

*Published 13 October 2015*

## **Agenda** for meeting of the Cabinet to be held at 6.00 pm on Wednesday, 21 October 2015 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:** Tourism and leisure services.

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

**Councillor Troy Tester:** Core support and strategic services.

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

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

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

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

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

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

**1 Minutes of meeting held on 2 September 2015.** (Pages 1 - 4)

**2 Apologies for absence.**

**3 Declarations of interests by members.**

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 Eastbourne community safety plan (BPF).** (Pages 5 - 24)

Report of Senior Head of Community.  
Cabinet lead member: Councillor Alan Shuttleworth.

**8 Local council tax reduction scheme 2016/17 (BPF).** (Pages 25 - 72)

Report of Senior Head of Community.  
Cabinet lead member: Councillor Alan Shuttleworth.

**9 Sustainable service delivery strategy (SSDS) /Shared services update (KD).** (Pages 73 - 102)

Report of Deputy Chief Executive.  
Cabinet lead member: Councillor Troy Tester.

**10 Devonshire Park redevelopment - forward funding of design work (KDGE).** (Pages 103 - 106)

Report of Senior Head of Regeneration, Planning and Assets, and Senior Head of Tourism and Enterprise.  
Cabinet lead member: Councillor Margaret Bannister.

**11 Exclusion of the public.**

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

(Note: Exempt papers are printed on pink paper).

**12 Corporate assets - investments and disposal (KDGE).** (Pages 107 - 114)

Report of Senior Head of Regeneration, Planning and Assets.  
Cabinet lead member: Councillor Troy Tester.

*Exempt information reasons: 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information) and 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).*

### **13 Redundancy and redeployment policy - update.** (Pages 115 - 118)

Report of Senior Head of Corporate Development and Governance.  
Cabinet lead member: Councillor Troy Tester.

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

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

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

**Public questions** – Members of the public may ask a question on a matter which is not on the agenda. Questions should be made in writing and by the same deadline as for the right of address above. There are rules on the matters on which questions can be asked. Please ask Local Democracy for further information

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

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

Members must declare the existence and nature of any interest.

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

If a member has a DPI or other prejudicial interest he/she must leave the room when the matter is being considered (unless he/she has obtained a dispensation).

**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, 2 September 2015 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**, **Alan Shuttleworth**, **Troy Tester** and **Steve Wallis**.

### 24 Minutes of the meeting held on 8 July 2015 (previously circulated).

The minutes of the meeting held on 8 July 2015 were submitted and approved and the chairman was authorised to sign them as a correct record.

### 25 Declarations of interests by members.

No declarations were made.

### 26 Corporate performance - Quarter 1 2015/16 [KD].

26.1 Councillors Freebody and Di Cara addressed the Cabinet. Councillor Freebody commended the Council's sickness levels but raised concern at the rates for answering telephone calls. The Chairman commented that this was not unexpected given the on-going implementation of Future Model phase 2 and that rates were now improving. Councillor Di Cara asked for a breakdown of the recycling rates between the different types of recycled material. The Chairman said he would ask that these be provided.

26.2 Cabinet considered the report of the Chief Finance Officer and Head of Corporate Development and Governance 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 first quarter of 2015/16.

26.3 Appendix 1 gave detailed information on non-financial performance. Councillor Tester highlighted the performance of disabled facilities grants where the average median time to deliver from the receipt of the occupational therapist report to completion of the work was now 76 days. He understood that this compared very favourably with rates of other councils. He asked that the Cabinet's congratulations be passed to the team concerned.

26.4 General fund performance at the end of June showed a small variance of £24,000 which related to several areas of minor under and over spends which were being carefully monitored. Housing revenue account performance was currently above target by £50,000; mainly as

a result of the slow take up of the under occupation scheme (£16,000) and the lower provision for bad debts required (£20,000).

26.5 The detailed capital programme was shown in appendix 3. Actual expenditure was low compared to the budget. There were no significant variances identified and expenditure was in line with traditional patterns of spend as at quarter one. Expenditure was expected to increase as schemes progressed throughout the year.

26.6 Cabinet was asked to approve an exemption to the Council's contract procedure rules in relation to the appointment of Pierce Hill as employer's agent and architect for the Sea Houses Square project funded from Coastal Communities Grant and managed by Eastbourne Homes Ltd. The value of this contract was below the £50,000 limit required for a full tender exercise and could have followed the 'request to quote' process. However a "tender like" process was followed but not strictly adhered to in respect of administrative processes that would normally be applied to a full tender. Therefore whilst a higher level of competitive process was followed than necessary it was not technically compliant with the Council's own rules.

26.7 Council tax collection was currently showing a £90,000 surplus; a variance of 0.16% of the total debit due for the year. The business rates deficit of £753,000 was as a result of a bigger than anticipated provision made in 2014/15 for outstanding appeals, giving rise to a higher than budgeted for balance carried forward as at 1 April 2015. 112 appeals had been received since then with a total rateable value of £10,695,000. The total number of properties with appeals outstanding as at 30 June 2015 was 236 with a total rateable value of £20,152,010. The uncertainty of the potential value of successful appeals was a major risk to the collection fund at this time. The deficit represented 2.19% of the total debit for the year.

26.8 Treasury management performance was on target and all activities were within the approved treasury and prudential limits.

**26.9 Resolved (key decision):** (1) That the performance against national and local performance indicators and actions from the 2010/15 corporate plan (2014 refresh) be agreed.

(2) That the general fund, housing revenue account and collection fund financial performance for the quarter ended June 2015, as set out in sections 3 and 4 of the report, be agreed.

(3) That the amended capital programme, as set out in appendix 3 to the report, be agreed.

(4) That an exemption to the Council's contract procurement rules in relation to the appointment of agents and architect for the Seahouses Square project funded from Coastal Communities Grant and managed by Eastbourne Homes Limited be approved.



(5) That the treasury management performance, as set out in section 7 of the report, be agreed.

**27 \* Annual treasury management annual report 2014/15 [BPF].**

27.1 Cabinet considered the report of the Chief Finance Officer. This report covered the treasury management activity and performance for the financial year 2014/15. The council's treasury management activities were regulated by a variety of professional codes, statutes and guidance.

27.2 Past changes in the regulatory environment had placed a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report was important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the council's policies previously approved by members. It was also confirmed that the council had complied with the requirement under the code to give prior scrutiny to all of the above treasury management reports by the Audit and Governance Committee before they were reported to full council.

27.3 The report summarised:

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

27.4 The Chief Finance Officer also confirmed that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit), had not been not breached. He commented that the financial year 2014/15 continued the challenging environment of previous years; low investment returns and continued counterparty risk.

27.5 Cabinet had previously approved the set up of a wholly owned asset holding company; Eastbourne Housing Investment Company Ltd. Members were asked to approve a change to The Council's treasury management policy to allow lending to this wholly owned asset company on commercial terms. The final details of the loan arrangements would be delegated to the Chief Finance Officer.

27.6 Councillor Mattock asked that the finance team be congratulated for their treasury management activities.

**27.7 \*Resolved (budget and policy framework):** That full Council be recommended to approve: (1) the annual treasury management report for 2014/15 and that specific approval be given to the 2014/15 prudential and treasury indicators included within the report; and (2) the

proposed amendment to the Council's treasury management policy to allow lending to investment companies.

**28 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.)*

**29 Redundancy and redeployment policy - update.**

29.1 Cabinet considered the report of the Senior Head of Corporate Development and Governance and noted that 8 employees were on the redeployment register and subject to the procedure at present. This number included 4 who had been successfully redeployed to alternative positions..

29.2 **Resolved:** (1) That the actions taken to manage implications of change for displaced individuals through support, redeployment and assistance with self marketing under the redundancy and redeployment procedure and the use of the procedure in managing the change resulting from implementation of Phase Two of Future Model be noted.

(2) That the financial implications of severance for those identified in the event that redeployment is not secured by the relevant date be agreed.

*(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 6.22 pm

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

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>21st August 2015</b>
<b>Subject:</b>	<b>Eastbourne Community Safety Plan</b>
<b>Report Of:</b>	<b>Ian Fitzpatrick, Senior Head of Community</b>
<b>Ward(s)</b>	All
<b>Purpose</b>	To consider the current performance of the Eastbourne Community Partnership (ECSP) under the updated Eastbourne Community Safety Plan and to outline issues that may potentially impact future crime and anti-social behaviour (ASB) performance.
<b>Recommendation:</b>	That cabinet notes the ECSP's achievements and future risks/opportunities to performance and endorses the updated 2014/2017 Community Safety Plan with continued delegated implementation authority to Senior Head of Community.
<b>Contact:</b>	Bob Gough, Eastbourne Crime Reduction Officer, Telephone 01323 415346 or internally on extension 5346. E-mail address <a href="mailto:bob.gough@eastbourne.gov.uk">bob.gough@eastbourne.gov.uk</a> .

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## **1.0 Background/Introduction**

- 1.1 Crime and Disorder Reduction Partnerships were initially established under the Crime and Disorder Act 1998. This required partnerships to be set up to consider and tackle crime at a local level.
- 1.2 Subsequently the Crime Reduction Partnership changed its name to the Community Safety Partnership (ECSP), to more accurately reflect its wider remit of community safety in conjunction with national developments.
- 1.3 Cabinet has previously endorsed the successful Crime Reduction performance of the Partnership. In 2005/2006 Eastbourne was subject to around 11,000 crimes. For the performance year 2010/2011 this had dropped to approximately 7,500 crimes<sup>(1)</sup> and to the end of June 2014, this has reduced to around 5,700 crimes, a further reduction of 5% compared with the same period the previous year<sup>(2)</sup>.
- 1.4 However police recorded crime has seen a considerable increase since the last report. Up to the end of June 2015 overall crime has gone up from 5,753 crimes to over 6,800 an increase of 18.5%, compared with the same period last year. This increase is due to two factors; (i) Sussex Police strict adherence to Home Office Crime Recording Procedures and (ii) the PCC led initiative to increase crime reporting in a number of categories including,

domestic abuse, hate crime and sexual offences.

## **2.0 Eastbourne Community Safety Plan 2014-2017**

2.1 The current Plan has been developed in consultation with key partners including the Police and other members of the ECSP. Version 1.5 is available as Appendix A. It is modelled on a countywide endorsed layout, with a focus on what can realistically be achieved within current resource constraints and reflects priorities of the Police and Crime Commissioner (PCC) and Sussex Police, as well as addressing key local issues. Priorities for 2015/16 and measurement criteria are attached as Appendix B.

2.2 It is to be noted that although the Plan is for a three year period, performance targets are reviewed at the end of each performance year. Key performance targets have been incorporated into the relevant sections of Eastbourne Borough Council's Corporate Plan.

## **3.0 Performance Against Targets**

3.1 The following relates to performance of the performance year 2014/15 compared with the baseline performance year 2013/14<sup>(3)</sup>. In other words, last year's performance.

- i) Target – reduce Public Place Violent Crime (PPVC) by 3%.  
Performance – PPVC from 881 crimes to 1,292 an increase of 411 crimes or 46.7%
- ii) Target - reduce serious Acquisitive Crime by 3%.  
Performance – Serious Acquisitive Crime from 557 to 624. An increase of 67 or 12%.
- iii) Target - reduce Shoplifting by 3%.  
Performance – Shoplifting from 810 offences to 881. An increase of 71 offences or 8.8%.
- iv) Target – to increase the number of Drug Supply offences.  
Performance – Possession with intent to supply from 42 to 38. A reduction of 4 or 9.5%.
- v) Target – to remain the 4<sup>th</sup> lowest or better in crime per 000 population compared to our most similar groups (MSG) <sup>(4)</sup>. Performance – 3<sup>rd</sup> lowest in our most similar group.

3.2 It will be noted from paragraph 1.3 above that Eastbourne has seen a substantial reduction in crime and overall crime was down further in 2013/2014. However last performance year saw a substantial increase, mainly due to changes in recording procedures by Sussex Police. It is anticipated this will increase will smooth out and we should see reductions in 2015/16 in a number of categories <sup>(1)</sup>.

3.3 When referring to the Home Office iQuanta data, which compares numerous categories of crime with other towns in our most similar group (MSG) by 000 population, Eastbourne compares favourably <sup>(4)</sup>:

June 2015 Quarterly Data shows:

- i. 3<sup>rd</sup> lowest – overall crime
- ii. 2<sup>nd</sup> lowest – burglary
- iii. 1<sup>st</sup> lowest – robbery
- iv. 3<sup>rd</sup> lowest – shoplifting
- v. 2<sup>nd</sup> lowest – vehicle crime
- vi. Below median – violent crime

#### **4.0 Police and Crime Commissioner**

4.1 Elections for a Police and Crime Commissioner (PCC) for each police area took place in November 2012. PCC's are responsible for policing and crime performance and to hold Chief Constables' to account. Councillor Ungar is Eastbourne's representative on the Police and Crime Panel (PCP) which has scrutiny powers over the PCC and, in particular, in terms of 'policing plan' and 'budget'. PCC's do not directly control local CSP's but directly impact ECSP effectiveness by PCC control of ECSP budget allocation and are responsible for monitoring CSP effectiveness.

#### **5.0 Resource Implications**

5.1 The ECSP's Strategy Group, having agreed the updated Plan and its priorities has matched the priorities with the reduced overall budget. This excludes the continued Basic Command Unit funding of approximately £30k for this year, utilised mainly by the District Police in direct support of the Plan's objectives.

5.2 It is established that the Sussex Police and Crime Commissioner (PCC) now has direct control in determining budget allocation to local CSPs commencing in the 2014/2015 financial year<sup>(5)</sup>. Eastbourne CSP is working with the East Sussex Community Safety Partnership to highlight the positive benefits for the PCC to retain and increase investment in ECSP activity. Without additional funding next year from the PCC the ECSP's ability to fund worthwhile local community safety projects may be compromised. It is worthy of note that the PCC's allocation this financial year remains at £26.5k.

5.3 Central Government's budgetary restrictions placed on Local Authorities and Police Forces in response to central financial deficits have created major challenges for the public sector, of which the policing district of Eastbourne is not immune, and this is coupled with uncertain future funding in 2016/2017. These challenges will require a continued determination and creative partnership approach to ensure performance is back on track.

5.4 The Counter-Terrorism and Security Act 2015, places a duty on all specified authorities (EBC is such an authority) in exercise of their functions to have due regard to the need to "prevent" people from being drawn into terrorism. The current threat level remains at "severe". Prevent is a strand of work aligned to 3 other strands, namely, Protect, Pursue and Prepare, which make up central governments counter-terrorism strategy. Whilst Prevent is a priority of the CSP, the legal duty now placed on EBC has led to developing a separate EBC Prevent Duty Action Plan for implementation over the next several years by the Eastbourne Crime Reduction Officer. Reporting

structures will include, Corporate Management Team, local CSP as well as the newly constituted East Sussex Prevent Board. The relevant legislation came into effect on the 1<sup>st</sup> July 2015, and although classified as a low risk area, EBC may have to report on progress direct to the Home Office.

## **6.0 Staffing**

There are no staffing implications arising from this report.

