

*Published 8 July 2014*

**Agenda for meeting of the Cabinet to be held at 6.00 pm on Wednesday, 16 July 2014 in the Town Hall, 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.



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**Members of the Cabinet:**

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

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

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

**Councillor Carolyn Heaps:** Tourism and leisure services.

**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.

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**[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.

**1 Minutes of the meeting held on 14 May 2014** (Pages 1 - 8)

**2 Apologies for absence.**

**3 Declarations of interests**

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 notice has been given (total time allowed 15 minutes).

**5 Urgent items of business.**

The Chairman to notify the Cabinet of any items 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 Annual Accounts 2013-14** (Pages 9 - 18)  
Report of Chief Finance Officer.  
Cabinet lead member: Councillor Gill Mattock
- 8 Medium Term Financial Strategy (KD)** (Pages 19 - 32)  
Report of Chief Finance Officer.  
Cabinet lead member: Councillor Gill Mattock
- 9 Sustainable Service Delivery Strategy (SSDS) - Update (KD)** (Pages 33 - 38)  
Report of Deputy Chief Executive.  
Cabinet lead member: Councillor Troy Tester.
- 10 Devonshire Park Project (KD)** (Pages 39 - 44)  
Report of Senior Head of Tourism and Leisure and Senior Head of Development. Cabinet lead member: Councillor Carolyn Heaps.
- 11 Little Chelsea - Traffic Survey** (Pages 45 - 68)  
Report of Senior Head of Development.  
Lead Cabinet member: Councillor Steve Wallis.
- 12 Eastbourne Brand Development: A Shared Identity** (Pages 69 - 74)  
Report of Senior Head of Tourism.  
Cabinet lead member: Councillor Carolyn Heaps.
- 13 Housing Investment Plan (KD)** (Pages 75 - 84)  
Report of Senior Head of Community.  
Cabinet lead member: Councillor Margaret Bannister.
- 14 Housing Futures (KD)** (Pages 85 - 120)  
Report of Senior Head of Community.  
Cabinet lead member: Councillor Margaret Bannister.
- 15 Private Housing Renewal Policy 2014-2018 (KDGE)** (Pages 121 - 138)  
Report of Senior Head of Community.  
Lead Cabinet member: Councillor Margaret Bannister.
- 16 Review of Community Grants Programme (KD)** (Pages 139 - 148)

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

**17 Retail Rates Relief and Business Rates Re-occupation Relief (KD)**  
(Pages 149 - 162)

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

**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).

**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](mailto:localdemocracy@eastbourne.gov.uk)

You can view the Forward Plan of Key Decisions at

<http://www.eastbourne.gov.uk/council/meetings/>

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# Cabinet



## Minutes of meeting held on Wednesday, 14 May 2014 at 6.00 pm

Present:-

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

(An apology for absence was reported from Councillor Carolyn Heaps.)

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### 93 Minutes of the meeting held on 19 March 2014.

The minutes of the meeting held on 19 March 2014 were submitted and approved and the Chairman was authorised to sign them as a correct record.

### 94 Declarations of interests by Members.

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

- (a) Councillor Tutt declared personal (and non-prejudicial) interest in matters reported in minute 99 (local government pension scheme) as he was a County Council appointed member of the East Sussex Investment Panel.
- (b) Councillor Mattock declared personal (and non-prejudicial) interest in matters reported in minute 99 (local government pension scheme) as she was a scheme member.

### 95 Towner - Transition to Trust.

95.1 Cabinet considered the report of the Senior Head of Tourism and Leisure. Cabinet has previously considered a number of reports recommending that the Towner should be managed and operated by a charitable trust. The Trust model was supported by the Arts Council and would enable the pursuit of an artistic, innovative vision which could appeal to diverse sources of income support. Alternative models had been considered but for the reasons set out in the July 2013 report to Cabinet had not been considered to be as effective as the Trust model.

95.2 The Chairman welcomed Emma Morris, the Trust's chief executive, to the meeting. She spoke about the work being undertaken to establish the Trust and take over the running of the Towner. She thanked the Council for their support. The Trust had been very successful in appointing high profile trustees from a range of backgrounds with an impressive range of skills and expertise. The Council was very pleased

that David Dimbleby had been appointed as Chair of Trustees. The Trust had now been registered as a charity.

95.3 The Trust and the Council would enter into a number of legal agreements which were currently being negotiated. Details of the Collection Agreement, the Funding Agreement and the lease were set out briefly in the report. There would also be a staff transfer agreement which dealt with transfer of the staff and pensions issues. The Council's funding agreement with the Arts Council would be novated to the Trust.

95.4 The Trust would lease the building from the Council for a peppercorn rent. The responsibility for repair and maintenance between the Trust and the Council would be split. The Council would have responsibility for the maintenance of the structure of the building and its external decoration. The Trust would be responsible for the internal repairs.

95.6 The Council would loan its art collection to the Trust who would be required to look after and conserve it on the same basis as present. The Council would have to consent to the disposal of any item from its collection.

95.7 The Funding Agreement required the Council to approve the Trust's business plan for the period up to 2018 prior to the transition. Funding would then be provided in 3 year periods linked to the Arts Council funding periods. Council funding would continue at the current level for the duration of the initial funding period.

95.8 Staff currently employed at the Towner would transfer on the same terms and conditions as they were on now. Information had been shared and where appropriate consultation had taken place with both the trade union, Unison, and individual employees. The Trust would enter into an Admission Agreement with the East Sussex Pension Fund in respect of transferring employees who are in the scheme. It was not anticipated that new staff employed by the Trust would be entered into this scheme. The Council would remain liable in relation to the deficit in the fund up to the date of the transfer. Conversations with the Trust about the details of the pensions arrangements were ongoing.

95.9 The lease constituted a disposal for an undervalue of more than £2million less than best consideration and the Council was therefore required to seek the Secretary of State's consent for the disposal. The application for consent must be accompanied by a valuation which complied with the technical appendix in Circular 06/03 (Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained). Obtaining the valuation and the consent might take some weeks and would have impact on the timescale for the transition.

95.10 On behalf of the Council, the Chairman expressed his thanks to the Trust and all those who had assisted in its establishment and to David Dimbleby for having agreed to become the Trust's chair. He



looked forward to working together with the Trust and wished the Trust every success in the future. He acknowledged the important role of the Towner in raising the profile of the town.

**95.11 Resolved (key decision):** (1) That Cabinet confirms its decision to transfer the management and operation of the Towner Art Gallery to the Towner Trust.

(2) That delegated authority be granted to the Chief Finance Officer, in consultation with the lead Cabinet member for finance, to make all decisions in relation to pension arrangements and funding.

(3) That the Chief Finance Officer, in consultation with the lead Cabinet member for finance, be authorised to transfer funding in accordance with the funding agreement.

(4) That the Chief Executive, in consultation with the Leader of the Council, be granted delegated power to take decisions referred to in the legal agreements once the transition has taken place.

(5) That delegated authority be granted to the Chief Executive, in consultation with the Leader of the Council, to:

- (i) Approve the trust's business plan in accordance with the funding agreement;
- (ii) approve the collection policy;
- (iii) negotiate, agree and approve the sealing of all the legal documents associated with the transfer to trust; and
- (iv) take all measures necessary to transfer the Towner to the trust.

## **96 Corporate Performance - Quarter 4 2013/14.**

96.1 Cabinet considered the report of the Deputy Chief Executive reviewing the council's performance against corporate plan priority indicators and action targets; financial performance of general fund revenue expenditure, housing revenue account and capital programme; and treasury management activities for the third quarter of 2013/14. (The financial aspects and associated appendices were circulated in a supplementary report on this occasion in view of the need to complete work to enable production of provisional end-year figures as at 31 March 2014.) Throughout the year, performance against these key indicators and milestones was reported to Cabinet on a quarterly basis and to Scrutiny Committee members each month.

**96.2 Resolved (key decision):** (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2013 refresh) be agreed.

(2) That the provisional general fund outturn on services expenditure for 2013/14 of £14.593m, a net over spend of £25,000 against the revised budget, be agreed.

(3) That the transfers to and from reserves, as set out at appendix 3 to the report, be agreed.

(4) That the provisional balances on non-earmarked revenue reserves as at 31 March 2014 as shown in paragraph 3.1 of the report, be agreed.

(5) That the provisional housing revenue account surplus for 2013/14 (of £274,000) be agreed.

(6) That the final capital programme and outturn for 2013/14 of £16.2m, a variance of 3.7% against the final programme, be agreed.

## **97 Sussex Energy Saving Partnership.**

97.1 Cabinet considered the report of the Senior Head of Community considering what the Council had already done to help people reduce their energy use and proposing an additional approach in which the Council could improve the town's energy efficiency.

97.2 The Council had a proven track record of helping people reduce their fuel costs. These included:

- Solarbourne solar panel programme.
- Eastbourne first 'Energy Cafe' event was held in February 2014.
- Supporting Warm Homes and Healthy People.
- Saving Eastbourne's Energy.
- Decent Homes investment programme for Council owned homes
- Engaging the Building Research Establishment to identify the most appropriate solution to thermal failings in non-traditionally constructed Council houses.

97.3 Councils across both West and East Sussex had considered how by working together they could come up with a practical way to roll out a programme of energy efficiency measures to help people reduce the need for and cost of energy. This was the Sussex Energy Saving Partnership (SESP) which would be operating under the brand 'Your Energy Sussex'. The UK based multi-national company Carillion was selected to deliver the energy saving programme on behalf of the SESP.

97.4 A low-cost borrowing facility valued at £66 million had been arranged by West Sussex County Council to support the SESP. It would pump prime initiatives and establish a revolving fund that as original loans were repaid resources would become available for future schemes. This funding would be available to support projects across both West and East Sussex, including Eastbourne. The intention was for this funding to be accessible to both individual households and organisations such as charitable bodies, landlords and businesses.

97.5 The Council's role would now develop to include

- Working with Carillion to engage with residents, community groups and local businesses.

- Consider the delivery of energy efficiency improvements to the Council's own property estate with Carillion being offered the opportunity to tender for such works, using existing budgets.
- Engage with social housing providers to work with Carillion by offering the company the opportunity to deliver energy efficiency works.
- Refer residents who could benefit from energy efficiency improvements and/or renewable generation to Carillion.
- Act as advocates for the SESP.
- Adopt a joint approach to marketing and use of the Your Energy Sussex brand.

**97.6 Resolved (key decision):** That the Council (1) Formally signs up as a strategic partner to the Sussex Energy Saving Partnership.

(2) Actively participates in the governance arrangements established to oversee the work to be delivered under contract.

(3) Support work with the partnership's contractor to identify and, where most beneficial, engage the company in delivering energy efficiency measures across Eastbourne.

## 98 Housing Policy Review.

98.1 Cabinet considered the report of the Senior Head of Community. The Council's landlord service faced a number of challenges arising from the changes being introduced to the welfare/social security system. The primary changes which directly affected tenants, especially those with a low income, were:

- Spare room subsidy.
- The phasing out of direct payment of housing costs to social landlords, as universal credit was introduced over the next four years.

The changes which would affect tenants and non tenants alike were:  
Universal credit.

- Local support for council tax.
- Changes in the scope and extent of social security assistance for disabled people.
- The introduction of a more rigorous sanctions regime for unemployed and low income working people receiving social security payments.

The changes might affect the need to encourage people to downsize from larger to smaller properties. In addition, this report introduced the option to offer a new type of tenancy to households with high supported needs.

98.2 The Council currently had in place a Tenant Incentive Scheme (TIS) designed to encourage people to downsize their home by providing a financial incentive that could also help cover the costs of moving home. In 2013/14, the budget for the TIS doubled to cater for an increase in demand the previous year. By the end of quarter 2, that budget had been fully spent and provision had been made to allow expenditure in 2013/14 to double. Changes were proposed to the TIS which would rename it as the Tenant Support Scheme (TSS); provide a financial

incentive only for non-working age people in receipt of or eligible for a state retirement pension to downsize their home; and reimbursement of expenses up to a limit of £750 per household.

98.3 The Council's tenancy policy offered a number of different tenancy options, with a presumption in favour of secure tenancies. The policy included introductory tenancies to help people settle into their new home in a way that contributed positively to the wider community and demoted tenancies to help the Council manage those who did not discharge in a responsible way the obligations placed upon them in their tenancy agreement. An additional tenancy option was now also available, tailored to suit the needs of families with multiple needs, called the family intervention tenancy, its terms tied in with the government's troubled families programme. Cabinet was asked to consider adding this to the Council's options.

**98.4 Resolved (key decision):** (1) That the Tenant Incentive Scheme be renamed the Tenant Support Scheme (TSS).

(2) That the TSS provide for a financial incentive only for people of non-working age in receipt of or eligible for a state retirement pension to downsize their home, the incentive being set at £250 per excess bedroom released.

(3) That the TSS provide that reimbursement of expenses up to a limit of £750 per household be made available to any tenant of non-working age downsizing to assist with the costs of moving home, subject to the expenditure being receipted and evidenced as being connected solely with moving home.

(4) That the addition of the Family Intervention Tenancy to the Council's Tenancy Policy be approved.

## **99 \* Local Government Pension Scheme 2014.**

99.1 Cabinet considered the report of the Deputy Chief Executive. The Local Government Pension Scheme (Benefits, Membership and Contributions Regulations 2008) required member employers to publicise a statement of policy on a number of compulsory regulation discretions.

99.2 In 2010, the Government commissioned an independent review into public service pensions. The review chaired by Lord Hutton, published its final report in March 2011 and set out a number of recommendations for change to ensure that pension arrangements were sustainable and affordable in the long term.

99.3 Following extensive consultation on the proposed changes, regulations to amend the Local Government Pension Scheme (LGPS) were laid before Parliament on 19 September 2013 and will come into force on 1 April 2014.

99.4 The regulations made a number of changes, in particular, the major changes were:

- The basis of the pension will now be based on a career average revalued earnings scheme as opposed to the current final salary arrangement.
- More employee contribution bands.
- A new definition of pensionable pay.
- A 50/50 option whereby members can choose to pay 50% contributions for 50% of the pension benefits.

Appendix 1 summarised the key changes.

99.5 In additions, the regulations also required each scheme employer to formulate and publish its policy in relation to how it would exercise its discretionary functions. In the main, the employer discretions were very similar between the current and new scheme. Appendix 2 & 2a summarised the discretions and the proposed policy for the council to adopt for both schemes.

**\* 99.6 Resolved:** That full Council be recommended to adopt the policy for the exercise of the employer's discretion within the Local Government Pension Scheme 2008 and 2014 as set out in appendix 2 and 2a of the report.

(Note: Councillors Tutt and Mattock both declared personal interests in this matter – see minute 94 above.)

## 100 Departing staff members

100.1 The Chairman reported that two senior members of staff would shortly be leaving the Council:

100.2 Julian Osgathorpe, Deputy Chief Executive, had been appointed to a new role at the London Borough of Lambeth and would leave this summer.

100.3 Tracey McNulty, Senior Head of Tourism and Leisure, had been appointed to a new role at the the City and County of Swansea and would leave after Airbourne later this summer.

100.4 The Chairman expressed his appreciation for their work for the Council. In particular he made special mention of the contribution that Julian Osgathorpe had made to the Council's transformation programme which was key to the Council's ability to maintain the delivery of essential services to the people of Eastbourne in a period of reducing resources and funding.

## 101 Exclusion of the Public.

**Resolved:** That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraphs of schedule 12A and descriptions of the exempt information are shown beneath the item below. (*The*

*requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)*

**102 Alternative Employment Procedure (AEP).**

Cabinet considered the report of the Head of Corporate Development and noted that one employee was subject to the procedure at present. They noted the actions taken to manage implications of change for displaced individuals.

*(Notes: (1) Exempt information reasons 1 and 2 – Information relating to an individual or likely to reveal the identity of an individual.*

*(2) The above minute was made public, however the Cabinet's deliberations thereon and the submitted report remain confidential.)*

The meeting closed at 6.30 pm

**Councillor David Tutt**  
**Chairman**

# Agenda Item 7

**BODY:** CABINET  
**DATE:** 16 July 2014  
**SUBJECT:** Annual Accounts 2013/14  
**REPORT OF:** Financial Services Manager

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**Ward(s):** All

**Purpose:** To present the annual accounts and final outturn for 2013/14.

**Contact:** Pauline Adams, Financial Services Manager Tel: 01323 415979.

**Recommendations:** Members are asked to -

- i) Note the final outturn for 2013/14.
- ii) Approve the transfer to reserves and provisions as set out in paragraphs 2.3, 2.4 and 3.2.

## **1.0 Introduction**

- 1.1 The Accounts and Audit Regulations 2011 require the Council to formally approve ending 31.March 2014 by 30 September 2014. The draft accounts were submitted June 2014 for noting. Any comments will be verbally reported.
- 1.2 A report to the Cabinet meeting on 14 May 2014 set out the provisional outturn for £190,000 on service expenditure.
- 1.3 Since that time the work on closing the accounts has now been completed and the Statement of Accounts presented to the Audit and Governance Committee on 25 J

## **2.0 General Fund Final Outturn 2013/14**

- 2.1 The content of the accounting statements and notes differ from budget reports such as Expenditure is analysed according to the statutory national groupings set out in CIPFA rather than reflecting the management organisation of the Council.

It is only the bottom line of the movement in reserves for the general fund that will be compared with the figure with the performance monitoring arrangements.

- 2.1 The general fund final service outturn is a favourable variance of £366,000 detailed

	Original Budget	Revised Budget	Actual	Variance

	£'000	£'000	£'000	£'000
Corporate Services	11,738	11,150	11,047	(103)
Community Services	(146)	212	198	(14)
Tourism and Leisure	2,832	3,152	3,405	253
<b>Service Expenditure</b>	<b>14,424</b>	<b>14,514</b>	<b>14,650</b>	<b>136</b>
Contingencies	194	413	58	(355)
Interest and Capital Financing	1,650	1,936	1,936	-
Transfer to (from) Reserves	1,123	349	916	567
	<b>17,391</b>	<b>17,212</b>	<b>17,560</b>	<b>348</b>
Transfer to General Fund Balance	-	402	768	366
<b>Service Total</b>	<b>17,391</b>	<b>17,614</b>	<b>18,328</b>	<b>714</b>
Financed by:				
Government Grants	(6,583)	(6,808)	(7,209)	(401)
Council Tax	(7,303)	(7,303)	(7,303)	-
Business Rates	(3,503)	(3,503)	(3,816)	(313)
<b>Total</b>	<b>(17,389)</b>	<b>(17,614)</b>	<b>(18,328)</b>	<b>(714)</b>

The main change from the details of the service variances reported to the May Cabinet was a subsidy claim and the technical change required for the calculation for bad debts which now has to reflect historical evidence.

The variance on funding increased by £714,000 due to additional government grant and budgeted levy due on business rates not required.

2.2 The General Fund Balance at 31 March 2014 was £4.687m Details of other reserves

2.3 In addition to the transfers to and from reserves as approved by Cabinet on the 14 May 2014 Programme reserve in line with the budget strategy representing the balancing measure, external interest payable due to the continued use of internal balances and the actual expected cash flow profile.

### **3.0 Housing Revenue Account**

3.1 The figure previously reported to the Cabinet on 14 May 2014 set out a favourable variance for the year was £(525,00) a variance against budget of £(178,000). This movement in variance allowance for future bad debt is calculated as detail in para 2.1 above. The Housing Revenue Account

3.2 In addition to the transfers to and from reserves as approved by Cabinet on the 14 May 2014 Housing Regeneration and Investment Reserve in line with the budget strategy and the variance between the budgeted and actual depreciation allowance.

### **4.0 Capital Expenditure**

4.1 The final capital expenditure for the year was £15.7m compared to a revised budget of £15.7m

### **5.0 Statement of Accounts**

5.1 The draft statement of accounts is available from Financial Services and an overview



- 5.2 It is the Chief Financial Officer's (CFO) responsibility to ensure the preparation of the Code of Practice on local Authority Accounting in the United Kingdom (the Code). The accounts must represent a true and fair view of the authority's financial position by 30<sup>th</sup> June.
- 5.3 There were a few minor changes to the presentation of the accounts for 2013/14 approved by the Audit and Governance Committee on 25 June 2014.
- 5.4 The external auditor (BDO) is due to commence work on 7 July and the accounts for 2013/14 will be finalised for 2014. The date for questioning the external auditor has been set as 4 August 2014. The questions to be put in writing to him and sent directly to his offices.
- 6.0 Summary**
- 6.1 The 2013/14 accounts have now been finalised and have resulted in the outturn provisionally reported to the Cabinet on 14 May due to the final housing benefit provision in the provision for bad debts.
- 6.2 There is a requirement to approve the statement of accounts 2013/14 by 30 September 2014. The Audit and Governance Committee will report to Full Council.
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### **Background Papers:**

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

Unaudited Statement of Accounts 2013/14

<http://www.eastbourne.gov.uk/EasysiteWeb/getresource.axd?AssetID=231180&type=full&source=2014%20Draft%20v1.pdf>

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code)

Final Accounts Working Papers 2013/14

Cabinet Report 14 May 2014: Corporate Performance – Quarter 4 2013/14.

Audit and Governance Committee Report 25 June 2014: Account Accounts 2013/14.

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**Overview of the 2013/14 Statement of Accounts.**

**Introduction**

1. The content and format of the accounts is as prescribed in the Accounting Code of Practice (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Under the oversight of the Financial Reporting Advisory Board.
2. The code is based on approved accounting standards issued by the International Accounting Standards Board except where these are inconsistent with specific statutory requirements. The code constitutes proper accounting practice under the terms of section 21(2) of the Local Government Act 2003.
3. This overview summarises the contents of the accounts and draws Members' attention to the reasons for any significant variances in the 2013/14 position when compared to 2012/13.

**Explanatory Foreword and Key Points of Interest**

4. The foreword provides a brief summary of the outturn on the revenue and capital budget and sets out the context in which the accounts are produced giving rise to the financial position shown as at 31 March 2014.
5. The total general fund underspend for the year was £365,740. This differed from the provisional outturn for the year reported to Cabinet on 29 May 2013 due to an adjustment for movements in bad debt provision, additional government grant for small rate relief. Cabinet and an change in business rate income due for the year as there is no levy payable to central government.

**Statement of Responsibilities**

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

**Auditors Report**

7. The External Auditors will provide an independent opinion as to whether the statement of accounts presents fairly the financial position of the Council at 31 March 2014 and its income and expenditure for the year. Following approval of the accounts by Members the External Auditor will issue his report for inclusion in the final published accounts.

## **Movement in Reserves Statement**

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

## **Comprehensive Income and Expenditure Account**

9. The comprehensive income and expenditure account shows, in the format required by the Code, all day-to-day expenses and related income on an accruals basis incurred in providing all services for the year. The deficit/surplus is akin to that of a large unlisted UK company and does not reflect the balance on the General Fund, which is shown on the statement of movement on reserves.
10. In order to reflect the cost of utilising assets in the provision of services, as required by the Code, gross expenditure on operations includes charges such as depreciation and the write off of revenue expenditure financed from capital under statute (REFFCUS). (This is where expenditure is incurred that does not relate to an asset in the ownership of the Council, such as improvement grants). However, these adjustments are not intended to impact on the council Taxpayer and their effect is therefore neutralised by entries reflected in the Movement in Reserves Statement. These ensure that the council tax is charged only with the interest costs of borrowing and the statutory provision for the repayment of debt.
11. Similarly the cost of retirement benefits is included in the net cost of services when they are earned by employees, rather than when the benefit is paid out as pension. The impact of the notional charge (which is a requirement of IAS19) is reversed out in the Movement in Reserves Statement and replaced by actual employer contributions to the pension fund.
12. After taking all these reconciliation items into account the transfer to the general fund balance was £365,740, which at 31 March 2014 stands at £4.687m

## **Balance Sheet**

13. The balance sheet sets out the financial position of the Council as at 31 March 2014. The statement shows the balances and reserves at the Council's disposal, its long term indebtedness, and the fixed and current assets employed. The key points of interest are shown in the table below together with an explanation of the major variances.

#### 14. Key points of Interest

Item	31.03.13 £'000	31.03.14 £'000	Change £'000
Creditors (money we owe)	(10,614)	(10,341)	(273)
Debtors (money owed to us)	7,957	12,450	4,493
Fixed Assets	251,211	241,440	(9,771)
Pensions Liabilities/Reserve	28,845	35,349	6,504
Long Term Investments	0	1,150	1,150
Cash	7,157	1,125	6,032
Borrowings	(39,490)	(41,494)	2,004
Collection Fund	(24)	1,230	(1,254)
Earmarked Reserves	(3,444)	(5,841)	2,397
General Fund Balance	(3,919)	(4,687)	768
Housing Revenue Account	(2,179)	(2,704)	525

15. The change to debtors is due to the amount owed by central government in relation to Housing Benefit Subsidy (£0.4m), central government and precepting authorities for their share of the NNDR Collection Fund deficit (1.8m) and long term loans for Site 6 Sovereign Harbour (0.85m) and the Local Authority Mortgage Scheme (£1m).
16. The value of fixed assets has decreased due to routine financial adjustments for impairments based on reviewed valuations provided by our external advisor.
17. Pensions to changes in actuarial assumptions.
18. Long term investment has increased due to the recent investment in WEL.
19. Cash has decrease as internal funds are being used to cover the cost of capital expenditure rather than borrowing externally.
20. The increase in Earmarked reserves is due to the transfer of the grant received for Waste Collection (£1m) and New Home Bonus (£0.5m) pending future use, together with the planned transfers in line with the budget strategy for the Capital Programme reserve (£0.5m) and the Housing Regeneration and Investment Reserve (£0.5m).
21. The variances on the general fund, Housing Revenue account and Collection Fund are explained elsewhere in this report.

