross Levels Way. At the time of their visit the site was in the early stages of construction, and an assumption was made that the pile of earth at the boundary, which was more recently shaped into a bund, was spoil from the building works. In addition the site has been security fenced since work started.
- 2.6 The cost of the temporary trackway for vehicles and plant will be confirmed

within the skate park contract, but based on the costs for the trackway provided for Manor Gardens, the access cost to develop the disused rifle range will be approximately £7,000. An extension to the existing wall (which could be brick or timber treated with fire retardant) may or may not be required. This will depend on the final design, layout and orientation of the skate park, and so it cannot be costed at this stage.

- 2.7 The approximate additional cost to provide a temporary trackway to develop the Cross Levels Way is £21,000.

3.0 Consultation

- 3.1 The questionnaire (see Appendix 1) was designed to gauge opinion for the preferred site for a skate park and this was open for comment from the 22nd February 2013 until the 15th March 2013. This was distributed to local schools, sports centres and colleges within a one mile radius of the site and also to specialist shops in Eastbourne.

- 3.2 To ensure that the questionnaire reached all parts of the community it was advertised in the local newspaper, on the Council's website and a consultation plan was created. Posters were distributed and questionnaires were available in public venues such as the Hampden Park café. Officers also carried out some one to one questionnaire surveys within Hampden Park itself.

- 3.3 A public consultation event was held in the Community Centre on Brodrick Road. There were two time slots available, between 2 – 4 p.m. and 6 – 8 p.m. where there was the opportunity to view the questionnaire and larger plans and also to discuss the two sites with officers and councillors.

- 3.4 The results of the questionnaire have supported the Cross Levels Way site (Site A) and a summary of the results is shown below (see also Appendix 2):

- 319 questionnaire returns with 56% in support of Cross Levels Way and 44% in support of the disused rifle range.
- From the 179 questionnaire returns for Cross Levels Way, 48 were skate park users or potential users, representing 27% of the total questionnaire returns for this site. 131 returns didn't confirm whether they were skate park users or would use the facility representing 73% of the total questionnaire returns for this site.
- From the 140 questionnaire returns for the disused rifle range, 96 were skate park users or potential users, representing 69% of the total questionnaire returns for this site. 44 returns didn't confirm whether they were skate park users or would use the facility representing 31% of the total questionnaire returns for this site.
- A separate vote from Ratton School comprising of 167 votes through a show of hands was received. It provided no further data in relation to whether they were skate park users or potential skate park users.

- The results for Ratton School from their 167 votes were 81% in favour of Cross Levels Way and 19% in favour of the disused rifle range with no further measurable data provided from the school

3.5 Consequently the results show a preference for a skate park at Cross Levels Way. It is noted that this is not the preferred site for the potential users with only about a quarter of the votes for this site. One of the concerns of the users is the higher cost of making the Cross Levels Way site suitable for a skate park, therefore leaving less funding to provide the actual skate facility.

3.6 There were some specific references within the questionnaire returns:

- 9 references of Site B preventing other uses of this site
- 5 references to the police preferring Site A
- 5 references disputing the costs
- 4 references to better emergency access for Site A
- 4 references to overall access better for Site A
- 2 references to EBC biased consultation

All the relevant comments received will be considered accordingly as the project develops. Within the public consultation event, concerns were raised in relation to the additional costs associated with the development of Cross Levels Way in terms of the more difficult access.

3.7 The nearest neighbour to the Cross Levels Way Site is St Wilfrid's Hospice who has expressed no concern about the skate park being located close to their facility. The police have expressed no preference for either site and recognise that both will require some resource input to ensure that they don't attract anti social behaviour issues.

4.0 Visits to skate park potential locations

4.1 Cabinet members and ward councillors undertook direct consultation with representatives of both the skate park users and the FoHP at both of the potential skate park locations to hear the issues first hand. Visits took place on two separate occasions in June 2013, firstly with the representatives of the skaters, and secondly with the representatives of the Friends of The Hampden Park.

4.2 With regard to the meeting with the skate park users' representatives, the key issues that were raised were as follows:

- They have a very strong preference for the disused rifle range as they want to be included within Hampden Park as an integral part of the park community;
- They described it as being centrally located and easily accessible from Hampden Park as a youth hub in an area dominated by spectator sports, and they believe the skate park will attract casual spectators;
- They said that at the disused rifle range, skate park users would be closer to facilities such as the public conveniences, and they would

be far more likely to support the café and purchase food and drink there;

- Even with the prospect of additional funding, (at this time it was thought that a barrier to mitigate noise would be required) the proposal to provide a skate park in Cross Levels Way of equivalent financial value was not a scheme they favoured for the above reasons;
- They said that although the hospice had expressed no issues with the close proximity of a skate park, they felt uneasy and conscious of the noise generated which they believed would be disrespectful and limit design potential;
- The disused rifle range is very open and fully visible to other park users which will deter bullying and anti social behaviour;
- The Cross Levels Way site has well established BMX earth ramps and is well used and the only such facility in any of Eastbourne's parks. The skate park users suggested this could be enhanced as a built BMX "pump track" so that BMX users could still use it. It was suggested that noise wouldn't be an issue due to the fine gravel riding surface. This is a new proposal which could provide two new facilities.

There is insufficient space on the Cross Levels Way site to provide both a skate park and a BMX pump track, which would require removal of the existing earth ramps.

4.3

It was agreed that further discussion would be required with the Outdoor Bowls Club to highlight any issues or concerns, if the skate park location was to be at the disused rifle range. This discussion has taken place, and the following matters were raised by the Bowls Club;

1. Intrusion – they had previously met with the skaters' representatives, and accept that the skaters are responsible people, their concern is with non-skaters. They reported existing problems with youths gaining access to the bottom green and they would like this to be fenced.
2. They have confirmed they already have a high level of noise from the play area and have requested that the hedge to the south should be allowed to grow taller with EBC taking responsibility for cutting the top. They have also asked that this boundary is reinforced and there is additional planting.
3. They anticipate foot traffic through the lane between their club and the Indoor Bowls Club car park to the disused rifle range and they asked if this would be a laid path. This is being investigated.
4. They asked about the opening hours of the toilets (which are 07:00 to an hour after dusk), compared with the opening hours of the skate park, and they asked if the skate park would be fenced in with set hours. They also asked about policing and surveillance. The skate park will be open and not enclosed by a fence for use within set hours, and skate park users wouldn't use it in darkness as it would be dangerous. The police have acknowledged that additional resource will be needed to show a presence when it is opened.
5. They enquired about lighting to the lane between them and the play area, to the tennis courts. This is currently being explored, but it

appears to be a reasonable suggestion in that if the refurbished tennis courts are lit, the access to the courts should be.

The bowlers also asked if the Council could reinforce their boundary with spiky plants, which again, is reasonable irrespective of the location of the skate park, considering that they have been broken into twice recently. Additional "defensive" spiky plants have been ordered and improvements to security on the boundary with the disused rifle range are under consideration. The improved security to the lower green will require a capital bid through the service planning process.

4.4 With regard to the meeting with the Friends' representatives, the key issues that were raised were as follows:

- They have a very strong preference for the skate park to be at the Cross Levels Way site. They have ideas for the disused rifle range as a community project, and have worked on it with schools. They have ideas such as a communal area, planting, an earth stage, and covered seating. They would like to offer two facilities to the community, and if the skate park was to be located at the disused rifle range, it would curtail other possibilities. They made the point that these ideas can't be replicated at Cross Levels Way;
- The Friends are exploring potential sources of funding for the disused rifle range, and have a record of raising funds for the Park, such as the recent lottery grant to refurbish the Decoy Pond;
- They would like to see the BMX area reinstated and a new skate park on the Cross Levels Way site, and they don't want to see the park covered in concrete;
- They drew attention to the Ratton school block vote, in that 81% of the 11-16 year olds who voted showed a preference for the skate park to be located at the BMX track;
- They raised the issue of St Wilfrid's hospice, and they said that they had been advised that the hospice don't mind noise, it is preferable, and the hospice is located on a busy road, near to a supermarket and sports centre;
- They raised the issue of the location of the skate park at the disused rifle range, and whether it would be against the brick wall, as assumed by the consultant who prepared the preliminary noise assessment, or whether it would be nearer to the sports park, as shown on the Council's consultation document;
- They raised the issue about access, and explained that access to the Cross Levels Way site from the village and the station is on tarmac footpaths, and that the main cycle way is lit.

4.5 The following issues were raised at the visit, and further information was sought;

1. What would be the final location of the skate park if it was to be situated within the disused rifle range, and why has there been a change from the consultant's report, to that shown in the Council's public consultation?

The response to this is that when the potential skate park options were originally referred to the noise consultant, they assumed that

the skate park would be located against the wall in the disused rifle range. With regard to the public consultation, the Council considered various locations within the site, and moved the potential location further away from the nearest noise sensitive development, and nearer to the Sports Park. There will of course need to be further detailed advice from the consultant over the final location, layout, orientation and design of the skate park, once a site is selected. Further advice has now been sought about the location of the skate park with reference to the wall, and the consultant suggests that although it would be usual to locate a noise source as far away as possible from noise sensitive development, the best place in this particular location is in fact close to the brick wall, as it offers existing mitigation against noise.

2. If a barrier was to be built at Cross Levels Way, would any trees need to be removed?

This is no longer an issue, given the noise consultant's advice that a barrier is not required.

3. If there was a need for an extension to the wall at the disused rifle range, would any trees need to be removed?

The view of the consultant has been sought, and they recommend that trees are not taken down as although they do little in terms of absorbing sound, they will help to remove the visual stimulus which can sometimes increase the perception of noise. As the layout of the skate park is still unconfirmed they suggest it be designed so that if a barrier is needed it would not need to result in trees being taken down.

4. Does the earth bund and the planting at the boundary of the hospice provide sufficient mitigation and avoid the need for a sound barrier?

Please see paragraph 2.5 of this report. Since the site visit with the Friends of the Hampden Park, the noise consultant has advised that based on their calculations, no mitigation needs to be in place because of the existence of the earth bund. Trees do little in terms of absorbing sound.

5. If the final location of the skate park within Cross Levels Way was at the end of the site furthest away from the hospice boundary, and nearer to the sports park, would any mitigation in the form of a barrier be required?

The consultant has responded that they had already located the skate park as far away from the hospice boundary as possible.

5.0 Resource Implications

- 5.1 A sum of £120,000 has been allocated from section 106 budgets to fund the construction of the skate park. However with a decision to build at

Cross Levels Way there will be the need for a temporary trackway to be laid to protect the grounds throughout the build. The cost is estimated at approximately £21,000 for temporary access when either gaining access through the Indoor Bowls Club car park or through Sussex Downs car park, during the summer recess, the only time when access through their car park could be achieved.

There are also associated costs with building the skate park at the disused rifle range, approximately £7,000 for access, and an additional sum which cannot be quantified in the event of an extension to the existing brick wall being required. As previously indicated, this may not be required as mitigation may be possible with careful design/layout.

If a decision is taken to provide a BMX pump track at the Cross Levels Way site, there will be an associated cost. It is suggested that this is considered through the 2014/15 service and financial planning process. A BMX pump track will require planning permission. It is made of earth and fine gravel so there will not be the same noise issues in comparison with the ramps and grind rails of a skate park.

The maintenance of the skate park will be included in the Parks Ground Maintenance Contract, and contained within budgets identified within this service area.

The improved security to the lower green of the Outdoor Bowls Club will require a capital bid through the service planning process.

5.2 The costs associated with the temporary access to the Cross Levels Way site will reduce the available budget for the skate park, and it is recommended that a further sum of up to a maximum of £21,000 is allocated from Council budgets to fund the extra costs and to enable a reasonable facility to be constructed.

5.3 The costs associated with the temporary access to the disused rifle range will reduce the available budget for the skate park, and it is recommended that a further sum of up to a maximum of £7,000 is allocated from Council budgets to fund the extra costs and to enable a reasonable facility to be constructed.

5.4 The creation of the skate park facility will be managed within existing staffing resources.

6.0 Implications

6.1 Environmental Implications

6.1.1 The greatest environmental impact will be through the noise created by both the physical use of the new structure and the usual sounds of the participants who use the facility. Although there is an existing facility on the Cross Levels Way site, the earth ramps create none or very little noise through the use of this facility, and there is an expectation of a greater number of users at either site with the development of a new skate park.

- 6.1.2 The build material of the skate park will need to be determined through discussions with the skate park users but some returned questionnaires incidentally indicated a preference for a concrete facility. This will need to be verified as the preferred material, but the longevity of such a structure will far outlast structures manufactured from other materials like wood, which was used at the Sovereign Park skate park and has a 10 year lifespan.
- 6.1.3 Both sites have mature vegetation that is managed naturally for biodiversity and wildlife benefits. At the Cross Levels Way site, this forms a natural screen with the Sports Park and would provide some shelter from the prevailing wind. At the disused rifle range, the vegetation provides separation from the sports pitches.
- 6.1.4 It has been identified that there are aquifers under Hampden Park. The Environment Agency have advised the Council that both proposed locations for the skate park do not fall within any areas with sensitive water issues.

6.2 Community Safety Implications

- 6.2.1 Consideration will be given to recognised good practice for designing out crime within the selected location for the skate park, and will be a relevant factor when the final layout and design is agreed.

6.3 Youth Implications

- 6.3.1 The skate park will be open to all users and will typically attract skate boards, BMX bikes, scooters, skaters and provide other wheeled play opportunities.

The BMX pump track will be open to all users and will attract bikes.

- 6.3.2 There will be a second phase of consultation to determine the build material and consideration will be given to the longevity and sustainability of the preferred material. The second phase of consultation will be focussed on the skate park users to determine the build material, design and features within the skate park. This is likely, from previous experience, to be well attended and represented by youths.
- 6.3.3 The build of the skate park at the Cross Levels Way location will have an impact on the use of the existing earth ramps, used by BMX'ers currently, as there is insufficient space for all of them to remain alongside the skate park. However, if the skate park is built at the disused rifle range, there is ample space for a professionally designed BMX pump track at the Cross Levels Way site.

6.4 Equality and Fairness

- 6.4.1 The principles of Equality and Fairness have been considered and specific emphasis was applied to the existing focus and community groups, who are the Friends of the Hampden Park who represent the existing park users, and the representatives from the skate park users.

- 6.4.2 From the eight protected characteristics within the Equality and Fairness framework, the most consideration will be given to age as this has the greatest relevance for this project.
- 6.4.3 The wider issues of design and accessibility will be considered within a second exercise, directed more specifically towards the representatives from the skate park users, who will have a greater input into the actual design characteristics of the new facility as they will be the main users of the facility.

7.0 Summary

- 7.1 The results of the consultation have favoured the use of Site A, Cross Levels Way, through the return of questionnaires with 56% in support of this site and 44% in support of the disused rifle range. The returns from Ratton School which were submitted through a "show of hands" voting process supported the use of Site A also, with a much stronger variance of 81% in support of the site and 19% in support of the disused rifle range but did not identify any other data such as the numbers of skate park users and their preference.
- 7.2 However when considering the responses from the users of the new facility, there is a clear preference for the new skate park to be located at the disused rifle range, a majority of 69% to 31%.
- 7.2 If the Cross Levels Way site is the preferred option, the agreement to transfer the freehold from East Sussex County Council to Eastbourne Borough Council will need to be finalised, but the Heads of Terms have already been agreed in principal with ESCC in agreement to transfer of the freehold of the BMX site to EBC for a nominal fee.
- 7.3 The additional costs for both sites in terms of noise mitigation and access have been explored as fully as possible, and estimates have been made where necessary. The final costs will be subject to the design, layout, and orientation of the skate park. Further detailed advice will be sought from the consultant once the site has been selected, to ensure that the impact of noise is minimised.

Gareth Williams
Senior Specialist Advisor

Sue Oliver
Manager, Specialist Advisory Team

Background Papers:

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

Hampden Park Skate Park Questionnaire

Hampden Park Skate Park responses

Hampden Park Skate Park – Friends of the Hampden Park fact sheet

MAS Environmental Preliminary Assessment of Noise Impact December 2012

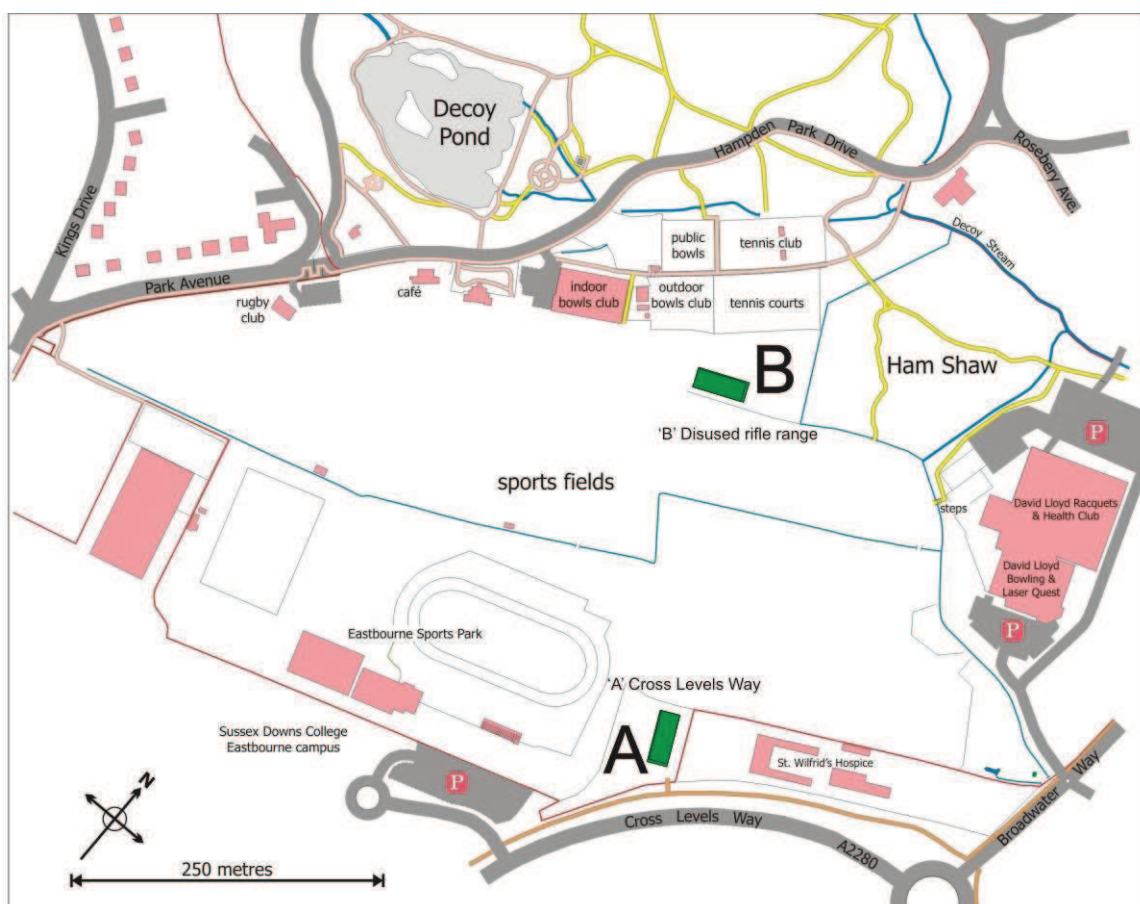
To inspect or obtain copies of background papers please refer to the contact officer listed above.

Hampden Park Skate Park Consultation

Eastbourne Borough Council have set aside a budget of £120,000 to build a skate park and this will be programmed for completion during 2014. Two locations within Hampden Park have been identified for the building of the new skate facility and the public are being asked to choose which site they prefer:

'A' Cross Levels Way Site – situated between the Sports Park Athletics Track and the new St Wilfrid's Hospice buildings. Earth BMX ramps are currently located here.

'B' Disused Rifle Range – situated on fallow land adjacent to existing outdoor tennis and bowls facilities and with the old rifle range back wall against the woodland of Ham Shaw at one end of the site.



Please put an 'X' in each box that represents your answers:

Are you a skate park user?

YES

NO

As a skate park user would you use the new facility?

YES

NO

Which is your preferred site for the skate park?

Both sites will require a level temporary access road to be built across the fields from Hampden Park Drive.

Location A. A temporary access road will need to be put in to build the skate park. Access to build at this location will be more costly than location 'B' and a noise barrier will be needed to screen the nearby hospice building. It is near a busy main road but isolated from the general park users by mature trees and bushes.

Location B. A shorter temporary access road compared with location 'A' will need to be put in to build the skate park. There is an existing wall to deflect noise from the nearest properties and it is central in the park being open and well overlooked from the sports areas. The Friends of the Hampden Park have suggested other possible outdoor recreational uses that could also be created here.

'A' Cross Levels Way

'B' Disused Rifle Range

Please return your completed questionnaire by noon on 15th March 2013.

Email returns to – parks@eastbourne.gov.uk

By post to – Skate Park Consultation, 1 Grove Road, Eastbourne BN21 4TW.

Please include your name, address and contact details so that you can be contacted with updates or invitations to participate in further stages of the development of this project.

Name

Contact details

Hampden Park Skate Park Consultation

For site A - Cross Levels

		number	%
User		36	20.11
Potential user		12	6.70
Status unknown		131	73.18
	TOTAL for A	179	99.99

For site B - Rifle Range

User		81	57.86
Potential user		15	10.71
Status unknown		44	31.43
	TOTAL for B	140	100.00

Site unknown/no preference	5
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Ratton School status unknown	TOTAL for A	135	81%
Ratton School status unknown	TOTAL for B	32	19%

Specific issues mentioned

Security fence required at B		1
Toilets required at B		1
Police prefer A		5
Antisocial behaviour potential at B		1
Use of B will prevent other uses there		9
Lottery funding from Friends		1
EBC biased consultation document		2
Emergency access better at A		4
Better overall access at A		3
Site B use detrimental to wildlife		2
Lighting bad for surroundings		1
Costs disputed by respondent		5

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BODY: CABINET
DATE: 10 July 2013
SUBJECT: Annual Accounts 2012/13
REPORT OF: Financial Services Manager

Ward(s): All
Purpose: To present the annual accounts and final outturn for 2012/13.
Contact: Pauline Adams, Financial Services Manager Tel: 01323 415979.