## **7.0 Other Implications - Environmental, Community Safety, Youth**

- 7.1 **Environmental:** The ECSP includes a number of activities within its plan to target environmental crime, supporting Neighbourhood First.
- 7.2 **Community Safety:** Continued delivery of the 40 point action plan, coupled with our proactive approach in terms of Neighbourhood Management and marketing of such success has, it is contended, made a positive contribution to overall Community Safety in Eastbourne.
- 7.3 **Youth:** Since 2008 the ECSP has consistently made targeted financial contribution to youth initiatives designed to prevent Youth Crime and ASB, which has added value to existing agency work as detailed in the current Youth Strategy.

## **8.0 Conclusion**

- 8.1 Whilst overall crime has substantially reduced from 2005/06 to 2013/14, owing to Sussex Police changing recording procedures in response to national guidelines, a substantial increase in overall crime was experienced in 2014/15 performance year. However performance still compares favourably when crime levels per 000 population are measured against similar towns in our Most Similar Group (MSG). Early analysis of this performance year's crime suggests a move to a reducing crime trend for 2015/16, more consistent with crime reduction experienced over the last decade.
- 8.2 Central Government cut-backs continue to change local delivery structures. This may impact policing and Police & Crime Commissioner funding of Eastbourne CSP in 2016/17 performance year. Enhanced work at a local level for Prevent is essential to respond to EBC'S new legal duty.
- 8.3 Eastbourne CSP is responding to the challenges by continued focus on partnership working to deliver the CSP Action Plan and improve crime reduction.
- 8.4 Cabinet is requested to note the reasons for a crime increase in 2014/15, endorsed the updated CSP Plan and continue the delegated authority to the Senior Head of Community to implement actions set out.

**Bob Gough**  
**Crime Reduction Officer**

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**Background Papers:**

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

1. *Sussex Police Crime Data*
2. *Sussex Police Crime Data*
3. *Sussex Police and iQuanta Data (Home Office)*
4. *iQuanta Data produced by the Home Office compares Eastbourne against fourteen other similar towns in England on a rolling quarter. Crime Data produced monthly.*
5. *Central Government Legislation and Home Office Guidance*

Appendix A – Community Safety Plan Version 1.5 (available on request)

Appendix B – CSP Priorities and Measurement Criteria 2015/16

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

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## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

### Appendix A

**April 2015**

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
1.	Domestic Abuse.	Support awareness initiatives (home office) White Ribbon.	NPT Inspector.	Ongoing.	Time and money.	Green.	6
2.	Domestic Abuse.	Support MARAC processes via Integrated Delivery Team.	Crime Reduction Officer EBC.	Ongoing.	Time.	Green.	6
3.	Domestic Abuse.	Implement Sussex Police processes to improve reporting and action.	District Com Sussex Police.	Ongoing.	Staffing.	Green.	6
4.	Domestic Abuse.	Support and implement ESSCG. 5 year plan – via integrated delivery team.	Crime Reduction Officer EBC.	Ongoing.	ESSCG Developing Plan – Timescale.	Amber.	6
5.	Alcohol and Drug related Crime.	Operation Support.	District Commander Sussex Police.	Ongoing.	Staffing Overtime.	Green.	7

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
6.	Alcohol and Drug related Crime.	Implement and monitor cumulative impact policy.	Senior Specialist Advisor EBC.	Ongoing.	Council approved.	Green.	7
7.	Alcohol and Drug related Crime.	Notify relevant agencies of inappropriate licensing applications.	Senior Specialist Advisor.	Ongoing.	Timelines in objection.	Green.	7
8.	Alcohol and Drug related Crime.	Continuation of support of street pastors.	Chair JAG.	Ongoing.	Voluntary sector staffing.	Green.	7
9.	Alcohol and Drug related Crime.	Undertake intelligence led multi-agency licensing visits.	Senior specialist Advisor – EBC NPT Inspector.	Ongoing.	Staffing Organisation.	Green.	7
10.	Alcohol and Drug related Crime.	Undertake relevant test purchases as required – intelligence led.	Licensing Officer Sussex Police.	Ongoing.	Trading Standards Availability.	Green.	7
11.	Alcohol and Drug related Crime.	Support Sussex Police Alcohol Diversion Scheme, via Integrated Delivery team.	Licensing Officer Sussex Police.	Ongoing.	Other priorities Money.	Green.	7

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
12.	Alcohol and Drug related Crime.	Support countrywide communication campaigns via integrated delivery team.	CSSO Sussex Police.	Ongoing.	Staffing Other priorities.	Amber.	7
13.	Alcohol and Drug related Crime.	Support Sussex wide enforcement strategy including Op Support.	District Commander Sussex Police.	Ongoing.	Staffing Intelligence.	Green.	7
14.	Alcohol and Drug related Crime.	Support introduction of test on arrest direct opiate users to effective treatment through integrated delivery team.	Joint Commissioning Manager ESCC.	Ongoing.	Time Staffing Money.	Green.	7
15.	ASB Hate Crime.	Deployment of police resources targeting the identified threat, harm and resolution.	Neighbourhood policing inspector.	Ongoing.	Time Staffing Money.	Green.	5

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
16.	ASB Hate Crime.	Fully integrate community ASB/Hate Risk Assessment into EBC customer 1 <sup>st</sup> processes and data collection.	Crime Reduction Officer EBC.	Ongoing.	Time Repeat training required.	Green.	5
17.	ASB Hate Crime.	Support and active involvement in ASBRAC and PSG outcome meetings.	NPT ASB Officer.	Ongoing.	Staffing support.	Green.	5
18.	ASB Hate Crime.	Continue to develop effective neighbourhood management to problem solve ASB and environmental crime.	Community Manager EBC.	Ongoing.	Lack of staffing.	Green.	2 & 5
19.	ASB Hate Crime.	Continue to effectively support EBC youth strategy.	Community Manager EBC.	Ongoing.	Effective co-ordination.	Green.	2 & 5

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
20.	ASB Hate Crime.	Support implementation of Fire & Rescue Service plan to reduce deliberate/accidental fires and deliver home safety visits.	Eastbourne Borough Commander Fire & Rescue Service.	Ongoing.	Staffing.	Green.	2
21.	ASB Hate Crime.	Effective response and resolution of graffiti, dog fouling and litter.	Neighbourhood 1 <sup>st</sup> Manager EBC Community Payback.	Ongoing.	New system bedded in Equipment for probation.	Green.	2
22.	ASB Hate Crime.	Street drinkers sub-group to develop tactics to deal with the issues Regular Hubs.	Neighbourhood policing team inspector Sussex police.	Ongoing.	Time Staffing.	Amber.	9
23.	ASB Hate Crime.	Effective implementation of Future ASB legislation via integrated delivery team.	Crime Reduction Officer EBC Safer Comms Team ESCC.	Ongoing.	Lawyer Fees.	Green.	2 & 5

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
24.	Road Safety.	Promote and use Operation Crackdown.	Chair JAG CSSO.	Ongoing.	Time Staffing.	Green.	3
25.	Road Safety.	Identify KSI trend and support/lead on reduction initiatives.	Eastbourne Borough Commander Fire & Rescue Service.	Ongoing.	Relevant data required.	Amber.	3
26.	Road Safety.	Implement Community Speedwatch.	NPT Sergeant.	Ongoing.	Number of trained volunteers.	Green.	3
27.	Volume Crime.	Early identification of trends via JAG and develop preventative tactics to support detection of offences by district police.	Chair JAG.	Ongoing.	Timeline.	Green.	4
28.	Volume Crime.	To continue to implement shoplifting action plan.	Business Crime Manager EBC.	March 2016.	Staffing Other priorities.	Green.	4

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
29.	Volume Crime.	To develop intelligence and tactics to focus on any local organised crime groups. Eastbourne with outcome to disrupt.	District Commander Sussex Police.	Ongoing.	Access to Community Intelligence.	Green.	4
30.	Community Engagement Public Reassurance.	Continue to develop neighbourhood management in key areas e.g. North Street and Regency Park.	Crime Reduction Officer EBC.	Ongoing.		Green.	1
31.	Community Engagement Public Reassurance.	Reduce bogus callers via No Cold Calling Zones.	Trading Standards.	Ongoing.	Community must require Zone.	Green.	1
32.	Community Engagement Public Reassurance.	To continue to develop Neighbourhood Watch throughout Eastbourne with a focus on deprived areas.	NW Chair.	Ongoing.	Difficulty of engagement – more deprived areas.	Green.	1

## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
33.	Community Engagement Public Reassurance.	To continue to implement 'Talk to Us' Multi Agency Events.	Equalities Officer, EBC Chair JAG.	Ongoing.	Staffing and time to co-ordinate events.	Green.	1
34.	Community Engagement Public Reassurance.	To effectively support the annual 999 event.	Borough Commander East Sussex Fire & Rescue Chair JAG.	July 2015	Resource Contribution.	Green.	1
35.	Community Engagement Public Reassurance.	To continue to publish – Com Safety Partnership – Newsletters and Press releases on a monthly basis to give public re-assurance Develop Social Marketing Initiatives.	CSSO Sussex Police.	Ongoing.	Time and product.	Amber.	1
36.	Prevent.	To continue to develop Prevent and co-ordinate activity.	Crime Reduction Officer EBC.	Ongoing.	Time and staffing.	Green.	8



## Eastbourne Community Safety Partnership Action Plan – 2014 -17

(Priorities listed in East Sussex Safer Communities Plan)

Priority Number and Action		Action	Person Responsible	Completion Date	Blockage Observations	Traffic Light	Priority
37.	Community Engagement Public Reassurance.	Support consultation and county level project to provide Mosaic data – to enable better local community concerns via integrated delivery team.	Chair JAG.	Ongoing.	Domestic violence data to be actioned.	Green.	6
38.	Community Engagement Public Reassurance.	Support ESCSG co-ordinated comms delivery.	CSSO Sussex Police.	Ongoing.	Time and staffing.	Amber.	6
39.	Community Engagement Public Reassurance.	To support the development of the 'Big Local Project' in Devonshire West.	Comm Manager EBC.	Ongoing.	Community engagement level.	Green.	6
40.	Substance misuse and new psychoactive substances.	Intelligence led drugs operations – especially in the Devonshire Ward.	District Commander Sussex Police.	Ongoing.	Resources.	Green.	10

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# Appendix B



## EASTBOURNE COMMUNITY SAFETY PARTNERSHIP

### Eastbourne Community Safety Partnership

### Priorities and Performance Targets for Performance Year 2015/16.

Priority	
1.	<p><b>Community Engagement and Public Reassurance</b></p> <p>To continue to engage with the communities we serve and meet their needs in relation to community safety and public reassurance.</p> <p><b>Measurements:</b></p> <ul style="list-style-type: none"><li>• Annual 999 Event.</li><li>• Community Safety Partnership Bi-Monthly Newsletter.</li><li>• Number of “Talk to Us” Events.</li><li>• Endorsement of Neighbourhood Management by Eastbourne Strategic Partnership.</li></ul>
2.	<p><b>Environmental Anti-Social Behaviour</b></p> <p>Reducing arson, graffiti, fly tipping, litter and dog fouling contributes to an improvement in the quality of life for the residents of Eastbourne.</p> <p><b>Measurements:</b></p> <p>Reduction in the number of accidental and deliberate fires recorded by East Sussex Fire and Rescue Service (ESF&amp;RS) in 2015/16 performance year compared to the benchmark of ESF&amp;RS.</p> <p>East Sussex Fire and Rescue Service number of Safety Visits, 1600 for 2015/16.</p> <p>To reduce the number of incidents of (i) graffiti (ii) fly tipping (iii) litter (iv) dog fouling reported by the public to Eastbourne Borough Council by 5% in 2015/16 performance year, compared with 2014/15.</p>

<p><b>3.</b></p>	<p><b>Road Safety</b></p> <p>Anti-social driving, including speeding, is a major concern of our communities.</p> <p><b>Measurements:</b></p> <p>Increase in reports to Operation Crackdown in performance year 2015/16, compared to 2014/15.</p> <p>Number of deployments of SID (Speed Indication Device) and Community Speedwatch in 2015/16.</p>
<p><b>4.</b></p>	<p><b>Volume Crime</b></p> <p>The Continued reduction of offences such as burglary, robbery and vehicle crime, makes Eastbourne a better place to live, work and visit.</p> <p><b>Measurements:</b></p> <p>To reduce the number of offences of burglary dwelling reported to the police in 2015/16 performance year, compared with 2014/15.</p> <p>To reduce the number of offences of personal robbery reported to the police in 2015/16 performance year compared with 2014/15.</p> <p>To reduce the number of offences of theft of and theft from motor vehicles reported to the police in 2015/16 compared with 2014/15.</p>
<p><b>5.</b></p>	<p><b>Anti-Social Behaviour (ASB) and Hate Crime</b></p> <p>It is essential to give effective support to vulnerable and high risk victims of hate crime and ASB, as well as bringing offenders to Justice.</p> <p><b>Measurement:</b></p> <p>To increase the reporting of personal anti-social behaviour crimes to the police in 2015/16 performance year compared to 2014/15.</p>

6.	<p><b>Alcohol Related Crime &amp; Disorder</b></p> <p>To reduce the negative impact of the night-time economy on the town centre.</p> <p><b>Measurement:</b></p> <p>To reduce the number of Public Place Violent Crimes reported to the police in 2015/16 performance year compared to 2014/15.</p>
7.	<p><b>Domestic Abuse and Sexual Offences</b></p> <p>To increase the reporting of such offences, provide support to victims and bring offenders to justice.</p> <p><b>Measurements:</b></p> <p>To increase the reporting of domestic abuse crimes to the police in 2015/16 performance year compared to 2014/15.</p> <p>To increase the reporting of serious sexual offences to the police in 2015/16 performance year compared to 2014/15.</p>
8.	<p><b>Prevent Strategy</b></p> <p>To prevent the radicalisation of vulnerable members of our communities, thereby contributing to a reduction in extremism.</p> <p><b>Measurement:</b></p> <p>Develop and Implement Action Plan to comply with “Prevent” duty under the Counter-Terrorism and Security Act 2015.</p>

<p><b>9.</b></p>	<p><b>Street Communities</b></p> <p>Not only do street drinkers and rough sleepers cause major nuisance to residents and visitors, they are amongst the highest levels of victims of crime and are amongst the most vulnerable in our community.</p> <p><b>Measurements:</b></p> <ul style="list-style-type: none"> <li>• To set up and develop ongoing engagement.</li> <li>• To reduce the number of rough sleepers.</li> <li>• Develop activity sessions every week for the street communities to attend and take part in.</li> </ul>
<p><b>10.</b></p>	<p><b>Substance Misuse and New Psychoactive Substances</b></p> <p>Causal links to crime, anti-social behaviour and health.</p> <p><b>Measurement:</b></p> <p>To increase the number of offences of possession with intent to supply in 2015/16 performance year compared to 2014/15.</p>
<p><b><u>Note:</u></b></p> <p>Priorities and Measurements are related to the 40 point Eastbourne Community Safety Partnership Action Plan.</p>	

# Agenda Item 8

<b>Body:</b>	Cabinet
<b>Date:</b>	21 October 2015
<b>Subject:</b>	Local Council Tax Reduction Scheme 2016/17
<b>Report Of:</b>	Ian Fitzpatrick, Senior Head of Community
<b>Ward(s)</b>	All
<b>Purpose</b>	To consider options for the 2016/17 Local Council Tax Reduction scheme.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. That Cabinet recommend to Council that the following changes are made to the current Council Tax Reduction scheme:<ul style="list-style-type: none"><li>- To limit the maximum amount of Council Tax Reduction to 80% of the claimant's Council Tax liability</li><li>- To introduce a minimum income floor for self-employed claimants</li></ul></li><li>2. To delegate to the Senior Head of Community in consultation with the Deputy Chief Executive/S151 officer to make minor amendments to the text of the final scheme</li><li>3. That the Exceptional Hardship scheme is adopted.</li></ol>
<b>Contact:</b>	Bill McCafferty, Lead for Revenues, Benefits and Service Support, Strategy and Commissioning, 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 Introduction**

- 1.1 The coalition government abolished the national Council Tax Benefit scheme from April 2013 and required local authorities to develop and adopt their own scheme of support for working age claimants. This change came with a 10% cut in funding, for the Council this was c£1m.
- 1.2 To protect pensioners from any reduction in support, the government put in place a national scheme that local authorities had to adopt. Therefore, any reduction in support had to come from those of working age.
- 1.3 The Council, on 16 January 2013, adopted a local scheme of support for 2013/14 which, in the main, followed the rules of the Council Tax Benefit scheme, as well as agreeing changes to certain council tax discounts and exemptions. The Council further agreed, on 20 November 2013, that the 2013/14 scheme be adopted as the scheme for 2014/15 and on 19 November 2014 that the 2014/15 scheme be adopted as the scheme for

2015/16.