## **Cash Flow Statement**

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

## **Notes to the Core Financial Statements**

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

## **Housing Revenue Account**

24. The housing revenue account and accompanying notes represents the income, expenditure and government subsidy incurred in operating the Council's housing stock. The surplus for the year was £525,462 and the housing revenue account balance as at 31 March 2014 was £2.7m.

## **Collection Fund**

25. The collection fund and accompanying notes account independently for income relating to council tax and non-domestic rates on behalf of all precepting bodies (i.e. the authorities for which the income has been raised, including the Council's own general fund).

26. The overall deficit on the Collection Fund is £3.127m which is recoverable from central government and each precepting authority. This balance is separated on the Balance Sheet between the authorities to reflect this Council's own financial position rather than a group position of the Collection Fund authorities.

27. The council tax element of £0.079m will be recovered in proportion to each bodies Band D Council Tax during 2014/15 and 2015/16.

28. The introduction of the Business Rates retention scheme has changed the way in which Business Rates are accounted for within the Collection Fund, in the past all balances were the responsibility of central government and any deficit or surplus was shown as a debtor or creditor, as from 1 April 2013 any deficits or surpluses are distributed amongst each authority in the following years. This change as created a deficit balance on Business Rates of £3.048m which will be recovered in the proportion of 50% from central government, 40% from this Council, 9% from East Sussex County Council and 1% from East Sussex Fire Authority during 2014/15 and 2015/16.

## **Group Accounts**

29. The Council is required to show the material interest that it has in any subsidiary and associated companies. The group accounts are structured in line with the authorities' core accounting statements and are accompanied by notes in the same way. IT has been identified that the only requirement for consolidation is with Eastbourne Homes Ltd. Group are not included at this time however they submitted to the auditors along with the main statement at the end of June.

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# Agenda Item 8

<b>BODY:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>16<sup>th</sup> July 2014</b>
<b>SUBJECT:</b>	<b>Medium Term Financial Strategy 2014-2019</b>
<b>REPORT OF:</b>	<b>Chief Finance Officer</b>
<b>Ward(s):</b>	All
<b>Purpose:</b>	To set out an overarching financial strategy to support the Council's strategic priorities and plans over a four year period.
<b>Contact:</b>	Alan Osborne, Chief Finance Officer, Tel 01323 415149 or internally on ext 5149
<b>Recommendations:</b>	Members are asked to: <ol style="list-style-type: none"><li>i) Approve the updated medium term financial strategy and associated plan 2014-19 as summarised in <b>Appendix 2</b>.</li><li>ii) Agree the balance of assumptions made in the strategy</li><li>iii) Request that the emerging budget proposals for 2015/16 be brought to Cabinet in December prior to detailed consultation.</li><li>iv) Agree the principal risks of the strategy in <b>Appendix1</b>.</li></ol>

## 1.0 Introduction

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

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

- 1.1 The MTFs was last approved in July 2013 and set the backdrop for the 2014/15 budget setting process as well as a informing a three year rolling service and financial planning cycle.
- 1.2 In common with all the public sector, the medium term outlook for the Council is extremely challenging and in order to protect and improve services an ambitious ongoing programme of savings is key to success. With more radical measures required, it is essential that the Council takes a longer term approach to savings as more radical savings initiatives will inevitably take longer to plan and deliver.

- 1.3 Over the life of the current parliament the Coalition Government has effectively reduced the general support to the Council by some 40% in cash terms which equates to over 50% in real terms.
- 1.4 In order to protect front line services this Council put in place a priority based budget system that has kept pace with the scale of cuts to funding and made provision for reinvestment in services. The Council has set out its stall to become less dependent on day to day revenues to run services, instead opting to use any spare financial capacity to enhance the capital programme. In 2013/14 the Council invested more in its capital programme than its general fund revenue activities.
- 1.5 The Council's DRIVE programme provides the programme to deliver efficiencies that support the Council's Corporate Plan. The MTFS and Capital Strategy identify and direct resources at a strategic level, which are then compounded via the service and financial planning and budget setting process.
- 1.6 In setting the last five yearly budgets the Council has achieved its "Golden Rule" of meeting its ongoing budget requirement from ongoing resources in each year. Technically, the rule applies to the cycle of an MTFS, and it is reasonable to use reserves to smooth out the budget as savings accrue over the cycle. By not using reserves in this manner it has meant that reserves over the minimum level are available for one off investments in services decided via the service and financial planning process.
- 1.7 The Council, as a registered social landlord is obliged to run a Housing Revenue Account (HRA) that is statutorily ring-fenced from its general fund. A 30 year rolling business plan has been adopted for the HRA. The Council is working in partnership with Eastbourne Homes Ltd a wholly owned subsidiary to deliver efficiency savings in partnership using shared services. All savings accruing to the HRA are reinvested in housing services.

## **2.0 Sustainable finance**

- 2.1 The basic legal definition of a balanced budget is that planned expenditure can be met from income and reserves.
- 2.2 Whilst that definition is the legal minimum, it does not provide for sustainability if reserves are used in the long term to resource any differences between ongoing expenditure commitments and ongoing incoming resources.
- 2.3 Therefore it is a given that over the cycle of this MTFS ongoing expenditure must be financed from ongoing resources with only non recurring investments being met from reserves over and above the minimum.
- 2.4 As with all Councils, the effect of inflation is felt on gross expenditure, whilst any increase in council tax or grant is based on a net position. This "gearing effect" means that there is a natural gap of c£400k per annum that needs to be met from efficiencies (approx 2.5% of net spend) if services are to be protected. This is on top of the austerity programme reductions outlined in 1.3.

2.5 Given the current reduction in grant and the inability to raise council tax in real terms, the Council has to look to longer term measures to maintain sustainable finances. These include measures under the Sustainable Service Delivery Strategy (SSDS) and the growth of income streams.

### **3.0 The impact of the capital programme**

3.1 The Capital Programme also has an effect on the Councils revenue finances as any investments that cannot be met from grants, contributions, capital receipts or straight revenue funding need to be met from borrowing. This has to be repaid with interest from revenue over time.

3.2 The Council repaid some £30m of borrowing in the Housing Revenue Account as it entered the self-financing regime in 2012/13.

3.3 The General Fund policy is to use borrowing only on a business case basis. Any such borrowing is fully financed by way of interest charges and the Minimum Revenue Provision (MRP) which is the capital repayment. As new schemes that require borrowing are approved, the Council has to make provision for repayment via the capital financing budget. In order to keep this sustainable a stability mechanism that pools the following budgets is maintained.

- Interest earned
- Interest payable on debt
- Minimum Revenue Provision
- Revenue contributions to the capital programme (to balance)

3.4 It is up to Councils to set their own MRP and balances of Capital Receipts and Contributions can be offset to reduce this liability in the short term, although this only provides for short term relief against the cost of capital. The current policy of the Council is to pay 4% MRP on historic debt and MRP based on the useful life of assets created since 2011, however the Council's Treasury Management Strategy does allow some flexibility to adjust this in future if necessary.

3.5 Capital investment can be used as "invest to save" therefore borrowing is an important tool in the overall financial strategy where savings on schemes exceed the cost of capital.

### **4.0 The National Financial Picture**

4.1 The coalition Government has set out a plan to significantly reduce the nation's structural budget deficit by the end of the parliament and beyond.

4.2 This involves various measures that will reduce the amount of resources to local government including:

- A 40% reduction in general central government support 2011-2016
- Combining various grants in a "single pot"
- A 10% cut in funding for the local council tax support scheme which replaced housing benefit subsidy in 2013/14.

- Increases in the funding for New Homes Bonus (NHB) paid for by further reducing the revenue support grant (RSG)
- A 5% year on year reduction in Housing benefit administration grant

The Government has announced plans at a macro level in its latest Comprehensive Spending Review that came into force in 2014/15. A provisional grant settlement for 2015/16 has already been announced.

- 4.3 The current extended period of low interest rates reduces the income to the council as it generates investment income due to positive cash flow and reserve balances. Therefore it is important to manage all capital financing as one budget as described in 3.3.
- 4.4 The Government continues to target an inflationary rate of 2% using its preferred method of Consumer Price Index (CPI) and is currently on target.
- 4.5 The actual effect of the national deficit reduction programme to this Council has been the amount made available via the Revenue Support Grant (RSG). The Council received £8.9m in RSG in 2010/11. This support has already eroded by a third and will further erode to represent a real terms reduction of around half by the end of this strategy. Business rate retention and new home bonus have provided some mitigation, however at present these income streams are volatile and no long term announcements have been made in respect of these.
- 4.6 Against this backdrop service demands on Councils are ever increasing with demographic and increased expectation causal effects.
- 4.7 In his 2013 budget statement, the chancellor suggested that a cap on public sector pay rises would be 1% for at least two years. This is due to expire in 2015, however the indicative spending control totals do not suggest that the policy of reducing public sector pay in real terms is coming to an end at least until the Country returns to a better fiscal position.
- 4.8 The Government has already reduced the benefits paid to members of the local government pension scheme, by pegging future increases to the CPI instead of RPI. This has had the effect of increasing the overall funding of pensions schemes and therefore reduces the demand for future increases in employer contributions. A new career average revalued scheme (CARE) came into being on 1.4.14 with employee contributions lifted and benefits reduced. The Council will however have to find additional resources to fund "auto enrolment" due to start in November 2017.

## **5.0 The strategy commentary and main assumptions**

### **5.1 Issues arising from previous years**

The Foundation of any sound financial plan is a predictable budget to outturn position. The 2010/14 outturns, whilst containing normal variances in year, resulted in a positive overall variance due mainly to increased performance in housing benefit overpayment recovery. Some residual issues in the discretionary areas have been recognised in setting the 2014/15 budget.

## 5.2 Inflation on goods and services

The Government has a long term commitment to retain an inflation rate of 2% per annum (CPI) Therefore the strategy assumes 2% core inflation from 2015/16.

The Council, in common with most, does not add inflation each year to all its supplies and services budgets as this would add some £300,000 per annum.

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

## 5.3 Pay inflation

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

The current economic climate and associated austerity measures have led to some relief in this respect to the Council.

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

<b>Year</b>	<b>Pay inflation</b>
2014/15	1%
2015/16	2%
2016/17	2%
2017/18	2%
2018/19	2%

The 2014/15 situation is not currently resolved although there is a 1% offer from the employers that the unions are currently consulting on. The Council has set aside an amount equivalent to 1%, any increased settlement will have to be balanced within the existing budget.

## 5.4 Pension costs

The increase in the Council's increase to employer contributions to the East Sussex Pension scheme is currently capped at 1% over 3 years (0.33% per annum increase) This expires in March 2017.

The next triennial revaluation of the fund is currently taking place which will set rates effective from 2017/18. With the recent change from RPI to CPI as the annual index, and the changes arising from the Pensions Bill including Career Averaged Revalued Earnings (CARE) instead of the previous final salary scheme, the strategy assumes no increase in employer contributions after the current revaluation.

The Council previously recouped its past service deficit as a % of pay, however the fund actuary has required councils to amortise this deficit on a cash basis from 2014/15 onwards due to the risk of falling payroll numbers. Whilst this budget will increase in the short term it is not a material increase and will be paid for using the inflation allowances.

#### 5.5 Fees and charges

The Council currently receives income from fees and charges for its services of around £14m.

The Council has been reducing its exposure to income targets in areas affected by the economic downturn in successive budgets. In setting the 2014/15 budget a targeted increase of c£300,000 was built into the budget. This was offset partially by reducing some unachievable income targets via the service and financial planning process.

It is assumed that for the year 2014/15 an overall gain of £250,000 (1.75%) per annum will be realised in fees and charges (mainly inflationary increases)

Individual service and financial plans will still strive to achieve some real terms increases where it is felt appropriate and achievable as well as new income streams to reduce the long term dependency on government grants.

#### 5.6 Interest Rates

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

There are differing forecasts in the future profile of interest rates which are largely dependent on a recovery and inflationary pressures in the economy. Most analysts now predict that there will be a very slow recovery and rates will only increase modestly in the period 2015/16.

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

The strategy assumes no increase in overall yield from interest rate rises over the life of the MTFS. Any increases that do occur will have a short term effect of increasing the amount of resources available to the Council (around £100k per percentage point) however the strategy will need to recycle these into capital financing as longer term interest rates used for borrowing purposes will increase too. The stabiliser mechanism as outlined in 3.3 will be used to smooth the effects of changes in interest rates over the life of the MTFS.

#### 5.7 Council Tax

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

The Council has taken advantage of the Government's tax freeze grant for the last four years. The grant for 2014/15 (£85,000) is included in the finance settlement for 2015/16. No announcements have been made about council tax increases beyond March 2016.

The strategy assumes rises of 2% (based on CPI target) from 2016/17 i.e. no real terms increase in council tax across the life of the MTFs.

The strategy also assumes only minor increases (0.25%) each year in the overall council tax base. The Base will be reassessed annually as part of each budget setting process. Each 1% increase in the tax base yields approximately £70,000 per annum.

## 5.8 Government Grants/Retained Business Rates

The Council currently receives £3.7m of revenue support grant.

In addition the Council now retains a proportion of business rates (£4m) collected based on 40% of the real increase in those collected using a base year of 2011/12. Increases in the retention from business rates are designed to promote local growth. The strategy assumes that business rate retention will rise by 2% per annum based on CPI rate increases, although initiatives such as the Town Centre and Sovereign Harbour developments should contribute to further retention in future years.

The new Homes Bonus is a reward grant that currently gives c£1,800 for each new property brought into use/constructed and is paid for six years. The council's policy is to treat this grant partially as "one off" and use it for economic regeneration initiatives and support to the capital programme. The funding stream is set to increase to £1.5m per annum by 2016/17. No announcements have been made about the future beyond the six year horizon, however even if the grant is withdrawn completely then it will wind down gradually (approximately £250k per annum)

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

## 5.9 Revenue headroom for new or enhanced services

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

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

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

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

One of the Council's main priorities is to increase the amount of available capital resources for development. The strategy provides for reinvestment of savings rising to the tune of £650k in capital financing. This could support £10-£15m of future capital spending depending on interest rates.

#### 5.10 Savings

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

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

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

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

<b>Programme</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
SSDS	900	200	200	200
Service Based	200	200	200	200
Procurement	100	100	100	100
<b>Total</b>	<b>1,200</b>	<b>500</b>	<b>500</b>	<b>500</b>

#### 5.11 The Housing Revenue Account (HRA)

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

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

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

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

From 2012/13 the HRA became more like the general fund in that it needs to



assess the cost of its capital programme against the resources available in the HRA, now that the subsidy system has been disbanded. Responsibility for setting rent levels is now localised however controls over rent levels and borrowing limits remain.

A 30 year business plan was adopted by the Council February 2012, and the HRA is subject to an annual refresh and five year overhaul from 2017.

## **6.0 Reserves**

6.1 The Council has four main revenue reserves:

### Revenue

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

In addition there is one principal capital reserve

- Usable Capital Receipts – earmarked for future capital schemes

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

- 6.2 The 2013/14 accounts show the balance available to the general fund to be £4.2m. This is the assumed starting point for the MTFs. There is a planned draw on reserves to meet non- recurring expenditure in subsequent years at around £250k per annum. No assumption on underspends is made in the strategy despite the fact that over £1.5m has been returned to general reserves over the last 4 years.
- 6.3 The previous MTFs recommended a minimum general fund reserve of at least £2m. The budget paper in February itemised the risks and as they have not changed significantly in the interim, it is assumed that the minimum level of reserves is fixed at £2m for the MTFs, although this will require review during the budget setting process for 2015/16.
- 6.4 The strategic change fund was established in 2009/10 in order to help facilitate the release of ongoing savings. This reserve is a key enabler for change and it will need replenishing in time. The reserve currently has a balance of £1m.
- 6.5 The repairs and maintenance reserve had a balance of £1m at 31.3.14 and has been used to support the asset management plan, high priority and corporate asset non capital items are financed from this fund where they cannot be met from the service budgets.
- 6.6 The system of carry forwards was abolished in 2010, with the exception of partnership and third party funds. The Council now follows a policy of pooling all general reserves which better facilitates corporate planning. It is not intended to reintroduce carry forward of unspent budgets during the life of the strategy.

- 6.7 The Council has had a conscious policy of keeping reserve levels above minimum levels in reaction to the challenging economic climate and the continued squeeze on public sector spending. The MTFS summary (appendix 2) shows that the general reserve will be reduced over the life of the MTFS to an estimated £3.1m excluding any windfalls or underspends.
- 6.8 The Council set aside £500,000 from general reserves in the economic regeneration reserve to pump prime initiatives aimed at promoting the local economy and creating new income streams for the Council to help offset the reductions in Government funding. This fund has already started to make a difference and the current policy is to use any unbudgeted new homes bonus to top it up over time.

## **7.0 Risks**

- 7.1 The main risks arising from this strategy and actions to manage are included at **appendix 1**.

## **8.0 Consultation**

- 8.1 The MTFS starts the period of consultation and a separate paper on the agenda on the Councils improvement journey makes recommendations on the consultation processes from now until the budget setting in February 2015.
- 8.2 It is a requirement to consult with the business and voluntary sectors over the detailed budget proposals that will emerge from this strategy in the autumn.
- 8.3 The Joint Staff Committee is briefed regularly as the process emerges.
- 8.4 Staff are consulted routinely via the Managers Forum as well as participating in the service and financial planning process annually.

## **9.0 Conclusions**

- 9.1 In order to maintain sustainable finances and fund its ambitions, the Council will need to make new efficiency savings or income streams averaging £0.7m per annum for the next four years.
- 9.2 Due to the scale of the challenge the programme of change will require more radical measures for savings that often have a lead in period of 1 to 2 years, therefore the SSDS programme is a key enabler to meeting this challenge.
- 9.3 The MTFS both collects the financial effects of demand and supply changes and informs the corporate change agenda.

**Alan Osborne**  
**Chief Finance Officer**

**Background Papers:**

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

*Cabinet Reports:*

- *Budget and Council Tax Setting February 2014.*
- *MTFS – July 2013.*
- *Statement of Accounts – July 2014.*
- *Performance Monitoring Reports - Quarterly*

*Audit and Governance Committee - Final Accounts - June 2014.*

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

<b>Risk/Effect</b>	<b>Contained in MTFS</b>	<b>Appendix 1 Other Mitigating Measures</b>
Income Reductions due to demand changes	<ul style="list-style-type: none"> <li>• Statutory recession hit income budgets adjusted each year as part of service and financial planning</li> <li>• No real growth assumed in overall income targets in 2015/19</li> <li>• The economic regeneration reserve set aside to aid regeneration and contribute new sources of income</li> <li>• Interest budget set at current low interest rate</li> <li>• Unachievable income budgets reviewed during service and financial planning</li> <li>• Programme savings targets being set higher than the assumed delivery in the MTFS</li> <li>• Reserves above the minimum level</li> </ul>	<ul style="list-style-type: none"> <li>• Service and financial plans to test possible income generation activities and price sensitivity</li> <li>• New sources of income explored in service and financial Plans annually across three year horizon</li> <li>• Planning at 2 levels in service and financial planning process to challenge assumptions</li> </ul>
Government Support Being Reduced even further than forecast	<ul style="list-style-type: none"> <li>• Assumption follows the Governments announcements to date</li> <li>• Prudent estimates of future income flows</li> <li>• Zero basing of reward grants</li> <li>• Reserves above minimum level</li> </ul>	<ul style="list-style-type: none"> <li>• Possibility of service alterations to a modified level</li> <li>• Change assumptions during budget setting</li> <li>• Update MTFS early in the event of material change</li> <li>• Priority based budget system has flexibility to adapt</li> </ul>
Benefits Performance reducing due to scale of changes	<ul style="list-style-type: none"> <li>• No overall surplus built into subsidy budget</li> </ul>	<ul style="list-style-type: none"> <li>• Service review of delivery arrangements</li> <li>• Mobilise resources from other areas if performance hit by staffing shortages</li> <li>• Relieve service with one off resources to avoid performance drop</li> </ul>
Savings not being delivered	<ul style="list-style-type: none"> <li>• Matching growth choice with performance of savings delivery</li> <li>• Strategic Change Fund to support invest to save</li> <li>• Capital Invest to save available case by case</li> <li>• Reserves well above minimum level can be used to smooth out fluctuations</li> <li>• Level of Revenue contribution to capital can be varied in the short term</li> </ul>	<ul style="list-style-type: none"> <li>• Use compensating savings in short term</li> <li>• Reduce discretionary spend in year</li> <li>• Review minimum revenue provision to slow down capital repayments</li> </ul>

**Summary of MTFIS 2015-2019**  
**General Fund**

**Appendix 2**

	2015/16	2016/17	2017/18	2018/19
<b>Total Budget b/f</b>	<b>16,373</b>	<b>15,190</b>	<b>15,374</b>	<b>15,541</b>
Less non recurring items	(471)			
<b>Adjusted Base Budget</b>	<b>15,902</b>	<b>15,190</b>	<b>15,374</b>	<b>15,541</b>
<b>Pay and Price Inflation</b>				
Pay Award and Increments	240	240	240	240
Inflation on Contracts	250	250	250	250
Other inflation	0	50	50	50
Unavoidable Service Growth	200	200	200	200
Capital Financing	50	200	200	200
Increases in Income	(250)	(250)	(250)	(250)
<b>Total Budget Demand</b>	<b>16,392</b>	<b>15,880</b>	<b>16,064</b>	<b>16,231</b>
<b>RSG/Retained Business Rates</b>				
RSG 2014/15 = (3,735)	(2,574)	(2,400)	(2,300)	(2,200)
Retained Business Rates	(3,956)	(4,035)	(4,116)	(4,198)
Council Tax Grant	(85)	0	0	0
New Homes Bonus	(1,300)	(1,500)	(1,500)	(1,500)
<b>Total External Funding</b>	<b>(7,915)</b>	<b>(7,935)</b>	<b>(7,916)</b>	<b>(7,898)</b>
<b>Council Tax</b>				
Relevant Amount	33,280	33,363	33,530	33,698
Collection Rate	0.975	0.975	0.975	0.975
Tax Base	32,448	32,529	32,692	32,855
Band D Charge	224	229	233	238
% Increase in Council Tax	0%	2%	2%	2%
<b>Total Council Tax</b>	<b>(7,275)</b>	<b>(7,439)</b>	<b>(7,625)</b>	<b>(7,817)</b>
<b>Total Sources of Funding</b>	<b>(15,190)</b>	<b>(15,374)</b>	<b>(15,541)</b>	<b>(15,715)</b>
<b>Gap in Funding</b>	<b>1,202</b>	<b>506</b>	<b>523</b>	<b>516</b>
Efficiency Savings General	(200)	(200)	(200)	(200)
SSDS	(900)	(200)	(200)	(200)
Procurement Savings	(100)	(100)	(100)	(100)
<b>Residual Gap / (Surplus)</b>	<b>2</b>	<b>6</b>	<b>23</b>	<b>16</b>
General Reserves B/F	(4,200)	(3,948)	(3,692)	(3,419)
Non recurring investments	250	250	250	250
Budget balance from reserves	2	6	23	16
<b>Reserves C/F</b>	<b>(3,948)</b>	<b>(3,692)</b>	<b>(3,419)</b>	<b>(3,153)</b>

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<b>Body:</b>	<b>CABINET</b>
<b>Date:</b>	<b>16 July 2014</b>
<b>Subject:</b>	<b>Sustainable Service Delivery Update</b>
<b>Report Of:</b>	<b>Deputy Chief Executive</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To update Members on the progress made within the SSDS programme, with particular reference to the Future Model Programme Plan (Phase Two) and work on alternative service delivery models for Corporate Services.
<b>Recommendation:</b>	Members are asked to: <ol style="list-style-type: none"><li>i) Note the updates to the Future Model Programme Plan (Phase Two) including revised programme milestones.</li><li>ii) Note the progress made in relation to alternative service delivery models for Corporate Services and approve the development of a detailed business case and implementation plans as outlined.</li></ol>
<b>Contact:</b>	Henry Branson, Senior Head of Infrastructure, Telephone 01323 415155 or internally on extension 5155. <a href="mailto:Henry.branson@eastbourne.gov.uk">Henry.branson@eastbourne.gov.uk</a>

## **1.0 Background/Introduction**

1.1 The Sustainable Service Delivery Strategy (SSDS) is a key response to the increasing cost and demand pressures facing the Council. It is a programme that was developed to promote a range of solutions, both internal transformation and effective partnership working with other organisations.

This report presents an update on key initiatives carried out under the SSDS, namely:

- Future Model (Phase 2)
- Corporate Landlord
- Shared Corporate Services

### **1.2 SSDS: Future Model**

In July 2013 Cabinet approved the adoption and implementation of Phase Two of the Future Model under Option 5 of the SSDS and delegated authority to the DRIVE Programme Board to run the programme within the allocated resources.

The Future Model Programme aims to improve service delivery whilst delivering savings estimated at £1.7m to £2m across the organisation. The

current phase, Phase Two, is estimated to save £1.2m - £1.5m.

The Future Model describes a new way of organising and delivering council services, delivering efficiencies at the same time as putting the customer at the heart of all we do. Further details are available in the [July 2013 Cabinet report](#).

### 1.3 **SSDS: Corporate Landlord**

In [December 2013](#) Cabinet approved the implementation of a corporate landlord model for strategic asset management and the development of a detailed implementation plan.

### 1.4 **SSDS: Shared Corporate Services**

In [February 2014](#) Cabinet approved work to investigate the opportunities, costs and issues of developing shared corporate services with Lewes District Council. Lewes District Council also approved this piece of work at their Cabinet on 6<sup>th</sup> January 2014.

## 2.0 **Future Model Programme Update**

### 2.1 **Summary of programme status**

In February 2014 we reported Future Model programme progress to Cabinet. In that report, it was noted that the Business Process Create and Construct workstream was progressing on schedule, but that there was work left over from Phase 1 to complete. It was also reported that two of the ten technology projects were behind schedule. The report updated Cabinet on key milestones in the next quarter, including activities to address the Phase 1 overrun and the technology issues.