Recommendations: Members are asked to -

- i) Note the final outturn for 2012/13.
- ii) Approve the transfer to reserves and provisions as set out in paragraphs 2.3, 2.4 and 3.2.

1.0 Introduction

1.1 A report to the Cabinet meeting on 29 May 2013 set out the provisional outturn for 2012/13. The forecast was for a credit variance of £57,000 on service expenditure.

1.2 Since that time the work on closing the accounts has now been completed and the final outturn confirmed. The outturn will form part of the Statement of Accounts presented to the Audit and Governance Committee on 26 June 2013.

2.0 General Fund Final Outturn 2012/13

2.1 The general fund final outturn is a credit variance of £54,759 detailed in the table below and is in line with the provisional outturn forecast for service expenditure made at the end of May.

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	5,372	5,681	5,773	92
Community Services	37	1	(422)	(423)
Environmental Services	7,086	6,902	7,209	307
Tourism & Leisure Services	3,242	3,404	3,915	511
Service Total	15,737	15,988	16,475	487
Capital Financing Costs	745	769	769	-
Other Operating Income and Expenditure	(138)	308	(221)	(529)
Transfer to/(from) reserves	-	(857)	(868)	(11)
Total	16,344	16,208	16,155	(53)

Details of the service variances were reported to the May Cabinet and are summarised in the forward to the annual accounts.

2.2 The General Fund Balance at 31 March 2013 is £3,919,004. Details of other reserves are included in the accounts.

2.3 In addition to the transfers to and from reserves as approved by Cabinet on the 29 May 2013 a transfer of £643,721 was made to the Capital Programme reserve in line with the budget strategy representing the variance on capital financing costs. This includes savings on external interest payable due to the continued use of internal balances and the actual timing of capital spending incurred compared to the expected cash flow profile.

2.4 A provision for £78,000 was set up to cover the potential future liability as a result of the trigger of the scheme of arrangement with MMI allowing for the claw back of payments already made under the scheme if the outstanding claims cannot be fully funded by the company. This was following a recent court judgement relating to mesothelioma claims. Full details were reported to Cabinet on 12th December Quarter 2 Performance Monitoring Report and as a note in the statement of accounts.

2.4 The content of the accounting statements and notes differ from budget reports submitted to Cabinet during the year, in that Income and Expenditure is analysed according to the statutory national groupings set out in CIPFA's Service Reporting: Code of Practice (SeRCOP), rather than reflecting the management organisation of the Council.

3.0 Housing Revenue Account

3.1 There has been no change to the figure previously reported to the Cabinet on 29 May 2013. The final net expenditure for the year was £(178,000) a variance against budget of £(16,000). The Housing Revenue Account Balance as at 31.3.2013 is £2,178,762.

3.2 In addition to the transfers to and from reserves as approved by Cabinet on the 29 May 2013 a transfer of £298,020 was made to the Housing Regeneration and Investment Reserve in line with the budget strategy and the 30 year Housing Business Plan. This represents the variance between the budgeted and actual depreciation allowance.

4.0 Capital Expenditure

4.1 The final capital expenditure for the year was £12.3m compared to a revised budget of £12.4m a variance of £127,000 or 1%.

5.0 Statement of Accounts

5.1 Under the Accounts and Audit Regulations 2011 the deadline for the Council to approve the annual account is 30 September, after the external audit has been completed. The responsibility for this approval has been delegated to the Audit and Governance Committee. The draft accounts were submitted to the Audit and Governance Committee meeting on 26 June 2013 for noting. Any comments will be verbally reported.

5.2 The draft statement of accounts is available from Financial Services and an overview and key points of interest attached at Appendix 1.

5.3 It is the Chief Financial Officer's (CFO) responsibility to ensure the preparation of the Statement is in accordance with the CIPFA/LASAAC Code of Practice on local Authority Accounting in the United Kingdom (the Code). The CFO is also responsible for certifying that the accounts represent a true and fair view of the authority's financial position by 30th June.

5.3 There were a few minor changes to the presentation of the accounts for 2012/13 and full details were reported to the Audit and Governance Committee on 26 June 2013.

5.5 External audit (BDO) (previously PKF) is due to commence their work on 8 July and the accounts are open for public inspection between 5 July 2 and 1 August 2013. The date for questioning the external auditor has been set as 2 August 2013 until the end of the audit. All queries and questions must be put in writing to him and sent directly to his offices.

6.0 Summary

6.1 The 2012/13 accounts have now been finalised and have resulted in the outturn position on the general fund being in line with the provisional outturn reported to the Cabinet on 29 May.

6.2 There is a requirement to approve the statement of accounts 2012/13 by 30 September 2013. This responsibility has been delegated to the Audit and Governance Committee.

Background Papers:

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

Draft Statement of Accounts 2012/13

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code) and Guidance notes for practitioners

Final Accounts Working Papers 2012/13

Cabinet Report 29 May 2013: Corporate Performance – Quarter 4 2012/13.

Audit and Governance Committee Report 26 June 2013: Account Accounts 2012/13.

Overview of the 2012/13 Statement of Accounts.

Introduction

1. The content and format of the accounts is as prescribed in the Accounting Code of Practice (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Under the oversight of the Financial Reporting Advisory Board.
2. The code is based on approved accounting standards issued by the International Accounting Standards Board except where these are inconsistent with specific statutory requirements. The code constitutes proper accounting practice under the terms of section 21(2) of the Local Government Act 2003.
3. This overview summarises the contents of the accounts and draws Members' attention to the reasons for any significant variances in the 2012/13 position when compared to 2011/12.

Explanatory Foreword and Key Points of Interest

4. The foreword provides a brief summary of the outturn on the revenue and capital budget and sets out the context in which the accounts are produced giving rise to the financial position shown as at 31 March 2013.
5. The most significant changes for the Authority finances in 2012/13 were:
 - Total general fund underspend on service expenditure for the year of £53.500. This figure is in line with the Budget Monitoring reports submitted quarterly to the Cabinet and the provisional outturn reported on 29 May 2013.
 - A decrease in the general fund balance of £744,000, resulting in a balance as at 31 March 2013 of £3.9m.
 - An increase of £4.1m in the pension liability due to actuarial assumptions. The pension fund assets and liabilities are due to be revalued as at 31 March 13 and will be reported in the autumn.

Statement of Responsibilities

6. This sets out the respective responsibilities of the Authority and the Chief Finance Officer (Section 151 Officer) in relation to the production of the final accounts.

Auditors Report

7. The External Auditors will provide an independent opinion as to whether the statement of accounts presents fairly the financial position of the Council at 31 March 2013 and its income and expenditure for the year. Following approval of the accounts by Members the External Auditor will issue his report for inclusion in the final published accounts.

Movement in Reserves Statement

8. This statement shows the movement in the year of the different reserves held by the Council, including both usable and unusable reserves. (Unusable reserves are technical adjustment accounts to record notional assets and liabilities such as pensions, revaluations etc.)

Comprehensive Income and Expenditure Account

9. The comprehensive income and expenditure account shows, in the format required by the Code, all day-to-day expenses and related income on an accruals basis incurred in providing all services for the year. The deficit/surplus is akin to that of a large unlisted UK company and does not reflect the balance on the General Fund, which is shown on the statement of movement on reserves.
10. In order to reflect the cost of utilising assets in the provision of services, as required by the Code, gross expenditure on operations includes charges such as depreciation and the write off of revenue expenditure financed from capital under statute (REFFCUS). (This is where expenditure is incurred that does not relate to an asset in the ownership of the Council, such as improvement grants). However, these adjustments are not intended to impact on the Council Taxpayer and their effect is therefore neutralised by entries reflected in the Movement in Reserves Statement. These ensure that the Council Tax is charged only with the interest costs of borrowing and the statutory provision for the repayment of debt.
11. Similarly the cost of retirement benefits is included in the net cost of services when they are earned by employees, rather than when the benefit is paid out as pension. The impact of the notional charge (which is a requirement of IAS19) is reversed out in the Movement in Reserves Statement and replaced by actual employer contributions to the pension fund.
12. After taking all these reconciliation items into account the general fund underspend was £53,500, resulting in a transfer from the general fund balance of £744,000 compared to

the planned budget contribution of £628,000. The general fund balance as at 31 March 2013 stands at £3.9m.

Balance Sheet

13. The balance sheet sets out the financial position of the Council as at 31 March 2013. The statement shows the balances and reserves at the Council's disposal, its long term indebtedness, and the fixed and current assets employed.

14. A summary of principal movement is as follows:

Item	31.03.12 £'000	31.03.13 £'000	Change £'000
Creditors (money we owe)	(12,146)	(10,614)	(1,532)
Debtors (money owed to us)	7,569	7,958	389
Fixed Assets	250,611	251,211	600
Pensions Liabilities/Reserve	(24,721)	(28,845)	(4,124)
Cash and Investments	4,112	7,257	(3,145)
Borrowings	(34,485)	(39,490)	5,005
Earmarked Reserves	(3,847)	(3,444)	(403)
General Fund Balance	(4,663)	(3,919)	(744)
Housing Revenue Account	(2,001)	(2,179)	178

15. The amount owed by the Council to its short term creditors has increased by £1.1m due to an increase in the amount of NNDR to be paid into the national pool.

16. Net cash and bank balances (less cash balances overdrawn) as at 31 March have increased by £5.0m due to the conversion of short term investment of £1.9m into call accounts and additional investment in call accounts of £4.8m.

17. A decrease in short-term borrowing of £3.5m due to the loan maturity and subsequent repayment.

18. Long term borrowing has increased by £8.5m due to replacing the matured short term borrowing with longer term borrowing and new borrowing taken on to replace the use of internal cash balances being used to internally finance capital expenditure. This action was taken to take advantage of low borrowing rates and is in line with the Council's treasury management strategy. .

Notes to the Core Financial Statements

19. The notes to the core financial statements are intended to provide supporting information to the figures shown in both the income and expenditure account and the balance sheet. They have been prepared in accordance with the Code.

Supplementary Single Entity Accounts

20. The housing revenue account and accompanying notes represents the income, expenditure and government subsidy incurred in operating the Council's housing stock. The surplus for the year was £177,670 and the housing revenue account balance as at 31 March 2013 was £2.1m.

21. The collection fund and accompanying notes account independently for income relating to council tax and non-domestic rates on behalf of all precepting bodies (i.e. the authorities for which the income has been raised, including the Council's own general fund). The surplus balance of £114,570 is to be recovered from each precepting body in proportion to its Band D Council Tax during 2013/14 & 2014/15. This balance is separated on the Balance Sheet between the precepting authorities to reflect this Council's own financial position rather than a group position of the Collection Fund authorities.

Cash Flow Statement and Notes

22. This statement summarises the inflows and outflows of cash arising from transactions with third parties for both revenue and capital purposes.

Group Accounts

23. The Council is required to show the material interest that it has in any subsidiary and associated companies. The group accounts are structured in line with the authorities' core accounting statements and are accompanied by notes in the same way. It has been identified that the only requirement for consolidation is with Eastbourne Homes Ltd.

BODY:	CABINET
DATE:	10th July 2013
SUBJECT:	Medium Term Financial Strategy 2013-2017
REPORT OF:	Chief Finance Officer
Ward(s):	All
Purpose:	To set out an overarching financial strategy to support the Council's strategic priorities and plans over a four year period.
Contact:	Alan Osborne, Chief Finance Officer, Tel 01323 415149 or internally on ext 5149
Recommendations:	Members are asked to: i) Approve the updated medium term financial strategy 2013-17 as summarised in Appendix 2 . ii) Agree the balance of assumptions made in the strategy and request that the strategy be brought back to Cabinet if there are material changes to the balance of assumptions prior to the 2014/15 budget setting. iii) Request that the emerging budget proposals for 2014/15 be brought to Cabinet in December prior to detailed consultation. iv) Agree the principal risks of the strategy in Appendix1 .

1. Executive Summary

The strategy:

- takes into account further reductions in Government support of 12%
- assumes no real terms increase in Council Tax
- assumes a flat council tax base over the cycle
- assumes growth in retained business rates of 1% per annum
- targets recurring savings rising to £2.1m over the next three years
- models further benefits realisation from the DRIVE programme of £1.2m per annum
- assumes savings in procurement rising to £0.3m per annum
- follows a priority based budget system to preserve front line services
- targets further efficiency savings to be realised of £0.6m per annum from services and/or new income streams

- allows for £0.6m of annual growth in the Capital Programme
- preserves reserves above the minimum levels
- continues to zero base reward grants, to allow investment as and when received
- provides resources to honour nationally agreed pay awards
- makes allowances for increases in National Insurance contributions and increased costs due to pension auto-enrolment
- allows funding for unavoidable growth in service costs of £200k per annum
- maintains a strategic change fund (c£1m) to support DRIVE and invest to save
- maintains an economic development Reserve (c£0.5m) to recycle new homes bonus allocations into the local economy
- maintains a repairs and maintenance reserve to support asset management (c£1m)
- keeps a revenue contingency to meet unforeseen expenditure/loss of income at around 2% of the net budget (£300k)

2. Introduction

The Medium Term Financial Strategy is a Rolling 4 year Strategy that takes into account:

- The external financial environment
- The overall financial demands of services
- The Council's existing and projected financial resources
- The Council's political priorities and stated aims
- The Council's DRIVE transformation programme
- The Council's sustainable service delivery strategy
- The Council's corporate plan
- The major service strategies and plans

- 2.1 The MTFs was last approved in July 2012 and set the challenge to the 2013/14 budget setting process as well as a updating the three year financial strategy.
- 2.2 In common with all the public sector the medium term outlook for the Council is extremely challenging and in order to protect and improve services an ambitious ongoing programme of savings is key to success. With more radical measures required, it is essential that the Council takes a longer term approach to savings as more radical savings initiatives will inevitably take longer to plan and deliver.
- 2.3 Over the life of the current parliament the Coalition Government has effectively reduced the general support to the Council by some 40% in cash terms which equates to 50% in real terms.
- 2.4 Whilst the previous Government's 4% annual efficiency target has not been replaced with a specific target, in order to protect front line services this Council put in place a priority based budget system that yielded a cumulative 25%

efficiencies in its first three years of the Comprehensive Spending review period (£3.7m) This was in excess of the reduction in grant for 2011/14 (£3m) thereby creating some headroom to reinvest in services as well as preserving the overall reserves position.

- 2.5 The Council's DRIVE programme provides the programme to deliver efficiencies that support the Council's Corporate Plan. The MTFS and Capital Strategy identify and direct resources at a strategic level, which are then compounded via the service and financial planning and budget setting process.
- 2.6 In setting the last four yearly budgets the Council has achieved its "Golden Rule" of meeting its ongoing budget requirement from ongoing resources in each year. Technically, the rule applies to the cycle of an MTFS, and it is reasonable to use reserves to smooth out the budget as savings accrue over the cycle. By not using reserves in this manner it has meant that reserves over the minimum level are available for one off investments in services decided via the service and financial planning process.
- 2.7 The Council, as a registered social landlord is obliged to run a Housing Revenue Account (HRA) that is statutorily ring-fenced from its general fund. A 30 year revolving business plan has been adopted for the HRA and only the statutory interaction between the HRA and the general fund is acknowledged in the MTFS.

3. Sustainable finance

- 3.1 The basic legal definition of a balanced budget is that planned expenditure can be met from income and reserves.
- 3.2 Whilst that definition is the legal minimum, it does not provide for sustainability if reserves are used in the long term to resource any differences between ongoing expenditure commitments and ongoing incoming resources.
- 3.3 Therefore it is proposed that over the cycle of this MTFS ongoing expenditure must be financed from ongoing resources with only non recurring investments being met from any surplus reserves.
- 3.4 As with all Councils the effect of inflation is felt on gross expenditure, whilst any increase in council tax or grant is based on a net position. This "gearing effect" means that there is a natural gap of c£400k per annum that needs to be met from efficiencies (approx 3% of net spend) if services are to be protected. This is on top of the austerity programme reductions outlined in 1.3.
- 3.5 Given the current reduction in grant and the inability to raise council tax in real terms, the Council has to look to longer term measures to maintain sustainable finances. These include measures under the Sustainable Service Delivery Strategy (SSDS) and the growth of income streams.

4. The National Financial Picture

- 4.1 The coalition Government has set out a plan to significantly reduce the nation's structural budget deficit by the end of the parliament and beyond.
- 4.2 This involves various measures that will reduce the amount of resources to local government including:
- A 40% reduction in central government support 2011-2016
 - Combining various grants in a "single pot"
 - A 10% cut in funding for the local council tax support scheme which replaced housing benefit subsidy in 2013/14.

The Government is currently carrying out its next CSR that will come into force in 2015.

- 4.3 The current extended period of low interest rates reduces the income to the council as it generates investment income due to positive cash flow and reserve balances. Therefore the Council has adopted a stabilisation measure that takes interest received on balances, interest paid on debt, capital repayment of debt and revenue contributions to the capital programme as a single capital financing budget.
- 4.4 The Government continues to target an inflationary rate of 2% using its preferred method of Consumer Price Index (CPI) although the rate is currently 2.4% and has averaged over 3% in the last three years.
- 4.5 The actual effect of the national deficit reduction programme to this Council has been the amount made available via the Revenue Support Grant (RSG). The Council received £8.9m in RSG in 2010/11. This support has already eroded by a third and will further erode to represent a real terms reduction of around half by the end of this strategy.
- 4.6 Against this backdrop service demands on Councils are ever increasing with demographic and downturn causal effects.
- 4.7 In his 2013 budget statement, the chancellor suggested that a cap on public sector pay rises would be 1% for at least two years.
- 4.8 The Government has already reduced the benefits paid to members of the local government pension scheme, by pegging future increases to the CPI instead of RPI. This has had the effect of increasing the overall funding of pensions schemes and therefore reduces the demand for future increases in employer contributions. Further changes are outlined in the current Pensions Bill which are likely to at least mitigate future funding pressures. The strategy assumes no increase in employer's contributions after the next triennial valuation is announced later in 2013. The Council will however have to find additional resources to fund "auto enrolment" due to start in November 2013.

5. The strategy commentary and main assumptions

5.1 Issues arising from previous years

The Foundation of any sound financial plan is a predictable budget to outturn position. The 2010/13 outturns, whilst containing normal variances in year, resulted in a positive overall variance due mainly to increased performance in housing benefit overpayment recovery. Some underlying issues in the discretionary areas have been recognised in setting the 2013/14 budget.

5.2 Inflation on goods and services

The Government has a long term commitment to retain an inflation rate of 2% per annum (CPI) although the rate is currently 2.4%. The strategy assumes 2% inflation from 2014/15.

The Council, in common with most, does not add inflation each year to all its supplies and services budgets as this would add some £400,000 per annum.

Instead, it assumes a level of continuous improvement in procurement allowing for only contract inflation that cannot be negotiated downwards to be applied at a cost of some £250,000 per annum (CPI). An allowance of £50,000 per annum for other unavoidable inflation (such as energy and business rate increases) is contained in the strategy.

5.3 Pay inflation

One of the major costs in a District Council is the cost of its employees. This accounts for some £12m for this Council.

The current economic climate has some relief in this respect to the Council.

The strategy assumes the following increases based on the Government announcements and inflation targets:

Year	Pay inflation
2013/14*	1%
2014/15	1%
2015/16	2%
2015/16	2%

* The 2013/14 situation is not currently resolved although there is an extant 1% offer from the employers.

5.4 Pension costs

The increase in the Council's increase to employer contributions to the East

Sussex Pension scheme is currently capped at 1% over 3 years (0.33% per annum increase) This expires in March 2014.

The next triennial revaluation of the fund is currently taking place which will set rates effective from 2014/15. With the recent change from RPI to CPI as the annual index, and the potential changes arising from the Pensions Bill including a career average instead of final salary scheme, the strategy assumes no increase in employer contributions after the current revaluation.

The Council currently recoups its past service deficit a % of pay, however the fund actuary may require councils to amortise this deficit on a cash basis due to the risk of falling payroll numbers.

If a choice exists from 2014/15, then the decision as to whether to switch payment methods will be included in the budget setting process. In theory there is no material difference in the overall cost.

5.5 Fees and charges

The Council currently receives income from fees and charges for its services of around £13m.

The Council has been reducing its exposure to income targets in areas affected by the economic downturn in successive budgets. In setting the 2013/14 budget a targeted increase of £300,000 was built into the budget. This was offset partially by reducing some unachievable income targets via the service and financial planning process.

It is assumed that for the year 2014/15 an overall gain of £200,000 (1.5%) per annum will be realised in fees and charges (mainly inflation) but and this will increase in subsequent years (to 2%) as the economy recovers.

Individual service and financial plans will still strive to achieve some real terms increases where it is felt appropriate and achievable.

5.6 Interest Rates

The current bank "base rate" is 0.5% and has been since March 2009.

There are differing forecasts in the future profile of interest rates which are largely dependent on a recovery and inflationary pressures in the economy. Most analysts now predict that there will be a very slow recovery and rates will only increase modestly in the period 2013/16.

The Council's treasury management advisor (Sector Ltd) is forecasting a small increase in the rate to 0.75% in 2014/15 rising to 1.75% by the end of 2015/16.