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

## **2.0 The current local scheme 2015/16**

- 2.1 The current scheme, which was also adopted by the other East Sussex districts and boroughs, followed the principles of protecting the most vulnerable, incentivising individuals into work and takes into account and responding to the requirement of government to reduce the cost by 10% of the previous Council Tax Benefit scheme.

- 2.2 The local scheme follows the rules of the Council Tax Benefit scheme in that it is means-tested, with the following main changes:

- Removal of second adult rebate
- A minimum award of £5.00 so that a claimant who qualifies for less than this will not receive any support
- A reasonable increase in non-dependant deductions

## **3.0 Options for the 2016/17 local scheme**

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

### **3.2 Council Tax Band Cap**

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

### **3.3 Limitation to Dependants Allowances**

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



average.

### 3.4 Inclusion of Child Benefit and Child Maintenance as income

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

### 3.5 Inclusion of Disability Living Allowance and personal Independence Payments as income

Certain disability benefits such as Disability Living Allowance (DLA) and Personal Independence Payments (PIP) are not currently included as income within the calculation of Housing Benefit or CTR. It should be noted that when calculating Discretionary Housing Payments (DHP) for Housing Benefit claimants, DLA and PIP are taken into account as 'available income. Again due to the potential impact on a vulnerable group this option has been discounted.

## 4.0 Options to be considered

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

- Limiting CTR to a percentage of the Council Tax liability
- Assumption of a minimum income for self-employed claimants
- Reduction of the capital limit to £6,000

### 4.2 Limiting CTR to a percentage of Council Tax liability

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

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

	Savings	EBC share	Nos affected
10%	£ 609,146	£ 82,411	5,672
15%	£ 904,561	£122,378	5,672
20%	£1,216,857	£164,629	5,672

### 4.4 A 10% limit would mean a Band D claimant having to pay at least £3.19 per week; 15% would mean paying at least £4.78 per week; and 20% would

mean paying at least £6.18 per week.

#### 4.5 Assumption of a minimum income for self-employed claimants

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

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

This proposal would result in savings to the cost of the scheme of £300,000 (EBC £41,000) and would affect c300 claimants

#### 4.6 Reduction in capital limit

This option, if adopted, would reduce the limit that people can have in savings and still qualify for support. The current scheme has a limit of £16,000. The proposal is to reduce this to £6,000.

This would result in savings to the cost of the scheme of c£51,000 (EBC c£7,000) and affect at least 59 claimants. We do not currently hold the capital details of those claimants in receipt of Jobseeker's Allowance or Income Support and if this proposal is adopted we would need to contact approximately 3,500 claimants to get details of their capital.

### **5.0 Exceptional Hardship Fund**

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

5.2 The financing of such a fund is to be shared between the major precepting authorities in proportion to their share of the Council Tax. In Eastbourne's case the proposed fund would be c£47,000, which is 0.5% of the estimated cost of the scheme, with the cost to the Council being c£6,000.

5.3 An Exceptional Hardship scheme would mitigate the impact of any changes to the current local scheme that severely affects someone's ability to pay the tax due. A draft Exceptional Hardship scheme is attached at appendix A.

### **6.0 Alternatives to reducing the amount of help provided by the CTRS**

6.1 The project team has also thought about other ways to make the spending cuts needed to make and maintain the amount of financial support provided by the CTRS which is currently in place. These have not been completely

rejected and need consideration. The options are :

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

## **7.0 Collection Rates, Scheme Administration and targeted intervention**

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

	Net collectable debt	Impact of an additional 0.25% loss on collection	Impact of an additional 0.75% loss on collection
Eastbourne BC	£53,823,455	£134,560	£403,680

7.2 To help minimise the losses on collection, experience from work undertaken within other areas where similar schemes are in operation suggest substantial pre work is required to educate and support claimants in understanding the impact on them of the changes to the scheme. It is also essential that early intervention with claimants falling into arrears is undertaken in order to ensure continued recovery of income owed. Based on similar schemes across the country it is likely that up to 2 FTEs would be required plus a further 0.5FTE to administer the hardship fund. It is proposed that the funding for this is met by both Precepting and Billing Authorities in direct proportion to their share of the Council Tax.

7.3 County have indicated that they would be prepared to contribute to the additional staffing costs, based on costs incurred, impact on collection rates and on overall financial impact of the adopted scheme(s). Further work will be carried out under the direction of ESFOA into the effects and mitigation measures required to minimise any fall in collection rates.

## **8.0 Transitional Relief**

8.1 Paragraph 5 (4) of Schedule 1A to the Local Finance Act 1992 requires local authorities who are revising or replacing a scheme which has the effect of reducing or removing a reduction to which any class of persons is entitled that the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.

8.2 This means that the authority must consider easing the financial impact on those affected by any change by, for example only applying the change to new claimants or by limiting the impact of any change to say £5.00 per week.

8.3 There is no requirement to introduce such transitional relief; rather the

authority must just consider it.

## **9.0 Consultation**

- 9.1 Before making a new scheme, or before making changes to the scheme, the Council must consult with the major preceptors and other interested parties.
- 9.2 East Sussex County Council has been involved throughout in the discussions and project work of the East Sussex Collaboration Project. They have also made a written response to the consultation. East Sussex Fire Authority and the Sussex Police and Crime Commissioner have also been consulted on the proposals via the East Sussex Finance Officers group. A copy of East Sussex County Council's formal response is attached at appendix B.
- 9.3 A public consultation was carried out on options for the 2016/17 scheme. The consultation ran from 27 July to 18 September and there were a total of 114 responses, although not every respondent answered every question. The results from the consultation are at appendix C. Comments on the consultation are at appendix D.
- 9.4 In brief, 80% of the people who answered the question, 'Do you agree with the principle of every working age person having to make a minimum payment towards their council tax?' answered 'Yes'.
- 9.5 42% of those who agreed said the level of payment should be 10% of the council tax, 20% preferred 15%, whilst 38% opted for a 20% minimum payment.
- 9.6 74% of those who answered the question about setting a minimum income for self-employed persons agreed with the proposal, 23% disagreed and 3% didn't know.
- 9.7 54% agreed with the proposal to reduce the capital limit from £16,000 to £6,000, 41% disagreed and 5% didn't know.
- 9.8 80% were in agreement with the proposal to establish an Exceptional Hardship fund.

## **10.0 Resource implications**

- 10.1 Financial
- 10.2 The Scheme is a discount scheme rather than a benefit scheme. Entitlement to Council Tax Reduction is applied to council tax accounts as a discount. This has the effect of reducing the Council Tax Base. The grant funding for local council tax support is contained within the Revenue Support Grant (RSG) and retained Business Rates and is distributed to County, Fire, Police and the Borough.
- 10.3 For the first year of the scheme (2013/14), the previous Council Tax Benefit grant was transferred to the Department for Communities and Local Government (DCLG) and became part of their 'Department Expenditure Limit' which meant it was fixed for the Spending Review period. The

transferred grant was reduced by 10%, c£1m for Eastbourne Council, so that the Treasury guaranteed their savings target.

- 10.4 For 2013/14 Transitional Grant funding of £100million was made available by the Government to authorities whose support schemes limited the financial impact on applicants. The East Sussex area claimed some £1.136m grant funding for 2013/14. Transitional funding has not been made available since.
- 10.5 The then Secretary of State for Communities and Local Government stated in 2014 that the funding for the Scheme is protected in the RSG and within the Localisation of Business Rates arrangements. However, it is not possible to identify any specific amount of grant funding within these funding streams and in practice the allocation to councils has and continues to reduce.
- 10.6 In addition to the government abolishing the Council tax Benefit scheme they also allowed local authorities some flexibility around council tax discounts and exemptions. The Council decided, at the same time as adopting the 2014/15 scheme to make changes to some discounts and exemptions which would have the affect of increasing the council tax due on those properties affected.
- 10.7 The changes made were:
- To set the discount for second homes at 0%
  - To set the discount exemption for dwellings in Class A at 50%;
  - To set the exemption for dwellings in Class C at a discount of 100% for a period of one month; and
  - To set a premium of 50% for dwellings empty and unfurnished for more than two years which are not being actively marketed for sale or rent.
- 10.8 These changes increase income to the Council by c£94k, which helps to offset the cost of the support scheme.
- 10.9 Expenditure on the CTR scheme in 2016/17 is expected to be c£9.3m; £5.3m on working age and £4.0m on pension age claimants. The Council's share of this cost is £1.3m (13.5%).
- 10.10 The estimated cost to the Council, without making any changes and after taking into account the additional income raised from changes to discounts and exemptions, and assuming that the government grant is at the 2013/14 levels of £1,188,000, is £18,000. However, if we apply the cut in RSG, estimated to be in the region of 28%, to the government grant, the cost to the Council is £351,000 (see below).

If the LCTR grant at 2013/14 levels:

	<b>2016/17 Scheme</b>
	£(000s)
EBC share of cost of scheme	1,300
Govt. funding	(1,188)
Disc & Exempts.	(94)
<b>Cost</b>	<b>18</b>

If the LCTR grant is reduced by 28%:

	<b>2016/17 Scheme</b>
	£(000s)
EBC share of cost of scheme	1,300
Govt. funding	(855)
Disc & Exempts.	(94)
<b>Cost</b>	<b>351</b>

#### 10.11 Staffing

If the scheme adopted means that all working age recipients of CTR have to pay a minimum amount this will have two major impacts.

- An increase in activity around billing and collection
- An increase in customer contact

There is recognition by the major precepting authorities of the increased workload that billing authorities will see and have agreed to contribute to any additional staffing costs incurred. The amount of the contribution will depend on the scheme adopted.

The introduction of an Exceptional Hardship fund will also mean an increase demand on staff resources. As above, the major preceptors have agreed to contribute to the additional cost.

#### 11.0 Legal implications

11.1 These are explained within the body of the report:

Para 1.4 above– statutory duty to review scheme annually and make any revision no later than 31 January in each financial year

11.2 Para 8.1 above – in the event that any revision to a scheme has the effect of reducing or removing a reduction to which any class of persons is entitled,

the revision “must include such transitional provision relating to that reduction or removal as the authority thinks fit”.

- 11.3 Para 9.1 above – statutory duty to consult major precepting authorities and other persons considered likely to have an interest. There is also a statutory obligation upon the Council to publish its draft scheme, which includes any draft revised scheme, in such manner as it thinks fit, before it proceeds to *make* its scheme.
- 11.4 The law gives the Council discretion to determine the detail of its scheme, but legislation sets out those matters which are to be included in any scheme. Any scheme must state the classes of person who are to be entitled to a reduction, the reduction to which persons in each class are to be entitled, the procedure by which a person may apply for a reduction, the procedure by which a person can make an appeal (Local Government Finance Act 1992 as amended by Local Government Finance Act 2012)

## **12.0 Equalities**

- 11.1 An Equality and Fairness Analysis (appendix E) has been carried out on the options proposed for the 2016/17 scheme.
- 11.2 Cabinet need to consider the findings of the Equality and Fairness Analysis in conjunction with the Public Sector Equality duties in deciding on the scheme to be adopted.

## **12.0 Recommendations**

- 1) That Cabinet recommend to Council that the following changes are made to the current CTR scheme:
  - To limit the maximum amount of Council Tax Reduction to 80% of a claimant’s Council Tax liability; and
  - To introduce a minimum income floor for self-employed claimants.
- 2) That the Exceptional Hardship Scheme is adopted.

**lead officer name: Bill McCafferty**

**job title: Lead for Revenues, Benefits and Service Support. Strategy and Commissioning**

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**Background Papers:**

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

Eastbourne Borough Council 2015/16 Council Tax Reduction Scheme

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

Appendix A – Exceptional Hardship scheme

Appendix B – East Sussex County Council response to the consultation

Appendix C – Consultation results

Appendix D – Consultation comments

Appendix E – Equality and Fairness Analysis



**Eastbourne Borough Council  
Council Tax Reduction Scheme  
Exceptional Hardship Policy**

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DRAFT

## 1.0 Background

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

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

1.3 The main features of the fund are as follows:

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

## 2.0 Exceptional Hardship Fund and Equalities

2.1 This policy has been created to ensure that a level of protection and support is available to those applicants most in need. It should be noted

that the Exceptional Hardship Fund is intended to help in cases of **extreme** financial hardship and not support a lifestyle or lifestyle choice. Whilst the definition 'Exceptional Hardship' is not defined by this policy, it is accepted that changes to the level of support generally may cause financial hardship and any payment made will be at the total discretion of the Council. Exceptional Hardship should be considered as 'hardship beyond that which would normally be suffered'

### **3.0 Purpose of this policy**

- 3.1 The purpose of this policy is to specify how the Council will operate the scheme, to detail the application process and indicate a number of factors, which will be considered when deciding if an Exceptional Hardship Fund payment can be made.
- 3.2 Each case will be treated on its own merits and all applicants will be treated fairly and equally in the accessibility to the Fund and also the decisions made with applications.

### **4.0 The Exceptional Hardship Fund Process**

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

identifying the most economical tariffs for the supply of utilities and services generally.

4.2 Through the operation of this policy the Council will look to:

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

4.3 It cannot be awarded for the following circumstances:

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

## **5.0 Awarding an Exceptional Hardship Fund Payment**

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

5.2 When making this decision the Council will consider:

- The shortfall between Council Tax Reduction and Council Tax liability;
- Whether the applicant has engaged with the Exceptional Hardship Payment process;

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

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

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

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

## **6.0 Publicity**

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

## **7.0 Claiming an Exceptional Hardship Fund payment**

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

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

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

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

## **8.0 Changes in circumstances**

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

## **9.0 Duties of the applicant and the applicant's household**

- 9.1 A person claiming an Exceptional Hardship Fund payment is required to:
- Provide the Council with such information as it may require to make a decision;
  - Tell the Council of any changes in circumstances (e.g. a change in income) that may be relevant to their ongoing claim; and
  - Provide the Council with such other information as it may require in connection with their claim.

