

Published 27 August 2013

Agenda for meeting of the Cabinet to be held at 6.00 pm on Wednesday, 4 September 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.



The Cabinet meets in the Court Room of the Town Hall which is located on the ground floor. Entrance is via the main door or access ramp at the front of the Town Hall. Parking bays for blue badge holders are available in front of the Town Hall and in the car park at the rear of the Town Hall.



An induction loop operates to enhance sound for deaf people who use a hearing aid or loop listener.

If you require further information or assistance please contact the Local Democracy team – contact details at end of this agenda.

This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

Please ask if you would like this agenda and/or any of the reports in an alternative format.

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 10 July 2013 - Previously circulated.**
- 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 and regulation 12(2)(d) of the 2012 Access to Information Regulations. (Please see note at end of agenda).**
- 4 Questions by members of the public.**

On matters not already included on the agenda and for which prior written notice has been given (total time allowed 15 minutes).

5 Urgent items of business.

The Chairman to notify the Cabinet of any item of urgent business to be added to the agenda.

6 Right to address the meeting/order of business.

The Chairman to report any requests received to address the Cabinet from a member of the public or from a Councillor in respect of an item listed below and to invite the Cabinet to consider taking such items at the commencement of the meeting.

7 Corporate Performance - Quarter 1 2013/14 [KD]. (Pages 1 - 48)

Report of Deputy Chief Executive and Chief Finance Officer – **Report 07.**
Cabinet lead members: Councillors Troy Tester and Gill Mattock.

8 Finance Matters - Treasury Management Outturn 2012/13 [KD]. (Pages 49 - 58)

Report of Chief Finance Officer – **Report 08.**
Cabinet lead member: Councillor Gill Mattock.

9 Local Authority Mortgage Scheme [KD]. (Pages 59 - 62)

Report of Senior Head of Community – **Report 09.**
Cabinet lead member: Councillor Margaret Bannister.

10 Housing Investment in Eastbourne [KD]. (Pages 63 - 72)

Report of Senior Head of Community – **Report 10.**
Cabinet lead member: Councillor Margaret Bannister.

11 Exclusion of the public.

The Chief Executive considers that discussion of the following item is 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 item 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.

12 Alternative Employment Procedure. (Pages 73 - 76)

Report of Head of Corporate Development – **Report 12.**
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:
localdemocracy@eastbourne.gov.uk

You can view the Forward Plan of Key Decisions at
<http://www.eastbourne.gov.uk/council/meetings/>

Local Democracy, 1 Grove Road, Eastbourne, BN21 4TW

Tel (01323) 415022/415021/415023 Fax (01323) 410322

Minicom (01323) 415111 E Mail: localdemocracy@eastbourne.gov.uk

For general Council enquiries, please telephone (01323) 410000

E-mail enquiries@eastbourne.gov.uk Website at www.eastbourne.gov.uk

This page is intentionally left blank

Agenda Item 7

- BODY:** CABINET
- DATE:** 4th September 2013
- SUBJECT:** Corporate Performance - Quarter 1 2013/14
- REPORT OF:** Deputy Chief Executive and Chief Finance Officer
- Ward(s):** All
- Purpose:** To update Members on the Council's performance against Corporate Plan Priority actions, indicators and financial targets for 2013/14
- Contact:** William Tompsett, Strategic Performance Manager
Tel 01323 415418 or internally on ext 5418
- Pauline Adams, Financial Services Manager
Tel 01323 415979 or internally on ext 5979
- Recommendations:** Members are asked to:
- i) Agree the performance against national and local Performance Indicators from the 2010/15 Corporate Plan (2013 refresh)
 - ii) Agree the General Fund and HRA financial performance for the quarter ended June 2013, as set out in sections 3 & 4
 - iii) Agree the award of 1% pay award across the organisation as set out in paragraph 3.
 - iv) Approve the amended capital programme as set out in Appendix 3.
 - v) Agree the Treasury Management performance as set out in section 7.
 - vi) Agree to membership of IESE Transformation Ltd and delegate to the Chief Executive in consultation with the Monitoring Officer and s151 Officer, membership of any future subsidiary companies within the IESE Ltd group structure.

1.0 Introduction

- 1.1 The 2010/15 Corporate Plan was refreshed for 2013 and sets out a number of key actions and indicators to deliver and measure progress against key priorities. Throughout the year, performance against these key indicators and milestones will be reported to Cabinet and Scrutiny committees on a quarterly basis.
- 1.2 The information in these performance reports is collected and managed using the Covalent performance management system. Further detail behind

the report and evidence providing a full and robust audit trail for the performance information presented is available to view within the online system. A new "dashboard" view of the Corporate Plan actions, milestones and related information has been developed to improve the ease of access to data for Members and Officers. Member training sessions dedicated to accessing and using Covalent have been carried out and Members are invited to contact the Strategic Performance Team at any time to arrange individual training support on using the system if required.

- 1.3 In the absence of a National Performance Framework it is important that the authority continues to strengthen its own performance management procedures particularly in relation to the use of robust local indicators and meaningful reporting against actions and activities. The actions, milestones and performance indicators in the Corporate Plan refresh 2013 have been chosen to reflect this year's priority activities and objectives with a view to realising the longer term vision set out in the Corporate Plan.

2.0 Performance Overview

- 2.1 **Appendix 1** is a detailed report on the Quarter 1 activities and outturns of the performance indicators listed within the Corporate Plan. This report shows the latest available outturns for the National and Local Performance Indicators featured in the 2010/15 Corporate Plan broken down into themed areas.
- 2.2 Chapter summary text has been supplied by the relevant Heads of Service to provide added context for the performance reported in each section. This commentary highlights important achievements and challenges for the reporting period and can be found at the start of each chapter.
- 2.3 Each project has been allocated a number of in-year actions and milestones to be completed in order to progress the project efficiently. Some projects may be completed within the year whereas larger scale priorities will be delivered over a longer period. The specific milestones for Quarter 1 are set out in the Actions report in Appendix 1 and details of the milestones for the whole year are available on Covalent and can be supplied on request.
- 2.4 All of the planned milestones for Quarter 1 of 2013/14 have been completed within the reporting period.
- 2.5 The PI tables show which indicators related to the priority projects are performing on target (green tick icon), failing to reach target (red octagonal icon) or are "near misses" (amber triangle icon). Relative performance is based on quarterly targets as set by the managers of each area using past performance, available benchmarking and planned service developments.
- 2.6 There are 35 Performance indicators featured in the Quarter 1 report. Their current performance breaks down as follows:
- 8 Red/Off target
 - 2 Amber/slightly off target
 - 16 Green/On Target
 - 1 Unknown/awaiting data from a third party

There are also a number of “data only” indicators that are monitored to provide context to key services or are being measured in order to provide baseline performance to benchmark new services.

2.7 The actual outturn for each PI is shown on the performance gauges and column 4 – “Year to date”. The gauges show visually how the level of performance compares to targets (green zones) and “near miss” levels (amber zones). Amber zones have been reviewed to reflect appropriate levels of performance expectation and any national targets which are lower than our own local aspirations.

2.8 Commentary has been included in the action and indicator outturn tables where supplied. This provides some contextual background to the performance and this function and is backed up by the online evidence collation facility of the Covalent system.

2.9 Devolved Budget spend is reported at the end of the appended performance report. The table lists the projects supported and shows the total spend per ward so far this year.

3.0 Financial Performance – General Fund

3.1 General Fund performance of the quarter is shown in the table below:

Department	Full Year Budget	Profiled Budget	Actual to 30 June 13	Variance to date
	£'000	£'000	£'000	£'000
SUMMARY				
Corporate Services	11,484	4,526	4,504	(22)
Community Services	(143)	12,194	12,147	(47)
Tourism & Leisure Services	2,825	1,233	1,278	45
Total Service Expenditure	14,166	17,953	17,929	(24)
Contingencies etc	638	-	-	-
Capital Financing and Interest	1,650	100	100	-
Contributions to/(from) Reserves	935	(75)	(75)	-
Net Expenditure	17,389	17,978	17,954	(24)

Service Details are shown at **Appendix 2**

3.2 The position at the end of June shows a small underspend of £24,000. This relates to several areas of minor under and over spends which are being carefully monitored. These include:

- Additional planning fee income of (£21k)
- Cremation income and expenditure savings of (£75k)
- Revenues and Benefits additional costs of £33k
- Shortfall in Catering income of £31K.

3.3 The contingency fund currently stands at £638,000 which is available to fund the pay award, other inflationary increase and any future unforeseen one off areas of expenditure during the year.

3.4 Notification has now been received from the National Joint Council for Local Government Services (NJC) that agreement has now been reached on rates of pay applicable from 1 April 2013. The agreed pay increase of 1% has been applied to all staff across the workforce on national pay scales. This will be applied to the August payroll and c£120,000 will be vired from the contingency fund to service budgets.

3.5 No pay claim has been made to the NJC for Chief Executives/Chief Officers and a letter dated 26 April 2013 from the employers side states that they are in no position to make any offer for any claim made in respect of the 2013/14 year.

Cabinet can recommend to Council to make a local award to mirror the 1% award applied across the rest of the organisation.

Such a pay increase could be supported by the following factors:

- The Council's policy on remuneration for Senior Roles is based on ensuring that its overall remuneration packages align broadly with market norms for relevant local government and public sector, taking into account:
- Pay levels in the local area, including neighbouring public sector employers,
- The relative cost of living in the local area, including housing costs:
- The responsibilities and accountabilities of specific posts.
- CPI for March 2013 was 2.8%
- For the three months ending September 2012, the median pay settlement for the private sector was 2.5%
- Locally East Sussex County Council has agreed to a 1% increase for its Chief Executive, Chief Officers and Deputy Chief Officers.
- The last pay award was in 2009/10.

4.0 Financial Performance – HRA

4.1 HRA performance for the quarter is as follows:

	Current Budget	Profiled Budget	Actual to 30 June 13	Variance to date
	£'000	£'000	£'000	£'000
HRA				
Income	(14,964)	(3,761)	(3,779)	(18)
Expenditure	15,067	1,985	1,876	(109)
Total HRA	103	(1,776)	(1,903)	(127)

4.2 HRA performance is currently above target due to the variance in the provision for bad debts. A prudent increase in the provision for bad debts was included in the budget to offset any effect of the new benefits regime. Whilst rent collection performance for quarter one has remained at prior year levels, the introduction of universal credits and the benefits cap may impact on this position later in the year.

4.3 The current spend on the under occupation scheme indicates a potential overspend for the year due to the increase in the number of property transfers taking place. This budget is being carefully monitored.

5.0 Financial Performance – Capital Programme

5.1 The detailed capital programme is shown at Appendix 3. Actual expenditure is low compared to the budget. There are no significant variances and expenditure is in line with traditional patterns of spend as at quarter one. Expenditure is expected to increase as schemes progress throughout the year

5.2 The capital programme has been amended from that approved by Council in February to reflect the final outturn re-profiling of schemes between years.

6.0 Financial Performance - Collection Fund

6.1 The Collection Fund records all the income from Council Tax and National Non-Domestic Rates and its distribution to the major precepting authorities. With the introduction of the new system for the local retention of business rates, the performance of the Collection Fund will now be included as part of the performance monitoring and the results shared with the major preceptors.

6.2 The performance monitoring is being developed so that more information will be available for future reports; however indications for the first quarter figures show that the collection fund is on target.

7.0 Treasury Management

7.1 A detailed report on Treasury Management activities for 2012/13 is included elsewhere on the agenda. This report includes the current economic background and interest rate forecasts. Interest rates are expected to remain low for the remainder of 2013/14.

7.2 Economic Background

All eyes were on Mark Carney, whose inauguration as the new governor of the Bank of England saw equity markets at the time ending on a high, however, a fairly mixed couple of weeks of economic news followed. The GDP figure met analysts' expectations for the second quarter. The growth was 1.4% Year on year, up from 0.3% in the first quarter. Despite this encouraging figure and the strength of other news in the last month, many analysts are still apprehensive about saying that the economy is out of the woods; for the last two years the second half data has weakened and ended in a disappointing fashion compared with the first half. During the first week of Carney's reign the Monetary Policy Committee (MPC) held rates at 0.5%, encouraging continued speculation that there may be little need for further quantitative easing (QE) measures to stimulate growth in the economy.

The Consumer Price Index (CPI) was lower than analysts' expectations of 3.0% at 2.9%. This is seen as another strong signal for the economy, as it means consumers have more purchasing power than anticipated, helping to ease some of the pressure on individuals as real pay continues to lag behind price increases. The figures also suggest that if the economic picture does weaken and additional QE measures became necessary, there is sufficient

space for the MPC to use them. The momentum seen in June continued with UK PMI Manufacturing and Consumer Credit figures beating expectations. Similarly the PMI Services numbers and the Halifax House Prices were higher than anticipated. The PMI figure reached 56.9 (54.4 expected) whilst the Halifax figure hit 0.6% M/M, against expectations of 0.4%.

Despite the strong run of news over the last 2 months, markets remain skittish with bond yields responding quickly to the slightest negative comment. The new Governor's forward guidance policy will help to offer some smoothing to market news flow reactions, and could ultimately assist the tentative growth being seen across most sectors.

7.3 Interest Rate Forecast

The Council's treasury adviser, Sector, provides the following forecast:

	NOW	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
3 month LIBID	0.39	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.50	0.60	0.80	1.00
6 month LIBID	0.47	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.90	1.10	1.30
12 month LIBID	0.74	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.90	1.00	1.20	1.40	1.60	1.80	2.00
5 yr PWLB	2.20	2.20	2.20	2.20	2.20	2.20	2.30	2.40	2.50	2.60	2.80	2.90	3.00	3.20	3.30	3.40
10 yr PWLB	3.40	3.30	3.30	3.30	3.30	3.30	3.40	3.50	3.60	3.80	3.90	4.10	4.20	4.30	4.40	4.50
25 yr PWLB	4.30	4.20	4.20	4.30	4.30	4.40	4.50	4.60	4.70	4.80	4.90	5.00	5.00	5.10	5.10	5.20
50 yr PWLB	4.30	4.30	4.30	4.40	4.40	4.50	4.60	4.70	4.80	4.90	5.00	5.10	5.10	5.20	5.20	5.30

7.4 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2013/14, which includes the Annual Investment strategy, was approved by the Council on 20 February 2013. It sets out the Council's investment priorities as being:

- Security of Capital;
- Liquidity;
- Yield.

A full list of investments held as at 30 June 2013 is shown in the table below.

Counterparty	Amount £m	Interest Rate %	Maturity
Lloyds Bank	1,000,000	0.40	Call
Royal Bank of Scotland	3,800,000	0.70	Call
Royal Bank of Scotland	100,000	1.10	90 day Account
Nationwide Building Society	3,000,000	0.38	2.7.12
Lloyds Bank	2,000,000	0.95	3.2.14
	9,900,000		

Following the downgrading of Co-op bank to BB- in May, the advice from Sector was for the Council to minimise exposure, in light of this a maximum operational balance of £500,000 maximum balance is being kept in the Reserve account at any one time. This has had consequences on the ability to invest elsewhere due to the limited number of counterparties available that met the criteria set out in the TMSS and the limit of £4m as a maximum amount to be held with any particular bank or building society. This limit was breached twice over the quarter by £1.8m for a period of 3 days and by £1.3m for a period of 2 days. Other investment options are being

investigated to avoid this problem for the future.