The strategy assumes no increase in overall yield from interest rate rises over

the life of the MTFS. Any increases that do occur will have a short term effect of increasing the amount of resources available to the Council (around £100k per percentage point) however the strategy will recycle these into capital financing as longer term interest rates used for borrowing purposes will increase too.

5.7 Council Tax

In closing the 2012/13 accounts, The Council has a declared a collection fund surplus of £24,000.

It is inevitable that surpluses and deficits will arise due to the fact that the tax base has to be estimated 3 months before the start of the year and the actual position is subject to collection fund performance as well as changes in the tax base in year.

The Council has taken advantage of the Government's tax freeze grant for the last three years. The grant for 2013/14 (£80,000) is not paid in future years despite the permanent loss of the revenue that would accrue from a rise.

The strategy assumes rises of 2% (based on CPI target) from 2014/15 i.e. no real terms increase in council tax across the life of the MTFS.

The strategy also assumes no increase in the overall council tax base, although some housing development is still in the pipeline. The Base will be reassessed annually.

5.8 Government Grants/Retained Business Rates

The Council currently receives £3.4m of revenue support grant.

In addition the Council now retains a proportion of business rates (£3.6m) collected based on 40% of the real increase in those collected using a base year of 2011/12. Increases in the retention from business rates are designed to promote local growth. The strategy assumes that business rate retention will rise by 1% per annum based on rate increases, although initiatives such as the Town Centre and Sovereign Harbour developments should contribute a further retention in future years.

In respect of reward grants the strategy continues to zero base these on the basis that if grants are received then spending plans can be brought forward to match the grants. The economic regeneration reserve was created in 2011/12 in order to facilitate this.

The new Homes Bonus is a reward grant that currently gives c£1800 for each new property brought into use/constructed and is paid for six years. The council's policy is to treat this grant as "one off" and use it for economic regeneration initiatives. In 2013/14 there is a small element (£130k) of the grant (£550k) that is used to support the budget, however the MTFS assumes

that this will be eliminated by 2014/15.

The third type of grant is specific grants for the purposes of running individual services e.g. housing benefit administration and NNDR collection grants. The service and financial planning process deals with fluctuations in such grants with a view to matching the cost of the service against the grant received.

5.9 Revenue headroom for new or enhanced services

The Cabinet has indicated that it would like to continue the migration of resources from non priority areas to priority areas over the life of the MTFS.

Clearly any headroom can only be achieved if savings achieved are greater than the reduction in resource due to funding changes and the effect of inflation.

The strategy assumes that an average minimum of £700k per annum of savings is required to make good the loss of grant and the effects of inflation as well as provide £200k per annum for growth.

The service and financial planning process and the detailed budget proposals will identify whether headroom can be created by making savings in excess of the minimum need and other agreed growth.

One of the Council's main priorities is to increase the amount of available capital for development. The strategy provides for reinvestment of savings to the tune of £630k in capital financing. This would support over £10m of future capital spending at current long term interest rates.

5.10 Savings

Taking all known factors and assumptions as outlined above the Council needs make a minimum level of new savings of £700k per annum over the life of the MTFS.

The Council has set out a number of corporate initiatives in order to help facilitate savings under the auspices of DRIVE.

The principal programmes are now under the Sustainable Service Delivery Strategy (SSDS)

Whilst these programmes have stretch targets that have been agreed as part of each individual programme, this strategy assumes the following bankable savings accruing as set out below. This does not alter the targets set for each programme, but merely reflects what can reasonably be counted at this stage. Service and financial planning will provide more certainty as each year approaches.

Programme	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
SSDS	250	300	600	300
Service Based	170	200	200	200
Procurement	1100	100	100	100
Total	1520	600	900	600

This represents an average of £0.7m of new recurring savings each year.

5.11 The Housing Revenue Account (HRA)

The HRA is ring fenced from the General Fund although should it fall into deficit then it would have to be subsidised by the general fund.

Transactions between the HRA and the general fund comprise three main elements:

- Interest on the HRA balances paid to the HRA
- Debt charges paid by the HRA to the General Fund
- Recharges from the General Fund to the HRA for support services

For the purposes of this strategy it is assumed that there is no change to the existing overall level of transactions between the accounts.

From 2012/13 the HRA became more like the general fund in that it needs to assess the cost of its capital programme against the resources available in the HRA, now that the subsidy system has been disbanded. Responsibility for setting rent levels is now localised however controls over rent levels and borrowing limits remain.

A 30 year business plan was adopted by the Council February 2012, and the HRA now needs to be subject to an annual service and financial planning process in the same way as the general fund, this has begun and will feature in the 2013/14 budget setting process.

6. Reserves

6.1 The Council has the following main fund/reserves:

Revenue

- General fund reserve – As a contingency and support the corporate plan
- Strategic change fund – to support the DRIVE programme
- Repairs and maintenance fund – to support the asset management plan
- Economic regeneration fund – to support the local economy

Capital

- Usable Capital Receipts – earmarked for future capital schemes

In addition the Council holds funds on behalf of others e.g. section 106 contributions.

- 6.2 The 2012/13 accounts show the balance available to the general fund to be £4.1m. This is the assumed starting point for the MTFS. There is a planned draw on reserves to meet non recurring expenditure in 2013/14 of up to £393,000. In subsequent years this is expected to average around £200k per annum during the MTFS.
- 6.3 The previous MTFS recommended a minimum general fund reserve of at least £2m. The budget paper in February itemised the risks and as they have not changed significantly in the interim, it is assumed that the minimum level of reserves is fixed at £2m for the MTFS, although this will require review during the budget setting process for 2014/15, once the localised council tax support scheme is introduced as this is likely to increase financial risk at least in the short term.
- 6.4 The strategic change fund was established in 2009 in order to help facilitate the release of ongoing savings. This reserve is a key enabler for change and it will need replenishing in time. The reserve currently has a balance of £1m.
- 6.5 The repairs and maintenance fund had a balance of £0.6m at 31.3.13 has been used to support the asset management plan, high priority and corporate asset non capital items are financed from this fund where they cannot be met from the service budgets. Contributions are made each year from revenue.
- 6.6 The system of carry forwards finished in 2010, with the exception of partnership and third party funds. The Council now follows a policy of pooling all general reserves which better facilitates corporate planning. It is not intended to reintroduce carry forward of unspent budgets.
- 6.7 The Council has had a conscious policy of keeping reserve levels above minimum levels in reaction to the recession and the continued squeeze on public sector spending. The MTFS summary (appendix) shows that the general reserve will be reduced over the life of the MTFS to an estimated £3.2m
- 6.8 In 2011, the Council set aside £500,000 from general reserves in the economic regeneration reserve to pump prime initiatives aimed at promoting the local economy and creating new income streams for the Council to help offset the reductions in Government funding. This fund has already started to make a difference and the current policy is to use any unbudgeted new homes bonus to top it up over time.

7. The impact of the capital programme

- 7.1 The Capital Programme has an effect on the Councils revenue finances as any investments that cannot be met from grants, contributions, capital receipts or straight revenue funding need to be met from borrowing. This has to be repaid with interest from revenue over time.
- 7.2 The Council has recently repaid some £30m of borrowing in the Housing Revenue Account as it entered the "self financing" regime in 2012/13.
- 7.3 The General Fund policy is to use borrowing only on a business case basis (e.g. Solarbourne). Such borrowing is fully financed by way of interest charges and the Minimum Revenue Provision (MRP) which is the capital repayment. As new schemes that require borrowing are approved, the Council has to make provision for repayment via the capital financing budget. The capital repayment element of any borrowing is only required once the scheme is finished.
- 7.4 It is up to Councils to set their own MRP and balances of Capital Receipts and Contributions can be offset to reduce this liability in the short term, although this only provides for short term relief against the cost of capital. The current policy of the Council is to pay 4% MRP on historic debt and MRP based on the useful life of assets created since 2011, however the Council's Treasury Management Strategy does allow some flexibility to adjust this in future if necessary.
- 7.5 Capital investment can be used as "invest to save" therefore borrowing is an important tool in the overall financial strategy where savings exceed the cost of capital.

8 Consultation

- 8.2 It is a requirement to consult with the business and voluntary sectors over the detailed budget proposals that will emerge from this strategy in the autumn.
- 8.3 The Joint Staff Committee is briefed regularly as the process emerges.
- 8.4 Staff are consulted via the Managers Forum and "Drop in Sessions" held periodically.

9. Conclusions

- 9.1 In order to maintain sustainable finances the Council will need to make new efficiency savings or income streams to the order of £0.7m per annum.
- 9.2 Due to the scale of the challenge the programme of change will require more radical measures for savings that often have a lead in period of 1 to 2 years, therefore the SSDS programme is a key enabler to meeting this challenge.

9.3 The MTFS both collects the financial effects of demand and supply changes and informs the corporate change agenda.

Alan Osborne
Chief Finance Officer

Background Papers:

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

Cabinet Reports: – Finance Matters (Standing Item)

- *Budget and Council Tax Setting February 2013.*
- *MTFS – July 2012.*
- *Statement of Accounts – July 2013.*

Audit Committee- Final Accounts- June 2012.

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

Risk / Effect	Contained in Strategy and budget setting	Other Mitigation
Income Reductions due to demand changes	<ul style="list-style-type: none"> • Statutory recession hit income budgets adjusted each year as part of service and financial planning • No real growth assumed in overall income targets in 2013/17 • The economic regeneration fund set aside to aid regeneration and contribute new sources of income • Interest receivable budget set at current low interest rate • Unachievable income budgets reviewed during service and financial planning • Programme savings targets being set higher than the assumed delivery in the MTFS • Reserves above the minimum 	<ul style="list-style-type: none"> • Service and financial plans to test possible income generation activities and price sensitivity • New sources of income explored in service plans. • Planning at 2 levels in service and financial planning process to challenge assumptions • Review of governance of discretionary services underway
Government Support Being Reduced even further than forecast	<ul style="list-style-type: none"> • Assumption follows the Governments announcements to date • Prudent estimates of future income flows • Zero basing of reward grants • Reserves above minimum level 	<ul style="list-style-type: none"> • Possibility of service alterations to a modified level • Change assumptions during budget setting • Update MTFS early in the event of material change • Priority based budget system has flexibility to adapt

Benefits Performance reducing due to scale of changes	<ul style="list-style-type: none"> • No surplus built into base budget • Resources allocated in 2013/14 budget 	<ul style="list-style-type: none"> • Service review of delivery arrangements • Mobilise resources from other areas if performance hit by staffing shortages • Relieve service with further one off resources to avoid performance drop
Savings not being delivered	<ul style="list-style-type: none"> • Matching growth choice with performance of savings delivery • Strategic Change Fund to support invest to save • Capital Invest to save available case by case • Reserves well above minimum level can be used to smooth out fluctuations • Level of Revenue contribution to capital can be varied in the short term 	<ul style="list-style-type: none"> • Use compensating savings in short term • Reduce discretionary spend in year • Review minimum revenue provision to slow down capital repayment

Summary of MTFS 2013-2017

General Fund

	2013/14	2014/15	2015/16	2016/17
Total Budget b/f	16,334	15,658	15,634	15,432
Less non recurring items	(628)			
Adjusted Base Budget	15,706	15,658	15,634	15,432
Pay and Price Inflation				
Pay Award and Increments	105	120	240	240
Pensions (auto enrolment)	30	50	0	0
Inflation on Contracts	235	250	250	250
Other inflation	0	50	50	50
Service Growth	1,104	200	200	200
Capital Financing	302	100	200	330
Increases in Income	(300)	(200)	(250)	(250)
Total Budget Demand	17,182	16,228	16,324	16,252
RSG/Retained Business Rates				
RSG 2012/13 = (7,012)	(3,401)	(3,288)	(3,000)	(3,000)
Retained Business Rates	(3,503)	(3,573)	(3,645)	(3,717)
Council Tax local scheme grant	(1,212)	(1,212)	(1,212)	(1,212)
Council Tax Grant	(83)	0	0	0
New Homes Bonus (in base)	(134)	(134)	0	0
Total External Funding	(8,333)	(8,207)	(7,857)	(7,929)
Council Tax				
Relevant Amount	33,310	33,310	33,310	33,310
Collection Rate	0.975	0.975	0.975	0.975
Tax Base	32,477	32,477	32,477	32,477
Band D Charge	224	229	233	238
% Increase in Council Tax	0%	2%	2%	2%
Collection Fund Surplus	(22)	0	0	0
Total Council Tax	(7,303)	(7,427)	(7,575)	(7,727)
Total Sources of Base Funding	(15,658)	(15,634)	(15,432)	(15,656)
Gap in Funding	1,524	594	892	596
Efficiency Savings General	(169)	(200)	(200)	(200)
SSDS	(250)	(300)	(600)	(300)
Procurement Savings	(1,105)	(100)	(100)	(100)
Residual Gap / (Surplus)	(0)	(6)	(8)	(4)
General Reserves B/F	(4,400)	(4,007)	(3,813)	(3,621)
Non recurring growth	393	200	200	200
Use of General Reserves	(0)	(6)	(8)	(4)
Reserves C/F	(4,007)	(3,813)	(3,621)	(3,425)

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Agenda Item 10

Body:	Cabinet
Date:	10th July 2013
Subject:	Sustainable Service Delivery Strategy Programme – Implementation of the Future Model Phase 2
Report of:	Deputy Chief Executive
Ward(s)	All
Purpose	<ul style="list-style-type: none">• Review the implementation of Phase 1 of the Future Model• Approve the Business Case and implementation of Phase 2 of the Future Model
Decision Type:	Key Decision
Recommendation:	It is recommended that Cabinet: <ol style="list-style-type: none">(1) Note the success of Phase 1 Future Model programme(2) Approve the Business Case and outline Implementation Plan for Phase 2 of the Future Model(3) Acknowledge the customer and economic value of aligning the activities of Eastbourne Borough Council (EBC) and Eastbourne Homes Limited (EHL) and approve the commencement of discussions to facilitate this outcome, while retaining EHL as a viable Arms Length Management Organisation (ALMO)(4) Approve the programme resources and budgets outlined in this report.(5) Approve the procurement approach outlined in this report, including the exceptions to contract procedure rules.(6) Delegate authority to the Deputy Chief Executive in consultation with the DRIVE Programme Board to run the programme within the allocated resources, reporting to Cabinet quarterly on progress, or for exceptions.(7) Delegate authority to the Chief Finance Officer to determine to appropriate allocation of costs against revenue and capital funds.
Contact:	Julian Osgathorpe, Deputy Chief Executive Telephone 01323 415008 or internally on extension 5008. E-mail address julian.osgathorpe@eastbourne.gov.uk Or Henry Branson, Senior Head of Infrastructure Telephone 01323 415155 or internally on 5155 E-mail address henry.branson@eastbourne.gov.uk

1.0 Background/Introduction

- 1.1 Cabinet approved the Sustainable Service Delivery Strategy (SSDS) in 2010 as a response to the continuing economic pressures facing the Council. The purpose of the Strategy is to examine a range of potential methods for improving the cost effectiveness of our services. Five alternative approaches were identified in the Strategy, four of which are predicated on finding a partner organisation.
- 1.2 In July 2011 it was reported to Cabinet that the work undertaken to date indicated that, in the absence of a partner organisation, the most viable of these approaches is Option 5: Continued direct service provision by EBC. This will involve the implementation of the next phase of the DRIVE transformation programme through the adoption of the Future Operating Model for Eastbourne Borough Council. The benefits of this approach were estimated at £1.5 – 1.6m across the whole organisation.
- 1.3 In December 2011 Cabinet received a report on the development of a business case for the implementation of the Future Operating Model in Development and Environment and Infrastructure.

This report explained the key concepts and philosophies of the Future Operating Model, along with a high level assessment of the anticipated costs and benefits of adopting the model and implementing the first phase of the change.

Cabinet endorsed the principles of the Future Operating Model of service delivery and approved the finalisation of a full business case for the adoption and implementation of the Future Model across Development and Environment and Infrastructure under Option 5 of the Councils Strategic Service Delivery Strategy (SSDS).

- 1.4 In April 2012 Cabinet approved the Business Case and Implementation Plan for Phase 1 of the programme. This business case identified benefits of £538k against costs of £1.25, and a payback period of a little over 2 years.

2.0 Lessons Learned from Phase 1

- 2.1 Phase 1 has now largely been successfully delivered.

The programme has over performed in terms of delivering benefits (c£560k against £538k) and is within its cost envelope. It has also been hailed as a success with the new Customer First structure proving to be an effective and popular innovation.

- 2.2 Notwithstanding the success of Phase 1, there have been a number of key learning points which we need to take into account in the planning and delivery of Phase 2:

- Feedback from staff and Unison has been that they would like to see the overall programme completed sooner than originally planned
- The development of customer journeys and organisational structures has showed that it is not always easy to treat different professional

- areas separately
- With more of the technology developed and available to the programme than was the case in Phase 1, it is possible and desirable to bring the technology and process workstreams closer together than was the case during Phase 1

2.3 Taking these lessons into account, the scope for Phase 2 has been enlarged. As a result, rather than deliver the Future Model over three roughly equal phases it is now proposed that Phase 2 will be significantly larger, and be delivered over a longer period, than Phase 1.

The processes and/or teams that are considered to be in scope of the Business Case for Phase 2 are:

- CMT/ Senior management
- Housing
- Revenues
- Benefits
- Fraud
- Strategic performance
- Democratic/ Civic services
- Electoral services and local land charges
- Community development, involvement and crime reduction
- Tourism development marketing
- Sports and leisure
- Finance – payments and income
- Finance – procurement
- Digital mail room
- Customer contact activity currently carried out by Capita for revenues and benefits
- Asset Management

2.4 The effect of this enlargement is that all material parts of the organisation that interact directly with residents, visitors and customers will have been moved into the Future Model by the end of Phase 2.

The only notable exception to this are services where either there are other change related plans already in place (e.g. Devonshire Park) or where we may wish to make alternative plans within the Future Model architecture.

3.0 The Relationship with Eastbourne Homes (EHL)

3.1 In order to align with and inform other work currently underway with regard to the future of EHL, the analysis work undertaken to inform the Business Case for Phase 2 included EHL activity.

3.2 The purpose of this was to understand the answer to three key questions:

- Is it possible to deliver customer service benefits by placing all of the current customer journeys (across both EBC and EHL) in one service delivery organisation?
- If it is, what are the economic benefits that might be possible?

- Bearing the above in mind, in which organisation are those benefits optimised?

3.3 The outcome of this analysis has shown that:

- The degree of cross over between EBC and EHL customer bases is very high around high-need, high-vulnerability groups. This is particularly the case bearing in mind changes within the landscape such as Welfare Reform
- By bringing together the customer journeys for these groups it is possible to significantly improve the timeliness and quality of the outcomes
- The analysis also shows that while it is possible to align the customer service offerings and retain separate organisations, there is a greater cost and a significant reduction in overall savings when compared to the integration of the organisations
- Based on the level of investment and improvement made over the last 4 years, the most customer and economic benefits can be generated by the alignment of EHL activity with EBC

More detail in this regard can be found in Table 1, 4.3 below. It is however, important to note that the savings generated by integrating activity accrue to both the General Fund and the Housing Revenue Account. The latter means that there may be additional funding available to EHL tenant services under the proposed model.

4.0 The Business case for Phase 2

4.1 Efficiency Savings

The detailed analysis for Phase 2 has now been established as £1.5m.

This figure can be split into staff related savings of £1.2m with a further £0.3m in property and ICT related savings. Further details of the breakdown of these efficiencies can be found in the **Appendix 1**.

4.2 Implementation Costs

In order to deliver the efficiencies identified above, there is a need to continue our investment in both technology and support. The total budget proposed for Phase 2 implementation is £2.89m. This cost is also broken down in detail in **Appendix 1**.

With regard to technology, the costs relate to the hardware and software components that will be required in order to support and deliver the new teams and processes with their new ways of working. This investment is building on the infrastructure that has been put in place by the previous phases of the DRIVE programme.

The support costs are the specialist consultancy resources that will be required from both a technology and business change perspective. The scale and complexity of the change being proposed can not be under estimated and as such this level of specialist support is essential. The success of Phase 1 has only been possible through the involvement of our

key technology and consultancy partners. This level of resource and expertise is not available to EBC as a direct employer, nor is it cost effective to have within our base budgets.

It is also proposed to include a contingency/miscellaneous budget within the programme for items such as uniforms and unforeseen developments. This will take the total budget for Phase 2 to £2.99m.

4.3 However, the breakdown of the information outlined in 3.3, 4.1 and 4.2 can be shown as:

	Independent approach			Integrated approach
	Eastbourne Council	Eastbourne Homes	Total	Eastbourne Council/Eastbourne Homes
Implementation costs	£2,505,400	£650,000	£3,155,400	£2,897,311
Annual savings	£741,043	£202,607	£943,650	£1,497,491
Return on investment	3.4	3.2	3.3	1.9
Key customer benefits			<p>Single view of the customer across some council services but not housing</p> <p>Increased resilience across EBC services but not housing</p>	<p>Single view of the customer across all services so as to allow a more streamlined & integrated response to customer issues including single point of contact</p> <p>Increased resilience across services including housing</p> <p>A larger, integrated Neighbourhood First team highly visible in the community</p>

4.4 Return on Investment

A summary table showing the net present value of the project using the Treasury's Green Book principles is shown at **Appendix 2**. In cash flow terms the project pays back in less than two years. This is a slight improvement of the financial performance of Phase 1 despite the significant enlargement in scope.

The programme will be largely financed via the capital programme, with non capital items being funded from revenue. The Revenue financing will come from the strategic change fund, and the Housing Revenue Account, apportioned based on activity.

The medium term financial strategy allows for schemes returning a saving in excess of the cost of capital to be included in the capital programme based on a business case.