## **10.0 The award and duration of an Exceptional Hardship Payment**

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

10.2 The start date of such a payment and the duration of any payment will be determined by the Council. In any event, the maximum length of the

award will not exceed the end of the financial year in which the award is given.

### **11.0 Award of the Exceptional Hardship Fund payment**

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

### **12.0 Overpaid Exceptional Hardship Fund Payments**

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

### **13.0 Notification of an award**

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

### **14.0 Appeals**

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

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

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



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

### **15.0 Fraud**

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

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

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

### **16.0 Complaints**

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

### **17.0 Policy Review**

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

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**Becky Shaw**  
Chief Executive

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Rob Cottrill,  
Chief Executive,  
Eastbourne Borough Council,  
1 Grove Road,  
Eastbourne,  
East Sussex  
BN21 4TW

Our Ref  
BS/vf/CTR

Your Ref  
SEP

Date  
14 September 2015

Dear Rob,

### **2016/17 Council Tax Reduction Scheme Consultation response**

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

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

### **Scheme cost and funding**

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

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

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

### **CTR schemes protected**

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

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

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

### **Continuing savings requirements**

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

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

## County Council financial impact of proposals

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

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

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

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

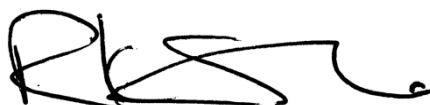
### Exceptional Hardship Funding

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

### Conclusion

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

Yours sincerely



Becky Shaw  
Chief Executive

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**Consultation on LCTR scheme for 2016/17**

		Yes	No
Q1	Have you read the background information about the Council Tax Reduction scheme?	83%	17%

		Agree	Disagree	Don't know
Q2	Do you agree that the Council should continue with the current Council Tax Reduction scheme?	49%	42%	9%

	Proposal 1 - Reducing the maximum amount of support available - All working age residents eligible for a Council Tax Reduction will be required to pay some Council Tax. The levels of payments being considered are between 10%, 15% and 20% of the Council Tax due. This would provide savings of: - £609,146 at 10%, £904,561 at 15% and £1,216,857 at 20%	Agree	Disagree	Don't know
Q3	Thinking about proposal 1 do you agree with the principle of every working age person having to make a minimum payment towards their council tax?	80%	14%	6%

		10%	15%	20%
Q4	If you do agree with Proposal 1, what level of minimum payment do you think someone should make?	42%	20%	38%

	Proposal 2 - setting a Minimum Income Floor for self-employed persons in line with other Welfare Reforms	Agree	Disagree	Don't know
Q5	Thinking about proposal 2 do you agree with the principle?	74%	23%	3%

	Proposal - 3 Reducing the Capital Limit - At present, residents with savings and investments of more than £16,000 are not entitled to any Council Tax Reduction Under the proposed new scheme this limit could be reduced to £6,000. This change would provide savings of £51,004	Agree	Disagree	Don't know
Q6	Thinking about Proposal 3, do you agree with the principle that the level is reduced from £16,000 to £6,000?	54%	41%	5%

	If the Council protects the current scheme, we and the Precepting Authorities will need to find savings from other services to help meet the expected reduction in Government funding over the next 3 years. The proposals set out in this consultation could deliver savings of up to Circa £1.5m from the Eastbourne Borough area. The alternatives in the table below are set out in the background information	Yes	No	Don't know
Q7	Do you think the Council should choose any of the following options? Please select one answer for each source of funding.			
	Increase the level of Council Tax	43%	51%	6%
	Find savings from other Council Services	47%	47%	6%



	Use the Council's reserves	35%	51%	13%
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Q8	<p>If the Council were to choose another option(s), what would be your order of preference? Please rank in order of preference, where 1 is the option you most prefer and 3 is the least.</p> <p>Increase the level of Council Tax</p> <p>Find savings from other Council Services</p> <p>Use the Council's reserves</p>	Most preferred
		38%
		27%
		35%

		Yes	No	Don't know
Q9	Thinking about the Exceptional Hardship Fund, as explained in the background information, do you agree with the principle of the Council establishing such a fund?	80%	9%	11%

Q10	Do you think the Council should consider another option(s)? If so, please give details below.
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Q11	Do you have any other comments regarding the Council Tax Reduction scheme? If so, please use the space below, or email <a href="mailto:LCTR.Consultation@eastbourne.gov.uk">LCTR.Consultation@eastbourne.gov.uk</a>
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Q12	<b>Ethnicity</b>	
	British white	92%
	Irish	2%
	Black British(Indian,Pakistani etc)	0%
	Romany Gypsy	0%
	Chinese	0%
	White non-British	3%
Other	0%	

Q13	<b>Disability</b>	
	Yes	10.6%
	No	84.8%
	Not sure	4.5%

Q14	<b>If disabled, does this limit activity?</b>	
	Yes	35%
	No	65%

Q15	<b>Gender</b>	
	Male	42.42%
	Female	54.55%
	Trans-gendered	3.03%

Q16	<b>Sexual orientation</b>	
	Heterosexual (straight)	87.50%
	Gay man	0%
	Bisexual	0%
	Lesbian (gay woman)	1.56%
	Undecided	4.69%
	Prefer not to comment	6.25%

Q17	<b>Marital status</b>	
	Single	27%
	Married	55%
	Civil Partnership	0%
	Partner/Cohabiting	13%
	Separated	5%
	Divorced	2%

Q19	<b>Religion</b>	
	Agnostic	0%
	Aethist	7%
	Anglican	0%
	Born again christian	0%
	Buddhist	0%
	Church of England	34%
	Catholic	0%
	Christian	34%
	Christian Socialist	0%
	Christian Damanhur	0%
	Pagan	0%
	None	24%

Q18	<b>Age</b>	
	18-24	4%
	25-34	20%
	35-44	25%
	45-54	24%
	55-61	8%
	61+	20%

Q19	<b>Religion</b>	
	Agnostic	0%
	Aethist	7%
	Anglican	0%
	Born again christian	0%
	Buddhist	0%
	Church of England	34%
	Catholic	0%
	Christian	34%
	Christian Socialist	0%
	Christian Damanhur	0%
	Pagan	0%
	None	24%







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### Consultation comments

<p><b>Q2 -</b>  <b>Do you agree that the Council should continue with the current Council Tax Reduction scheme?</b></p>
<p>why should those who live alone pay the same as families of 3 plus members for the same service as they generate less need</p>
<p>why should those who live alone pay the same as families of 3 plus members for the same service as they generate less need</p>
<p>Anyone on highest rate dal or pip and in support group of esa should be entitled to full reduction</p>
<p>Pensioners can afford to pay more</p>
<p>With government grants decreasing year on year the current Council Tax Reduction scheme cannot continue. The deficit needs to be obtained from somewhere to protect services and so amendments to the CTR scheme are required.</p>
<p>The decision would be made by local authority.</p>
<p>I do not believe it is financially sustainable at it's current level of funding and the increased cost should not be met by every Taxpayer within Eastbourne</p>

<p><b>Q3 – If you agree with the principle of every working age person having to make a minimum payment towards their council tax what level of payment do you think someone should make.</b></p>
<p>what about disabled people and unemployed individuals</p>
<p>I consider that all who work and who live in Eastbourne should contribute to the Council Tax</p>
<p>This is less than a packet of cigarettes per week. It is good for them to make a contribution towards the basic services we all enjoy eg refuse collection, schools etc</p>
<p>It would have to depend on their circumstances, the disabled may be exempt?</p>
<p>sliding scale based on income</p>
<p>In assessing a persons ability to pay account should be taken of their essential expenditures. e.g pay TV subs. of £50-60 per month for sport and films are not essential, commitments to pay for a washing machine or cooker are in my opinion are</p>

**Q5 – Proposal 2 – to put in place a minimum income for self-employed claimants.**

times are hard particularly if running your own business and earning fluctuate so no account of income below the minimum level is unfair

self employed people cannot guarantee their income

The minimum wage should be at the level of the Living wage.

I see the problem as trying to prove the income...

Council tax is part of running a business, so, although help should be given, some tax needs to be paid

In principle this is reasonable. But, if this is applied for Council Tax Reduction should it not also be applied to Housing Benefit?

Many start up need longer to establish themselves than one year and have often been forced into a "self-employed" position policy Government policy. It is not clear whether by "Gross" you mean turnover or drawdown. This aspect needs careful appraisal to establish the correct levels that do not discourage people with too high a hurdle.

people could start up then close down then re start businesses in new names to continuously avoid payment

**Q6 – Proposal 3 to reduce the capital limit**

you are working and saving sensibly and then penalised - better to allow savings to accrue so individuals have a cushion for when unable to work, accident, repairs etc

The Saving does not justify the change

The Council should not be implementing Gvt.cuts without protest

I think £6000 is too low - it could represent saving toward a mortgage £10k would be better.

This seems complicated and unfair as savings returns rates vary - I believe this could be unpopular on the basis that it is discouraging people from saving £6k is not a significant sum whereas £10k+ savings on this scheme idea seems a fairer figure

The £16,000 limit has not increased in over a decade. There is already a tariff income applied to savings over £6,000, perhaps this could be increased? Also, if the level is reduced to £6,000 then the few (59) households affected are likely to spend the savings they have on Council Tax and other rainy day items which would bring them below the limit and so would not result in the estimated savings being realised.

**Q8 -**

Increase parking fees all over the town

The Council should use all options available to it in the best interest of the Community

Council reserves should be set a a specific minimum and only interest gains should be used.

ill/disabled should not have to pay council tax they have enough extra expenses

as long as this process was only for 12mths

Social justice requires a balanced approach, mixing all three options.

To convince residents that further savings cannot be made, gross savings achieved over the last say 5yrs be published and by how much the Council Tax take has increased at the same time. i.e. extra income from development

make more effort collecting all money owed from previous years

**Q9 – Exceptional Hardship Fund**

but should ensure that Abuse of the Fund is avoided

Maybe this is where council reserves initially could be used and a plan to replenish this fund with a savings across the council services or a modest increase in Council Tax

As long as it is used fairly and responsibly

So long as it is clear with a decision making process & not just given to difficult customers

The fund would need to be considerably less than the savings amount, and there is the worry that people would expect long term help from the fund. Also, the fund may get exhausted early in the year and so might not be able to help those in need later on. It would need to be stressed that it is solely for exceptional hardship and that help cannot be relied upon. Administration of this fund needs to be taken in to consideration also as this will impact on the service.

Depends on the hardship - fed up with supporting people who can't be bothered working.

**Q 10 – Other options**

Charge more for car parking

More purpose built accommodation for social needs with low council tax/rent

Introduce a local tourist tax levied on non-local businesses like McDonalds, Starbucks etc

Put up business rates to larger firms

Profit making services run the Council like a private company

Ask pension age customers to pay more

The council should look carefully at where grants are given and to whom. Some of these appear to be frivolous and ill-considered causes or groups who benefit.

Options identified are sound

Look at reducing the DHP fund to those that repeat users and support the housing market, ie increase social housing homes, reduce rent so it is more affordable so housing benefit can be reduced with out dire circumstances

Unfortunately the most sensible option would be to remove the protection for pensioners, but the government won't allow this due to their lust for power and blatant disregard for actually addressing the issues of the economic situation. Perhaps free bus passes could be means tested by only being given to those pensioners who do not pay tax on income/savings?

Dedicated team to track and make those that have outstanding money owing pay it back

Collect what they are owed & stop giving benefits & reduced housing to those who are very able to work

Non discretionary services could increase their charges if they have any or the Council could reduce its subsidies for these services

Make them all pay!

**Q11 – any other comments**

Pension Age people should be asked to contribute more

I understand these are very difficult times for local authorities nationwide and that considerable savings have been made which has put pressure on maintaining service levels. Inevitable something has got to give, so the Council Tax Reduction scheme does need to be amended to realise some savings. It is such a shame that the government exclude certain people from this with the sole purpose of protecting their own interests and lust for power and not the greater good of the country as a whole. Until society as a whole is included in helping the economy recover it will continue to be an even longer process than is necessary.

Public sector workers should not have to face further cuts to services and be expected to give the same service to the public, some "non essential" works carried out in the town should be stopped and money given to services that are really needed

It should treat disabled people differently from non-disabled people as disabled people statistically find it harder to find work and their cost of living is often higher due to requiring essential adapted equipment etc.

Make it more difficult to claim!

## Equality and Fairness Analysis Scoping and findings report –

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<b>Officer responsible for equality and fairness analysis</b>	Bill McCafferty Lead for Revenues, Benefits & Service Support	
<b>Officer responsible for policy development</b>	Bill McCafferty Lead for Revenues, Benefits & Service Support	
<b>Policy area</b>	Revenues and Benefits	
<b>Service area responsible for implementing the policy</b>	Customer First	
<b>Originator (if not the Council)</b>	Central Government	
<b>Is the policy proposed (new) or existing?</b>	New	
<b>Is it an EBC policy or a partnership initiative?</b>		Partnership (with East Sussex Councils and ESCC)
<b>Key people involved in the policy development and its implementation</b>	Ian Fitzpatrick, Senior Head of Community Bill McCafferty, Lead for Revenues, Benefits & Service Support Representatives from East Sussex Districts and Boroughs Representatives from East Sussex County Council	
<b>Decision making bodies the</b>	Cabinet – October 2015	

<b>policy will be referred to</b>	Council – November 2015
<b>Snr/Head of Service</b>	Ian Fitzpatrick
<b>Date of Equality and Fairness Steering group</b>	

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

<b>Title of policy</b>	Local Council Reduction Scheme 2016/17
<b>What is the purpose of the policy and why is it needed?</b>	
<p>The Government abolished the national Council Tax Benefits scheme from 1 April 2013. Since then local authorities have had to implement their own local schemes.</p> <p>Council Tax Benefits was a national scheme for low income households. You could get Council Tax Benefit if you pay Council Tax and your income and capital (savings and investments) are below a certain level. You may apply whether you rent or own your home, or live rent-free. You could qualify if you are out of work, or in work and earning a wage. Individuals apply for Council Tax Benefits through a single application process for Housing &amp; Council Tax Benefits. If you are eligible for council tax benefits you will receive a reduction in your council tax bill and the council receives grant to pay for this.</p> <p>The Government fully funded the national Council Tax Benefits scheme, but has reduced the funding to local authorities to meet the costs of local schemes. For 2013/14 the funding for local authorities was reduced by 10%, which in Eastbourne's case amounted to c£1m. Since then the government grant has been rolled up in the Revenues Support Grant and it is difficult to ascertain exactly how much central government funding is available to support the scheme.</p> <p>The government has stated that council tax support for older people will not be reduced as a result of the introduction of this reform. This is because the government wants to ensure that low income pensioners, who would struggle to pay council tax without additional support, and whom the government does not expect to work to increase their income, will continue to receive support for their council tax. Pensioner protection will be achieved by keeping in place national rules.</p> <p>The Council needs to give consideration to vulnerable groups in the design of any scheme. The Government's consultation response is less prescriptive about how this should be done. The government draws councils' attention to</p>	

existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996, as well as the public sector duties in section 149 of the Equality Act 2010.