In the next quarter leading to 31 May 2014 good progress has been made against a number of the scheduled programme milestones, including:

- Channel Shift Plan
- Ongoing channel shift activities
- Detailed plan for consultation with residents and tenants
- First data migration for revenues and benefits
- Induct EHL staff into Future Model programme
- Further development of organisation design including both corporate management structures.

However, during February and March 2014, progress on the areas of the programme that were behind schedule was not satisfactory. This, allied with a range of technology questions that arose from the 'create' workshops, and needed to be answered before the 'construct' activity could continue, led the Programme Board to agree to suspend the Business Process Create and Construct workstream whilst detailed plans and solutions were developed to address these issues.

During April and May, the Senior Head of Infrastructure worked closely with



our delivery partners, Civica and Ignite, to review the root causes of the issues, develop plans to address them and define technology solutions to enable the workstream to re-commence.

Concurrently, we have worked together to tackle to Phase 1 overrun, which has resulted in significant progress being made.

## 2.2 **Revised Future Model Phase 2 Programme**

This work has resulted in a revised programme plan. The key changes to programme milestones are summarised below.

<b>Milestone</b>	<b>Original Date</b>	<b>Revised Date</b>
Phase One processes complete	November 2013	August 2014
Draft Target Operating Model published	May 2014	December 2014
Staff recruitment starts	July 2014	February 2015
Technology development complete	October 2014	May 2015
Business Process Create and Construct complete	October 2014	May 2015
Staff recruitment complete – transition to new model starts	October 2014	June 2015
Go-live	February 2015	August 2015

The overall impact of the re-planning work is to extend the programme for six months.

Staff have been kept informed throughout the re-planning process and a drop in session was held on 24/25 June to ensure staff and members had the opportunity to find out more about the revised programme.

This extension will have an impact on the programme costs, which will be borne by all three delivery partners, with the majority of these costs being absorbed by the commercial partners. It is **not** anticipated that this will have a material impact on the benefits realisation and we are confident that the principles of the business case as taken to Cabinet in July 2013 still apply.

## 3.0 **Corporate Landlord Implementation**

### 3.1 **Implementation Plan**

Work has progressed well since December 2013 on the development of a detailed implementation plan for the Corporate Landlord implementation.

All key components of the Corporate Landlord model have been analysed and incorporated into the implementation plan. A programme for migration of all asset management activities, where it is efficient and effective to do so, from the existing 'decentralised' model to a 'centralised' model will be achieved within this programme.

Governance mechanisms and policy recommendations are contained within

the plan, utilising the control and performance monitoring functions provided by the previously approved Strategic Property Board and the Scheme of Delegations.

The principle of the 'Corporate Trading Account' is maintained with additional revenue cost being met by income growth and yield reinvestment from the non operational asset base. In essence, the introduction of the CL model will be cost neutral from April 2015 moving towards a net income contributor as the CL model matures. Capital receipts from the asset challenge programme will be aligned with the Medium Term Financial Strategy.

The plan is fully aligned with the Future Model Target Operating Model, including incorporation of opportunities arising through closer collaboration with EHL and associated procurement strategies as well able to integrate with any future recommendations for shared services.

The plan provides for annual performance reviews through the Strategic Property Board with a full re-evaluation of the model in 2018 to tie in with the recommendations of the procurement strategy.

### 3.2 **Corporate Landlord Procurement Strategy**

Following Cabinet approval in December 2013, we have worked closely with our strategic procurement partners to prepare a procurement strategy for spend relating to the Corporate Landlord. We have identified opportunities to generate savings consistent with the original findings from CIPFA, which could be used to self-fund the Council's planned maintenance programme. We have also identified opportunities for savings through collaboration with EHL in certain areas, as well synergies with partnership working with Lewes DC..

We will continue to work with our strategic procurement partners to deliver the procurement strategy incorporating the results of on going work by EHL and the shared serves programme ready for go live in 2015.

### 4.0 Shared Corporate Services

The iESE brief to explore the potential opportunities for sharing Corporate Services between Eastbourne and Lewes is progressing well.

An interim review of high level options, issues and benefits has been presented to both Corporate Management Teams. At this stage, iESE believe that efficiencies in the region of 10-15% are possible by sharing services between the authorities.

They also recommend that the councils adopt a phased approach to the next, more detailed, exploration of potential, focussing on HR, Legal and Property in the short term. Finance and ICT will follow, though opportunities to merge some roles in these units may emerge in the short term.

Approval has been given to progress the development of full business cases and potential implementation plans for HR, Legal and Property and it is

anticipated that these will be reported back to Cabinet with recommendations later this year.

There are no additional costs involved in this next stage of work as it is included within the existing allocation approved by the Cabinets previously.

## **5.0 Resource Implications**

### **5.1 Financial:**

The Future Model programme is currently on budget. Additional costs will be incurred during the extended programme period, with the majority of these costs being absorbed by the commercial partners, and the overall impact on the business case will be immaterial. Any change to the overall budget will be reflected in the Council's capital programme.

The Corporate Landlord implementation and associated procurement strategy will be cost neutral, with additional staff costs and the planned maintenance programme being funded through increased yield and procurement savings. This will be addressed as part of service and financial planning process for 2015/16.

### **5.2 Staffing:**

We have engaged additional staff resources to support the Future Model programme, and resources are reviewed on a regular basis to ensure the programme can be delivered.

The implementation of the CL model will necessitate a comprehensive review of existing roles within the estates team. New posts in respect of an Asset Manager, an acquisition/disposal surveyor and property administration assistant will be necessary.

It is proposed that the revaluation of roles within the estates section and the impact on roles within Phase 1 and Phase 2 Future model be carried out as part of the development of the Target Operating Model, with recruitment to the new posts expected in February/March 15. Additional funding for permanent growth for these posts will be bid for in the Service and Financial Planning process for 2015/16.

## **6.0 Conclusion.**

### **6.1 The Council is engaged in an ambitious programme of change to ensure its future sustainability, directed by the SSDS.**

The Future Model programme has been re-planned to enable a number of technology issues to be addressed and a new set of programme milestones has been agreed. The overall business case will not be materially affected.

The Corporate Landlord model will be implemented by April 2015. Once implemented, the Corporate Landlord Team will provide the Council with the means to achieve the corporate objective of delivering a sustainable asset base.

The business case for sharing some corporate services with Lewes District Council is clear, and members are asked to approve the development of a detailed business case and implementation plans as outlined.

**Henry Branson**  
**Senior Head Of Infrastructure**

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**Background Papers:**

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

- Future Model Programme Plan
- Future Model Project Highlight Reports
- Sustainable Service Delivery Strategy Programme – Implementation of the Future Model Phase 2 (Cabinet Paper, 10 July 2013)
- Strategic Asset Management (Cabinet Paper, 11 December 2013)
- Sustainable Service Delivery (SSDS) Update (Cabinet Paper, 5 February 2014)

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

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>16<sup>th</sup> July 2014</b>
<b>Subject:</b>	<b>Devonshire Park Project</b>
<b>Report Of:</b>	<b>Senior Head of Tourism &amp; Leisure &amp; Senior Head of Development</b>
<b>Ward(s):</b>	Meads
<b>Purpose:</b>	To inform Members on the costs and programme of the Congress Theatre Façade restoration and Devonshire Park Design Stage and agree the revisions and approve amendments as necessary
<b>Decision Type:</b>	Key budgetary decision.
<b>Recommendation:</b>	<ol style="list-style-type: none"><li>1. To note the progress on the main Devonshire Park project and the related project for the replacement of the Congress Theatre Façade;</li><li>2. To authorise a variation to the capital programme of £1.1million for the additional works to the Congress Theatre.</li><li>3. To authorise up to £250,000 from the capital programme reserve for the scheme costs to achieve RIBA Stage 2 to develop a Concept Plan for the Devonshire Park Complex.</li></ol>
<b>Contact:</b>	Tracey McNulty, Senior Head of Tourism and Leisure Tel: 01323 415432 Email: <a href="mailto:Tracey.mcnulty@eastbourne.gov.uk">Tracey.mcnulty@eastbourne.gov.uk</a>  Jefferson Collard, Senior Head of Development Tel : 01323 415240 Email: <a href="mailto:Jeff.collard@eastbourne.gov.uk">Jeff.collard@eastbourne.gov.uk</a>

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## **1.0 Background**

- 1.1 Since the last Cabinet reports the project has been progressing and is on track to deliver to programme. On the main project the consultants have completed the first stage of the procurement process for the Design Team and Quantity Surveyor (QS). The procurement process has been run in accordance with OJEU procurement regulations with shortlists drawn from a pre-qualification questionnaire process including financial checks. The tender briefs have been issued and tenders for both the Conservation architect led Design Team and QS are due back in July with appointments to be made in

August. In addition to this the Conservation Management Plan was tendered and is underway and due for completion at the end of July 2014.

- 1.2 The replacement of the Congress Theatre façade has had the full design team in place for some time. The full specification of works has been completed in consultation with English Heritage and the tenders have been returned and analysed. The listed building application for the works has also been submitted.
- 1.3 Previously in December 2012, Cabinet approved, amongst other things, to earmark up to £700,000 to progress the Devonshire Park project to RIBA Stage C (this is the Concept stage to determine general approach to layout, design and construction – now referred to as Stage 2) and in May 2013, to release £850,000 to enable the repair of the Congress Theatre façade.
- 1.4 The predicted costs of the Devonshire Park project to stage C and the Congress Theatre works were based on estimates from the consultants employed at the time.
- 1.5 In the intervening time, external Project Managers have been appointed for each of these projects and have carried out detailed analysis of the work. This analysis has shown that further works and consultancy services are needed. The impact of this is the subject of this report.

## **2.0 Congress Theatre Façade Restoration**

- 2.1 The full design team is now in place and have been working on the detailed design of the works. The original estimate of £850,000 for the works was based on two estimates prepared in 2012 for a like for like replacement of the façade by consultants at the time. The works were limited to only the south façade and excluded the ground floor. Now we have undertaken detailed analysis on the works and included English Heritage in the detailed discussions the extent of the works has expanded. The works now involve extra areas of expenditure which are:-
  - Agreed with English Heritage to double glaze the whole of the front elevation. Although there will be an initial capital cost, it is sensible to undertake as the thermal efficiency of the building will be improved and the cost will be partly offset by energy savings (estimated to be in the order of 20% each year) and a better environment for the theatre users;
  - Work is now extending to the ground floor. The structure supporting the façade will now be included with the cathodic protection system which will be extended to cover the ground floor decorative columns.
  - Works will now also extend to the east elevation at the request of English Heritage. Works will be limited to essential repairs until a decision is made on the larger scheme.
  - Included in the project is the replacement of the signage that will be updated with the latest LED technology to advertise the shows and events. This was not included in the original estimate.
  - Works will extend to the canopy which is at roof level. It was decided sensible to include this work now and link it to the cathodic protection work.

- It was considered important to carry out the works while maintaining business as usual at the theatre. This has meant building a protective screen inside the building while the facade works are undertaken. The objective of retaining an open theatre was identified as a particularly high risk in the early assessment of the scheme presented to the Project Board. However it was considered essential as this meant there is no impact on theatre revenue and the community still retain a theatre in use.

2.2 Although there has been an increase in costs, there are justifiable reasons for it. This is now a larger and different project than the one on which the original estimate was prepared and has the support of English Heritage. It also takes into account the impact of keeping the theatre open during the works, and it brings forward work that would have been necessary in later stages making a saving on future works and reducing future costs. Some of the costs will be recouped in the form of energy savings in perpetuity from the new glazing being installed.

2.3 These extra costs amount to £1.1 million. Despite the extra work the programme to completion is as expected in April 2015 with a start on site in August.

### **3.0 Devonshire Park Project Concept Design Stage (RIBA Stage 2)**

3.1 Focus Consultants has carried out a rigorous assessment of the specialists needed on the whole project to meet the objective of preparing a concept plan to RIBA Stage 2. This has revealed that although the original estimate of £700,000 is an accurate cost estimate for consultancy services considered at the time, it is considered essential to underpin this with some supporting consultancy. These support roles such as early development of a Conservation Management Plan, legal advice on contracts, full 2D and 3D surveys, and a funding strategy will be critical to delivering a robust report to Cabinet at RIBA Stage 2. This extra supporting work was always necessary in the project, but it is prudent to bring it forward to remove the risk later in the project.

3.2 Consequently the assessment indicates that there is likely to be a shortfall in the £700,000 budget set aside for the work. At the time of writing the work is currently out to tender so the actual cost is as yet unknown. The tender process is currently to programme and expected to be completed in time for appointments to be made in August 2014. If the tender prices come in higher than the budget, we would need further approval which would mean delay and failing to deliver to programme. Therefore to prevent delay in awarding contracts it is a sensible precaution that a further sum of £250,000 is made available in case it is needed. The spend on this project would therefore be **up to** £950,000 to March 2015.

### **6.0 Financial Implications**

6.1 Cabinet allocated £700,000 to carry on the Devonshire Park design work to RIBA Stage 2 and £850,000 from capital reserves to facilitate the specialist redesign and restoration of the upper facade of the Congress Theatre.

- 6.2 In terms of meeting the extra costs for the Congress Theatre works the Council has recently received an unapplied capital receipt of £750,000 and together with the savings arising from the project of about £10,000 per annum which will support £200,000 of capital financing, which together amounts to £950,000. The balance (£150,000) will be met from the capital programme reserve, which currently stands at £1m. Therefore there is no significant effect on the Council's underlying financial position.
- 6.3 Also by protecting the business continuity arrangements included in the tender, the Council will avoid approximately £800k of potential loss of income/damages claims for cancellations.
- 6.4 The costs have risen for understandable reasons and a further allocation from the capital programme reserve is proposed to meet the extra works. An extra sum of £1.1 million is needed to meet the cost of the works to the Congress Theatre façade works. An extra sum of £250,000 is needed to meet the cost of preparing the Concept Plan (RIBA Stage 2).

## **7.0 Social Value**

- 7.1 The Public Services (Social Value) Act 2012 requires every contracting authority, whenever it is about to procure services, to consider at the pre-procurement stage how what it proposes to buy might improve the economic, social and environmental well-being of the area and how, in conducting the procurement process, it might act with a view to securing that improvement.
- 7.2 The Act only applies to service contracts although it should be noted that large scale or long term capital works contracts equally offer the opportunity to create social benefits. This project comprises multiple procurements at different stages. The Council will consider social benefits at each stage of the project and will engage with stakeholders and potential providers where appropriate. It may be possible, for example, to consider whether contractors are able to offer apprenticeships or offer a commitment to employ the long term unemployed as part of the assessment of their bids. However social requirements should be defined in ways that do not discriminate against any bidders across the European Union.

## **8.0 Equalities and Fairness**

- 8.1 The Council has considered that this project, and its intended outcomes, has more relevance for the protected characteristic of disability than other protected groups under the Equality Act. With this in mind the Council has involved Eastbourne's Disability Involvement Group (DIG) from an early stage and will continue to involve its members throughout its progress. Early involvement has also resulted in East Sussex Disability Association having a seat at the Devonshire Park Partnership Group as a representative of DIG. As the project moves to detail design a formal Equalities Impact Analysis will be undertaken. An access consultant forms part of the service for the Design Team.

## **9.0 Conclusion**



9.1 The project is progressing and is on target for the next stages to be completed to programme in spring 2015. Projects managers are in place for both aspects of the project and have reviewed the work that needs to be done. This report requests that further sums are set aside to meet the expected costs of the work. However part of these increased costs are front loading costs that would have been necessary later while others will save costs through more thermally efficient building and reducing risk on the project.

**Lead Officers**

Tracey McNulty, Senior Head of Tourism and Leisure

Jefferson Collard, Senior Head of Development

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**Background Papers:**

December 2012 and May 2013 Cabinet Reports

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

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<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>16<sup>th</sup> July 2014</b>
<b>Subject:</b>	<b>Little Chelsea – Traffic Survey</b>
<b>Report of:</b>	<b>Senior Head of Development</b>
<b>Ward(s):</b>	Meads
<b>Purpose:</b>	To seek Members' support to ask East Sussex County Council to consider the Little Chelsea traffic survey data in the work to review the ring road with a view to assisting that area to hold more temporary community events using the public highway.
<b>Decision Type:</b>	Non Key decision.
<b>Recommendation:</b>	To delegate to the Senior Head of Development to:- <ol style="list-style-type: none"><li>1. ask ESCC to take into account the Little Chelsea Traffic Survey data in their work in reviewing the transport network in Eastbourne town centre, which includes the ring road.</li><li>2. Work with ESCC and otherwise assist the Little Chelsea traders to temporarily restrict traffic in the area to facilitate the holding of occasional community events, where legal grounds for doing so exist.</li><li>3. Thank the Little Chelsea traders for their initiative in undertaking the survey and publishing the results.</li></ol>
<b>Contact:</b>	Jefferson Collard, Senior Head of Development Tel : 01323 415240 Email: <a href="mailto:Jeff.collard@eastbourne.gov.uk">Jeff.collard@eastbourne.gov.uk</a>

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## **1.0 Background**

1.1 The Little Chelsea traders have carried out local consultation with the community about traffic in their neighbourhood. This report brings the results of that survey to the attention of Cabinet and proposes a way forward.

## **2.0 The Survey Results**

2.1 The local traders carried out the survey because they perceived an increase in the speed of traffic while also noticing a high turnover in businesses and

fewer footfalls in the area. The survey had almost 200 respondents and the full results are contained in the Appendix to this report. In summary the key findings are:-

- 38 traders, 30 residents and 120 shoppers completed the surveys in total;
- around 90% of all three groups would like to see more temporary closures of Grove Rd and South St for special events;
- at least 60% of all three groups (some of the groups were even more in favour) would like traffic volumes and speeds reduced along these streets. Through traffic ought to be diverted back to Gildredge Road which has plenty of capacity and was originally designed as a two way street;
- at least 65% of all three groups think that running buses along these streets hasn't benefited them;
- some businesses and residents need vehicle access so full pedestrianisation is impractical. A 'shared space' option where pedestrians, cyclists and vehicles rub along together was the most popular;
- nearby parking remains important and more short stay loading bays are essential.

2.2 There was a public meeting on 26 June when the results were fed back to the community. During the public debate there was strong support from the local community to see more events using the highway space. There was concern that when this suggestion has been made in the past, there were difficulties obtaining temporary road closures. It was suggested that while the work on reviewing the ring road will take approximately two years to deliver its recommendations, the Borough Council, in partnership with the County Council as highway authority, will work with the local community to investigate ways that allow temporary use of the highway for special events.

### **3.0 Strategic Fit**

3.1 The views obtained by the Little Chelsea community on how they would like to see their area change in the future fits well with the overarching strategic policies for the town. There are two principle strategies that cover this subject area up to 2026 and 2027 respectively, namely the Local Transport Plan 3 (LTP3) and the Town Centre Local Plan (TCLP).

3.2 The high level objectives of the LTP3 are:-

- Improve economic competitiveness and growth;
- Improve safety, health and security;
- Tackle climate change;
- Improve accessibility and enhance social inclusion;
- Improve quality of life.

The relevant high level objectives of the TCLP are:-

- **Independent retail offer:** strengthen the towns independent retail offer, improving its integration with the primary shopping area and the

seafront and building on its authentic local distinctiveness;

- **Accessibility:** improve accessibility to and within the Town Centre and Seafront for all sectors of the population, through the provision of an integrated approach to all transport users particularly pedestrians, cyclists and public transport customers;
- **Public realm:** provide enhanced pedestrian and cycle links across the Town Centre ..... through improvements to the public realm ensuring that the qualitative experience for those who shop, work, visit and live in Eastbourne is improved through measures such as pedestrian access and security, provision for cyclists ..... improving the quality of public places and securing increased priority for pedestrians and cyclists within the Town Centre.

3.3 It is apparent that the ideas and suggestions generated by the Little Chelsea traffic survey could fit with both the East Sussex County Council transport strategy and the local plan for the town centre. Notwithstanding this, when considering transport proposals it is important to look at the wider impacts and the wider needs of all modes of transport. While a single street cannot be looked at in isolation without understanding the implications for adjoining areas, it is appropriate that with the on going work on the review of the town centre, which includes the ring road, this survey data is considered as part of that wider piece of work.

#### **4.0 Implications**

4.1 There are no detrimental impacts of supporting the proposals put forward by the Little Chelsea traders. It is also confirmed that there are no financial impacts on the Council as direct result of this report.

#### **5.0 Equalities and Fairness**

5.1 This specific recommendation is to feed the survey work into the review of the transport network in the town centre, which includes the ring road, being led by East Sussex County Council. That piece of work will have a full equalities assessment as part of the process.

#### **6.0 Conclusions**

6.1 The Little Chelsea community has carried out a survey which attracted almost 200 respondents and has indicated a desire to see improvements to the public space in their neighbourhood. The ideas and suggestions coming forward could fit with the strategic policy position of both East Sussex County Council and Eastbourne Borough Council. It is a timely piece of data that should be fed into the wider piece of work that is currently being undertaken on reviewing the strategy for Eastbourne town centre, including the ring road. It is also recommended that the two Councils look to support the Little Chelsea area in their desire to see more temporary road closures to allow special events take place.

#### **Lead Officer**

Jefferson Collard, Senior Head of Development

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**Background Papers:**

Little Chelsea Traffic Survey dated 26 June 2014

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

# Traffic free Little Chelsea survey results

**Carolyn Lindsey**  
Owner, Deck the Halls  
Chair, Little Chelsea Traders



**Welcome**  
**Our findings**  
**Councillors**  
**Coffee**  
**Discussion**  
**Next steps**





# Our survey says...

**Will Callaghan**  
**Founder, Eastbourne Can**  
**RSA Fellow**



# **Why a survey?**

**Changes to the Arndale Centre and Terminus Rd**

**Proposed review of one way system**

**Low footfall and high turnover of businesses**

**Less 'need' to travel into town**

**Speeding traffic and poor public space**

# How many people answered our surveys?

**38 traders**

**30 residents**

**120 shoppers**

# Would you support temporary closures of Grove Rd and South St?

**Yes:**

**87% traders**

**87% residents**

**93% shoppers**

# Would you like more permanent traffic restrictions on Grove Rd and South St?

	Close	Shared	Fine as is
Traders	5%	55%	39%
Residents	17%	53%	20%
Shoppers	22%	51%	20%

# Would you like more permanent traffic restrictions on Grove Rd and South St?

**Change it**

**Fine as is**

**Traders**

**60%**

**39%**

**Residents**

**70%**

**20%**

**Shoppers**

**73%**

**20%**

# **Are you still in favour of traffic restrictions if it means losing parking?**

**Yes:**

**50% traders**

**63% residents**

**74% shoppers**

# Has the re-routed bus service benefited you?

**No:**

**66% traders**

**77% residents**

**77% shoppers**



# **Our summary of your comments**

**Reducing traffic and speeds is a good idea**

**Nearby parking is important**

**Some on street loading and parking is essential**

**The bus needs a rethink**

**+ plenty of specific suggestions**

# **Reducing traffic and speeds is a good idea**

**“Fed up with cars driving so fast down these roads...”**

**“As a restaurateur in an area where this happened before, it was a boost to the business and those surrounding”**

**“Widening pavements on both sides would make it a nicer environment and slow traffic down”**

**“Manoeuvring a double buggy on thin pavements is annoying”**

**“Glad to see people are opening their minds to the bigger picture”**

# Nearby parking is important

**“A lot of the businesses rely on people being able to park nearby”**

**“As a shopper I wouldn't mind a walk if there was a car park within reasonable distance and cost”**

**“You can rarely park down Grove Rd and South St anyway”**

**“Any reduction in business parking permit spaces would have a strong negative effect on us”**

**“Needs to be a comprehensive survey about who is parking where”**

# **Some on street loading and parking is essential**

**“We have occasional funerals and the coffin needs to be brought into the church”**

**“Many of my customers are old and infirm and buy items that can only be carried home in a car”**

**“Doctors need direct access to the surgery”**

**“I am disabled and find walking more than 20 yards very painful’**

# The bus needs a rethink

**“I was ousted when Grove Road was made a bus route. Traders have a difficult enough time attracting customers”**

**“It’s hard to create charm when a bus is driving through a street”**

**“Noisy and smelly. They drive too fast”**

**“Reduces parking spaces for residents and causes unnecessary delays as the roads are too narrow to pass when a bus has stopped”**

**“I can now attend the doctors. Grove Rd isn’t just about your shops!”**

# Specific suggestions

“Allow G permit holders to park in lower South St”

“Spencer Rd and Hardwick Rd (currently Zone S) have the capacity to become Zone G”

“The College Rd car park would be good if permits allowed it”

“Park under 68 Grove Rd... multi-storey behind town hall”

“Residents reduced cost parking at multi-storey car parks”

“Lots more bike stands”

# **How was the survey carried out?**

**Surveys for traders, residents and shoppers**

**Same questions where possible**

**Online and paper versions**

**Posters in shop windows**

**Flyers through doors on Grove Rd/ South St**



**Seven Dials shared space** [See a video](#)



# Coffee Discussion Next steps



# Thanks for coming

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<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>16 July 2014</b>
<b>Subject:</b>	<b>Eastbourne Brand Development: A Shared Identity</b>
<b>Report of:</b>	<b>Senior Head of Tourism &amp; Leisure</b>
<b>Ward(s):</b>	All
<b>Purpose:</b>	To appoint an external specialist to work with the Council and partners to create a shared brand and identity for the town.
<b>Decision Type:</b>	Non-key
<b>Recommendation:</b>	<ol style="list-style-type: none"><li>1. To note the contents of this report and delegate authority to the Senior Head of Tourism &amp; Leisure, in consultation with the Portfolio Holder for Tourism &amp; Leisure, to procure a suitably experienced brand agency to undertake the work;</li><li>2. To authorise expenditure of up to £30,000 from the economic regeneration fund to fund this work.</li></ol>
<b>Contact:</b>	Tracey McNulty, Senior Head of Tourism and Leisure Tel: 01323 415432 Email: <a href="mailto:Tracey.mcnulty@eastbourne.gov.uk">Tracey.mcnulty@eastbourne.gov.uk</a>

## 1.0 Background

1.1 Eastbourne has a long term vision that by 2027 the town will be a premier seaside resort with a prosperous economy and thriving community. Tourism, Leisure and Economic Development (TLED) are identified as key functions of the Authority in achieving this vision and a joint strategy is under development. This strategy identifies the following as being key to our success:

- Supporting business growth within the local area
- Supporting a skilled workforce through education
- Improved road and rail infrastructure
- Improving sustainability
- A desirable tourism and leisure destination
- Creating an outstanding seaside resort and gateway to the South Downs National Park
- Increasing Eastbourne's share of global visitor markets
- Championing a successful thriving tourism industry
- Delivering a consistent brand message
- Maximising tourism's contribution to the economy, employment and quality of life.