The Net Present Value of the scheme over 5 years shows a return on investment of £2.2m over 5 years.

4.5 Impact on Staffing Levels

Previous papers to Cabinet have outlined the expected impact on staffing levels of the Future Model. The initial High Level Business Case showed an anticipated c20% reduction in overall staffing levels. The detailed Business Case for Phase 1 showed an actual reduction of c21%.

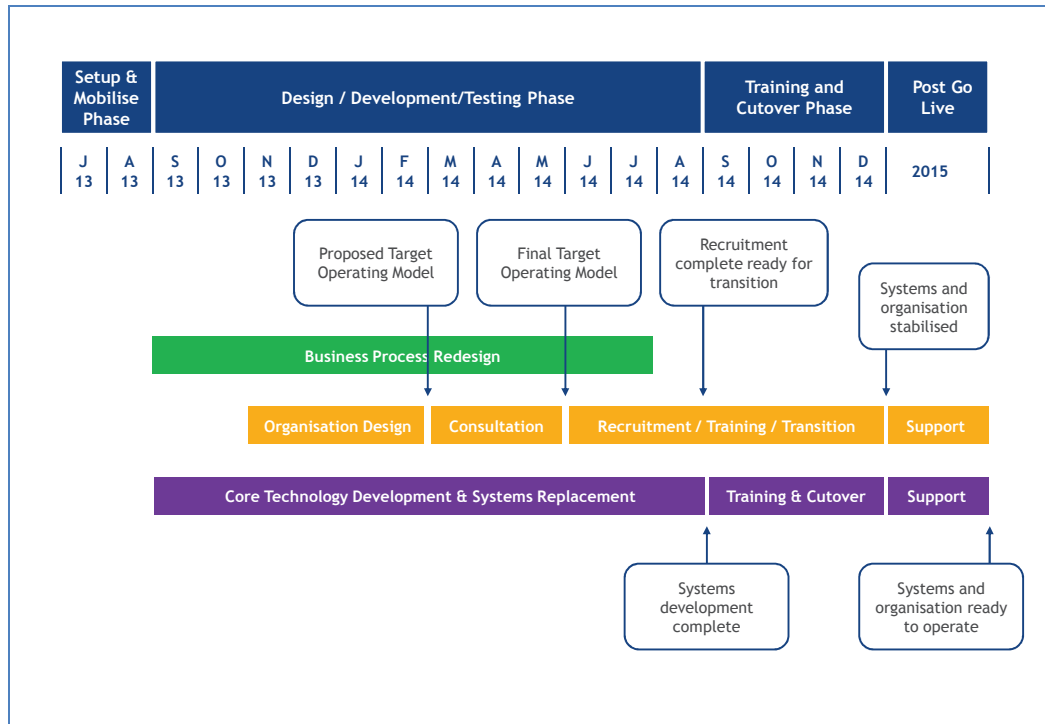
The Detailed Business Case for Phase 2 is consistent with the above,

showing an anticipated reduction in overall FTE of c19%.

5.0 Implementation

5.1 Implementation of Phase 2 is expected to be over a minimum of 18 months in order to take account of the enlarged scale.

5.2 A high level view of the implementation plan follows:



5.3 The programme will have the same basic structure and component workstreams as Phase 1. It is therefore not proposed to outline the programme in detail.

5.4 Key high level risks of the programme are the same as for Phase 1. Specifically, these are that:

1. The ability to successfully redesign processes and enable multi-skilling is impacted by the complexity inherent in implementing such an innovative programme.
2. Service delivery may be negatively impacted during implementation due to internal resources being redirected to programme delivery and during the transition from the old to the new operational model.
3. Programme delivery may be impacted by other major corporate projects calling on the same internal resources.

5.5 In order to mitigate these risks as well as the increased scale of Phase 2, the programme plan shows a higher level of effort put into change management activities, as well as allowing for some temporary backfilling of roles where internal resources have been diverted to the programme.

6.0 Governance

6.1 It is proposed to continue with the same Governance arrangements as for Phase 1.

Notwithstanding it is necessary to include those Senior Officers whose services are in scope for Phase 2.

No other changes to the Governance arrangements are proposed.

6.2 Procurement

As noted above, the selection of key strategic delivery partners has been a crucial feature of our success on other programmes. A large proportion of the programme costs consist of new technologies to support multi-skilled staff, both in and outside the office, along with the services to implement these tools.

The implementation services include business process re-engineering support to define how the technology needs to be configured to support the new processes. Other services include programme management, change management and organisational design, to ensure the right structures are put in place to support the new processes.

The inextricable links between Phases 1 and 2 of the Future Model, as well as the clear synergies with the core enabling technologies introduced earlier in DRIVE have already been explored in this report.

Due to the wide penetration and close integration of Civica systems, we will be looking to continue our relationship with Civica as our key delivery partner. The council's legal and procurement advisors have been consulted on the appropriate procurement routes to formalise this arrangement, and we intend to access these services via the Government Procurement Service's CITHS and/or LGSAS frameworks.

There are certain elements of technology delivery that fall outside the Civica suite of products, to enable other key systems, e.g. the council's website and the housing system, to integrate with our core Civica technology. These are crucial components of the programme, as only through an enhanced and improved website and close integration with other systems can we deliver the increased levels of customer self service that form part of the efficiency targets for the programme.

We therefore seek an exception to the contract procedure rules to work with our existing software suppliers on these elements of the programme, none of which will exceed EU thresholds.

The key existing software suppliers to whom this exception would apply are:

- EIBS Ltd
- Halarose Ltd
- Northgate Information Solutions Ltd
- Orchard Information Systems Ltd

- Sector [UK] Ltd

Any other suppliers affected by this exception will be reported to Cabinet as part of the established programme governance.

7.0 Consultation

- 7.1 There is ongoing consultation with UNISON concerning the implementation and likely impacts of the Strategy and its programmes. This consultation will become more detailed as the new organisational design is developed.
- 7.2 There is also an ongoing dialogue between the senior management and the “Managers Forum” which has representation of all service areas across the Council.

The Future Model has also been the subject of specific presentations and discussions at Staff Drop-Ins, and we will also continue the extensive consultation around proposed staff changes that were seen throughout Phase 1.

- 7.3 Extensive consultation with external stakeholders has been carried out around both the SSDS generally and Phase 1 specifically. This will continue under Phase 2.

8.0 Resource Implications

8.1 Financial

The Future Operating Model is a significant component in the Council’s over-arching change programme, DRIVE. The Council has appropriate resources to continue the delivery of this large scale, and innovative programme for change.

The costs and benefits of Phase 1 are outlined in section 4 above.

8.2 Staffing

The impact on our staff resources will be significant and can be divided into two categories.

1. Impact on service delivery and other programmes

The programme will require the formation of a core team of officers from the services/teams in scope in order to work intensively on process design. This will have an impact on service delivery in the department unless at least some of the roles are backfilled.

There will be a further need for other officers outside the core team to contribute knowledge and expertise as needed, particularly to inform script development and website content.

Finally, the creation of new processes and workflows will draw heavily on the systems support team. It may be necessary to

augment this team with further internal secondments or additional Civica resources. This has been allowed for in the programme costs.

2. The programme will inevitably cause some concern for staff in the affected departments, due to the restructuring which is an intrinsic part of implementation. There will be a continuing need for a strong focus on communication and performance management following a decision to proceed. It will be critical to ensure staff feel as informed and supported as possible during the implementation process, but also that the service levels that our residents expect are maintained.

9.0 Conclusions

- 9.1 The business case for the continued implementation of the Future Operating Model across the Council is financially sound and will make a critical contribution to the Council's Medium Term Financial Strategy targets.

The success of Phase 1 of the Future Operating Model has demonstrated that the model is capable of delivering significant customer service improvements while also reducing the cost of those services to residents.

- 9.2 To deliver the full extent of the benefits expressed in the Business Case will require the alignment of the customer service offer.
- 9.3 The impact of the programme will be significant on our staff resources, and this will need to be carefully managed and monitored.
- 9.4 The Council needs significant external support and has identified Civica (along with their partner Ignite) as its preferred delivery partner, subject to appropriate procurement processes.

Julian Osgathorpe

Deputy Chief Executive

Background Papers:

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

1. *Future Operating Model Architecture Principles*
2. *Future Operating Model Implementation – High Level Business Case and Proposal*
3. *Cabinet Report, Sustainable Service Delivery Strategy, July 2011*
4. *Cabinet Report, Sustainable Service Delivery Strategy, December 2011*
5. *Cabinet Report, Sustainable Service Delivery Strategy, Future Model Implementation, April 2012*
6. *Future Model Technology and Service Proposal from Civica*
7. *Future Model Implementation Plan Phase 1*
8. *Future Model Business Case Phase 2*

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

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Eastbourne Borough Council

Future Model

Fundamental review of Phase 2 services and proposal for implementation

Business case

June 2013

Contents

1. Proposal
2. Benefits
3. Assumptions
4. Enablers
5. High level implementation approach
6. Implementation proposal and costs

Appendix 1 – Development of Customer First

1. Proposal

This report sets out the business case for applying Future Model thinking and principles to additional (Phase 2) services and management. This includes the corporate management team, housing (including Eastbourne Homes) and revenues and benefits. The baseline staffing resource in scope for this review is £6.5M (198 FTEs). This includes staff at the Council and at Eastbourne Homes.

Our approach to the review has been to disregard existing organisational boundaries and to propose a target operating model that maximises benefits for the customer and realises financial savings. In order to achieve this, the proposed target operating model aligns much of the activity that is currently separated between the Council and Eastbourne Homes, for example:

- The customer management elements of Eastbourne Homes (including customer contact, neighbourhood and estate management, supported housing and customer facing revenue collection), are integrated with Customer First, along with much of the Council's housing service, revenues and benefits, community development, land charges and small elements of finance, elections and civic services
- The property service element of Eastbourne Homes is amalgamated with the Council's property management functions. This will build on the Eastbourne Homes brand and expertise to help realise the Council's ambition of a corporate landlord function. It will take advantage of the reputation and capacity of Eastbourne Homes and will create a single asset and facilities management organisation
- There is a single integrated management team for all customer and property related outcomes currently delivered by both organisations.

The headline costs and benefits of this approach are shown below. For comparative purposes, indicative costs and benefits for applying the Future Model independently to each organisation are also shown. The integrated approach supports a higher level of benefits, both financial and non financial than applying the Future Model independently within each organisation. In particular it allows a higher level of senior management and internal remodelling savings, and by setting up a single view of the customer it enables a whole range of customer benefits associated with streamlined and integrated customer journeys.

	Independent approach			Integrated approach
	Eastbourne Council	Eastbourne Homes	Total	Eastbourne Council/Eastbourne Homes
Implementation costs	£2,505,400	£650,000	£3,155,400	£2,897,300
Annual savings	£741,000	£202,600	£943,600	£1,497,500
Return on investment	3.4	3.2	3.3	1.9
Key customer benefits			Single view of the customer across some council services but not housing Increased resilience across EBC services but not housing	Single view of the customer across all services so as to allow a more streamlined & integrated response to customer issues Increased resilience across services including housing A larger, integrated Neighbourhood First team highly visible in the community

(Notes: Annual savings include annual staff savings and annual IT savings. Annual savings for the integrated approach also include savings related to the lease of Ivy House (including dilapidations) and planned software maintenance and support. Costs for the Eastbourne Homes independent approach are indicative and are provided so as to allow a high level comparison.)

2. Benefits

The proposed integrated approach provides a potential annual saving of £1.5M. This includes an annual staff saving of £1.2M and a property and IT related saving of £0.3M.

Customer related benefits are as follows:

- Implementation of the change described in this business case will allow the Council a single view of its customers across all services, so that all the information held about a customer can be seen together, for example information about council tax, council house rent, benefits and arrears. This single view supports a number of benefits for the customer including more streamlined customer journeys, issues resolved more quickly and fewer hand offs/ touch points
- Greater resilience across services, especially housing, a significant benefit given welfare reform and the needs of vulnerable households
- A larger, integrated Neighbourhood First team highly visible in the community
- Customers will have a wider choice of channels (web (self serve), phone, SMS, face to face) and will be able to track progress on queries
- Potential for faster processing of applications and cases

Staff related benefits include:

- More flexible and empowered roles
- Senior staff able to focus on those areas that genuinely require their expertise

Other benefits include:

- Enhanced strategic capacity and capability to support the transformation of the organisation and the delivery of outcomes
- Enhanced capacity and capability to manage and deliver key corporate projects and corporate plan outcomes.

The table below shows savings by area of the Future Model. Generic Future Model names have been used rather than the team names developed for Phase 1. This is to avoid confusion with Phase 1 teams and roles.

Column label	1	2	3	4	5	6	7
To Be activities/ processes	FTE As Is	FTE As Is (mapped into the Future Model)	FTE To Be	% change (columns 2 & 3)	FTE Cost As Is (mapped into the Future Model)	FTE Cost To Be	% change (columns 5 & 6)
Management	23.2	21.3	14.8	-30.9%	£1,603,262	£1,208,671	-24.6%
Strategy & commissioning	14.3	14.3	13.6	-4.9%	£493,258	£465,077	-5.7%
Community/ customer enabling	4.9	5.7	5.7	0.0%	£202,542	£202,542	0.0%
Triage	19.7	26.0	18.3	-29.3%	£632,119	£447,944	-29.1%
Mobile triage	20.2	19.8	17.2	-13.4%	£547,428	£474,397	-13.3%
Service processing	42.4	53.6	44.0	-17.9%	£1,349,946	£1,107,974	-17.9%
Specialist	26.8	13.8	12.4	-9.8%	£478,432	£432,510	-9.6%
Corporate support	19.7	17.3	13.1	-24.3%	£465,916	£353,836	-24.1%
Asset and facilities management	11.9	11.9	9.5	-20.0%	£334,691	£267,753	-20.0%
Service delivery	15.0	14.4	12.1	-15.9%	£409,322	£344,412	-15.9%
Total	198.0	198.0	160.7	-18.9%	£6,516,916	£5,305,115	-18.6%

Figures in column 1 show 'As Is' activity organised around the Future Model but **without** the benefits of the model applied i.e. no shift towards the customer or other opportunities are applied. These figures are estimates and have only been included so as to be consistent with the Phase 1 benefits case. In the Phase 1 review we used a three stage approach to moving from 'As Is' to 'To Be' activity:

1. Organise activity around Future Model areas (using activity analysis information)
2. Where appropriate shift activity forwards closer to the customer e.g. customer contact work that was considered specialist being carried out by customer advisors
3. Apply other opportunities/ cost drivers e.g. productivity improvements.

In the Phase 2 review we have combined steps 1 and 2, and reduced the number of assumptions we have made. This has been possible because:

- Learning from Phase 1 detailed business process reengineering (BPR) has given us a fuller understanding of how activities and processes are likely to map into the Future Model following Phase 2 BPR
- The Phase 2 review has included an element of work that was **not** included in Phase 1 at this stage. This additional element has involved working with staff to map all core customer facing processes against Future Model areas. The outcome of this work will support Phase 2 detailed BPR. Additionally, it has enhanced our understanding of how different activities are likely to map into different areas of the Future Model, making it both possible and logical to combine steps 1 and 2 and reduce the number of assumptions we are making at this stage.

The table shows that when comparing As Is (mapped into the model) to To Be:

- The area of the model with the largest saving is triage (customer contact), reflecting channel shift and remodelling opportunities
- There is also a high level of savings as a result of streamlining management costs, especially senior management
- The level of savings in the specialist area looks relatively low at 10%. This is because these figures show savings **after** activity has been mapped into the Future Model. As part of mapping into the Future Model some of what is currently considered to be specialist activity is reallocated to other areas of the model and this can be seen by comparing the As Is figure of 26.8 FTEs and the As Is mapped figure of 13.8 FTEs
- Savings are lower in areas of the model where capacity needs to be retained and refocused or enhanced in order to enable other areas of the model to work effectively, for example, strategy and commissioning and community/customer enabling (service improvement and development)
- An element of the savings in corporate support and in service delivery and asset & facilities management may be deferred until a full review of back office services is complete, and until delivery units are in place (£190k).

3. Assumptions

The savings figures described here are based on a number of assumptions about potential changes. These assumptions are broadly in line with those used in Phase 1 but have been modified on a service by service basis to reflect the specific opportunities available. Overall the causes of change to FTE costs are summarised in the table and described in more detail in the paragraphs below:

Cause of change to FTE costs						
	Customer enabling	Customer self serve	Internal remodelling	Technology or process	Capacity increase	Total
Savings	-£27,933	-£219,510	-£979,707	-£122,168	£137,518	-£1,211,800
%	2%	18%	81%	10%	-11%	100%

Improvements to productivity, for example:

- Smoother customer journeys supported by improved technology and processes, with fewer hand offs between staff, fewer iterative contacts with the customer and automation where possible (10% of savings). Examples include a smoother social housing application and allocations process, and a more automated land charges process
- Remodelling so as streamline management around the model (33% of savings) and to bring groups of staff together to work in a multi skilled way so that people can do more themselves, there are fewer hand offs between staff, there are flexible roles so people can cover for each other more easily and there is less duplication (48% of saving). Examples include:
 - Staff working together to maintain and update databases e.g. council tax, NNDR, electoral roll, housing register
 - Staff working together on collecting payments and recovering debt across revenues, housing rent and leasehold charges, and sundry debtors

- Staff working together on a range of applications e.g. social housing, benefits, grants and loans
- Triage (customer contact) staff working across a range of services including housing advice, and revenues and benefits enquiries.

Customer enabling

- Activity is avoided or reduced through prevention or through customers helping themselves in other ways (2% of saving). Examples include proactive work to prevent arrears and proactive work to encourage payments by direct debit.

Channel shift

- Customers serve themselves fully or partly online (18% of saving). Examples of services that could be enabled on line include:
 - Social housing related applications and permissions
 - Applications for grants and loans
 - Land charge searches
 - Reporting of changes of circumstance for council tax, electoral roll, housing and benefits
 - Applications for discounts and exemptions
 - Setting up direct debit and payment plans online
 - Electronic billing
 - Account information for residents (and others as appropriate e.g. landlords) showing real time financial information - council tax, benefits, rent, leasehold charges and arrears
 - Book and pay for sports sessions and apply for seafront services such chalets and boat berths
 - Reporting issues on the seafront and issues related to social housing e.g. environmental issues, anti social behaviour
 - Better information on the web to reduce preventable phone and face to face enquiries.

Activity that is moved within the model, for example:

- Activity that is currently carried out by specialists that could in future be carried out within triage (customer contact), for example, enquiries
- Activity currently carried out by specialists that could in future be carried out by service processing (case management) e.g. Straight forward homelessness assessments and debt recovery.

The saving here is reflected in changes to average salary costs.

Staff savings

Staff costs for the 'To Be' model included in the business case are built from existing staff costs. The Customer First element of these costs has been compared to:

- Scenario 1 – average salaries used in the Phase 1 target operating model (consultation)
- Scenario 2 – actual average salaries of Phase 1 staff on appointment.

Under scenario 1 the 'To Be' staff costs for the Customer First element of the Phase 2 model would increase by 6% and under scenario 2 would decrease by 6%. However, if an adjustment is made to reflect that the business case includes actual salaries where a number of staff do **not** take up a pension, whereas scenarios 1 and 2 assume all staff would take a pension, these figure change to an increase of 2% and a decrease of 10%. The impact on savings including the pension adjustment is a decrease of £52,000 under scenario 1 and an increase of £260,000 under scenario 2.

Property and IT savings

These include Ivy House lease and associated costs, and a number of IT software and support related items.

4. Enablers

The organisational changes described here are enabled by technology and by changes to organisation, roles, skills, ways of working and behaviours.

Technology

The Phase 1 technology solution will be extended to support the roll out of the Future Model programme. Key elements are as follows:

- Contact Manager - Phase 2 will involve extending the use of Contact Manager and increasing the number of contact centre staff using the system
- Better information on the web via self serve - Phase 2 will extend the capability for self service into other service areas. As more financial and personal information is being presented via the self service portal functionality, the security around access to data will be developed to ensure data is controlled and managed responsibly
- To support the drive to excellence in customer service the Council is planning to provide officers with capability using mobile tablets. Web based mobile capability will be developed allowing officers access to case history and documentation via tablet PCs. Officers will also receive job requests via a web based "work tray" or job list that can be dynamically updated from requests received at the contact centre or via the web
- SMS technology - Phase 2 will see the extension of this medium of communication for other service areas and uses
- Computer Telephony Integration - Phase 2 will see the extension of this capability to embrace other service areas
- An integrated approach will be taken to critical systems so as to enable key data to flow between systems providing customers and officers with essential data to support enquiries and facilitate automation.