No other approved limits within the Annual Investment Strategy were breached during the quarter end 30 June 2013.

Investment rates available in the market have continued at historically low levels. Funds are available on temporary basis for investment and arise mainly from the timing of the precept payments, receipts of grants and progress on the capital programme.

7.5 Investment performance

Investment performance for the quarter ending 30 June 2013 is as follows:

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day	0.36%	0.67%	£16,000

As Illustrated, the authority out performed the benchmark by 0.31%. The Council's budgeted investment return for 2013/14 is £50,000 and performance for the year is in line with this budget.

7.6 Borrowing

No borrowing or debt re-scheduling was undertaken during the quarter.

Cash flow predictions indicated that further borrowing will be required later in the year. The exact timing and nature of this borrowing will be consider at that time, however to maintain a sustainable maturity profile it is anticipated that new borrowing will be at maturity dates between 8 and 10 years.

7.7 Company Investment

The Council has been one of the founder members of Improvement and Efficiency South East (IESE) with a liability limited to £1. At the same time that the Council agreed to become a founder member it was reported that subsidiary companies would be set up in order to facilitate better governance of activities. No specific authority was requested for the Council to become members of such subsidiaries. At present there is a subsidiary "IESE Transformation Ltd" which the Council is requested to formally become a member.

There is no change in liability and Cabinet is therefore asked to agree to membership of IESE Transformation Ltd and delegate to the Chief Executive in consultation with the Monitoring Officer and s151 Officer, membership of any future subsidiary companies within the group structure.

7.8 Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

During the quarter to 30 June 2013 the Council, apart that mentioned above at section 7.4, has operated within all the other treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

8.0 Consultation

8.1 Not Applicable

9.0 Implications

9.1 There are no significant implications of this report.

10.0 Conclusions

10.1 This report provides an overview of performance against the authority's priority actions and indicators as at the end of the first quarter of 2013/14. Progress against the key projects and indicators is updated on the online Covalent system on a regular basis and provides a "live" view of the Council's performance accessible at any time.

10.2 Both the General Fund and HRA budgets are on target, capital expenditure is low but this is to be expected as some of the major schemes are yet to commence.

10.3 Treasury Management performance is on target and apart from two occasions when the investment maximum allowed to any one country party were breached all other activities were within the approved Treasury and Prudential Limits.

William Tompsett
Strategic Performance Manager

Pauline Adams
Financial Services Manager

Background Papers:

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

Corporate Plan 2010/15 (2012 refresh)
Covalent performance management system reports

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

2013/14 Actions and milestones – Quarter 1



Report Type: Actions Report
Report Author: William Tompsett
Generated on: 12 August 2013

Page 9

Parent Action	Action	Description	Due Date	Note	Completed
CP13_1_01 Deliver a Sustainable events programme	CP13_1_01_01 Deliver the Council led events programme for 2013/14	Deliver Magnificent Motors event	06-May-2013	The Magnificent Motors event took place on 4/5 May. Over 500 classic, vintage and modern cars, buses, military and commercial vehicles attended the show which returned to the Western Lawns and Wish Tower Slopes on the seafront. Over 200 vehicles joined a vehicle cavalcade each day and the event was complemented by a Continental Market, funfair rides and musical entertainment on a band stage. The weather on Saturday could best be described as typical bank holiday British with rain showers all day which inevitably deterred some visitor numbers. However, Sunday saw brilliant sunshine and temperatures of 20 C and large crowds attending. It is estimated that around 15,000 visitors attended over the 2 days.	Yes
		Deliver the 3rd Eastbourne Cycling Festival around the resort with partners	31-May-2013	The Event took place on Sunday 2nd June and saw a Sportive, Duathlon, 5km road race and a road race criterium circuit featuring category 2, 3.4 and elite rides	Yes
		Deliver the Fiesta Event and Carnival with partners on Western Lawns and seafront	31-May-2013	The event became Beer and Cider by the Sea and featured 100+ real ales and ciders with wine, bottled beer and a live music stage over 2,100 paying customers attended the event on the Western Lawns. EBC Events worked with the Carnival organisers to facilitate the road closures and H&S planning of the event which attracted large crowds watching along the seafront.	Yes
		Deliver Aegon International Tennis in partnership with the LTA	22-Jun-2013	The Aegon International attracted all time record attendances of 42,828 breaking the 40,000 admissions figure for the first time ever in its 39 year history. The Wednesday of the event saw the 2nd highest daily attendance ever at 6395 admissions. Weather conditions through the week were	Yes

Parent Action	Action	Description	Due Date	Note	Completed
				challenging for players and organisers with wind and rain delays playing their part through the week. The TV coverage saw the return of BBC2 showing the event Monday - Saturday, in addition court 1 was televised for the first time and the TV rights were sold globally to over 30 countries generating massive coverage for the tournament and the resort. The tournament reached its conclusion on schedule with Russian Elena Vesnina winning the women's final 6-2,6-1 view here http://bit.ly/11Ffecv and Spaniard Fernando Lopez winning the men's final 7-6(2) 6-7(5) 6-0 view here http://bit.ly/1aCTzbq The tournament concluded with an 8.30pm finish of the women's doubles final which saw nos 1 seeds Nadia Petrova and Katarina Srebotnik triumph, joining men's doubles champions Alexander Peya and Bruno Soares in the winners' circle, the top men's seeds had overcome a spirited challenge from No.4-seeded British duo Colin Fleming and Jonathan Marray on Friday to take the title 3-6 6-3 10-8 on Court No.1. The scheduled date for 2014 is 14-21 June.	
CP13_1_02 Tourism Marketing and Development	CP13_1_02_01 Work on the relationships introduced by Sponsor-finder to develop a mutually beneficial package	Quarter 1 update	30-Jun-2013	Regular contact has been made with SponsorshipFinder, payment for their services has ceased, however SponsorshipFinder remain committed to finding leads for the Airbourne event	Yes
CP13_1_02 Tourism Marketing and Development	CP13_1_02_02 Develop a new marketing and promotion strategy on the back of the Visitor Economy Study results	The outcomes of the visitor economy study have been announced and the results disseminated to key stakeholders	30-Apr-2013	Work has been undertaken regarding the potential promotional opportunities to key audiences versus how the current promotion is undertaken, the need for new photography has been identified to capture more family activities. A review of event marketing activity will take place later in the year	Yes
		A presentation from TNS will be organised to consider the next steps	31-May-2013	There will be a further presentation from the authors TNS, for Councillors and key stakeholders on 24th September	Yes
		A comparison study will take place to see how the key findings fit with current promotions & marketing plans	30-Jun-2013	The conclusions, recommendations and key highlights of the visitor economy study have been shared with various groups, including the EHA, CMT, Cultural Development Group.	Yes
CP13_1_02 Tourism Marketing and Development	CP13_1_02_03 Develop the digital strategy for tourism marketing and information.	Gather statistics from the mobile website for Visiteastbourne relating to the use of mobile sites, along with the use of QR	30-Apr-2013	Meetings have taken place with suppliers of the DMS and we are aware of new packages that can enhance the Visiteastbourne website, we are also aware of the	Yes

Parent Action	Action	Description	Due Date	Note	Completed
		codes.		limitations and have recently agreed to use a bespoke group booking system which will enhance the conference booking system and will offer a better service for both delegates and hotels	
		Review current availability of digital awareness in the market place	31-May-2013	Research has begun on how people are sourcing their information and which mechanisms are proving to be the most popular, traditional press continues to be well received with a recent rise in social media usage	Yes
		Research to understand capabilities within existing operating systems	30-Jun-2013	PI's are regularly monitored and recorded detailing the most popular pages, QR codes have been widely used on promotional material, use of the codes will continue to be monitored	Yes
CP13_1_03 Employment - Town Centre Masterplan	CP13_1_03_01 Adopt Local Plan	Complete consultation on modifications.	30-Apr-2013	Consultation period ended 5/4/13: representations received and sent to Planning Inspectorate.	Yes
		Hearings scheduled following the public consultations.	17-May-2013	TCLP examinations in public took place on the 16 and 17 May 2013.	Yes
CP13_1_03 Employment - Town Centre Masterplan	CP13_1_03_03 Progress plans for the environmental improvement to Terminus Road to be completed in 2015	Project Board to agree final draft design.	30-Jun-2013	The final draft design was agreed at the Project Board meeting held on 13 May.	Yes
CP13_1_05 Activating Eastbourne	CP13_1_05_03 Produce two labour market information reports	Publish May 2013 edition	30-Jun-2013	The May edition has been circulated and published on the website .	Yes
CP13_1_07 Support Secondary Shopping Areas	CP13_1_07_01 DPG (Difficult Properties Group) to continue with success of improving secondary shopping areas and streets near the town centre with targeted action	Targeted area to be surveyed and action properties chosen.	30-Apr-2013	21 properties have been identified in the target area.	Yes
		Land ownership details obtained for chosen properties.	30-Jun-2013	Land ownership details for all chosen properties has been obtained.	Yes
CP13_2_04 Towards a low carbon town	CP13_2_04_01 Continue to implement Environment Strategy Action Plan	Create an independent website for the Community Environment Partnership for Eastbourne.	30-Jun-2013	Web site was completed in May, link is www.cepe.org.uk .	Yes
CP13_2_07 Pride in our Parks	CP13_2_07_02 Publish the Development Plan for Princes Park	Complete consultation on Development Plan.	30-Apr-2013	The consultation has been completed.	Yes
		Seek authority for implementing long term strategy for Princes Park.	30-Jun-2013	The Princes Park development plan was approved at Cabinet on the 29-May-2013 for the existing capital allocated to Princes Park be used for the purposes of attracting further funding if possible.	Yes

Parent Action	Action	Description	Due Date	Note	Completed
CP13_2_07 Pride in our Parks	CP13_2_07_03 Build Skate Park in Hampden Park area and agree design with stakeholders	Complete consultation on location of skate park.	30-Apr-2013	The consultation on the location for the Skate Park has been completed.	Yes
CP13_2_07 Pride in our Parks	CP13_2_07_05 Improvements to Five Acre Field	Additional holm oaks planted.	30-Apr-2013	The planting of the additional holm oaks was completed on 23 April 2013.	Yes
CP13_2_07 Pride in our Parks	CP13_2_07_06 Improvements to playgrounds in Upperton Ward	Carry out site appraisals.	30-Apr-2013	Initial site appraisals have been completed for public open space within Upperton.	Yes
CP13_3_01 Youth Activities	CP13_3_01_01 Youth fair 2013	Agree initial arrangements	30-Jun-2013	Date set for 29th October and venue booked. Initial promotion done through Youth Network and partnership meetings and liaison with a wide range of groups planning to participate.	Yes
CP13_3_01 Youth Activities	CP13_3_01_02 Launch Youth Network	Arrange and publicise launch meeting	30-Jun-2013	Launch meeting held 6th June 2013, Very successful with 20 groups attending and positive feedback requesting further meetings.	Yes
CP13_3_01 Youth Activities	CP13_3_01_03 Implement Youth Strategy	Agree updated Action Plan	30-Jun-2013	Finalised updated plan 10 June 2013. This will be used for the remainder of the life of the Strategy to end March 2015.	Yes
		Monitor progress against Action Plan	30-Jun-2013	Action Plan updated and circulated to Youth Partnership for discussion at meeting on 16 July. Download available.	Yes
CP13_3_01 Youth Activities	CP13_3_01_04 Deliver Healthy Eastbourne Campaign	Campaign and website launched	30-Jun-2013	Campaign launched to coincide with the Eastbourne Sports Festival on 25th May. Website launched to coincide with this and populated. Additional information and events will be added as and when notified.	Yes
		Content provided for website	30-Jun-2013	Substantial content already uploaded. 280+ activities loaded and a range of services. Ongoing promotion of the website is attracting additional content.	Yes
		Funding secured for website design and construction	30-Jun-2013	Funding secured from Health Improvement Grant (formerly PCT), EBC and Eastbourne Homes. Website is fully funded. Further funding is sought to pay for staff hours to develop and maintain the website and to develop the campaign overall.	Yes
		Options identified for measuring impact	30-Jun-2013	University of Brighton have offered to help with this. Meeting planned on 25 July to explore funding opportunities for a package of projects to promote healthy lifestyles and bids will include costs of	Yes

Parent Action	Action	Description	Due Date	Note	Completed
				measuring impact.	
		Report delivered for ESP on initial impact of campaign	30-Jun-2013	Initial report of progress delivered to Eastbourne Strategic Partnership meeting on 6th June 2013.	Yes
		Website developer selected	30-Jun-2013	Developers invited to tender April 2013. PRG selected as preferred provider and contract agreed May 2013. Website completed by 25th May 2013 and final amendments requested 10th June 2013. Due to be completed by end of June 2013.	Yes
CP13_3_02 Improving Neighbourhood Delivery	CP13_3_02_01 Support development of £1m Big Local Devonshire West	Engage with local residents, businesses and other organisations: Support community engagement activities	30-Jun-2013	A range of community engagement events delivered including a very successful event held for businesses which attracted a number of local businesses. A musical event and a 'sticky money' event are planned to add to information about local priorities. A networking and learning events will take place on Saturday 20th July at the Royal Hippodrome to begin visioning, identifying priorities and action planning and discuss options for a website and social media.	Yes
CP13_3_02 Improving Neighbourhood Delivery	CP13_3_02_02 Launch Ward Walks	Partnership approach piloted in May 2013 in Willingdon Trees neighbourhood	31-May-2013	Approach piloted as planned.	Yes
CP13_3_02 Improving Neighbourhood Delivery	CP13_3_02_03 Support development of youth services and activities	YMCA youth activities monitored	30-Jun-2013	Monitoring returns for this quarter are due at the end of July and will be added then. The monitoring report for the previous quarter is available to download.	Yes
CP13_3_02 Improving Neighbourhood Delivery	CP13_3_02_04 ECSP Programme Delivery Plan	Monitoring quarter 1	30-Jun-2013	The ECSP plan has been refreshed and updated for 2013/4 to align more closely with the PCC and ESCC Community Safety Plans whilst keeping focussed on local priorities and issues. Currently of the 37 actions, 20 are currently showing green and this includes the majority of local actions with the exception of full integration of the County ASB/Hate crime reporting system which is an integral part of phase 2 of future model and the "street community action plan" both which are currently showing amber. The remainder of amber actions are reliant on East Sussex safer Communities Partnership developing and implementing higher level actions with particular reference to Domestic Violence and Reducing Reoffending. Having said that all actions are on track in relation to their respective timelines and Eastbourne's overall crime continues to reduce year on year.	Yes
CP13_3_03 Maximising our	CP13_3_03_01 Finish Decent	Design agreed for Retirement Court	31-May-2013	Having considered all the pros and cons around the	Yes