1.2 Eastbourne Borough Council will need to rise to the challenges presented by unprecedented pressures on the public purse and discretionary services

to sustain its position as a premier resort, attracting inward investment, visitors, businesses and a skilled workforce and 'brand' is therefore a priority area for development.

- 1.3 The South Downs National Park has recently completed its own brand development work, following the same principles, which has resulted in a design guide to help promote the identity of the area and sense of place. The research, consultation and outcomes of that work are especially valuable, and we welcome the National Park Authority's plans to develop a Shared Identity Toolkit, which we will use to inform our own work. The Authority's positive approach to working with partners such as the Council will positively inform our timetable and desired outcomes. We will also look to follow the National Park's approach in terms of exploring options for protecting, through mechanisms such as copyright, trademarking or design registration, the Eastbourne brand that emerges from this work.
- 1.4 To realise the vision for Eastbourne and the priorities within the Tourism, Leisure and Economic Development (TLED) strategy, we need to develop a brand that inspires and represents quality, efficiency and delivery. We want Eastbourne to be a landmark town where everyone wants to be.
- 1.5 Visitor Economy research compiled by TNS in 2012 included a study of our visitor market. One of the key findings from this research identified that 'Eastbourne was trying to be all things to all people' without a clear identity and obvious brand recognition. Whilst Eastbourne enjoys the recognition of being the 'Sunniest place in the UK' and this strapline is widely used on promotional literature, a Brand mapping and development exercise needs to be completed to establish an all encompassing brand identity that is authentic, recognised, embraced and represented by our residential and business community.

## **2.0 The Commission**

- 2.1 We will appoint an experienced brand development professional to work with the Borough Council, its stakeholders and community representatives to help us define the 'Eastbourne Brand', as a credible and authentic identity that will set the scene for the overarching marketing and communications plan for the Borough and which can be communicated through a number of channels, assisting us in promoting our objectives to be a premier tourist destination and excellent place to live and to do business.
- 2.1 The aims of this commission are to:
- Conduct an agreed number of consultations with elected Members and stakeholders to fully understand the context and scope of opportunity, generate ownership, 'buy-in' and support;
  - Undertake an audit of the variety of logos, straplines, marketing collateral and platforms in use by the Council and stakeholders at any given time;
  - Assess the Council and its partners' performance against existing 'brands', key messages and marketing;
  - Develop and produce a recognisable 'brand' for Eastbourne that embodies the spirit of the town, its attractions and aspirations which

is credible and able to be owned by its communities and stakeholders;

- Develop and present a suite of marketing materials to demonstrate how the brand can be communicated to diverse audiences through design and marketing campaigns.

2.2 The objectives are, as much as possible, to:

- Develop a credible and authentic identity for Eastbourne which embodies and conveys the ambition of the borough, its heritage and uniqueness;
- Deliver clear recommendations on brand, use of multiple platforms and campaigns regarding the diverse audiences and purpose of communication
- Produce a design guide for the Council which is suitable for print, digital and multi-media campaigns

2.2 As an extension of the consideration to brand architecture, the brand agency is also required to develop a solution to two issues:

**i Brand identity usage and ownership.**

For this place-brand to grow we are aware that it is desirable to encourage consistent use of the brand by as many businesses, organisations and communities as possible. On the other hand, because we have much less control over the place 'product' than brand managers of consumer goods, we need to consider whether we apply controls to the usage of the brand reflecting our status as a visitor, resident or business destination, because the brand needs to represent a quality experience, a quality environment and sustainability. In some national brand examples, they have a tiered process which allows any business to access the marketing guidelines but require criteria to be met or a code of conduct / promise / pledge to be developed to allow full usage of the brand identity including the logo. This is reserved for what can be considered 'brand partners' or 'brand ambassadors' signed up to a set of core values.

**ii Eastbourne brand vs Borough Council brand.**

The Borough Council is the key enabling body delivering the purposes and duty of the Local Authority but it is distinct from the town as a place or a tourism destination. Therefore the agency is required to work with the Authority to clarify and define the relationship between both ourselves and the wider town, in terms of how these are both visually expressed. This will require rationalising the brands, their definitions and their relationships, clarifying the messages from each other and for each target audience segment.

2.3 Differentiating between both might be desirable for some audiences and in some legal and administration situations. However, in terms of perception, too much differentiation in brand identity and look and feel may divorce the Authority from the landscape it was put in place to promote and protect. On the other hand, not enough differentiation may limit shared use of the brand by stakeholders, if it is perceived to be a corporate brand for the Council. It is important that this project delivers a solution to this issue.

2.4 The aims of this commission are to:

- Conduct an agreed number of consultations with elected Members and stakeholders to fully understand the context and scope of opportunity, generate ownership, 'buy-in' and support;
- Undertake an audit of the variety of logos, straplines, marketing collateral and platforms in use by the Council and stakeholders at any given time;
- Assess the Council and its partners' performance against existing 'brands', key messages and marketing;
- Develop and produce a recognisable 'brand' for Eastbourne that embodies the spirit of the town, its attractions and aspirations which is credible and able to be owned by its communities and stakeholders;
- Develop and present a suite of marketing materials to demonstrate how the brand can be communicated to diverse audiences through design and marketing campaigns.

### **3.0 Financial Implications**

3.1 This work was originally considered as part of a larger commission to undertake the visitor economy research; devise an action plan based strategy for marketing and formulate a brand. At the time Members considered it prudent to split the research from the development work and so there is already a large body of evidence and information to support the commission, as well as a strategy in production. Therefore, based on similar commissions and the costs of the recent work undertaken by the National Park, a budget of £30,000 is requested to undertake this programme, which will be procured in line with the Council's contract procedure rules to ensure best value principles are met.

### **4.0 Consultation**

4.1 The commission will require several presentations and workshops to fully explore the parameters and encourage user groups and stakeholders to engage with the work. The number and content of the presentations and workshops will be agreed and published in good time. It is anticipated that at the very least, a presentation to Members and workshops with local heritage, business, access and community groups will need to be undertaken.

4.2 This commission is the direct result of the Visitor Economy Study which entailed visitors, residents and non-visitors telling us about their activity and perceptions of Eastbourne. The results of the study have been presented to stakeholders such as the Eastbourne Hospitality Association and Chamber of Commerce, elected members and the public on several occasions and the desire to develop a cohesive brand and shared identity is welcomed.

### **5.0 Timetable**

5.1 We aim to advertise the commission immediately, pending Cabinet approval of the budget and scope of work so that the successful agency can produce the outcomes in time for implementation from March 2015.

## **6.0 Equalities and Fairness**

- 6.1 The brief and consultation process highlights the Council's commitment to equalities and fairness. Consultation and engagement will ensure representation from the widest community profile possible, with any design outcomes open for scrutiny in terms of accessibility.

## **7.0 Conclusion**

- 7.1 Eastbourne is a much loved town in which to live and do business, as well as being a premier visitor destination, with a rich mix of architectural and environmental treasures, natural and cultural attractions. This combination stands it in good stead to face the challenges of diminishing resources and market competition, which can be enhanced further by engaging as many people as possible in agreeing our shared identity and enabling that identity to be shared and promoted by all. Harnessing the energy and passion of residents, local businesses and key stakeholders (including colleagues in other Sussex destinations, the County Council and governing bodies such as the Lawn Tennis Association and Arts Council) will benefit the town and generate satisfaction and awareness in target markets, be they prospective residents, day or overnight visitors to the town or businesses considering investment opportunities.
- 7.2 An independent agency with the right level of experience will enable the work to be undertaken openly and inclusively without it being perceived as a Council public relations exercise.
- 7.3 Cabinet is asked to endorse the project and agree the recommendations.

### **Lead Officers**

Annie Wills, Tourism Development, Heritage and Catering Manager  
Lisa Rawlinson, Senior Specialist Advisor

### **Background Papers:**

Visitor Economy Study

The Eastbourne Core Strategy Local Plan

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

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<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>16 July 2014</b>
<b>Subject:</b>	<b>Housing Investment Plan for Eastbourne</b>
<b>Report of:</b>	<b>Ian Fitzpatrick, Senior Head of Community</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	This report provides an update on the Council's Housing Investment plans and seeks approval for first stage development of a new Housing Delivery Company. It recommends further action to expand on this work and to extend the scope of the Solarbourne green energy initiative.
<b>Decision Type:</b>	Key Decision
<b>Recommendation:</b>	<p>Cabinet is recommended to:</p> <ul style="list-style-type: none"><li>• to provisionally release (subject to successful bids) from the Housing Regeneration allocation within the Capital programme up to a total of £14,348,626 for housing investment in the period 2014 through 2018.</li><li>• Delegate authority to the Snr Head of Community in consultation with the Cabinet Portfolio Holder for Community to undertake preparatory work to set up a Council owned Housing Delivery Company and report back to Cabinet in the autumn.</li><li>• Approve provision of £200,000 for a Housing Rescue Emergency Fund to help vulnerable people avoid the loss of their home by funding the purchase of properties originally built and provided by the Council where strict criteria are met.</li><li>• Approve provision of £500,000 to commence second Photo-Voltaic programme.</li><li>• Delegating authority to the Senior Head of Community in consultation with the Chief Finance Officer and Cabinet Portfolio holder for Finance to commence a second PV programme on the basis that market conditions (cost and FIT rate) result in systems being self-financing (including provision of a sinking fund to cover reduced warrantees).</li></ul>
<b>Contact:</b>	<p>Andy Thompson BA MSc – Strategic Housing Manager E-Mail address: <a href="mailto:andrew.thompson@eastbourne.gov.uk">andrew.thompson@eastbourne.gov.uk</a> Telephone: 01323 415736</p> <p>Paul Turton – HEDP Project Director E-mail address : <a href="mailto:paul.turton@eastbournehomes.org.uk">paul.turton@eastbournehomes.org.uk</a> Telephone: 07870 115491</p>

## **1.0 Introduction**

- 1.1 The role of local authorities in shaping housing markets and meeting housing needs and aspirations has changed significantly over the past three years. Councils now have the ability to manage their landlord role independently within the financial constraints of a self financing Housing Revenue Account (HRA) while the Localism Act 2011 has given local authorities a general power of competence; unless otherwise prescribed by law.
- 1.2 At the same time, there is a clear recognition that public sector financial subsidy from central government for new homes and economic development will in the future be limited. In addition, the ability of the Council to invest in new Council owned homes in the traditional way is constrained by the caps on borrowing that apply to the HRA.
- 1.3 This means that for the Council to maintain its current progress on the housing and economic development fronts it will need to consider how to invest in ways that do not impact adversely on the HRA, find new ways to help subsidise affordable housing and also generate surpluses for investment in socially necessary projects.

## **2.0 Phase 1 Delivery – Housing and Economic Development**

2.1 Delivery to date has focused on three areas:

1. Local Authority New Build: providing new housing on mainly Council owned land. The first phase of the LANB programme is underway to provide 35 new homes by December 2015. This is 12 more homes than originally envisaged. Sites include Coventry Court and Belmore Road and are being partly developed on a mixed tenure basis so that a limited amount of outright sales help financially support additional affordable homes and enable investment in local neighbourhood improvements.
2. Empty Homes Programme/SHEP: bringing empty properties back into use, including redundant retail units. Phase 1 of this programme comprises 20 affordable homes supported by £360k of grant secured from the Homes and Communities Agency and the refurbishment and commercial letting of 3 retail units.

Seven properties have been acquired to deliver the 20 new homes and three retail units in the Devonshire Ward identified as priorities from a neighbourhood improvement perspective. Completion of all homes is required by March 2015.

3. Driving Devonshire Forward (DDF): a ward focused neighbourhood improvement project which incorporates housing developments in the ward, as set out above, and the recommendations of an urban

design study undertaken last year. A local steering group has been established to co-ordinate delivery and to prioritise and bring forward initial projects. These include public realm improvements to key areas and working with the local business community to improve the Seaside Road retail offer.

2.2 The Housing and Economic Development Project Board (a joint initiative between Eastbourne Borough Council and Eastbourne Homes Ltd) has overseen and co-ordinated Phase 1 delivery which will deliver the total of 55 new homes and 3 commercial units.

2.3 The latest financial projections indicate that:

- The programmes are projected to be delivered at a Total Scheme Cost (TSC) in line with those originally approved by Cabinet and to produce a net rental stream slightly higher than appraised at point of approval. This does not take into account additional financial benefit to the Council from new homes bonus, business rate and council tax receipts.
- Council funding for the new homes and commercial units will be fully repaid over the expected 40 year term with a positive Net Present Value (NPV)\* of £452k

\*(NPV is a calculation which shows the value of the investment over 40 years in today's money compared to the value that would have been achieved by investment at a cost of funds interest rate)

2.4 The latest financial projections show that all programmes are performing in line with expected. The projections for the different phase 1 programmes are:

Programme	Units	TSC £k	Grant £k	Sales £k	Council Funding £k	Net Rent p/a £k	NPV £k
SHEP	20	1,919	360		1,559	64	5
LANB	35	4,719		1,021	3,698	133	223
Commercial	3	381			381	26	224
Total	58	7,019	360	1,021	5,638	223	452

### 3.0 Next Steps – Phase Two

3.1 An extensive programme of work for the period 2014-2018 has been developed by the Council, which will form Phase Two of the Housing Investment Plan.

3.2 Two new bids for funding have been made within the last six three months, the first to the Local Growth Fund (LGF) and the second to the National Affordable Housing Programme (NAHP). Details of the scale of bids and overall phase two work is summaries below:

## 3.3

HCA Bid	Type	TSC net of grant	Grant	TSC	Units
NAHP 2015- 2018	New build	£1,267,753	£207,500	£1,475,253	10
NAHP 2015- 2018	New build	£439,530	£97,500	£537,030	6
NAHP 2015- 2018	New build	£440,876	£88,000	£528,876	4
NAHP 2015- 2018	New build	£552,861	£12,600	£565,461	4
NAHP 2015- 2018	Purchase & repair	£1,637,144	£500,000	£2,137,144	20
LGF Firm Bid 2015- 2017	Purchase & repair	£483,110	£0	£483,110	4
LGF Firm Bid 2015- 2017	New build	£137,738	£0	£137,738	1
LGF Firm Bid 2015- 2017	New build	£320,000	£0	£320,000	2
LGF Firm Bid 2015- 2017	New build	£956,550	£0	£956,550	5
LGF Firm Bid 2015- 2017	New build	£592,298	£0	£592,298	4
Sub total		£6,827,860	£905,600	£7,733,460	60

LGF Outline Bid for 2016-2017	New build and purchase & repair	£7,520,766		£7,520,766	56
Total		£14,348,626		£14,348,626	116

#### 4.0 Financial Implications

- 4.1 The current Business Plan for the HRA which runs from 2012 through 2042 is currently being reviewed in the light of the first two years of Self-financing, to account for the developments detailed above and increased incidence of Right-to-Buy since increases in discounts were introduced in 2012.
- 4.2 The HRA Business plan with detailed 10 year projections will be updated in the autumn, when the outcome of the bids to the LGF and NAHP programmes are known and can be accounted for in the Plan.
- 4.3 The above table provides details of the total gross scheme costs and does not net off receipts from sales or grant. Delivery of the programme is subject to successful outcome of bids and the overall development programme being self-financing.
- 4.4 Cabinet is recommended to:
- to provisionally release (subject to successful bids) from the Housing Regeneration allocation within the Capital programme up to a total of £14,348,626 for housing investment in the period 2014 through 2018.

#### 5.0 Investing for the Future – Delivery Vehicle

- 5.1 It is unlikely that the Council will in the short and medium term be able to develop within the HRA due to borrowing caps. To meet need and requirements detailed in Eastbourne's 'Core Strategy – Local Plan', the Council needs to explore new ways to develop homes.
- 5.2 The Housing and Economic Development Project Board has considered options to extend delivery, taking advice on partnerships and having regard to what other Councils were doing. Other Councils considering new housing development have in a majority of cases opted for a simpler delivery vehicle structure rather than more complex partnership arrangements. Examples are detailed in Appendix A.
- 5.3 Accordingly the Board recommended that further work be undertaken on the viability and practicality of the Council establishing a new wholly owned investment subsidiary which would be able to take forward and deliver on behalf of the Council investment in housing and other related areas of activity to deliver the Council's corporate outcomes.
- 5.4 The advantages and disadvantages of a Council owned Development

Company are:

- An ability to borrow for housing investment without being constrained by HRA borrowing restrictions although the rules and principles around Prudential Borrowing are applicable.
- The ability to develop a wide range of housing products across rented and owner occupied tenures that can be tailored to meet specific housing needs and priorities and so reduce demand for high cost services, such as supported housing for older people, at a local and County level.
- Houses developed by the company for rent do not have to carry a Right-to-Buy although the company can still sell them to residents if it so wishes, with or without a discount.
- Houses owned by the company for rent do not have to have rents set at levels below those prevailing in the market place (as is the case for all homes rented directly by the Council within or without the HRA), making it easier to develop without the need for subsidy but at the risk of rents being unaffordable to people with low and middle incomes.
- Surpluses earned from the sale of homes developed by the company to sell do not have to be reinvested into housing, creating resources for expenditure on other areas of public service.
- There is scope, if the company is successful, to at a later stage bring in private investment or shareholder and so realise the value of the Council's original investment for use elsewhere. However, this may mean that the ability of the Council to control and direct the company's activities may be diluted.
- The Council carries the full risk of any investment that do not perform as expected or which generate losses rather than surpluses. It may also be left owning assets that it cannot sell or let.

5.5 If the scope of delivery or levels of funding required change then there would still be opportunity to consider partnerships at a later date or to establish development specific joint venture arrangements for individual schemes or specialist housing.

5.6 On balance, establishing such a company offers more advantages than disadvantages to Eastbourne. Strategic oversight and direction of the company and its activities would remain firmly with the Council, making sure that the company's activities are in line with corporate priorities, policies and strategies.

5.7 Whilst setting up a company is relatively straight forward, establishing use requires a detailed assessment of the risks and the legal and financial options available to safeguard the Council's interests. Matters to be considered include:

- Company structure and governance
- Legal and financial issues, including risks to the Council
- Branding
- Operating budget and funding
- Delegations
- Ownership and management of properties developed by the company

Further work to ensure due diligence will be undertaken and reported back

to Cabinet at the point that the company becomes active with future schemes.

5.8 Cabinet is therefore recommended to:

- Delegate authority to the Snr Head of Community in consultation with the Cabinet Portfolio Holder for Community to undertake preparatory work to set up a Council owned Housing Delivery Company and report back to Cabinet in the autumn.

## **6.0 Housing Rescue Emergency Fund**

6.1 The Council occasionally receives requests from owner occupiers to buy back homes sold to them under the Right-to-Buy. As the offer value of these homes is normally at full market value, even though they may have been sold at a substantial discount, the current policy is to reject such requests.

6.2 This is because until the introduction of a self-financing HRA the resources were not available to fund such purchases. Moreover, they do not represent value for money compared to new build or purchase and repair. However, there are a limited number of cases where the exercise of the Right-to-Buy was undertaken in good faith but that the purchaser has become seriously vulnerable due to circumstances beyond their control, such as deteriorating health. In such cases, the household may be threatened with homelessness if they cannot maintain mortgage payments on the property.

6.3 There is therefore a case that in exceptional cases, the Council buys full or part share in such a property, leaving the resident in situ as a shared ownership occupier or a tenant of the Council. This will help prevent homelessness and reduce the risk of further deterioration in health and well-being of a vulnerable household. In most cases where an authority provides this type of scheme purchase price can be as much as 40-70% of market value reflecting tenanted value, type of property and/or risk of future right to buy.

6.4 There are risks associated with buying back properties in these circumstances:

- In cases where the Council becomes the full owner of the property, the tenant may in the future again exercise their Right to Buy (although this is limited to any new discount above that already taken)
- Any mortgage arrears may not necessarily have been the result of debt to purchase the home – for example consumer debt may have been secured against the property
- The Council maybe taking on properties with high levels of disrepair and costs to bring them up to the Decent Homes Standard

6.5 These risks can however be mitigated by imposing restricted criteria as set out below:

- Eligibility for consideration under the Emergency Home Rescue Fund is restricted to owner occupiers who have bought the property under the Right-to-Buy scheme and remain in occupancy and the sole owners of the property at the time the application for assistance is made.
- The Council is likely to have a formal duty to assist under homelessness

legislation.

- Owner occupiers will need to be able to evidence sufficiently critical health problems and/or resources to preclude their being able to sell the property and move to another address.
- The property is subject to an independent valuation by an RCIS approved agent.
- Purchase price is adjusted to reflect discount previously given and tenanted value.

6.6 Cabinet is therefore asked to:

- Approve provision of £200,000 for a Housing Rescue Emergency Fund to help vulnerable people avoid the loss of their home by funding the purchase of properties originally built and provided by the Council where strict criteria are met.

## **7.0 Solarbourne**

7.1 In 2011/12 the Council undertook a programme to install solar panels on a Council homes and commercial properties. This scheme was extremely popular with residents as electricity generated during the day offset the household's energy cost. For the Council the scheme has provided an income in excess of £100k per annum from the Government Feed in Tariff (FIT) and has assisted reduce the Town's carbon footprint.

7.2 In November 2011, the Government stated that the FIT rate would be reduced for new installations from April 2012. At that point an assessment of the viability of systems identified that the programme was no longer financially viable.

7.3 Over the past two years Photo Voltaic (PV) systems have decreased in cost. Whilst FIT rates have also reduced, a recent viability assessment indicates that it is now feasible to restart the programme. In relation to viability, it is relevant to note that the government is reviewing FIT tariffs on a three monthly basis and this assessment is based on the tariff in place at the time of writing.

7.4 As noted, the viability assessment indicates that the Council could invest in PV and provide a surplus. This surplus does, however, depend on the costs of systems, efficiency and the FIT tariff payable. In addition, it is unlikely that any new systems would benefit from 25 year warranties as was secured by the Council during the initial programme.

7.5 As there are a number of issues affecting viability there is a need to continually assess the business case at short intervals before investing. As such this report recommends delegating authority to the Senior Head of Community in consultation with the Chief Finance Officer and Cabinet Portfolio Holder for Finance to commence a second PV programme up to 500k on the basis that market conditions (cost and FIT rate) result in systems being self-financing (including provision of a sinking fund to cover reduced warranties).

7.6 Cabinet is recommended to:

- Approve provision of £500,000 to commence second Photo-Voltaic programme.



- Delegating authority to the Senior Head of Community in consultation with the Chief Finance Officer and Cabinet Portfolio holder for Finance to commence a second PV programme on the basis that market conditions (cost and FIT rate) result in systems being self-financing (including provision of a sinking fund to cover reduced warranties).

## **8.0 Consultation**

8.1 The Council has undertaken and continue to undertake extensive consultation in developing and delivering 'At Home in Eastbourne', which underpins and informs the Council's housing development programme. The HEDP has in working up DDF similarly consulted and continues to consult widely with local people and communities.

## **9.0 Environmental, Human Rights, Community Safety, Youth, Anti-poverty Implications.**

9.1 The delivery 'At Home in Eastbourne' and the HEDP's work will give the Council greater scope to deliver its wider role of community well being. Developing the wider economy and encouraging investment in homes in a sustainable and equitable way will help to reduce crime, improve the environment and contribute towards human rights.

## **10.0 Resource Implications**

10.1 Delivery of the LGF 2015-17 and NAHP 2015-2018 programmes, and progressing the Development Company model are subject to successful bids and ongoing viability assessment. The overall programme is set to be self-financing. Schemes delivery costs are included within the total scheme costs.