5. High level implementation approach

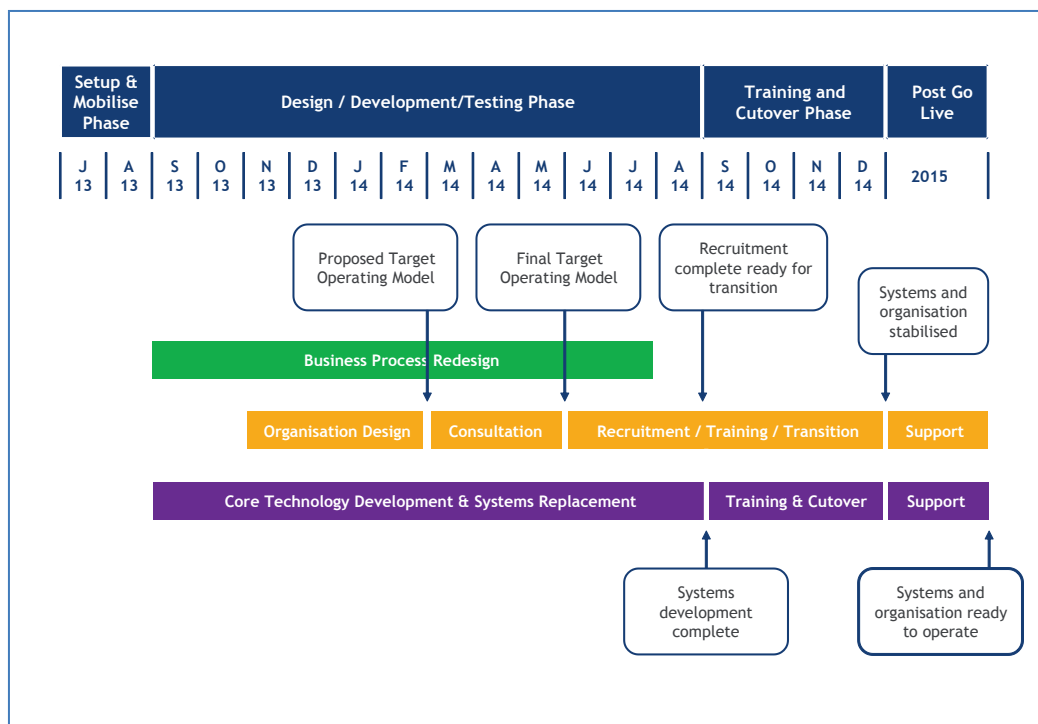
The overall timescale for Phase 2 implementation is a balance between the requirements to undertake a period of disruptive change as quickly as possible whilst managing the risks to the quality of service delivery when placing a significant demand on the organisation’s resources.

The planning work that has been completed suggests that an 18 month elapsed timescale for Phase 2 implementation is optimum – July 2013 to December 2014.

The experience of implementing Phase 1 of Future Model has informed the implementation plan for Phase 2, in particular:

- The need to reduce time gaps between the design and build stages of new scripts and processes so as to increase efficiency and reduce rework
- Phase 2 scripts and processes will not be designed and developed until the underlying core technology components are in place and tested
- Transition will take place over a 12 week timescale and provide more scope to focus on training, team building and team performance than has been possible during Phase 1 transition
- The timing of the recruitment process was not ideal in Phase 1 in that interviews and decisions about appointments were taking place over the Christmas period. The Phase 2 objective is to have the new organisation structure fully implemented by Christmas 2014
- Prioritisation of development work will take place from the outset during Phase 2 as the volume of new scripts and processes is significantly greater than for Phase 1. This will ensure that the target operating model can be published at the earliest opportunity.

The overall schedule of Phase 2 implementation activity is shown in the diagram below:



6. Implementation proposal and costs

Proposed implementation costs are summarised below. Key elements are:

- Developing an integrated approach to critical systems so as to streamline processes and enhance customer journeys
- Web integration and portal design to enrich the customer experience and encourage customers to use the web as a first port of call
- Process and script development using a new approach called “Create and Construct”
- A full time IT project manager to manage the multiple layers of technology and process design
- A part time programme manager and one FTE change manager to support delivery of the whole programme.

Requirements	Discounted price	Annuals
Civica Software & services, BPR, process design and scripting	£1,871,211	£66,610
Ignite services Program management, change management, BPR (including script writing, user acceptance testing)	£1,026,100	
Total	£2,897,311	£66,610

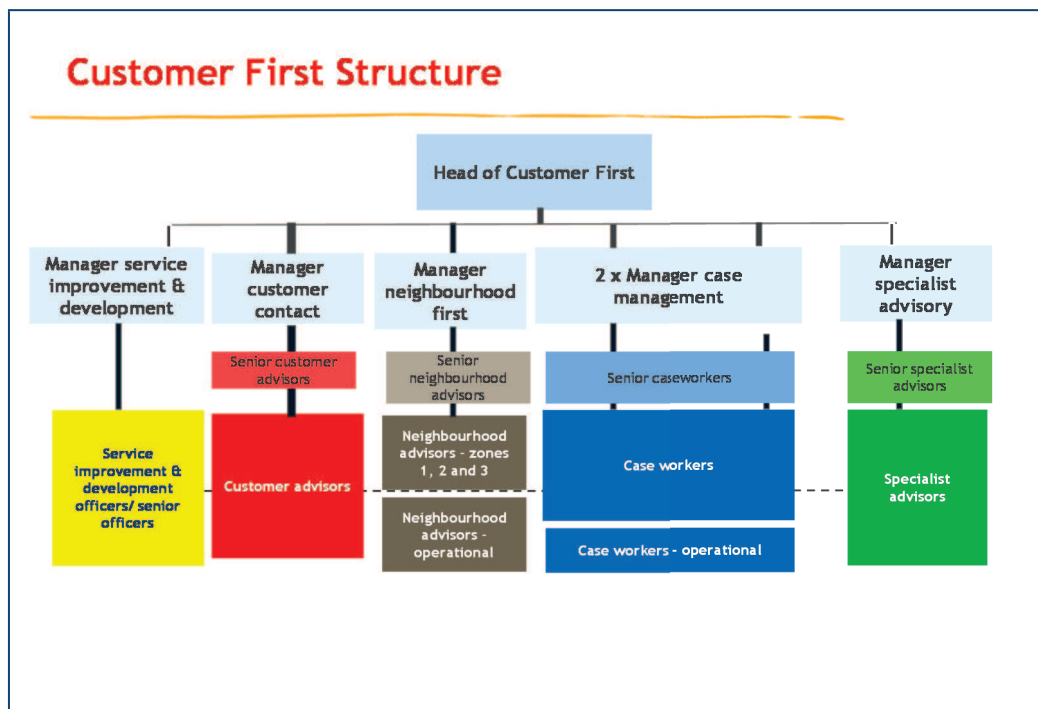
Appendix 1

Development of Customer First

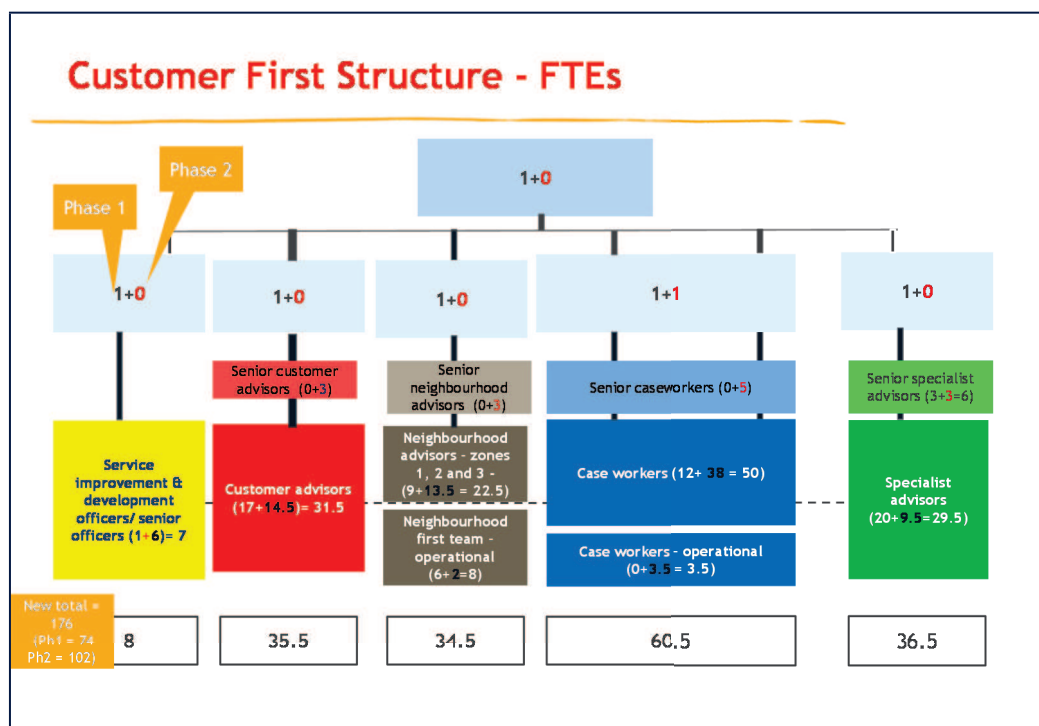
Organisation

The Customer First management structure and management roles developed for Phase 1 were designed so as to absorb relevant Phase 2 services. The preliminary target operating model for Phase 2 incorporates:

- An additional 102 FTEs moving into Customer First increasing the overall team size from 74 to 176
- Increasing the number of Customer First managers by one
- Creating new team leading senior roles in customer contact, neighbourhood first and case management
- Creating a new senior role in service improvement and development - specialist rather than managerial
- Extending the role of senior specialist to include management of teams/ staff
- Creating a new case worker (operational) role for scanning, indexing, and printing.



The numbers in each team/ role and in each phase are shown below:



The proposed approach to managing this increase is as follows:

- The existing management structure comprising Head of Customer First and five managers is expanded with the addition of one manager. The Head of Customer First role also becomes permanent. This is further supported by a CMT level Senior Head of Customer First. The grades for these Customer First roles are maintained at the Phase 1 level as the roles were designed with Phase 2 growth in mind
- The case management team has an additional manager and the team is divided into a number of semi ring fenced sub teams. The detailed arrangements will be developed during the implementation phase but could include the following groups - applications and related work, revenues and related work, data integrity, intelligence and related work, and printing, scanning and indexing
- A senior role is developed in each of triage (customer contact), service processing (case management), and mobile triage (neighbourhood first) with 3 to 5 FTEs per team in this role. These roles will spend half of their time on core activity and half on team leading and additional responsibilities. This role might be accommodated by extending the career grade from C/D to C/D/E within customer contact and by developing new roles and grades within the other teams (D/E or E/F). Final grades will be developed during implementation
- So:
 - In triage (customer contact) there will be 3 FTE **senior customer advisors**, 50% of their time will be working as customer advisors and 50% will be acting as team leaders, duty managers and assisting the manager with specific aspects of the role e.g. knowledge transfer and sharing, performance management, developing customer service culture
 - In service processing (case management) there will be 5 FTE **senior caseworkers**. They will spend 50% of their time on case work or related activity and 50% on team leading one of the sub teams – and on assisting the relevant manager

with specific aspects of the role e.g. knowledge transfer and sharing, performance, projects etc

- In mobile triage (neighbourhood first) there will be 3 FTE **senior neighbourhood first officers**. They will spend 50% of their time on neighbourhood activity and 50% on team leading one of the zone teams and assisting the manager on specific aspects of the role, for example, knowledge sharing, performance, projects
- In addition a new role is proposed within service processing (case management) at an equivalent grade to mobile triage/ neighbourhood first (operational) to carry out activity associated with physical inputs and outputs of the system – printing, scanning and indexing. Ultimately this team might become part of the back office
- Within the specialist advisory team the increase in team size will be accommodated by building more defined support to the Manager into senior specialist roles and grouping specialist advisors into flexible teams organised around customer groups e.g. businesses, people (high need) and property/ place. It is anticipated that this can be accommodated within the current grade for the role (F/G).

A small number of externally funded roles are included in both the baseline and the 'To Be' resource. How these roles fit within Customer First will be explored as part of the organisation design implementation project.

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Net Present Value Calculation

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Programme costs	-1,241,705	-1,655,606					-2,897,311
Contingencies			-102,000				-102,000
Total (net) Costs	-1,241,705	-1,655,606	-102,000	0	0	0	-2,999,311
Benefits	0	0	1,307,887	1,497,491	1,497,491	1,497,491	5,800,360
Net flows	-1,241,705	-1,655,606	1,205,887	1,497,491	1,497,491	1,497,491	2,801,049
DCF 3.5%	1	0.966183575	0.933511	0.901943	0.871442	0.841973	
NPV	-1,241,705	-1,599,619	1,125,708	1,350,651	1,304,977	1,260,847	2,200,859

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Discount Factors

1	Years	0	1	2	3	4	5	6	7	8	9	10
Disc Rates												
	1%	1.0000	0.9901	0.9803	0.9706	0.9610	0.9515	0.9420	0.9327	0.9235	0.9143	0.9053
	2%	1.0000	0.9804	0.9612	0.9423	0.9238	0.9057	0.8880	0.8706	0.8535	0.8368	0.8203
	2.50%	1.0000	0.9756	0.9518	0.9286	0.9060	0.8839	0.8623	0.8413	0.8207	0.8007	0.7812
	3%	1.0000	0.9709	0.9426	0.9151	0.8885	0.8626	0.8375	0.8131	0.7894	0.7664	0.7441
	3.50%	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	0.7089 Green Book
	4%	1.0000	0.9615	0.9246	0.8890	0.8548	0.8219	0.7903	0.7599	0.7307	0.7026	0.6756
	5%	1.0000	0.9524	0.9070	0.8638	0.8227	0.7835	0.7462	0.7107	0.6768	0.6446	0.6139
	6%	1.0000	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584

Workings

Discount Factor:

$$PV = S_n \frac{1}{(1+r)^n}$$

where: PV = present value
 r = interest rate
 n = number of years
 S_n = sum invested after n years

Page 87

	Discount Rates	Green Bk						
r	1%	2%	2.50%	3%	3.50%	4%	5%	6%
1+r	1.0100	1.0200	1.0250	1.0300	1.0350	1.0400	1.0500	1.0600
0	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1	1.0100	1.0200	1.0250	1.0300	1.0350	1.0400	1.0500	1.0600
2	1.0201	1.0404	1.0506	1.0609	1.0712	1.0816	1.1025	1.1236
3	1.0303	1.0612	1.0769	1.0927	1.1087	1.1249	1.1576	1.1910
4	1.0406	1.0824	1.1038	1.1255	1.1475	1.1699	1.2155	1.2625
5	1.0510	1.1041	1.1314	1.1593	1.1877	1.2167	1.2763	1.3382

6	1.0615	1.1262	1.1597	1.1941	1.2293	1.2653	1.3401	1.4185
7	1.0721	1.1487	1.1887	1.2299	1.2723	1.3159	1.4071	1.5036
8	1.0829	1.1717	1.2184	1.2668	1.3168	1.3686	1.4775	1.5938
9	1.0937	1.1951	1.2489	1.3048	1.3629	1.4233	1.5513	1.6895
10	1.1046	1.2190	1.2801	1.3439	1.4106	1.4802	1.6289	1.7908

Body:	Cabinet
Date:	10th July 2013
Subject:	Towner; transfer to Charitable Trust
Report Of:	Tracey McNulty – Senior Head of Tourism & Leisure
Ward(s)	Meads
Purpose	To advise on the implications of progression to Charitable Trust for Towner.
Decision Type:	Key Decision
Recommendation:	In considering the contents of the report, Cabinet is asked to: <ul style="list-style-type: none">• Authorise the Senior Head of Tourism & Leisure, in consultation with HR, Finance and Legal Services, to establish the protocols and structures to enable the staff and gallery to transfer to the management and governance of an independent charitable trust;• Agree the date of transfer effective from 1st April 2014.
Contact:	Paul Quanstrom, Corporate Projects Support Officer, Telephone 01323 415375 or internally on extension 5375. Email: paul.quanstrom@eastbourne.gov.uk

1.0 Background/Introduction

- 1.1 The review of the funding and governance model for the long term sustainability of Towner commenced in 2011.
- 1.2 The current governance model for Towner varies from the usual public service model supported by Arts Council England (ACE) and the perceived 'best practice' for Museums and Galleries as being under Charitable status. The reports, research and findings of the Museums, Libraries & Archives Council March 2010, Winkworth Sherwood Consultancy, Sport, Leisure & Culture Consultancy October 2011 were also considered. The Trust model was seen to enable the pursuit of an artistic, innovative vision which could appeal to diverse sources of income support, to include philanthropists, EU funding streams, Trusts and Foundations etc.
- 1.3 With funding made available by the Arts Council, Susan J Royce and Dawn Langley, were appointed to undertake an independent 360 review of Towner, to assess its management and sustainability. The results confirmed the need to develop a strategic business plan and put in place governance and senior management to enable the gallery to operate as an independent entity .

In considering the optimum governance to deliver a new commercial business plan, the review considered 3 options:

- Status quo – Towner operating as a department of Eastbourne Borough Council
- Independent trust - a charitable company limited by guarantee or a charitable incorporated organisation.
- Independent Trust - part of Devonshire Park/Eastbourne Arts Trust.

It concluded that the appropriate solution both for Towner and Eastbourne Borough Council was that the gallery become an independent charity with strengthened links to its funders and other cultural organisations within the locality. The model was believed to offer the best foundation for success in achieving local priorities, delivering social impact and increasing sustainability long term. The links into operational and governance partnerships with the Devonshire Park Project to be considered at a future stage.

1.4 The Cabinet report of December 2011 highlighted the findings of the review and recommended that Towner proceed to Trust. Further research has since demonstrated that this approach remains the most viable and sustainable. Other options considered:

- Philanthropic Model - a donor-based, underpinned operation, unlikely, in the current economic climate. Towner does not yet have a sufficiently high profile or pipeline of appropriate donors and Trustees.
- Transfer to a commercial operator – A complex option which would destroy the current funding streams in support of community gallery / activities model. Gallery space is also limited and commercial income streams not as yet established.

1.5 To further validate the approach, artistic organisations operating as Trusts were interviewed in January/February 2013. Each institution contacted, indicated a business growth in market led decision making, higher performance management and support for the Trust Model. These views are further underpinned by the proposed Strategic Plan for Devonshire Park. The business case for investment supports improvement to the quality of the Tourism & Visitor offer with proactive strategies to increase visitor numbers and income streams through establishing commercially sustainable, fit for purpose business plans and independent governance models.

1.6 ACE Funding Strategy is aligned to current Government Policy which continues to support the sustainable organisation model. The Trust approach is therefore seen as the most appropriate future governance model for Towner.

2.0 Implications of The Transfer To Trust

2.1 Corporate Structure and governance

It is proposed that Towner will be established as a Charitable Trust (the Trust) with a separate trading company limited by guarantee. This is a recognised corporate charitable model, owned by its stakeholders, controlled

by trustees and will be a legal entity with full financial and contractual capabilities offering limited liability protection.

To maximise the opportunities within the current tax and VAT regulations, the Trust will establish a separate trading company for its income generation activities. All profits derived from the commercial trading subsidiary will be 'gifted' for the purposes of tax efficiency, to the Charity to support the activities of the Organisation.

The Trust will be managed by an independent Board of Trustees, some of whom will be Directors of the Trading Company.

External advisors will be required to set up the Trust and Trading company and provide independent advice to both parties on the legal, finance, VAT and pension implications.

The creation of a shadow Board would enable EBC to enter into negotiations prior to the establishment of the Charity, in order for the various agreements around funding, lease, back office and licenses to be finalised.

2.2 **Board Structure**

Applying peer group structures as a guideline , the main Trust Board of 7-9 members will be structured as follows:

- Chair
- EBC nominees (trustees)
- Trustees

The Trustees are expected to including representatives with skills and specialist knowledge in the Arts, Commercial, Finance and Fundraising sectors. Recruitment for the key position of Chair is in progress and will be undertaken through an open and transparent advertising and appointment process. A fundraising and audit Committee, key areas for the future success of Towner, will be set up as sub committees reporting to the Board.

3.0 **Resources**

3.1 **Financial considerations and Business Plan**

The current Towner Business Plan was produced as part of the application for funding from Arts Council and included financial assumptions around the transfer to Trust. Several of these have since been proven to be incorrect, regarding the NNDR charges and in light of specialist VAT advice; details below. As a result greater emphasis is now being placed on cost reduction and income generation activities including for example, room hire, catering, events, functions, art sales and exhibitions etc.

In the short to medium term, EBC funding for Towner is budgeted at £676k for 14/15. Whilst it is anticipated that EBC will enter into a fixed term funding agreement with the Trust to provide certainty of funding and therefore the optimum environment for successful transition to independence, the intention is for this subsidy to reduce over time, to a sustainable figure reflecting the challenges faced by the Council and the increased commercial viability of the Gallery.

NNDR

As a charity the Towner Trust will receive 80% charitable rate relief on Business Rates which will reduce the rates payable to £34,850 pa. The relief amounts to £139,400, the cost of which is shared by Central Government, East Sussex County Council, East Sussex Fire Authority and EBC in varying amounts; EBC is responsible for 40% of the relief (£55,760) which has been accounted for in future EBC funding projections.

VAT

The operation of the Trust will be subject to different VAT rules to those enjoyed by local authorities and it will not be able to reclaim VAT on expenditure incurred in the course of non-trading activities. VAT can however be reclaimed in respect of taxable business activities, such as sales of books and souvenirs.

In light of the complexities of the VAT position, advice has been obtained from the Council's advisors, (LAVAT), who have looked at the relationship and advised EBC on the best scenario. An estimate of the likely cost of the unrecoverable VAT has been initially calculated to be around £117,000, which has as a result needed to be built back into the budget. It is intended to obtain separate VAT advice for the Trust to ensure it implements the optimum arrangements to ameliorate the potential future VAT liability.

In the past an 'option to tax' was exercised in relation to the Towner building. This means that if any rent were charged to the Trust, it would incur VAT which would be unrecoverable. To overcome this, LAVAT have recommended that EBC charge the trust a peppercorn rent.

3.2 Lease Arrangements

Estates have provided an indicative commercial market rent of £200k per annum for the Towner premises, if it were to be considered for commercial use, rather than charitable/artistic aims. As above, it is proposed that a peppercorn rent is applied for a minimum 20 year lease (with break clauses) to negate VAT implications. The terms of the lease will need to be negotiated with the shadow board and subsequently charity to ensure EBC achieves best value for the public purse in transferring the Gallery to independent governance.