The scheme will determine how much support people will receive to help them pay their council tax.

The current local scheme has followed, to large extent, the rules of the former Council Tax Benefit scheme. It has only reduced the support to a minority of claimants and then only by a small amount.

The proposals for the 2016/17 will, if adopted mean that all claimants will have to pay something towards their council tax. If the proposal to reduce the capital limit is adopted it will mean some current claimants, who currently get support, will receive no support at all.

**In what context will it operate and who is it intended to benefit?**

The scheme will operate as a means tested discount to be set against a person’s council tax liability. The scheme is intended to give support to those people most in need of financial assistance towards paying their council tax and provide incentives to work.

Working age claimants will be able to apply for CTS, however they may get less support than they would have done under the current scheme.

The scheme will retain many of the elements that gave support to those suffering a disability. For example, Personal Independence Payments will be disregarded when assessing a claimant’s income and the award of certain disability benefits will increase the amount of income a claimant can have before the amount of support they are entitled to is reduced.

**What are the expected outcomes of the policy?**

That people are able to meet their council tax liabilities.

That pensioners are protected.

That the scheme incentivises work.

That the vulnerable are protected.

That those suffering a disability continue to receive the protection they had under the national Council Tax Benefit scheme.

**Which protected groups will it affect the most?**

Age	<b>M</b>	L
Disability	M	L

Considering who the policy is intending to benefit and what the expected outcomes are, assess each characteristic and indicate whether the policy has 'M' more or 'L' less relevance and circle those that apply.	Gender reassignment	M	L
	Marriage and civil partnership	M	L
	Maternity and pregnancy	M	L
	Race	M	L
	Religion or beliefs	M	L
	Sex	M	L
	Sexual orientation	M	L
<b>Which parts of the PSED<sup>1</sup> is it relevant to?</b> Use the same assessment as for protected groups.	1. Eliminate discrimination, harassment and victimisation	M	L
	2. Advance equality of opportunity	M	L
	3. Foster good relations	M	L

### Equality Information

List all the sources of information you have gathered and will use to evaluate the effectiveness, or potential effectiveness, of the policy. Include evidence gathered from engagement.

The proposals for the 2016/17 scheme are:

#### Options

1. To require all claimants to pay a minimum of either 10%, 15% or 20% towards their council tax
2. To reduce the capital limit from £16,000 to £6,000
3. To introduce a minimum income assumption for the self-employed.

Option 1 would affect 5,493 claimants. A 10% requirement would mean claimants living in a band A property having to pay a minimum of £2.12 per week, a 15% requirement £3.18 per week and a 20% requirement £4.24 per week.

A 10% requirement would mean claimants living in a band G property having to pay a minimum of £5.31 per week, a 15% requirement £7.96 per week and a 20% requirement £10.62 per week.

Option 2 would mean those affected having to pay the full council tax.

<sup>1</sup> Public Sector Equality Duty – for further information refer to the guide on same



Option 3 would depend on the exact circumstances of the individual claimant.

The options are not mutually exclusive and could be adopted in any combination.

**Affected groups**

Those affected, by age bands

Age	No. affected
60 to Pension Credit age	277
50 to 59	1,443
40 to 49	1,450
30 to 39	1,310
20 to 29	974
<20	39
	5,493

Those affected, by disability

Disability	Nos.
Yes	443

We can only identify those claimants that have a disability premium on their claim due to, for example, being in receipt of Disability Living Allowance.

For those claimants who are 'passported' claims e.g. as they in receipt of Jobseeker's Allowance (Income based) or Income Support we are not able to identify if they are disabled or not. Approximately 60% of the 5,493 claims are passported.

We would estimate that c700 of the 'passported' claimants are disabled, making a total c1,133 disabled claimants who would be affected.

Those affected, by gender

By gender	No.
Female	3,504
Male	1,989
	5,493

It should be noted that the 'gender' refers only to the claimant and many of the claimants will have partners.

Those affected, by number of dependants

0 dependants	2,730
1 dependant	1,164
2 dependants	951
3 dependants	433
4+ dependants	215
	5,493

No data could be gathered for the other protected characteristics i.e. gender reassignment, religion or belief, sexual orientation or maternity & pregnancy.

Although not relevant from an Equalities point of view the breakdown by Council Tax Band is below.

Band	No.
A	1,998
B	2,037
C	988
D	340
E	113
F	13
G	4
H	0
	5,493

**Are there gaps in this information and if so, what are these?**

For instance, do you have information that is sufficient for the purpose of evaluating the effectiveness of the policy against all protected characteristics?

We are able to identify, from current data, those people of working age who

will be affected by the policy.

Current data does not hold information on:

- Gender Re-assignment
- Maternity and Pregnancy
- Religion or Beliefs
- Sexual Orientation

None of these characteristics have any relevance when it comes to determining a person's entitlement to Council Tax Support.

**What steps did you take, or are you intending to take, to fill these gaps?**

Depending on the purpose of the policy it may prove useful to engage with service users, employees, equality/involvement groups/organisations and other interested parties etc.

We have consulted widely on the scheme with public consultation running from 27 July to 18 September. The consultation survey was posted on the Council website:

- Background information and a brief description of the Council Tax Benefit scheme
- current and future central government funding arrangements
- A statement that pensioners are protected from the changes and that working age claimants are most likely to be affected
- A summary of the possible scheme options
- An introduction and explanation to each question relating specifically to the proposed options
- Examples of how current claimants would be affected by the proposed scheme

In addition to the website, various interested parties were contacted directly to advise them of the consultation and encourage them to take part.

There were 114 responses to the consultation and several comments were made. The results from the consultation are attached as Appendix C to the Cabinet report of 21<sup>st</sup> October 2015 and the comments at Appendix D.

In summary the majority of respondents were in favour of all the principles and proposals, with a smaller majority being in favour of the doubling on non-dependant deductions and the reduction of the capital limit to £6,000.

### **What does all the information gathered tell you about the policy?**

I.e. does the policy miss opportunities to advance equality and foster good relations?

The majority of respondents to the consultation were in agreement with the proposed changes. The policy attempts to fill part of the funding gap, whilst at the same time protecting the most vulnerable eg by retaining disability premiums within the scheme.

### **Based on your evidence and engagement is there a need to balance conflicting views and how will you do this?**

You will need to find an appropriate balance for these groups and the policy in question.

Due to the government protecting pensioners (ie those who have attained the age whereby they can claim Pension Credit), any reduction in support has to fall

on those of working age.

If challenged, we will explain the government's position.

**Is there a need to counter resentment or address inaccurate perceptions, if so what will you do?**

This is more likely to arise in regard to policies that justifiably benefit certain groups over others and so give the impression of 'favourable treatment'.

There may be the feeling from working age claimants that they are being singled out for cuts in support. However, there is nothing the Council can do about this, as the government has prescribed that pensioners are to be protected from any cuts. To achieve this, the government has set the rules on how claims from pensioners are to be dealt with.

**Findings of your analysis**

Having gathered in all the evidence and considered the potential or actual effect of the policy on equality, you should now be in a position to make an informed judgement about what should be done with the policy. There are four main steps to take:

1. No major change – the policy is robust and evidence shows no potential for discrimination and all opportunities to advance equality and foster good relations between groups has been taken;
2. Adjust the policy - some steps need to be taken to remove barriers in the policy or to better advance equality;
3. Continue the policy – you will adopt the policy despite any adverse effects or missed opportunities because you are satisfied that it does not unlawfully discriminate – you will need to document what the justification is for continuing the policy, and how you reached this decision;
4. Stop and remove the policy – there are adverse effects that are not justified and cannot be reduced.

***Irrespective of the step you recommend you are required to provide documentation in support of your decision and the reasons why you made it together with all supporting equality information used.***

Please type 'recommended course of action' against the desired step below.

<b>No major change</b>	
<b>Adjust the policy</b>	Recommended course of action
<b>Continue the policy</b>	
<b>Stop and remove the policy</b>	

<b>Proposed action plan in regard to policy implementation</b>	
<b>Quality checking: What was the outcome of the Corporate Equality and Fairness Planning Group?</b>	
<b>How will you implement any recommendations the group made?</b>	The scheme has to be adopted by the Council by 31 January 2016. Any recommendations made after this date will be considered during the review stage.
<b>How will the policy be monitored once implemented, and who will do this?</b>  Consider how you will determine whether or not the policy is having its desired effects i.e. what type of information is needed and how often will it be gathered?	The Council Tax collection rate (Although other economic factors will affect this). Numbers of reminders, final notices and summons issued (although other economic factors will affect this). Number of successful appeals. Spend against budget will be monitored monthly
<b>Who will analyse the monitoring at its review stages?</b>	Senior Head of Community Lead for Revenues, Benefits & Service Support
<b>What could trigger an early revision?</b>	The scheme cannot be changed mid-year.
<b>How will you involve key service users/other parties in the review process?</b>	Through liaison meetings with: CAB Housing Financial Inclusion Steering Group
<b>How will you publish the results of any reviews?</b>	
<b>For completion by the Equality and Fairness Steering Group:</b>	
<b>Results of group discussion and recommended course of action:</b>	

**Body:** CABINET

**Date:** 21 October 2015

**Subject:** Sustainable Service Delivery Strategy (SSDS) Update

**Report Of:** Deputy Chief Executive

**Ward(s)** All

**Purpose** To set the council's strategy for the further development of shared services

**Recommendations:**

1. To consider the Shared Services Outline Business Case set out at Appendix A, in particular, two options for wider integration of services with Lewes District Council:
  - a. An integrated council - integration of the staff and services of both councils
  - b. An integrated management team
2. To adopt a strategy for the development of shared services based on option a) above.
3. To authorise expenditure of up to £30,000 on the preparation of a more detailed business case and programme plan.
4. To authorise an exception to contract procedure rules to appoint Ignite Consulting Ltd to carry out detailed work to inform the business case.

**Contact:** Henry Branson, Senior Head of Projects, Performance and Technology, Telephone 01323 415155 or internally on extension 5155.  
[Henry.branson@eastbourne.gov.uk](mailto:Henry.branson@eastbourne.gov.uk)

## **1.0 Background/Introduction**

- 1.1 The Sustainable Service Delivery Strategy (SSDS) is a key response to the increasing cost and demand pressures facing Eastbourne Borough Council (EBC). It is a programme that was developed to promote a range of solutions, both internal transformation and effective partnership working with other organisations.
- 1.2 Two of the key SSDS programmes currently underway are the implementation of the Future Model, which aims to improve service delivery whilst delivering savings of 1.7m to £2m across the organisation, and the Shared Corporate Services Programme with Lewes District Council (LDC) which, to date, has seen a shared legal service and a shared human resources service set up between EBC and LDC, as well as a number of other successful sharing arrangements noted in the July 2015 SSDS update to Cabinet.

- 1.3 The report to Cabinet in July 2015 on the Medium Term Financial Strategy (MTFS) highlighted that, following a 50% real term cut to council funding in the previous parliament, Government funding is expected to fall a further 30% over the next parliamentary cycle to 2020. It is therefore clear that despite the significant savings delivered to date through the SSDS, the council continues to face challenging savings targets going forward. The MTFS sets a target of £900,000 of recurring savings to be delivered between now and 2020 from shared services. LDC has an MTFS target of £1.7m through transformation, including shared services.
- 1.4 Against this financial backdrop, following the May 2015 elections, the Leaders of both councils met and agreed their commitment to working together to share services where this could deliver resilience and efficiency savings. This was reflected and confirmed in the July 2015 SSDS update to Cabinet.
- 1.5 As a result, both councils jointly commissioned Improvement and Efficiency Social Enterprise (iESE) to set out the options for the development of shared services and, in particular, an outline business case for wider integration between EBC and LDC.
- 1.6 On 24 September 2015 LDC's Cabinet considered iESE's outline business case and agreed to adopt the recommended strategy.

## **2.0 Outline Business Case for Shared Services**

- 2.1 The Outline Business Case from iESE is presented in full in Appendix A. It presents two options:
- a) An integrated council - full integration of management and services (with the exclusion of waste and housing due to the current difference in delivery models)
  - b) An integrated management team

The appraisal focuses on three cases for change, as laid down in the HM Treasury Green Book guidance for business case development. These cases are summarised in paragraphs 2.2 to 2.4 below.

## **2.2 Strategic Case for Integration**

There is a strong strategic case for integration. The national context of government policy points clearly to the need to integrate, collaborate and share, in order to:

- deliver significant financial efficiencies, given further cuts in government grants
- deliver greater service resilience and flexibility
- have a greater strategic presence within an area in a local government landscape of increased delegation and devolution.



There are a number of key factors in making the integration of two councils work:

- A single senior management team
- Strong support and collaboration from Members across geographical areas and political affiliations
- Good communication with residents and staff
- A joint ICT strategy to deliver integration and alignment of systems and information

The July 2015 SSDS update summarised the achievements of existing shared services and the range of additional shared roles currently emerging between EBC and LDC. These shared arrangements are already providing evidence of increased flexibility and efficiency with better deployment of resources to meet changing needs. This success has generated interest elsewhere: following a request from Adur and Worthing Councils regarding the possibility of joining the existing EBC/LDC Shared HR Service, interim HR management arrangements have been in place in Adur and Worthing for 5 months now whilst discussions took place about formalising arrangements. A report is going to Adur and Worthing's Joint Strategic Committee on 3 November 2015 which recommends that their HR service is transferred into the existing EBC/LDC Shared Service from January 2016.

This is an excellent opportunity for EBC to embark on a further partnership arrangement. The SSDS advocates a mixed economy of delivery mechanisms (in house, outsourced and shared) and the HR service has made a tangible success of the shared arrangements with LDC to date. Partnering with Adur and Worthing will provide increased opportunity to build on this success, broaden the scope of our impact and resilience and promote EBC as a partner of choice.

It is clear that the track record of EBC and LDC in sharing services in an evolutionary fashion is 'wholly successful', using iESE's words, and that this success is confirmed through the expansion of the shared HR service to Adur and Worthing.

There is already a good degree of shared senior management and support from Members across both councils and political groups. Given this success a 'tipping point' has been reached and we are well placed to move from case by case shared services to wider integration of the two councils.

The adoption of a wide integration of services between the two authorities does not preclude other partnership working or affect the sovereignty of the two distinct governance structures.

### 2.3 **Financial Case for Integration**

The outline business case explores the financial benefits of options a) and b) above.

Key factors taken into account in the high level modelling include:

- EBC has already implemented Future Model, delivering 20% savings, therefore EBC is likely to achieve a lower level of efficiencies compared to LDC.
- Priority areas, such as regeneration and assets, must retain the capacity to deliver corporate objectives.
- Service delivery functions which are specific to each council will not be integrated, and are therefore excluded from the business case at this stage. For EBC this includes much of tourism and leisure as well as bereavement services. For LDC, this includes waste services, housing services, repairs services and tourism.

It is important to note in relation to the above services that although they have been excluded from the business case, they are not necessarily excluded from any future integration programme. Further benefits could be delivered from integrating these services at some future point.

The integration of EBC and LDC is based on the assumption that both will be structured around the Future Model.