10.2 Delivery of the Solar PV scheme will only proceed on the basis that it is self-financing.

**Lead Officer: Andy Thompson BA MSc (Strategic Housing Manager)  
01323 415736**

## Appendix A: Local authority housing companies

Council	Company details	Housing outcomes
Ashford	Wholly owned subsidiary being established in 2014	New build mixed tenure homes
Barking & Dagenham	'Barking & Dagenham Reside' - sale & leaseback partnership (2012)	476 new build affordable homes
Birmingham	'Birmingham Municipal Housing Trust' - wholly owned subsidiary (2009)	New build affordable rent and market sale homes. Delivered 1,400 homes since 2009.
Ealing	Wholly owned subsidiary currently being developed	500 new build mixed tenure homes
Enfield	Wholly owned subsidiary being established in 2014	Purchase and repair affordable homes
Greenwich	'Meridian Home Start' - wholly owned subsidiary (2011)	Affordable rent
Newham	'Red Door Ventures' - wholly owned subsidiary (2014)	3,000 new build mixed tenure homes
Shepway	Wholly owned subsidiary being established in 2014	New build mixed tenure homes
South Cambridgeshire	'South Cambs Limited' - wholly owned subsidiary (2013)	Affordable rented property by leasing empty publicly owned empty homes, and redevelopment of council owned bedsits, new build market rented homes with long term tenancies. Forty homes planned in the first two years.
South Holland	'South Holland Homes' - wholly owned subsidiary (2010)	New build affordable rent and management of affordable homes built by private developers as part of their S.106 planning obligations.
Thurrock	'Gloriana Thurrock Limited' - wholly owned subsidiary (2013)	1000 new homes - predominantly affordable rent supported by open market sale and shared ownership
Wokingham	'Wokingham Housing Limited' - wholly owned subsidiary (2011)	180 new build affordable housing, shared ownership and private sale homes over five years and purchase of affordable homes developed through S.106 policies

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>July 16th, 2014</b>
<b>Subject:</b>	<b>Housing Futures</b>
<b>Report Of:</b>	<b>Senior Head of Community</b>
<b>Ward(s):</b>	All Wards
<b>Purpose:</b>	Approve the development of a new Management Agreement for Eastbourne Homes Limited to continue as the Council's Arm's Length Management Organisation to manage the majority of Council owned homes for up to 20 years with a review every 5 years..
<b>Decision Type:</b>	Key Decision
<b>Recommendation:</b>	Cabinet is recommended to: <ol style="list-style-type: none"><li>1. Note the outcome of the Housing Futures consultation undertaken which is in favour of the 'EHL in Partnership' option for the future management of Council-owned homes.</li><li>2. Approve the development of a new Management Agreement for Eastbourne Homes Limited to continue as the Council's Arm's Length Management Organisation to manage the majority of Council owned homes for up to 20years with a review and break clause every 5 years .</li><li>3. Delegate authority to the Senior Head of Community in consultation with the Cabinet Portfolio Holder to enter into the Management Agreement once finalised.</li><li>4. Approve a budget of up to £50,000 to complete the Housing Futures project.</li></ol>
<b>Contact:</b>	Andy Thompson, Strategic Housing Manager. Telephone: 01323 415736 or internally on extension 5736. E-mail address: <a href="mailto:andrew.thompson@eastbourne.gov.uk">andrew.thompson@eastbourne.gov.uk</a>

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## 1.0 Introduction

- 1.1 The Council is responsible for the homes of nearly one in ten of Eastbourne's households, made up of a mixed portfolio of 3,554 residential and 614 leasehold properties with a programme to add in 2014-2016 to that number a further 43 properties. The Council's housing stock is currently managed under an agreement with an Arm's Length Management Organisation (ALMO), Eastbourne Homes Limited (EHL). The current management arrangement for Council-owned homes with EHL has been in place since

2005 and is due to end on March 31<sup>st</sup> 2015.

- 1.2 At present the Council pays EHL £6,714,000 per annum to manage and maintain the housing stock on behalf of the Council. In addition to this fee, capital funding is provided to EHL by the Council to carry out improvement works to housing stock. EHL also acts as the Development Agency Service for the Council's extensive development programme of new Council-owned homes.
- 1.3 A review of the future of the Council's role as a social landlord was formally launched in May 2013 with a Housing Futures Board set up to oversee this important project. The Housing Futures Board is made up of Councillors, EHL Tenant Board Members, and the Tenant Chair of Scrutiny. The Council's Housing Services Team has supported the Housing Futures Board in this task.
- 1.4 This report updates Members on:
- The outcome of consultation undertaken to inform the future management arrangements for Council-owned homes
  - Recommends the development of a new Management Agreement with the current provider of housing management services EHL, for up to 20 years with a review and break clause every five years,

## **2.0 Consultation Report**

- 2.1 At its meeting on March 19<sup>th</sup> 2013 (minute Cabinet March 19<sup>th</sup>, 2104 – para. 87.8 refers), Cabinet approved formal consultation with residents – tenants and leaseholders - of homes managed or supported by EHL on two options for the future management of their homes. These were:
- EHL in Partnership
  - Direct Management by the Council
- 2.2 Considerable work was undertaken in the pre-consultation period to pave the way for the exercise. The original nine options were discussed by the Housing Futures Board. This helped further development of viable options, including for example the desire for the housing stock to remain in the ownership of the Council.
- 2.3 Discussions then took place with residents on the way the formal consultation on the two workable options should be taken forward. This included such matters as the channels through which people could share their views and the style and design of the information material.
- 2.4 The work included:-
- Community Consultation drop-in sessions across Eastbourne.
  - Individual mailshot to all residents including a covering letter and booklet.
  - Presentations to all Area Panels.
  - Presentations to all Sheltered Housing Schemes within Eastbourne.
  - Presentation to the Retirement Housing Panel.
  - Presentation to Leaseholder Panel.
  - Presentation to Disability Involvement Group.
  - Home visits to discuss the options with individual tenants and leaseholders.

- Information leaflet detailing the options.
- Online survey.
- Dedicated web page.
- Dedicated e-mail address.
- Dedicated telephone number.
- Series of 'Update Meetings' with tenant and leaseholder representatives and Eastbourne Council Officers.
- Consultation to obtain an aggregate of tenants preferred option.
- Consultation to obtain an aggregate of leaseholders preferred option.

2.5 The consultation process called 'Have Your Say' – took place between April 2014 and June 2014. It was wide-spread and made every effort to reach all tenants and leaseholders.

2.6 The outcome of the consultation is summarised below:

- The total number of responses returned by Tenants and Leaseholders was 547, representing 13.4% of the total number of residents consulted.
- 'EHL in Partnership' received a total of 435 preferences; this represents 80%\* of returns.
- 'Direct Management by the Council' received a total of 109 preferences; this represents 20%\* of returns.
- 0.5%\* respondents did not indicate a preferred option.

(\*percentages rounded to nearest whole number)

2.7 The views of the majority of residents are in support of the Council's preferred option of 'EHL in Partnership'.

2.8 The outcomes of the consultation are to be shared with all respondents, by e-mailing and writing to those who gave contact details to the Council, by publishing a full report on the consultation process on the Council's website and making a hard copy of the report available at the Council's offices in Grove Road. The report on the consultation process is attached to this report as Appendix A.

2.9 The consultation process has been quality assured by the Consultation Institute, which has signed off the first three stages of the consultation process. The remaining stage is expected to be signed off when the feedback to residents is completed. Engaging and taking advice and guidance from the Consultation Institute throughout 'Have Your Say' has helped make sure that the consultation has been fair and comprehensive and that its outcomes reflect the views of residents.

2.10 Cabinet is therefore recommended to:

1. Note the outcome of the Housing Futures consultation undertaken which is in favour of the 'EHL in Partnership' option for the future management of Council-owned homes.

### **3.0 Taking forward 'EHL in Partnership'**

3.1 Cabinet has previously signalled that the preferred option, subject to consultation, would be to take forward the EHL in partnership. To take this forward, the Council and EHL now need to develop an appropriate

Management Agreement to reflect 'EHL in Partnership's' commitments while at the same time supporting the development of the Council's own wider Future Model service delivery plans and working in accord with the ethos of the Council's housing strategy 'At Home in Eastbourne'.

3.2 The agreement needs to reflect the nature of the relationship between EHL and EBC. This will include:

- Co-location of team members from both EHL and the Council at the Council's offices at 1, Grove Road to reduce costs.
- Sharing some senior level professionals/managers to reduce costs.
- Integrating 'back office' services including IT, Human Resources, and Financial Management and Administration across EHL and the Council.
- A single Customer Contact Centre at the Grove Road office.
- Potential to generate savings (up to £1.5m) to the Council split between the GF and the HRA (subject to final decisions on level of integration/sharing).

3.3 To make sure that the new management agreement can be drawn up in a timely way, for implementation by/before April 1<sup>st</sup> 2015, and that it closely reflects the needs of the Council, development of the revised Management Agreement will be undertaken by the Council's Legal and Housing Services teams. External expertise will be called upon when required to provide the necessary degree of protection of services, performance and outcomes whilst ensuring all legal requirements are satisfied and that the Council's statutory responsibilities will be met.

3.4 The proposed agreement is for a 20year period with a break clause after every 5 years. This will provide EHL with security to plan and invest sufficiently far ahead, trade effectively and provide reassurance for subcontractors, while allowing the Council to consider changes at 5 yearly stages.

3.5 Cabinet is therefore recommended to approve:

- Approve the development of a new Management Agreement for Eastbourne Homes Limited to continue as the Council's Arm's Length Management Organisation to manage the majority of Council owned homes for up to 20 years with a review and break clause every 5 years.
- Delegate authority to the Senior Head of Community in consultation with the Cabinet Portfolio Holder to enter into the Management Agreement once finalised.

#### **4.0 Legal and Financial Implications**

4.1 A local authority is able to delegate the authority's housing management function to a third party but must obtain the consent of the Secretary of State by virtue of Section 27 of the Housing Act 1985. The preferred option of 'EHL in Partnership' will mean a replacement Management Agreement and will therefore require an application to be made to obtain the consent of the Secretary of State. As part of the application the Council will be required to give a summary of the consultation that has taken place with tenants and to

show evidence of the support for the Council's proposals.

- 4.2 The proposed life of the new Management Agreement carries a number of significant, inherent financial risks, including but not limited to variations in demand and income levels, prices, Government policy and treasury management risks. The new Management Agreement will therefore be carefully structured to manage the Council's exposure to these risks.

## **5.0 Next Steps**

- 5.1 The Housing and Legal Services team will work with EHL to develop the principles, details around service expectations and value for money commitments that will inform and underpin the new Management Agreement. This will include how EHL can positively contribute to the outcomes set out in 'At Home in Eastbourne'. Particular attention will be paid to:

- Providing homes for Eastbourne – support the Council's investments in the wider economy, regeneration initiatives and additional accessible, secure homes.
- Finding and keeping a home in Eastbourne - delivering customer-focused services that provide what is important to residents
- Improving the quality of homes in Eastbourne – developing and delivering cost effective long term asset management of the Council's homes, with particular attention to fuel efficiency and reducing future repair liabilities
- Enjoying homes and neighbourhoods in Eastbourne – with a focus on improving the appearance and ambience of housing estates across Eastbourne and increasing leaseholder satisfaction.

- 5.2 The scope of services will be renewed on an annual basis to ensure that EHL continues to support the Council's priorities, supported by an annual Action Plan, which will be produced and agreed with the Council prior to the start of each year. This will detail the actions that EHL will take in the forthcoming year to meet agreed Performance Targets, to be set out in a Performance Framework integrated into the new Management Agreement.

## **6.0 Resource Implications**

- 6.1 To complete the work to develop the management agreement and contractual issues, the costs are estimated to be up to circa £50,000. However this will depend on the exact nature of any support procured.
- 6.2 Cabinet is therefore recommended to:
- Approve a budget of up to £50,000 to complete the Housing Futures project.
- 6.3 Looking ahead, if the new Management Agreement includes changes to the duties delegated to EHL the management fee may need to be revised to reflect these. However, it is not possible to quantify the effect until the revised agreement has been developed.
- 6.4 The approved Housing Revenue Account Business Plan currently indicates that the Council will have sufficient resources over the next 30 years to fulfil

its capital expenditure, management and maintenance obligations. To maintain this situation, the new Management Agreement will be carefully structured so that it does not result in a significant increase in total expenditure.

## **7.0 Equality and Fairness**

- 7.1 Equality and Fairness has been and will continue to be an on-going consideration in regard to the development of Housing Futures. As such, and conforming to The Consultation Institutes quality assurance requirements, a phased approach to equality analysis was agreed.
- 7.2. An analysis was carried out in respect of the two options consulted on and their potential impact on our residents and leaseholders; this was available for public comment throughout the consultation period. The analysis found that there were no significant equality implications or detrimental impacts associated with either option. As work on the Management Agreement and any associated activity related to Future Model progresses, these too will be subject to an on-going Equality and Fairness Assessment.
- 7.3 The Management Agreement will be subject to a final Equality and Fairness Analysis, which will be reported to the Cabinet Portfolio Holder for Community when the final agreement is presented for approval. This will also analyse the impact of this change on our employees and those of Eastbourne Homes Limited.

## **8.0 Other Implications – Environmental, Human Rights, Community Safety**

- 8.1 The completion of the Housing Futures project will give the Council greater scope to deliver its wider role of community well being. Better homes and high quality housing management help to reduce crime, improve the environment and contribute towards human rights by helping people secure a safe and secure home.

## **9.0 Youth and Anti-Poverty**

- 9.1 Housing problems faced by young people, including those who want to rent accommodation or buy a home, are becoming increasingly clear to the Council. Maintaining a strong housing and landlord role, with a management service that supports the ethos and outcomes of 'At Home in Eastbourne', will help the Council to improve the housing options and choices available to young people.

**Lead officer name: Andy Thompson**

**Job title: Strategic Housing Manager**

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**Background Papers:**

Equality and Fairness Analyses

**Appendices**

Appendix A: Consultation Report

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# **Eastbourne Borough Council**

## **Housing Futures Project 'Have Your Say' Consultation Review**

**Prepared by: Eastbourne Borough Council Strategic Housing Services**

**2<sup>nd</sup> July 2014**

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Appendix One - Options Appraisal Summary - 29<sup>th</sup> January 2014.

Appendix Two – Consultation Booklet – “Have Your Say”

## Introduction

This report describes the methodology used and the results gained from Eastbourne Borough Council's (EBC) consultation on the future of its role as housing landlord. It describes EBC's activity throughout the process of consultation. Particular attention is given to the results of the Formal Open Consultation process that was carried out by EBC from 3<sup>rd</sup> April to 15<sup>th</sup> June 2014.

To obtain the clearest understanding of the results of this consultation, it is important to stress they should be read in their entirety, as findings from different parts of the work support each other. An example is the strong preference shown for the 'EHL in Partnership' option in the Formal Open Consultation process. This was supported by tenants and leaseholders in comments made on consultation forms returned, at the Area Panel presentations, at the Retirement Court presentations and during the Community Consultation Drop-In sessions.

Common themes and issues were identified by tenants and leaseholders throughout the consultation which were confirmed by detailed analysis of the results of the formal open consultation". This gives additional confidence that the findings are an accurate reflection of the preference of tenants and leaseholders of EBC for the future management of their housing.

EBC would like to take this opportunity to express its thanks to all those tenants and leaseholders who participated in the Formal Open Consultation, attended the Community Consultation Drop-In, Area Panel and Retirement Court presentation question and answer sessions and those who responded online, via e-mail, telephone and post. We would also like to thank the members of the Housing Futures Project Board for overseeing the project.

### **Housing Futures Project Board Membership**





- Councillor Bannister – Chair (Cabinet lead member for Community & Housing)
- Councillor Mattock (Cabinet lead member for Finance)
- Councillor West (Opposition group lead member for Community and Housing)
- Sue Parsons (EHL Board Director - tenants' representative)
- Sheilah Roberts (EHL Board Director - tenants' representative)
- Hubert Benjamin (EHL Board Director - tenants' representative)
- Candy Vaughan (EHL Board Director - tenants' representative)
- Reny Pulling (Tenant representative)
- Ian Fitzpatrick (EBC Senior Head of Community)
- Andy Thompson (EBC Strategic Housing Manager)
- Rebecca Hair (EBC Contracts, Performance, and Partnerships Officer)
- Angela Bates (EBC Housing Development and Policy Officer)
- Tim Harris (EHL Interim Chief Executive)
- Jane McCarthy-Penman (EHL Governance and Compliance Manager)
- Alan Osborne (EBC Chief Finance Officer)

## Pre-Consultation










The Housing Futures Project Board was established in June 2013, to review the future of Eastbourne Borough Council's (EBC) landlord role.

A range of options for the future of the Council's landlord role were set out in a paper to the Housing Futures Board in August 2013. Since then, these options have been explored and appraised by the Council's Housing Services Team with support from the Chartered Institute of Housing and Eastbourne Homes Limited.

This work has taken into account:


-  The views of residents, expressed via the Board and at the Eastbourne Homes Limited Resident's Conference in October 2013
-  The emerging shape of the Council's overall corporate service delivery strategy, being developed under Future Model
-  A financial viability assessment of the various options
-  The changing shape of the wider housing market and its role in supporting the wider economy

The options as identified within the Scope of the Options Appraisal were:-

-  Option 1 – Retain current arrangements with Eastbourne Homes Limited (EHL), the Council's Arms-Length Management Organisation (ALMO)
-  Option 2 – Expansion of EHL to deliver more services for the Council and other enterprises, both housing and non-housing
-  Option 3 – Return to Council and full Integration with Future Model, called 'Management by the Council'
-  Option 4 - Large Scale Voluntary Transfer (LSVT)
-  Option 5 – Transfer to Mutually Owned Co-operative
-  Option 6 – Shared Service Delivery with other Social Landlords
-  Option 7 - Out-source/externalise housing management
-  Option 8 – Tenants exercise their Right to Transfer
-  Option 9 – Tenants exercise their Right to Manage

It became apparent at an early stage in the Housing Futures project through the work of the Council's own Financial Consultants and the Housing Future Project Board that options 1, 2, 4, 5, 6, 7, 8, and 9 were not viable and deliverable within the parameters set for the project. The reasons behind these decisions can be found in the Options Appraisal Summary dated 29<sup>th</sup> January 2014 (Appendix One).

The work reviewing and discussing the nine options led to the development of a tenth option:

-  Option 10 – Retain EHL with responsibility for housing management with greater integration with Council. This option was called 'EHL in Partnership'.

There were then two options - Option Three and Option Ten - deemed viable and deliverable within the parameters set for the project. Both involved the Council remaining as a landlord but offered two distinct approaches to managing the services provided to the Council's tenants.

These two options were:

- EHL in Partnership – a partnership between the Council’s corporate services and EHL
- Direct Management by the Council – all services to residents would be provided directly by the Council.

Stakeholder analysis was undertaken to identify the main stakeholders that would be affected by any change in the management arrangements of the Council’s housing stock. Tenants and leaseholders of the Council were identified as being the main stakeholders, although other stakeholders for example the Police were also included for formal consultation.

### **Consultation Institute - Accreditation**

Prior to the start of the consultation process with residents (tenants and leaseholders of the Council) to determine which of the two options should be taken forward, the Council approached the Consultation Institute to give expert advice and quality assurance to the consultation process. Davy Jones, an accredited consultant, was appointed by the Institute in March 2014. The purpose of the appointment was to make sure that the consultation was undertaken in a way that was fair, equitable and transparent.

An explanation of how the two options for detailed consultation had been determined included a summary of how a total of ten options had been originally considered. This information was provided in writing to every tenant and leaseholder and included the financial implications each had for the future financing of the Council’s landlord role.

Tenants and leaseholders were involved in designing the consultation process, including for example the booklet that outlined all the information needed for residents to express an informed opinion.

As part of the process of consultation, an Equality and Fairness Analysis was undertaken of the options being considered.

## The Consultation Process

The Council's Housing Strategy Team from 3<sup>rd</sup> April 2014 through to 15<sup>th</sup> June 2014 consulted widely with tenants and leaseholders on the two options. The Formal Open Consultation process – called 'Have Your Say' – was wide-spread and made every effort to make sure that every tenant and leaseholder was contacted. In every case, residents were:

- Given an explanation of the housing stock options
- Given the opportunity to ask questions
- Invited to voice their concerns and put forward their views

## The Consultation Programme

In discussion with Housing Futures Project Board, a programme for Borough-wide consultation was developed and agreed. This included:

- Community Consultation drop-in sessions across Eastbourne.
- Individual mailshot including covering letter and booklet to all residents.
- Presentations to all Area Panels.
- Presentations to all Sheltered Housing Schemes.
- Presentation to the Retirement Housing Panel.
- Presentation to Leaseholder Panel.
- Presentation to Disability Involvement Group.
- Offer of home visits to discuss the options with individual residents.
- Hand-outs on the options.
- Online survey.
- Dedicated web page.
- Dedicated e-mail address.
- Dedicated telephone number.
- Series of updating meetings with tenant and leaseholder representatives and Eastbourne Council Officers.
- Formal Open Consultation to obtain an aggregate of tenants preferred option.
- Formal Open Consultation to obtain an aggregate of leaseholders preferred option.

## Leaseholders' Panel

Eastbourne's Leaseholder Panel is a well-established group of leaseholders. A presentation was made to the Panel in May 7th on the housing stock options appraisal, followed by a question and answer session.

The major concerns expressed by leaseholders were:

- The impact of the different options on service charges.
- Questions clarifying the savings of the two options (the £500,000 savings for 'EHL in Partnership' and the £600,000 savings for 'Direct Management by the Council'. and an additional £100,000 statements)

Leaseholders had a number of other concerns including communication with them by EHL, forward notice of works, and notice to budget costs.



## Retirement Courts and Area Panels

During April, May, and June 2014 officers from the Council and EHL visited all of Eastbourne's Sheltered Housing Schemes. The dates of the visits, which included a presentation on the options and a question and answer session, are detailed below:

8 <sup>th</sup> April	Retirement Housing Panel
9 <sup>th</sup> April	Central and Archery Area Panel
16 <sup>th</sup> April	Riverbourne House
24 <sup>th</sup> April	Langney Area Panel
28 <sup>th</sup> April	Tyrone Court
29 <sup>th</sup> April	Gwent Court
2 <sup>nd</sup> May	Hampden Park & Willingdon Trees Area Panel
7 <sup>th</sup> May	New Derby House
7 <sup>th</sup> May	Leaseholder Panel
12 <sup>th</sup> May	St. Mary's Court
13 <sup>th</sup> May	Sutherland Court
21 <sup>st</sup> May	Upwyke House
27 <sup>th</sup> May	Roxburgh Court
28 <sup>th</sup> May	Cumbria Court
5 <sup>th</sup> June	Archery Court

To promote these visits, tenants and leaseholders were advised of the date and time of visit and informing them that this would be an opportunity for them to ask any questions they may have about the stock options appraisal. Through the process of keeping a register of those residents who attended, EBC were able to ascertain that 16% (48) of the total number of residents had attended at least one presentation.

Presentations lasted from forty-five to sixty minutes and were followed by a question and answer sessions. During the presentation it was emphasised that if a resident wanted the opportunity to discuss issues in private or with a member of their family present, EBC would be happy to arrange a home visit. However this offer was not taken up.

Comments shared by residents included:

- A concern that the process was a means of cutting back on the services provided to them, such as the continuance of On-Site Co-ordinators, which is a service residents valued highly.
- There may be an impact on their rents and social security payments depending on the option chosen.
- The Council's Housing Services and EHL staff are both held by residents in high esteem.

## Community Consultation

A series of Community Consultation drop-ins were held across Eastbourne in May and June 2014. The details of these events are shown below.

<b>Date</b>	<b>Community Centre</b>	<b>Time</b>
Tues 6th May	Langney Village Hall	9am – 12 noon
Thurs 8th May	Langney Village Hall	2pm - 5pm
Weds 14th May	Shinewater Shaftsbury Centre	10am - 1pm
Weds 14th May	Langney Village Hall	3pm - 6pm
Thurs 15 <sup>th</sup> May	Archery Youth Centre	9:30am – 11am
Thurs 15 <sup>th</sup> May	Christchurch Hall, Seaside	11:30am – 1pm
Thurs 15 <sup>th</sup> May	Old Town	4pm - 6pm
Mon 19 <sup>th</sup> May	Old Town	10am – 12 noon
Mon 19 <sup>th</sup> May	Shinewater Shaftsbury Centre	2pm - 5pm
Tues 20 <sup>th</sup> May	Christchurch Hall, Seaside	9:30am – 11am
Tues 20th May	Hampden Park Community Centre	3pm - 4:30pm
Tues 27th May	Hampden Park Community Centre	10:30 – 12 noon
Weds 28 <sup>th</sup> May	Archery Youth Centre	9:30am – 11am
Thurs 29 <sup>th</sup> May	Willingdon Trees Community Centre	10am – 11:30am
Thurs 29 <sup>th</sup> May	Hampden Park Community Centre	10am - 11:30am
Thurs 29 <sup>th</sup> May	Shinewater Shaftsbury Centre	2pm - 5pm
Mon 2 <sup>nd</sup> June	Willingdon Trees Community Centre	2pm – 3:30pm

The drop-ins were advertised in the local press via posters displayed on community notice boards and in notice boards throughout flatted blocks, on the dedicated 'Have Your Say' web page, via a link from EHL website and notices on display at the Council's public reception at 1 Grove Road and at EHL's offices at Ivy House.

Although attendance was lower than anticipated, those that attended engaged in discussion about the options. An assessment by officers after each event show that in the majority of cases attendees felt that their views were being listened to and that it was worthwhile their getting involved.

During the consultation process, at both the community events and the presentations, there were a significant number of residents who wanted to talk about individual housing issues pertinent only to their own home or circumstances. When possible, officers endeavoured to resolve on the spot residents' concerns. Where this was not possible, queries and concerns were referred directly to relevant EHL staff.

## Disability Involvement Group

A presentation on the options was given to Eastbourne's Disability Involvement Group, a number of who are also Council tenants, to ensure disabled people's views were taken into account.

## **Online Survey, Web Page and Dedicated e-mail Address**

An online survey was set up so that individuals could respond online. It was a replica survey of the questionnaire that was published in hard copy and posted to every household. EBC's and EHL's websites had hyper-links to the online survey. Thirty-five responses were received online; however fourteen of these responses were from individuals that were not tenants or leaseholders. Those fourteen responses have been discounted from the overall figures and percentages.

A dedicated e-mail address [housingfutures@eastbourne.gov.uk](mailto:housingfutures@eastbourne.gov.uk) was established to allow tenants and leaseholders to send their queries and preferences over the internet.

A dedicated telephone number was also advertised within all of the consultation documentation and used during the consultation period to allow residents to call and discuss any queries.