3.3 Collection

The current Towner Collection, gifted by Alderman Towner, will remain the property of EBC, but be loaned on a long term lease/licence – in line with the building (20 years) to Towner Trust. The Collection has recently been re-valued by Sotheby's and Gorrings for transfer and insurance purposes, at a value of £23 million.

The Trust will own future acquisitions. Insurance arrangements will be two fold; EBC will insure the current collection whilst the Trust will insure for display, loan and transit activities. Final details to be resolved with the shadow board/ trustees acting on behalf of the Charity.

3.4 EBC Services

At this stage, it is concluded that the services of HR, Accountancy, Payroll

and IT will be more flexible and cost effective if obtained independently by the Trust from commercial organisations. Budgetary implications have been included in the review of the business plan. The administrative requirements of a smaller commercial organisation are expected to be less onerous and flexible, all appropriate for outsourcing. A full time finance manager will be employed in house for the day to day financial management and the arrangement will be reviewed with the Devonshire Park project to take advantage of economies of scale and joint commissioning if the adjacent venues also transfer to independence.

4.0 Staffing

4.1 Staff Structure

The greater emphasis on cost reduction and income generation requires the roles of finance and fundraising to be prioritised.

Unison will be consulted as part of the TUPE consultation process subject to cabinet approval.

4.2 LGPS and TUPE implications

The Fair Deal policy applies where a public service is outsourced and to be delivered by an independent provider including non-profit making organisations such as charitable bodies. It requires that the new employer provides a broadly comparable pension scheme for the transferred staff and bulk transfer arrangements for those staff who wish to transfer their public service pension benefits into that scheme. In order to meet these requirements, the contractor/provider can:

- Provide evidence that they have a broadly comparable pension scheme, or
- Ask for admission into the LGPS (“admission body status”).

In summary, those staff transferring from Eastbourne BC to a contractor or other service provider benefit from two elements of protection under the Fair deal guidance. The two principles are:

1. The protection of future benefits after the date of transfer; and
2. The protection of pension benefits accrued up to the date of transfer.

In order to meet the requirements of the first principle, the new service provider must provide transferring EBC staff with access to either a Local Government Pension Scheme or access to a GAD (Government Actuary’s Department) Scheme pension. Whilst the authority can specify a preference for which type of scheme is offered, it is ultimately for the new organisation to decide.

It is, as yet, too early to be fully aware of the full financial terms, however we will need to request the relevant pension information from the Pensions Administrators, East Sussex CC, to inform and fully understand the implications for EBC and the Trust. The Council will be party to any admissions agreement and will need to make decisions on the proposed set

up i.e. whether it is fully funded or on a share of fund basis. It is anticipated that the cost of obtaining information from the actuaries will be in the region of £8k. This information may be needed now to inform decisions and reviewed just prior to the transfer. Delegated authority is requested for the LGPS arrangements.

Currently, there are 14 employees at the Towner in the LGPS which equates to just over half the core staff.

5.0 Other Implications

5.1 Links to the Devonshire Park development

A report on the future operational and governance options for services within Devonshire Park will be presented in July 2013. We have sought advice from our legal team appointed to oversee the implementation of the development and they have concluded that transferring Towner to independent Trust at this stage does not necessarily prejudice the outcomes or benefits of the governance options for the wider development. Their recommendations are that we can proceed to Trust for Towner on the understanding any future funding and support requires full cooperation of the Trustees in implementing any future recommendations e.g. one larger Trust with subsidiary companies in order to drive out benefits for the artistic programme and visitor experience.

5.2 Communications

A marketing strategy has recently been developed to maximise the profile and visitor numbers. Communication of the transfer to Trust to the wider public will form part of a joint Towner/EBC press and PR plan.

5.3 Risk

The risk matrix associated with Trust Transition has been developed and is monitored regularly in Covalent.

Key areas of concern are the retention of ACE funding and the ability of Towner to be appropriately structured (operationally and artistically) to flourish in the voluntary sector and gain philanthropic support.

5.4 Policies and Contracts/Suppliers

The current policies of EBC are mainly expected to be applied to the operation of the Trust with suitable adjustment. HR and Finance policies will be adapted to reflect the more flexible ways required of the new operation, but be legally robust.

A full list of contracts and suppliers has been compiled and expected to transfer to the new activity.

5.5 Equality Impact Analysis

This is currently 'work in progress' however it should be noted that Towner will continue to strive to be an equal opportunities employer and be an exemplar of diversity.

5.6 ACE position on Trust; NPO and G4A funding milestones.

ACE funding for transition to trust was established in 2010 and awarded for

specific implementation outcomes.

5.7 **Miscellaneous**

Towner is designated as a potential location to use in the event of a major incident; implications and ongoing requirements will be reviewed.

6.0 **Consultation**

6.1 The discussion between EBC and ACE regarding the sustainability, leadership and funding model commenced in 2010. Consultation has continued to take place with all relevant EBC internal departments, cabinet members, peer group institutions, the Friends of the Towner, Members, artists, staff and unions.

Staff briefings and feedback will be ongoing, as will their involvement in the staff structure amendments.

7.0 **Summary of Options**

In consideration of the recommendations, the three options are to:

7.1 Operate within the existing funding model, which conflicts with current ACE funded business practice and jeopardises future funding from this source.

7.2 Continue with the existing model until completion of the Devonshire Park Review and recommendations. However, timing is not clearly defined and a risk of previous ACE grants to facilitate the transfer to Trust being reclaimed.

7.3 Transfer to Trust 1 April 2014. EBC to maintain funding levels as outlined in the Business Plan, whilst additional funding streams are identified and captured.

8.0 **Conclusion**

8.1 The factors which influence the recommendations are:

- Continued Government cuts to the Arts and the need to seek philanthropic donors not attracted to Local Authority funded organisations.
- The need to enhance the creative, business executive functions and skills of the gallery to enable it to flourish in the voluntary sector.
- Artistic and financial imperatives to enhance reputations and profit for funding opportunities.
- EBC requirement to enhance the Community experience and assist in developing the wider Devonshire Park and Cultural Tourism Strategy.
- Demand for funded organisation to have a vision and objectives which are clear, measurable, robust and sustainable.
- Towner will provide a guide/blueprint for lessons learnt to inform the

Devonshire Park project. It is proposed to liaise closely with the consultants working on the DP to ensure potential synergies etc are optimised.

8.1 **Recommendations**

In noting the contents of the report, the recommendations to Cabinet are to:

- Authorise the Senior Head of Tourism & Leisure, in consultation with HR, Finance and Legal Services, to establish the protocols and structures to enable the staff and gallery to transfer to the management and governance of an independent charitable trust;
- Agree the date of transfer effective from 1st April 2014.

lead officer name: Paul Quanstrom
job title: Corporate Projects Support Officer

Background Papers:

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

- Museums, Libraries & Archives Council - March 2010
- Winkworth Sherwood Consultancy, Sport, Leisure & Culture Consulting – October 2011
- Towner; a 360° Review October 2011. Authors: Susan J Royce & Dawn Langley
- Diane Lennan Trust Review; Summary of Findings – February 2013
- Trustee role and candidate requirements.
- Proposed Staff Structure
- Communication Plan
- Risk Matrix

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

BODY	CABINET
DATE	10 July 2013
SUBJECT	Save the Pub Group Council Survey
REPORT OF	Senior Head of Development

Ward(s)	All
Purpose	To inform Members of the All Party Parliamentary Save the Pub Group Campaign
Contact	Lisa Rawlinson, Senior Specialist Advisor, 1 Grove Road, Eastbourne Tel no: (01323) 415250 E-mail: lisa.rawlinson@eastbourne.gov.uk
Recommendations	That Cabinet supports the All Party Parliamentary Save the Pub Group's efforts to preserve and protect the British pub and approves the response to the survey that is attached to this report.

1.0 Introduction

- 1.1 The Save the Pub Group is an all party group of MPs and peers all committed to protecting and promoting pubs which it believes are vital community institutions and are part of our national heritage.
- 1.2 The Group is campaigning at a national level for the Government to close current loopholes that leave Councils powerless to support pubs in some cases. For example, pubs can be demolished or have their use changed to A1 (shops), A2 (professional and financial services) and A3 (restaurants and cafes) without planning permission.
- 1.3 A recent survey by CAMRA (Campaign for Real Ale) found that over 200 pubs have been converted to supermarkets since January 2010. The Group is calling for pubs to be made 'sui generis' (to have their own use class category), removing permitted development rights, so that any change of use of a pub would require planning permission.

2.0 The Save the Pub Group Survey

- 2.1 The Save the Pub Group has recently written to Local Authorities and has asked them to complete the attached survey to seek their views on the powers available to us to protect and support community pubs.

3.0 Planning Policy

- 3.1 'Saved' Policy LCF24 of the Eastbourne Borough Plan: 'Redevelopment of Public Houses' acknowledges that in many communities the local public house has an important role to play as a meeting place and venue for community events. It is therefore appropriate, that proposals for the loss of a public house to other uses (other than A1, A2 or A3 uses for which the Council has no control), should be carefully assessed to ascertain their impact on the wider community. Policy LCF24 therefore requires any proposal for the loss of a public house to demonstrate that it is not financially viable and that compensatory provision will be made within the immediate area for continued community use.
- 3.2 If Members wish to retain this policy approach to protecting public houses, then a policy will need to be included in the Development Management Local Plan that is scheduled to start being prepared later this year.
- 3.3 Following the recent plans for Sainsbury to purchase The Drive Pub in Old Town, the Council has considered making an Article 4 Direction. Article 4 directions may be made by Local Planning Authorities in exceptional circumstances where a clear justification exists for restricting permitted development rights and the situation is one where it is considered necessary to protect the local amenity or well-being of an area. An Article 4 Direction would not prevent development from taking place but rather would require planning permission to be sought for it. In addition, if permission was refused for a development that would normally be acceptable under permitted development rights were it not for the Article 4 Direction then the Local Planning Authority may be liable to pay compensation to those whose permitted development rights have been withdrawn. Awards of compensation may include abortive expenditure and other loss or damage directly attributable to the withdrawal of the permitted development right. This can include the difference in the value of the land if the development had been carried out and its value in its current state, as well as the cost of preparing the plans for the works.
- 3.4 Following legal advice, it has not been considered appropriate to pursue an Article 4 Direction in respect of The Drive pub. It is however considered appropriate to support the Save the Pub Campaign's proposal to make pubs 'sui generis' which would remove permitted development rights so that any change of use of a pub would require planning permission.
- 3.5 Whilst it is not recommended that an Article 4 Direction is progressed for The Drive PH, Members should be aware that the site does have a covenant in favour of Eastbourne Borough Council. The covenant requires the Council's consent – consent which cannot unreasonably be withheld - for the site to be used to trade as anything other than a hotel or public house. Consequently the Council has recently written to

Sainsbury to make them aware of the covenant and pointing out the requirement for them to have our approval to the variation in user before they can trade.

4.0 Resource Implications

Legal Implications

4.1 None.

Financial Implications

4.2 None

Human Resource Implications

4.3 None

5.0 Conclusion

5.1 The All Party Parliamentary Save the Pub Group seeks to preserve and protect the British pub. The Group is campaigning to make pubs have their own use class category to prevent them changing use without the need for planning permission. Cabinet is asked to support the campaign and agree that the responses contained in the attached survey should form the Council's formal response to the Campaign's consultation to protect and support local community pubs.

The closing date to return the survey is 26th July.

Background Papers:

Pubs and Planning: The Parliamentary Save the Pub Group Council Survey

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

Pubs and Planning: The Parliamentary Save the Pub Group Council Survey



Name and Council:

Eastbourne Borough Council

Email address:

Lisa.rawlinson@eastbourne.gov.uk

Please tick each box in accordance with your agreement to the following statements.

	Strongly agree	Agree	Disagree	Strongly disagree
1. Does your authority consider public houses as valued amenities worthy of protection? <i>Please note any further comments below.</i>	√			
2. Has your authority adopted or in the process of adopting a Local Plan policy aimed at supporting the retention of viable and valued public houses? <i>Please note any further comments below.</i>				
<p>Eastbourne Borough Council has a 'saved' Policy in its Borough Plan (LCF24 – Redevelopment of Public Houses) that acknowledges that in many communities the local public house has an important role to play as a meeting place and venue for community events. It is therefore appropriate, that proposals for the loss of a public house to other uses (other than A1, A2 or A3 uses for which the Council has no control), should be carefully assessed to ascertain their impact on the wider community. Policy LCF24 therefore requires any proposal for the loss of a public house to demonstrate that it is not financially viable and that compensatory provision will be made within the immediate area for continued community use.</p> <p>However since this policy was adopted in 2003 the government has relaxed the planning laws which makes the policy ineffective. Eastbourne Borough Council believes the policy and the protection it brings to the pub in the local community is still relevant and needed.</p>				
3. Does your authority regard pubs as suitable premises to be considered for inclusion on the new Assets of Community Value Lists? <i>Please note any further comments below.</i>	√			

<p>Eastbourne Borough Council considers pubs are suitable premises to be included on Assets of Community Value Lists in order to give communities more opportunities to take control of the assets and facilities important to them and to ensure that if an asset is listed and then comes up for sale it allows the community 6 months to put together a bid to buy it.</p>				
<p>4. How satisfied are you that the existing planning regulations give sufficient protection to public houses from change of use or demolition? <i>Please note any further comments below.</i></p>				√
<p>The current permitted development rights afford no protection to the demolition or change of use of pubs to A1, A2 and A3 uses.</p>				
<p>5. Would you support a change in planning regulations to require planning permission to be in place before a public house can be demolished? <i>Please note any further comments below.</i></p>	√			
<p></p>				
<p>6. Would you support a change in planning regulations to require planning permission to be in place before a public house can be converted into a mini supermarket store, a betting shop or a pay day loan store? <i>Please note any further comments below.</i></p>	√			
<p></p>				
<p>7. Do you believe that existing Article Four powers, which allow authorities to withdraw permitted development rights, are adequate to enable councils to better protect pubs? <i>Please note any further comments below.</i></p>				√
<p></p>				

Article 4 Directions do not prevent development from taking place they just require planning permission to be sought for it. In addition, if permission was refused for a development that would normally be acceptable under permitted development rights were it not for an Article 4 Direction, then the Local Planning Authority may be liable to pay compensation to those whose permitted development rights have been withdrawn. This could be a considerable sum and constrains the LA from using the Article 4 powers effectively when it involves commercial activity that could require a large compensation payment.

8. Has your authority used Article Four powers to withdraw permitted development rights for a pub or other community asset? <i>Please note any further comments below.</i>				
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No.

Finally, does your authority have any examples of good practice in supporting pubs that you'd like to tell us about? If so, please write your thoughts in the box below.

Thank you for taking the time to complete this survey.

BODY: CABINET

DATE: 10th July 2013

SUBJECT: Eastbourne Community Infrastructure Levy (CIL) – Preliminary Draft Charging Schedule

REPORT OF: Senior Head of Development

Ward(s): All

Purpose: To seek authority from Cabinet Members to undertake targeted consultation on the CIL Preliminary Draft Charging Schedule for a 6 week period.

Decision type: Budget and Policy Framework

Contact: Craig Steenhoff, Specialist Advisor (Planning) , 1 Grove Road, Eastbourne
Tel no: (01323) 415345
E-mail: craig.steenhoff@eastbourne.gov.uk

Recommendation: To approve the CIL Preliminary Draft Charging Schedule and give authority to the Senior Head of Development in consultation with the portfolio holder to undertake targeted consultation for a 6 week period.

1.0 Introduction

1.1 The Community Infrastructure Levy (CIL) allows local authorities in England and Wales (defined as Charging Authorities) to raise funds from developers undertaking new building projects. It effectively replaces much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL is to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in a local authority's Core Strategy. CIL places a charge per square metre on development. It will not be the sole funding source for all infrastructure delivered, but will supplement other public sector revenue streams.

1.2 CIL has a number of significant advantages over the current system of Section 106 agreements, including:

- Payment is non-negotiable, which helps speed up the planning process;
- The CIL charge is transparent and predictable, meaning that applicants will know their CIL liability prior to submitting planning application;
- All liable developments will contribute to the cost of infrastructure provision, not just large scale development;

- In the longer term the intention is that a proportion of CIL will be available to spend on local infrastructure priorities;
 - From 6 April 2014, CIL will be the main mechanism for securing developer contributions for infrastructure to support growth. Section 106 planning agreements will be significantly scaled back after this date.
- 1.3 The money raised from CIL will be used to pay for infrastructure to support development, ensuring that new development bears a proportion of the cost of delivering the new infrastructure required. CIL can be spent on any community infrastructure required to support growth, provided the infrastructure is on a Council published Regulation 123 list. The draft Regulation 123 list will be available for comment alongside the Preliminary Draft Charging Schedule (PDCS).

2.0 The Charging Schedule

- 2.1 The Council has prepared a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS). This provides the first step in setting the CIL rates for Eastbourne, and allows stakeholders to comment on the proposed rates, which are supported by evidence on development viability. The PDCS sets out the general explanation of CIL, the background to its preparation and the methodology used to determine the proposed CIL rates.
- 2.2 The PDCS is supported by an evidence base which includes a detailed viability assessment. The viability assessment document examines the levels of CIL that can be achieved across the Borough without affecting the overall viability of development identified in the Eastbourne Core Strategy Local Plan. Only developments that are shown to be viable will be charged CIL.
- 2.3 The PDCS is also supported by a revised Infrastructure Delivery Plan and accompanying Funding Gap Analysis document, to demonstrate that there is a funding deficit between the total cost of required infrastructure and the infrastructure already agreed for delivery and to be financed by the Council, external partners and agencies. The funding gap analysis justifies the position of the Council to move forward with CIL.
- 2.4 Proposed CIL rates have been tested based on the full affordable housing requirements, by market value area and the requirement for Level 4 of the Code for Sustainable Homes. This is a key priority for the Council in conformity with the spatial development strategy identified in the Core Strategy, and ensures that CIL rates are viable overall. A range of typical development types over all use classes have been tested within the viability assessment. The recommended CIL charges are reasonable and have not been set at or near to the maximum level assessed in the viability evidence. The Council consider that the proposed CIL rates will be resistant to market and policy changes, given that they have been set at an appropriate amount that is viable with the current economic climate.

3.0 The proposed CIL charges

- 3.1 The viability assessment has concluded that for residential development, the existing Core Strategy high and low value areas form a strong basis for CIL

charging zones, reflecting the disparity in land values and viability levels across the Borough. An assessment of viability on brownfield and greenfield land has also shown a clear distinction in viability levels for residential levels. A charging regime broken down by market value area and brownfield/greenfield land has therefore been proposed and for example has resulted in residential development being zero rated on brownfield land within the Low Value area.

3.2 Only residential and retail (A1-A3 Planning Use Class) developments have been assessed as viable for a CIL charge. Retail viability testing showed a wide range of proposed costs by type, but for ease and in line with planning regulations and recent case law it is proposed to have one standard charge for retail development. No other types of non-residential development will be liable for a CIL payment, and therefore will be zero rated.

3.3 The proposed CIL charging rates are as follows:

Residential Uses	
Brownfield Sites	CIL Rate £/sq. m.
Low Value Area	0
High Value Area	45
Greenfield Sites	CIL Rate £/sq. m
Low Value Area	45
High Value Area	75
Non-Residential Use	CIL Rate £/sq. m
Retail (A1-A3)	100
All Other Non-Residential Uses	0

Appendix B provides a map of the CIL charging area and residential charging zone boundaries.

3.4 **Phasing** - The Council consider that if a planning application is large enough to be delivered through appropriate phases, then CIL payments should be linked to these phases to ensure that development remains viable overall. The Council will negotiate relevant phasing on major applications during the determination of the planning application. Set phases and their relevant land use descriptions will need to be confirmed in an accompanying Section 106 agreement and these phasing stages will be linked to CIL liability. Therefore, the CIL charge will be calculated at each phase of the development, and will be liable for payment on commencement of each relevant phase.

4.0 Resource Implications

4.1 The Council has an agreed budget for progressing CIL through to adoption, which includes support by planning consultants in the preparation of viability evidence and attendance at the Public Examination.

4.2 Financial

There are no direct financial implications to the Council of this report. The cost of the publication and publicity for the PDCS will be met from within the

existing service budget.

4.3 Legal

The PDCS has been prepared in accordance with the CIL Regulations 2010 (as amended) and takes account of recent case law related to the recent examination of CIL Charging Schedules.

4.4 Staff Resources

Officers will manage the publicity and consultation arrangements for the PDCS.

4.5 Equalities and Fairness Impact Assessment

A streamline assessment has been made as the CIL PDCS is a technical planning document. The assessment demonstrates that there are no impacts on equalities and fairness and there are no human right issues.

5.0 Consultation and Next Steps

5.1 In line with CIL Regulations, the Council is required to undertake consultation on the PDCS. The Council has recommended a 6 week period as this is a technical consultation that will be targeted to specific stakeholders and infrastructure providers. The consultation period is timetabled for Friday 19 July – 30 August 2013. A consultation response form has been prepared which asks key questions for which we require feedback. Alternatively responses can be received by letter, email or on the Council's on-line consultation portal.

5.2 The Council will consider all representations received during this consultation and report back to Cabinet in the Autumn with the final draft version of the Charging Schedule for publication in November/December 2013 when further representations are sought. At this stage the document is submitted to an independent examiner and any representations are forwarded to the examiner for consideration at the Public Examination. It is anticipated that the Public Examination could take place in early 2014.

5.3 The Council will continue to formalise its procedures for collecting, spending and monitoring CIL, so that it can be implemented in April 2014. Further information on this protocol will be provided with the Draft Charging Schedule later in the year. The Council is continuing to work closely with Civica on the development of a CIL module which can be bolted on to the current APP/W2 system that this used to process planning applications.