The savings estimated in the outline business case for each option are:

- **Option a) an integrated council - £2.9m**, with the split of benefits roughly two-thirds to LDC and one-third to EBC, due to the savings already delivered at EBC through Future Model.
- **Option b) an integrated management team - £1m**, with a split of benefits about 60:40 between LDC and EBC.

It is therefore clear that only option a) would deliver the level of benefits both councils require to meet their respective MTFS targets.

These estimates will need to be validated through a more detailed business case involving analysis of staffing, activities, processes and systems.

The costs of a programme to implement option a) also require more detailed work, but the principle adopted in the Future Model business case of a return on investment inside two years would be adhered to.

## 2.4 **Management Case for Integration**

There are a number of different approaches to governance which could be considered. A merger of the two councils is theoretically possible, but experience elsewhere suggests that it would add to the complexity and risk of any proposals. It is therefore recommended that the sovereignty and democratic legitimacy of each council would be maintained with a number of models of shared governance proposed in the outline business case. These would be explored further in the detailed business case.

## 3.0 **Legal Implications**

3.1 The Legal Services team have been consulted on the proposals and have outlined a number of legal structures and powers which could be used as the basis of integrating the councils.

- a) Under the terms of sections 19 and 20 of the Local Government Act 2000 the Secretary of State may by regulations make provision to permit local authorities to make arrangements for the discharge of their functions by another local authority and under section 101(5) of the Local Government Act 1972 for the discharge of any of their functions jointly which are the responsibility of the executive of a local authority. The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 permit such arrangements.
- b) Under section 112 a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions as fall to be discharged by them and the carrying out of any obligations incurred by them in connection with an agreement made by them under Section 113 of the Local Government Act 1972. Under section 113 of the Local Government Act 1972 the Councils may enter into an agreement with each other for the placing at their disposal the services of officers employed by them. Any such officer shall be treated as for the purpose of any enactment relating to the discharge of local authorities' functions as an officer of that other local authority.
- c) Under section 1 of the Localism Act 2011 each of the Councils may do anything that individuals generally may do.
- d) Under the Local Authority (Goods and Services) Act 1970 the Councils may enter into an agreement for the provision to each other of (amongst other things) goods, materials, and administrative, professional and technical services. Any agreement under this provision can contain such terms as to payment or otherwise as the parties consider appropriate.
- e) Under the Public Contracts Regulations 2015 there are several routes whereby the Councils can work together to deliver public services without having to go through a procurement process to do so. These routes will be considered and built into the shared services strategy. In addition the Councils, as contracting authorities may purchase works, goods or services from or through a central purchasing body. Where they make such purchases, then they are deemed to have complied with the public procurement rules, to the extent that the central purchasing body has complied with them. A central purchasing body is defined as a contracting authority which acquires goods or services, or awards public contracts or framework agreements for works, goods or services intended for one or more contracting authorities.

3.2 In the event that both councils agree to pursue a shared services strategy and firm proposals developed, the "TUPE Regulations" (Transfer of Undertakings (Protection of Employment) regulations 1981) may apply. The effect of these is that staff will transfer from one authority to the other one on their existing terms, conditions and pension rights. There are statutory obligations on both local authorities to consult with the trade union in

relation to those employees affected by the transfer.

- 3.3 Under the Local Government Act 1999 the council is obliged to seek to continuously improve services, and in deciding the best way to do this must undertake consultations with representative groups. The council will therefore need to consult at a future date if it is agreed that implementation should proceed.

## **5.0 Resource Implications**

- 5.1 Given the financial context described in this report, and the needs of the MTFS, it is clear that option a) offers the best chance of delivering the savings required.
- 5.2 In order to validate the savings estimates, analyse the risks of implementation and develop an outline programme plan including costs, governance and technology, further work is required to develop a more detailed business case, which will be brought back to Cabinet at a future date.
- 5.3 Cabinet is therefore asked to authorise expenditure of up to £30,000 from the strategic change fund to carry out this work. The detailed business case will involve further work by iESE and also support from Ignite Consulting Ltd. Ignite developed the Future Model in partnership with EBC and have worked with us throughout the implementation. Ignite's proven expertise at business case development, activity analysis and change management, allied to their in-depth knowledge and experience of implementing Future Model at EBC, means they are uniquely placed to deliver some of the detailed work required.
- 5.4 We therefore request Cabinet to authorise an exception to contract procedure rules to enable us to directly appoint Ignite Consulting Ltd to carry out detailed work to inform the business case. This work would not exceed the authorised budget or reach EU thresholds.

## **6.0 Conclusion**

- 6.1 Given the national context of increasing collaboration, sharing and devolution, the successful track record of EBC and LDC in delivering shared services to date and the requirements of the MTFS to deliver further significant savings, Cabinet is recommended to adopt a strategy for the development of shared services with LDC based on option a) above.

The next step will be the development of a detailed business case and a costed programme plan, giving consideration to risks, governance, procurement, technology and organisational culture. Cabinet is recommended to authorise the expenditure outlined in the report and the associated exception to contract procedure rules to enable this work to proceed.

The business case and programme plan will be the subject of a future report

to Cabinet.

**Henry Branson**  
**Senior Head Of Projects, Performance and Technology**

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**Background Papers:**

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

- Sustainable Service Delivery Strategy Programme – Implementation of the Future Model Phase 2 (Cabinet Paper, 10 July 2013)
- Sustainable Service Delivery (SSDS) Updates (Cabinet Papers, February 2014, July 2014, October 2014, December 2014, July 2015)
- Medium Term Financial Strategy 2016-2020 (Cabinet Paper, 8 July 2015)
- Lewes District Council Cabinet Report 24 September 2015 – Shared Services

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

Appendix A

# Shared Services Outline Business Case

Eastbourne Borough Council and Lewes District Council  
August 2015



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## Executive Summary

Eastbourne Borough Council and Lewes District Council commissioned iESE to undertake a high level Outline Business Case to examine the potential scale of benefits which may be delivered through a wider strategic integration of the two Councils.

The contextual arguments support the ambition. There is now a wealth of experience gained from other English councils which firmly suggests that financial and non-financial benefits can be derived from such collaborations, notably:

- Increased resilience within services and management, creating a stronger Council which can operate strategically within the region and create advantageous partnerships with similar partner councils. There are some notable partnerships and ‘combined’ Councils local to Eastbourne and Lewes which makes this ambition of real significance.
- Delivering efficiencies that can reduce the costs of services and improve the citizen experience.

iESE have undertaken an indicative analysis to identify the potential scale of efficiencies which may be pursued in an integration of the two Councils. These options have been modeled by considering other examples of integration in ‘Future Model’ Councils, tailoring the analysis to better reflect the local context in Eastbourne and Lewes. Two options have been considered:

- i. Integration of the two Councils. The potential scale of efficiencies suggested by the modeling is 12% of staffing costs, across the two Councils.
- ii. Integration of the Management Teams. The potential scale of efficiencies is 17% of management staffing costs, across the two Councils.

A Cost Benefit Analysis considering these levels of resource efficiencies, and the associated costs and other benefits of change (including IT and accommodation) suggests there is a Net Present Value to the Councils for a four year programme pursuing full

integration of around £4.6 million, with the total annual net benefits being achieved by year 4 being in the region of £2.9 million.

These analyses are indicative, although they have been considered and quality assured against the experience of other comparable authorities in the iESE client base. A more detailed assessment will be needed to enable decision-makers to choose the option which is right for the respective Councils, but it should be noted that the second option has generally been found by other authorities to be a vital stepping-stone for the first, the full integration of Council services.

Some of the key challenges, risks and issues around models of governance that may be raised through any integration of the two Councils have also been detailed within the report. Key risks include the following:

- Financial - ensuring that the desired levels of benefits and savings are realised
- Governance– ensuring decision-making and engagement arrangements are clear and robust
- Cultural – managing staff perceptions, morale and commitment to change is critical, alongside the necessary changes to processes and systems.

The choices around service and management structures, and models of governance will be an important consideration for the next phase of any programme for integration. Issues such as aligning respective schemes of delegation may be critical to implementing a shared approach to decision-making and governance, which can drive further integration throughout the organisations.



## Background

iESE has been commissioned by Eastbourne Borough Council (EBC) and Lewes District Council (LDC) to produce an Outline Business Case document examining options for future integration of the Councils.

The work was to seek to deliver a strategic options appraisal of relevant models, which would allow Members to agree the strategic direction and most advantageous route for the further integration, building on the work to date. Subject to agreement on this strategic direction a more detailed Full Business Case could be developed for the preferred option.

It was agreed that this work would focus on two options:

- c) Full integration of management and services (with the exclusion of waste and housing due to the current difference in delivery models)
- d) A shared management structure.

The appraisal focuses on three 'cases' for change, as laid down in the HM Treasury Green Book guidance for business case development:

**The Strategic Case** - building on the recent iESE paper, which outlined the current thinking and outcomes of sharing services.

**The Financial Case** - including the potential benefits of each option, and key considerations including leadership, culture, technology and staff impacts.

**The Management Case** - including risks and governance.

As agreed, the report does not make recommendations on a preferred option. Members will be briefed on the business case to ensure they fully understand the options and are enabled to make an informed decision on next steps.

## **1. The Strategic Case**

### **1.1 The National Appetite for Sharing Services and Management**

Having already reduced revenue budgets significantly, both councils face further cuts in government grants. It appears likely that council tax increases to keep pace with inflation will be permitted by government and that Revenue Support Grant will be reduced substantially until 2020, which may result in a larger reduction locally. Other funding streams such as New Homes Bonus may not provide a secure source of revenue.

At the same time, it is clear that any of the key challenges facing local government, such as coordinated economic growth and infrastructure planning, as well as the integration of service delivery across the public sector, will require greater cooperation and capacity to deliver.

Lastly, communities and individual customers continue (rightly) to expect to receive high quality and modern services focused on local needs. They expect to engage with Councils utilising the benefits of new technology, and to keep personal taxation low. A majority also are keen for Councils to protect locally valued services and support those at particular risk or vulnerable.

Mindful of this background, it will be difficult to meet these challenges with fragmented district council structures and traditional methods of service delivery. The increasingly explicit agenda in government is to see councils create more efficient working practices through the sharing of staff and the redesign and sharing of services. In future, councils may well need to provide more integrated services together with other public service providers; principally the NHS and to cooperate across wider geographical areas and particularly with Local Economic Partnerships, to deliver strategic priorities.

The national context points clearly to the need to integrate, collaborate and share.

### **2.2. Advantages of Sharing Management and Services**

Any proposed integration of Council operations is an opportunity for them to actively shape (rather than have shaped for them) their future so that local government can better serve residents at a time of financial challenge.

Across the country, benefits from collaboration have been proven in three particular areas:

- i. **Significant financial efficiencies** through greater cost savings, cost avoidance (e.g. increased service with same staff) and joint procurement. The LGA now estimate there are 416 shared service arrangements occurring between councils across the country resulting in £462 million of efficiency savings, of which £60 million are from 'Shared Chief Executive and Management' initiatives.
- ii. **Greater service resilience and flexibility** through a rationalisation of standards, operations and workload, leading to improved productivity and an enhanced capacity to handle customer needs.
- iii. **A greater 'strategic presence' within an area**, with better ability to address issues sub-regionally, and to have an appropriate voice in a local government landscape of increased delegation and devolution.

There is no right model for Councils' ambitions for shared management and services. However iESE's experience suggest some key themes as to why integration 'works'.

- Start at the top. A single Chief Executive (or alternative model such as joint Directors with no Chief Executive) appears to be a pre-requisite of successful integration, to give the singular leadership and clarity of purpose to take forward the programme of change.
- Senior teams will be small. 7 or 8 senior managers across the two Councils appears to be a maximum. Organisational structures encompassing four elements broadly termed 'Delivery', 'Support Services', 'Digital and Customer' and 'Economy' seem to be prevalent.

- Visible support and collaboration from all Members. The notion of integration must be shared by Members across the geographical and political divides. A clear vision and unswerving commitment to its achievement is critical to provide assurance throughout the changes and the difficult issues which will emerge at some point, especially amongst staff.
- A clear financial message to staff. All examples provide substantiated evidence of significant savings through staff reductions. This is communicated clearly at the start of the process, and is monitored throughout.
- An equally clear communication with residents. Engagement with the residents will see them accept and appreciate arguments for change. Anticipating their reaction to a substantial change (such as the abortive full 'merger' between Babergh and Mid Suffolk Councils), without appreciating local sentiment, will create barriers.
- Choosing an evolutionary or transformational approach. The gradualist approach (shared services under a joint management on a case-by-case basis) is an attractive one to ensure success over a medium-term period. The goal may still be full integration within a relatively short timescale. However, when the obvious 'easy' efficiencies of gradual sharing in services and processes and have been achieved, a transformative (and disruptive – in a positive sense) integration can engender a unique sense of momentum and renewal (as in South Hams and West Devon Councils). This approach will entail behavioural and cultural changes, and tends to require leading over the medium-term by a committed change 'champion'.
- A single programme of IT change is imperative. The integration of information systems is far more than a technical issue. Alignment of information is vital to bring together ways of working and shared functions.

IDeA suggest from experience to date that there were certain cultural factors which need to be in place to ensure two Councils can integrate:

<ul style="list-style-type: none"> <li>• No large cultural differences in the organisations</li> </ul>
<ul style="list-style-type: none"> <li>• Similarities in the areas and communities covered by the Councils</li> </ul>
<ul style="list-style-type: none"> <li>• Both authorities must trust the Chief Executive</li> </ul>
<ul style="list-style-type: none"> <li>• Clear and well understood governance</li> </ul>
<ul style="list-style-type: none"> <li>• Politicians must be able to work together</li> </ul>

iESE’s experience of working with Councils suggest that there are core principles which apply to all councils in **designing a new organisational structure**. The model should take account of both (a) ‘strategic fit’ and (b) consideration around the structural design.

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**Strategic Fit**

- Reflect the vision and values of the organisation
- Align to the strategic direction and financial and corporate plans
- Effect cohesive leadership
- Be aligned to and provide effective support to the governance of the organisation
- Reflect the community plan and ensure effective partnering to focus on the delivery of local services, which meet citizen needs
- Have clearly defined roles; accountability and decision-making
- Be adaptable and flexible to respond to new challenges and strategies
- Maximise the talent of the organisation and individuals

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**Structural Design**

- Clear distinction between strategic; operational and transactional functions
  - Streamline the number of organisational layers which maximizes spans of control and has a clear rationale and necessity for the chosen model
  - Decision making is clearly defined with as few as possible hand offs and touch points
  - Manages specialisms and expertise to ensure citizen centric
-

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approach to service delivery

- Breaks down silos and ensure cross functional operation
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### **2.3 Successful Integration in Eastbourne and Lewes**

The recent update to Eastbourne Council's Cabinet (Sustainable Service Delivery Strategy (SSDS) - 8<sup>th</sup> July) succinctly summarised the clear achievements of previous collaborations and the range of additional shared roles and services currently emerging between EBC and LDC. It also reaffirmed the commitment to future shared services.

In particular it was noted following the Corporate Services Review project the Councils undertook with iESE in 2014, the human resources (HR) and legal shared services successfully went live on schedule in April 2015, with EBC hosting the HR shared service and LDC hosting the legal shared service. Staff transfer under TUPE had been completed successfully and all bar one staff member were in post. The next step will be the development of service level agreements (SLAs) for both services. The early success of the arrangements had already resulted in some interest from other authorities about potentially joining the service in future.