## **Mailshot**

Tenants and leaseholders were involved in designing the booklet that would outline all the information for residents. A covering letter and explanatory booklet was produced and circulated to all tenants and leaseholders. These were used to inform tenants and leaseholders of the housing options appraisal, how it could affect them and how and where they could contact EBC staff for further or clarifying information.

## **Managing and Monitoring**

The Council's Housing Strategy Team undertook three progress reviews during the Formal Open Consultation. This was so that if any issues arose they could be dealt with, and be remedied for the remainder of the consultation. Both traditional and social media were monitored throughout the formal consultation period and there appeared to be no controversy or concern over the consultation process itself. Only two issues arose during the consultation process and these were both swiftly dealt with.

The first issue was a request, after the first presentation to the Sheltered Scheme, for a larger A4 version of the mainstream A5 'Have Your Say' booklet. Subsequently 420 copies of the booklet were printed in A4 size and these were delivered via the On-Site Co-ordinators to each Sheltered Scheme resident.

The second issue was that the mail merge of addresses used to send each resident a covering letter and copy of the booklet omitted those residents that were shared owners. Once this omission was identified, the residents were hand delivered a covering letter and copy of the booklet by the EHL Neighbourhood Officers.

No other issues were identified during the process and no issues were identified with the consultation process itself.

## Formal Open Consultation Results

### The Aggregate Result

- The total number of Formal Open Consultation returned from tenants and leaseholders was 547 (3445 Tenants, 614 Leaseholders and 18 Shared Ownership residents – in all 4077) this represented a total return of 13.4%.
- 'EHL in Partnership' received a total of 435 preferences representing 79.5% of returns
- 'Direct Management by the Council' received a total of 109 preferences, representing 20% of returns.
- 0.5% (3) respondents failed to indicate a preferred option.

### Tenants Only

- The total number of Formal Open Consultation returned from tenants was 463 - out of 3445 this represented a return of 13.4%.
- Eastbourne Homes in Partnership received a total of 382 preferences, representing 82.5% of returns.
- Management by the Council received a total of 80 preferences representing 17.3% of returns.
- 0.2% (1) respondents failed to indicate a preferred option.

### Leaseholders Only

- The total number of Formal Open Consultation returned from leaseholders was 84 (out of 614) this represented a return of 13.7%.
- Eastbourne Homes in Partnership received a total of 53 preferences representing 63.1% of returns.
- Management by the Council received a total of 29 preferences, representing 34.5% of returns.
- 2.4% (2) respondents failed to indicate a preferred option.

### Tenants and Leaseholders Comments

There is a divergence of opinion and views between tenants and leaseholders. Tenants tended to express a satisfaction with the present services received, whereas leaseholders tended to express dissatisfaction with the present services received.

Those preferring 'EHL in Partnership' tended to express a satisfaction with the present services received but on the whole made fewer comments, whereas those preferring 'Management by the Council' tended to express dissatisfaction with the present services received, and on the whole made a greater proportion of comments. There was a significant number of tenants and leaseholders who wished to be informed of the outcome.

## Conclusion

- The consultation created a good level of interest from both tenants and leaseholders, with a majority of respondents preferring Eastbourne Homes in Partnership.
- Tenants appeared to be content with the current arrangements more so than leaseholders and to a great extent this was reflected within the responses received during the Formal Open Consultation.

Overall, the formal survey results reflected the feedback received in the public meetings; at the Area Panels; from the Community Consultation Drop-ins; on-line comments; e-mail; telephone; post and all avenues of response. There were no discernible differences detected in the feedback received during any of the public meetings on grounds of equality protected characteristics.

## Consultation Institute Accreditation and Next Steps

The Consultation Institute has signed off the first three (Scoping Stage, Project Plan, Review mid-consultation); of four consultation stages as meeting accepted Good Practice. Stage four (Final sign off) is likely to be signed off too, if the proposed feedback plan is implemented.

The proposed feedback plan is in two stages. The first stage is to feedback this Consultation report. The Council's Strategic Housing team will feedback to all tenants and leaseholders directly who requested such information, some via e-mail and some via posted mail; to all Chairs of Area Panels; and to all On-Site Co-ordinators of the Sheltered Schemes. This report will be published on the Council's website and made available in the Council's Customer Contact Centre.

A report on the overall Housing Futures project is to be presented July 16th to the Council's Cabinet. This report will be an appendix of the Cabinet report.

Once Members have made their decision on the Housing Futures project, the Council's Strategic Housing team will feedback to all Chairs of Area Panels and to all On-Site Co-ordinators of the Sheltered Schemes. This report papers will be published on the Council's website and made available in the Council's Customer Contact Centre.

## Appendix One:

### Eastbourne Housing Services

*Helping you to be at home in Eastbourne*

**Briefing Paper:** Housing Futures – Options for housing management.

**Date:** January 29<sup>th</sup>, 2014






#### **Purpose:**

To recap on the options available to deliver housing management and to update Board members on the development of a new EHL option with greater integrated working with the Council.







#### **Options:**

#### ***Newly developed Option– Retain EHL with responsibility for housing management with greater integration with Council***

##### *Brief Description*

-  Co-location of team members from both EHL and the Council at the Council's offices at 1, Grove Road – this will reduce office costs.
-  The introduction of new technology and working practices where appropriate – this too will reduce office costs and deliver better customer-friendly working.
-  Sharing some senior executive level managers.
-  Integrated 'back office' services including IT, Human Resources, Legal Services and Financial Management and Administration across EHL and the Council. This would save costs and by reducing the links in the chain for managing such things as the Housing Revenue Account (HRA) encourage quicker, more effective working and reduce the risk of errors occurring during information transfers.
-  A single Customer Contact Centre at the Grove Road office – this would improve the accessibility to the Council by offering a single point of contact for all services and again reduce costs

##### *Assessment of Option Ten*





-  Potential to generate savings (circa £1.5m) to the Council split between the General Fund (GF) and the Housing Revenue Account (HRA).
-  Retains EHL and tenant focused governance.
-  Represents value for money for EHL and EBC by reducing overheads.
-  Creates opportunities to improve customer services.
-  Retains a vehicle for securing investment and work from non-Council owned businesses.
-  Bigger operational scale creating opportunities for more effective procurement through combined purchasing power of an integrated GF/HRA spend.

## **Appraisal of Options One to Nine**



A range of options for the future of the Council's landlord role were set out in a paper to the Housing Futures Board in August 2013.

Since then, these options have been explored and appraised by the Council's Housing Services Team with support from the Chartered Institute of Housing and Eastbourne Homes Limited.



This work has taken into account:

-  The views of tenants, expressed via the Board and at the Eastbourne Homes Limited Resident's Conference in October 2013
-  The emerging shape of the Council's overall corporate service delivery strategy, being developed under Future Model
-  A financial viability assessment of the various options
-  The changing shape of the wider housing market and its role in supporting the wider economy





### ***Option 1 – Retain current arrangements with Eastbourne Homes Limited (EHL)***

-  EHL has a track record of providing good quality services and that the organisation has wide support from residents.
-  A stand alone EHL option could deliver efficiencies going forward, however, it is recognised that the organisation is relatively small scale and this may not be the optimum way to deliver value for money and safeguard tenants/leaseholders interests.

### ***Option 2 – Expansion of EHL to deliver more services for the Council and other enterprises, both housing and non-housing***

-  As noted above, EHL has a good track record of delivery. The company has, to a limited extent, expanded into some new areas of work.
-  Again, due to EHL's relatively small scale it would be challenging to grow, as a stand alone business, whilst ensuring a focus on core housing activity.

### ***Option 3 – Return to Council and full Integration with Future Model***

-  Integration of and easier access for residents to all Council provided services.
-  Potential to generate savings (circa £1.5m) to the Council for both the General Fund (GF) and the Housing Revenue Account (HRA).
-  Risk of reduced focus on housing management services.
-  Loss of tenant governance.

### ***Option 4 - Large Scale Voluntary Transfer (LSVT)<sup>1</sup>***

### ***Option 5 – Transfer to Mutually Owned Co-operative<sup>2</sup>***


### ***Option 8 – Tenants exercise their Right to Transfer<sup>3</sup>***

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

<sup>1</sup> A Large Scale Voluntary Transfer means that the ownership of the Council's homes will transfer to another landlord, most commonly a housing association. The transfer can be to an existing association or to a new one, set up especially to be the new landlord. This can usually only take place if a majority of tenants vote for such a transfer.

<sup>2</sup> A Mutually owned Co-operative would involve the transfer of the ownership of the housing stock from the Council to a new organisation, ownership of which would be vested in the tenants and in some models also employees. It is not dissimilar in concept to building societies which are owned by their members.





<sup>3</sup> In July 2013, the Government announced formal proposal to give Council tenants the right to request a transfer of their homes to another landlord. The necessary regulations are expected to be in force by the end of 2013.

 These options are not financially viable. This is because the value of the Council's housing stock – the amount that could be paid by a purchasing landlord – would not be sufficient for the Council to clear all debts incurred in providing the homes. The higher borrowing costs of a non-public sector landlord would also reduce the amount of money available for maintenance and repair of homes. Opportunity to borrow more money than the Council can for investment.



***Option 6 – Shared Service Delivery with other Social Landlords***

-  Possible service level compromises with partners to secure agreements.
-  This option could deliver efficiencies through shared costs and more efficient procurement.
-  Risk of contractual inflexibility to manage according to local circumstances.
-  At this stage there are no local partners identified.

***Option 7 - Out-source/externalise housing management***

-  Limited market and range of providers.
-  Contractual arrangements may lead to reduced flexibility to respond to changing circumstances and needs.
-  This option could deliver efficiencies through shared costs and more effective procurement.
-  Potential loss of local accountability and control.

***Option 9 – Tenants exercise their Right to Manage<sup>4</sup>***

-  Resilience and capacity to absorb reduction in resources, risk to income and increases in external costs may be compromised.
-  May not be optimum way to deliver efficiencies due to relatively small scale of operation.

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<sup>4</sup> In July 2013, the Government announced proposals to streamline the ability of tenants to take over the management of their homes. The necessary regulations are expected to be in force by the end of 2013.







## **Appendix One: Outcomes Extract from the Terms of Reference for the Housing Futures Review**





### **Material Considerations**

In undertaking and completing the Housing Futures Review, the Housing Futures Project Board and Housing Futures Project Group will take account of the following themes, which should be considered as material considerations:




#### *Community Interests*

-  Landlord service and performance past, present and potential, including quality of delivery and customer satisfaction
-  Safeguarding and enhancing the social and economic interests of both today's and tomorrow's tenants
-  Safeguarding the ability of tenants to be actively engaged in the management of their homes
-  Local accountability


#### *Corporate Priorities for the Council*

-  Take account of and support the outcomes and ethos set down in the Eastbourne Corporate Strategy, At Home in Eastbourne and the Core Strategy (Planning)
-  Consider all current and future governance and scrutiny arrangements
-  Consider how to mitigate and reduce risks to the Council
-  Take account of stakeholder perceptions and confidence




#### *Value for Money*

-  Delivery of efficiencies including relationship where appropriate with the Council's Future Model service delivery framework
-  The impact on the General Fund
-  The impact on the Housing Revenue Account

#### *Provision of affordable and secure homes*

-  Enhancing and securing capacity for future investment in existing stock and in new/additional affordable, secure homes

#### *Economic Development*

-  Capability, capacity and relevance for delivery of non-social housing projects, including contribution to wider economic development
-  Enhancing and securing capacity for additional future investment in the wider Eastbourne economy
-  Local income generation, service and goods sourcing and employment retention

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**Eastbourne Borough Council &  
Eastbourne Homes Limited**

Here for you and your home

**Your  
Home**

**Your  
Say...**



We want to know  
what you think?

Over the past few months Eastbourne Borough Council has been looking at the different ways your home could be managed.

This has included exploring, with resident representatives and experts from the housing profession, the pros and cons of nine different ways housing management could be delivered.

Two options have emerged as offering a way forward. These are 'Eastbourne Homes in Partnership' and 'Management by the Council'.

**Eastbourne Homes in Partnership** means that Eastbourne Homes would remain in charge of delivering the major part of housing management services. We believe it is possible to do this more efficiently by creating a closer partnership between Eastbourne Homes and the Council. This is because the two organisations can share support services and costs.

**Management by the Council** would give easier access for residents to all Council provided services. This option would also make savings through sharing support services. However, there may no longer be a dedicated Management Board as there is now for Eastbourne Homes, which may reduce the way residents could influence the way their homes are managed.

We want to know what you think as it is important that together we make the right decision.

**This booklet gives you the information you need to help us do this.**



## Eastbourne Homes in Partnership

We believe the best way forward is to keep Eastbourne Homes Limited but for it to work more closely with the Council's core services. This is the 'Eastbourne Homes in Partnership' option. It means that the Eastbourne Homes Management Board will remain, complete with resident representatives. Housing management services would continue to be the responsibility of an organisation clearly focused on looking after your home. There would of course be some changes:

- Co-location of team members from both Eastbourne Homes and the Council at the Council's offices at 1 Grove Road. This will reduce office costs.
- The introduction of new technology and working practices where appropriate. This will reduce office costs and deliver better more customer-friendly services.
- Sharing some senior level professionals and managers. This will help reduce costs and allow both organisations to benefit from sharing expertise.
- Integrating 'back office' services including IT, Human Resources, Legal Services and Financial Management and Administration across Eastbourne Homes and the Council. This would save money.
- Having a single Customer Contact Centre at the Grove Road office. This would improve the accessibility to the Council by offering a single point of contact for all services and again reduce costs.

**By working in this way, we believe that we can save over £500,000.**

## What will this mean for residents?

- More money will be available to spend on homes as we will have reduced management costs.
- By joining up systems so people don't need to be sent to and fro to get an answer to their enquiries, we can improve customer service.
- Residents will continue to have a really important say in how Eastbourne Homes runs services.
- Eastbourne Homes will remain focused on what matters to residents.
- By having more support from the Council, Eastbourne Homes may be able to take on work for other organisations so that it can earn money to pay for improved services.

## Management by the Council

All housing management services would be delivered directly by the Council. There would no longer be an Eastbourne Homes Board with tenant representation. Instead, residents would make their views felt by speaking to the Council directly.

There would be more changes with this option than there would be under Eastbourne Homes in Partnership. As well as support services being shared, there would no longer be a dedicated organisation with a focus on providing housing management services.

**This option would make financial savings of £100,000 greater than those achieved by Eastbourne Homes in Partnership.**



## What will this mean for residents?

- More money will be available to spend on homes as we will have reduced management costs.
- By joining up systems so people don't need to be sent to and fro to get an answer to their enquiries, we can improve customer service.
- Residents would be able to have a say in how their homes are managed by working with their local Councillors and people employed by the Council.



## What's the difference?

We believe that residents value having a separate organisation which works exclusively for them.

Eastbourne Homes in Partnership means that repairs and maintenance, estate management and sorting out tenancy problems will continue to be the responsibility of a dedicated organisation. You will still be able to phone an Eastbourne Homes phone number but it will be picked up by someone who works for Eastbourne Borough Council (EBC). This means they may be able to help with lots of things, other than just housing. It may be more efficient for EBC to undertake routine work such as answering general enquiries, sending out forms or some aspects of rent collection. However Eastbourne Homes will still be able to make visits and offer advice on housing as it does now.

Management by the Council means that there would be no separate organisation with its own Board to focus entirely on housing matters. Housing management services would be provided directly by the Council using its own staff. There would be single telephone number to call for all services provided by the Council – including those that relate to housing management and repairs. Visits and advice to residents would be provided by people employed by the Council.

**Both Eastbourne Homes and the Council's preferred option is 'Eastbourne Homes in Partnership'.**



**The legal stuff**

Under both options there will be no changes proposed to your rights or responsibilities as tenants or leaseholders.

You will continue to be secure or introductory tenants, or leaseholders of the Council.





**The other options we looked at were...**

**Retain current arrangements with Eastbourne Homes Limited (Eastbourne Homes)**

- Eastbourne Homes has a track record of providing good quality services.
- A stand alone Eastbourne Homes option could deliver efficiencies going forward but may not have the range of skills to deliver all the services people would need.
- Eastbourne Homes is relatively small which means it may not be the optimum way to deliver value for money and safeguard residents/ leaseholders interests.

**Expansion of Eastbourne Homes to deliver more services for the Council and other enterprises, both housing and non-housing**

- Eastbourne Homes has a good track record of delivery.
- Eastbourne Homes has, to a limited extent, already expanded into some new areas of work.
- Eastbourne Homes's relatively small scale means that it would be difficult to grow as a stand alone business and keep its focus on core housing activity.

**Large Scale Voluntary Transfer (LSVT)**

**Transfer to Mutually Owned Co-operative  
Residents exercise their Right to Transfer**

- The three options above are not financially attractive. This is because the value of the Council's housing stock – the amount that would need to be paid by a new landlord - would not be sufficient for the Council to clear all the debts taken on to provide the homes.
- The higher borrowing costs of a non-public sector landlord would reduce the amount of money available for maintenance and repair of homes.
- A landlord that is not part of the public sector may have the opportunity to borrow more money than the Council can for investment.

### **Shared Service Delivery with other Social Landlords**

- This could deliver efficiencies through shared costs and more efficient buying of such things as building materials.
- There is a risk of contractual inflexibility to manage homes in a way that meets Eastbourne's needs.
- Services may not be provided by locally based people.


### **Out-source – let a contract to a third party to manage the homes**

- Contractual arrangements may lead to reduced flexibility to respond to changing circumstances and needs.
- This could deliver efficiencies through shared costs and more effective buying.
- There is a risk of a loss of local accountability and control.
- Services may not be provided by locally based people.

### **Residents exercise their Right to Manage**

- The small size of the number of homes owned by the council means that it would be hard to deliver services efficiently.
- Residents would have a high level of control over the way their homes are managed.
- Responsibility for making sure that all services are delivered to a high standard would rest with residents.

**None of these options are recommended. This is because no single one delivers a good mix of a local, dedicated focus on housing management and the savings we need to allow for more investment in homes.**



**How can  
you talk  
to us?**

There is a page at the back of this booklet that asks for your preferred option – either ‘Eastbourne Home in Partnership’ or ‘Management by the Council’. There is also space for you to give comments if you think there is anything further we should consider before making a decision.

You can visit our website for more information:

**[www.eastbourne.gov.uk/haveyoursay](http://www.eastbourne.gov.uk/haveyoursay)**

You can email us on our dedicated email address:

**[housingfutures@eastbourne.gov.uk](mailto:housingfutures@eastbourne.gov.uk)**

You can ring us directly: **01323 415973**

During the consultation, we will be visiting your Area Panels and Retirement Housing Schemes. There will be a number of community events where you can come along and talk to us.

**The deadline for consultation responses is  
Sunday 15th June 2014.**

The information contained in this document is available in different formats upon request. Please ring 01323 415973.





[www.eastbourne.gov.uk/yourhomeyoursay](http://www.eastbourne.gov.uk/yourhomeyoursay)

1 Grove Road Eastbourne East Sussex BN21 4TW  
Tel: 01323 410000  
Email: [housingfutures@eastbourne.gov.uk](mailto:housingfutures@eastbourne.gov.uk)



<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>July 16th 2014</b>
<b>Subject:</b>	<b>Private Housing Renewal Policy 2014-2018</b>
<b>Report of:</b>	<b>Senior Head of Community</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To approve Eastbourne's Housing Renewal Policy 2014-2018
<b>Decision Type:</b>	Key Decision
<b>Recommendation:</b>	Cabinet is recommended to: <ul style="list-style-type: none"><li>• Approve the Housing Renewal Policy 2014-2018</li><li>• Approve continuing the arrangements made in 2008 to work with Parity Trust to support loan finance to help property owners maintain their homes for the life of the proposed Housing Renewal Policy 2014-2018</li></ul>
<b>Contact</b>	Andy Thompson, Strategic Housing Manager 01323 415736 or internally on extension 5736. E-mail address: <a href="mailto:andrew.thompson@eastbourne.gov.uk">andrew.thompson@eastbourne.gov.uk</a>

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## **1.0 Background**

- 1.1 The Council's Housing Services department is responsible for improving the quality of housing across in Eastbourne, working with both individuals and corporate property owners. Within the department, the Housing Standards (Private Housing) team takes the lead on working with private property owners and housing associations while the Housing Strategy team work with Eastbourne Homes Limited to maintain and improve the quality of the Council's own homes. In all cases, the aim is to encourage maintenance of homes to the highest practicable standard and so help people be better able to enjoy where they live. In extreme cases, where properties are in a very poor condition, the intervention of the Council to help put right such problems can help prevent people having to move home.
- 1.2 It is primarily the responsibility of property owners to maintain their property. However some homeowners, particularly the elderly and most vulnerable, do not have the resources to keep their homes in good repair. The Council therefore has an important role to provide and facilitate assistance in these cases. This service is likely to be in greater demand over the next few years as vulnerable households may be more at risk of experiencing falls in their

income as a result of changes to social security, pensions and employment patterns.

1.3 The same responsibility applies to landlords. However, there are examples of landlords failing to maintain their properties in a condition and manage them to a standard that allows people to enjoy a safe and secure home in return for their rent payments. Tenants in such cases need help and support from the Council to help them secure from their landlord improvements to their accommodation.

1.4 For people with disabilities, timely and proportionate assistance to help them adapt their home to mitigate any disadvantages arising from their disabilities will help improve their quality of life and in some cases prevent them from being forced to move home. This important area of work- adapting homes to suit the changing needs of people with disabilities - is provided for people in Council-owned homes by the Council's managing agent Eastbourne Homes Limited and for people living homes owned either by themselves or other landlords the Housing Standards team.

1.5 This report sets out a Housing Renewal Policy for the Council that will help the Council address the issues raised above and so help contribute towards two of the 'At Home in Eastbourne' outcomes:

- Improving the Quality of Homes in Eastbourne
- Enjoying Homes and Neighbourhoods in Eastbourne

1.6 A copy of the full policy is attached to this report as Appendix A.

## **2.0 Housing Renewal Policy 2014-2018**

2.1 The Housing Renewal Policy 2014-2018 is drafted to reflect the current economic climate and limited capital finance available to the Council. It includes:

- Maintaining an emphasis on delivering loans, where assistance required is in excess of £1,000, through the Council's partner organisation Parity Trust. This approach will continue to assist in recycling available resources, improving houses to create healthy homes, ensure value for money as well as develop new voluntary sector partnerships.
- Taking enforcement action where necessary to encourage private landlords to improve the quality of the accommodation provided to local households
- A limited grants programme to help vulnerable households over 60 or who are disabled, with savings of less than £10,000, to maintain their homes.
- Explore and where practicable take advantage of opportunities arising from the Your Energy Sussex (Sussex Energy Saving Partnership) initiative and national energy efficiency initiatives to help reduce fuel bills for people in Eastbourne
- Encourage the bringing back into use of empty properties to provide more homes.
- Home Security and Sanctuary Schemes- targeted towards vulnerable households including those at risk of homelessness due to fear of violence.

Continued effective joint working with other agencies including for instance,



continuing joint work with the East Sussex Fire and Rescue Service as part of their vulnerable household inspection programme to promote energy efficiency alongside fire safety.

### **3.0 Consultation**

3.1 Extensive consultation took place in relation to the development of the Council's Housing Strategy which included private housing.

### **4.0 Resource Implications**

4.1 Since 2010, financial resources have not been made available from the Government to the Council to directly fund improvements to privately owned homes, with the exception of the Disabled Facilities Grant programme for those with disabilities. As of March 31<sup>st</sup> 2104, approximately £400,000 is available for this activity over the duration of the policy.

4.2 The Housing Renewal Policy 2014-2018 is designed to make efficient long term use of these limited resources by offering targeted assistance through the offer of low cost loans, repayable over time to the Council, to vulnerable households in Eastbourne. This will allow continued housing renewal activity for up to four years.

4.3 Parity Trust<sup>1</sup> has been an integral part since 2008 of the Council's approach to housing renewal by helping vulnerable people access low cost finance to improve their homes. This assistance helps households who would not be successful in securing loans from other high street lenders or alternative finance institutions.

4.4 To allow a smooth continuation of the current service provided by Parity Trust, and the development of the service, including the continued accumulation of recycled resources for future investment, it is recommended that Cabinet approve:

- The arrangements made in 2008 to work with Parity Trust to support loan finance to help property owners maintain their homes are extended for the life of the proposed Housing Renewal Policy 2014-2018.

4.5 There are no additional human resources issues in implementing the Private Housing Renewal Policy in Eastbourne.

4.6 Regular monitoring of our commitments and spend will take place as part of the capital monitoring process. If the recommendations are accepted as drafted the Senior Head of Communities will be authorised to suspend or limit the policy in consultation with the Cabinet Portfolio Holder should commitment be likely to exceed allocated budget.

4.7 This policy has been drafted to maintain performance in line with budgetary targets and ensure that spend of allocated resources is maximised.

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<sup>1</sup> Parity Trust is Britain's first Community Development Finance Institution. To complement the delivery of unsecured personal and business loans, since 2006 it has been offering the Home Trust Loan, designed to help people finance essential repairs and adaptations to their homes.

## **5.0 Other Implications – Environmental, Human Rights, Community Safety**

5.1 The Housing Renewal Policy 2014-2018 will form part of our approach to improving housing conditions and addressing community safety issues in conjunction with the Crime Reduction Partnership.

## **6.0 Youth and Anti-Poverty**

6.1 The policy to improve private housing in Eastbourne (in conjunction with the use of powers under the Housing Act 2004) will have a lasting beneficial impact on the health, safety and welfare of occupants, who are typically lower income single, often young people, including some particularly vulnerable and disabled groups.

## **7.0 Conclusion**

7.1 The Housing Renewal Policy 2014-2018 will provide help where it is most necessary to make homes in Eastbourne warm and secure. It will contribute toward improving energy efficiency and reducing fuel poverty.