Parent Action	Action	Description	Due Date	Note	Completed
Housing Assets	Homes for Retirement Courts	remodelling of Winchester House.		options for Winchester Court, we have decided to retain and refurbish the current building. This is due to a number of reasons, including: the expectation of residents is for this to happen; the additional cost of new build is not outweighed by the additional utility to be gained from new build; the additional third floor may create an over supply of these units as Places for People also have a sheltered unit in the area that has been at times hard to let.	
CP13_3_03 Maximising our Housing Assets	CP13_3_03_02 Empty Property Programme	HCA bid submitted	01-Apr-2013	With regard to the Empty Property Programme the HCA Bid was completed and submitted before the due date and we are awaiting the outcome.	Yes
CP13_3_03 Maximising our Housing Assets	CP13_3_03_03 Construction of new Council-owned homes in Seaside and Langney	Delivery agent contract out to tender	30-Jun-2013	Pre Qualification Questionnaires have been received and are currently being assessed in preparation for the formal Invitation To Tender to be issued at the end of July 2013.	Yes
CP13_3_03 Maximising our Housing Assets	CP13_3_03_04 Launch E-Switch – fuel costs	Approved partner arrangement signed	01-Apr-2013	The Approved Partner Document was signed by the Senior Head of Communities in April and sent back to Peterborough Council on 2nd May 2013.	Yes
		Auction held online by PCC	25-Apr-2013	We have completed one auction round and are working to promote the second round in June.	Yes
		Scheme reviewed following first auction and decision on future participation and marketing	30-Jun-2013	A decision was taken that a second auction would be beneficial for the project to reach it's optimum potential. As such the review will occur after the second auction is complete. EBC have completed two auctions having registered over 300 people for the energy switching programme. The estimated saving per household ranges from between £80 to £165. The Review will now take place through July with a decision to be reached in August 2013.	Yes
CP13_3_03 Maximising our Housing Assets	CP13_3_03_05 Housing and Economic Development Project	Programme update provided	30-Jun-2013	The Housing and Economic Development Partnership (HEDP) has commissioned a Devonshire Development Framework (DDF) which will explore how investment and design policy by different agencies and organisations can be shaped and co-ordinated to improve the viability of this important part of Eastbourne. The consultation will be taking place in Quarter Two with a report due Quarter Three. The HEDP has supported the submission of a successful bid to the Homes and Communities Agency for funding to support converting empty commercial premises to	Yes

Parent Action	Action	Description	Due Date	Note	Completed
				homes. Consultants have been appointed to explore investment sources for Eastbourne, including that possibly available from institutional investors. The outcome of this work will be reported in Quarter Two.	
CP13_3_03 Maximising our Housing Assets	CP13_3_03_06 Review Housing Management options	Project Board established to review Housing futures	30-Jun-2013	The Council has agreed the composition of the Project Board and authorised officers to progress the formal establishment of the Project Board. The first meeting of the Project Board will take place by the end of August 2013.	Yes
CP13_3_04 Support to Vulnerable Households	CP13_3_04_01 Social Security Changes (Welfare Reform)	Rent in Advance Scheme Go live under delegated Authority from East Sussex County Council	01-Apr-2013	'The scheme went live at EBC on the 27th April 2013 and to date the Housing Options Team have assisted 20 applications at a cost of nearly £6,000'.	Yes
		Eastbourne Self Assessment: Helping People Manage Changes to Social Security System	30-Apr-2013	To allow the Council to better understand its corporate response to the changes to Social Security, the Housing Services Strategy Team produced a Key Line of Enquiry (KLOE) pro-forma. This was used to guide the questioning and research into what different teams and services were doing as well as set out some initial markers for what may represent best practice.	Yes
		Website updated with relevant information.	30-Apr-2013	Link to ESCC Welfare Reform information on EBC website.	Yes
		Action Plan agreed incorporating East Sussex and Eastbourne assessment	31-May-2013		Yes
		Revised DHP policy agreed with Cabinet	31-May-2013	Cabinet agreed policy on 29 May 2013.	Yes
		Quarter 1 demand % impact update provided	30-Jun-2013	The Council has completed a review of its responses to the changes being introduced to the social security system. This was undertaken using a Key Line Of Enquiry (KLOE) methodology. The review shows that the Council as a whole has taken reasonable steps to prepare its service offer to help people where it is best placed to do so to mitigate and manage the impact of these changes. Specific actions include supporting the work of the East Sussex Welfare Reform Action Plan, including a Helpline and free training for officers of the Council and its partners, a working group between the Council and Eastbourne Homes Limited to provide a focused response to help tenants of the Council and a Housing Policy Review has been started to consider in a measured and informed way whether or not the	Yes

Parent Action	Action	Description	Due Date	Note	Completed
				Council needs to amend housing polices, for example the allocation of properties. Of the Council 3,600 tenants, 273 are liable for changes arising from the bedroom tax/spare room subsidy. Just 5 tenants of the Council will be affected by the Benefit Cap	
CP13_3_04 Support to Vulnerable Households	CP13_3_04_02 Manage and reduce rough sleeping	Third Outreach worker recruited	30-Apr-2013	The contract with the CRI Outreach service has been brought to an early termination due to operational and delivery problems. EBC has delegated authority from the 13 Sussex Local Authorities to commence the tender process for a new countywide rough sleeping outreach service. We anticipate that this should be in place by the autumn of 2013.	Yes
		Multi Agency action day attended to explore gaps in service and best practice	31-May-2013	A very successful conference, hosted in partnership with Sussex Police, took place in May, which was attended by over 100 people. Delegates fed into a revised version of the SHORE Action Plan. Conference feedback was excellent and extremely constructive.	Yes
CP13_3_04 Support to Vulnerable Households	CP13_3_04_04 Homelessness Strategy	Gold Standard Project Plan agreed	30-Jun-2013	Gold Standard Project Plan has been agreed with all East Sussex Local Authorities. A series of meetings have been booked in to progress this project. We still await the SDTK from DCLG and expect to have this for the next partnership meeting summer 2013.	Yes
CP13_3_05 Town Hall Community Hub	CP13_3_05_01 Community Hub	Complete stakeholder consultation	31-May-2013	Stakeholder consultation completed. Feedback to stakeholders will follow any initial decisions about the options put forward by Locality in their report.	Yes
		Build business case and recommendations	30-Jun-2013	Options have been developed and a recommendation is being worked up based on a viable business case for the short and medium term. A meeting is planned at the end of July to present initial findings to those groups who took part in the consultation held earlier this year.	Yes
CP13_3_06 Cultural Development (1)	CP13_3_06_02 Deliver the Active Eastbourne Strategy	Draft strategy circulated for full consultation	30-Apr-2013	Draft Strategy has been circulated to local clubs and stakeholders	Yes
CP13_3_06 Cultural Development (1)	CP13_3_06_04 Launch new Museums website	Holding page for the Museums website live and showing up to date images and information.	01-Apr-2013	www.eastbournemuseums.co.uk	Yes
		Redoubt website to sit on the VE platform	31-May-2013	The website has been built and the content is just being finalised. Redoubt stock will also be sold through E-shop	Yes

Parent Action	Action	Description	Due Date	Note	Completed
		Website will be built by NVG	30-Jun-2013	The Redoubt Website has been designed and will sit on the VE platform. Content is currently being added to the site	Yes
CP13_3_06 Cultural Development (1)	CP13_3_06_05 Feasibility study for the Redoubt as an accessible, living museum and event space	Set up a discussion panel for study	31-May-2013	The Redoubt Access Group met in May and are due to meet again in July, the vision for the Redoubt has been discussed with this group.	Yes
		Initial discussions with HLF (Heritage Lottery Fund)	30-Jun-2013	A meeting has taken place with the HLF and the HLF have given advice on the details required for the HLF bid, the proposals for the Redoubt have initially been well received	Yes
CP13_3_06 Cultural Development (1)	CP13_3_06_08 Develop the exhibitions and schools' education programme with funding from Heritage Lottery for new projects	Schools programme set out and sent to schools	30-Apr-2013	Meetings have taken place with key schools and the curriculum has been discussed to ensure the Heritage Service can offer a programme that is compatible.	Yes
		Funding streams explored and initial contacts made	30-Jun-2013	HLF - WW1 fund applied for for £8k. AMOT (Army Museums Ogilby Trust) conservation grant awarded just over £1k. MOD grant for Armed Forces Day for £1k	Yes
CP13_3_06 Cultural Development (1)	CP13_3_06_09 Support Eastbourne Society to promote the Heritage Centre	Ensure the cross promotion of the Redoubt and the Heritage Centre	31-May-2013	The Heritage Centre leaflets are on display at the Redoubt and staff have been invited to visit the Redoubt to see the improvements Jo S gave a talk to the Eastbourne Society about the work of the Heritage Service....positive feedback	Yes
		Implement a regular meeting pattern with key staff from the Heritage Service and the Heritage Centre	31-May-2013		Yes
		Ensure the Heritage Centre operates within the terms of the agreed lease - Q1	30-Jun-2013	We continue to liaise with the Society on events and shared interest activity. They are also represented on the Cultural development board.	Yes
CP13_3_07 Cultural Development (2) - Devonshire Park	CP13_3_07_01 Procure required services to take Devonshire Park review to RIBA stage C	Renew DCA contract.	01-Apr-2013	Contract renewal provisionally agreed to develop potential future governance options and detailed business planning.	Yes
CP13_3_07 Cultural Development (2) - Devonshire Park	CP13_3_07_03 Develop the Devonshire Park Catering service, promoting and growing its profile	Launch the mobile catering unit 'airstream'	01-Apr-2013	The mobile catering unit has been in situ since Easter, a business plan was written based on potential income. However since opening there have only been 9 'good weather days' and the weather has been on some days very poor, there is no internal seating and the mobile unit relies solely on good weather.	Yes

Parent Action	Action	Description	Due Date	Note	Completed
		Launch the new café at the Redoubt under the umbrella of DPC Catering	30-Apr-2013	The Outpost Cafe opened on Good Friday, the cafe is a 1940's themed cafe and offers a themed menu and a loyalty card.	Yes
		Develop the business plan for the mobile catering unit	31-May-2013	See milestone note above	Yes
		Development of a marketing plan to identify and establish new business	30-Jun-2013	The Sales Co-ordinator has already generated new business from the identified markets agreed in the marketing plan. Christmas parties has been identified as a potential lucrative market and packages have gone on sale and over 200 covers have already been secured.	Yes
CP13_3_08 Cultural Development - Sustainable strategy for Eastbourne Theatres	CP13_3_08_02 Secure funding for audience development for Devonshire Park Theatre	Meetings convened with ACE and venues with a view to making application under the Strategic Touring Partnership	30-Apr-2013	Series of meetings commenced including new partnerships with Worthing Theatres to produce a programme for funding. Former ACE officer working with the partnership on funding applications. The Strategic Touring Partnership fund is being reviewed by ACE due to its onerous and complex structures, we will continue to liaise on outcomes of this review.	Yes
CP13_4_01 Efficiency (Future Model Phase I)	CP13_4_01_01 Future Operating Model Phase I	Ongoing review of technologies - quarter 1	30-Jun-2013	Marked as complete despite some technology not yet live - monitoring ongoing	Yes
		Performance data gathered for all services and reviewed - quarter 1	30-Jun-2013	Performance data being gathered, although not yet for all services because all services not yet live.	Yes
CP13_4_02 Efficiency (Future Model Phase II)	CP13_4_02_01 Future Operating Model Phase II	Develop Implementation Plan and Business Case	30-Jun-2013	High level implementation plan and business case drafted	Yes
CP13_4_03 Assets	CP13_4_03_01 Asset Management Plan	Cabinet authorisation to progress 'Asset Challenge' and 'Corporate Landlord' models that will form major part of new plan	29-May-2013	Approved at Cabinet with funding allocated to carry out the work.	Yes

Overarching commentary : Prosperous Economy



Latest Note

Some challenges presented by the weather again for the first quarter for 2013, as we saw only 9 good days, this has affected attendance at our outside concerts at the Bandstand and patrons have stayed away as it was cold. However a fine day brought hundreds to the Bandstand for the filming of the Antiques Roadshow, which will be screened in the autumn, over two programmes. Visitors to the TIC are slightly up on expected numbers and anecdotal reports from the hoteliers is positive for the season ahead. The distribution of the Eastbourne Holiday Guide has increased by 30% on 2012 and users of the Visiteasbourne website continues to increase, year on year.

Proving the impact of the weather, the event season kicked off early May with Magnificent Motors, relocated to the Western Lawns, including a drive in movie add-on of the Italian Job, which reached over 60% of capacity sales thanks to fine sunny weather. The new Spring Festival – 'Beer and Cider by the Sea' was hugely popular and sold out over the Carnival weekend and the Aegon International was a fantastic success, opening with a free day on the Saturday and seeing a week of record attendance. Seeing the event televised on BBC again was a boost to the profile of the event and the town and we continue to work with the LTA to ensure the profile and partnership approach is maintained throughout the season.

The first quarter of the new municipal year has seen the £70 million investment by L&G in the town centre continues to move forward. L&G are continuing to negotiate with the land owners to assemble the site. The Council is working on the detailed legal agreement to assist the land assembly by using its compulsory purchase powers if necessary.

The draft plans for the improvement to Terminus Road are being finalised for public consultation which is programmed during Q2.



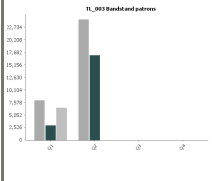


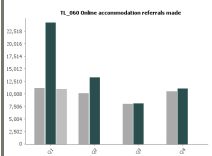
Meanwhile the new Local Plan for the Town Centre has been progressed having been the subject of an Examination by the government's inspectors. It is on track to be adopted policy by March 2014.

Work continues on improving the secondary shopping areas in the town centre. 21 properties are being targeted for improvement by the Difficult Property Group in the Seaside area of the town. They mainly tackle properties in poor condition but also offer support to owners of vacant properties, particularly retail units, seeking to improve the appearance of the area by having shops in use.

There has been concentrated effort on bringing forward the business land at Sovereign Harbour. The Council has been successful in securing £6 million from the Growing Places Fund. This will enable the construction of 3,000 square metres of employment space in the form of an Innovation Mall which will accommodate up to 300 jobs. A planning application is imminent.