6.0 Conclusion

6.1 The PDCS has been prepared based on a comprehensive assessment of development viability across the Borough. The proposed rates are justified by evidence and ensure that they do not compromise the ability for the Council to deliver its spatial development strategy.

- 6.2 Cabinet are requested to endorse The CIL Preliminary Draft Charging Schedule and give authority to undertake targeted consultation for a 6 week period.

Craig Steenhoff
Specialist Advisor (Planning)

Background Papers:

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

Community Infrastructure Levy Regulations (2010) [as amended]

National Planning Policy Framework CLG (2012)

Accompanying Reports/Documents:

Eastbourne Community Infrastructure Preliminary Draft Charging Schedule (July 2013)

Eastbourne Infrastructure Delivery Plan (Revised, June 2013)

Eastbourne Infrastructure Funding Gap Analysis (June 2013)

Eastbourne Draft Regulation 123 Infrastructure List (June 2013)

Eastbourne CIL Viability Assessment (June 2013)

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

APPENDIX A

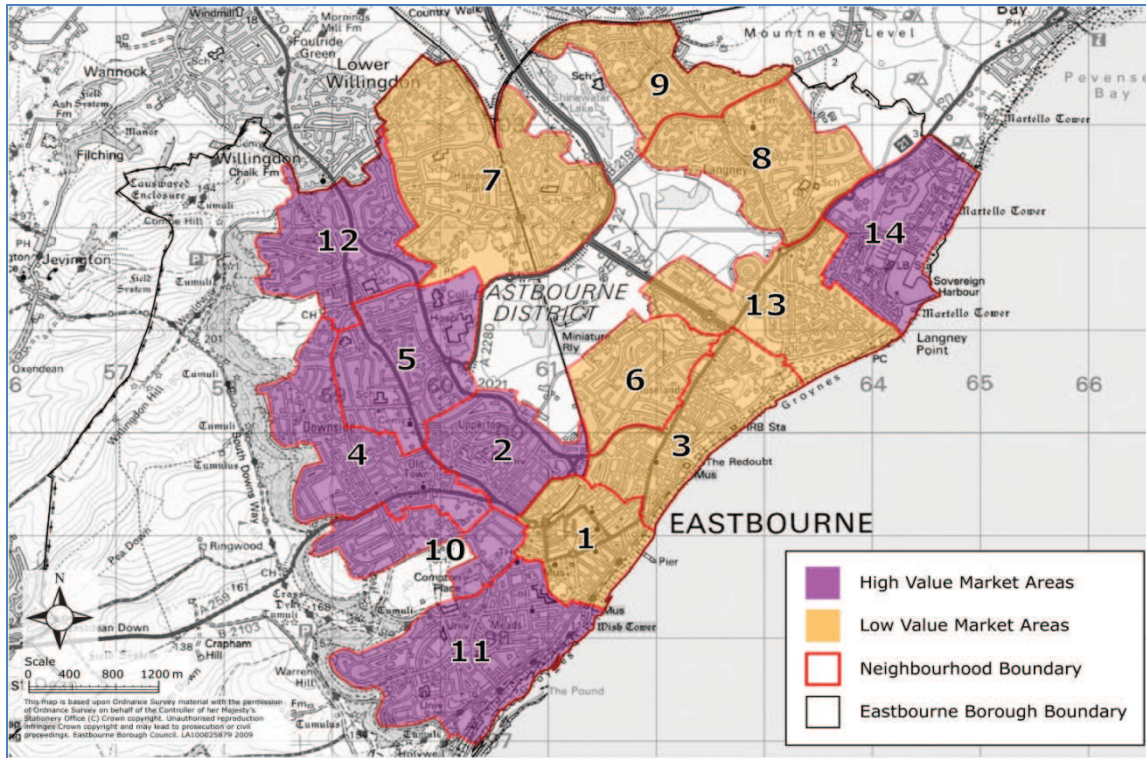
Eastbourne Community Infrastructure Levy – Preliminary Draft Charging Schedule (July 2013)

Attached separately.

APPENDIX B

CIL Charging Area and Residential Charging Zone Boundaries

The CIL Charging Area will be all areas within the 14 neighbourhood boundaries, further divided by High and Low Value Market Areas.



EASTBOURNE LOCAL PLAN
COMMUNITY INFRASTRUCTURE LEVY
Preliminary Draft Charging Schedule

JULY 2013

Preliminary Draft for Consultation

Consultation:
Friday 19 July to 30 August 2013



Contents

1. Introduction

2. An Explanation of CIL

Development that is Liable for CIL
Exemptions and Relief from CIL
When is CIL payable?
Calculating the Chargeable Amount

3. Evidence Base

4. Proposed CIL Charging Rates and Phasing Arrangements

Policy CCS1: Community Infrastructure Levy Charging Rates
Policy CCS2: Phasing of CIL Payments

5. Other Matters

6. How to Comment on the Preliminary Draft Charging Schedule

7. Next Steps

Appendices

Appendix A Calculating the Chargeable Amount
Appendix B Consultation Response Form

1. Introduction

- 1.1 Eastbourne Borough Council (The Council) has prepared a Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS) for consultation between Friday 19 July and 30 August 2013. This provides the first step in setting the CIL rates for Eastbourne, and allows stakeholders to comment on the proposed rates, which are supported by evidence on development viability.
- 1.2 This document sets out the general explanation of CIL, the background to its preparation and the methodology used to determine the proposed CIL rates.
- 1.3 The PDCS is supported by an evidence base which includes a detailed viability assessment. The viability assessment document examines the levels of CIL that can be achieved across the Borough without affecting the overall viability of development identified in the Eastbourne Core Strategy Local Plan. Only developments that are shown to be viable will be charged CIL.
- 1.4 The PDCS is also supported by a revised Infrastructure Delivery Plan and accompanying Funding Gap Analysis document, to demonstrate that there is a funding deficit between the total cost of required infrastructure and the infrastructure delivered or financed by the Council or external partners and agencies. The funding gap analysis justifies the position of the Council to move forward with CIL.
- 1.5 This document has been prepared in accordance with the CIL Regulations 2010 (as amended) and statutory guidance. These background documents are also available as part of this consultation and the following link is provided to the Communities and Local Governments Website:
<https://www.gov.uk/government/policies/giving-communities-more-power-in-planning-local-development/supporting-pages/community-infrastructure-levy>
- 1.6 This consultation document has been shaped internally with continued engagement with infrastructure providers, stakeholders and Members, and was submitted to the Council's Cabinet on 10 July for authority to consult.
- 1.7 Part of the South Downs National Park (SDNP) is located within the eastern part of the Borough. As the SDNP authority manages growth and development within the SDNP, it will introduce its own CIL in due course to cover development within its area. Areas within Eastbourne Borough, that are designated within the SDNP boundary will therefore not be included in this Charging Schedule and zone set out in this document.

2. An Explanation of CIL

- 2.1 The Community Infrastructure Levy (CIL) allows local authorities in England and Wales (defined as Charging Authorities) to raise funds from developers undertaking new building projects. It effectively replaces much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL is to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in a local authority's Core Strategy. CIL places a charge per square metre on development. It will not be the sole funding source for all infrastructure delivered, but will supplement public sector revenue streams.
- 2.2 CIL has a number of significant advantages over the current system of Section 106 agreements, including:
- Payment is non-negotiable, which helps speed up the planning process;
 - The CIL charge is transparent and predictable, meaning that applicants will know their CIL liability prior to submitting planning application;
 - All liable developments will contribute to the cost of infrastructure provision, not just large scale development;
 - A proportion of CIL will be made available to allow local priorities to be delivered;
 - From 6 April 2014, CIL will be the main mechanism for securing developer contributions for infrastructure to support growth. Section 106 planning agreements will be significantly scaled back after this date.
- 2.3 The money raised from CIL will be used to pay for infrastructure to support development, ensuring that new development bears a proportion of the cost of delivering the new infrastructure required. CIL can be spent on any community infrastructure required to support growth, provided the infrastructure is on a Council published Regulation 123 list. The draft Regulation 123 list is available for comment alongside the PDCS.

Development that is Liable for CIL

- 2.4 CIL legislation states that all new residential units, and the erection of or extensions to other buildings (over 100 sq. m. net additional gross internal floorspace in size) are liable to pay CIL. All net additional dwellings (self contained houses or flats) are liable regardless of their size. The floorspace of any buildings that are demolished as part of development proposals will be off-set against the new overall floorspace liability. In some instances CIL will apply to the floorspace allowed under permitted development as well as development for which a planning application is required.
- 2.5 CIL is not charged on changes of use or internal alterations where there is no net gain in floorspace, provided that the building has been in continuous use for at least 6 months of the 12 months preceding planning permission being granted. Development proposals that already have a planning permission when the CIL charging schedule comes into force are not liable for CIL. This includes any subsequent Reserved Matters applications following outline planning permission. However, if development proposals with planning permission are not commenced within a conditioned time limit, any subsequent renewal or amendment applications

will be liable to CIL if by that time a CIL Charging Schedule has been adopted by the Council.

Exemptions and Relief from CIL

- 2.6 The CIL Regulations set out the exemptions for paying CIL and stipulates that the following types of development will not be liable for CIL:
- Development of less than 100 sq. m. net additional gross internal floorspace, unless it results in the creation of net additional dwelling(s);
 - Full relief is applied on all those parts of chargeable development that are to be used as social/affordable housing;
 - A registered charity landowner will receive full relief from their portion of the liability where the chargeable development will be used wholly or mainly for charitable purposes;
 - The conversion of or works to a building in lawful use that affects only the interior of the building;
 - Development of buildings and structures into which people do not normally go into or enter under limited circumstances (for example an electricity sub-station or wind turbine);
 - Development granted planning permission, but not implemented, prior to CIL being adopted by the Council;
 - When the resulting CIL is calculated as £50 or less, then a CIL payment will not be charged by the Council.
- 2.7 Additionally, the Council may wish to grant exceptional CIL relief where a specific scheme cannot afford to pay. Such circumstances may only apply where:
- There is a Section 106 planning obligation in place that has costs greater than the CIL chargeable amount and CIL would make the development unviable; and
 - The amount of relief granted would not be liable to be notifiable as state aid under EU law¹.

It is unlikely that the Council will apply an exceptional circumstances policy at this time, but views are sought on this matter during this consultation stage.

- 2.8 Any development which the Council has identified as 'zero rated' within its CIL charging rates, at this moment in time is considered to be financially unviable. This takes account of evidence prepared at this moment in time, and will be subject to review in future years. Any changes to CIL rates by development type will be subject to a full review and publication/examination of a fully revised CIL Charging Schedule.

¹ The total de minimis aid granted to anyone undertaking must not exceed 200,000 euros over any period of three fiscal years. For undertakings active in the road transport sector, the total de minimis aid shall not exceed 100,000 euros over any period of three fiscal years (The State Aid Guide, BIS 2011)

When is CIL Payable?

- 2.9 Detailed guidance on the process for paying CIL will be issued by the Council once the CIL charging schedule nears adoption. For the purposes of this document a general and brief outline is provided as follows.
- 2.10 Payment of CIL is due from the date of commencement of the liable development. The default position is that the whole amount must be paid within 60 days of commencement, unless the development falls under the criteria for the Council's phasing policy (Policy CCS2), under which payment can be made in instalments.
- 2.11 CIL operates on the exchange of formal notices:
- The person(s) who pay CIL provide the Council with an **Assumption of Liability Notice**, required with the planning application;
 - A **Liability Notice** is issued by the Council along with the planning permission decision, stating how much CIL is payable. The responsibility to pay the levy lies with the local landowner and is a local land charge;
 - Before the development starts the developer provides the Council with a **Commencement Notice**, giving the start date;
 - The Council will then issue a **Demand Notice** (the bill) to ensure that payment is received within 60 days of commencement.

Calculating the Chargeable Amount

- 2.12 In order to calculate CIL payments due it is necessary for the following details to be supplied with the planning application:
- The gross internal area of all buildings and their uses on the site prior to development (if any);
 - The gross internal area of buildings to be demolished and their uses (if any); and
 - The proposed gross internal area of all buildings and their uses on the site once the development has been completed.
- 2.13 The Council will calculate the amount of CIL payable ('the chargeable amount') in respect of a chargeable development in accordance with the requirements and formulas in Regulation 40 of the CIL Regulations 2010 (as amended). The amount of CIL chargeable at a given rate must be calculated by applying the prescribed formula as defined in the CIL Regulations and shown in Appendix A of this PDCS.
- 2.14 The chargeable amount is the amount equal to the sum of the amounts of CIL chargeable at each of the relevant rates for the development permitted. For example if the development scheme includes both residential and retail elements, the chargeable amount will be calculated taking the sum of the relevant charges for each of these uses.
- 2.15 The relevant rates are the rates at which CIL is chargeable (Table 1, Section 4), which are in effect (a) at the time planning permission first permits the chargeable development; and (b) in the area in which the chargeable development will be situated.

3. Evidence Base

3.1 CIL Regulation 14 requires that when setting CIL rates charging authorities must aim to strike an appropriate balance between:

- The desirability of funding infrastructure (in whole or in part) from CIL; and
- The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across the charging authority's area.

This balance is a central consideration of the CIL rate setting process.

3.2 The PDCS is informed by best available evidence base which includes Borough level viability assessments and the draft Infrastructure Delivery Plan. These pieces of evidence assess the infrastructure requirements and potential levels of CIL that can be achieved across the district by type of development. Only development types that are shown to be generally viable will be charged CIL. In addition, evidence has been prepared through the revised Infrastructure Delivery Plan to show that there will be a funding gap between identified public resources for infrastructure and the level of infrastructure that will need to be delivered in support of the growth being identified in the adopted Eastbourne Core Strategy Local Plan ('The Core Strategy'). This documentation is available for consideration in support of the PDCS.

3.3 The Core Strategy identifies that a total of 5,022 net dwellings and 55,430 sq. m. of employment land will be delivered within the plan period 2006-2027. Viability evidence in support of CIL has looked in detail at the location of new development (both neighbourhood location and type of land e.g. brownfield/greenfield), the affordable housing requirements for residential schemes, and the typical sizes of and mixes of development coming forward to assess overall viability. It is considered that the market value areas identified in Policy D5: Housing of the Core Strategy best reflect the disparity in land values and development viability across the Borough and as such should represent the two zones which should apply to CIL rates. The high and low zones tested in the viability assessment will be known as high value market areas and low value market areas for consistency with the Core Strategy. The viability testing indicated a wide disparity between viability on brownfield and greenfield sites and as such a split by this type of land has also been justified.

3.4 Only residential and retail (A1-A3 Planning Use Class) developments have been assessed as viable for a CIL charge. Retail viability testing showed a wide range of proposed costs by type, but for ease and in line with planning regulations and recent case law it is proposed to have one standard charge for retail development across the A1-A3 retail Planning Use Classes. No other types of development will be liable for a CIL payment, and therefore will be zero rated.

3.5 It is important to confirm that the proposed CIL rates have been tested based on the full affordable housing requirement being delivered on each development scheme, which is 30% in low value market areas and 40% in high value market areas. Testing was also set at Level 4 of the Code for Sustainable Homes. This is important to ensure that CIL rates do not affect the ability to deliver affordable housing and good sustainable development. This is a key priority for the Council in

conformity with the spatial development strategy identified in the Core Strategy, and ensures that CIL rates are viable overall.

- 3.6 It is also important that when CIL charges are recommended, that they are not set at or near to the maximum level assessed in the viability evidence. The Council consider that the proposed CIL rates (Table 1, Section 4) will be resistant to market and policy changes, given that they have been set at an appropriate amount that is viable with the current economic climate.

4. Proposed CIL Charging Rates and Phasing Arrangements

- 4.1 The proposed CIL rates for Eastbourne are set out in Policy CCS1 'CIL Charging Rates' below, with Table 1 setting the rates by development type and Figure 1 identifying the zones to which the residential CIL charges apply.

POLICY CCS1:

Community Infrastructure Levy Charging Rates

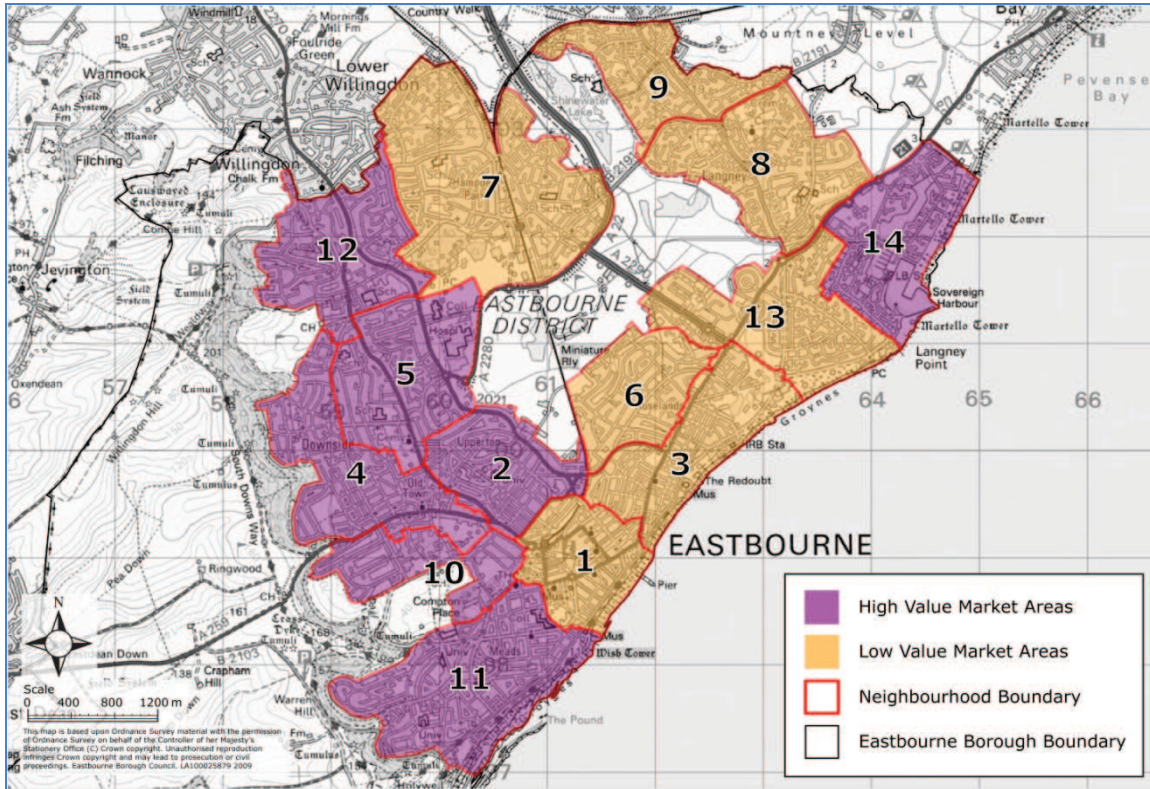
The Council has set CIL charges for residential and residential and retail (A1-A3 Planning Use Classes) per square metre of net additional (gross internal floorspace) development as identified in Table 1, for those areas defined in Figure 1. These charges will apply to all liable developments as identified in the CIL Charging Schedule planning document.

Table 1: Proposed Charging Rates for Eastbourne Borough Council CIL

Residential Uses	
Brownfield Sites	CIL Rate £/sq. m.
Low Value Area	0
High Value Area	45
Greenfield Sites	CIL Rate £/sq. m
Low Value Area	45
High Value Area	75
Non-Residential Use	CIL Rate £/sq. m
Retail (A1-A3)	100
All Other Non-Residential Uses	0

Figure 1: CIL Charging Area and Residential Charging Zone Boundaries

The CIL Charging Area will be all areas within the 14 neighbourhood boundaries, further divided by High and Low Value Market Areas.



4.2 For clarity the following table provides a list of the neighborhoods, as identified in the Eastbourne Core Strategy Local Plan that fall within the high and low value market areas.

Table 2: High and Low Value Market Areas by Neighbourhood

High Value Market Area	Low Value Market Area
Neighbourhood 2: Upperton	Neighbourhood 1: Town Centre
Neighbourhood 4: Old Town	Neighbourhood 3: Seaside
Neighbourhood 5: Ocklynge & Rodmill	Neighbourhood 6: Roselands & Bridgemere
Neighbourhood 10: Summerdown & Saffrons	Neighbourhood 7: Hampden Park
Neighbourhood 11: Meads	Neighbourhood 8: Langney
Neighbourhood 12: Ratton & Willingdon Village	Neighbourhood 9: Shinewater & North Langney
Neighbourhood 14: Sovereign Harbour	Neighbourhood 13: St Anthony's & Langney Point

Phasing

- 4.3 The Council consider that if a planning application is large enough to be delivered through appropriate phases, then CIL payments should be linked to these phases to ensure that development remains viable overall. The Council will negotiate relevant phasing on major applications during the determination of the planning application. Set phases and their relevant land use descriptions will need be confirmed in an accompanying Section 106 agreement and these phasing stages will be linked to CIL liability. Therefore, the CIL charge will be calculated at each phase of the development, and will be liable for payment on commencement of each relevant phase. This is confirmed in Policy CCS2 below.

POLICY CCS2: Phasing of CIL Payments

For major planning applications where the development scheme is phased as detailed in an accompanying Section 106 agreement, then CIL liability will be calculated for each separate phase. The phasing arrangements including quantum of development (net additional gross internal floorspace) delivered by each development type (Planning Use Class) should be clearly distinguished at each phase. CIL payment will be liable on commencement of each relevant phase.