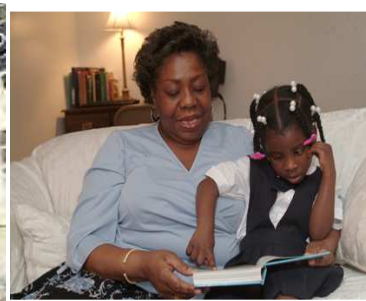
**Lead officer name: Andy Thompson**

**Job title: Strategic Housing Manager**

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### **Background Papers**

None



# Improving homes, Transforming lives.

Improving the quality of homes across Eastbourne is an important part of the Council's housing strategy 'At Home in Eastbourne'. Eastbourne's Housing Renewal Policy is part of how the Council will make its vision for housing a reality. It is designed to help people be at home in Eastbourne by...

**Providing more homes**

- Increase the number of homes available in Eastbourne by bringing empty properties – both residential and non-residential - back into use as new places to live

**Helping people to find and keep a home**

- Help reduce homelessness by increasing the choice and range of homes available in Eastbourne

**Encouraging people to look after and maintain homes**

- Improve the quality of privately rented accommodation by encouraging private landlords to have high standards of management and maintenance

**Making it easier for people to enjoy a home**

- Reduce fuel poverty by improving the energy efficiency of private housing and at the same time reduce Eastbourne's carbon dioxide (CO<sub>2</sub>) emissions
- Help older people and those who have disabilities be able to live safely and independently in their own home

Eastbourne's Housing Renewal Policy reflects and complements the

- Eastbourne Corporate Plan
- At Home in Eastbourne Housing Strategy
- EHL Housing and Economic Development Board
- Eastbourne Private Housing Enforcement Policy
- Eastbourne Core Strategy (Local Plan)
- Eastbourne Environment Strategy
- Pride of Place: The East Sussex Integrated Sustainable Community Strategy

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# 1

## **Introduction**

Poor quality housing has a significant impact on the health of the occupants. That is why it is important that those who own or manage properties do all they can to keep their houses and flats in good condition. It is of course primarily the responsibility of owners to maintain their property, whether they live in it or rent it to someone else. However some households, particularly some older people and other vulnerable residents, do not have resources needed to keep their homes in good repair. Tenants sometimes need help to work with landlords to improve the quality of their homes. In all these cases the Council has an important role, providing help, assistance and where necessary taking enforcement action to bring homes up to a decent standard.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 sets out powers for the Council to provide a broad range of assistance for people who need help to repair and adapt their homes. It allows the Council to provide a range of grants, loans and practical advice to help repair, improve or adapt homes to meet the needs of local residents.

Eastbourne Borough Council's successes, which have been secured by working together with many other organisations, include:

- A comprehensive energy programme across East Sussex as a lead authority in the East Sussex Energy Partnership
- Vulnerable households assisted with Small Works Grants have essential repairs done
- More homes for families have been provided by bringing back into use empty houses, with more than 100 empty properties brought back into use every year
- An Emergency Heating and Hot Water Repair Scheme
- The safety of residents at risk of domestic violence has been substantially improved through the Sanctuary Assistance Scheme
- A Housing Solutions Service to help people find and move to a home more suitable for their needs

# 2

## **Who do we work with to deliver the Housing Renewal Policy?**

Eastbourne Borough Council works with a wide range of partners to deliver the Housing Renewal Policy. They include:

- Local authorities across East and West Sussex
- Eastbourne Homes Limited Housing and Economic Development Programme
- The Public Health Service
- Financial services providers
- Housing associations
- Private landlords
- Letting and managing agents
- Energy companies
- Building contractors
- Age Concern
- Brighton Housing Trust

# 3

## What do we know about housing in Eastbourne?

**Owner occupied property** accounts for around 75% of the homes in Eastbourne. It remains the most popular tenure and responsibility for looking after an owner occupied home rests with the owner. Most of these are well maintained and suitable for the needs of their residents but a significant number are believed to be in an unhealthy condition and lack adequate heating or insulation. The Council is able to provide advice to help people work out the best way to get decent repairs done that will make their homes safer and more secure and last longer. There are times when people may have problems finding the money to cover the cost of essential repairs. The Council can also offer help and advice here on the options owner occupiers may have to raise the resources needed to make repairs.

**Social housing**, provided by the Council itself or housing associations accounts for around 15% of the homes in Eastbourne. The landlord is responsible for repairs and maintenance. Moreover, social housing must meet the Decent Homes Standard which sets out minimum requirements for the quality of social housing.

High house prices and a shortage of social housing can mean that **renting from a private landlord** can be the only option for many local people. This sector of the housing market ranges from bedsits and rooms in shared houses to executive -style lets of large detached homes.

There are approximately 2,300 university students studying at Eastbourne's university campus, 7,600 students study at Sussex Downs College and an additional 30,000 language students visit the town each year. A significant number of these students rent homes from private landlords.

The most recent **Eastbourne House Condition and Energy Efficiency Survey** indicates that the estimated proportion of Houses in Multiple Occupation (HMOs)<sup>1</sup> is 1,300, which is 3.3% of the stock compared with 2% across England. Eastbourne has approximately 150 mandatory licensable HMOs. This is an HMO with three or more storeys, shared amenities and five or more residents.

Failure to meet minimum standards defined as having a Category 1 Hazard under the Housing Health and Safety Rating System is a problem in 13.1% of dwellings or 5,180 homes.

## Grants, charges and loans

# 4

The two types of assistance are:

- A 'grant' which is funding given for a specific purpose and is not repayable unless specific conditions are not met
- A 'loan' is an arrangement to repay the assistance normally through our partner organisation the Parity Trust.

For assistance, such as a grant, which totals more than £999 a charge will be placed against the property. Other, smaller grants are not repayable and no charge will be placed against the property.

- A 'charge' is a charge on a property made by the council for a specific amount, repayable when the property is sold or exchanged.

Money secured when charges are repaid is reinvested in the Housing Renewal Policy programme. This means that we can continue to help more people in the future. The charges are discretionary and repayment demands will be determined on a case by case basis reflecting the individual circumstances of each applicant.

We always make sure that applicants for grants or loans are given clear information and are fully aware of any obligations once assistance has been provided.

## 5 What assistance can the Council provide?

The council's website includes comprehensive advice and information about private housing at [www.eastbourne.gov.uk/privatehousing](http://www.eastbourne.gov.uk/privatehousing)

### **All assistance is subject to sufficient funding being available**

There are five groups of assistance:

#### **1. Repairs and Improvements**

- ***Healthy Homes Assistance***

Healthy Homes Assistance is available to provide resources to enable the over 60s, families with a child under 16 and disabled people receiving a means tested benefit to stay in their own home by making it 'healthy' and safe. The assistance will however only be given to improve living conditions to alleviate serious risks to health and safety by dealing with Category 1 hazards or serious disrepair that will lead to a Category 1 hazard if not addressed. The assistance is up to a maximum of £10,000 to deal with these hazards and will be provided by means of a loan through our partner organisation Parity Trust. Owner occupiers or leaseholders with five years to expiry of their lease who have owned and occupied the property as their only or main residence for a year are eligible.

- ***Small Works Grant***

This grant is available to help vulnerable households over 60 or who are disabled, with savings of less than £10,000, to maintain their homes. Works can include adaptations, repairs or other works such as improved security to help people to remain living in their own home. The maximum grant is £500.

## 2. Adaptations

- **Disabled Facilities Grant (DFG)**

Mandatory Disabled Facilities Grants are available, as prescribed in the Housing Grants Construction and Regeneration Act 1996. People with disabilities can obtain a mandatory DFG for a range of work including:

- making it easier to get in and out of their homes or to get around in their bedroom, bathroom, living room and kitchen or to help them care for another person
- making it easier to use the toilet, bath and shower
- to provide safe access to the garden
- making it easier to prepare and cook food
- improving or installing a suitable heating system
- helping to control lighting, power and heating

The maximum grant payable for eligible works is £30,000

## 3. Safer Homes

- **Sanctuary Grant**

This scheme is one of a range of options available to prevent homelessness to help people considered to be at risk of domestic violence to remain in their own homes should they so wish. It can provide additional locks, window security, outward opening external doors and in certain cases a safe room within the home that will provide a refuge at times of danger. The grant is up to a maximum of £1000.

## 4. Warm and energy efficient homes

- **Warm homes delivered by working with the Green Deal<sup>2</sup> and ECO<sup>3</sup>**

We plan to build on the success of the East Sussex Energy Partnership with a wider pan Sussex grouping called Your Energy Sussex to work with Carillion Energy Services to help promote insulation and renewable technologies. This initiative will help reduce CO<sub>2</sub> emissions and this will be funded by the Energy Company Obligation. Our work as part of Your Energy Sussex will continue to offer incentives to householders to take advantage of the Green Deal and other offers at increasingly subsidised rates. Energy Efficiency works can be funded by a variety of funding sources such as Green Deal, ECO feed in tariffs for solar PV, Renewable Heat Incentive, up to £7600 DECC grants and £66m borrowing facility from the LEPE which the authority will be able to access under current arrangements.

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<sup>2</sup>  
<sup>3</sup>



- **Emergency Heating and Hot Water Repair Grant**

This is a grant for boiler repairs to assist older and disabled people. To assist with this match funding from benevolence funds and other sources may be sought on a case-by-case basis. The grant is for the over 60s or disabled with less than £10,000 of savings and is up to a maximum of £1000.

## 5. Empty Property Assistance

This is available to help bring empty properties back into use, aiming to increase the supply of housing for those in need, particularly homeless households seeking the Council's assistance. To be eligible for this assistance a property must have been empty for more than six months and be in need of renovation, improvement or conversion works. The assistance is normally limited to a maximum of £10,000 per dwelling, provided by means of a loan through Parity Trust and wherever possible the Council will seek to secure nomination rights for an agreed period, usually five years.

## 6 Fees and Charges

Fees of up to 15% of the eligible works may be charged by surveyors and other support agencies for assisting a client through the process of obtaining assistance. Other charges can include those for Land Registry, Planning or Building Control and surveyor or architect fees. The Council will consider whether fees are reasonable in assessing and determining any application. Obtaining Planning and Building Control approval are the responsibility of the applicant. If a preliminary structural or electrical survey is required to determine the extent of work necessary then the applicant will be liable for these fees. The application must include satisfactory invoices so that, if assistance is approved, the applicant may be reimbursed for some or all of these costs.

## 7 What isn't included in the Housing Renewal Policy?

- Separate funding is available for work to **social housing** which is the responsibility of the landlord. The Housing Renewal Policy therefore does not apply to social housing.
- Funding will not normally be available for works to **boats, caravans or tents**.
- Mandatory Disabled Facilities Grants are available for caravans and mobile homes provided that the eligibility criteria are met.
- The Council does not normally use its powers to **acquire, demolish or replace homes** as this rarely provides best value for money.

## 8 Encouraging Housing Renewal

- **Contractor Call**

Contractor Call's Register lists approved contractors for various building works. This is a scheme that protects vulnerable people from rogue traders and bogus builders by putting them in touch with approved local contractors. The service is available to all residents of Eastbourne. Advice on obtaining a contractor is available on 01323 724433 between 9.30 am and 1.00 pm Monday to Friday. The service is based at Age Concern, Venton Centre, Junction Road, Eastbourne, BN21 3QY.

- **Community maintenance and building skills training**

This is delivered by Sussex Downs College via a range of DIY courses: visit the college at [sussexdowns.ac.uk/](http://sussexdowns.ac.uk/) or telephone **01323 637637**.

- **Voluntary organisations**

Eastbourne Borough Council provides advice and advocacy services through its links with Brighton Housing Trust's Eastbourne Advice Service, on 01323 642615 based at 28 St Leonards Road, Eastbourne, BN21 3UT and [www.bht.org.uk](http://www.bht.org.uk) We will help to promote these services through visits, leaflets and our website.

- **Enforcement Action**

Landlords have a responsibility to make sure that all accommodation they let is in good repair. The Council will use the enforcement powers available (set out primarily under the Housing Act 2004) to tackle landlords who offer substandard accommodation. Further details on how we do this can be found in the Private Council's Housing Enforcement Policy.

- **Working with Private Housing Landlords and Letting Agents**

We will continue to engage with private sector landlords, including The Council provides advice, education and training to landlords and agents via the Landlords' Forum and associated landlords' events. Any landlord is welcome to attend the forum.. The Council also works with the National Landlords Association to make sure it is up to date with all the latest news, views and developments from the sector.

- **Working together in Sussex**

The Council works in partnership with Wealden District Council work on returning long term empty properties back into use and is an active member of the Sussex Energy Saving Partnership. It is a member of the Supporting People Commissioning Group. Sussex Empty Homes Forum which promotes and encourages good practice across the county.

- **Empty Properties**

The Council looks to bring empty properties back into use by working with owners of properties to find the most effective means of returning their properties into homes. Our emphasis is on liaising with owners and jointly understanding why a property is empty and what needs to be done to return it to use. We offer information and advice about a range of options and encourage

them to return the property to use within a reasonable timescale. The Council is also able to offer help finding suitable tenants and may be able to help in sourcing financial assistance, such as loans, towards renovation costs.

Where this type of work fails, the Council will consider taking enforcement action. A range of legislative powers can be used to address immediate risks posed to the community by a problematic empty property and to help to improve its appearance, pending its return to use. There are additional powers available to secure refurbishment and re-occupation, such as Empty Dwelling Management Orders, Compulsory Purchase Orders and Enforced Sale Procedures.

## 9 Service Standards and Monitoring

- Once all the required forms and supporting information have been received the application will normally be assessed for eligibility within 28 working days or a letter will be sent stating what is missing from the application.
- The Council reserves the right to take up to 6 months to approve an application to make sure the efficient use of resources.
- An approval notice, where appropriate, will include the address of the property for which grant or assistance is being approved, the cost of the eligible works and the value of any services and charges being included with the application.
- A refusal notice will set out the reasons for the refusal of assistance.
- Payment will normally be made within 28 days of the receipt of invoices that are acceptable to the Council.

The Housing renewal Policy remains valid until updated. The impact and outputs of the policy are continually monitored throughout the year and measured against targets which are reported quarterly.

## 10 Further information and advice

Advice may be obtained from the Housing Standards Team, 1 Grove Road, Eastbourne, East Sussex, BN21 4TW. Tel: +44 (0)1323 415373 Fax: +44 (0)1323 415997

Further information is available from our web site and enquiries may also be made electronically at: [www.eastbourne.gov.uk](http://www.eastbourne.gov.uk)

## Appendix 1: The Application Process for Assistance

Preliminary enquiry forms can be obtained from the Private Housing Team at 1 Grove Road, Eastbourne, East Sussex, BN21 4TW or downloaded from the Council's website [www.eastbourne.gov.uk/privatehousing](http://www.eastbourne.gov.uk/privatehousing)

Assistance will only be available from the Council whilst there are sufficient funds to deliver the Policy. Applications must be made on the appropriate form provided by the Council and accompanied by all the information required. In making an application for assistance the applicant will be giving their permission for the Council to verify the information in the application, for example, by comparing with other records held by the Council or other statutory authorities. If it appears that the potential applicant may be eligible for assistance then an officer will inspect the property by appointment and assess the works required if appropriate. Following a successful assessment the householder will be invited to submit a formal application, together with all the required information including at least two competitive estimates where necessary.

All Assistance given where the total value is more than £1000, will be repayable on the sale of the dwelling / change of title or sooner if the applicant so decides as set out on the assistance documentation. Grants up to £1000 are not repayable. All assistance that has been registered as a land charge must be repaid, while conditions apply, when there is a change of ownership or tenure or sale. This condition is binding on the applicant and any subsequent owner until the assistance is repaid. Should assistance be offered through the Parity Trust then those terms and conditions shall apply. Before requiring the repayment of assistance the Council will have regard to the person's ability to make a payment. If it is considered that the repayable amount will place the person in undue hardship and there are exceptional circumstances then a waiver request can be considered by the Portfolio Holder for Community Services.

**Owner-occupiers** are required to have owned and lived in the dwelling for at least one year on the date of application to ensure that resources are targeted to long term residents. There are insufficient resources for the Council to assist with the improvement of properties that have been purchased in poor condition with existing defects. **Tenants with a repairing obligation** may make an application so long as the owner of the property has given their consent to the works.

Before giving assistance the Council will be satisfied that the applicant has received appropriate advice or information about the extent and nature of any financial or other obligation that they will be taking on and that they are capable of meeting the repayment conditions. Should assistance be offered through the Parity Trust then those terms and conditions shall apply. The Council will provide a written statement of the conditions to which assistance is subject and ensure that all persons to whom assistance is given receive advice or information about any obligations to which they would be subject once assistance has been provided. The grant will normally be calculated using the cheaper of two estimates. Works are to be carried out in accordance with any schedule provided by the Council.

The amount of assistance may be re-determined in exceptional circumstances if the Council is satisfied that circumstances beyond the control of the applicant mean that the approved works could not have been carried out within the originally approved amount. The assistance may also be re-determined if the eligible works cannot be carried out without undertaking additional works that could not have been reasonably foreseen at the time the application was made. Once approval is given the works may be commenced. Works must not commence before approval is made by the Council. Payment can either be made in instalments at agreed stages during the period of the work or in full at the completion of the works subject to the submission of satisfactory receipt of all relevant invoices.

The payment of assistance is conditional upon:

- the eligible works being completed to the satisfaction of the Council
- acceptable invoices or receipts for payment being provided for the works and the fees, services and charges in respect of which the assistance or part of the assistance is to be paid.

We will normally inspect works undertaken and expect works to take place within six months of approval. We will ask the applicant to sign that the work has been satisfactorily completed. Whilst the contract will be between the applicant and the contractor, the Council will normally make payment direct to the applicant's contractor. Payment may be made to the applicant, in the form of a cheque payable to the contractor, in certain exceptional circumstances. A direct payment may be made to the applicant if the Council has received a receipted invoice that has been paid by the applicant. The Council will only pay for the cost of materials where the works have been carried out by a member of the applicant's family.

Assistance is limited to a maximum of £30,000 over any 10-year period and will normally only be available for the main structure of the dwelling. In certain circumstances we may consider an application within these time periods, when risks to health and safety arise that were not in evidence when the previous application was made. The only exception to this is the mandatory DFG where successive applications may be made subject to an occupational therapist's assessment.

Outhouses, conservatories, porches and 'lean-to's will normally be excluded in order to target limited resources most effectively. Assistance will not normally be available to undertake work outside the curtilage of the dwelling except where essential to ensure the provision or repair of services such as gas, water, and drainage or electricity supplies. Where appropriate such assistance is also subject to the provision by the applicant of the written permission of the landowner. Work covered by an insurance claim or which should have been so covered will not normally be eligible for assistance.

A completed certificate of owner occupation or proof of title must be submitted with the application. This certificate will state that the applicant has or proposes to acquire a qualifying owner's interest in the dwelling, intends that the dwelling will be the only or main residence of, and will be occupied by, the applicant or a person who is a member of the applicant's family. Having an owner's interest means owning the freehold of the property, or having it on a tenancy, with a repairing obligation, of which not less than five years remain unexpired at the time of the application. This condition applies whether the property is owned alone or jointly with others. Section 113 of the Housing Act 1985 applies in determining whether a person is a member of another's family. Where an application for assistance is accompanied by an owner occupation certificate it is a condition of the assistance that the dwelling is occupied in accordance with the intention stated in the certificate until the assistance is repaid. The applicant shall notify the Council of any breach of the owner's certificate.

Assistance conditions will be enforced in all cases. Where any condition is in force, the Council may require the person responsible to provide any information to satisfy the Council that the condition is being complied with. The Council can require this information in writing or other form within the reasonable time period specified by the Council. Failure to comply with this requirement is a breach of assistance conditions and the assistance must then be repaid to the Council. The Council does not have the burden of having to prove that the condition is not being complied with.

All eligible works must be carried out by a contractor whose estimate accompanied the application unless an alternative estimate is submitted and approved by the Council subsequent to the original approval of the application. Maintenance of a property is the owner's responsibility and we will take any lack of maintenance into account when considering eligible works. Where a warranty is available the contractor should provide this. Eligible works are to be started within 6 months of the approval of assistance and

completed within a further 6 months unless an extension is requested and agreed by the Council in writing. Completion of the works will be the responsibility of the applicant and agent if applicable.

Assistance conditions come into force from the date the assistance is approved. The Council may recover any interim payments or other costs incurred if the agreed work is not fully completed. Assistance conditions outside the SCML scheme are registered as a local land charge. This charge will not be removed until the assistance has been repaid. A local land charge is binding on any person who is for the time being an owner of the premises concerned. When a condition is broken, the Council has all the usual powers and remedies in law to enforce the local land charge and secure payment of any amount due.

The Council will obtain the consent of the person to whom the assistance was provided before varying the specification of any assisted work, and before varying or revoking any condition to which assistance is subject. Applicants are advised that they must have adequate buildings insurance until the property is sold, unless the applicant does not have an insurable interest in the property.

## Appendix 2:

### Applications outside policy

There is scope within the policy to consider supporting one off scheme developments or work that falls outside the provisions of this policy should it fall into the overall spirit of the Private Housing Renewal Policy. This would be subject to approval from the Portfolio holder for Community Services following a special consideration report. All enquiries will be assessed on the merits of the individual circumstances presented.

## Appendix 3:

### Complaints and appeals

Appeals against refusal of any grant application or refusal to waive grant conditions should be made in writing to the Housing Operations Team Leader, 1 Grove Road, Eastbourne, BN21 4TW. The letter should plainly state the grounds on which the appeal is made e.g. that the policy has not been applied correctly or that an exception should be made to policy due to unique circumstances. A written response will be made within 21 days of receipt of the appeal letter. If an appellant is unable to make a written representation then appeals in other formats will be accepted and the determination will be communicated in a manner that is appropriate to ensure that the appellant readily and fully understands its content and meaning.

The Council's corporate complaints procedure may also be used in the event that applicants are dissatisfied with the service they have received. However complaints should be directed to the Housing Operations Team Leader in the first instance so that an opportunity is given to resolve any complaint direct, at the address above.

## Eastbourne Borough Council – Grant assistance Summary (for details see Housing Renewal Policy)

Initiative	Eligibility	£ Assistance maximum
<b>Repair</b>		
1. Healthy Homes Assistance To alleviate serious risks to health and safety by dealing with Category 1 hazards or serious disrepair that will lead to a Category 1 hazard if not addressed	Over 60 or Disabled or family with a child under 16 On means tested benefit Owner occupiers or leaseholders with 5 years to expiry of their lease who have owned and occupied the property as their only or main residence for a year are eligible	10,000 provided by means of a loan through Parity Trust
2. Small Works Grant Works can include adaptations, repairs or other works to enable people to remain living in their own home.	Over 60 or disabled with savings of less than £10000	500
<b>Adaptations</b>		
3. Disabled Facilities Grant A mandatory grant in certain circumstances for a range of work	Disabled and subject to test of resources which does not apply to disabled children	30,000
<b>Safer Homes</b>		
4. Sanctuary Grant Provides additional locks, window security, outward opening external doors and in certain cases a safe room within the home that will provide a refuge at times of danger	Those considered to be at risk of domestic violence enabling them to remain in their own homes should they so wish.	1000
<b>Warm and Energy Efficient Homes</b>		
5. ECO funding to be delivered via Carillion and other partners 6. Energy Efficiency improvements to be delivered via a number other funding sources	a. ECO funding available for those on certain benefits b. All residents eligible for Green Deal subject to conditions	Varies
7. Emergency Heating & Hot Water Repair Grant Match funding from benevolence funds and other sources may be sought on a case-by-case basis.	Over 60 or disabled with savings of less than £10,000 Needing emergency boiler repairs	1000
<b>Empty Properties</b>		
8. Empty Properties Assistance	Empty for more than 6 months and nomination rights Required	10,000 50% of cost

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<b>BODY:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>16 July 2014</b>
<b>SUBJECT:</b>	<b>Review of Community Grants programme</b>
<b>REPORT OF:</b>	<b>Senior Head of Community</b>
<b>Ward(s):</b>	All
<b>Purpose:</b>	To consider the findings of a review of the Community Grants Programme policy and procedures and to agree revisions to the Community Grants Policy and priorities for Small Grants for the year 2015/16
<b>Contact:</b>	Ian Fitzpatrick, Senior Head of Community, Telephone 01323 415935 or internally on extension 5935. Email: <a href="mailto:ian.fitzpatrick@eastbourne.gov.uk">ian.fitzpatrick@eastbourne.gov.uk</a>
<b>Recommendations:</b>	In accordance with the recommendations of the Grants Task Group Cabinet is recommended to: <ul style="list-style-type: none"><li>• Note the findings of a recent review of the Community Grants Policy and Procedures</li><li>• Approve the amendments to the Community Grants Policy set out in paragraph 3</li><li>• Agree the priorities for the Small Grants Programme for the year 2015/16</li></ul>

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## **1.0 Introduction**

- 1.1 The current Community Grants Policy was agreed by Cabinet on 30 May 2012 and has been in operation for two years.
- 1.2 A review of the Community Grants Policy was carried out in 2013/14 to ensure the new policy and procedures were fulfilling the Council's objectives of ensuring a fair and transparent process awarding Grants on the basis of need and strategic priorities, quality, impact and value for money.