The businesses cases prepared as part of the review indicated that potential savings of £135,000 could be generated from a shared HR service in total over its first 4 years of operation. A joint Legal Service was projected to generate savings of £183,000 over the same period. The overriding focus of the shared services was however to increase resilience and capacity in the two services, and to a significant extent, this is already being delivered.

Additionally, the Information Technology shared services roadmap was currently being developed and envisaged a 5-year transition programme. Due to the different financial systems used by EBC and LDC, the shared service opportunities for finance were currently focussing on sharing expertise across the two authorities and moving to common financial reporting formats. The alignment of the property teams across EBC and LDC

was ongoing, with recruitment to joint posts underway and a shared statutory compliance officer in post.

Furthermore, in 2014, the Councils' Cabinets authorised their Chief Executives, in consultation with the respective Council Leaders, to take advantage of opportunities as and when they arose to align systems or posts in order to generate benefits in terms of quality, savings or resilience. Since then a number of opportunities had been taken to do this, namely:

- Two further shared roles at senior management level (Senior Head of Planning, Regeneration and Assets and Senior Head of Tourism and Leisure)
- Shared printing service, hosted by EBC
- Sharing of specialist skills around council tax and the community infrastructure levy (CIL).

**It is evident that the 'track record' of EBC and LDC in evolutionary integration is wholly successful, and recognized across the country as good practice. The strategy of pursuing opportunities for sharing on a gradual and pragmatic has worked, and is delivering exactly the financial and operational benefits anticipated. It is now timely to consider whether a 'tipping point' has been reached.**

**EBC and LDC's futures are now interconnected, and a continued relationship must be nurtured and grown to ensure the challenges of the next five years can be met. To that end, it may be felt that the point has been reached whereby operational and opportunistic integration is not enough to secure the full benefits that are available to EBC and LDC. A fuller, more strategic collaboration needs to be explored.**

- **2. The Financial Case**

### **2.1 The Options for Integration**

iESE, in our work with Councils seeking to work together, and other recent UK experience, would suggest that there are three principal models for integrated structures of two or more authorities.

- a) An integrated Council - with a single officer structure to deliver fully integrated management and service delivery arrangements across the two Councils.
- b) An integrated Management Team - with a 'mixed economy' of services for the Councils, integrated as appropriate on a case by case basis.
- c) A 'merged' Council - existing Councils would be dissolved and a single Council would be created with its own identity, functions and budget and policy framework.

While the benefits of integration particularly in cash terms clearly rise as integration becomes greater, equally of course so does risk and political complexity. From our research undertaken across a number of notable shared service initiatives, we would suggest that the current national environment does not yet support appetites for a full 'merger', and the intricacies of structural reorganisation would be very challenging for any partnership of Councils seeking to be at the vanguard of such an approach. Therefore we suggest that the current options for a more strategic integration of EBC and LDC are (a) an integrated Council and (b) an integrated Management Team.

The exploratory modelling of these two options uses the approach taken in previous 'Future Modelling' of Councils. In these examples, existing staffing has been re-categorised according to best estimates against the functions within the Future Models. Then indicative levels of potential resource reductions have been allocated against each. These have been indicated according to the following assumptions:

- The baselines used for the reductions are the assessments undertaken for a combined Council undertaking 'Future Modelling' and for a traditionally structured Council seeking to join a 'Future Model' Council.



- EBC have already 'Future Modelled' customer-facing services – reducing resources by 20% - and therefore the indicative reductions from integration are decreased by this amount.
- EBC are seeking to maintain sufficient capacity in Regeneration and Corporate Landlord initiatives, and therefore indicative reductions have been decreased in relevant areas (corporate development and asset management)
- Service delivery functions are considered specific to the geographical district and therefore it is suggested that resources within them will not be reduced due to integration. The work areas categorised as Service Delivery are:

**Service Delivery - Eastbourne**

Theatres and Catering  
 Cemeteries and Crematoria  
 Sports Development  
 Events  
 Heritage  
 Seafront Services

**Service Delivery - Lewes**

Caretaking and Scheme Management  
 Repairs and Maintenance  
 Waste and Recycling  
 Housing Services  
 Tourism

Although Housing and Waste and Recycling services have been excluded from the analysis (to recognise the position in Eastbourne where these services are operated by non-Council bodies) it should be noted that further scope for savings in these services would exist if they were eventually brought into an integrated authority, should arrangements for Eastbourne Homes and the Eastbourne Waste and Recycling contract be revised.

These assumptions around the level of resource reductions using for the options are illustrated in the model below:

Functions	TDC (2014)	SHWD (2013)	EBC %	LDC %	"Optimism" bias
Management	27%	29%	27%	27%	H
S&C - strategy/corporate development	26%	15%	10%	26%	M
S&C - commissioning/perf/contract mngt	23%	15%	23%	23%	M
Democratic support	17%	15%	17%	17%	M
Service strategy & commissioning (Specialist)	21%	15%	2%	22%	L
Community/ customer enabling	-5%	12%	2%	22%	L
Customer Services Advisor	-2%	22%	2%	22%	L
Mobile Locality Officer	1%	27%	2%	22%	L
Service processing (rule based)/ case coordinator Specialist	25%	10%	5%	25%	L
Specialist	33%	42%	3%	33%	L
Corporate support - customer support	31%	30%	30%	30%	H
Corporate support - service processing, admin	23%	30%	30%	30%	H
Corporate support- complex advice/cases	36%	30%	30%	30%	H
Corporate support- governance/compliance	37%	30%	30%	30%	H
Service delivery	13%	10%	0%	0%	-
Facilities / Asset management	24%	22%	10%	24%	M
<b>OVERALL</b>	<b>24%</b>	<b>24%</b>	<b>10%</b>	<b>18%</b>	<b>M</b>

To attempt to mitigate overly “optimistic” assessments of potential efficiencies in areas at this stage, particularly in areas where a variety of options for transformation may exist (notably Management and Corporate Support), an optimism bias factor has been added, as suggested by HM Treasury guidance. (Here savings factors have been reduced by 20% for areas of ‘High’ bias, 10% for ‘Medium’ bias, and 5% for ‘Low’ bias).

## 2.2. An Integrated Council

The clear benefits for EBC and LDC in pursuing strategic integration would be in:

- Increasing the resilience of the councils, creating stronger management teams and allowing sharing of resources and deliver of joint services
- Offering better staff prospects, including investment in the skills of managers (particularly their capacity to act strategically on behalf of the organisation and area and not just to deal with operational issues)
- Leading to a cultural shift in the way each council works with greater delegation to and empowerment of operational staff to focus on with providing good quality public services
- Providing a stronger voice that gives councils a greater influence locally, regionally and nationally.

Closer alignment of the Councils would also typically include benefits for Eastbourne and Lewes residents:

- The creation of a shared modernised customer service offering with physical ‘hubs’ and other access to Council services, with a common technology platform to make the model work
- The focus on efficiency and redesign to better meet customers’ local needs and wishes as access channels to services are rethought
- Providing better resilience and business continuity providing greater assurance to citizens that their matters will be addressed in an effective and timely way
- Rationalisation of physical assets will enable the Councils to meet the priorities of local communities differently in terms of more contemporary approaches to access
- Creative opportunities to enhance citizen engagement can emerge to assure citizens that their local democracy is not being diluted.

The basic premise of an integration is that EBC and LDC would seek to be structured around the ‘Future Model’, which is being adopted in EBC, and whose principles are being used to change service delivery in LDC. The option is illustrated below:



A full Business Case for such integration would require detailed analysis of staffing, activities, processes and systems. It is a serious and intensive undertaking.

At this stage, for this Outline Business case, a framework for such an analysis has been produced, and – an initial model done. This has used purely indicative figures drawn from experience of similar options for integration in Future Model-type organisation.

The following illustration of the potential scale of the change has been estimated. It is this potential scale of change that this analysis seeks to highlight, not the actual detail of the numbers provided.

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	15	11.8	3.2	21.6%	£1,216,131	£953,447	£262,684
S&C - strategy/corporate development	25	22.8	2.3	9.0%	£752,107	£684,418	£67,690
S&C - commissioning/perf/contract mngt	4	3.2	0.8	20.7%	£171,620	£136,095	£35,525
Democratic support	12	10.2	1.8	15.3%	£324,932	£275,217	£49,715
Service strategy & commissioning (Specialist)	7	6.9	0.1	1.9%	£350,539	£343,879	£6,660
Community/ customer enabling	2	2.0	0.0	1.9%	£28,724	£28,178	£546
Customer Services Advisor	31	30.4	0.6	1.9%	£671,465	£658,707	£12,758
Mobile Locality Officer	20	19.6	0.4	1.9%	£512,215	£502,483	£9,732
Service processing (rule based)/ case coordinator	55	52.7	2.3	4.3%	£1,223,519	£1,171,520	£52,000
Specialist	31	30.1	0.9	2.8%	£1,102,479	£1,071,059	£31,421
Corporate support - customer support	2	1.5	0.5	24.0%	£64,035	£48,667	£15,369
Corporate support - service processing, admin	38	28.9	9.1	24.0%	£907,913	£690,014	£217,899
Corporate support- complex advice/cases	10	7.6	2.4	24.0%	£405,860	£308,454	£97,406
Corporate support- governance/compliance	18	13.7	4.3	24.0%	£556,155	£422,678	£133,477
Service delivery	73	73.0	0.0	0.0%	£1,899,186	£1,899,186	£0
Facilities / Asset management	17	15.5	1.5	9.0%	£514,309	£468,021	£46,288
<b>EASTBOURNE</b>	<b>360</b>	<b>329.6</b>	<b>30.4</b>	<b>8.4%</b>	<b>£10,701,190</b>	<b>£9,798,574</b>	<b>£902,616</b>

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	17	13.3	3.7	21.6%	£1,257,394	£985,797	£271,597
S&C - strategy/corporate development	6	4.6	1.4	23.4%	£252,711	£193,576	£59,134
S&C - commissioning/perf/contract mngt	6	4.8	1.2	20.7%	£235,905	£187,073	£48,832
Democratic support	16	13.6	2.4	15.3%	£452,833	£383,550	£69,283
Service strategy & commissioning (Specialist)	19	15.0	4.0	20.9%	£642,681	£508,361	£134,320
Community/ customer enabling	9	7.1	1.9	20.9%	£157,585	£124,650	£32,935
Customer Services Advisor	34	26.9	7.1	20.9%	£615,350	£486,742	£128,608
Mobile Locality Officer	15	11.9	3.1	20.9%	£397,556	£314,467	£83,089
Service processing (rule based)/ case coordinator	36	27.5	8.6	23.8%	£876,520	£668,347	£208,174
Specialist	31	21.3	9.7	31.4%	£1,130,438	£776,046	£354,392
Corporate support - customer support	9	6.8	2.2	24.0%	£191,026	£145,179	£45,846
Corporate support - service processing, admin	41	31.2	9.8	24.0%	£955,864	£726,456	£229,407
Corporate support- complex advice/cases	3	2.3	0.7	24.0%	£98,721	£75,028	£23,693
Corporate support- governance/compliance	20	15.2	4.8	24.0%	£842,468	£640,275	£202,192
Service delivery	132	132.0	0.0	0.0%	£3,067,741	£3,067,741	£0
Facilities / Asset management	11	8.6	2.4	21.6%	£319,268	£250,306	£68,962
<b>LEWES</b>	<b>405</b>	<b>342.0</b>	<b>63.0</b>	<b>15.6%</b>	<b>£11,494,061</b>	<b>£9,705,429</b>	<b>£1,788,632</b>
<b>OVERALL 'INTEGRATED' AUTHORITY</b>	<b>765</b>	<b>671.6</b>	<b>93.4</b>	<b>12.2%</b>	<b>£22,195,250</b>	<b>£19,504,003</b>	<b>£2,691,248</b>

Additional financial benefits from comparative example suggest:

- A reduction in costs of legacy software licences in the individual Councils which are no longer required – in the region of £125,000 p.a.
- Reductions in accommodation revenue costs in the region of £150,000. There clearly may be capital reductions or receipts from the rationalisations of estates and assets.

Costs are clearly driven by local factors and operations. However, again to suggest the scale of the change and the resources requirements implied, the following have been estimated as the additional costs accrued for a comparative integration. (It should be noted that redundancy costs are not included as these would not be additional costs of integration. Savings required to meet MTFS targets by both Councils if integration was not pursued would necessitate staff savings and thus would incur similar levels of redundancy costs).

• ICT Software & Services	£600,000
• Licences per year	£60,000
• IT Infrastructure	£250,000
• Change/programme management	£400,000
• Training costs	£200,000
• Accommodation changes	£100,000

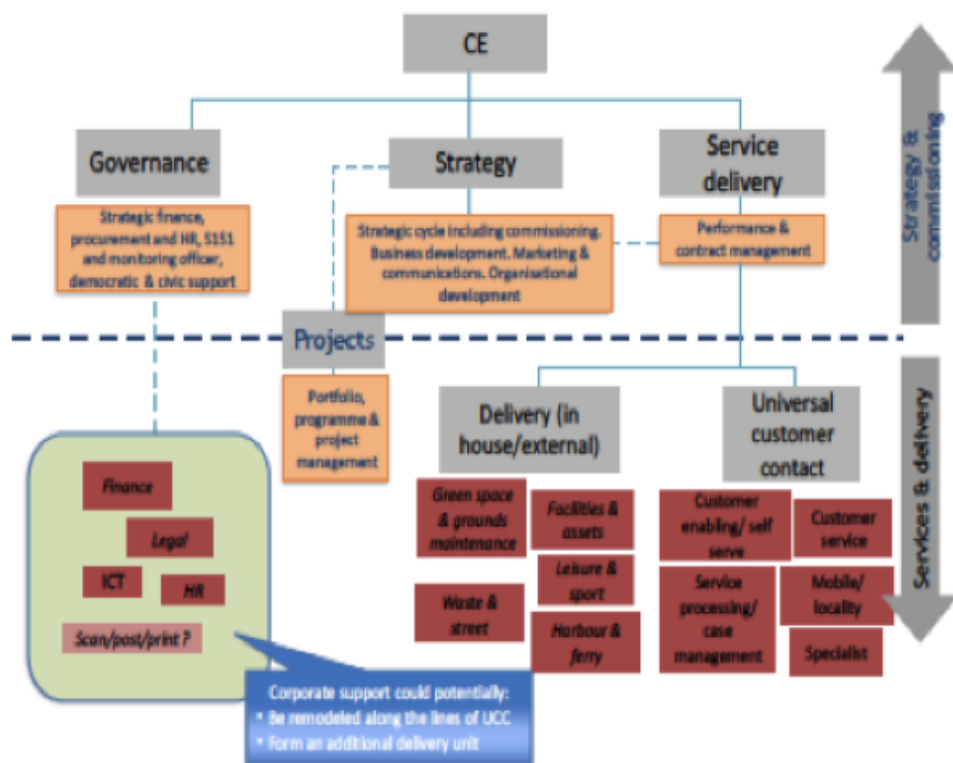
Using these indicative estimates, an initial Cost Benefit Analysis can be suggested. With the prudent working assumption that costs will occur early in integration, and benefits be realised only later in the programme, the analysis below suggests an overall Net Present Value of integration to the Councils (compared to the status quo), over four years of around £4.6 million, with the annual net benefit by year 4 being in the region of £2.9 million per year. It is further suggested that there will be positive 'payback' by year 2.