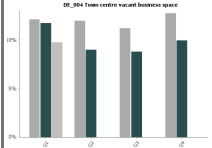


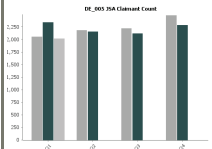
Prosperous Economy PIs (tourism) Q1 2013 / 14

Rows are sorted by Code

Traffic Light							
Red				2			
Traffic Light Icon	Code & Short Name	Q1 2013/14 Value	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
	TL_003 Bandstand patrons	6,413	<p>Cumulative result for 2013/14 as of Q1 2013/14</p> 	30,000		The Bandstand opened at the beginning of May and again the weather throughout May and June has been very disappointing, very wet and cold and patrons have stayed away, despite this 6,413 patrons is on a par with 2011 which was a good year for attendance.	Tracey McNulty
	TL_060 Online accommodation referrals made	10,862	<p>Q1 2013/14 result</p> 	56,384		The income from online bookings is on par with the last quarter of the previous year, but is currently lower than predicted. We believe the main reason for this is because of the weather, we have only reported 9 'good' days in the first quarter of this year. We have seen a spike in bookings during tennis week and are hopeful with the launch of the mobile website that bookings will increase.	Tracey McNulty

Prosperous Economy PIs (employment and local economy) Q1 2013 / 14

Rows are sorted by Code

Traffic Light							
Green				2			
Traffic Light Icon	Code & Short Name	Q1 2013/14 Value	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
	DE_004 Town centre vacant business space	9.72%	<p>Latest result for 2013/14 as of June 2013</p> 	12%		The own centre vacancy rate continues to buck the national trend. It currently stands at 9.7% with the national vacancy figure at 14.1% (June 2013). Eastbourne vacancy rate was 9.9% in the last quarter.	Henry Branson
	DE_005 JSA Claimant Count	2,018	<p>Latest result for 2013/14 as of June 2013</p> 	2,500		The number of JSA claimants in May 2013 was 2,159 reflecting a drop since February 2013 reporting of 2,343. Reporting for May 2012 was 2,344 demonstrating a reduction of almost 200 claimants over the last year.	Henry Branson

Overarching commentary : Quality Environment



Latest Note

Work is being carried out by ESCC on the feasibility of the priority one cycle routes in the Eastbourne Cycling Strategy. ESCC officers are currently speaking with cycling groups such as Bespoke, to hear their ideas for the proposals coming forward. Public consultation on the routes will be carried out later this year. Meanwhile another section of phase 2 of the Horsey Sewer cycle route, being provided by ESCC that will eventually link Sovereign Harbour to the railway station, has begun. This section is between Churchdale Road to Lottbridge Drive.



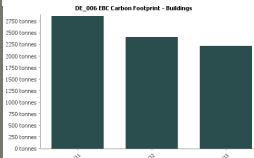


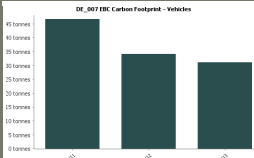

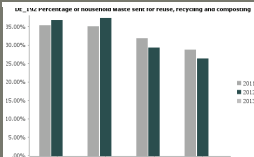
The Development Plan for Princes Park was approved by Cabinet and will now be used as a bidding document to secure additional funds. Princes Park has also successfully secured a Green Flag for the third year in a row.


Cabinet has agreed the location of a new skate park in Hampden Park. Work will now begin on the detailed design of the facility with the skating community before submitting a planning application.

Quality Environment PIs Q1 2013 / 14

Rows are sorted by Code

Traffic Light	
Green	2
Data Only	1
Unknown	1

Traffic Light Icon	Code & Short Name	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
	DE_006 EBC Carbon Footprint - Buildings	 <p>2012/13 result</p> <p>2400 tonnes</p> <p>2520 tonnes</p> <p>2216 tonnes</p> <p>0 tonnes</p> <p>3300 tonnes</p>	2534 tonnes	 <p>DE_006 EBC Carbon Footprint - Buildings</p>	We continue to make good progress on buildings' emissions reductions. Overall, an 8% reduction on the previous year and 25% lower than the baseline year of 2009. A good result in the face of a severe winter.	Henry Branson
	DE_007 EBC Carbon Footprint - Vehicles	 <p>2012/13 result</p> <p>34 tonnes</p> <p>35.7 tonnes</p> <p>31 tonnes</p> <p>0 tonnes</p> <p>46 tonnes</p>	98 tonnes	 <p>DE_007 EBC Carbon Footprint - Vehicles</p>	There has been an 8% reduction in car mileage over the previous year. There has been a 73% decrease from the baseline figure of 2009.	Henry Branson
	DE_192 Percentage of household waste sent for reuse, recycling and composting		33.00%	 <p>DE_192 Percentage of household waste sent for reuse, recycling and composting</p>	We are yet to receive data for this PI from East Sussex County Council. We are aware that there has been a change in personnel in the relevant team which may be having an effect.	Henry Branson

Traffic Light Icon	Code & Short Name	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
	DE_194 Missed collections	Cumulative result for 2013/14 as of June 2013 1,460		No changes in channel volumes by service	This is a new performance measure and for quarter 1 covers the new contractor's performance, based on how the previous contract was operated. The intention is to monitor for 2013/14, to enable a realistic target to be set during the following year. Given the significant service changes taking place in quarter 2, we are expecting an increase in the figure during the settling in period.	Henry Branson



Overarching commentary : Thriving Communities

Latest Note
<p>Council Tax collected in the first quarter is slightly behind target as a result of a number of factors including Welfare Reform and the introduction of the new Council Tax Support scheme. Non-domestic rate collection is also slightly behind target. It is still early in the recovery cycle and the team will closely monitor recovery performance and target areas of continued concern throughout the rest of the year.</p>
<p>Homelessness remains a key risk area, however help for people to maintain their accommodation has been significantly enhanced through the introduction of the East Sussex Discretionary Support Scheme. The housing team are able to provide loans to people with housing difficulties to prevent homelessness or help them access other private accommodation. This scheme is funded by East Sussex County Council but administered by the Eastbourne housing staff.</p>
<p>The Private Sector Team have exceeded Q1 target of 50 category one hazards removed reporting 69 cases resolved. Work in the private sector remains a key activity as this sector can house some of the most vulnerable within our community. Disabled Adaption case times are being monitored as time taken has deteriorated following changes to assessment criteria. Performance in this area will be reviewed at the end of Q2.</p>
<p>Planning for the Council's Youth Fair is underway following a very successful event in 2012. The 2013 Youth Fair will take place 29th October.</p>
<p>The Healthy Eastbourne Campaign has now been launched with support from a range of partners including Eastbourne Herald. Healthy Eastbourne is an exciting venture which aims to make our town one of the healthiest in Britain.</p>
<p>http://www.healthyeastbourne.org.uk/</p>
<p>This website is brim full of information with news and details of activities and events which you can get involved in – whether you are eight to 80, and no matter what your interest. It's not necessarily about getting fit, but being healthy to enjoy the many facilities this town has to offer. We will be promoting activities such as "Walk to Work Week", the "Eastbourne Cycling Festival" and "Eastbourne Extreme", along with the popular "Eastbourne Festival of Sport". This one-stop website will provide a diary of activities and a list of clubs and organisations offering a variety of services across a range of healthy areas – from chair-based exercise, to help with breast-feeding and diet, as well as tackling issues such as drugs and alcohol.</p>
<p>Two pilot Ward Walks have taken place and resident feedback is being compiled to inform local action planning and the Council's Corporate Plan. A stakeholder report will also be shared with partners to assess the success of the initiatives.</p>
<p>The Town Hall Community Hub report has been completed with options being fed back to stakeholders. The report recommends a mixed community/leisure use that would help to create a financially sustainable solution for the future. The team will now be considering next steps with a view to an implementation plan being developed. Consultation with residents in Devonshire West has taken place over the last two months to inform a project to consider long term improvements in the area. The Devonshire Design Framework will report towards the</p>

Latest Note

end of Q2 setting out a long term vision for the area.


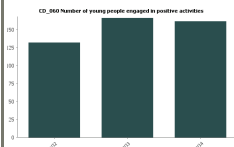

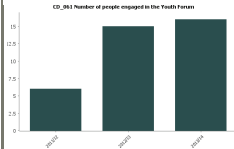
The first quarter had some strong highlights at our theatres with The Old Vic's touring production of Noises Off, national tours of High Society and Thriller at the Congress; Fresh Glory Production of The Watermills 'Some Like it Hotter', the return of National Theatre's production of Pitman Painters and a very critically acclaimed rep season from Talking Scarlet at the Devonshire Park including 5 Thrillers, all with very positive reviews and feedback. Patron numbers are steady, but we are seeing the continued impact of the recession, in terms of core audience coming every week and secondary spend on items like programs and ice cream etc. is affected. Comedy is always well attended, and we saw another sold out performance from Jimmy Carr. As well as the completion of the continually popular London Philharmonic Orchestra Concert Season playing to more than 9000 patrons over the 6 performances, culminating with a sold out show on the 19th May. A newly installed 'Super Loop' (Phased Array) hearing system at the Devonshire Park has enabled exceptional service to our hearing impaired patrons, working along side our partners within the Eastbourne Loop Group, making Eastbourne more accessible and we saw the most successful 'Lets Do Business' and 'Over 50's' exhibitions during this period. We have also managed the handover of daily operation of the Royal Hippodrome Theatre to the 'Royal Hippodrome Theatre Management', of which we see initial success in both programming and audience numbers and we'll continue to work with them on the future plans.



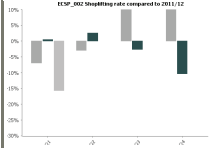

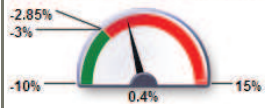



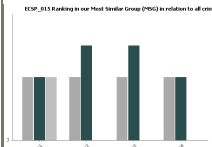


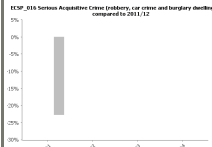


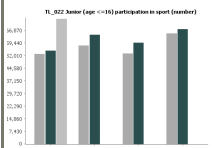
At Towner the East Sussex Open supported artists from Brighton for the first time, with 38 artists selected to show their work out of 220 applications (160 up on last year). Similar success is reported for the Fiona Rae exhibition, with 22,677 visitors and 100% capacity booking for her 'in conversation' event, which was also echoed for other walk and talk events in the last few months, demonstrating these are becoming more and more popular. The ever popular annual schools exhibition was also a success, with 23 schools and 1,566 pupils participating in this large-scale exhibition demonstrating the versatility of the gallery with diverse exhibitions on every floor. Redoubt visitors are also up with the new café and events programme proving popular and more clubs and organizations participated in the second annual Sports Festival, proving the opportunity to grow this event and participation in sports.

Thriving Communities PIs (community) Q1 2013 / 14

Rows are sorted by Code

Traffic Light	
Red	1
Green	4
Data Only	2

Traffic Light Icon	Code & Short Name	Q4 2012/13	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	CD_060 Number of young people engaged in positive activities	166	Latest result for 2013/14 as of Q1 2013/14 161			The number of people engaged totals 161 - made up of Willingdon Trees Youth Club - 15; Willingdon Trees Fit and Funky - 15; Shinewater Fit and Funky - 4; Langney Youth Club - 14; Old Town Girls - 12; Old Town Boys - 8; Devonshire Music - 12; Hampden Park Football - 20; Freestyle Gymnastics - 40; Hampden Park Internet Hub - 9; Langney Music and Drama group - 12	Ian Fitzpatrick
	CD_061 Number of people engaged in the Youth Forum	15	Latest result for 2013/14 as of Q1 2013/14 16			16 young people registered at end June 2013	Ian Fitzpatrick



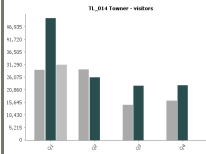

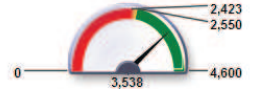
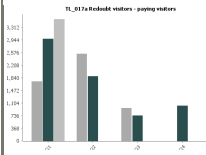

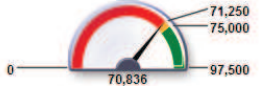
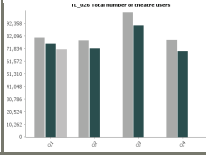
Traffic Light Icon	Code & Short Name	Q4 2012/13	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	ECSP_002 Shoplifting rate compared to 2011/12	-10.4%	<p>Latest result for 2013/14 as of June 2013</p> 	-3%		As a result of implementing a detailed action plan this crime type has reduced substantially compared to current target.	Ian Fitzpatrick
	ECSP_004 Violent Crime in a Public Place rate compared to 2011/12	-7%	<p>Latest result for 2013/14 as of June 2013</p> 	-3%		Not on target as yet but actions in ECSP should reduce crimes in this category to achieve target by year end. It is important to note major reductions took place last performance year. Will monitor and need to reassess if trend does not improve after 2nd quarter.	Ian Fitzpatrick
	ECSP_015 Ranking in our Most Similar Group (MSG) in relation to all crime	2	<p>Latest result for 2013/14 as of June 2013</p> 	4		Eastbourne has remained as the lowest or second lowest over the past two years compared with our most similar group in respect of overall crimes per 1000 population. A creditable achievement.	Ian Fitzpatrick
	ECSP_016 Serious Acquisitive Crime (robbery, car crime and burglary dwelling) rate compared to 2011/12		<p>Latest result for 2013/14 as of June 2013</p> 	-3%		It can be seen this crime category has seen major % reductions so far this year, highlighting an effective partnership, effective partnership plan and effective local policing delivery.	Ian Fitzpatrick
	TL_022 Junior (age <=16) participation in sport (number)	67,461	<p>Cumulative result for 2013/14 as of June 2013</p> 	246,600		Numbers are up nearly 20,000 from the same period last year. A number of successful sports' days has helped to boost numbers. The Sovereign Centre has reported that the school holidays are going from strength to strength with more and more people attending at these times and that there has been significant growth in the gymnastics and swimming lessons on the back	Tracey McNulty

Traffic Light Icon	Code & Short Name	Q4 2012/13	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
						of London 2012.	