## **2.0 Feedback from consultation**

- 2.1 In preparation for the review and in line with the Council's commitments under the Compact with the voluntary and community sector, officers sought feedback on the policy and procedures through
  - a survey of 3VA members
  - a survey of people who attended the Funding Fair 2013

- a discussion with the Equality and Fairness Stakeholder Group
  - liaison with staff and Members involved in the grants process
  - discussions with an officer of 3VA who supports and advises groups on applications.
- 2.2 Overall comments were positive and the additional support provided by Council officers through training workshops and individual advice, and support from 3VA is highly valued.
- 2.3 Some groups find the form difficult to complete. Their perception is that some questions repeat others. However, most of those consulted agreed that the questions all ask for specific information to test the thinking behind applications and projects and that the forms provide a useful experience of applying for funding to external bodies and should not be changed. The questions are designed to encourage groups to explain how they have arrived at their proposals and ask them to identify the partners they can work with, show that they have consulted relevant agencies and the proposed beneficiaries about their proposals, and considered equality and inclusion. These are all important aspects of project development and groups which have undertaken these activities have no difficulty answering the questions. The questions are also essential to enable officers to make an assessment of the project quality and likely effectiveness.
- 2.4 One group commented that the practice of awarding less than the full amount of grant requested made it difficult to ensure that projects are viable. However, the Council's agreed policy is to spread funding as widely as possible and to encourage organisations not to rely on Council funding but to use it to pump prime their activities and lever in additional funding from other sources. There is also an understanding that organisations may not be able to deliver all their objectives if they are unsuccessful in securing additional funding. Small Grants are intended as one-off awards whereas the Major Grants programme offers three year funding for the authority's priorities where the Council wishes to support longer term development and sustainability.
- 2.5 There was a concern that a number of applications are submitted from organisations which are ineligible and for projects which are either ineligible – e.g. building improvements and large capital items – or do not meet any of the priorities set. Groups often spend a lot of time completing application forms for projects which cannot be funded.
- 2.6 The introduction of a moderating process has been useful as it clarifies issues and allows a more consistent approach to awarding grants.
- 2.7 The Equality and Fairness Stakeholder group supported a proposal that projects which promote the inclusion of groups protected under Equality legislation should be given some priority, but felt that there

should not be separate priorities covering specific protected groups.

### **3.0 Proposed amendments to policy and procedures**

- 3.1 To ensure organisations do not spend time on ineligible applications, in future, a two-stage process is proposed with a short Expressions of Interest form similar to that used by the Big Lottery, which asks critical information to enable officers to identify quickly those applications which would not meet the Council's criteria or priorities. Only those which meet the eligibility criteria and address one of the agreed priorities will then be invited to apply in full.
- 3.2 The Grants Task Panel is recommending a number of amendments to the Community Grants Policy:
  - a) to remove the list of priorities for Major Grants and Small Grants. The Grants Task Group recommends a greater level of flexibility allowing the Council to respond to emerging trends and needs. The Group will continue to recommend priorities (in line with the Corporate Plan priorities for that period) for the next year's programme to Cabinet each year in order to ensure groups are aware of these before applying.
  - b) to clarify that the grants are aimed at smaller voluntary and community groups with relatively modest income which make significant use of volunteers in the delivery of their services and activities
  - c) to confirm that no more than one grant can be awarded per organisation at any one time and that those in receipt of Major Grants will not be eligible to apply.
  - d) to clarify that the level of award made is likely to be less than the full amount requested but will depend on the quality of the application.
  - e) to confirm that priority will be given each year to projects which promote inclusion and the needs of those communities and groups protected under current Equality legislation (Equality Act 2010 and any subsequent amendments) with higher priority given to those projects which are specifically designed to involve protected groups in running and developing services.
  - f) To reflect the proposed two-stage procedure set out at 3.1 above.
- 3.3 The revised Policy is shown at Appendix 1 with notes identifying where the changes have been made.

#### **4.0 Small Grants priorities for 2015/16**

4.1 Cabinet is recommended to approve the following priorities for funding through the Small Grants Programme in 2015/16.

- 1) projects that help groups develop their volunteer base (Thriving Communities)
- 2) projects that support health and wellbeing (Thriving Communities)
- 3) environmental projects (Quality Environment)
- 4) projects which will deliver new activities for young people (Thriving Communities)
- 5)

#### **5.0 Resource Implications**

5.1 The recommendations set out above have no resource implications. The allocation of the budget for the Community Grants programme is agreed by Council in February each year.

#### **6.0 Implications for Equality and Fairness**

6.1 All applications must meet minimum eligibility criteria covering equality and fairness in compliance with the provisions of the Equality Act 2010. The assessment of applications also takes account of proposals to ensure activities and projects meet the needs of protected groups.

6.2 The policy amendment outlined at 3.2 e) above makes it clear that the Council gives additional priority to projects which promote inclusion and particularly to those which involve protected groups in running and developing services.

#### **7.0 Other Implications**

7.1 There are no Environmental, Staffing or other implications arising from this report.

#### **8.0 Conclusion**

8.1 In line with the deliberations of the Grants Task Group it is recommended that Cabinet:

- approve the amendments to the Community Grants Policy set out in paragraph 3
- agree the priorities for the Small Grants Programme for the year 2015/16

**Ian Fitzpatrick**  
**Senior Head of Community**

**Background Papers:**

*None.*

## **Appendix 1 – Revised Community Grants Policy**

### **Eastbourne Borough Council Community Grants Policy**

Eastbourne Borough Council recognises the immense value of voluntary and community activity and its contribution to residents' well-being, the local economy and the sustainability of a wide range of services which benefit people living and working in the town and visitors.

Following a review of our policies and procedures for awarding grants the Council now has two programmes:

- Major grants – £180,000 available to be distributed as grants of more than £10,000
- Small grants – £60,000 available to be distributed as grants of up to £10,000

In addition to the Community Grants programme the Council awards small grants through the Devolved Ward budgets which currently total £90,000 bringing the total available from the Council for small grants to £150,000.

The decision to change the balance of funding towards smaller grants recognises the importance and effort of many small community organisations in the town which rely to a large extent or, in most cases, entirely on unpaid staff.

Priorities for grants (Major Grants and Small Grants) will be set during the year before funding becomes available. These priorities will be set in line with the Corporate Plan priorities at the time. (a)

#### **Major grants – more than £10,000**

The Council has allocated £180,000 to be awarded in the form of major grants for revenue spending only.

These will be awarded for three years at a time every three years 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2019 and will be subject to grant conditions and quarterly monitoring.

Given current constraints on all Council budgets, the Council will not make any allowance for inflation, but will instead set the grant level at the same amount for the three year period.

Projects and services awarded major grants for any period should not assume that they will be awarded grant in future years. Grants will be awarded on the basis of the priorities set at the time and the criteria and assessment process set out in this policy.

## **Small grants – up to £10,000**

The Council has allocated £60,000 to be awarded in the form of small grants. These will be awarded for one year only and will be designed to support new activities and projects. These may be for small capital items such as new equipment or for revenue spending.

The Council is looking to support new initiatives and all applications will be considered on their own merits each year. Organisations which have received a grant in previous years must not assume or plan for a grant to be awarded in the next year.

Priority will be given to projects which are not eligible for funding from Devolved Ward budgets. Those which are eligible will be expected to show that they have applied for support from the Devolved Ward budget in their area.

Priority will be given each year to projects which promote inclusion and the needs of those communities and groups protected under current Equality legislation (Equality Act 2010 and any subsequent amendments.) Higher priority will be given to those projects which are specifically designed to involve protected groups in running and developing services. (e)

Other priorities for funding from the Small Grants programme will be changed from year to year to ensure a fair distribution of funding to different types of project and to ensure that emerging needs are reflected. The priorities for the year ahead will be confirmed during the Spring / Summer of each year for the next year's programme.

## **Eligibility criteria**

Grants will only be awarded to organisations or partnerships which can demonstrate that they:

- Have a need for grant funding. We will not give grants to any organisation with significant uncommitted funds or which itself makes grants to other organisations
- Have sound governance arrangements
- Have sound financial management and plans
- Can demonstrate good value for money and demonstrate a significant use of volunteers in the delivery of their services (b)
- Have clear policies on equality and inclusion covering service users, volunteers and staff and encompassing all those groups protected under the Equalities Act 2010. They must demonstrate that they have designed activities and services which are easily accessed by everyone and address the needs of people on low incomes.

We actively encourage applications from consortia and partnerships subject to a lead organisation taking responsibility for delivery and providing evidence and supporting documents of their eligibility as set out below.

Applications are welcomed from organisations based outside Eastbourne where the service will be delivered in Eastbourne and for the direct benefit of Eastbourne and the beneficiaries will be Eastbourne residents.

Grants may be awarded to groups which are branches of regional or national organisations, subject to the provision of monitoring information in a form to be agreed with the Council that clearly demonstrates how the funding has been used in Eastbourne.

**The Council will not fund:**

- Major capital works or projects
- Any project that duplicates services already provided and funded elsewhere
- More than one project per organisation. Those in receipt of a Major Grant will not be eligible to apply for a Small Grant. (c)

**Procedure for awarding grants**

Not-for-profit organisations will be invited initially to submit expressions of interest. These will be checked by Officers and the Grants Task Panel to ensure they meet the eligibility criteria and address the priorities set for that particular year. Those which do will then be invited to submit a full application which must be supported by the following documents required as evidence:

- Constitution / Memoranda and Articles / Terms of Reference
- Statement of accounts / income and expenditure
- Bank statements / Building Society passbook
- Equality and diversity policies

(f)

Only eligible applications will be considered for funding.

Eligible applications will be assessed against the following criteria:

Has the applicant received funding within in the previous three years? If so, is the Grants Task Group satisfied that the organisation has delivered the project and / or services set out in its previous application and grant conditions?

Any application from an organisation which has not delivered against its previous grant to the satisfaction of the Grants Task Group without good reason will not be considered as a priority for further funding.

Eligible applications will be assessed against the following criteria:

- Identified need and strategic relevance – 40%
- Quality – 20%
- Impact – 20%
- Value for Money – 20%

Applications will be assessed and considered by the Grants Task Group against these criteria and the priorities agreed by Cabinet. The Group will then



recommend grant awards to Cabinet at its meeting in February each year, subject to final agreement of Council budgets.

The Grants Task Panel will endeavour to fund all those applications which meet a reasonable standard to spread the benefits of the grants budget as widely as possible. This means the Council is unlikely to award the full amount requested. The level of funding awarded will depend on the quality of applications and the demand for funding. Organisations are expected to use Council funding to lever in additional funds from other sources. (d)

A schedule of grants awarded will be published on the Council's website each year.

Feedback on individual grant applications may be given on request to the organisation concerned. Information on other applications beyond that contained in the schedule will not be shared.

### **Grant conditions**

All grants must be fully spent within the year for which they are allocated and on the costs and activities set out in the grant application.

Very minor changes may be agreed from time to time subject to the funding being used in line with the original application. Any such changes must be applied for to the Council and agreed in writing.

The Council may nominate an elected member to sit on the Board of Trustees of any Major Grant recipient as an observer and an officer of the Council may also attend the Board of Trustees as an observer from time to time. The purpose of the Council's nominated observers is to ensure that the organisation is reporting information that can be used to ensure the Council is receiving best value for the funding input. The nominated observers may challenge the information provided to the Board of Trustees in order to ensure that this is accurate and relevant.

For audit purposes, records must be kept showing how the grant has been spent, along with any relevant receipts or invoices.

Spending on Major Grants must be accounted for separately and open to audit by the Council's auditors.

Monitoring and management information must be provided to the Council at the end of each year or quarter (by the end of the following month), depending on the size of the grant, to an agreed format, as evidence that the organisation is delivering the project or services for which grant has been provided and is on track to deliver the agreed outputs. This information is required as part of the Council's auditing process. Any organisation which does not comply with these conditions may be asked to repay the grant money.

Grant will only be paid when monitoring information has been provided in writing for the previous agreed period - annually for small grants and quarterly on invoice for major grants.

An officer of the Council may visit the grant recipient from time to time to audit the information sources. The Council may also request a review if it wishes to discuss the project or service development and delivery.

Any grant no longer needed (e.g. where a project is no longer viable or alternative funding has been secured which is adequate to deliver the project or service) must be offered back to the Council. The Grants Task Group will decide how any such funds are re-allocated.

Updated July 2014

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>16 July 2014</b>
<b>Subject:</b>	<b>Retail Rates Relief and Business Rates Reoccupation Relief</b>
<b>Report Of:</b>	<b>Senior Head of Community</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To seek approval of local policies on Retail Rate Relief and Business Rates Reoccupation Relief.
<b>Decision Type:</b>	Key decision
<b>Recommendation:</b>	That the local policies on Retail Rate Relief and Business Rates Reoccupation Relief appended here are adopted.
<b>Contact:</b>	Bill McCafferty, Revenues and Benefits Manager, Telephone 01323 415171 or internally on extension 5171. E-mail address: <a href="mailto:bill.mccafferty@eastbourne.gov.uk">bill.mccafferty@eastbourne.gov.uk</a>

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## **1.0 Background/Introduction**

- 1.1 Central government announced in the Autumn Statement on 5 December 2013 two initiatives to help businesses. Firstly, that it would provide relief of up to £1,000 to all occupied retail properties with a rateable value of £50,00 or less in each of the years 2014/15 and 2015/16. And secondly that it would provide a 50% business rates discount for 18 months for businesses moving into previously empty retail premises between 1 April 2014 and 31 March 2016. Both initiatives are subject to State Aid De Minimis levels.
- 1.2 The grant of the reliefs are discretionary and local authorities can use their powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1998) to grant such relief.
- 1.3 Central government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme for reliefs that fall under these schemes.

## **2.0 Local policies**

- 2.1 As granting the reliefs falls under the Council's Discretionary powers it is necessary to have a local policy for each of the reliefs.
- 2.2 The local policies, attached as Appendix 1 (Retail Rate Relief) and Appendix 2 (Reoccupation Relief) have been developed along the lines of the guidance produced by the Department for Communities and Local Government.
- 2.3 Members can find details of the qualifying criteria within the policy documents.

### 3.0 **Retail Rate Relief**

- 3.1 In short, Retail Rate Relief will be available to Hereditaments (properties) that are being used for the sale of goods to visiting members of the public (e.g. florists, bakers, greengrocers, butchers, greengrocers, jewellers, stationers, newsagents), for the provision of certain services to visiting members of the public (e.g. hair and beauty services, travel agents, dry cleaners), for the sale of food and/or drink to visiting members of the public (e.g. bars, sandwich shops). A list of the types of hereditaments considered to be retail is contained within the policy.
- 3.2 Certain types of business will not qualify for relief. They are hereditaments that are being used for the provision of the following services to visiting members of the public:
- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
  - Other services (E.g. estate agents, letting agents, employment agencies)
  - Medical services (E.g. vets, dentists, doctors, osteopaths, chiropractors)
  - Professional services (e.g. solicitors, accountants, insurance agents, financial advisers, tutors)
  - Post office sorting office
- 3.3 The total amount of government-funded relief for each property under the scheme is £1,000. The amount does not vary with the rateable value. There is no relief available under the scheme for properties with a rateable value of more than £50,000.

- 3.4 The Revenues Service has contacted approximately 800 businesses that it believes may benefit from this relief. At the end of April 330 businesses had applied for the relief.

### 4.0 **Reoccupation Relief**

- 4.1 Properties that will benefit will be occupied hereditaments that:
- When previously in use, were wholly or mainly used for retail as set out below
  - Were empty for 12 months or more immediately before their

reoccupation

- Become occupied between 1 April 2014 and 31 March 2016
- Are being used for any use except as hereditaments being used as betting shops, payday loan shops and pawn brokers

4.2 For the purposes of the policy, Retail is described as hereditaments that were being used for the sale of certain goods and/or services to visiting members of the public. A list of the types of hereditaments considered to be retail is contained within the policy.

4.3 The Revenues service does not hold data on the number of businesses reoccupying retail premises therefore it is impossible to give an accurate assessment of the numbers likely to benefit.

## **5.0 Consultation**

5.1 Consultation has taken place with Members and the business community. The few responses received have been supportive and none raised any objections.

## **6.0 Resource Implications**

6.1 Financial - None in respect of this report, the Local Policy Framework follows the national guidelines.

6.2 DCLG has indicated that they will provide New Burdens funding to local authorities to offset some of the costs of administering the initiatives.

6.3 The government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme of the reliefs that fall under these schemes.

6.4 Staffing

6.5 No impact on staffing.

## **7.0 Equality and Fairness**

7.1 There are no Equality and Fairness implications.

## **8.0 Summary of Options**

8.1 Both initiatives can provide a financial benefit to those qualifying businesses.

## **9.0 Conclusion**

9.1 It is recommended that Cabinet adopt the policies for the reasons given in the report.

**lead officer name: Bill McCafferty**  
**job title: Revenues and Benefits Manager**

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**Background Papers:**

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

*DCLG - Business Rates Reoccupation Relief Guidance*

*DCLG - Retail Rate Relief Guidance*

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



<b>Title</b>	<b>Business Rates Retail Rate Relief</b>
<b>Version</b>	<b>DRAFT</b>
<b>Date</b>	
<b>Approved by</b>	
<b>Next Review</b>	
<b>Author</b>	

## **Eastbourne Borough Council Local Scheme**

### **Background**

Central government announced in the Autumn Statement on 5 December 2013 that it would provide relief of up to £1,000 to all occupied retail properties with a rateable value of £50,00 or less in each of the years 2014/15 and 2015/16.

Properties that will benefit are those that are occupied hereditaments (properties) with a rateable value of less than £50,000 or less that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.

The grant of the relief is discretionary and local authorities can use their powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1998) to grant such relief.

Central government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme for reliefs that fall under this scheme.

### **Qualifying properties**

Government, whilst not changing the legislation around the reliefs available to properties, has set out eligibility criteria. Their guidance considers qualifying properties to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as florists, bakers, greengrocers, butchers, greengrocers, jewellers, stationers, newsagents, supermarkets etc)
- Charity shops
- Opticians
- Post Offices Furnishing shops/display rooms
- Car/caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services
- Shoe repairs/key cutting
- Travel agents
- Ticket offices
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- DVD/video rental
- Tool hire
- Car hire

Hereditaments that are being used of the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops coffee shops pubs
- Bars

The above lists are not exhaustive and it is for authorities to determine if particular properties not listed are broadly similar in nature those above and, if so, to consider them eligible for relief.

### **Non-qualifying properties**

Hereditaments that are being used for the provision of the following services to visiting members of the public:



- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (E.g. estate agents, letting agents, employment agencies)
- Medical services (E.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office

### **Amount of relief available**

The total amount of government-funded relief for each property under the scheme is £1,000. The amount does not vary with the rateable value. There is no relief available under the scheme for properties with a rateable value of more than £50,000. The relief will be calculated on a daily basis.

If the net rate liability after all other reliefs is less than £1,000, the maximum amount of relief will be no more than the value of the net rates payable

Ratepayers that occupy more than one property will be entitled to relief for each eligible property, subject to State Aid de minimis levels.

### **Applications for relief**

Written applications will be required for each individual case. The Council will ensure that the application form for Retail Rate relief is made available to ratepayers upon request as well as through the Council's website.

Where it is necessary, the ratepayer may be required to provide further information to support their application. Failure to complete the application fully or supply the information requested will delay the decision making process.

It may be necessary for a council officer to inspect the property to verify the use it is being put to.

All qualifying businesses and organisations are required to notify Eastbourne Borough Council within 21 days of any changes in circumstances that may affect their entitlement to Retail rate relief.

### **How applications are processed**

The Business Rates Team will administer all applications for rate relief.

The Business Rates Officer, in conjunction with the Revenues Manager and Senior Local Taxation Officer will assess applications for rate relief and recommendations will be made to the Revenues and Benefits Manager. The Revenues and Benefits Manager will decide whether to award Retail Rate relief.

Awards will cover both the 2014/15 and 2015/16 years.

### **Notification of the decision**

Successful applications will be notified of the amount of Retail Rate Relief awarded by the issue of a new Rate Demand Notice. The rate relief will be awarded by means of a reduction shown on the Demand Notice to the ratepayer. Where this puts the account in credit for the year, a refund will be made by the Council.

Unsuccessful applicants will be notified in writing and reasons for the decision will be provided.

### **State Aid**

Awards such as rate relief are required to comply with the EU law on State Aid. All recipients of Retail Rate Relief must return a declaration, which the Council will send to them, if they have received any other De Minimis State Aid, including any other Retail Rate relief they have been granted for other premises, confirming that the award of Retail Rate relief does not exceed the 200,000 euro they can receive under the DE Minimis Regulations EC 1407/2013.

### **Appeals**

If the applicant wishes to lodge an appeal against any decision, the appeal must be made in writing to the Revenues and Benefits Manager and must demonstrate that all of the relevant criteria contained within this policy are met. An appeal must be sent to Eastbourne Borough Council within 1 month of the date on the (refusal/award) letter.

The Grants Task Group will consider any appeals lodged and will make recommendations to the Senior Head of Community who will decide whether to award Retail Rate relief. A letter will be sent to the applicant to advise them of the final decision.

<b>Title</b>	<b>Business Rates Reoccupation Relief</b>
<b>Version</b>	<b>DRAFT</b>
<b>Date</b>	
<b>Approved by</b>	
<b>Next Review</b>	
<b>Author</b>	

## **Eastbourne Borough Council Local Scheme**

### **Background**

Central government announced in the Autumn Statement on 5 December 2013 that it would provide a 50% business rates discount for 18 months for businesses moving into previously empty retail premises between 1 April 2014 and 31 March 2016, up to State Aid De Minimis levels.

The grant of the relief is discretionary and local authorities can use their powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1998) to grant such relief.

Central government will reimburse authorities and major precepting authorities within the rates retention scheme for the actual costs to them under the rates retention scheme for reliefs that fall under this scheme.

### **Qualifying properties**

Properties that will benefit will be occupied hereditaments (properties) that:

- When previously in use, were wholly or mainly used for retail as set out below
- Were empty for 12 months or more immediately before their reoccupation
- Become occupied between 1 April 2014 and 31 March 2016
- Are being used for any use except as hereditaments (properties) being used as betting shops, payday loan shops and pawn brokers

For the purposes of this policy Retail is described as:

1 – Hereditaments (properties) that were being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

2 – Hereditaments (properties) that were being used for the provision of the following services principally to visiting members of the public

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

3 – Hereditaments (properties) that were being used for the provision of the following services principally to visiting members of the public:

- Financial services (e.g. banks, building societies, bureau de change, payday loan shops, betting shops, pawn brokers)

- Other services (e.g. estate agents, letting agents, employment agencies)

4 – Hereditaments (properties) that were being used for the sale of food and drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs and bars

The above lists are not exhaustive and the Council will determine whether particular properties not listed above were broadly similar in nature to those above and, if so, will consider them to be retail.

### **Duration of relief**

Relief will be available for 18 months from the first day the hereditaments becomes occupied as long as the first day falls between 1 April 2014 and 31 March 2016, subject to the hereditament being continuously occupied.

The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

The relief available is 50% of the business rates liability after any mandatory or other discretionary reliefs (other than retail relief) have been applied, up to State Aid De Minimis limits. The relief will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

### **Splits, mergers and changes to existing hereditaments**

Where a new hereditament has been created by a split or merger of hereditament(s), the new hereditament will be eligible for the Reoccupation Relief where at least half of the floor area of the new hereditament is made up of retail hereditaments that have been empty for 12 months or more, subject to meeting any other criteria.

Where a hereditament in receipt of Reoccupation Relief splits or merges to form new hereditaments, the new hereditaments will not be eligible for the remaining term of Reoccupation Relief.

Where a hereditament in receipt of Reoccupation Relief becomes unoccupied for any period of time less than 12 months it will not be eligible for any

further Reoccupation Relief on occupation. However, if a hereditament that has previously received Reoccupation Relief becomes empty for 12 months or more it will be eligible for an additional 18 months Reoccupation Relief if the criteria are met.

### **Change of ratepayer**

The relief will run with the property rather than the ratepayer. So if a hereditament is in receipt of Reoccupation Relief and a new ratepayer becomes liable for the property they will benefit from the remaining term of the relief, subject to the new ratepayer's State Aid de minimis limits.

### **Applications for relief**

To minimise red tape for businesses, the Council aims to identify qualifying businesses that may qualify for the relief and write to them. If a ratepayer thinks they should qualify but have a rates bill without the discount, they should contact the Business Rates Section.

Where it is necessary, the ratepayer may be required to provide further information to support their application. Failure to complete the application fully or supply the information requested will delay the decision making process.

It may be necessary for a council officer to inspect the property to verify the use it is being put to.

All qualifying businesses and organisations are required to notify Eastbourne Borough Council within 21 days of any changes in circumstances that may affect their entitlement to Reoccupation relief.

### **How applications are processed**

The Business Rates Team will administer all applications for rate relief.

The Business Rates Officer, in conjunction with the Revenues Manager and Senior Local Taxation Officer will assess applications for rate relief and recommendations will be made to the Revenues and Benefits Manager. The Revenues and Benefits Manager will decide whether to award Retail Rate relief.

### **Notification of the decision**

Successful applications will be notified of the amount of Reoccupation Relief awarded by the issue of a new Rate Demand Notice. The relief will be awarded by means of a reduction shown on the Demand Notice to the ratepayer. Where this puts the account in credit for the year, a refund will be made by the Council.

Unsuccessful applicants will be notified in writing and reasons for the decision will be provided.

### **State Aid**

Awards such as rate relief are required to comply with the EU law on State Aid. All recipients of Retail Rate Relief must return a declaration, which the Council will send to them, if they have received any other De Minimis State Aid, including any other Retail Rate relief they have been granted for other premises, confirming that the award of Retail Rate relief does not exceed the 200,000 euro they can receive under the DE Minimis Regulations EC 1407/2013.

### **Appeals**

If the applicant wishes to lodge an appeal against any decision, the appeal must be made in writing to the Revenues and Benefits Manager and must demonstrate that all of the relevant criteria contained within this policy are met. An appeal must be sent to Eastbourne Borough Council within 1 month of the date on the (refusal/award) letter.

The Grants Task Group will consider any appeals lodged and will make recommendations to the Senior Head of Community who will decide whether to award Reoccupation relief. A letter will be sent to the appellant to advise them of the final decision.

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