5. Other Matters

- 5.1 The Council has prepared a Draft Regulation 123 Infrastructure List which is provided as an accompanying background document. This provides a list of the infrastructure types that the Council currently considers it is likely to apply CIL revenues towards. It is important to note that this list is subject to future review and may change before the adoption and implementation of CIL by the Council in April 2014.
- 5.2 The Council has provided evidence on global infrastructure costs in its Infrastructure Delivery Plan and Funding Gap analysis for the provision of cross-boundary infrastructure, such as transport provision. The Council will continue to work closely with East Sussex County Council and Wealden District Council on the governance arrangements in order to implement CIL and ensure that CIL monies are collected in both Eastbourne and South Wealden towards the delivery of strategic transport infrastructure in the Eastbourne and South Wealden area.
- 5.3 The Council will monitor the effectiveness of CIL through the Local Monitoring Report. This will take account of the economic climate and any change to the economic viability within the local area. The review of CIL charges will need to be implemented through a full review of the CIL Charging schedule and supporting viability evidence. A full review will be undertaken when necessary in future years.

6. How to Comment on the Preliminary Draft Charging Schedule

- 6.1 Eastbourne Borough Council is seeking comments from key stakeholders, infrastructure providers and any other interest parties or individuals on this Preliminary Draft Charging Schedule. The consultation period runs for a 6 week period from Friday 19 July, and comments/representations will be accepted up to **5pm on Friday 30 August 2013**.
- 6.2 Comments are invited by our on-line consultation portal, email or post. Please use the prescribed consultation response form that has been produced in Appendix B, or send specific comments through to:

On-line consultation Portal: <http://eastbourne-consult.limehouse.co.uk/portal>

E-mail: craig.steenhoff@eastbourne.gov.uk

Post:

CIL Consultation
Craig Steenhoff
Specialist Advisory Team
Customer First
Eastbourne Borough Council
1 Grove Road
Eastbourne
BN21 4TW

- 6.3 Supporting documentation is available to view at www.eastbourne.gov.uk/cil or in hard copy by visiting the Customer Contact Centre at 1 Grove Road, Eastbourne, BN21 4TW.
- 6.4 Please note that representations made on this consultation cannot be treated in confidence. Copies of all representations received may be available to the public for inspection. The Council may also provide details or a summary of presentations on its website. However, we will not publish personal information such as telephone numbers, email or private addresses. By submitting a representation on this Preliminary Draft Charging Schedule you confirm that you agree to this and accept responsibility for your comments.

7. Next Steps

- 7.1 The Council will take all comments received by 30 August 2013 into consideration in the preparation of the next stage of the CIL Charging Schedule . This is currently expected to take place in November/December 2013 but is dependent on the number and nature of comments received on the Preliminary Draft Charging Schedule.
- 7.2 Comments received on the next version of the Charging Schedule (the Draft Charging Schedule) will be submitted along with the document to the appointed

examiner. Anyone submitting comments on the Draft Charging Schedule will have the right to be heard at the Examination.

- 7.3 Following the Examination, the examiner will publish their report and recommendations. If the examiner approves the Charging Schedule the Council will then be able to approve it, setting a date for CIL to commence. It is currently anticipated that the Charging Schedule will be brought into effect during, or as soon as practicable, after April 2014.
- 7.4 The Council will continue to formalise its procedures for collecting, spending and monitoring CIL, so that it can be implemented in April 2014. Further information on this protocol will be provided with the Draft Charging Schedule later in the year.
- 7.5 The Council's proposed timetable for progressing and implementing CIL is set out in Table 3 below:

Table 3: Indicative Timetable for Progressing Eastbourne's CIL

Key Task/Milestone	Anticipated Completion Date
6 week public consultation on draft report	July/August 2013
Revisions to charging schedule based on consultation responses	September 2013
Prepare Final Proposed Charging Schedule	October/November 2013
Final charging schedule – submission to examining body (at least a 4 week consultation required)	November/December 2013
Anticipated Public Examination of CIL charging schedule	January/February 2014
Anticipated adoption of CIL charging schedule	April 2014

APPENDIX A

Calculating the Chargeable Amount

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

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

Where:

A = the deemed net area chargeable at rate R;

I_P = the index figure for the year in which planning permission was granted; and

I_C = the index figure for the year in which the charging schedule containing rate R took effect.

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

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

Where:

G = the gross internal area of the chargeable development;

G_R = the gross internal area of the part of the development chargeable at rate R;

E = an amount equal to the aggregate of the gross internal areas of all buildings which –

a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

b) are to be demolished before completion of the chargeable development; and

K_R = an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which-

a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;

b) will be part of the chargeable development upon completion; and

c) will be chargeable at rate R.

**CIL Preliminary Draft Charging Schedule
Consultation Response Form**

Eastbourne Community Infrastructure Levy

Preliminary Draft Charging Schedule – July 2013

All documentation is available to view and download for free via the Council's website (www.eastbourne.gov.uk/cil). The consultation starts on Friday 19 July 2013 and any representations should be received by 5pm on Friday 30 August 2013.

CONSULTATION RESPONSE FORM

Once you have completed this form, please return by post to:

CIL Consultation
Craig Steenhoff
Specialist Advisory Team
Customer First
Eastbourne Borough Council
1 Grove Road
Eastbourne
BN21 4TW

Please note that you can make representations online swiftly and easily at:

<http://eastbourne-consult.limehouse.co.uk/>

YOUR DETAILS

Title	Mr / Mrs / Miss / Ms / Dr	First Name(s)	
Surname			
Company/ Organisation			
Position held			
If you are responding on behalf of a client or landowner please provide their details			
Address			
			Post Code
Phone Number		Fax Number	
E-Mail Address			

YOUR COMMENTS

1. Do you agree with the Council's approach to CIL rates for residential development?

Support

Oppose

Please explain your answer

2. Do you agree with the Council's approach to CIL rates for retail development (A1-A3 Planning Use Classes)?

Support

Oppose

Please explain your answer

3. Do you agree, based on evidence, that CIL liable developments should only be residential and retail (A1-A3 Planning Use Classes) development?

Support

Oppose

Please explain your answer

4. Do you agree with the Council's policy on phasing payments for major developments?

Support

Oppose

Please explain your answer

5. Are there any other comments you would like to make on the CIL Charging Schedule? *(please reference section/paragraph number and add further separate sheets)*

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BODY	CABINET
DATE	10 July 2013
SUBJECT	'Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions' Supplementary Planning Guidance (SPG)
REPORT OF	Senior Head of Development

Ward(s)	All
Purpose	For Members to recommend that Full Council revoke the 'Parking at Development in Eastbourne' Supplementary Planning Guidance (SPG) at Full Council.
Contact	Matt Hitchen, Specialist Advisor (Planning), 1 Grove Road, Eastbourne Tel no: (01323) 415253 E-mail: matt.hitchen@eastbourne.gov.uk
Recommendations	That Cabinet recommends the revocation of the 'Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions' Supplementary Planning Guidance (SPG) at Full Council.

1.0 Introduction

- 1.1 East Sussex County Council as Highway Authority provide advice to Eastbourne Borough Council on highways issues in planning applications, including the provision of parking at new development. This advice was guided by East Sussex County Council's 'Parking Standards at Development' Supplementary Planning Guidance (SPG), which was finalised in February 2002. The County's 'Parking Standards at Development' SPG was adopted by Eastbourne Borough Council in December 2002.
- 1.2 In October 2003, East Sussex County Council also adopted Interim Supplementary Planning Guidance on Local Sustainable Accessibility Improvement Contributions. In January 2004, the 'Parking Standards at Development' SPG was amended to include part of this guidance as an appendix, but only for a temporary period of 12 months.
- 1.3 East Sussex County Council has now developed new guidance on parking standards and formally rescinded the 'Parking Standards at Development' SPG. In addition, the interim guidance on Development Contributions no longer applies. As the policy in the SPG is not longer being used, there is a need for Eastbourne Borough Council to also

revoke the 2004 SPG.

2.0 Parking at Development in Eastbourne

- 2.1 Since 2002, the advice provided by East Sussex County Council as a statutory consultee on highways was based upon guidance within the 'Parking in Development' SPG.
- 2.2 The SPG was based upon Government guidance and policy contained in Planning Policy Guidance Note 13: Transport (PPG13). The SPG specified maximum parking standards for each type of development, which were modified depending on broad location.
- 2.3 In January 2011, the Government decided to remove maximum car parking standards from PPG13, and subsequently deleted PPG13 as a result of the introduction of the National Planning Policy Framework (NPPF). The NPPF allowed Local Authorities to set their own parking standards, taking into account local factors and circumstances.
- 2.4 In light of this and the fact that the SPG was over ten years old, East Sussex County Council has reviewed their car parking policy and produced a new set of standards that were adopted by the County Council in October 2012. The new car parking standards take into account local factors in determining appropriate levels of parking provision, whilst still balancing the need for parking and car use against the need to encourage more sustainable modes of travel.
- 2.5 As the SPG is no longer used by the County Council to provide advice on parking at development, it should also be revoked by Eastbourne Borough Council to avoid confusion.

3.0 Future Advice on Car Parking Standards

- 3.1 East Sussex County Council will continue to provide advice on the provision of car parking within development as a statutory consultee in the planning application process. Their advice will be based on their new guidance that they adopted in October 2012.
- 3.2 As a statutory consultee, the advice provided by East Sussex County Council is still a material planning consideration that can be used in the determination of an application.

4.0 Resource Implications

Legal Implications

- 4.1 When revoking Supplementary Planning Guidance, the Town and Country Planning (Local Planning) (England) Regulations 2012 require the Local Planning Authority to cease to make any documents relating revoked SPG available and take such other steps as it considers necessary to draw the revocation of the documents to the attention of persons living and working in their area. Therefore the SPG will be

removed from the website and a statement will be made available on the website and in the Local Monitoring Report that the SPG has been revoked.

Financial Implications

4.2 None

Human Resource Implications

4.3 None

5.0 Conclusion

5.1 East Sussex County Council has produced new guidance on parking at development to replace their out of date SPG, which was adopted in 2002. The new guidance conforms with the latest policy and guidance on parking, and is based on local considerations such as accessibility, the type, mix and use of development, and local car ownership levels.

5.2 The old guidance is still adopted policy for Eastbourne Borough Council. However, East Sussex County Council will no longer use the SPG to provide advice on planning applications. East Sussex County Council will continue to provide advice on the requirement for parking in development as a statutory consultee in the planning application process based on their new guidance.

5.3 It is recommended that the 'Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions' Supplementary Planning Document (2004) be revoked to avoid confusions as it is no longer used in the determination of planning applications.

Background Papers:

- 'Parking at Development in Eastbourne and Local Sustainable Accessibility Improvement Contributions' Supplementary Planning Guidance (2004)

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

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Body:	Cabinet
Date:	10 July 2013
Subject:	Welfare Reform Initiatives
Report of:	Senior Head of Community
Ward(s)	All
Purpose	To request support to take forward a joint project with Lewes District Council to develop initiatives that mitigate the impact of Welfare Reform changes.
Decision Type:	None key
Recommendation:	a) To note the project development; and b) To provide funding of £20K to deliver the specific projects as contained within the Report.
Contact:	Ian Fitzpatrick, Senior Head of Community; telephone 01323 415935; email ian.fitzpatrick@Eastbourne.gov.uk

1.0 Background/Introduction

- 1.1 Lewes District Council commissioned FutureGov, a specialist consultancy, to undertake a project in Autumn 2012 to work with local residents and stakeholders to build a picture of how people are coping financially. From that research, FutureGov has identified a number of projects Lewes District Council could deliver, either on their own or with partners, to help residents during a time of financial pressure. Lewes District Council has offered Eastbourne and East Sussex Councils the opportunity to participate in future project developments.
- 1.2 The research showed that Welfare Reform changes, coupled with bleak economic outlook, may increase the vulnerability of a number of low income households, who until now, have been just about coping and low income families likely to be hit further by changes to the benefit system.
- 1.3 As an example, in East Sussex, the move from Incapacity Benefit to Employment Support Allowance is likely to result in an estimated 4000 people being assessed as fit for work resulting in a reduction in benefit for households of an estimated £5.5million.

Housing Benefit and Local Housing Allowance changes are estimated to have an impact on 15,000 households, reductions range from small amounts to £50+ per week. Changes to Tax Credits will impact on an

estimated 1,640 people across the county on low incomes with potential consequences in terms of debt and pressing need to reduce household expenditure.

2.0 Project Proposals

2.1 FutureGov has proposed that a series of projects are developed and include:

2.2 (a) Popcash

Working with East Sussex Credit Union, Popcash will focus on providing an easy to access, modern mobile app to challenge other payday loan options and make it as easy to borrow from (and save with) credit unions as with other payday lenders at regulated, low interest rates. This will be coupled with an aggressive campaign to compete with other lenders' advertising.

(b) WeightWatchers for Money Management

With a technology solution at the core (much like weightwatchers itself) develop a peer support programme of money management that mirrors the WeightWatchers ethos of pledging to a group that helps people meet targets, and in return receiving the support of your peers in order to do so.

(c) Super-charging an army of CAB volunteer advisors

The CAB has many local residents who volunteer as advisors, but do not have the funding to train these to the level required quickly. This project develops a service (using new and existing technology such as instant messenger advisor or Skype) to super-charge existing (bottlenecked) CAB services by developing an army of community micro-volunteering to provide soft (and early) support to those who need advice on a range of subjects.

2.3 Future Gov would also provide additional resource to drive forward a number of additional projects, through supporting the design and development process. These projects are:

(a) Landshare and District of Farmers

Freeing up Town Council / District Council owned land for food growing as well as free farmland, potentially facilitated through an app such as <http://www.landshare.net/>

(b) Car Sharing

FutureGov will provide a website for a six month trial, using it to understand additional development opportunities through the pilot including ideas such as peer to peer investment and using volunteering to build experience on a person's CV through rich profile pages.

3.0 Consultation

3.1 Local consultation has not taken place as the initiative has been developed in the Lewes area, however, if approved, local stakeholders would be involved in the project initiation and development.

4.0 Resource Implications

4.1 Financial

FutureGov has already secured £50K funding to run one project (Popcash) and a further £60K match funding to run the other projects as listed above. Lewes District Council has agreed to fund £20k and Eastbourne and ESCC have been offered the opportunity to participate on the basis that each contribute £20k. Other organisations such as CAB and Brighton Housing Trust will not be asked for funding as they are charitable organisations, but will be contributing officer time.

4.2 Staffing

There are no staffing implications.

5.0 Other Implications

5.1 These initiatives will assist in reducing the negative impact of changes to the welfare system.

6.0 Conclusion

6.1 a) To note the project development; and

b) To provide funding of £20K to deliver the specific projects as contained within the Report.

lead officer name: Ian Fitzpatrick
job title: Senior Head of Community

Background Papers:

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

Lewes District Council Cabinet Report 13 June 2013

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

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- Body:** CABINET
- Date:** 10 July 2013
- Subject:** HUMAN RESOURCES STRATEGY
- Report of:** Head of Corporate Development
- Ward(s):** ALL
- Purpose:** To share and propose the new Human Resources Strategy, Supporting the Business, 2013-15
- Contact:** Becky Cooke, Human Resources Manager
Telephone 01323 415106 or internally on Extension 5106
- Recommendations:** That Cabinet :
1. approve the new Human Resources Strategy and recommend to Council for adoption.

1.0 Introduction

- 1.1 The Human Resources Strategy is the overarching strategic framework by which Eastbourne Borough Council's HR Team will support the organisation in achieving its long term business goals and outcomes. It is underpinned by a comprehensive suite of HR policies and procedures.
- 1.2 The existing HR Strategy was approved in 2009 and outlines the way in which the HR Team was to support the delivery of corporate strategic objectives in the period 2009 – 2012. The HR strategic priority objectives identified at this time were Workforce Planning, People & Performance and Pay & Reward.
- 1.3 The HR Strategy needs updating to reflect current Corporate Plan (2010 – 2015) priorities and, in particular, the objectives in the Sustainable Performance priority theme relating to the ongoing transformation journey through DRIVE and Future Model. This also represents a timely opportunity to reflect the new vision and direction of the HR team following the appointment of a new HR Manager in September 2012.

2.0 Key HR Priorities

- 2.1 The overall vision behind the strategy is that Eastbourne Borough Council will be a place which attracts, retains and grows a pool of talented and diverse employees. It is based on a drive to embed HR strategy within corporate business, integrating people management with business planning and building organisational resilience and sustainability in a changing environment.

- 2.2 The key priorities identified for the period 2013 – 2015 are:
- Develop and promote a performance management culture across the Council
 - Build capacity and capability within the Council
 - Ensure fit for purpose structures, job designs and reward
 - Deliver a core HR function with increasing focus on adding and creating value for our customers
 - Customer Service
- 2.3 The revised HR Strategy is attached as Appendix 1 and details ways in which the HR team will deliver against these priorities, including key objectives such as supporting the organisation’s transformational drive and ensuring the Council is appropriately prepared for the Equality Peer Review planned for 2013.
- 2.4 Reference has also been made to the results of the 2012 Staff Survey to ensure that HR’s contribution to positive responses to the key outcomes is incorporated within the HR Strategy.
- 2.5 Once the overarching strategy is approved, there will be ongoing work to ensure that the related HR policies and procedures are up to date and fit for purpose.

3.0 Consultation

- 3.1 In developing this strategy, a wide range of stakeholders were consulted including the portfolio holder for Core Support & Strategic Services, CMT, senior managers, staff and Unison.

4.0 Resource Implications

- 4.1 There are no financial or staffing implications associated with the revised HR Strategy.

5.0 Conclusion

Cabinet will recognise the enormous transformation that has taken place at EBC and the ongoing organisational transformation. It is important to ensure that our approach to HR reflects these changes and maintains recognition that our workforce is our most valuable asset. Accordingly, Cabinet is asked to:

1. Approve the revised HR Strategy
2. Recommend its adoption by Council

Peter Finnis
Head of Corporate Development

Human Resources Strategy

Supporting the Business

2013 - 2015



HR Vision

The Human Resources Strategy is the strategic framework by which Eastbourne Borough Council's HR Team will support the organisation in achieving its long term business goals and outcomes.

HR strategy will be embedded within corporate business, integrating people management with business planning and building organisational resilience and sustainability in a changing environment.

This strategy sets out how the Council will ensure it matches resources to future need, with the right skills, values, policies, procedures and structures to continue on the transformational journey of the Sustainable Service Delivery Strategy (SSDS).

Continued success for the Council depends on the attitude, behaviour, skill and knowledge of our employees. Getting people management right requires cultural changes and an organisational-wide approach.

The vision behind the strategy is that Eastbourne Borough Council will be a place which attracts, retains and grows a pool of talented and diverse employees.

Consultation

In developing this strategy, a wide range of stakeholders were consulted including the portfolio holder for Core Support & Strategic Services, CMT, senior managers, staff and Unison.

Reference has also been made to the results of the 2012 Staff Survey to ensure that HR's contribution to positive responses to the key outcomes is incorporated within the HR Strategy.

Corporate Strategic Priorities

Eastbourne Borough Council's Corporate Plan summarises the Council's vision, objectives, values and improvement priorities. It sets the direction for all our services and brings together key actions and performance indicators to measure our progress against priority projects.

The Corporate Plan 2010 – 2015 priorities are:

Prosperous Economy

Quality Environment

Thriving Communities

Sustainable Performance

These priorities are underpinned by a set of principles to which all staff commit:

- ✚ Valuing all people
- ✚ Being sustainable
- ✚ Being efficient

The Human Resources Team has a key role in delivering the framework within which these priorities and principles operate, working alongside members, managers and staff to develop and implement pragmatic people solutions.

Human Resource Strategic Priorities

The aim of these key priorities for the HR function is for EBC to be an attractive and rewarding place to work. We will do this by enabling competent, self sufficient managers and highly skilled staff who support the Council's vision, priorities and values.

1. Develop and promote a performance management culture across the Council

- *We will have quarterly clinics for managers in their service areas to pick up the full range of HR issues and provide solution focused support*
- *We will regularly attend local DMT meetings to ensure HR is embedded in the core business, coaching managers to enable proactive people management.*
- *We will run annual Management Brief Bite / drop in sessions to cover key employee relations topics such as performance and attendance management, enhancing existing line management support and coaching.*

2. Build capacity and capability within the Council

- *We will, through HR Advisor partnership working with service areas, coach managers to maximize learning / enabling opportunities through effective use of*

the induction process for new staff and regular performance reviews within their teams.

- *We will oversee implementation of a new appraisal process which uses Covalent to make effective links between individual objectives and corporate priorities*
- *We will coach managers in identifying appropriate personal development opportunities, succession planning and talent management strategies to ensure staff have a sense of purpose, value and recognition.*
- *We will ensure the approach for support to and allocation of training is open, fair and consistent across the organisation*

3. Ensure fit for purpose structures, job designs and reward

- *We will support the organisation's transformational drive, both in the overall Sustainable Service Delivery Strategy and more locally advising individual team managers.*
- *We will drive the development and implementation of the Future Model career grading structures.*
- *We will ensure that the Council's pay and grading systems continue to meet the organisation's needs, meet equal pay legislative requirements and represent a fair day's pay for a fair day's work.*

4. Deliver a core HR function with increasing focus on adding and creating value for our customers

- *We will review all HR policies and procedures to make them shorter and simple to apply*
- *We will drive appropriate communication and consultation with Unison and Members on HR business critical matters.*
- *We will develop information and monitoring systems which allow us to effectively assess equalities data, monitor against the equality strands and support the Council in the Equality Peer Review planned for 2013.*

5. Customer Service

- *We will, by our own behaviours, role model the Corporate Plan Principles and Customer First Values, and support managers in challenging behaviours that don't fit within these.*
- *We will provide innovative and practical HR support and solutions which add value to the organisation*
- *Above all, we will value our customers*

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