Thriving Communities PIs (cultural development) Q1 2013 / 14

Rows are sorted by Code


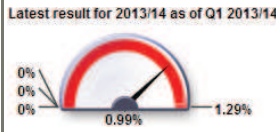
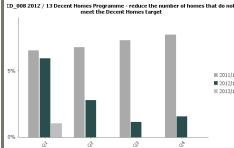

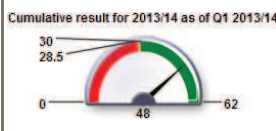
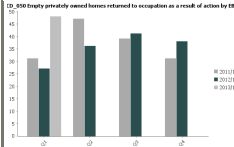
Traffic Light	
Red	2
Green	1

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	TL_014 Towner - visitors	31,134	<p>Cumulative result for 2013/14 as of June 2013</p> 	95,200		Though there is a slight negative variation between Q1 actual visitors and target, Towner has still hit 1/3 of the yearly visitor target within the first quarter and should still be on track for meeting / exceeding the yearly target.	Tracey McNulty
	TL_017a Redoubt visitors - paying visitors	3,538	<p>Cumulative result for 2013/14 as of June 2013</p> 	5,600		Figures for June were better than expected because of a reasonable turnout at our Blackout & Bunting event then a very good day and evening at the Armed Forces Day at the end of the month	Tracey McNulty
	TL_026 Total number of theatre users	70,836	<p>Cumulative result for 2013/14 as of June 2013</p> 	300,000		About on average for Q1, slightly down on theatre audience from past few years, but not significant level, with both strong conference and theatre programme to come	Tracey McNulty

Thriving Communities PIs (housing) Q1 2013 / 14

Rows are sorted by Code

Traffic Light	
Red	1
Green	3



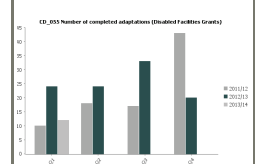


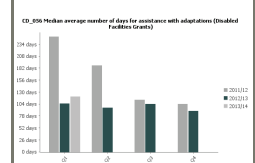
Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	CD_008 2012 / 13 Decent Homes Programme - reduce the number of homes that do not meet the Decent Homes target	0.99%	 <p>Latest result for 2013/14 as of Q1 2013/14</p>	0%	 <p>CD_008 2012 / 13 Decent Homes Programme - reduce the number of homes that do not meet the Decent Homes target</p>	The Council remains on course to achieve by the summer of 2014 the Decent Homes Standard across 100% of its own housing. The remaining phases of the programme, focusing on older persons retirement courts, are now under way, with works either starting on site or being prepared for that to happen by the end of the year. The Council's Thirty Year Housing Revenue Account Business Plan 2012-2042 has been designed to allow the Council to maintain this standard for all its homes between now and 2042. Changes recently announced by the Government to the formula for calculating rents will not adversely affect this plan.	Ian Fitzpatrick
	CD_050 Empty privately owned homes returned to occupation as a result of action by EBC	48	 <p>Cumulative result for 2013/14 as of Q1 2013/14</p>	120	 <p>CD_050 Empty privately owned homes returned to occupation as a result of action by EBC</p>	This is a higher than anticipated figure for quarter one 2013/14 and reflects both effective empty property negotiation with owners of empty properties by the Empty Properties Officer, as well as the	Ian Fitzpatrick




Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
						increased identification of vacant dwellings by the Housing Options Team.	
✓	CD_051 Number of difficult problem properties remedied / brought back into use by the Difficult Property Group	12	<p>Cumulative result for 2013/14 as of Q1 2013/14</p>	30		The Difficult Properties Group have successfully completed and remedied 12 units this quarter. The focus remains Devonshire ward in Eastbourne for DPG activities.	Ian Fitzpatrick
✓	CD_052 Number of homes where Category 1 hazards (severe risk of harm) have been remedied to improve quality of life for households	69	<p>Cumulative result for 2013/14 as of Q1 2013/14</p>	200		The work of the Private Housing Team, have removed Category One Hazards from a total of 69 dwellings in the first quarter of 2013/14. This is higher than previous quarters in 2012/13 and reflects the targetted approach taken by the HMO section of the Private Housing Team in their work focussed in the Devonshire Ward.	Ian Fitzpatrick

Thriving Communities PIs (vulnerable households - benefits/support) Q1 2013 / 14

Rows are sorted by Code


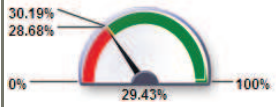
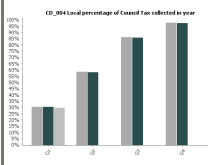


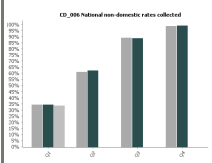
Traffic Light	
Red	2
Green	1

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	CD_055 Number of completed adaptations (Disabled Facilities Grants)	12		108		Changes have been made to the way that DFG are both awarded and administered. This changes include ending the use of Council Tax Benefit as a 'Passport' to DFG, meaning that each case needs a full financial test. This was unseen at the start of the year. The introduction of new administrative support systems within the council have also taken effect this financial year. The new structures are still assimilating their new responsibilities including the administration of DFG. Training and development of staff is ongoing as part of this period of transition.	Ian Fitzpatrick
	CD_056 Median average number of days for assistance with adaptations (Disabled Facilities Grants)	120 days		100 days		Changes have been made to the way that DFG are both awarded and administered. This changes include ending the use of Council Tax Benefit as a 'Passport' to DFG, meaning that each case needs a full financial test. This was unseen at the start of the year. The	Ian Fitzpatrick

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
						introduction of new administrative support systems within the council have also taken effect this financial year. The new structures are still assimilating their new responsibilities including the administration of DFG. Training and development of staff is ongoing as part of this period of transition.	
	CD_181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	7.4 days		10.5 days		New claims were processed on average in 23 days, which is below target and changes of circumstances on average in days 6 days, which is ahead of target. Due to changes in welfare eg the introduction of the Spare Room Subsidy we have concentrated in the first quarter in dealing with changes so that customers get the correct amount of benefit and are not faced with repaying overpayments. Whilst 23 days to process a new claim is behind target it is still above average when compared to national figures.	Ian Fitzpatrick

Thriving Communities PIs (vulnerable households - revenues) Q1 2013 / 14

Rows are sorted by Code


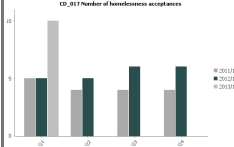

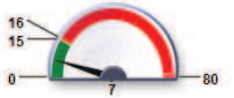
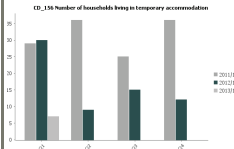
Traffic Light							
Amber				2			
Traffic Light Icon	Code & Short Name	Q1 2013/14 Value	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
	CD_004 Local percentage of Council Tax collected in year	29.43%	<p>Latest result for 2013/14 as of June 2013</p> 	97.25%		The shortfall against target may be explained by the introduction of changes to Council Tax Discounts and Exemptions, the Local Council Tax Reduction Scheme and the effects of Welfare Reform, all of which will have either increased the amount effected taxpayers have to pay or reduced their disposable income. Whilst being sympathetic to individual's circumstances and implementing payment arrangements where suitable, recovery action will be taken on non-payers.	Ian Fitzpatrick
	CD_006 National non-domestic rates collected	33.58%	<p>Latest result for 2013/14 as of June 2013</p> 	98.7%		The collection rate is 0.42% behind target although given the current economic climate this is not to be unexpected. All large debts are being closely monitored and all debts are going through the full recovery process, which may entails seeking liability orders through the magistrates court.	Ian Fitzpatrick

Thriving Communities PIs (vulnerable households - homelessness) Q1 2013 / 14

Rows are sorted by Code

Traffic Light	
Green	1
Data Only	3

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	CD_014 Number of incidents of homelessness prevented and relieved	142 households	Cumulative result for 2013/14 as of Q1 2013/14 142 households			<p>A much higher figure of Preventions than last quarter as a result of accessing the DESSS funding to assist with rent in advance. Also proactive approach in accessing Private Rented Sector in effective partnership with the Landlord Liaison Officer.</p> <p>A slightly lower number of Reliefs than last quarter as the focus has been on early intervention, which is reflected in the increased number of Preventions. Combined with this we are aware that support agencies are informing us at an earlier stage of a client's pending homelessness enabling us an earlier opportunity to prevent homelessness.</p>	Ian Fitzpatrick
	CD_016 Number of homelessness applications	30	Cumulative result for 2013/14 as of Q1 2013/14 30			<p>Increased Prevention Tool using the Discretionary Revenue from ESCC has enabled the Housing Options Team to access Private Rented Sector more frequently and therefore this has led to a direct fewer number of households</p>	Ian Fitzpatrick

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
						needing to formally submit and application.	
	CD_017 Number of homelessness acceptances	10	Cumulative result for 2013/14 as of Q1 2013/14 10			The Housing Options Team have taken a pragmatic approach to housing applications being received. There is a high demand for homelessness assessments to be concluded and to help remedy this high demand we have accepted households where it has been obvious the LA would owe a housing duty, without the need for the case to be formally assessed.	Ian Fitzpatrick
	CD_156 Number of households living in temporary accommodation	7	Latest result for 2013/14 as of Q1 2013/14 	15		As a snapshot, on the 30th June 2013, the last day of Quarter 1, there were 7 placements in B&B accommodation. Throughout the entire of Quarter 1 of 2013/2014 there have been 29 placements within B&B accommodation.	Ian Fitzpatrick

Overarching commentary : Sustainable Performance



Latest Note

Q1 has been extremely busy with significant progress being made against Future Model Phase I and II and asset management.

Future Model Phase I went live in April 2013 with waste and recycling services being the first to go live, followed by a range of 'report it' processes, some environmental health processes and planning. The new website and Report It smart phone app were launched in July. Further work is required to make the remaining environmental health and licensing processes live. The new teams have had some notable early successes, with Neighbourhood First proving popular with residents, the Customer Advisors providing a professional and efficient service in the face of significantly increased call volumes related to the waste and recycling service changes and all teams working well through the transition period.



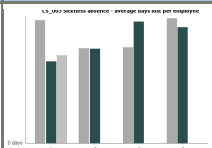


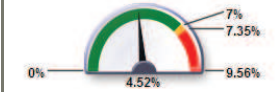

Phase II was approved at Cabinet in July and we are now focussing on the procurement process to engage key partners.

The asset challenge gathers pace with consultants engaged to consider the opportunities for asset transfer and to help quantify the benefits of a corporate landlord approach to property management of the retained estate. The outcomes of these studies will be reported to Cabinet in October.

Sustainable Performance PIs Q1 2013 / 14





Rows are sorted by Code



Traffic Light	
Green	2
Data Only	2

Traffic Light Icon	Code & Short Name	Q1 2013/14	Year to date	Annual Target 2013/14	Comparison with previous year's quarter / previous year's value if annual PI.	Latest Note	Portfolio Owner
		Value					
	CS_003 Sickness absence - average days lost per employee	1.12 days	<p>Cumulative result for 2013/14 as of Q1 2013/14</p> 	5.8 days	<p>U.S. 100 Sickness absence - average days lost per employee</p> 	Q1 figure of 1.12 days in line with previous Q1 figures and renders us on target.	Julian Osgathorpe
	CS_010 Calls to 410000 answered within 30 seconds	71.1%	<p>Cumulative result for 2013/14 as of June 2013</p> <p>71.1%</p>		<p>% changes in channel volumes by service</p>	We are currently investigating data capture for this PI so a more accurate figure can be recorded.	Henry Branson
	CS_011 Telephone call abandonment rate	4.52%	<p>Cumulative result for 2013/14 as of June 2013</p> 	7%	<p>% changes in channel volumes by service</p>	A good result given the increase in calls compared to the previous year.	Henry Branson
	CS_012 Calls handed at first point of contact	43.32%	<p>Cumulative result for 2013/14 as of June 2013</p> <p>43.32%</p>		<p>% changes in channel volumes by service</p>	The PI will be closely monitored throughout the year to help measure customer shift.	Henry Branson

Devolved Budgets 2013/14

Code & Title	Title	Gauge
DB13_DE Deliver Devolved Budget Projects for Devonshire Ward 2013/14	<ul style="list-style-type: none"> • Matthew 25 Project • Parade Bowls Club • Whitley Road Green Space Improvements • Tree in Pevensey Road • Sports for All 	<p>Cumulative result for 2013/14 as of July 2013</p>  <p>£7,019.40</p>
DB13_HP Deliver Devolved Budget Projects for Hampden Park Ward 2013/14	<ul style="list-style-type: none"> • Summer Sports Event Old Town Recreation Ground • Willingdon Trees Community Games • Sports for All • Lindfield School • Counselling Plus Community • Parkland Infant School 	<p>Cumulative result for 2013/14 as of July 2013</p>  <p>£6,220.00</p>
DB13_LA Deliver Devolved Budget Projects for Langney Ward 2013/14	<ul style="list-style-type: none"> • Sports for All 	<p>Cumulative result for 2013/14 as of August 2013</p>  <p>£520.00</p>

Code & Title	Title	Gauge
DB13_ME Deliver Devolved Budget Projects for Meads Ward 2013/14		Cumulative result for 2013/14 as of July 2013  £0.00
DB13_OT Deliver Devolved Budget Projects for Old Town Ward 2013/14	<ul style="list-style-type: none"> • Summer Sports Event Old Town Recreation Ground • Picnic Bench at Motcombe Gardens • St Michael and All Angels 	Cumulative result for 2013/14 as of July 2013  £3,598.31
DB13_RA Deliver Devolved Budget Projects for Ratton Ward 2013/14		Cumulative result for 2013/14 as of July 2013  £0.00
DB13_SA Deliver Devolved Budget Projects for St Anthony's Ward 2013/14	<ul style="list-style-type: none"> • Scout Group Archery Youth Centre 	Cumulative result for 2013/14 as of July 2013  £1,034.00

Code & Title	Title	Gauge
DB13_SO Deliver Devolved Budget Projects for Sovereign Harbour Ward 2013/14	<ul style="list-style-type: none"> Haven Church of England and Methodist Primary School 	<p>Cumulative result for 2013/14 as of July 2013</p>  <p>£2,500.00</p>
DB13_UP Deliver Devolved Budget projects for Upperton Ward 2013/14		<p>Cumulative result for 2013/14 as of July 2013</p>  <p>£0.00</p>

	Current Budget	Profiled Budget	Actual to 30th Jun	Variance	Comments
	£'000	£'000	£'000	£'000	
Corporate Management	250	62	62	-	
Service Management	147	43	43	-	
Performance and Risk Managemet	122	87	87	-	
Civil Contingencies	26	1	1	-	
Finance Management and Operational Costs	523	261	256	(5)	
Corporate Finance Costs	441	700	698	(2)	
Payroll and Information	104	35	29	(6)	
Pensions	357	62	62	-	
Financial Services	1,720	1,189	1,176	(13)	
Service Management	223	144	142	(2)	
Civic Services (including Printing)	439	126	124	(2)	
Elections and Local Land Charges	53	16	15	(1)	
Strategic Performance	93	24	24	-	
Legal Services	217	64	71	7	
Human Resources Management and Admin	97	22	21	(1)	
Employee Relations	64	12	13	1	
Member Development	52	10	10	-	
HR Resourcing and Development	146	23	23	-	
Corporate Development	1,384	441	443	2	
Service Management	73	21	21	-	
IT & E-Government	1,563	984	984	-	
Facilities Management	377	149	149	-	
Customer First	6,712	1,853	1,842	(11)	
Estates / Asset Management	(595)	(173)	(173)	-	
Corporate Infrastructure and Customer First	8,130	2,834	2,823	(11)	
Total Corporate Services	11,484	4,526	4,504	(22)	
COMMUNITY SERVICES					
Service Management	(38)	(9)	(9)	-	
Housing Services Management	102	42	40	(2)	
Revenues and Benefits	-	11,795	11,828	33	
Housing Needs	151	90	89	(1)	
Homelessness	-	103	93	(10)	
EH Private Sector Housing	232	44	47	3	