OUTLINE BUSINESS CASE - COST BENEFIT ANALYSIS						
COUNCILS:		Eastbourne Borough Council and Lewes District Council				
OPTION:		Integrated Council				
	Year 0	Year 1	Year 2	Year 3	Year 4	Total
<b>COSTS</b>						
ICT Software & Services	100,000	300,000	200,000			600,000
Licenses		60,000	60,000	60,000	60,000	240,000
IT Infrastructure	50,000	125,000	75,000			250,000
Change / Programme Management	100,000	200,000	100,000			400,000
Training costs		100,000	100,000			200,000
Accommodation changes		50,000	50,000			100,000
<b>COST TOTAL</b>	<b>250,000</b>	<b>835,000</b>	<b>585,000</b>	<b>60,000</b>	<b>60,000</b>	<b>1,790,000</b>
<b>BENEFITS</b>						
Resource efficiencies		500,000	1,000,000	2,000,000	2,700,000	6,200,000
ICT licence savings			125,000	125,000	125,000	375,000
Accommodation savings			150,000	150,000	150,000	450,000
<b>BENEFITS TOTAL</b>	<b>0</b>	<b>500,000</b>	<b>1,275,000</b>	<b>2,275,000</b>	<b>2,975,000</b>	<b>7,025,000</b>
<b>ANNUAL NET BENEFIT</b>	<b>-250,000</b>	<b>-335,000</b>	<b>690,000</b>	<b>2,215,000</b>	<b>2,915,000</b>	<b>5,235,000</b>
<b>CUMULATIVE NET BENEFIT</b>	<b>-250,000</b>	<b>-585,000</b>	<b>105,000</b>	<b>2,320,000</b>	<b>5,235,000</b>	
<i>DISCOUNT FACTOR @ 3.5% p.a.</i>	<i>1.00</i>	<i>0.97</i>	<i>0.93</i>	<i>0.90</i>	<i>0.87</i>	
<b>NET PRESENT VALUE (Annual)</b>	<b>-250,000</b>	<b>-323,677</b>	<b>644,115</b>	<b>1,997,709</b>	<b>2,540,131</b>	<b>4,608,278</b>
<b>NET PRESENT VALUE (Cumulative)</b>	<b>-250,000</b>	<b>-573,677</b>	<b>70,438</b>	<b>2,068,147</b>	<b>4,608,278</b>	

### 2.3. An Integrated Management Team

The option of integrating management teams has a central benefit of bringing about one management organisation with one culture serving two independent councils; in short it allows independence and ability to serve community needs locally with the interdependence and strategic advantage of affiliated organisations managed by a single senior management team.

Using the Future Model principles of organisational structure, the option would centre on integrating those 'above the line' Strategy and Commissioning functions to provide a cost efficient coordinated approach policy setting and strategic planning and management. This would build upon the existing joint posts currently existing at the most senior levels of EBC and LDC.



There would be choices in defining ‘management’ or strategy and commissioning functions to be integrated. However using the indicative assessment suggested at option 1, the following functions may be within the scope of integration, and again, the below illustrative assessment gives and indication of the potential scale of the change implied by the option. (This represents all ‘above the line’ functions. It may be the definition of ‘management’ is drawn more tightly, e.g. just to “Management” – Director and Heads of Services).

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	15	11.8	3.2	21.6%	£1,216,131	£953,447	£262,684
S&C - strategy/corporate development	25	22.8	2.3	9.0%	£752,107	£684,418	£67,690
S&C - commissioning/perf/contract mngt	4	3.2	0.8	20.7%	£171,620	£136,095	£35,525
Democratic support	12	10.2	1.8	15.3%	£324,932	£275,217	£49,715
Service strategy & commissioning (Specialist)	7	6.9	0.1	1.9%	£350,539	£343,879	£6,660
<b>EASTBOURNE</b>	<b>63</b>	<b>54.7</b>	<b>8.3</b>	<b>13.2%</b>	<b>£2,815,330</b>	<b>£2,393,056</b>	<b>£422,274</b>

Functions	As-is posts	To-be posts	Saving (posts)	% Change	As-is Cost	To-be Cost	Cost Saving
Management	17	13.3	3.7	21.6%	£1,257,394	£985,797	£271,597
S&C - strategy/corporate development	6	4.6	1.4	23.4%	£252,711	£193,576	£59,134
S&C - commissioning/perf/contract mngt	6	4.8	1.2	20.7%	£235,905	£187,073	£48,832
Democratic support	16	13.6	2.4	15.3%	£452,833	£383,550	£69,283
Service strategy & commissioning (Specialist)	19	15.0	4.0	20.9%	£642,681	£508,361	£134,320
<b>LEWES</b>	<b>64</b>	<b>51.3</b>	<b>12.7</b>	<b>19.9%</b>	<b>£2,841,524</b>	<b>£2,258,356</b>	<b>£583,168</b>

OVERALL 'INTEGRATED' MANAGEMENT	127	106.0	21.0	16.6%	£5,656,854	£4,651,412	£1,005,442
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Integrating chief executive and senior management functions is often seen as a necessary first stage of a fuller integration of services akin to that at option 1. This option can bring together first a range of skills and experience across change management, service development, finance and governance. This will enable a distribution of key responsibilities between a new management team to meet the aims of both Councils, while preparing for any second stage involving the redesign and combining of services and staff.

Savings will relate to reductions achieved from a new single Management structure for the Partnership, including a single Chief Executive. The once off costs within this area primarily relate to redundancy and any interim arrangements to support the changes, including professional assistance for planning and implementing a joint senior management team arrangement, and development of a model for democratic decision making and the interface between councillors, communities and senior management. This may be in the region of £125,000.



## **3. The Management Case**

### **3.1 Challenges for Implementation**

In bringing two organisations together through integration or creation of one council or a single management team, there will be challenges surrounding four main areas:

#### **Political**

- Clear political leadership, direction and governance needs to be established providing clarity on a vision for the future
- Joint Member and Officer understanding is needed across the two Councils to equip them for the new ways of working.

#### **People**

- Blending the cultural differences of the two organisations
- New common Terms and Conditions of service will need to be addressed including the harmonisation of pay.

#### **Organisational**

- Prior to the integration, a framework for apportioning costs, savings and benefits between the two Councils is needed
- Implementation of systems and process integration will be substantial, initially running separate IT systems, and working towards a single system.

#### **Customers**

- Implementation of seamless customer focused services to both our communities will be key
- Effective engagement with communities, partners and staff to ensure they understand the context and need for change will be required.

### **3.2 Risks in Implementation**

There are a number of key risk issues that will need to be addressed within the initiative as a whole, and the business case in particular. These include:

## **Financial**

- One-off implementation costs prove prohibitive – events may mean the pay-back period takes too long
- Apportioning costs between the two councils– the risk that it is not in the financial interest of one council to proceed
- Securing the financial benefits from the project – not making the anticipated savings will have a financial and reputational impact on both councils.

## **Governance**

- Failure of governance arrangements – these may include joint committees not functioning effectively and lack of clarity about decision-making issues
- Ensuring Member engagement in the process – to ensure ongoing political support for the initiative.

(a)

## **Cultural**

- The sense that one council is ‘taking over’ the other – especially should one of the current chief executives be appointed to the post of joint Chief Executive
- Staff morale – concerns about the prospect of changes to management structures and about job security through both organisations. There can be a danger is of losing good members of staff due to the uncertainty
- Technology implementation – implementing a new technology and process environment will be challenging, both from a technical and business change perspective.
- Readiness to change – if either council is unable to facilitate the change in process and working practices for managers within services, the success of the sharing will be significantly reduced.

### **3.3. Models of Shared Governance**

It should be noted that within the models of shared management and services there are a number of different approaches to governance, which seek to enhance the benefits of joint leadership at political and strategic levels, while maintaining the democratic legitimacy of

the 'sovereign' Councils. The models show the range of shared governance which may be developed while maintaining separate Council identity and include:

- a. **Maintaining separate Committee structures, while creating advisory Member bodies for the oversight of the shared arrangements.** For example a joint committee has been established under the Collaboration Agreement adopted by West Dorset, North Dorset and Weymouth and Portland. The committee is responsible for advising both councils on the delivery of the shared functions. The committee does not exercise any executive functions but where appropriate will make recommendations to the respective Council's executive Committee.
- b. **Maintaining separate Committee structures, while creating specific executive Joint Committees for key matters associated with shared management.** East Hampshire and Havant operate such an approach, having a Joint Human Resources Committee dealing with the appointment of the Chief Executive, Managing Director, Directors and other senior staff, and handling superannuation matters, appeals, grievances and dismissals from the workforce of the two Councils.
- c. **Establishing a joint approach for governance of strategic issues including delegated functions, while maintaining separate executive and statutory committees.** Adur and Worthing operate a Joint Governance Committee, Joint Overview and Scrutiny Committee, Joint Staff Committee and a Joint Strategic Committee. The latter advises the Councils on any strategic matter relating to joint services, and has the following delegated functions:

- To determine all matters relating to Executive functions unless specifically reserved to the Executives of the individual Councils.
- To provide strategic management of the services.
- To provide strategic direction to both Councils in relation to all Executive functions unless specifically reserved to the Executives of the individual Councils.
- To set strategic targets in respect of the services.

- To agree draft revenue and capital budgets for the implementation of each joint service which comply with the agreed budget strategy set by the Councils and which clearly show the costs to be borne by each Council including the allocation of any resulting savings or efficiencies and to recommend them to the Councils.
- To annually agree draft revenue and capital budgets for the joint services which comply with the agreed budget strategies set by the Councils and which clearly show the costs to be borne by each Council.
- To receive any reports in respect of any Executive function.
- To determine significant changes to the nature of the services delivered to the public in one or both Council areas.

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>21 October 2015</b>
<b>Subject:</b>	<b>Devonshire Park redevelopment – forward funding of design work</b>
<b>Report of:</b>	<b>Senior Head of Regeneration, Planning and Assets, and Senior Head of Tourism and Enterprise</b>
<b>Ward(s)</b>	Meads
<b>Purpose</b>	To consider a proposal to mitigate procurement and cost risks by funding some of the design work for the scheme, in advance of the decision by the December 2015 Cabinet to proceed with the overall scheme.
<b>Decision type:</b>	Key Decision
<b>Recommendation:</b>	<b>Cabinet is recommended to:</b>  <b>i) Authorise a variation to the capital programme of £500,000 for continued work on Devonshire Park ahead of the final scheme being brought back to Cabinet in December.</b>
<b>Contact:</b>	Graham Cook, Programme Manager Devonshire Park Re-Development, Tel: 01323 415867 graham.cook@eastbourne.gov.uk

## **1.0 Executive summary**

- 1.1 This report recommends that funding for some of Stage 4 of the Devonshire Park design works is started before the December Cabinet decision on the overall scheme, in order that the procurement of the main contractor can be managed as effectively as possible. This forward funding will allow the professional team to prepare some of the detailed designs which will be essential part of the tender documents. By advancing the work it will be possible to engage a contractor as early as possible and gain their input into how the project is delivered. This will mitigate risk and encourage the most cost effective tenders.
- 1.2 In advance of a decision on the main project due in December the Council can set aside funding from reserves.

## **2.0 Proposal**

- 2.1 The proposal is to advance fund a total of £498,000 for design and procurement work for the period November to December 2015. This represents some 35% of the total approved Stage 4 fees.
- 2.2 This cost is based on fee rates which the Council tendered previously and has contracted for with Levitt Bernstein (multi-disciplinary design team), Neill Woodger Associates (theatre consultant and acoustician), Huntley Cartwright (quantity surveyor) and Focus (project manager).
- 2.3 The Council can fund this work using the capital programme (revenue) reserve which had a balance of £1.583m as at 31 March 2015.

## **3.0 Relationship with Corporate Plan and other Council policies**

- 3.1 The Devonshire Park scheme is a key Corporate Priority with the objective of creating a cultural destination which is one of the most iconic locations in the South East.

## **4.0 Consultations and communications**

- 4.1 The scheme has been the subject of ongoing consultation with a wide range of partners and stakeholders. The governance structure includes a Partnership Group which includes representatives of the Chamber of Commerce, Conference Bureau, LTA, Historic England and other internal and external stakeholders.
- 4.2 This proposal was discussed and agreed at the 8<sup>th</sup> September 2015 meeting of the Project Board.

## **5.0 Business case**

- 5.1 A delivery programme for the construction works has been carefully developed to take advantage of the quieter business periods where feasible, to minimise disruption generally, and keep the construction periods as condensed as possible and therefore limit, as much as practicable, the impact on the income generation of the site.
- 5.2 Additionally, the works have been scheduled to take place at the earliest opportunities to minimise the impact of inflation on the project and therefore optimise the budget available.
- 5.3 This careful planning has driven a necessarily tight programme where if certain windows of opportunity are missed they will not recur for 12 months. To de-risk the project where there is opportunity to do so, a schedule of enabling works has been identified to take place during 2016.

5.4 Starting the detailed design work and tender process as early as possible, will position the project in the strongest possible place before commencing the two-stage tender process for the Main Contractor and therefore help secure best value in the procurement process. Experience on other major projects has shown that early engagement with a construction contractor can identify opportunities to reduce programme time and cost and identify risks linked to supply chain and phasing.

## **6.0 Equality analysis**

6.1 An Equality Impact Analysis is being prepared for the report to the December 2015 Cabinet. This report has no direct impact.

## **7.0 Performance and outcomes**

7.1 The Team have considered which elements of Stage 4 work would be beneficial to be brought forward in advance of the Cabinet decision to proceed to Stage 4 in December 2015.

It is considered that:

- approximately 40% of the Stage 4 design work could be completed between November and December;
- the Pre-Qualification process for the Western Cluster and the Devonshire Park Theatre could be prepared and run November – December;
- the Expression of Interest document for the main contractor could be prepared during November and December, ready to be released beginning of January;
- negotiations with the utilities can be progressed, including the key drainage relocation.

7.2 On this basis costs totalling £498,000 have been calculated.

7.3 The key risk associated with bringing these works forward in advance of the December **Cabinet** decision is the potential for any abortive works in the event that the decision in December either halts or significantly changes any part of the scope. However, a proportion of this cost is for essential works that the Council will have to fund should the wider scheme not proceed in its entirety.

## **8.0 Financial Implications**

8.1 The implications of not continuing to work throughout the period between the two Cabinet dates are that there will be a greater cost of the full scheme in time.

8.2. Until the decision on the wider scheme is made the Council will be reducing its available resource by £500,000.

## **9.0 Legal Implications**

- 9.1 The contracts currently in place cover all the professional work up to completion of the project, so it is legally acceptable to bring forward some of the Stage 4 work.
- 9.2 The Council retains the ability to make an informed decision on the main scheme in December.

## **10.0 Documents and background papers**

- The minutes of the Cabinet meetings on:-
  - 20 October 2010
  - 14 December 2011
  - 12 December 2012
  - 16 July 2014
  - 18 March 2015



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of the Local Government Act 1972.

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