	Current Budget	Profiled Budget	Actual to 30th Jun	Variance	Comments
	£'000	£'000	£'000	£'000	
Bereavement	(905)	(218)	(293)	(75)	Cremation income and other related income/savings within Bereavement Services
Direct Assistance	(420)	11,856	11,804	(52)	
Community Development	110	27	33	6	
Community Involvement	70	18	18	-	
Community Grants	350	350	350	-	
Community Activity	530	395	401	6	
Housing / Homelessness Strategy	61	21	21	-	
Solarbourne	(276)	(69)	(70)	(1)	
Crime Reduction Partnership	-	-	-	-	
Strategic Partnership	(215)	(48)	(49)	(1)	
Total Community Services	(143)	12,194	12,147	(47)	
TOURISM AND LEISURE					
Service Management	98	23	24	1	Catering income shortfall
Sport & Leisure	297	243	230	(13)	
Theatres	745	305	332	27	
Tourism	457	293	322	29	
Events & Devonshire Park	573	164	162	(2)	
Towner	655	205	208	3	
Total Tourism & Leisure Services	2,825	1,233	1,278	45	
TOTAL SERVICE EXPENDITURE	14,166	17,953	17,929	(24)	

Scheme	Total Scheme Approved	Scheme Actual to 31.3.13	Revised Budget 2013-14	Spend to 30.6.13	Remaining budget	Funding	Comments
HOUSING REVENUE ACCOUNT							
Managed by Eastbourne Homes	Ongoing		7,115,100	421,226	-6,693,874	EBC	On target to complete in 2013-14
Other Schemes							
Langney Villas	494,000	431,362	10,000	0	-10,000	S106	Complete. Retention monies outstanding
Ratton Road	1,625,000	1,216,477	13,300	0	-13,300	S106	Complete. Retention monies outstanding
Upper Avenue (38)	1,382,000	1,163,870	10,000	0	-10,000	S106	Complete. Retention monies outstanding
New Affordable homes in Seaside	2,930,000	0	2,930,000	0	-2,930,000	EBC/S106	Scheme yet to commence
Total HRA		2,811,709	10,078,400	421,226	-9,657,174		
COMMUNITY SERVICES							
Cremator Replacement	1,935,100	1,904,179	36,650	31,727	-4,923	EBC	Complete
Memorial Safety Cems	40,000	6,080	34,000	0	-34,000	EBC	On target to complete in 2013-14
Digitalise Burial Records	10,000	0	10,000	0	-10,000	EBC	On target to complete in 2013-14
Ocklynge Cemetery	46,000	0	46,000	0	-46,000	EBC	On target to complete in 2013-14
Crematorium - Main Chapel	21,000	0	21,000	0	-21,000	EBC	On target to complete in 2013-14
Disabled Facilities Grants (external funding)	Ongoing	1,804,800	638,800	77,380	-561,420	Grant	Slow start to year whilst new case workers are trained.
Disabled Facilities Grants (EBC Funded)	Ongoing	0	144,150	0	-144,150	EBC	Grant money to be committed first
BEST Grant (housing initiatives)	Ongoing	1,606,828	141,100	66,495	-74,605	Grant	On target to complete in 2013-14
Social Housing Enabling		0					
3-17 Jevington Gardens - GF	575,000	0	575,000	43,500	-531,500	S106	Further payment of £261k made August 2013
St Elisabeth's Church - GF	52,000	0	52,000	0	-52,000	S106	Dependent on development of St Elisabeth's Church site
Willingdon Trees Multi Gym	20,000	0	20,000	0	-20,000	EBC	Trustees currently considering proposals and quotations
Solar Panels	3,400,000	3,228,031	172,000	0	-172,000	EBC	Complete. Final payment subject to negotiation
Total Community Services		8,549,918	1,890,700	219,102	-1,671,598		
DEVELOPMENT & ENVIRONMENT							
Contaminated Land	185,000	82,966	102,000	0	-102,000	Grant	Investigations complete. £5k spend expected 13-14.

Scheme	Total Scheme Approved	Scheme Actual to 31.3.13	Revised Budget 2013-14	Spend to 30.6.13	Remaining budget	Funding	Comments
Coast Defences Beach Management Strategy	Ongoing	4,225,271	295,150	250,642	-44,508	Grant	On target to complete in 2013-14
Cycling Strategy	45,000	0	40,600	0	-40,600	EBC	Feasibility work in priority cycle routes being undertaken.
Park and Ride	50,000	0	50,000	0	-50,000	EBC	Review of Council car parks currently being undertaken.
Princes Park (schemes to be decided)	210,000	10,000	183,000	0	-183,000	S106	Report to Cabinet May 2013 to agree publishing report and securing further external funding
Play Area Sovereign Harbour	27,000	0	27,000	0	-27,000	S106	On target to complete in 2013-14
Allotment Upgrade	114,000	99,908	14,100	0	-14,100	EBC	On target to complete in 2013-14
Hampden Park Skate Park	127,000	1,015	127,000	0	-127,000	S106/EBC	Site agreed at cabinet 10.7.13. Design and build material now being considered.
Planning Software	50,000	42,070	7,950	0	-7,950	EBC	On target to complete in 2013-14
Inward Investment Project (Location Service for E Sussex)	60,000	0	60,000	0	-60,000	EBC	On target to complete in 2013-14
Five Acre Field - Improvements	55,000	2,510	52,500	800	-51,700	S106/EBC	On target to complete in 2013-14
Upperton - Play Equipment	60,000	0	60,000	0	-60,000	EBC	Site has been identified as Hartfield Square. Consultation to be carried out.
RoSPA Play Equipment	15,000	0	15,000	0	-15,000	EBC	Annual inspection carried out June 2013, which will inform where spend is required.
Churchdale Road Allotments	38,000	0	38,000	0	-38,000	S106	On target to complete in 2013-14
Play Equipment - Bodium Cres	80,000	0	80,000	0	-80,000	EBC	Work to be tendered in Q2/3
Software - Grounds Maintenance	24,000	0	24,000	0	-24,000	EBC	Currently assessing best supplier
Sovereign Harbour - Legal Advice	20,000	0	20,000	0	-20,000	EBC	Viability testing due August 13
Terminus Road Improvements	500,000	0	500,000	0	-500,000	EBC	Detailed design work in progress. Consultation due Sept 13
Total Development & Environment		4,463,740	1,696,300	251,442	-1,444,858		
TOURISM & LEISURE							
Redoubt Fortress Gates	20,000	14,568	5,400	0	-5,400	EBC	On target to complete in 2013-14
Redoubt Fortress Gates (2013)	22,300	0	22,300	22,315	15	EBC	Completed
Volleyball Court	25,000	0	25,000	0	-25,000	EBC	Identified and working with partner
Signage	40,000	23,917	16,100	0	-16,100	EBC	On target to complete in 2013-14
Bandstand Resurface Walkways	100,000	92,928	6,600	0	-6,600	EBC	Completed
Sports Park Flood Lights	30,000	0	30,000	0	-30,000	EBC/Grant	External fund being sought

Scheme	Total Scheme Approved	Scheme Actual to 31.3.13	Revised Budget 2013-14	Spend to 30.6.13	Remaining budget	Funding	Comments
ILTC Seat replacement	5,000	0	5,000	4,902	-98	EBC	Completed
Re-surface Tennis Courts	150,000	0	150,000	0	-150,000	EBC/Grant	External fund being sought
Wish Tower - Catering Outlet	40,000	36,000	4,000	0	-4,000	EBC	Airstream purchased
Bandstand Seating	15,000	0	15,000	0	-15,000	EBC	On target to complete in 2013-14
Total Tourism & Leisure		167,413	279,400	27,217	-252,183		
CORPORATE SERVICES							
Carbon Reduction works	467,500	0	467,500	0	-467,500	EBC	Dependent on decisions made by Low Carbon Board on works arising from carbon audits
Agile phase 2	555,000	402,705	153,000	11,630	-141,370	EBC	On target to complete in 2013-14
6 Saffrons Road Renovations	117,000	82,142	34,850	0	-34,850	EBC	Completed. Awaiting final invoices
Town Hall Roof	511,000	154,566	356,450	153,129	-203,321	EBC	Completion due September 13
Invest to Save	80,000	0	80,000	0	-80,000	EBC	Budget available for allocation
Redesign of CCC at 1 Grove Road	300,000	35,877	264,100	590	-263,510	EBC	Currently exploring wider partnership opportunities with ESCC & Sussex Police.
IT Replacement - Icon	42,500	33,288	9,200	342	-8,858	EBC	Completed
Future Model	1,250,000	891,411	358,600	251,849	-106,751	EBC	In final stages of implementation
Future Model Phase 2	2,990,000	0	1,000,000	0	-1,000,000	EBC	Scheme commenced. Works planned for 2013-14 onwards
Capital Contingencies	Ongoing	3,023,971	0	64,826	64,826	EBC	Subject to legal action
Demolition and Site Security	153,000	143,920	9,100	0	-9,100	EBC	Completed
Eastbourne Housing and Economic Regeneration - Block Allocation	20,000,000	0	7,000,000	0	-7,000,000	External	Pending approval of specific schemes
IT - Block Allocation	Ongoing	0	268,000	0	-268,000	EBC	On target to complete in 2013-14
Total Corporate Services		4,767,881	10,000,800	482,365	-9,518,435		
Asset Management							
Devonshire Park - Architects Fees		0	50,000	0	-50,000	EBC	On target to complete in 2013-14
Scheduled emergency works		0	150,000	0	-150,000	EBC	On target to complete in 2013-14
Devonshire Park Review	700,000	0	700,000	0	-700,000	EBC	Initial planning stages. Works expected in 2013-14 & 2014-15
Congress Theatre redesign & restoration	850,000	0	850,000	0	-850,000	EBC	Currently liaising with English Heritage about restoration
Wish Tower Groundworks and site Preparation (from block allocation)	140,000	0	140,000	0	-140,000	EBC	On target to complete in 2013-14
Wish Tower Catering Temporary Provision (Invest to Save)	160,000	0	160,000	0	-160,000	EBC	On target to complete in 2013-14

Scheme	Total Scheme Approved	Scheme Actual to 31.3.13	Revised Budget 2013-14	Spend to 30.6.13	Remaining budget	Funding	Comments
Asset Management - Block Allocation	1,443,000	0	110,300	0	-110,300	EBC	Priority schemes are in progress. Planned maintenance programme to be rolled out from April 2014
Total Asset Management		0	2,160,300	0	-2,160,300		
General Fund		17,948,952	16,027,500	980,127	-15,047,373		
HRA		2,811,709	10,078,400	421,226	-9,657,174		
TOTAL		20,760,661	26,105,900	1,401,353	-24,704,547		

Agenda Item 8

BODY:	CABINET
DATE:	4th September 2013
SUBJECT:	Finance Matters - Treasury Management Outturn 2012-13
REPORT OF:	Chief Finance Officer
<hr/>	
Ward(s):	All
Purpose:	To report on the activities and performance of the Treasury Management service during 2012/2013
Decision Type	Key decision
Contact:	Alan Osborne, Chief Finance Officer, Financial Services Telephone Number 01323 415149.
Recommendations:	Cabinet is recommended to: <ol style="list-style-type: none">1. Agree the annual treasury management report for 2012/13.2. Specifically approve the 2012/13 prudential and treasury indicators included.

1.0 Introduction

1.1 This Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2012/13. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2012/13 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 6 February 2013)
- a mid year (minimum) treasury update report (Council 12 December 2012)
- an annual report following the year describing the activity compared to the strategy (this report)

In addition Treasury Management updates are included in the quarterly performance management reports, considered by both the Cabinet and Scrutiny Committee.

Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details

of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit & Governance Committee before they were reported to the full Council. Member training on treasury management issues was undertaken on 23 March 2010 in order to support Members' scrutiny role.

1.2 This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Reporting of the required prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Debt activity and investment activity.

2.0 The Council's Capital Expenditure and Financing 2012/13

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2011/12 Actual £m	2012/13 Estimate £m	2012/13 Actual £m
Non-HRA capital expenditure	5.07	6.80	5.14
HRA capital expenditure	9.59	7.74	7.14
Total capital expenditure	14.66	14.54	12.28
Resourced by:			
• Capital receipts	0	2.16	2.45
• Capital grants & Contributions	3.02	4.88	4.77
• Major Repairs Reserve	3.28	3.11	2.01
• Revenue & Reserves	0.15	0.79	0.09
Use of internal balances	8.21	3.60	2.96

3.0 The Council's overall borrowing need

- 3.1 The Capital Financing Requirement (CFR) represents the Council's total underlying need to borrow to finance capital expenditure, i.e. capital expenditure that has not been resourced from capital receipts, capital grants and contributions or the use of reserves. Some of this borrowing is from the internal use of cash balances.
- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
- 3.3 **Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
- The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.4 The Council's 2012/13 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2012/13 on 8 February 2012.

The Council's CFR for the year is shown below, and represents a key prudential indicator. The figures below include a one off settlement of £30.48m received from central Government as part of the HRA refinancing in 2011-12. The figures also include a credit sales agreement on the balance sheet, which increases the Council's borrowing need, the CFR.

CFR	31 March 2012 Actual £m	31 March 2013 Original Indicator £m	31 March 2013 Actual £m
Opening balance	76.47	53.65	53.65
Add unfinanced capital expenditure (as above)	8.21	3.60	2.96
Less HRA Debt Settlement	(30.48)		
Less MRP	(0.55)	(0.7)	(0.71)
Closing balance	53.65	56.55	55.90

- 3.5 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Net borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2012/13 plus the expected changes to the CFR over 2013/14 and 2014/15. This indicator allows the Council some flexibility to borrow in advance of its immediate capital need in 2012/13. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2012 Actual £m	31 March 2013 Original Indicator £m	31 March 2013 Actual £m
Net borrowing position	32.20	39.97	33.54
CFR	53.65	56.55	55.90

The authorized limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2012/13 the Council has maintained gross borrowing within its authorised limit.

The operational boundary - the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2012/13
Authorized limit	£71.6m
Maximum gross borrowing position	£40.7m
Operational boundary	£56.6m
Average gross borrowing position	£34.7m
Financing costs as a proportion of net revenue stream:	
Non HRA	4.18%
HRA	9.83%

4.0 Treasury Position as at 31 March 2013

4.1 The Council's debt and investment position is organised by staff within Financial Services in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2012/13 the Council's treasury position was as follows:

TABLE 1	31 March 2012 Principal	Rate/Return	31 March 2013 Principal	Rate/Return
Fixed rate funding:				
-PWLB	£18.71m		£28.71m	
-Market	£15.50m		£10.50m	
- Serco Paisa	£1.69m		£1.49m	
Total debt	£35.90m	5.49%	£40.70m	5.11%
CFR	£53.65m		£55.90m	
Over/ (under) borrowing	(£17.75)		(£15.20m)	
Total investments	£3.7m	0.88%	£6.7m	1.35%

All investments were for under one year.

4.2 The maturity structure of the debt portfolio excluding Serco Paisa was as follows:

	31 March 2012 Actual £m	2012/13 Original limits £m	31 March 2013 Actual £m
Under 12 months	8.00	9.80	4.52
12 months and within 24 months	1.52	19.60	4.64
24 months and within 5 years	4.64	29.41	7.00
5 years and within 10 years	9.02	39.21	12.02
10 years and above	11.03	39.21	11.03

The exposure to fixed and variable rates was as follows:

	31 March 2012 Actual £m	2012/13 Original Limits £m	31 March 2013 Actual £m
Principal - Debt Fixed rate	35.91	£56.60	40.70
Principal – Investments Variable rate	(3.70)	N/a	(6.70)

5.0 The Strategy for 2012/13

5.1 The expectation for interest rates within the strategy for 2012/13 anticipated low Bank Rate until quarter 4 of 2013. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and reduce counterparty risk. Longer term borrowing was expected to be taken during the year to lock into lower rates and protect the Council from future rises.

The actual movement in interest rates broadly followed the expectations in the strategy, however rates have continued to remain low and are not expected to rise until quarter 1 of 2015.

During 2012/13 the Council used internal balances and temporary borrowing at historically low interest rates to ensure new borrowing was taken at the most advantageous rates. New borrowing of £4m was taken in May 2012 and a further £6m in March 2013.

6.0 Borrowing Outturn for 2012/13

6.1 Treasury Borrowing.

Borrowing – two new loans totalling £4m were drawn down in May 2012 to replace maturing temporary debt (£3m) and fund the net unfinanced capital expenditure. A further two loans totaling £6m were drawn down in March 2013, locking in to historically low rates. The loans drawn were all

fixed rate as follows:

Lender	Principal	Interest Rate	Maturity
PWLB	£2m	1.96%	24/3/17
PWLB	£2m	1.87%	24/3/17
PWLB	£3m	1.48%	24/9/17
PWLB	£3m	2.66%	22/9/22

This compares with a budget assumption of borrowing at an interest rate of 3.25%.

Rescheduling – no debt rescheduling was carried out during the year as there was no financial benefit to the Council.

Repayment – £3m of temporary debt was repaid on maturity during the year.

Summary of debt transactions – the overall position of the debt activity resulted in a fall in the average interest rate by 0.38%, representing a saving to the General Fund.

7.0 Interest Rates in 2012/13

- 7.1 The tight monetary conditions following the 2008 financial crisis continued through 2012/13 with little material movement in the shorter term deposit rates.
- 7.2 Bank Rate remained at its historical low of 0.5% throughout the year. Investment rates dropped and continued to be very low. With many financial institutions failing to meet the Council's investment criteria, the opportunities for investment returns was limited. The investment rates at the beginning and end of the year are provided below.

Investment Term	Interest Rate March 2013	Interest rate April 2012
Overnight	0.40%	0.50%
1 Month	0.40%	0.73%
3 Months	0.45%	1.05%
6 Months	0.55%	1.35%
9 Months	0.70%	1.60%
12 Months	0.80%	1.85%

The PWLB rates at the beginning and end of the year are provided below.

Loan Term	Interest Rate March 2013	Interest rate April 2012
1 Year	1.13%	1.28%
5 Years	1.75%	2.05%
10 Years	2.84%	3.21%
20 Years	4.07%	4.17%
50 Years	4.22%	4.36%

8.0 Investment Outturn for 2012/13

8.1 **Investment Policy** – the Council’s investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 8 February 2012. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

8.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

8.3 **Resources** – the Council’s longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council’s core cash resources comprised as follows, and met the expectations of the budget:

Balance Sheet Resources	31 March 2012 £m	31 March 2013 £m
Balances	4.66	3.92
Earmarked reserves	3.85	3.44
HRA	2.00	2.18
Major Repairs Reserve	1.08	2.67
Capital Grants & Contributions	5.02	5.00
Usable capital receipts	2.25	3.45
Total	18.86	20.66

8.4 **Investments held by the Council** - the Council maintained an average balance of £8.98m of internally managed funds. The internally managed funds earned an average rate of return of 1.35%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.39%.

9.0 The Economy and Interest Rates Forecast

9.1 Economic background:

- Indicators suggested that the economy accelerated;
- Stronger household spending, both on and off the high street;
- Inflation remained above the MPC’s 2% target;
- The MPC remained in a state of limbo ahead of Mark Carney’s arrival;
- 10-year gilt yields rose above 2.5% and the FTSE 100 fell below 6,100;
- The Federal Reserve discussed tapering the pace of asset purchases under Quantitative Easing 3.

9.2 The Council's treasury advisor, Sector, provides the following forecast:

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
5yr PWLB rate	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.40%
10yr PWLB rate	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.50%
25yr PWLB rate	4.10%	4.10%	4.20%	4.20%	4.30%	4.40%	4.60%
50yr PWLB rate	4.20%	4.20%	4.40%	4.40%	4.50%	4.60%	4.70%

The Sector central forecast is for the first increase in Bank Rate to be in the March 2015. However, forecasts for PWLB rates have been increased as a result of the marked recovery in confidence in equity markets, anticipating stronger economic recovery in America, supported by growth in the Far East.

9.3 **Summary Outlook**

In Mervyn King's last Inflation Report as Governor of the Bank of England, there was a distinct shift towards optimism in terms of a marginal upgrading of growth forecasts so that the wording changed for the recovery from "remain weak by historical standards" to "modest and sustained recovery over the next three years". In addition, there was a lowering of the inflation forecast to now hit the 2% target within two years. However, this is still a long way away from strong recovery though the chances of there being more quantitative easing (QE) have receded due to business surveys indicating that the economy is on the up. QE has not increased from a total of £375bn since October 2012 and other measures have been implemented in preference to further QE. Thus the Funding for Lending Scheme (FLS), (started in August 2012), was expanded in April to provide further incentive to banks to expand lending to small and medium size enterprises. The FLS certainly seems to be having a positive effect in terms of stimulating house purchases (though levels are still far below the pre crisis level), and a marginal increase in house prices. However, concerns are increasing that QE and FLS are also in danger of causing asset price bubbles. Investors may seek higher returns by switching investment of cash from deposit accounts (yielding very low rates) and from government and corporate bonds - ahead of the eventual end of QE - to equities, whilst FLS may have the side effect of inflating house prices, creating the potential for prices in each of these markets to be pushed at some point in time to potentially unsustainable levels.

10.0 **Executive Summary and Conclusion**

10.1 During 2012/13, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2011/12 Actual £m	2012/13 Original £m	2012/13 Actual £m
Actual capital expenditure	14.66	14.54	12.28
Total Capital Financing Requirement:			
• Non-HRA	16.91	19.81	19.16
• HRA	<u>36.74</u>	<u>36.74</u>	<u>36.74</u>
• Total	53.65	56.55	55.90
Net borrowing	32.20	39.46	34.00
External debt	35.90		40.70
Investments (all under 1 year)	3.70		6.70

Other prudential and treasury indicators are to be found in the main body of this report. The Chief Finance Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit), was not breached.

The financial year 2012/13 continued the challenging environment of previous years; low investment returns and continuing counterparty risk continued.

11.0 **Consultation**

Not applicable

Body:	Cabinet
Date:	4 September 2013
Subject:	Local Authority Mortgage Scheme
Report Of:	Senior Head of Community
Ward(s):	All Wards
Purpose:	<ul style="list-style-type: none">To request Cabinet approval for the Council's Local Authority Local Authority Mortgage Scheme (LAMS) to accept the financial support for LAMS being offered by East Sussex County Council.
Decision Type:	Key Decision
Recommendation:	Cabinet is recommended to approve: <ul style="list-style-type: none">The Council's Local Authority Mortgage Scheme (LAMS) accepts the financial support for LAMS being offered by East Sussex County Council
Contact:	Andy Thompson, Strategic Housing Manager. Telephone: 01323 415736 or internally on extension 5736. E-mail address: andrew.thompson@eastbourne.gov.uk

1.0 Introduction

1.1 The Council has been offered an opportunity to work together with East Sussex County Council to help people buy a home of their own.

1.2 The Council's corporate objectives include:

Prosperous Economy

- A wide range of employment opportunities

Thriving Communities

- Support for families and young people to reach their full potential
- A high level of community volunteering and involvement in our neighbourhoods
- A wide range of quality homes including affordable housing for those in need

1.3 This report considers this opportunity to further those objectives, with an appropriate recommendation for further action.

2.0 Local Authority Mortgage Scheme

2.1 The Council has given its consent to introduce a Local Authority Mortgage Scheme (LAMS) to help first time buyers in Eastbourne buy a home of their own (Minute 12.5, Cabinet May 30th, 2012 refers). The initiative helps, by means of a financial guarantee, households

overcome the high deposit requirements of many lenders.

- 2.2 Since last year, the Council's legal specialists have been clarifying a number of issues. These complex questions have, after considerable and extensive work with legal advisors, been largely resolved. Subject to further negotiations with the likely lender, the Council is in a position to move ahead and formally introduce LAMS to Eastbourne, with a launch now planned for the autumn of 2013.
- 2.3 East Sussex County Council (ESCC) has expressed its interest in supporting housing authorities in East Sussex who are introducing LAMS initiatives. It has offered to contribute £1m towards the overall LAMS for people in Eastbourne. When combined with the Council's £1m investment, this would equate to a £2m programme for the Town, which will help up to 68 households buy their own home.
- 2.4 ESCC will pass its £1m to the Council, in effect bolstering the Eastbourne-led initiative. The Council will manage the investment with the financial partners, using its own treasury management procedures. This means that although ESCC is jointly funding the project, risk management is the responsibility of Eastbourne Borough Council. The criteria agreed by the Council for eligibility will remain as per the Cabinet resolution referred to above.
- 2.5 Cabinet is therefore asked to approve that the Council's Local Authority Mortgage Scheme (LAMS) be linked into the LAMS being developed by East Sussex County Council.

3.0 Consultation

- 31 The extensive consultation work for 'At Home in Eastbourne', the Council's housing strategy, showed that there is a considerable desire amongst local people to buy a home of their own. The recommendation in this report will demonstrate a positive response by the Council to that consultation work.

4.0 Resource Implications

- 4.1 Implementing the LAMS scheme can be undertaken by the current capacity and capability within the Council's Housing, Legal and Finance teams.

5.0 Environmental, Human Rights, Community Safety Implications

- 5.1 Increasing the choices available to people who need and can afford to but a secure, home will lead to stronger, more vibrant communities and neighbourhoods. This will in turn improve the environment and community safety within Eastbourne will be stronger.
- 5.2 There are no Human Rights implications arising from this report.

6.0 Youth and Anti-Poverty

- 6.1 The expansion of the LAMS to double the potential number of households who can buy a home of their own will have a long term positive impact on the town's economy and communities, including reducing over time people's accommodation costs and allowing people to have settled and secure accommodation.

7.0 Conclusion

- 7.1 To deliver the Council's corporate outcomes of a more equitably prosperous Eastbourne, extending the reach of the LAMS is a positive move.

- 7.2 The expansion of LAMS, which will complement the national Help-to-Buy scheme to give more households the chance to own their home together will make a significant contribution towards the housing outcomes the Council wishes to see for Eastbourne.

**Andy Thompson MSc MCIH
Strategic Housing Manager**

This page is intentionally left blank

Body: Cabinet

Date: 4 September 2013

Subject: Housing Investment in Eastbourne

Report Of: Senior Head of Community

Ward(s): All Wards

Purpose:

- To request Cabinet approval for the use of housing and economic development related financial resources up to a total limit of £1,919,000 to contribute towards the Support for Housing and Economic Progress (SHEP) initiative by developing 20 homes for affordable rent.

Decision Type: Key Decision

Recommendation: Cabinet is recommended to approve:

1. That the £1,919,000 included in the approved Capital Programme be set aside for the Support for Housing and Economic Progress (SHEP) initiative to provide 20 homes for affordable rent, located primarily but not exclusively within the Town Centre and Devonshire areas of Eastbourne.
2. That Eastbourne Homes Limited (EHL) is requested to accept full responsibility for the delivery of the SHEP initiatives subject to the conditions detailed under paragraph 2.4.8 of this report.
3. The delegation of authority to the Chief Finance Officer and Senior Head of Community in consultation with the Cabinet Portfolio Holder for Finance and the Cabinet Portfolio Holder for Community the authority to agree a Service Level Agreement between the Council and EHL for the delivery of the SHEP Initiative.

Contact: Andy Thompson, Strategic Housing Manager.
Telephone: 01323 415736 or internally on extension 5736.
E-mail address: andrew.thompson@eastbourne.gov.uk

1.0 Introduction

- 1.1 This report considers how the Council can effectively make use of its ability to help increase the range of affordable homes available to the people of Eastbourne and to help reshape our urban environment to better suit today's commercial and residential trends.
- 1.2 Eastbourne faces a growing demand for affordable, secure homes. The cost of renting privately is outstripping the incomes of many households and changes to the social security system mean that there will be less help

available to some households to make their rent payments. As the largest provider of social homes in the Borough, the Council faces increased pressure on its housing waiting lists. The same situation applies to housing associations working in Eastbourne.

1.3 The Council's corporate objectives include:

Prosperous Economy

- A wide range of employment opportunities

Thriving Communities

- Support for families and young people to reach their full potential
- A high level of community volunteering and involvement in our neighbourhoods
- A wide range of quality homes including affordable housing for those in need

1.4 The Council has an opportunity to help increase the availability of affordable housing, to bolster the economic development of the town and help more people to have a secure home. This report considers this opportunity with appropriate recommendations for further action.

2.0 Encouraging new uses for existing buildings

2.1 Background

2.1.1 Cultural changes in the way the retail and office space markets work have had an impact on the commercial areas of Eastbourne. The national trends towards internet shopping, shopping malls and out of town shopping have all been felt in Eastbourne. The same applies to changes in working practices, with an increase in mobile and home working. Although there have been benefits for consumers and workers, there have also been some negative outcomes. These include a growing number of empty or short life retail and commercial units in areas away from the core retail hubs of the town.

2.1.2 In both cases, empty shops and offices represent a wasted resource that could with appropriate vision and investment host new uses, including homes to help alleviate the shortage of affordable, secure accommodation. The Government has recognised this by introducing a temporary exemption until May 2106 from normal planning controls in cases where the development converts empty offices into homes. It is now consulting on extending this to embrace empty shops.¹ Empty and unused buildings also present a negative image of the town in that it could be argued that the economy is not sufficiently buoyant to support its commercial infrastructure.

2.1.3 Empty and unused buildings also present a negative image of the town in that it could be argued that the economy is not sufficiently buoyant to

¹ Ministers to make it easier to 'turn shops into homes' – BBC News August 5th, 2013 (<http://www.bbc.co.uk/news/business-23581304>) and New planning rules will breathe life into rural communities and town centres – Department for Communities and Local Government August 6th, 2013 (<https://www.gov.uk/government/news/new-planning-rules-will-breathe-life-into-rural-communities-and-town-centres>)

support its commercial infrastructure.

2.2 *Support for Housing and Economic Progress (SHEP) initiative*

- 2.2.1 There is a shortage of land in Eastbourne on which to develop new affordable homes. Demand for affordable and secure rented homes is extremely high with a waiting list at the beginning of the current financial year of circa 2,600 compared to a total of 217 lettings made by the Council and housing associations in 2012-13. Demand for smaller homes is particularly strong, influenced by the impact of the recent changes to the social security system that reduce housing support for people whose homes are deemed to have more bedrooms than they need.
- 2.2.2 Building on the work already done to date by the Council's Difficult Properties Group and Housing Specialists, one of the needs prioritised for the Housing and Economic Development Partnership² (HEDP) is to bring back into use redundant or empty property. With appropriate investment, such properties could be brought into use as homes to address housing demands. Such an approach would:
- Contribute to the wider outcomes of the Council's housing strategy 'At Home in Eastbourne'.
 - Create more accessible housing opportunities for local people.
 - Support economic development by helping to focus commercial and retail activity in sustainable blocks or nodes and reducing the negative impact of empty or redundant commercial premises have on the area.
 - Enhance the appearance of the town by improving and revitalising currently under used or empty properties.
- 2.2.3 To deliver in a coherent and strategic way, a programme of bringing non-residential properties into use as homes and to help create a more sustainable commercial property base the Council's Housing Specialists and the HEDP have created the Support for Housing and Economic Progress (SHEP) initiative. SHEP could include two areas of activity:
- The purchase and repair of empty or poor condition residential properties for use as affordable homes, either to rent or buy
 - The purchase and refurbishment of empty or redundant commercial properties for use as affordable homes, either to rent or buy.
- 2.2.4 Delivering SHEP will be achieved through a range of individual projects These will evolve over the next few years as the Council develops its capacity and capability to deliver new approaches to housing and economic development. However SHEP as a whole has been designed to create the scope to consider embracing a range of funding opportunities, including from the Council itself, the private sector government agencies.
- 2.2.5 The first of these projects is detailed in this report. This is an investment programme to, over the period 2013 and 2015, deliver twenty affordable rented homes, making use of existing but currently under-used buildings.

² The Housing and Economic Development Partnership (HEDP) is a joint venture by Eastbourne Borough Council (EBC) and Eastbourne Homes Limited (EHL) to develop and deliver investment projects that will contribute towards developing Eastbourne's wider economy. The HEDP is overseen by a Project Board with members drawn from both EBC and EHL. Operationally, it is managed by EHL.

2.3 *SHEP 2013-2016*

- 2.3.1 The Council's Housing Specialists and the HEDP team have been exploring viable options to contribute to SHEP. This work has resulted in the identification of a number of possible opportunities to purchase underused or empty commercial properties which can be converted into residential homes. The properties under consideration are made up of a mix of residential and retail buildings. They are located primarily in the Town Centre and Devonshire areas of Eastbourne. Purchase and redevelopment of these properties would constitute the core of the SHEP 2013-2106.
- 2.3.2 Initial discussions have taken place with a number of property owners who have expressed an interest in working more closely with the Council. To allow the discussions to move forward, it is now necessary for the Council to be in a position to respond quickly and positively to firm offers presented by property owners. This means that negotiating officers need to have the confidence of being able to agree purchases in the knowledge that funds are available for prompt conclusion of such transactions.
- 2.3.3 By making available a sum of money to be drawn upon with the minimum of delay will enhance the ability of the negotiating officers to reach advantageous deals with property owners. This may include direct negotiation or purchase through auctions or sealed bidding processes. It would therefore add to the ability of the SHEP to deliver a range of investments if it were to have ready access to funding for a programme of property purchases and redevelopment.
- 2.3.4 A detailed viability study undertaken by both the Council's Housing Services team and Eastbourne Homes Limited has been undertaken to identify an appropriate property mix that would add to the Council's housing stock and contribute to wider regeneration of the Town Centre and Devonshire areas of Eastbourne:
- Twenty new flats for Affordable Rent – these homes will be created by converting former commercial/retail premises for residential use and will become part of the Council's own housing stock, let according to the Council's Tenancy Policy.
- 2.3.5 The viability study has been informed by:
- An evidenced review of current residential and commercial property sales values in the Town Centre and Devonshire areas of Eastbourne.
 - An evidenced review of rents in Town Centre and Devonshire areas of Eastbourne – market rents are used to set Affordable Rents³.
 - An evidenced review of construction costs, using information derived from current Council refurbishment programmes to sheltered units and Decent Homes works to existing stock
 - A review of housing need for affordable housing, taking into account changes to demand patterns arising from recent and ongoing changes to the social security system, for example the bedroom tax/spare room subsidy.

³ 'Affordable Rents' are set at 80% of market rents.

- 2.3.6 Financial appraisals have taken into account the information noted above and have considered the cost of financing, maintaining and managing the homes within the Council's wider stock. The properties, if let at an affordable rent⁴ circa £97.60 per week, cover in full the cost of finance, acquisition, refurbishment, management and maintenance over a thirty year financing period.
- 2.3.7 Appendix A to this report provides a financial summary of the expenditure and income assumptions for the programme as a whole. The SHEP programme as a whole has a Total Scheme Cost (TSC)⁵ of £2,2789,000. A grant from the Homes and Communities Agency (HCA), towards the affordable homes, of £360,000 (see below – paragraph 2.3.8), has been secured and will offset the total cost, reducing the net investment to £1,919,000. For twenty homes, this is equivalent to a net cost of £95,900 per home.
- 2.3.8 To make the scheme viable within a 40 year payback period, the £1,919,000 residual cost will be met from borrowing (with the loan serviced by rental income) and a direct capital contribution of £311k from capital resources.
- 2.3.9 A sum of £1,919,000 has already been included within the approved capital programme for housing and economic development (Minute 89.6, Cabinet February 6th, 2013 refers). It is being proposed that this sum is now set aside to contribute towards the Support for Housing and Economic Progress (SHEP) initiative. Cabinet is therefore asked to approve that the £1,919,000 included in the approved Capital Programme be released to contribute towards the SHEP initiative to provide 20 homes for affordable rent, to be owned by the Council, located primarily but not exclusively within the Town Centre and Devonshire areas of Eastbourne.
- 2.3.10 The HCA Empty Homes Scheme is in addition to a similar project being delivered by the YMCA in Eastbourne. The Council's Housing Specialists have been closely involved in the YMCA project to make sure it is complementary to other activity being promoted to bring empty properties back into use.
- 2.4 *Accountability and Delivery of SHEP for 2013-2016*
- 2.4.1 There are a number of options for delivering SHEP for 2013-2016. These are:
- Outsource the programme to a third party
 - The Council's internal Housing Services team
 - EHL
- 2.4.2 Outsourcing to a third party would require the work to be tendered. This would add to the time lag between taking a decision to progress SHEP. While the Council's internal Housing Services team have the knowledge and

⁴ Affordable Rents' are set at 80% of market rents

⁵ The Total Scheme Cost is the complete expenditure needed to develop a scheme from inception to completion ready for occupancy. It includes design, planning and construction work.

capability to deliver the programme, the current capacity within the team as a whole is not sufficient to take on this additional work.

- 2.4.3 EHL, as the host for the HEDP, does currently have the capacity to deliver SHEP 2013-2016. EHL has also gained experience of this kind of work by delivering for the Council the £60,000,000 Decent Homes Programme. In addition, the HEDP has available to it a budget of £200,000 for the period 2013-2014 which can be used to fund any administrative and operational costs that will be incurred through the early stages of the implementation of SHEP. The HEDP has a Project Board, with membership drawn from both the Council and EHL that could usefully provide programme level review and operational control of the SHEP initiative.
- 2.4.4 As a subsidiary of the Council, EHL can be asked to take on this work without the need to delay the project through a lengthy procurement exercise.
- 2.4.5 The client/contractor structure that currently prevails between the Council and EHL would in effect be extended to embrace SHEP. This means that EHL would be advised of a total budget for the project and the required outcomes to be delivered within that budget envelope. These outcomes would include tangible training and employment initiatives. The risk for delivery would rest with EHL.
- 2.4.6 To allow the Council to maintain overall control over the use of its funds and make sure that the project delivers against the Council's strategic priorities, EHL's performance on SHEP would be monitored and overseen by the Council's Housing Services team. This includes making sure the deadline set by the HCA as a condition of its financial support is met in full which stipulates that all properties must be ready for use as homes by March 31st, 2015. This approach would replicate the arrangements currently in place for the core management and maintenance services provided by EHL for the Council's tenants.
- 2.4.7 Similarly, the Council would as the funding agent and owner of the assets being created by SHEP, have in extremis a power of veto over the work of EHL. This would only be exercised if the SHEP initiative put the Council at financial, reputational or strategic risk.
- 2.4.8 Cabinet is therefore recommended to approve that EHL to be requested to accept full responsibility for the delivery of the SHEP initiative to EHL subject to the following conditions
- EHL takes on full operational and financial responsibility for managing the programme from inception to completion and for delivering the programme within budget and against the targets and outcomes set by the Council.
 - The HEDP Project Board provides programme level review and operational control of the SHEP initiative.
 - Acquisition and redevelopment of any individual property will only be progressed if the result is a financially viable development.
 - Each acquisition will be approved by the Council's Housing and Finance specialists before contracts for purchase are exchanged.
 - The SHEP initiative will by March 2015 deliver 20 homes for rent by

the Council at Affordable Rents.

- Social Value⁶ will be considered important and assessed as such for all associated contracts.

2.4.9 Subject to EHL agreeing to take on the SHEP initiative, Cabinet is asked to approve the delegation of authority to the Chief Finance Officer and Senior Head of Community in consultation with the Cabinet Portfolio Holder for Finance and the Cabinet Portfolio Holder for Community the authority to agree a Service Level Agreement between the Council and EHL for the delivery of the SHEP initiative.

3.0 *Funding SHEP for 2013-2016*

3.1 The total scheme cost is £2,279,000. The Council has successfully bid for HCA funding of £360,000

3.2 The residual £1,919,000 will be funded through borrowing and a direct capital contribution of £311,000. On this basis the total scheme cost is paid back within 40 years.

4.0 Risk Management

4.1 There are a number of risks that the Council will need to be managed within the three initiatives covered in this report. These are considered below.

4.2 SHEP Risk Summary

4.2.1

Risk	Mitigation	
Cost of acquisition too high	Acquisitions do not go ahead	
Cost of refurbishment is too high and/or cost overruns	Robust pre-purchase assessment undertaken	Competitive tender used to reduce costs
Borrowing costs increase	Funds are secured using long term interest rates in line with viability assumptions	
Market rents fall, affecting Affordable Rent base line	Cost of properties pooled within HRA to allow for cross subsidy with existing properties	Properties disposed of to recover costs

⁶ Under the Public Services (Social Value) Act 2012, and as part of the Council's Best Value duty, the Council has to consider overall value, including economic, environmental and social value, when commissioning a contract and how it may improve these things during its term.

5.0 Consultation

- 5.1 The Council has invested considerable resources to date in identifying sub-standard or empty properties and making connections with owners. The natural extension of this work will be to use this ongoing consultation to ease the acquisition of suitable properties.
- 5.2 The SHEP initiative will provide a catalyst for private investment in the area as the renovation and conversion work will create an air of positive activity. The reduction of the number of empty shop and commercial units has the potential to change positively the relationship between supply and demand. This in itself will prompt further consultation with local business groups to identify businesses who may wish to make the most of the opportunities provided by the SHEP.
- 5.3 The extensive consultation work for 'At Home in Eastbourne', the Council's housing strategy, showed that there is a considerable desire amongst local people to buy a home of their own or to rent an affordable, secure home from a responsible social landlord. The proposals in this report will demonstrate a positive response by the Council to that consultation work.

6.0 Resource Implications

- 6.1 The identification of appropriate properties and managing all works necessary to make them suitable for sale and for letting will be delivered by the HEDP and EHL.
- 6.2 Acquisition of the selected properties will require input from the Council's Legal and Estates specialists although much of the preparatory work will be undertaken by EHL. There is sufficient capacity within the current teams to be able to absorb those elements of acquisition that will require Council input.
- 6.3 Strategic direction and oversight of the SHEP Initiative will rest with the Council's Housing and Finance Specialists, as part of their current monitoring role for EHL's work on behalf of the Council and their role in delivering the Council's Corporate Objectives and 'At Home in Eastbourne'.

7.0 Environmental, Human Rights, Community Safety Implications

- 7.1 Increasing the choices available to people who need a secure, affordable home and making the most effective use of all types of buildings in Eastbourne will lead to stronger, more vibrant communities and neighbourhoods. This will in turn improve the environment and community safety within Eastbourne will be stronger.
- 7.2 There are no Human Rights implications arising from this report.

8.0 Youth and Anti-Poverty

- 8.1 At present Devonshire Ward scores highly on deprivation indices – it is one

of the most deprived wards in East Sussex. Several initiatives have been undertaken to improve the situation, the most recent of which has been the successful award of Big Local funding to the local community. The SHEP will help complement this by improving the built environment.

- 8.2 The provision of addition of affordable homes will help provide more options for people who need to move to different accommodation to reduce the impact of changes being made to the support given by the Social Security system.

9.0 Conclusion

- 9.1 To deliver the Council's corporate outcomes of a more equitably prosperous Eastbourne, the SHEP initiative, as part of the HEDP, represents a positive way forward.
- 9.2 The provision of more homes close to the town's central business district, soon to be revitalised as part of the Town centre Redevelopment, will add to the appeal and vitality of the area.
- 9.3. The SHEP initiative will make a significant contribution towards the housing outcomes the Council wishes to see for Eastbourne.

Andy Thompson MSc MCIH
Strategic Housing Manager

Appendix A: Financial summary of the expenditure and income assumptions for SHEP 2013-2015

The SHEP 2013-2015 scheme has been modelled on the following basis:

1. Scheme Assumptions

- Allowances for property acquisition costs, build costs and sales values are based upon the standard assumptions included in the attached table which have been arrived at after recent market research and a review of relevant recent data. These assumptions have been reviewed and agreed by senior officers at both EHL and EBC
- Build cost allowances have been made after an assessment of a number of sources for similar office to residential conversion projects including current Build Cost Information Service data, input from local cost consultancy practice FFT, discussions with contractors and data from other similar schemes known to the authors of this report
- On-costs, to include project management, planning, legal and design to planning have been allowed for at a range of 11% to 14% of the total works and acquisition costs after a review of relevant data as above.
- Rental income figures have been derived from a review and assessment of the local market carried out over the last month. Affordable Rent income has been assumed as 80% of market rent
- Allowances for voids, bad debts, service charges, management and maintenance costs have been established via consultation with Eastbourne Homes Ltd (EHL)
- Allowances for inflation and interest rates have been made following consultation with relevant officers of Eastbourne Borough Council (EBC) and EHL
- A summary of assumptions and outcomes is available for review from the Council's Strategic Housing Manager

2. Scheme Summary

- Twenty Affordable Rent homes, all 1 bed, 2 person

3. Scheme Finances

- Total scheme cost: £2,279,000
- Total HCA grant to affordable element: £360,000 (£18,000 per unit)
- Initial annual rental income after costs and deductions: £62,368.
- Repayment (repayment mortgage) in year 40.

This is commensurate with the accepted financing time of thirty years for new social housing.

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank