

Cabinet

13 December 2016



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Agenda for meeting of the Cabinet to be held at 6.00 pm on Tuesday, 13 December 2016 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 the meeting held on 9 November 2016 (previously circulated).

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 Corporate performance, quarter 2, 2016/17 (KD).** (Pages 1 - 38)
Report of Chief Executive and Chief Finance Officer.
Cabinet lead members: Councillors Gill Mattock and Troy Tester.
- 8 Council budget 2017/18 - draft budget proposals (KD).** (Pages 39 - 50)
Report of Chief Finance Officer.
Cabinet lead member: Councillor Gill Mattock.
- 9 Council tax base and business rate income 2017/18 (KD).** (Pages 51 - 60)
Report of Deputy Chief Executive.
Cabinet lead member: Councillor Gill Mattock
- 10 Sovereign Centre - proposals for improvement and future management (KD).** (Pages 61 - 78)
Report of Director of Tourism and Enterprise.
Cabinet lead member: Councillor Margaret Bannister.
- 11 Active Eastbourne strategy (KD).** (Pages 79 - 114)
Report of Director of Tourism and Enterprise.
Cabinet lead member: Councillor Margaret Bannister.
- 12 Housing investment company - joint working arrangements (KDGE).** (Pages 115 - 118)
Report of Director of Service Delivery.
Cabinet lead member: Councillor Alan Shuttleworth.
- 13 Bridgemere Centre (KDGE).** (Pages 119 - 122)
Report of Director of Service Delivery.
Cabinet lead member: Councillor Alan Shuttleworth.
- 14 Disabled facilities grants: Enabling disabled people to live independently (KD).** (Pages 123 - 128)
Report of Director of Service Delivery.
Cabinet lead member: Councillor Alan Shuttleworth.
- 15 East Sussex building control partnership (KD).** (Pages 129 - 132)

Report of Director of Service Delivery.
Cabinet lead member: Councillor Steve Wallis.

16 Land and property acquisitions and investment (KDGE). (Pages 133 - 138)

Report of Director of Regeneration and Planning.
Lead cabinet member: Councillor Troy Tester.

(See item 20 below for exempt addendum)

17 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).

18 Redundancy and redeployment policy - update. (Pages 139 - 142)

Report of Assistant Director of Human Resources and Organisational Development.
Cabinet lead member: Councillor Troy Tester.

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

19 Housing and Economic Development Partnership - Improvement programme (KDGE). (Pages 143 - 150)

Report of Director of Service Delivery.
Cabinet lead member: Councillor Margaret Bannister.

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.

20 Land and property acquisitions and investment (KDGE). (Pages 151 - 158)

Exempt addendum to report of Director of Regeneration and Planning.
Lead cabinet 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).

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

You can view the Forward Plan of Key Decisions at
<http://democracy.eastbourne.gov.uk/ieDocHome.aspx?bcr=1>

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

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

Text Relay: 18001 01323 410000 E Mail: localdemocracy@eastbourne.gov.uk

For general Council enquiries, please telephone (01323) 410000

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

- BODY:** CABINET
- DATE:** 13th December 2016
- SUBJECT:** Corporate Performance - Quarter 2 2016/17
- REPORT OF:** Chief Executive and Chief Finance Officer
- Ward(s):** All
- Purpose:** To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets for Quarter 2 2016/17.
- To inform Cabinet of the Council's provisional financial outturn for Quarter 2 2016/17.
- Contact:** William Tompsett, Senior Corporate Development Officer
Tel 01323 415418 or internally on ext 5418
- Pauline Adams, Financial Services Manager
Tel 01323 415979 or internally on ext 5979.
- Recommendations:** Members are asked to:
- i) Agree the performance against national and local Performance Indicators and Actions from the 2016/20 Corporate Plan.
 - ii) Agree the General Fund, HRA and Collection Fund financial performance for the quarter ended September 2016, as set out in sections 3, 4 & 6.
 - iii) Approve the transfer from earmarked reserve as set out in paragraph 3.5.
 - iv) Approve the capital programme as set out in Appendix 3.
 - v) Agree the Treasury Management performance as set out in section 7.

1.0 Introduction

- 1.1 The Corporate Plan for 2016-20 was adopted by Council in May 2016 and sets out the priority visions for Eastbourne Borough Council to deliver over the 4 year period. These are broken down into the four priority themes each with five aims:

Prosperous Economy

- A great destination for tourism, arts, heritage and culture
- Investing in housing and economic development
- Providing opportunities for businesses to grow and invest
- Supporting employment and skills
- Supporting investment in infrastructure

Quality Environment

- A clean and attractive town
- A range of transport opportunities
- Excellent parks and open spaces
- High quality built environment
- Less waste and a low carbon town

Thriving Communities

- Improved health and wellbeing
- Keeping crime and anti-social behaviour levels low
- Meeting housing needs
- Putting the customer first
- Resilient and engaged communities

Sustainable Performance

- Delivering a balanced budget
- Delivering in partnership
- Making best use of technology
- Making the best of our assets
- Managing people and performance


1.2 In order to monitor and manage the delivery of the priority aims stated within the Corporate Plan, a performance scorecard has been created on Covalent to combine Corporate Projects/actions and performance indicators.

1.3 The latest performance information for the Corporate Plan is available to Members via the live Covalent system. For further details on how to access Covalent please contact the Corporate Development team.

2.0 Performance Overview

2.1 Appendix 1 provides a full overview of the current Corporate Plan performance information broken down by priority themes and aims. Each theme is broken down into its constituent aims with the relevant PIs and actions latest outturns reported against them.

2.2 Performance Indicators

Performance indicators within the appendix can be identified by the Covalent PI icon . Each PI's performance is classed by the following categories in the "status" column:



- On target



- Slightly off target



- Off target



- Data Only/No target


The performance gauge shows the year-to-date performance against targets (where applicable) with the latest Quarter's outturn shown next to it in column 5. Commentary against the PI's performance is supplied by the relevant officers/managers.

2.3 Of the Corporate Plan indicators reported this quarter, 6 are off target (red), 3 are "near miss" (amber) and 8 are on target (green).

The PIs currently showing as off target are:

- CD_156 Number of households living in temporary accommodation
- CS_010 Calls to 410000 answered within 30 seconds
- CS_011 Telephone call abandonment rate
- DE_154 Net additional homes provided
- DE_157a Processing of planning applications: Major applications
- TL_017a Redoubt visitors – paying visitors

2.4 Actions

Actions within the appendix are identified by the Covalent icon . These are updates from the Corporate Projects register linked to the delivery of the priority aims and listed within the Corporate Plan. The project description, desired outcome, percentage progress and timescales are listed alongside commentary supplied by the projects team. More detail on each of these projects is available on request.

2.5 Devolved Budgets

This section of the report lists the current Devolved Budget spend by ward and the projects that have been supported through this scheme in the first two quarters of this year. Each ward has a total of £10,000 available to spend each year on schemes requested by the local community. Live information on devolved budget spend and projects supported can be found on Covalent.

3.0 **Financial Performance – General Fund**

3.1 General Fund performance for the year to September is in the table below:

Department	Full Year Budget	Profiled Budget	Actual to 30 Sept 16	Variance to date	Projected Outturn
	£'000	£'000	£'000	£'000	£'000
SUMMARY					
Corporate Services	5,735	3,946	4,066	120	138
Service Delivery	6,231	28,293	28,176	(117)	(113)
Regeneration, Planning & Assets	(9)	30	25	(5)	(15)
Tourism & Enterprise Services	3,103	1,916	1,940	24	63
Total Service Expenditure	15,060	34,185	34,207	22	73
Contingencies, etc	(450)	(100)	-	100	223
Capital Financing and Interest	1,868	104	104	-	-
Contributions to/(from) Reserves	(1,338)	-	-	-	-
Net Expenditure	15,140	34,189	34,311	122	296

Service Details are shown at **Appendix 2**.

3.2 The position at the end of September shows a variance of £122,000 on net expenditure which is a movement of £173,000 compared to the position reported at the end of the first quarter in June. Service expenditure has a variance of £22,000 mainly as a result of:

MMI scheme of arrangement levy	£47k
Bed and Breakfast Accommodation	£40k
Airbourne	£66k
Customer First savings	(£74k)
Catering increase in net income	(£50k)

3.3 The contingency fund currently stands at £125,800 which is available to fund inflationary increases and any future unforeseen one off areas of expenditure during the year. This may however be required to fund any under-achievement in the JTP savings target for the year if financial benefits from the programme are delayed.

3.4 The projected outturn shows a variance of £296,000. This is within 2% of the net budget and is within an acceptable tolerance level. However management continues to manage this position to ensure that this final outturn position is maintained.

3.5 Members approval is sought for the transfer from reserves as set out below:

Item No.	Amount	Reserve	Reason
1	£8,000	General Fund Earmarked Reserve	Use of Reserve re HPSC court resurfacing in required in 16/17
	<u>£8,000</u>		

This transfer is in line with the approved financial strategy.

4.0 Financial Performance – HRA

4.1 HRA performance for the quarter is as follows:

	Current Budget £'000	Profiled Budget £'000	Actual to 30 Sept 16 £'000	Variance to date £'000	Outturn £'000
HRA					
Income	(15,587)	(7,936)	(7,965)	(29)	(75)
Expenditure	12,561	3,957	3,871	(86)	(60)
Capital Financing & Interest	1,809	-	-	-	-
Contribution to Reserves	924	-	-	-	-
Total HRA	(293)	(3,979)	(4,094)	(115)	(135)

4.2 HRA performance is currently above target by £115,000; this is mainly due to the new properties let at affordable rents not included in the

budget (£37k), a reduction required for the provision for bad debts (£54k) and the slow take up of the under occupation scheme (£33K). Other small variances are being monitored carefully.

4.3 The favourable variances above are reflected in the forecast outturn of £135,000.

5.0 Financial Performance – Capital Programme

5.1 The detailed capital programme is shown at Appendix 3. Actual expenditure is low compared to the budget, due to delays in the start dates of various major projects. Expenditure is expected to increase as schemes progress however spending patterns will be reviewed at quarter three and re-profiled into the 2017/18 year where appropriate.

5.2 The capital programme has been amended from that approved by Cabinet in September to reflect new approved schemes which are shown in bold, re-profiling of Acquisition of Land & Buildings, removal of Princes Park which is now included in the Coastal Communities Schemes which have been updated.

6.0 Financial Performance – Collection Fund

6.1 The Collection fund records all the income from Council Tax and Non-Domestic Rates and its distribution to the major precepting authorities.

6.2 The projected Collection Fund for the year is as follows:

	Council Tax £'000	Business Rates £'000
Balance B/fwd 1.4.16	(1,403)	1,609
(Deficit recovery)/Surplus distributed	1,359	(1,712)
Debit due for year	(58,930)	(34,699)
Payments to preceptors	57,669	34,948
Transitional Relief		(10)
Allowance for cost of collection		126
Allowance for appeals		71
Write offs and provision for bad debts	328	100
Estimated balance 31.3.17	(977)	433
Allocated to:		
CLG	-	217
East Sussex County Council	(713)	39
Eastbourne Borough Council	(130)	173
Sussex Police	(85)	-
East Sussex Fire & Rescue	(49)	4
	(977)	433

6.3 The allocations to preceptors reflect the operation of the Collection fund for Council Tax and retained Business Rates which are distributed on different bases under regulations. The distributions of the estimated balance calculated at quarter 3 will be made in 2017/18. Any changes after that date will be made in 2018/19.

- 6.4 Council Tax is currently showing a £977,000 surplus, a variance of 1.25%, this is due to a combination of factors including better performance against the collection allowance within the Council Tax base and a reduction in the Council Tax Reduction scheme caseload.
- 6.5 The Business Rate deficit of £433,000 is as a result of the number of outstanding business rate for outstanding appeals. The total number of appeals outstanding as at 30.9.16 was 291 with a total rateable value of £23.5m. The deficit represents 1.66% of the total debit for the year.
- 6.6 Collection performance is as follows:

Cash Collection Rates	Council Tax	Business Rates
Q2 Actual	56.05%	54.02%
Q2 Target	56.20%	54.29%

7.0 Treasury Management

- 7.1 The detailed mid-year review report has been submitted to the Audit and Governance Committee on 30 November in compliance with CIPFA's Code of Practice for Treasury Management. Below is a summary of the main points from the current economic background, interest rate forecasts, investment and borrowing performance.

7.2 Economic Background

The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 stoking core inflationary price pressures within the UK economy.

7.3 Interest Rate Forecast

The Council's Treasury Management Advisors, Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. Their forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. Mark Carney, the Governor of the Bank of England, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth

in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.

7.4 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2016/17, which includes the Annual Investment strategy, was approved by Council on 3 February 2016. It sets out the Council's investment priorities as being :

- Security of Capital;
- Liquidity;
- Yield.

A full list of short term investments held as at 30 September 2016 is shown in the table below:

Counterparty	Amount £	Interest Rate %	Maturity
Santander	5,000,000	0.55	Call
Nationwide B/Soc	2,000,000	0.71	09/12/2016
Nationwide B/Soc	1,000,000	0.57	30/12/2016
Thameside MDC	2,000,000	0.25	24/11/2016
	10,000,000		

In addition, a sum of £1m is invested with Lloyds Bank at a rate of 3.03% maturing on 23.1.19. This investment is held as part of the LAMS scheme and all interest earned will be transferred into a reserve set up to mitigate any financial risks arising from that scheme.

No approved limits within the Annual Investment Strategy were breached during the quarter ending 30 September 2016.

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

7.4 Investment performance

Investment performance for the quarter ending 30 September 2016 is as follows:

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day LIBID	0.28%	0.53%	£32,300

The authority outperformed the benchmark by 0.25%. The budgeted investment return for 2016/17 is £50,000. Performance for the year to date is above target, but the second half of the year will see a reduction in interest income as temporary investments are utilised in place of borrowing. The continuous use of internal balances is in line with the Council's strategy and reduces the amount of interest paid on loans

7.4 **Borrowing**

The following long term loan was taken from the PWLB during quarter 2:

Date	Amount	Int Rate	Yrs
15-Aug-16	2,000,000	1.92%	43.5

Cash flow predictions indicated that further borrowing will be required towards the end of the year, depending on the timing of capital expenditure. The exact timing and nature of this borrowing will be considered at that time.

7.5 **Compliance with Treasury and Prudential Limits**

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

During the quarter to 30 September 2016 the Council has operated within all the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

8.0 **Consultation**

8.1 Not applicable

9.0 **Implications**

9.1 There are no significant implications of this report.

10.0 **Conclusions**

10.1 The Corporate Plan represents the aims of the authority to help deliver the partnership vision for Eastbourne over the next 4 years. Effective monitoring and management of the projects and indicators within the plan will help ensure sustainable progress and identify key issues as they arise.

10.2 The General Fund is currently showing a variance of £122,000 which is within 0.81% of the net budget. The HRA is showing a favourable variance for the quarter. Capital expenditure is low but this is to be expected as some of the major schemes are yet to commence.

10.3 The Collection forecast for Council Tax is indicating a surplus of £977,000 and a deficit for Business Rates of £433,000. This will be allocated to or collected from preceptors during 2017/18.

10.4 Treasury Management performance is on target and all activities were within the approved Treasury and Prudential Limits.

William Tompsett
Senior Corporate Development Officer

Pauline Adams
Financial Services Manager

Background Papers:

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

Corporate Plan 2016/20

Covalent performance management system

Budget monitoring working papers 2016/17 September 2016

Collection Fund and Business Rates Collection Fund monitoring working papers 2016/17.

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

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Corporate Plan 2016/17 – Quarter 2







Themes



1. Prosperous Economy
2. Quality Environment
3. Thriving Communities
4. Sustainable Performance









Priority Theme





1. Prosperous Economy


Status	Aim
	A great destination for tourism, arts, heritage and culture







PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		TL_003 Bandstand patrons	Cumulative result for 2016/17 as of Q2 2016/17 	41,003	The Bandstand concert programme has overachieved on expected patrons and income
		TL_017a Redoubt visitors - paying visitors	Cumulative result for 2016/17 as of September 2016 	4,029	Visitor figures continue to be below last year's but this appears to be a national trend for museums. Visitors to the building and cafe are around the same level as 2015/16.

Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		CP16_1_01 Seafront / Tourism Strategy	Update the seafront strategy, utilising all of the feedback received through the Seafront plan consultation. Utilise the	Eastbourne retains its share of the visitor markets	33%	31-Mar-2020	Ongoing.

Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
			research achieved through the destination profiling to shape the priorities for the destination				
		EBC_PR_014 Refurbish the Redoubt Fortress	Restoration of the fort - Create a new entrance, lift access, opening of remaining basements, environmental improvements. Awarded £64K to develop plans & submit bid to the Heritage Lottery.	To turn the Redoubt back to a living.	16%	31-Mar-2020	This phase of the project is now complete. Surveys undertaken have shown the total cost of refurbishment to Museum conditions would be in the region of £11 million, beyond the expected budget for this HLF funded scheme. Therefore this project is on hold pending identification of further funding required.
		EBC_PR_018 Wish Tower Restaurant	Scheme to deliver a flagship restaurant	A new destination to improve the evening economy: A landmark building design in a unique location.	44%	02-Jul-2018	Project currently on hold following withdrawal of preferred operator.
		EBC_PR_019 Vibrant Events Programme	All year round programme that attracts visitors to Eastbourne •Airbourne •Beer & Cider Festival •Cycling Festival •Magnificent Motors •Eastbourne Extreme •Beachy Head Marathon •Tour of Britain • AEGON Tennis Championship	Economic Benefits from visitors staying and spending money in Eastbourne. The Events programme to act as a key hook to gain additional visitors	63%	31-Mar-2017	All on track.
		EBC_PR_020 New Museum	An options appraisal to build a purpose build museum on the site of the Pavilion, which will house the story of Eastbourne, with a cafe, shop and outreach facilities.	To increase dwell time in the museum, increase spend and visitor numbers	16%	31-Mar-2020	Currently on hold pending further business case.

Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_022 Devonshire Park Redevelopment	£44m investment to establish Devonshire Park as a premier conference and cultural destination to include: New welcome building: Restoration of Congress, Winter Garden and Devonshire Park Theatres: Improved Accessibility: Improving tennis facilities: New Conference/exhibition Space & Cafe: Public realm improvements	Creation of new jobs: 114 new local construction jobs as a result of the £40m capital expenditure. 169 additional jobs in Eastbourne as a result of the additional visitor spending. Additional visitor spend: Projected visitor spend is £13.4m pa across whole economy.	44%	01-Dec-2020	Minor issues with new show court have been addressed. Tennis village is progressing. Phase 1 enabling works under development. Sewer diversion work has commenced.
		EBC_PR_087 Marketing - EB now (Pier Grant Project)	30 Hotels / other locations to be supplied with on screen live information about events in Eastbourne, shopping opportunities and discounts	Increased attendance at events from visitors and increased awareness of and spend at local shops, restaurants and leisure facilities	33%	31-Mar-2020	New project brief has been agreed and is with EBNow for comment.

Status	Aim
	Investing in housing and economic development

PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CD_155 Number of affordable homes delivered (gross)	Cumulative result for 2016/17 as of Q2 2016/17 	0	Delivery of affordable homes for this year is expected to start from Quarter 3.
		DE_154 Net additional homes provided	Cumulative result for 2016/17 as of Q2 2016/17 	40	The annual target is 245 net additional dwellings per year over the remainder of the plan period (to 2027). See full commentary below.


DE_154 - At the end of Quarter 2 2016/2017, the annual target is 245 net additional dwellings per year over the remainder of the plan period (to 2027).

Housing delivery rates have been slowing down over recent years, although the current rate is the lowest that we have had since the start of the Core Strategy plan period. Recent delivery has mainly been from the development on Kings Drive. Historically we have been reliant on a large number of small scale developments for housing delivery. At the current time, the small sites already with permission are not being progressed, and there has been a decrease in the number of housing sites that have been coming forward for permission.

Currently, there are 689 units with permission where development is yet to commence, in addition to 160 units currently under construction. However this level of commitments does not meet our Five Year Housing Land Supply requirements, and being unable to demonstrate a Five Year Housing Land Supply means that our current policies are considered to be out of date, and applications for residential development should be determined in accordance with the National Planning Policy Framework.



We are currently preparing a Strategic Housing & Employment Availability Assessment (SHELAA) which will help to identify sites with potential for residential development to boost our Five Year Housing Land Supply. It will also allow us to identify any constraints to the delivery of sites with potential for residential development so that we can consider taking appropriate action.


A report is presented to Planning Committee on a quarterly basis to update them on housing delivery and the status of the Five Year Housing Land Supply.



Status	Aim
	Providing opportunities for businesses to grow and invest

Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_001 EBC Sovereign Harbour Innovation Park (SHIP)	New contemporary business premises at Sovereign Harbour Innovation Park	The Innovation Park is designed to provide companies with high-quality sites and premises to enable them to expand and generate jobs, providing an economic boost to Eastbourne. est additional 768 fte by 2024. Managed by Sea Change Sussex and funded through the Local Growth Fund	44%	31-Mar-2022	Development is being delivered by Sea Change Sussex, so there is no direct control on its provision. However funding has been secured from the Local Economic Partnership for site infrastructure and delivery of the second phase remains on track. At the end of Q2 occupancy was at 37.45%, consisting of 11 companies.

Status	Aim
	Supporting employment and skills


PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		DE_004 Town centre vacant business space	Latest result for 2016/17 as of July 2016 6.61%	6.61%	The town centre occupancy as at July 2016 returned 6.61% compared with a national average of 12.3% (Source: Local Data Company). Eastbourne's current occupancy rates are the lowest reported since collating this data. We are currently working with the Chamber of Commerce to align the collection of this data more closely to our quarterly reporting schedule.



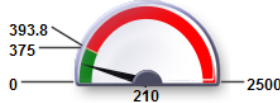
Status	Aim
	Supporting investment in infrastructure


Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_010 Extension to Arndale Shopping Centre	Led and financed by legal and general. £85m scheme to provide 22 new retail units, 7 restaurants and 9 screen cinema. First 2 units fronting Terminus Road fitted and trading by Aug 17. Phase 2 works Aug 17 - Oct 2018 Inc. retail units, restaurant and cinema	An enhanced retail and leisure offer for residents and visitors enabling the Town Centre to compete with neighbouring shopping destinations and associated increased spend. Attracting new retailers and investment in the Town Centre. Local employment opportunities in both the construction and operation phases of development - the development will deliver 700fte jobs in addition to construction jobs. A modern and attractive development with better designed, larger retail units. £85m privately funded via Legal & General.	71%	01-Oct-2018	Main contractor has been appointed. Work on site is to commence in January 2017 when the hoarding will be erected in Terminus Road/Ashford Road to enable demolition of the CPO'd properties. Work on the West entrance and new shopfronts is now complete.

Priority Theme










2. Quality Environment



Status	Aim
	A clean and attractive town


PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		DE_011 Number of reported fly-tipping incidents	Cumulative result for 2016/17 as of June 2016 	Quarter 2 figures not yet reported	Figures for Quarter 1 were very positive compared to target. Quarter two's outturn will be communicated as soon as it is available.






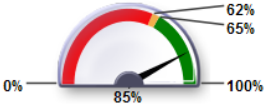


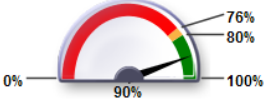
Status	Aim
	A range of transport opportunities

Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		CP16_2_02 Cycling and Walking Strategy	To develop a culture of walking and cycling in Eastbourne	To support delivery of the East Sussex Local Transport Plan priorities: <ul style="list-style-type: none"> . Improve economic competitiveness and growth . Improve safety, health and security . Tackle climate change . Improve accessibility and social inclusion . Improve quality of life 	33%	31-Mar-2020	East Sussex County Council are leading on this piece of work. Work on preparing a Cycling and Walking Strategy has commenced. A workshop for Officers and Councillors took place on 6 th October where the scope of the work was discussed. It is anticipated that the Strategy will be adopted by next summer.


Status	Aim						
	Excellent parks and open spaces						
Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_027 Eastbourne Park Initiatives	Delivery of priority initiatives identified in the Eastbourne Park Supplementary Planning Document. C Use of Deep Water Lake for boating activities	Conservation and enhancement of the existing environmental, ecological and archaeological characteristics of Eastbourne Park for future generations. Sensitive management of the area to provide appropriate leisure and recreational uses to enhance the social and economic wellbeing of the local community and to attract more visitors to Eastbourne.	33%	31-Mar-2020	Contract signed and inception meeting with consultants on 20 th October to review the Eastbourne Park Flood Storage Scheme. Work is being undertaken on new signs/interpretation boards for West Langney.
		EBC_PR_031 Hampden park improvements (Green flag)	Improvements to the main entrances and to the path network in Ham Shaw woods as recommended in Hampden Park Green Flag Management Plan	To clearly define that vehicles are entering a park and retain the Green Flag for Hampden Park as an externally accredited quality award for green space	11%	31-Mar-2017	Design brief to commence in November.
		EBC_PR_032 Old Town Rec Improvements (Green Flag)	Improvements to the main entrances, tree planting and pollinating/biodiversity improvements	To create a welcoming recreational ground with vistas throughout and to retain the Green Flag as an externally accredited quality award for green space	26%	31-Mar-2017	Design briefs to commence in November.
		EBC_PR_033 Parks and Open Spaces Signage	Create and roll out standard, future proof signage throughout the parks and open spaces of Eastbourne	Improved awareness and access to local parks and open spaces and continued success of the Green Flag Award	0%	31-Mar-2017	Project to modernise parks/open space signage programmed for November.



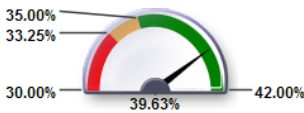
Action Icon	Status	Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_072 Allotment improvements	To provide 2 new toilets within Manor Gardens and Marchant Field Allotments and remove chain-link to install new, secure weldmesh fencing in Priory Road Allotments	To maintain reasonable security and welfare facilities for the tenants of the Council's Allotments	100%	15-Nov-2016	All works completed.



Status	Aim
	High quality built environment

PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		DE_157a Processing of planning applications: Major applications	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	100%	Low volumes of Major application types, this can sway performance significantly. Using Extensions of Time more frequently. If continued then this will increase performance. With two quarters to go there is low risk that the target will not be met by the end of the year.
		DE_157b Processing of planning applications: Minor applications	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	79%	Continue to perform well under this category. There is no risk of falling below Govt. <i>Special measures</i> on this category
		DE_157c Processing of planning applications: Other applications	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	87%	We continue to perform above target in this area.

Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_009 Town Centre Public Realm Improvements	Significant improvements to the pedestrian environment in Terminus Road and Cornfield Road to be delivered alongside the extension to the Arndale. Joint Partnership Project with E SCC.	Better quality of open spaces within the town centre improving the shopping and leisure experience for residents and visitors	86%	01-Dec-2017	The design has been amended at the request of the bus operators requiring further consultation with the community and stakeholders. It has also broadened the scope of the works as Gildredge Road is now included. East Sussex County Council are expecting to go out to tender in May 2017, with works on site to commence in October 2017.


Status	Aim
	Less waste and a low carbon town




PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		DE_192 Percentage of household waste sent for reuse, recycling and composting	<p>Cumulative result for 2016/17 as of June 2016</p> 	Q2 figures are not yet available.	Q1. has seen an increase in recycling rates from Q4 (2015/16) largely as a result of increased garden waste yields. Overall compared with Q1. in the previous year, a slight decrease in recycling has been observed.





Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_040 Joint Venture for Energy and Sustainability	Set up a joint venture with a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years.	To establish a Strategic Partnership for a Joint Venture with a private sector partner to deliver energy & sustainability ambitions across a range of projects.	56%	01-Jul-2017	Lewes District Council are continuing to seek to join the procurement and a report is due before their Cabinet on 4 th Jan. An Investment Statement was also issued to support the Initial Detailed Tender. All three shortlisted companies are still in the process and are coming to the clarification meetings week commencing 28 November. It is anticipated the risk assessment will improve in January.



Priority Theme


3. Thriving Communities




Status	Aim
	Improved health and wellbeing


PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CD_056 Median average number of days for assistance with adaptations (Disabled Facilities Grants)	<p>Latest result for 2016/17 as of Q2 2016/17</p> 	83 days	The median average number of days for assistance with adaptations for Q2 is 83. This is well within the target figure of 100 days and reflects the effective delivery of the DFG application process.




Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_030 Park & Playground Improvements (Seaside Rec and Tugwell Park path)	1. Seaside Rec - Create an extended, modernised children's play area within a larger land area creating greater play value and increasing accessible features with preferred design selected by local schoolchildren. 2. Seaside Rec - To create a raised Breedon Gravel footpath with reinforced vehicular 'cross over' points to allow all year round accessibility 3. Tugwell Park - a periphery all weather path to improve accessibility.	Improved play facilities and improved satisfaction with local area and to enable all year use of the recreation ground that currently floods.	50%	31-Mar-2017	The first phase of the play area extension was to specify for the supply and installation of railings to cover the increased area. This was completed on the 20/06/16 and the works started September, after the schools return, to cause minimal disruption.
		EBC_PR_073 Sovereign Centre Review	An options appraisal for a new or refurbished leisure centre	A full options appraisal identifying the costs and benefits of refurbishing or rebuilding the Leisure Centre.	100%	31-Oct-2016	Review completed and report on options for a new leisure centre going to Cabinet on 13 th December.



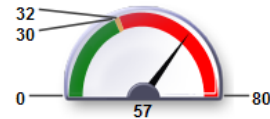


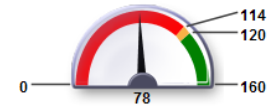
Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_074 Skate park - Shinewater	To upgrade existing dated, modular jumps to a bespoke, specialist design/ constructed concrete skate park. . The concrete skate park brief will be influenced through the skate park users with a design and build contract to a set sum of £50k.	Increased use and satisfaction with facilities and engagement with young people.	11%	31-Mar-2017	Design brief to commence shortly.





Status	Aim
	Keeping crime and anti-social behaviour levels low


PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		ECSP_015 Ranking in our Most Similar Group (MSG) in relation to all crime	<p>Latest result for 2016/17 as of September 2016</p> 	3	Eastbourne is 3rd lowest within its Most Similar Group and remains within the lower range when compared to our competitor towns which continues to be encouraging.






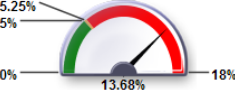
Status	Aim
	Meeting housing needs


PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CD_155 Number of affordable homes delivered (gross)	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	0	The delivery of affordable homes is scheduled to start from Quarter 3.



PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CD_156 Number of households living in temporary accommodation	<p>Latest result for 2016/17 as of Q2 2016/17</p> 	57	There has been a significant national increase in homeless households and the increased demand on the Council's homelessness service. Action plans have been put in place to help mitigate some of this impact.
		DE_154 Net additional homes provided	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	40	<p>The annual target is 245 net additional dwellings per year over the remainder of the plan period (to 2027).</p> <p>See full commentary in the "Prosperous Economy" section above.</p>





Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_061 Housing & Economic Development Programme	Deliver an ambitious programme of housing development and refurbishment that provides homes and makes a positive contribution to Eastbourne's economic future	A programme of new housing, regeneration, community and economic development. Core commitments are to provide good quality housing and developing vibrant sustainable communities.	42%	31-Mar-2020	The Affordable Housing investment delivery is now well advanced with a programme of 99 new homes and refurbishment of empty properties. The Driving Devonshire Forward Programme managed by the HEDP team also continues to deliver improvements to Princes Park, new Beach Huts and public realm improvements. The team is currently exploring potential for joint work with LDC.
		EBC_PR_089 Health & Housing - East Sussex	A new programme of health & housing related projects - in scoping stage - co-chaired by Ian Fitzpatrick and Andrew Palmer (Hastings)	To be confirmed	9%	31-Mar-2020	County-wide programme chaired by Hastings.

Status	Aim
	Putting the customer first

PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CS_010 Calls to 410000 answered within 30 seconds	<p>Cumulative result for 2016/17 as of September 2016</p> 	63.22%	Performance against the target of 80% was 63.22% for the second quarter of 2016/2017. A total volume of 50,318 calls answered with 31,811 being answered within the target of 30 seconds. A recruitment drive has resulted in 10 new Customer Advisors, 7 currently being trained, 3 awaiting a start date, 1 remaining vacancy. Training the new staff will have an impact on performance through to Q3. Call volumes have increased by over 15,000 in comparison to Q2 2015/2016.
		CS_011 Telephone call abandonment rate	<p>Cumulative result for 2016/17 as of September 2016</p> 	9.27%	Performance against the target of 5% was 9.27%, a significant improvement on Q1 performance. 4,666 calls were abandoned out of a total offered of 50,318.


Status	Aim
	Resilient and engaged communities



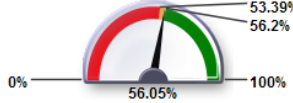



Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_076 Sovereign Harbour Community Centre	EBC working with Sovereign Harbour Community Association and Wave Leisure to deliver a £1.6m community centre on site 5 at Sovereign Harbour	Improved facilities for residents and increased satisfaction with local area	66%	02-Oct-2017	Awaiting adoption of the Employment Land Local Plan before confirming the site of the community centre. Planning permission will be required and a variation of the s.106. Once the 6 week


Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
							challenge period following the adoption of the ELLP (28 th December) has expired the milestones will be amended.
		EBC_PR_078 Community Facilities	Supporting Development and Management of community buildings such as community centres, community library, town hall.	Sustainable development and management of facilities for community activities such as community centres, community library, Town Hall leading to improved community engagement and satisfaction with the local area. Eventually local people/organisations running community facilities themselves, with less involvement from the council.	77%	31-Mar-2017	<p>The project is progressing – split into two parts:</p> <p>1. Wider use of the Town Hall - 1st to ensure the building is accessible (lift) - quotes obtained and work progressing. Then scoping to look at future use.</p> <p>2. Council Owned Community Centres - working with 2 development partners (Sussex Community Development Association & 3VA in partnership with Wave) to put community centres on a more sustainable footing by empowering & supporting volunteers to run the centres.</p>
		EBC_PR_085 Welfare Reform	To support those vulnerable residents affected by the government's welfare reform programme.	Residents are able to access and retain good quality accommodation and are able to meet their council tax liabilities	11%	31-Mar-2020	The reduced benefit cap came into force on 7 th November, programme of support is ongoing for residents affected.

Priority Theme

4. Sustainable Performance



Status	Aim
	Delivering a balanced budget



PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CD_004 Local percentage of Council Tax collected in year	<p>Latest result for 2016/17 as of September 2016</p> 	56.05%	The performance during quarter 2 is slightly below target by -0.15%. The team has collected an extra £1,007,731.98 in the 2nd quarter of the year compared to 2015/2016 Q2 figures.
		CD_006 National non-domestic rates collected	<p>Latest result for 2016/17 as of September 2016</p> 	54.02%	The performance during quarter 2 is slightly below target by -0.27%. The reported Q1 value of -0.42% below target has been reduced and the team has collected an extra £214,074.53 in the 2nd quarter of the year compared to 2015/2016 Q2 figures. Business rates can be extremely volatile at times and is being monitored regularly at a senior level. We should see an continual increase in performance for quarter 3.


Status	Aim
	Delivering in partnership




Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_045 Joint Transformation Programme	A major programme to integrate the Eastbourne Borough Council and Lewes	Protect services while delivering £2.7m savings:	13%	31-Mar-2020	Mobilisation is now complete and programme in delivery stage.

Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
			District Council workforces, and transform the service delivery model for both organisations. Deliver £2.7m savings while protecting services	Create a greater strategic presence in the region: Deliver high quality, modern services: Build greater resilience across the councils			



Status	Aim
	Making best use of technology
	Making the best of our assets





Action Icon	Status	Action Code & Title	Description	Desired Outcome	Progress	Due Date	Latest Note
		EBC_PR_043 Joint Corporate Landlord Service	A comprehensive restructuring of property budgets and staff to ensure central control and prioritisation, combined with an asset challenge programme to ensure non-operational assets deliver a good yield or are disposed of	A sustainable and well maintained asset base strengthening the financial management of Eastbourne BC and Lewes DC	100%	02-May-2016	Completed. Service went live on 1 st May 2016.





Status	Aim
	Managing people and performance

PI Icon	Status	PI Code & Short Name	Gauge	Q2 2016/17	Latest Note
				Value	
		CS_003 Sickness absence - average days lost per employee	<p>Cumulative result for 2016/17 as of Q2 2016/17</p> 	1.56 days	Performance against this PI has dropped in Q2 to become slightly off target (by just 0.04days) for the year-to-date. Effective absence management continues to be supported corporately and we still expect to end the year on target.

Devolved Budgets Q2 2016/17

Wards	Gauge	Projects	Description	Project Budget
Devolved Budget Spend - Devonshire	Cumulative result for 2016/17 as of September 2016  £7,892.00	Parade Bowls Club	Replacement of three urinals.	£900.00
		Hippodrome Theatre Mural	Painting and installation of a mural remembering all those celebrities who have performed at the Royal Hippodrome.	£4,000.00
		Real Junk Food Project	The project turns 'waste' or 'intercepted' food into meal for those in need.	£750.00
		Leaf Hall	To purchase new chairs to replace old and damaged furniture. Also, support with Art adviser bid applications and food safety training.	£1,242.00
		Foodbank	Funding to assist with the relocation to new premises.	£1,000.00
Devolved Budget Spend - Hampden Park	Cumulative result for 2016/17 as of September 2016  £1,440.00	Sunday Funday	Creation of a community fun day for the residents in and around Hampden Park.	£1,440.00

Wards	Gauge	Projects	Description	Project Budget
Devolved Budget Spend - Langney	Cumulative result for 2016/17 as of September 2016  £0.00			
Devolved Budget Spend - Meads	Cumulative result for 2016/17 as of September 2016  £227.09	Queen's 90th Birthday Celebrations	To purchase bunting and tablecloths for the free community party for the whole of Meads community for the celebration.	£227.09
Devolved Budget Spend - Old Town	Cumulative result for 2016/17 as of September 2016  £1,100.00	Old Town Community Library Refurbishment	To purchase Items towards refurbishment of the Old Town Community library.	£1,100.00
Devolved Budget Spend - Ratton	Cumulative result for 2016/17 as of September 2016  £0.00			

Wards	Gauge	Projects	Description	Project Budget
Devolved Budget Spend - St Anthony's	Cumulative result for 2016/17 as of September 2016  £0.00			
Devolved Budget Spend - Sovereign	Cumulative result for 2016/17 as of September 2016  £340.00	Waste Bin	To provide a rubbish collection bin for the water feature in the south Harbour.	£340.00
Devolved Budget Spend - Upperton	Cumulative result for 2016/17 as of September 2016  £700.00	Dog Show	To support the dog show held in Gildredge Park – provision of a sound system and children's entertainer.	£700.00
Devolved Budget Spend - all wards	Cumulative result for 2016/17 as of September 2016  £11,699.09			

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	Original Budget	Current Budget	Profiled Budget	Actual to 30th Sept	Variance	Outturn	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	
CORPORATE SERVICES							
Corporate Management	359	321	164	178	14	14	
Financial Services Team	1,364	1,380	765	753	(12)	(10)	Includes MMI Levy
Corporate Finance	313	313	346	399	53	57	
Internal Audit and Corporate Fraud	236	236	145	145	-	-	
Strategic Finance	1,913	1,929	1,256	1,297	41	47	
Human Resources	380	382	116	116	-	5	
Legal Services	230	230	230	230	-	-	
Systems Admin and Support	1,643	1,642	1,235	1,276	41	7	Agency costs
Projects and Performance	340	340	216	221	5	8	
IT Services	1,983	1,982	1,451	1,497	46	15	
Corporate Development	153	190	108	127	19	37	PR Contract Sovereign Ward Election
Local Democracy	704	701	621	621	-	20	
Corporate Development and Governance	857	891	729	748	19	57	
TOTAL CORPORATE SERVICES	5,722	5,735	3,946	4,066	120	138	
SERVICE DELIVERY							
Service Management	(63)	(63)	29	30	1	1	
Strategy and Commissioning Community	189	202	24,623	24,594	(29)	(31)	Underspends on Community
Service Management	82	82	39	39	-	1	Staffing vacancies Agency and Temporary staffing Salary savings and Car Parking
Specialist Advisory	4,465	4,599	2,430	2,444	14	(31)	
Customer Contact	856	860	588	514	(74)	(80)	
Case Management	615	615	388	406	18	18	
Account Management	456	460	247	253	6	65	
Neighbourhood First	538	558	414	374	(40)	(37)	
Customer First	7,012	7,174	4,106	4,030	(76)	(64)	
Bereavement Services	(1,067)	(1,082)	(465)	(478)	(13)	(19)	
TOTAL SERVICE DELIVERY	6,071	6,231	28,293	28,176	(117)	(113)	

	Original Budget	Current Budget	Profiled Budget	Actual to 30th Sept	Variance	Outturn	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	
REGENERATION, PLANNING POLICY & ASSETS							
Service Management	59	58	2	2	-	-	
Regeneration and Planning Policy	419	412	232	232	-	-	
Corporate Landlord	(572)	(682)	(372)	(395)	(23)	(51)	Additional rental income
Facilities Management	206	203	168	186	18	36	Income shortfall
Estates and Property	(366)	(479)	(204)	(209)	(5)	(15)	
TOTAL REGENERATION, PLANNING POLICY & ASSETS	112	(9)	30	25	(5)	(15)	
TOURISM AND ENTERPRISE							
Service Management	99	99	55	55	-	-	
Towner	680	622	469	469	-	-	
Devonshire Park Complex	-	-	12	12	-	-	
Tourism and Enterprise	404	404	188	182	(6)	-	
Catering	59	6	(65)	(114)	(49)	(53)	Staff vacancy and additional income
Heritage	186	182	(32)	(26)	6	7	
Tourist Information	90	93	34	51	17	47	Income shortfall
Tourism and Enterprise	739	685	125	93	(32)	1	
Sports Delivery	270	271	337	347	10	11	
Seafront	(6)	(8)	(7)	(14)	(7)	(4)	
Events	611	621	539	566	27	34	Additional costs
Theatres	824	813	386	412	26	21	Additional staffing and system costs
TOTAL TOURISM AND ENTERPRISE	3,217	3,103	1,916	1,940	24	63	
TOTAL SERVICE EXPENDITURE	15,122	15,060	34,185	34,207	22	73	

Scheme	Total Scheme Approved	Total Spend 31 March 2016	Spend 2016-17 to 30 Sept 2016	Revised 2016-17 Budgets	Remaining Budget in 2016-17	Funding
HOUSING REVENUE ACCOUNT						
Major Works (Incl Adaptations)		13,707,167	954,161	4,892,700	-3,938,539	EBC
Environmental Improvements		181,924	21,888	86,000	-64,112	EBC
Managed by Eastbourne Homes	Ongoing	13,889,091	976,049	4,978,700	-4,002,651	
Other Schemes						
House Rescue Emergency Fund	200,000	0	0	200,000	-200,000	EBC
Empty Homes Programme Ph1	3,116,529	3,002,254	424	114,304	-113,880	EBC/Grant
New Build Phase 1	4,819,340	4,496,540	0	322,799	-322,799	EBC/Grant
New Build Phase 2	4,502,900	100,078	85,454	4,402,824	-4,317,370	EBC/Grant
Empty Homes Programme Ph2	1,969,355	1,406,568	238,615	562,787	-324,172	EBC/Grant
Total HRA		22,894,531	1,300,542	10,581,414	-9,280,872	
COMMUNITY SERVICES						
Memorial Safety Cems	40,000	6,080	0	34,000	-34,000	EBC
Digitalise Burial Records	10,000	0	0	10,000	-10,000	EBC
Ocklynge Cemetery Chapel	150,000	82,322	0	67,700	-67,700	EBC
Main Chapel Refurb - Phase 2	26,000	4,830	4,465	21,150	-16,685	EBC
Disabled Facilities Grants	Ongoing	3,388,824	177,882	1,478,800	-1,300,918	Grant
BEST Grant (housing initiatives)	Ongoing	1,861,849	410	116,750	-116,340	Grant
Acquisition of Land & Property	2,255,000	0	0	1,217,500	-1,217,500	External
Bridgemere CC	20,000	0	0	20,000	-20,000	EBC
Willingdon Trees Multi Gym	20,000	0	0	20,000	-20,000	EBC
Contaminated Land	185,000	82,966	0	102,000	-102,000	Grant
Coast Defences Beach Management	Ongoing	5,035,337	0	567,550	-567,550	Grant

Capital Appendix

Cycling Strategy	40,600	0	0	40,600	-40,600	EBC
Play Area Sovereign Harbour	27,000	0	0	27,000	-27,000	S106
Terminus Road Improvements	500,000	0	0	500,000	-500,000	EBC
CIL - Software	14,000	0	19,000	14,000	5,000	EBC
Sov Harbour Community Centre	1,600,000	282,188	1,024	1,317,800	-1,316,776	EBC/S106/ Grant
Bodiam Cres Play Area Path	20,000	12,000	0	8,000	-8,000	EBC
Shinewater Skate Park	50,000	0	0	50,000	-50,000	EBC
Seaside rec - Play Equipment	60,000	0	4,245	60,000	-55,755	EBC
Motcombe Pond	50,000	24,270	10,969	25,750	-14,782	EBC
Hampden Park - Improvements (Green Flag)	50,000	0	0	50,000	-50,000	EBC
Old Town Rec. - Improvements (Green Flag)	25,000	0	0	25,000	-25,000	EBC
Allotments - Improvements	16,000	7,750	0	8,250	-8,250	External
Seaside Rec - all weather path	50,000	0	0	50,000	-50,000	EBC
Signage Re-branding (Parks/Open Spaces)	30,000	0	0	30,000	-30,000	EBC
Tugwell Park - all weather path	25,000	0	0	25,000	-25,000	EBC
Car Parking Machines	72,000	0	0	72,000	-72,000	EBC
Public Conveniences Beachy Head	40,000	0	0	40,000	-40,000	EBC
Public Conveniences Green St	40,000	0	0	40,000	-40,000	EBC
Shinewater Park - Scoping	20,000	0	0	20,000	-20,000	EBC
Air Quality Monitoring Equipment	30,500	0	0	30,500	-30,500	EBC
Total Community Services		10,788,418	217,994	6,089,350	-5,871,356	

TOURISM & LEISURE						
Volleyball Court	25,000	2,000	0	23,000	-23,000	EBC
Signage	40,000	23,917	0	16,100	-16,100	EBC
Sports Park Flood Lights	30,000	0	0	30,000	-30,000	EBC/External
Re-surface Tennis Courts	265,000	236,092	5,437	28,900	-23,463	EBC/External
Wish Tower - Catering Outlet	40,000	36,000	0	4,000	-4,000	EBC
ILTC - Air Conditioning	60,000	0	0	60,000	-60,000	EBC
Redoubt - Stair Climber	20,000	0	0	20,000	-20,000	EBC
Colonnade Removal	500,000	0	0	500,000	-500,000	EBC
Redoubt - Asphalt Gun Platform	50,000	0	0	50,000	-50,000	EBC
New Beach Huts	235,240	164,319	31,297	70,950	-39,653	EBC
ILTC Showers	25,000	0	22,864	25,000	-2,136	EBC
Equipment at Devonshire Park	20,000	0	0	20,000	-20,000	EBC
Old Ticket Pavilion refurbishment	10,000	0	9,713	10,000	-287	EBC
Sovereign Centre	150,000	0	0	150,000	-150,000	External
Total Tourism & Leisure		462,328	69,311	1,007,950	-938,639	
CORPORATE SERVICES						
Carbon Reduction Works	467,500	144,383	3,140	323,100	-319,960	EBC
Invest to Save	49,500	0	0	49,500	-49,500	EBC
Future Model Phase 2	3,660,550	3,415,449	104,417	245,100	-140,684	EBC
Capital Contingencies	Ongoing	3,712,829	0	0	0	EBC
Investment Capital	5,750,000	1,150,000	0	2,300,000	-2,300,000	External
IT - Block Allocation	Ongoing	520,341	7,637	387,650	-380,013	EBC
EHIC - Loan (Gowland Ct)	1,850,000	1,560,000	0	290,000	-290,000	EBC
EHIC - Revolving Credit	100,000	0	60,000	100,000	-40,000	EBC
EHIC - Loan Facility (EBC transfers)	4,173,000	0	0	4,173,000	-4,173,000	EBC
EHIC - Loan Facility (Private Properties)	5,000,000	0	0	1,250,000	-1,250,000	EBC
Purchase of Land on Seafront	525,000	0	514,500	525,000	-10,500	EBC

JTP Programme Office	6,878,000	0	325,128	1,719,500	-1,394,372	EBC
Total Corporate Services		10,503,002	1,014,822	11,362,850	-10,348,028	
Asset Management						
Devonshire Park Redevelopment Project	44,000,000	567,866	1,418,053	5,434,150	-4,016,097	EBC
Congress Theatre redesign & restoration	1,950,000	1,803,467	10,066	146,550	-136,484	EBC
Downland Pumps/Pipes Replacement	80,400	80,401	0	0	0	EBC
Hampden Pk Com Centre Fire Alarm & Light	18,150	0	18,148	18,150	-3	EBC
Royal Hippodrome Theatre (Phase 2)	127,000	0	0	127,000	-127,000	EBC
Devonshire Park Theatre - rendering & Towers	995,500	623,719	308,907	371,850	-62,943	EBC/External
Town Hall Community Hub	20,000	0	0	20,000	-20,000	EBC
Shinewater Boiler replacement	45,000	33,845	297	11,150	-10,853	EBC
Hide Hollow Lay By	34,000	0	34,000	34,000	0	EBC
Car Park lighting adj SWA works	13,600	0	0	13,600	-13,600	EBC
Seafront Lighting	36,500	0	0	36,500	-36,500	EBC
Farms Disposal costs	169,050	56,781	63,033	112,260	-49,228	EBC
Total Asset Management		3,166,079	1,852,503	6,325,210	-4,472,707	
Pier Grant & Coastal Communities Grant						
Wish Tower Restaurant	1,200,000	31,180	9,517	1,168,820	-1,159,303	Grant
Replace staircase to Camera Obscura	84,500	0	50,000	84,500	-34,500	Grant
Statue Sculpture Installation	22,000	0	500	22,000	-21,500	Grant
Princes Park - Café Refurbishment	565,547	277,479	287,906	288,068	-161	Grant
Princes Park - Public Realm Work	609,948	108,521	282,433	501,427	-218,993	Grant
Sea Houses Sq - Plaza Improvements	172,845	44,154	0	128,691	-128,691	Grant
Sea Houses Sq 1-5 Seaside Refurb	70,512	231	54,539	70,281	-15,742	Grant
Seaside Rd - Elms Bdg Façade	173,748	109,534	0	64,214	-64,214	Grant
Seaside Rd - 67-69 Seaside refurb	132,282	5,581	0	126,701	-126,701	Grant
Devonshire Collective	85,000	0	47,220	85,000	-37,780	External
		576,680	732,116	2,539,702	-1,807,586	
General Fund		25,496,507	3,886,745	27,325,062	-23,438,317	
HRA		22,894,531	1,300,542	10,581,414	-9,280,872	
Total		48,391,039	5,187,287	37,906,476	-32,719,189	

BODY:	CABINET
DATE:	13th December 2016
SUBJECT:	Draft Budget Proposals 2017/18
REPORT OF:	Chief Finance Officer
Ward(s):	All
Purpose:	To summarise the main elements of the emerging 2016/17 revenue budget that has arisen from the corporate and service financial planning process to date.
Contact:	Alan Osborne, Chief Finance Officer, Tel 01323 415149 or internally on ext 5149
Recommendations:	Members are asked to: <ul style="list-style-type: none">i) Agree the draft budget proposals for consultation.ii) Agree the approach to dealing with changes in the expected resources available for the 2017/18 budget as detailed in 5.3.iii) Agree that subject to there being no material change in the government settlement that Cabinet is minded to propose a council tax rise of 1.9% for 2017/18 to make a Band D charge £232.92 for Council services.iv) Note that there are a lot of announcements yet to be finalised by Government and that currently the proposed budget is showing a gap of £91k between the resources available and the draft budget.v) Agree the strategy to close the gap as shown in 5.3.

1.0 Introduction

- 1.1 Each year the Council consults with a range of stakeholders on its detailed draft budget proposals for the following financial year. This follows consultation on the corporate plan and Medium Term Financial Strategy (MTFS), which is carried out over the summer and autumn. The results of the corporate plan consultation are reported elsewhere on this agenda.
- 1.2 The Cabinet will consider initial responses to the consultations at this meeting and finally on 3 February 2016 in order to recommend a final budget for 2017/18 and amended capital programme to the Council on 17th February 2016.
- 1.3 The process of service and financial planning is an integral part of the corporate planning cycle that looks over a medium term horizon. The corporate change

programmes under the DRIVE transformation programme pick up the challenge set by the MTFS.

- 1.4 The MTFS agreed in July 2016 modelled the overall reduction in Government support by 30 to 40% over the remaining life of the current parliament (2016/20) The incoming Government's "stability budget" in July appeared to confirm this subject to the Comprehensive Spending Review taking place this autumn covering the period to 2020.
- 1.5 At the time of writing this report neither the Chancellors autumn statement nor the resulting local government settlement is available, However there has been a ministerial announcement that an overall 30% reduction in Government funding for the Department of Communities and Local Government (DCLG) has been agreed.
- 1.6 Whilst the Council has elected to a fixed settlement for the period to 2020 DCLG has yet to announce figures for
 - Business Rates Retention (general reward based retention)
 - New Homes Bonus (general reward allocation based on new homes)
 - Specific grants (e.g. Housing Benefit Administration Grant)
- 1.7 The Council is with other East Sussex authorities part of a single business rates "pool" which allows the Council to increase its business rates retention over and above the national scheme (worth approximately £100k in 2015/16 and projected at £200k per annum thereafter) The additional retention supports growth initiatives in the Council's capital programme.

2.0 Integrated corporate planning process

- 2.1 In July 2016, the Council adopted its latest MTFS that set the platform for the service and financial planning process during the summer and autumn. The strategy set out a further 4 year rolling programme with savings targets of £2.7m recurring by 2019/20 (in addition to over £6m of recurring savings achieved in setting the 2011-2016 budgets)
- 2.2 The overarching DRIVE and JTP programmes form the basis of Councils efficiency agenda and the sustainable service delivery strategy (SSDS) is a major component of the programme, which will deliver savings over the life of the current MTFS. The Council's move towards shared services and integration with Lewes District Council is set to contribute a further £1m of savings over the next three years. Together with savings from procurement and channel shift provide the main emphasis of the current SSDS. Performance against targets is reported frequently via Cabinet.
- 2.3 The Service and financial planning process is a rolling three year period to reflect the MTFS is well developed to meet the overall target of £3m over the current plan to 2020.

2.4 Once the budget proposals have been adopted in February, service plans will be updated and resource allocations reviewed in the light of any changes required by corporate plan priorities or the budget. The performance management systems will be used to monitor progress with quarterly reports to Cabinet.

3.0 Background to the Budget Proposals

3.1 The MTFS set out the principles for the budget of the following four years and models the financial impact of the strategy.

3.2 The main backdrop to the MTFS is the requirement to set a balanced budget and dealing with the effects on the Councils finances of the current economic downturn.

3.3 The current strategy set out a rolling three year plan to:

- Deal with the anticipated reduction in the Government support of a further 30% from the 2016/17 level.
- Integrate the service and financial planning process with the main change programmes under the JTP
- Deal with unavoidable growth in service demands
- Maintain front line services to the public
- Make further recurring savings of £3m per annum by 2019/20
- Maintain at least a minimum level of revenue reserves of £2m
- Use surplus reserves in the medium term for:
 - Invest to save projects
 - Smooth the requirement for savings over the cycle of the MTFS
 - Invest in one off service developments in line with the corporate plan
- Benchmark fees & charges and increase where possible
- Reinvest in the capital programme when headroom is created
- Set council tax rises at or below the Government's level of target inflation (2%)
- Maintain a Strategic Change Fund to finance the transformation programme in order to increase efficiency
- Maintain an Economic Regeneration Reserve to finance external interventions that promote economic activity
- Use borrowing to support the capital programme only on a business case basis
- Continue the process of priority based budgeting to target investment and differential levels of savings targets at services according to priority
- Identify new income streams to supplement diminishing resources

3.4 Whilst at the time of writing the settlement in respect of revenue support grant (RSG) and retained business rates for 2017/18 as well as numerous other grant announcements have not yet been made, the following are assumed in the draft budget.

Year	2017/18
	£'m
RSG	(0.9)
Retained Rates/section 31 grants	(4.9)
Other grants	(0.3)
New Homes Bonus	(1.0)
Council Tax	(8.1)
TOTAL	(15.2)

4 The Draft Budget Proposals 2017/18

4.1 The service and financial planning process started in July and has culminated in the four service areas presenting their plans to the Cabinet and shadow cabinet in November.

4.2 In response to the challenge set out in the MTFs, the service and financial planning process has identified proposed savings of £1.140m (7% of net spend) shown in **(appendix 1)**

These are categorised as:

	<u>£m</u>
Efficiency savings	(0.495)
Increases in income	(0.645)
Total	<u>(1.140)</u>

4.3 A total of £0.653m of service growth is proposed categorised as follows **(appendix 2):**

	<u>£m</u>
Corporate inflation	0.320
Other Growth	<u>0.261</u>
Total	<u>0.581</u>

4.4 The draft budget assumes a rise in Council Tax for 2017/18 of 1.9% consistent with the MTFs. The requirement to hold a referendum may apply if any proposed tax rise were 2% or greater (The Government may announce cap on Council Tax rises as part of settlement) or £5 per annum.

4.5 The proposal also includes £0.497m of non-recurring service investment to be financed directly from general reserves as well as 0.646m to be financed from the Devonshire Park Reserve (**Appendix 2**).

5.0 Summary of Revenue Proposals

5.1 The following is a summary of the effect of the proposed changes.

5.2

	<u>Proposal</u>
	<u>£m</u>
Base Budget 2016/17	15.8
Growth (outlined in 4.3)	0.6
Savings (outlined in 4.2)	<u>(1.1)</u>
Net budget requirement	<u>15.3</u>
Funded By:	
Government Grants/Retained Rates	(7.1)
Council tax	<u>(8.1)</u>
Total Resources	<u>(15.2)</u>

5.3 Should the resources assumed by way of retained business rates and grants be more than assumed, the recommended strategy would be to make any additional resources available to the capital programme.

Should the resources available be less than the assumptions then the strategy should first reduce the contingency by up to £100,000 and beyond that, a further review of the service and financial plans will be required to identify additional savings/reduced growth.

6.0 Capital Programme 2017/20

6.1 The Council currently finances its capital programme from capital receipts and grants and contributions. There is currently c£0.5m of internal identifiable capital resources available for the next three years.

6.2 It is intended that should any revenue headroom be created by the 2017/18 revenue budget will be reinvested in the Capital programme.

6.3 In addition to these resources, borrowing is permitted on a business case basis where savings or new income generated from a scheme can repay the capital costs.

6.4 Additional individual schemes to be added to the capital programme linked to priorities will be developed in December/January and contained in the final budget and capital programme proposals to be agreed by the Full Council in February.

6.5 It should also be noted that unlike the Council Tax, the capital programme can be varied at any time and that there are duties under certain schemes to consult with those affected before schemes are commenced. As well as schemes financed from internal resources, the corporate plan will include schemes financed from external resources.

7.0 Consultation

Consultation on the financial plans is underway and includes Scrutiny, union and staff as well as partner organisations and the public

8.0 Conclusions

8.1 The Council is placed to deal with the lasting effects of the current economic climate and subsequent reduction in support by The Government. Clearly however this has restricted choice in respect of any new services requiring recurring investment.

8.2 Should the budget proposals remain materially intact following consultation and further announcements, The Council will have continued to move its financial position towards longer term sustainability as outlined in the MTFS.

Alan Osborne
Chief Finance Officer

Background Papers:

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

Budget 2016-17

Cabinet Reports: – Finance Matters Each Cabinet Meeting

- Budget Setting February 2016.

- MTFS July 2016.

Audit Committee- Final Accounts- September 2016.

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

Proposed Savings

Department	Service	Proposal	2017/18 £'000
Efficiency Savings			
Corporate	All	Joint Transformation Programme Savings	(400)
Corporate	Financial Services	Unfunded Pension liability reduction	(25)
Corporate	Financial Services	Audit Fees - national procurement	(6)
Service Delivery	Strategy and Commissioning	Community Environment Partnership - budget alignment	(20)
Regeneration & Planning Policy	Corporate Landlord	Savings from smarter procurement-corporate landlord	(20) *
Tourism & Enterprise	Events	Proms in the Park income	(7)
Tourism & Enterprise	Events	Events Support	(5)
Tourism & Enterprise	Events	Beachy Head Marathon	(12)
Efficiency Savings Total			(495)
Income Generation			
Service Delivery	Bereavement	Inflationary Increase in Fees and Charges	(92)
Service Delivery	Specialist Advisory	Planning fees - pre planning advice	(40)
Service Delivery	Strategy and Commissioning	Local Lottery Scheme	(10) *
Regeneration & Planning Policy	Corporate Landlord	Income from seafront leases	(40)
Regeneration & Planning Policy	Corporate Landlord	Increase in rental income across the estates portfolio	(442)
Tourism & Enterprise	Seafront	Additional income from Wish Tower car park	(5)
Tourism & Enterprise	Seafront	Income from Iconic Beach Huts	(6)
Tourism & Enterprise	Seafront	Income from Bandstand admissions	(10)
Income Generation Total			(645)
TOTAL SAVINGS			(1,140)

* Linked savings & growth items

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Recurring Growth

Department	Service	Item	2017/18 £'000
Corporate Inflation			
	Corporate	Pay Award 1% plus increments	180
	Corporate	Inflation on Contracts	80
	Corporate	National Living Wage - cost of casual staff	30
	Corporate	Pensions Costs following actuarial valuation	30
	Corporate Inflation Total		320
Other Growth			
Corporate	Local Democracy	System annual Maintenance for Electoral Services	1
Corporate	Corporate Development	GovDelivery Consortium Licence	7
Service Delivery	Neighbourhood First	Increase in opening times for redoubt toilets	2
Service Delivery	Neighbourhood First	Access Officer	6
Service Delivery	Specialist Advisory Team	DWP Administration Grant (Housing Benefit)	23
Service Delivery	Specialist Advisory Team	DCLG Administration Grant (Business Rates)	13
Service Delivery	Specialist Advisory Team	B & B Block Booking	17
Service Delivery	Specialist Advisory Team	LHA/Rental Support Programme	30
Service Delivery	Specialist Advisory Team	Environmental Health Contract	20
Service Delivery	Specialist Advisory Team	Gypsy & Travellers Site Provision	4
Regeneration & Planning Policy	Regeneration & Planning Policy	Partnership Scheme - Locate East Sussex	20
Regeneration & Planning Policy	Corporate Landlord	Additional posts to support the shared service costs of Corporate Landlord across both EBC and LDC	67
Tourism & Enterprise	Tourist Information	Train ticket commission - reduced demand	10
Tourism & Enterprise	Sports & Community Facilities	VAT for Playschemes irrecoverable	14
Tourism & Enterprise	Sports & Community Facilities	Tennis Development Programme	10
Tourism & Enterprise	Seafront	Additional cleaning of the seafront toilets in respect of the changing places facility	4
Tourism & Enterprise	Events	Devonshire Park Grounds	13
	Other Growth Total		261
TOTAL PROPOSED RECURRING GROWTH			581

Non Recurring Service Investments Group

Corporate
Service Delivery
Service Delivery
Service Delivery
Service Delivery

Service Delivery
Service Delivery
Service Delivery
Service Delivery
Service Delivery
Service Delivery
Service Delivery
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Service Delivery
Service Delivery
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Service Delivery

Regeneration & Planning Policy
Regeneration & Planning Policy
Regeneration & Planning Policy
Tourism and Enterprise
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Tourism and Enterprise

Service

Finance
Strategy and Commissioning
Strategy and Commissioning
Strategy and Commissioning
Strategy and Commissioning

Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
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Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
Specialist Advisory Team
Regeneration & Planning Policy
Corporate Landlord
Corporate Landlord
Events
Events
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Events
Sports

Proposal

Icon upgrade for PCIDSS - card payment compliance
Local Lottery
End-to-End funeral care
Community Safety Partnership Officer (Prevent/Protect)
Schools Homelessness Project
Ongoing Management of Council tree stock to retain the landscape character within Eastbourne bid
Seafront Rock gardens - large rocks destabilised
Subsidy review (invest to save)
E-billing - Landlord schedules
SMS for benefit reminders
SMS messaging payment recovery (Council Tax and Overpaid Housing Benefit)
Tracing - Allied Global
Business Rates (BID Levy administration costs)
Business Rates (BID Levy software)
Council Tax penalties module
New Homes Bonus (Empty Homes review)
Business Rates RV growth (Analyse Local)
Delivery of new Local Plan - Specialist Surveys and Reports (£140k over 2 years)
Pyxis Property Consulting Corporate Landlord Contract
Energy Act 2011 Survey
Aegon International Tennis
Aegon International Tennis town advertising/dressing
Music Live Events
Cycling Festival
Events Administration - temporary resource offset by base saving
Eastbourne International Balloon Festival
Devonshire Park Grounds Fraise Mowing improvement of playing surface
Devonshire Park Grounds Chemicals
Devonshire Park Grounds and Garage Tools
Devonshire Park - Fuel Tank
Events equipment for Health and Safety
New gates needed at Old Town Tennis Courts

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65
32 *
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33
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2
38
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12
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5
2
8
5

TOTAL NON RECURRING INVESTMENTS

497

Devonshire Park Review

Tourism and Enterprise

Theatres

Devonshire Park review - funded from specific reserve

646

Body:	Cabinet
Date:	13 December 2016
Subject:	Council Tax Base and Business Rate Income 2017/18
Report Of:	Deputy Chief Executive
Ward(s)	All
Purpose	To approve the Council Tax Base and net yield from Business Rate Income for 2017/18 in accordance with the Local Government Finance Act 1992, as amended.
Decision Type:	Key Decision
Recommendations:	Members are asked to <ul style="list-style-type: none">i) Agree the provisional Council Tax Base of 33,923.7 for 2017/18.ii) Note the indicative Retained Business Rates Income of for 2017/18, as set out below.iii) Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine the final amounts for the Council Tax Base and Retained Business Rates income for 2017/18.
Contact:	Pauline Adams, Financial Services Manager Tel 01323 415979 or internally on ext 5979

1.0 Introduction

- 1.1 The Council is required to set its Council Tax Base and the expected Business Rate Income for the forthcoming year. These calculations are used as the basis for the amount of income the Council will precept from the Collection Fund.
- 1.2 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 prescribe that the billing authority (this council) must supply the precepting authorities (the County, Police and Fire authorities) with the calculation of the Council Tax Base. This information must be supplied between 1 December and 31 January in the financial year preceding the financial year for which the calculation is being made.
- 1.3 Non-Domestic Rating (Rates Retention) Regulations 2013 also sets out a timetable for informing the government and precepting authorities of the business rate income calculation. This information is completed via a government return (NNDR1) which must be submitted by 31 January in the financial year preceding the financial year for which the calculation is being made.

1.4 In order to assist the precepting authorities with their financial planning it is helpful to provide the information during December rather than wait for the January deadline.

2.0 Council Tax Base

2.1 The Council Tax Base is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwellings with two or more liable adults.

2.2 In making this estimate, account must be taken of discounts, disablement relief and property exemptions. Movements on and off the Valuation List during the year must also be taken into account – e.g. where new properties have been built or old ones converted or demolished.

2.3 The primary legislation that determines how the Council Tax Base is to be calculated is the Local Government Finance Act 1992. A number of regulations have been laid under this Act that has prescribed how the detailed calculation is to be made. Those regulations are listed at the foot of this report.

2.4 The basic calculation as determined by the primary legislation is that the Council arrives at its Council Tax Base by multiplying its Relevant Amount by its estimated Collection Rate.

3.0 Relevant Amount

3.1 The Relevant Amount for each Band is the estimated full year equivalent number of chargeable dwellings in the Band expressed as the equivalent number of Band D dwellings. For example, a Band A property is equivalent to 6/9 of a Band D property, a Band H property is equivalent to 2 times (18/9) a Band D property. The Relevant Amounts for each Band are then added together to arrive at the overall Band D equivalent.

3.2 The results for each Band when totalled up are converted to form the appropriate number of Band D equivalent dwellings. This is the Relevant Amount. For 2017/18 this totals 34,793.5 equivalent properties

3.3 The Relevant Amount has increased by 237 properties (0.68%) Band D equivalent dwellings from 2016/17. This reflects expected growth in the number of taxable properties of 80 plus the effect of the changes to the Local Council Tax Reduction Scheme (LCTRS) agreed by the Council on 19 October 2016. The effect of these changes has resulted in an increase to the total number of chargeable dwellings of 244.

4.0 Collection Rate

4.1 The Collection Rate is the Council's estimate of the proportion of the overall Council Tax collectable for 2017/18 that will ultimately be collected. This is expressed as a percentage.

4.2 The key elements in making this calculation are losses on collection, appeals against valuation, changes in circumstances (e.g. applications for discounts in respect of single person occupancy or disability) and other adjustments. These other adjustments to bills can arise for a variety of reasons including bankruptcy, death and exemption where premises are unoccupied for reasons allowed by the Exempt Dwellings Order. The Council must also make provision for uncollectable debts.

4.3 The current level of council tax collection is forecast to show an in year surplus of £932,501 balance at the end of 2016/17, and this would indicate that the current collection rate of 97.25% should be adjusted upwards to 97.5% going forward.

5.0 Council Tax Base

5.1 Taking the Relevant Amount of 34,793.5 and applying the Collection Rate of 97.5% produces a Council Tax Base for 2017/18 of **33,923.7**.

5.2 The Council Tax Base has increased by 0.94% compared with 2016/17. This is equivalent to an increase of 318 Band D dwellings. The detailed number of properties is shown at Appendix 1.

5.3 The Council's Medium Term Financial Plan is updated annually to take account of movements in the Council Tax Base. The assumed tax base for the current MTFS was 33,942.

6.0 BUSINESS RATE INCOME

6.1 The Local Government Finance Act 2012 introduced a new system for the local retention of business rates. This means that the council is required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2017/18 financial year must be approved by 31 January 2017.

6.2 To calculate the amount of business rates payable by the ratepayer, the rateable value of a property is multiplied by rate multiplier; for 16/17 this is 48.4p. Currently the business rates are based on the valuation list produced in 2010; this list is now in the process of being updated and new valuations will be effective from 1 April 2017. To date a draft list has been issued which will be updated in mid December and the final list published in March. The national increase in rateable values is 9.6%, the largest increase being in London at 23.7% and the lowest in the north-east being a decrease of 0.9%. The South-East average increase is 9.6%.

Nationally revaluation is not expected to raise extra revenue as the government plans to reduce the tax rate multiplier to offset the overall change in rateable value. Additionally to ensure that no ratepayer receives over inflation increases in bills a scheme of transitional relief will be introduced. Both of these measures are currently out to consultation and therefore are unknown at this time.

6.2 Along with the revaluation the process for making appeals has been

changed; this is intended to stop speculative appeals and speed up the process. Once all the facts have been checked as being correct, the ratepayer will have the responsibility to provide evidence as to why the rateable value should be changed. It is unknown at this time how many appeals will be received. The Council still has a number of appeals outstanding from the current list, which will be carried forward until settled. The provision for appeals will need to cover both existing and new appeals.

- 6.3 The Business Rate income is calculated using the Governments NNDR1 form which will show the net rate income yield for the forthcoming year and the central and local shares of the business rates. The actual NNDR1 form for 2017/18 has not yet been released and until all the unknown issues mentioned above are resolved it is not possible at this current time to model the amount of expected business rate income for 2017/18.

However on the assumption that income levels will be the same an indicative figure for net business rates yield of £35.6m could be expected. This has been based using the 2010 valuation list, the rate multiplier uplifted by inflation and taking into account local changes to the RV for expected new and demolished properties.

- 6.4 The net business rate yield is allocated centrally and locally based on the following ratios:

50% to Central Government;
40% to the Local Billing Authority (this council);
10% to the other precepting authorities (9% to the county and 1% to the fire authority).

The local share (the Business Rate baseline) is then payable to the Council's General Fund. All other adjustments to the overall level of business rate income retained locally are then accounted for within the General Fund.

7.0 Retained Business Rates income in the General Fund

- 7.1 The amount of business rates income payable to the General Fund is calculated by deducting tariff and levy payments from the amount of the local share of net business rate yield.

The system of tariff or top up payment is to redress the balance of business rate income nationally to ensure that no local authority is worse off as a result of it business rates at the outset of the rates retention scheme in 2013.

The levy rate allows authorities to retain their growth in an equivalent proportion to its baseline revenue. The levy has been set at 50% of the growth business rates income over the baseline allowance set by government.

DCLG are proposing through adjustments to the tariff/top up to counteract the changes to the Rateable Value and the multiplier, to make it revenue neutral for local authorities. This authority currently makes a tariff payment. Information on the level of the tariff payment will be announced as part of

the government grant settlement figures in the Autumn Statement.

Given the uncertainty about the amount of business rate yield and the tariff payment it is not possible at this time to calculate the amount that will be credited to the General Fund.

These figures will be confirmed once the final NNDR1 has been completed in January and the government grant settlement figures received later this month.

8.0 Setting the Business Rate Income

- 8.1 As the figures required to set the business rate income are not yet available, Cabinet is asked that delegated authority be given to the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, to determine the estimated net yield from Business Rate Income for 2017/18.

9.0 Business Rates Pooling

- 9.1 The council is working within a business rate pool with the other East Sussex Borough and District Councils, East Sussex County Council and East Sussex Fire Authority.
- 9.2 Under pooling, 50% of any growth in business rate income (the levy) is payable to the pool rather than to DCLG, and redistributed to participating authorities in accordance with the agreed memorandum of understanding. This is to be used to fund economic development.
- 9.3 The first half year monitoring of the pool is showing that overall the forecast levy payments across all authorities is £2,120m (down £174,000 from the original NNDR1 figures supplied in January). Eastbourne's share is estimated at £180,000.
- 9.4 DCLG have been informed of the intention to continue with the pool in 2017/18, subject to any matters arising from the provisional local government finance settlement.

10.0 Collection Fund Performance

- 10.1 As at 31 March 2016 the Collection fund showed a deficit of £206,003 (£1,403,477 Council Tax surplus and £1,609,480 Business Rates deficit). £352,606 is being recovered across Council Tax and Business Rates preceptors during 2016/17, leaving a balance of £146,607 to be distributed in 2017/18.
- 10.2 The Council has to estimate the overall surplus/deficit at 31 March 2017 and inform the precepting authorities in January 2017 of this estimate in order that the amount is included in the 2017/18 precept figures.
- 10.3 Current monitoring figures indicate a surplus by 31 March 2017 of £976,687 for Council Tax, this will be revised in January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated to preceptors in 2017/18 in proportion to the 2016/17

Band D Council Tax.

- 10.4 The calculation on the business rate income element of the Collection Fund currently indicates a deficit balance of £433,324 as a result of a bigger than anticipated provision required for outstanding appeals. The calculation will be revised for January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated in 2017/18 in accordance with the proportions given at 6.4 above.

10.0 Consultation

- 10.1 Not Applicable

11.0 Implications

- 11.1 The Council Tax Base will be used to calculate the level of Council Tax requirement that will be recommended to the Council on 8 February 2017.
- 11.2 The net yield from Business Rates income will be used to calculate the amount of retained business rates to be credited to the General Fund.
- 11.3 Once the Council Tax Base and the estimated balance on the Council Tax element of the Collection Fund has been determined, East Sussex County Council, Sussex Police and Crime Commissioner and East Sussex Fire Authority will be notified.
- 11.4 Once the NNDR1 2017/18 has been completed and the estimated balance on the Business Rate element of the Collection Fund has been determined, this will be submitted to Central Government and both East Sussex County Council and East Sussex Fire Authority will be notified.

12.0 Summary

- 12.1 The provisional Council Tax Base for 2017/18 has been calculated in accordance with relevant legislation. Summary calculations are set out within the attached appendix.
- 12.2 The figures required to set the business rate income are not yet available due to the uncertainty resulting from the new 2017 valuation list, the multiplier, the transitional relief scheme and the change to the tariff payment.
- 12.3 It is recommended that delegated authority be given to the Chief Finance Officer, in consultation with the Portfolio holder for Finance, to agree the final figures for both calculations.

Pauline Adams
Financial Services Manager

Background Papers:

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

The Local Government Finance Act 1992
The Local Authorities (Calculation of Council Tax Base) Regulations 1992
The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations
2003
Non-Domestic Rating (Rates Retention) Regulations 2013
Tax base report December 2015
Budget 2016/17 February 2016

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Tax Base Comparison between years					
	2013/14	2014/15	2015/16	2016/17	2017/18
NUBER OF DWELLINGS					
Valuation List as at November	46,629	47,150	47,285	47,489	47,703
Less discounts equated to property numbers	-4,859	-4,965	-4,753	-4,775	-4,716
Total equivalent property numbers	41,770	42,185	42,532	42,714	42,987
Estimated changes in year	86	-18	55	102	81
Less Local Council Tax Reduction Scheme	-6,813	-7,504	-7,465	-6,079	-6,087
Total Number of Properties	35,043	34,663	35,122	36,737	36,981
% increase (decrease)		-1.08%	1.32%	4.60%	0.66%
TAXBASE CALCUATION					
Relevant Amount (Band D Equilavant)	33,309.3	32,950.3	33,308.3	34,556.4	34,793.5
Collection Rate	97.50%	97.50%	97.75%	97.25%	97.50%
Council Tax Base	32,476.6	32,126.5	32,558.9	33,606.1	33,923.7
% increase		-1.08%	1.35%	3.22%	0.94%

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Body:	Cabinet
Date:	13th December 2016
Subject:	Sovereign Centre – proposals for improvement and future management
Report of:	Philip Evans, Director of Tourism and Enterprise
Ward(s)	All
Purpose	To recommend the construction of a new leisure centre adjacent to the Sovereign Centre. To recommend the procurement of an operator to manage the centre when the existing contract end.
Decision type:	Key Decision
Recommendation:	Cabinet is recommended to: <ol style="list-style-type: none">1. Approve the construction of a new leisure centre adjacent to the Sovereign Centre.2. Recommend to Council that £24.48m be included in the capital programme to fund the construction of the new centre and replacement of the adjacent skatepark3. Approve the procurement of a new operator for the new Centre.4. Approve the commencement of the public procurement processes referred to in this report to deliver the new centre and a new operator.5. To delegate authority to the Director of Tourism and Enterprise in consultation with the Cabinet Members for Tourism and Enterprise and Financial Services, the Chief Finance Officer and the Lawyer to the Council to work on the detailed development, management and approval of the public procurement processes to be followed and of all the procurement documentation required to deliver the project. Such delegation to include approval to allowing exceptions to the Council's Contract Procedure Rules should that be necessary.6. Instruct officers to investigate options for the joint management of Motcombe Pool and the dry side centres together with the centres owned and/or operated by Lewes District Council.

Contact:

Graham Cook, Programme Manager, 1 Grove Road,
01323 415867, graham.cook@eastbourne.gov.uk

1.0 Introduction

- 1.1 This report considers the business case for the construction of a new leisure centre to replace the Sovereign Centre. It also recommends a mechanism for the future management of the new centre.
- 1.2 The original Sovereign Centre was opened in the 1970s with a large extension added in the 1980s. The Centre contains swimming lanes, training pool, play-pool, gym, sports hall, café and associated offices and storage. The Centre is now aged and requires substantial reinvestment. By the nature of its two stage construction and the changes in leisure management, it is now an appropriate time to examine whether replacement would provide greater long term value for money.
- 1.3 The Centre is let to the Eastbourne Leisure Trust (ELT) which has appointed Serco to operate the Centre. The lease and contracts expire in April 2019. The annual net cost to the council of the Centre is some £340,000.
- 1.4 In late 2015 the council commissioned FMG Consultants/GT Architects, to carry out a high-level review and business case development to test the options for the future of the centre. The review showed that both a refurbishment of the Centre or, the construction of a new centre on the adjacent car park were viable.

However, refurbishment is necessarily a compromise, will not completely address the operational issues caused by the layout of the building, is a higher risk than new build and will cause considerable disruption to the service during construction.

Both ELT and Serco expressed a preference for re-development.

- 1.5 After detailed consideration members decided that the new build option should be taken forward for detailed investigation.
- 1.6 In order to test that a contract with a new operator could fund the revenue costs of constructing a new centre, it will be essential to run an operator procurement in parallel with taking forward the design and procurement of any new building.

2.0 Construction of a new Centre

- 2.1 A project team of officers drawn from tourism, planning, property, legal and finance have worked with external consultants, architects and quantity surveyors to develop a cost effective scheme which meets the requirements of the revenue business case.
- 2.2 The external advisors were chosen for their in depth and current knowledge and experience of the leisure marketplace. They have been procured

through the Scape Framework with a contract which has break clauses at key milestones until a construction contractor is appointed.

2.3 The brief to the design team was as follows:

- To create a high profile Centre adjacent to the existing site which both serves the needs of our growing population and provides a new destination, to build on our already ambitious plans for the Town's economic regeneration
- The Centre to be of a robust design, with a minimum 40 year life, which recognises the marine environment it is located within and the heavy footfall it will attract
- The design of the Centre shall optimise the use of internal space to drive the highest possible commercial returns per m2.
- To integrate into the design where possible links with the seafront promenade to reinforce the council's strategy for improving the visitor offer east of the Pier

2.4 The initial design of the new Centre was informed by the following functional requirements which were identified in the initial business case.

2.5 **Table 1 - Schedule of Facilities**

Fitness	130 stations
Studio Space	3 studios
Main Pool Tank	25m x 6 lane
Leisure Water	600m2 plus wave
Learner Water	13m x 7m
Diving Pool	No
Sports Hall	None – transfer activities to other centres
Spa/Health suite	Base on existing provision plus 4 treatment rooms
Trampolining	Circa 1200m2
Flow Rider	Scale to be tested
Clip and Climb	Assume 3 levels high
Soft Play	Yes – scale to be evaluated
Changing	Wet and Dry changing appropriate

	to scale of facilities
Catering	Kitchen and 60 no covers
Operational space	Appropriate offices, storage and plant rooms

2.6 This schedule has been tested through interviews with 5 national and regional leisure operators and meetings with ELT. As a result of this the following changes have been made:

- The spa provision has been removed as the local market is very competitive and the Centre is not seen as the right location
- The soft play is of a scale where it can be a chargeable facility
- The number of multi-use party/studio rooms has been increased as there is an ongoing and viable demand for this use
- The size of the trampoline hall has been reduced
- The size of the learner pool has been increased to 20mx8m
- The addition of a Changing Places Facility

In addition the project team has identified a number of optional items which require further market testing:

- Flow Rider – this would be a landmark feature but income is difficult to predict and some consultees would prefer to see investment in more exciting slides and fun pool features
- Gala Pool – whether an acoustic separation will be adequate to separate the fun water from the gala pool or if a solid wall is required

2.7 The location and design of the proposed centre has been subject to a number of iterations and must meet the following design objectives:

- Minimal footprint while providing all the required facilities presented in an attractive manner to users
- Cost effective to operate and manage
- Cost effective construction method which will survive an aggressive marine environment
- Allowing the existing Centre to continue to operate during the construction period
- Minimal impact on neighbouring properties
- Optimisation of parking spaces
- Preservation of the existing flood protection measures on the site
- Create a link with the promenade
- Release all the existing Centre footprint for future use

The proposed location and draft design is shown at Annex 1. This will be subject to further development by testing with users, the current operator and through the planning process.

2.8 The proposed location of the centre is driven by the need to:

- Avoid the boundary of the QE11 Park to the east

- Avoid the boundary of the existing centre to the west
- Protect as far as possible the existing car park
- Be set back as far as possible from Prince William Parade
- Avoid intruding into the bank adjoining the promenade

Comments are still awaited from the Flood Defence agency which may require further adjustment to the location of the centre.

2.9 The timetable for the construction of the new centre has the following key milestones:

- Completion of Stage 3 design for planning application – April 2017
- Planning approval – October 2017
- Procurement of construction contractor – May 2017 – December 2017
- Construction – December 2017 – September 2019
- Demolition of existing centre - Oct 2019 – March 2020

These dates are dependent on; an immediate start on the next phase of work immediately following the Cabinet decision, prompt input and decision making by all statutory bodies and a successful contractor procurement process

2.10 The centre should be powered by a gas fuelled CHP system with a backup boiler. This has proved to be an economic and carbon effective solution at the current centre and our M&E advisors have recommended it for the new centre. If during the procurement process alternative solutions are shown to be viable these will be considered. Opportunities for other energy saving technology within the new building will be optimised.

Overall the new centre by the nature of its insulation levels, utility controls and layout will be more environmentally effective than the current centre.

2.11 The replacement of the existing skate park adjacent to the Sovereign Centre is an outstanding issue. It is estimated that this will cost £200,000. The above budget has been included within the capital estimate recommended for the leisure centre scheme. Construction will take place in 2017/18.

3.0 Risk Management

3.1 A title search of the proposed site has indicated that some minor steps need to be taken to ensure the council has a clean title for the whole site.

3.2 A Risk Register for the construction of the new centre has been developed The key risks are as follows:

- Cost v budget
- Ensuring the site is thoroughly investigated prior to letting a construction contraction
- The uncertain construction market which may or may not be to the council's advantage
- Land ownership issues
- Flood Defence agency requirements

4.0 Options for the operation of the Council's leisure centres

- 4.1 At present the Sovereign Centre and Motcombe Pool are operated by Eastbourne Leisure Trust/Serco and the 4 dry-side leisure centres are managed by the council. The contract and lease with ELT ends April 2019.
- 4.2 Of the 4 dry side centres, 3 are based on school/college sites and subject to dual use arrangements with East Sussex CC/and the relevant school/college. The fourth centre is the Shinewater Sports Centre, which although next to a school there is no formal user agreement in place. Both ESCC and 2 of the schools/colleges have confirmed that they wish these arrangements to continue. The JUA (Joint User Agreement) at the third site, Cavendish School end in April 2019 and three options will be proposed to the School Board in February 2017. The preferred option will be that the JUA is renewed more or less under the same terms. However as the school owns the facility they can opt to either run it themselves or chose an independent partner to operate with.
- 4.3 In order to test whether the payment an operator will make **to the council** for the operation of the new centre will be sufficient to cover the debt costs, it is essential that a procurement exercise is concluded at the same time as the construction contractor procurement (December 2017) commences. The new operator will not take control of the new centre until 2019.
- 4.4 The project team has considered a range of options for the future management of these centres. They have also worked with an officer of Lewes DC to consider whether there are any opportunities for a shared approach. All the leisure centres in Lewes are currently managed by a not for profit trust (Wave Leisure). The contract for this ends April 2021.
- 4.5 In considering potential options, the project team have taken the view that the successful two part structure involving both ELT and an operator (currently Serco), is no longer necessary. All the major leisure operators are able to provide contractual structures which enable the business rate and VAT benefits achieved through the current arrangements to be retained via a simple "one to one" contract/lease between the council and an operator.
- 4.6 The project team recommend that a tendering exercise for the Sovereign Centre is started immediately after the council's decision on whether to replace the Sovereign Centre. Further investigation of the options to manage Motcombe Pool, the council's dry side centres and the centres owned/operated by Lewes DC can then take place in the period January to March 2017.
- 4.7 Experience of other local authorities and feedback from operators indicate that the minimum period for any contract is 10 years with an option for a 5 year extension. It is recommended that a range of contract periods are tested in the procurement process as mandatory variant bids.

5.0 Consultations

- 5.1 At present external consultation has been limited to the Board of ELT, 5 major national/regional leisure operators and the following user groups Eastbourne Swimming Club, Sama Organisation, Eastbourne Voluntary

Lifeguards, Eastbourne College, Jurgen Matthes and the Young at Heart Club. All will be sent a newsletter setting out the aspirations and timetable for the new development. The key message of this communication will be that the existing pool remains open until 2019. Account has also been taken of independent research by the Chief Internal Auditor of Lewes DC on options for the management of leisure centres.

- 5.2 The progress of this project (both Phase 1 and the current Phase) and the consideration of options have been the subject of reports to the Council's Strategic Property Board.
- 5.3 ELT have made a positive and strongly argued response to the council's consultation. The points made by ELT are set out in full below with a response to each point made in bold.

Preamble

Eastbourne Leisure Trust (ELT) has been invited to respond to Eastbourne Borough Council (EBC) regarding proposed rebuild of the Sovereign Centre.

The trust was created in 2004 when EBC decided to outsource the Sovereign Centre. Administration of a facility through a leisure trust gives considerable savings to the town in VAT and NNDR. Over and above these, ELT trustees have distributed some £80k from surpluses back into sports/leisure throughout the town. As the contract between EBC and ELT draws to an end (March 2019), the trust has worked with the council to realise an opportunity for a new facility to replace the existing building.

Trustees are very optimistic about such an opportunity. The existing building has proved difficult to manage and the trust's sub-contractor, Serco have had to work hard to build a positive business for ELT. From 2004-2011, the accounts recorded a deficit; a deficit borne by Serco. By 2012, a surplus was recorded which was repeated the following year. However the trading picture since then has been affected by competition from a budget gym and the remaining 2.5 years of the contract are forecast to be at best, break even.

It is against this background that EBC have commissioned plans for a rebuild, the principle of which has been enthusiastically endorsed by ELT. Trustees approve of the preferred location; of the two storey design; of the expanded gym offer and of the greater use of sea views. The clip 'n climb will provide a new dimension to the building and has the potential for good business as do the areas designated for trampolining, dance and children's parties.

The concerns listed below have been drawn from feedback from all six trustees and are based primarily on trustees' central concern; that a new Sovereign Centre must at the very least be comparable to the existing building and at best, far better. Given the experience over the last 12 years working with Serco and EBC, in addition with their professional skills and knowledge, trustees hope that their views will receive serious consideration and be seen in the positive light in which they are offered

General

- (1) It appears inefficient to trustees to place the Fun Pool between the "fitness pools " Staff

cover could be reduced, control would be easier and potential customer problems would be avoided by placing the Gala & Learner pools closer together.

Response - The learner pool is one of the main areas parents like to view (teaching lessons) as well as the fun pool. The plan has been designed so that the café area has an immediate connection to the learner pool and the edge of the fun pool water. Whilst there is merit in having the learner and main pool next to each other, it was felt that in this instance there were greater benefits in having the pool close to the café viewing. Soft market testing with operators also supported this development of the layout.

Each space has been separated reflecting the soft market testing discussions and so it would need to have individual staff control in each area, regardless of the position. The fun pool is also ideally located close to the changing village with immediate access to poolside and to the toilets. The fun pool also has an immediate connection with the FlowRider.

(2) On the dry side, trustees like the idea of a fitness gym with sea views but this may present problems with temperature and glare control. The air conditioning is inadequate in the present gym and the effect of direct exposure to the sun would exacerbate this problem to a very considerable extent. If the gym is to be positioned as per the plans, a huge improvement in air handling will be required.

Response - The design of the centre is intended to deal with the solar gain issue (and glare) and the project team are currently looking at the material palette on the elevations to mitigate this issue, but maintain views in and out. No louvres will be used as this will create a cleaning and maintenance problem (creates a ledge for birds). All thermal gains will be taken into account when designing the mechanical ventilation and cooling systems.

Gala pool

(3) The rebuilt gala pool provides Eastbourne with an opportunity to provide an 8 lane tank, not the 6 lanes proposed. Sport England and the Amateur Swimming Association both recommend this and will not give financial support to any other option. Dimensions should be

Length: 25.002 metres (to allow for touch pads).

Response - This has been allowed for.

(4) Width: 8 lanes, ideally 2.5m wide per lane

Response – the design brief is to supply 6 lanes based on the business case as the income from an 8 lane pool does not justify the capital investment and increased running costs.

(5) Scrutiny of the plans would suggest that the surrounding apron to the Gala pool is insufficient and that the spectator gallery needs to be enlarged

Response - The surrounds could be increased but, it will increase area and therefore cost. Surrounds vary, but are generally 3m – 3.5m, with the tightest surround to the north being 2.5m. Until the design of the fun pool rides is finalised, this is just a concept layout and is potentially subject to change.

(6) Trustees have followed the successful progress of British swimming through the 2012 and 2016 Olympics and Paralympics in London and Rio. If Eastbourne is ever to become a centre of excellence as far as swimming is concerned, it has to cater for the competitive nature of gala swimming. Competition is a powerful tool in engaging young people and having expended effort over 12 years into swimming lessons, we feel that young swimmers must have the opportunity for real competition.¹

Response – the design brief does not class this as a gala pool but a community pool.

(7) Trustees have also looked critically at the dimensions shown on the proposed plan. Our calculations show that²

- the existing gala pool offers 484.95 m² of water surface.
- the proposed gala pool offers 321 m² of water surface, a 30% reduction in capacity

Response - The proposed pool is not a gala pool it is a 6 lane 25m community pool. The surface area is 321m². The current pool is 33m in length.

(8) the existing gala pool contains 6 lanes each of 2.5 metre width and the proposed design would offer 6 lanes of 2.14 metre width

Response - The proposed tank is 12.5m wide (finish to finish) which is compliant with both the ASA and Sport England for a 25m 6 lane community tank. This has 2m lanes with a side margin of 0.25m. We do however have large surrounds which gives us the flexibility to increase the width to 13m, which would facilitate competitions. This will increase the surface area of the pool to 333m². The lane widths will remain at 2m but the side margins will increase to 0.5m each side. This is ASA and Sport England compliant. This will be reviewed in the final design.

(9) The size of the spectator gallery is inadequate

Response - the main pool has not been designed as a gala pool and therefore does not need a large number of seats. The brief requires 100 seats. The design is being finalised but upto 150 seats should be possible.

(10) Further reduction is required to take account of lane ropes and safety edges which, we calculate, would result in lane width of 1.798m. The shoulder span of a six foot swimmer is at least 1.9m giving insufficient width for breaststroke or butterfly events.

Response - The pool has been designed in accordance with ASA and Sport England for community use. The lane ropes will likely be 100mm in diameter so the effective lane width will be 1.9m. As stated above to achieve a full competition standard pool would require

¹ Of 70 sites run by Serco, Eastbourne has consistently supported the highest number of swimming classes and instruction.

² trustee calculations need to be checked for accuracy

further investment.

Trustees also recognise the broader landscape for swimming. The newest pool in the town will open in Spring 2018 at Eastbourne College. The pool under construction is a 6 lane 25m length pool; it will compete with a 6 lane Sovereign Centre for community use but be unable to hold its own against an 8 lane option

Training/learner pool

(11) Trustees are delighted to note inclusion of this pool, which they consider to be essential. We recommend that this facility has a graduated depth across the width rather than the length to enable greater access for novice swimmers. This pool should also be marked with lane lines.

Response - Depth and final configuration to be reviewed in the next stage of design to support the business plan for swimming lessons in this pool.

Fun Pool

(12) The fun or leisure pool is of course a critical inclusion in the new design. Trustees, whilst approving in principle, nevertheless have several concerns

- we consider that the wave machine is not an absolute necessity but if it is to be omitted, it will have to be replaced by an alternative feature/s to give the leisure pool a unique selling point. A Lazy River system around the perimeter of the fun pool is just one option of many that could be a commercial alternative to the wave machine.
-

Response - All elements of the leisure water area including the Flowrider, are to be reviewed in greater detail during the next stage. We will discuss the leisure water provision with specialists in due course.

(13) A particular concern is expressed regarding the staffing requirements for the wet side of the building. Safety is paramount and a greater degree of separation of the pools will ensure an easier and safer staffing rota to be produced by the operator.

Response - All pools will have physical separation

(14) There is little to show in the proposals to demonstrate Eastbourne's support for disabled visitors to the site. Whilst each of the 3 water areas should be fully accessible, the leisure pool in particular needs to have sound, inclusive options for disabled patrons.

Response - The whole facility is being designed with equality in mind. The final facility will utilise the lessons learnt on other pools and will include measures that go beyond Part M of the building regulations. these proposals will be included in the next stages of the project.
Flow Rider

(15) Trustees have thought hard about the installation of the Flow Rider. They recognise the merits of a feature that exists nowhere else in the South East of England. However on reflection, they have rejected the inclusion of the Flow Rider

- the savings in financial and spatial terms will be used to effect the more important considerations discussed above
- the business case for the Flow Rider is insufficiently robust. We consider that the Flow Rider would be underused (maximum 2 or 3 users at any one time) and the required additional water and electricity will put pressure on the financial management of the centre.

Response - A decision on whether to include a Flow rider or other forms of fun water will be made during the next design stage.

Conclusion

Trustees have concluded that the proposed model falls short on the wet side of the development. It emphasises the dry side facilities to the detriment of the wet side and appears to be based on leisure rather than physical activity or even sport. At least three of the current trustees will retire in March 2019 and they want to ensure a worthwhile legacy for the town which as a coastal resort, places swimming at the heart of its sporting ambition. We recognise that there is some inevitable loss to be carried in the new build; the diving pool has been underused since it was first constructed .

Commercially, it would have been difficult to justify inclusion. But we repeat our determination to get the best for residents and visitors alike. To do so we need to support EBC in its ambition for a new build and we expect EBC to support ELT through recognising its commitment to the future.

- 5.4 In addition to the comments from ELT the project team has considered whether to replace the current diving pit. Experience elsewhere indicates that to do so would cost some £400,000. Given the small number of users this is not considered to be a value for money investment.
- 5.5 If the council decides to proceed with the construction of a new centre an extensive information and discussion campaign will be implemented.

6.0 Corporate plan and council policies

- 6.1 The Corporate Plan 2012-2017 identifies a number of key themes:
- Prosperous Economy
 - Thriving Community
 - Quality Environment
 - Sustainable Performance

The proposed Sovereign Centre addresses all four Themes.

- 6.2 In addition one of the key recommendations of the 2012 Visitor Research was that if Eastbourne was to compete with other destinations it needs to improve wet weather activities. The investment in a new Sovereign Centre is a step towards this.

7.0 Business case

- 7.1 The objective set for the initial Business Case was for the service to break even under any new contracting arrangements. The initial Business Case projected that the long term annual revenue cost of the new Centre would be £12,000 per annum This was based on a payment by an operator being sufficient to cover debt cost of a £1.2 million pa.
- 7.2 Following a detailed analysis of the capital costs to reflect the changes in facilities set out above and more current knowledge of construction costs the estimated capital cost is £24.48 million inclusive of professional fees, surveys, equipment and other costs and the provision of a replacement skatepark. This assumes interest at a rate of 4%, the current PWLB rates are between 2.5 and 3% depending on the term.
- 7.3 The revenue Business Case has also been reviewed, in particular the income opportunities from trampoline, flow rider and other ancillary sources following consultation and site visits. As a result, the long term annual revenue surplus generated by the scheme is projected to be circa £50,000, after taking into account changes in the debt and lifecycle costs resulting from higher capital costs from the initial Business Case. At present the Centre costs the council some £340,000 pa.

Table 1 below compares the initial revenue projections and the current business case is set out below. The table demonstrates that from operational Year 5 the new centre will generate positive cash of £50,000 pa after debt costs.

Table 1

All £	Current Model (Year 5)	Feasibility (Year 5)	Variation
Annual cost (cash) at feasibility			-12,129
Net operational income	1,272,054	1,132,776	139,278
Interest on Debt	-916,964	-865,927	-51,037
Repayment of Principal	-304,603	-278,977	-25,625
Annual Cost (Cash)	50,487	-12,129	50,487
Current Cost	-340,000	-340,000	

- 7.4 When the elements of the initial Business Case were tested with operators none of them expressed concerns about the scale and mix of income streams. Clearly this response must be treated with some caution as they are anticipating a procurement exercise but they were very open and straightforward in all their answers.
- 7.5 Whilst no proposals have been made nor allowance made for the potential redevelopment of the current Sovereign Centre site, there is clearly a value attached to a site of some 1.8ha which will become free in early 2020.

8.0 Equality analysis

- 8.1 A full equality analysis will be carried out should the council decide to proceed with a new centre. However, what is clear is that a new centre :
- will be easier to navigate
 - will have a Changing Places Facility
 - will have pools and fun water with easier access
 - will have changing facilities suitable for all types of users
 - will enable the operator to offer a wide programme

9.0 Performance and outcomes

- 9.1 The capital cost of a new centre will be tightly managed through both the procurement process and subsequent construction cost control.
- 9.2 The revenue outcomes of the operator procurement will be embedded in a contract/lease which sets out the terms of occupancy and the revenue payments to be made to by the operator to the council. The contract will include a thorough monitoring regime and cash deductions made for failure of the operator to meet the requirements of the Council.

10.0 Legal Implications

- 10.1 An initial Report on Title has been obtained for the proposed new site, which has revealed some title issues that need to be resolved. There are restrictions registered on parts of the title for the Sovereign Centre and consents/releases will be needed to deal with these covenants. There are some other minor steps that need to be taken to ensure that the Council has a clean title for the whole site.
- 10.2 Titles for the "dry sites" mentioned in section 4 above have been reviewed and all are owned by East Sussex County Council. Therefore Eastbourne Borough Council has no legal right to pursue any changes to the use of those sites unless it has delegated authority to do so from ESCC or unless ESCC works with EBC to effect such changes.

11.0 Conclusion

- 11.1 The development of a new leisure centre adjacent to the Sovereign site will :
- address the weaknesses in design of the current centre
 - spend capital on a new building with a 40 year life rather than addressing maintenance issue on a building dating from the 1970/80s
 - provide additional facilities which will extend the leisure offer to both residents and visitors
 - provide a building which is attractive to commercial operators and so able to fund the revenue costs of the capital investment.
- 11.2 The procurement of a new operator for the Centre by late 2017 will ensure that the business case has been tested in the market and that the operator can contribute to the final design of the new centre.

Background papers

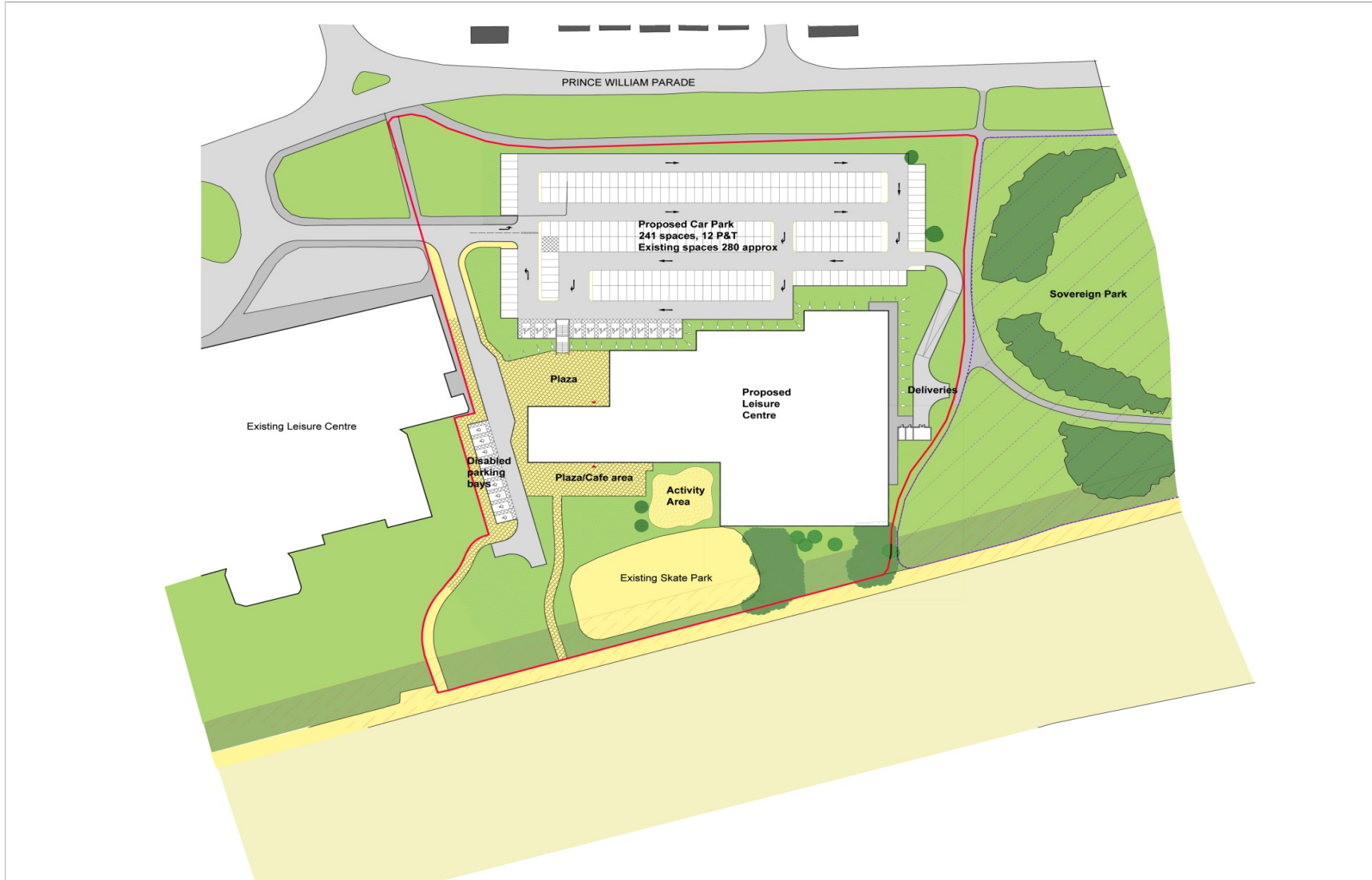
The background papers used in compiling this report were as follows:

N/A

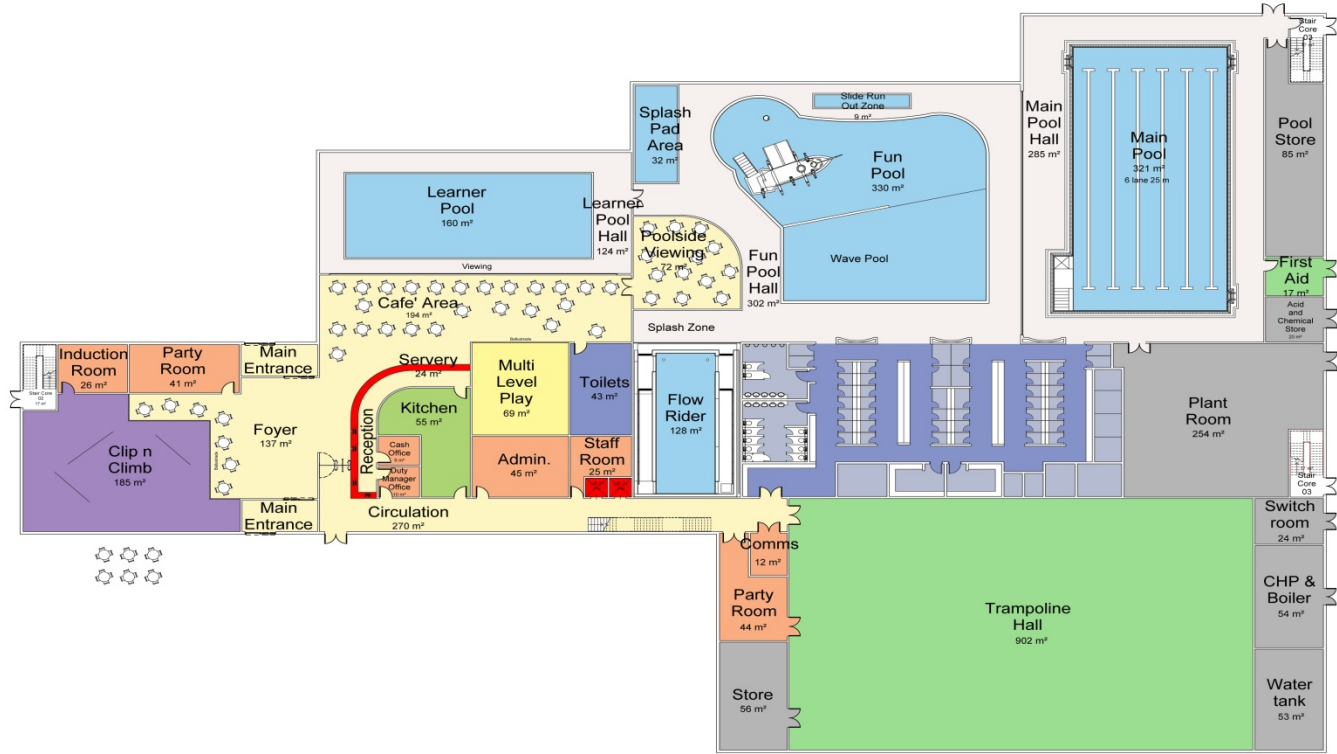
Design - New Build



Entrance view from carpark



Site Layout



REV 001 Total update; Trampoline hall size reduced; Red change layout added 07/16
REV 002 - - - - - DATE

DATE FOR APPROVAL
SEVERIGN LEISURE CENTRE

GT Architects
Ground Floor
NEW BUILD OPTION
PROPOSED GROUND FLOOR PLAN

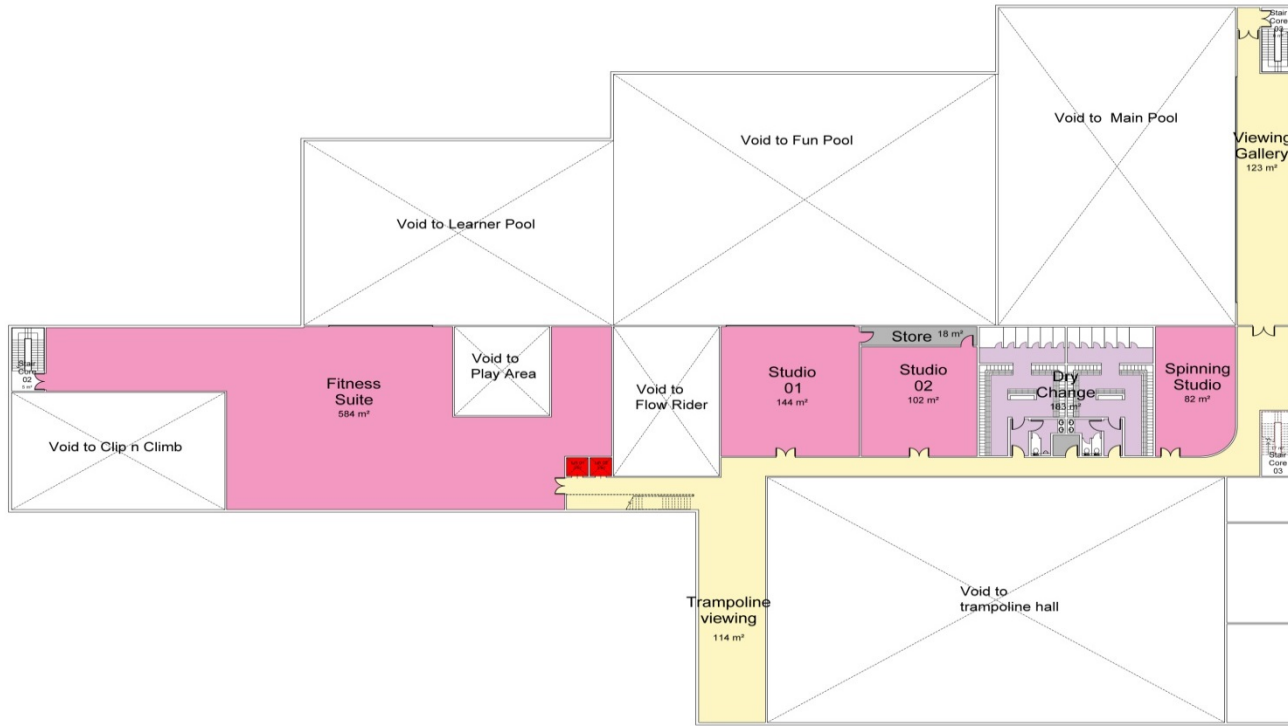
SCALE 1:200 3000 3000 A1 DRAWN BY MK CHECKED BY - DATE 16/03/2016
PROJECT NO. 16009 (03)002
16009 (03)002 P02
+44 (0) 115 947 0800
info@gt-architects.com
www.gt-architects.com

ARCHITECTURE, MASTER PLANNING, INTERIOR DESIGN,
MARKETING & BRANDING, FUNDING & SPORTS SPECIALISTS

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Ground Floor



ARCHITECTURE, MASTER PLANNING, INTERIOR DESIGN,
MARKETING & BRANDING, FUNDING & SPORTS SPECIALISTS



GT Architects
Sovereign House
15 Colchester
Sutton Coldfield
B67 7JG

T +44 (0) 115 947 0000
E info@gt-architects.com
www.gt-architects.com

REV: P02 Total update; Dry change layout added 07/11/18
REV: 000 00/00/00

CLIENT: FIBER OPTICAL
PROJECT: WAKEFIELD LEISURE CENTRE

SOVEREIGN CENTRE - EASTBOURNE
NEW BUILD OPTION
PROPOSED FIRST FLOOR PLAN

SCALE: 1:200 DRAWN: 20/02/18 CHECKED BY: H. 001/18/03/2018

PROJECT NO.: 16009 (03)102 P02

First Floor

BODY:	Cabinet
DATE:	13th December 2016
SUBJECT:	Active Eastbourne Strategy
REPORT OF:	Director of Tourism and Enterprise
Ward(s):	All
Purpose:	To seek Members' approval for the proposed Active Eastbourne Strategy 2017 to 2022.
Contact:	Philip Evans, Director of Tourism and Enterprise, Telephone 01323 415411 or internally on extension 5411. Email: philip.evans@eastbourne.gov.uk
Recommendations:	Cabinet is recommended: (i) to approve the draft Active Eastbourne Strategy to be published for consultation and (ii) to delegate authority to the Director of Tourism and Enterprise in consultation with the Lead Member for Tourism and Enterprise to approve amendments to the Strategy, subject to final consultation.

1.0 Introduction

- 1.1 The government published 'Sporting Future: A New Strategy for an Active Nation' in 2015. This highlights the role local authorities have to play in encouraging participation in sport and physical activity.
- 1.2 The draft Active Eastbourne Strategy has been developed by Sport Eastbourne and its partners including East Sussex County Council and Active Sussex to set out the aims and priorities for activities in Eastbourne.

2.0 Draft Active Eastbourne Strategy

- 2.1 The draft Strategy builds on national research and evidence linking levels of activity with health and mental wellbeing. It gives an overview of current strategies and plans, including Sport England's 'Towards an Active Nation' 2016- 2021, Public Health England's 'Everybody Active, Every Day' and the East Sussex Health and Wellbeing Strategy 2013-2016.

2.2 The draft Strategy was developed in liaison with East Sussex County Council's Public Health team and Active Sussex. An initial consultation event was held at the end of May 2016 to discuss the strategy and key priorities. Representatives of leisure trusts, sports clubs and voluntary organisations discussed the priorities and potential areas for action.

2.3 The draft Strategy proposes four objectives

- to support inactive people to be more active
- to encourage people to stay active
- to promote volunteering, training and professional development
- to improve local facilities and amenities

2.4 The draft Strategy is attached at Appendix A.

3.0 Purpose of the Active Eastbourne Strategy

3.1 It is proposed that an Active Eastbourne Partnership be established to take forward delivery of the Strategy. An Active Eastbourne network will also meet from time to time to share ideas, information and resources.

3.2 The current strategy has been drafted utilising feedback obtained through the consultation in May and subsequent meetings with partners.

3.3 Once the strategy has been finalised the strategy will be used as a working document and a fuller action plan will be developed to ensure the priorities are delivered.

3.4 The Active Eastbourne Strategy will be a conduit for applying for funds through various funding streams.

4.0 Consultation

4.1 The draft Strategy will be sent to those who attended the consultation event in May to seek their feedback.

4.2 Key stakeholders, including the University of Brighton, local sports clubs, leisure trusts and voluntary organisations will be contacted for their views.

4.3 The Draft Strategy will also be published on the Council's website for comment and feedback from the public.

5.0 Resource Implications

5.1 There are no new resources required to deliver this Strategy.

6.0 Implications for Equalities and Fairness

6.1 The Draft Strategy pays particular attention to those people who face specific barriers to engaging in sport and other activities. National evidence shows that some groups including disabled people, women, BME and older people are at particular risk and the strategy includes a focus on working to overcome any barriers they face. There is a particular focus on the needs of communities.

6.2 An Equality and Fairness assessment of the Strategy will be carried out during the consultation period.

7.0 Legal Implications

7.1 There are no legal implications arising from this report.

8.0 Other Implications

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

9.0 Conclusion

9.1 Cabinet is asked

- to approve publication of the draft Active Eastbourne Strategy for consultation and
- to delegate authority to the Director of Tourism and Enterprise in consultation with the Lead Member for Tourism and Enterprise Services to approve amendments to the Strategy, subject to final consultation.

Philip Evans
Director of Tourism and Enterprise

Background Papers:

None.

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Active Eastbourne



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Foreword



Welcome to the Active Eastbourne Strategy for 2017 to 2022. Located in East Sussex, Eastbourne has a close association with sport and physical activity. The town hosts multiple sporting events every year, with highlights including the pre-Wimbledon Aegon International Tennis Tournament, Eastbourne Extreme, one of the UKs largest extreme sport festivals, and the Eastbourne Cycling Festival.

Physical activity and sport are key components of a healthy lifestyle, and we are keen to continue doing all we can to support and promote them. Other forms of activity are important too and may be more accessible and have greater appeal to those people who are much less active. Our aim is to increase opportunities to help everyone become more active, whatever their circumstances, and to stay active and enjoy the benefits of greater fitness and health throughout their lives.

We are all working and living in a fast-moving and ever-changing landscape and this strategy is designed to shape the way we will adapt to different needs and opportunities as they arise. With increasing pressures on resources, we need to support people and communities to become healthier. We cannot do this alone and this strategy looks at the ways we can work with communities, leisure providers, local sports clubs, businesses, voluntary organisations and in liaison with schools, colleges, the University, health teams and other key partners to encourage involvement in all kinds of activity from informal activities such as walking and cycling to participation in the wide range of sports opportunities available in the town.

As the legacy of the London 2012 Olympics begins to diminish, participation in sport has fluctuated. It is essential that we do what we can to maintain and build on the enthusiasm and momentum created in 2012. This means supporting people to volunteer and qualify as coaches and health professionals, ensuring that there is a good range of affordable and accessible facilities and amenities for people to use, and that we all make the best use we can of the many opportunities on offer. By following these key principles, we hope to inspire residents and visitors to Eastbourne to engage with sport and other forms of activity and create a fitter and happier community.

Councillor Margaret Bannister, Cabinet Portfolio Holder, Tourism & Enterprise



Introduction

This Strategy has been developed by Eastbourne Borough Council in partnership with East Sussex Public Health, Active Sussex and members of the Healthy Eastbourne Campaign. It sets out our aims and priorities for promoting and developing sport and physical activity in Eastbourne. It is vital that the strategy meets the needs of the local area as well as aligning to national and county priorities.

In particular, the strategy will help deliver the latest Government Strategy for Sport, 'Sporting Future: A New Strategy for an Active Nation', 2015, which highlights the leadership role that local authorities have to play bringing schools, voluntary sport clubs, National Governing Bodies of sport (NGBs), health and the private sector together to forge partnerships, unblock barriers to participation and improve the local sport delivery system.

The Strategy is also designed to support delivery of Sport England's Strategy, 'Towards an Active Nation' 2017- 2022; Public Health England's Everybody Active, Every Day – an evidence-based approach to increasing physical activity levels; and, locally, the East Sussex Health and Wellbeing Strategy 2013-2016, Active Sussex Strategy and Eastbourne Borough Council Corporate Plan 2016 to 2020.

Promoting active lifestyles can help us address some of the important challenges we face today. Increasing activity levels has the potential to improve our physical and mental health, reduce the incidence and premature onset of diseases, improve life expectancy, and significantly ease the burden of chronic disease on the health and social care services. Relatively small increases in activity can significantly improve our quality of life irrespective of age. People who are physically active reduce their risk of developing major chronic diseases and regular physical activity is estimated to prevent one in ten cases of stroke or heart disease. Being physically active also reduces the risk of developing type 2 diabetes by 30-40% and can reduce the need for medication amongst those who already have type 2 diabetes. Daily activity can also reduce the risk to women of developing breast cancer by 20%.





Research has also demonstrated the beneficial impact of physical activity on mental health, reducing the risks of developing dementia, for example. Research has shown that people who are inactive are three times more likely to report moderate or severe depression than those who are active. Overall, physical activity provides benefits for our general well-being - improved mood, increased confidence, increased mental functioning, a sense of achievement, relaxation or release from daily stress.

The Strategy also takes account of the need to promote active travel options, such as walking, cycling and running. Fewer car journeys can reduce traffic congestion and pollution, improving the health of communities and protecting our environment. Public Health England's 'Working Together to Promote Active Travel: A briefing for local authorities' spells out the impact of road travel in terms of noise, air pollution, injuries physical inactivity, and outlines the costs to the physical environment and the economy. The briefing proposes a range of measures that local authorities can take to shape the local environment to encourage walking and cycling.

Evidence of the benefits to learning and self-esteem amongst children and young people has emerged in recent years. These include enhanced positive mental wellbeing, self-esteem and confidence and lower levels of anxiety and stress, improved confidence and peer acceptance, and there is emerging evidence of improved concentration and attention and enhanced academic performance.

Physical activity has many definitions, but it includes all forms of activity such as 'everyday' walking and cycling to get from A to B, active recreation such as working out in the gym, dancing, gardening or families playing together, as well as organised and competitive sport. Sport, active recreation and active living are all interlinked, as shown on the next page.

About Eastbourne

Eastbourne is a seaside town on the south coast with an estimated population of close to 100,000 people. The town is at the gateway to the South Downs Way, one of the UK's most popular National Trails and includes part of the South Downs National Park. Eastbourne's location means that 1,200 acres of Downland can be accessed via a coastal footpath with an array of walkways and paths open to public use, with gentle, more accessible paths as well as more trails for walkers and ramblers. More ambitious residents and visitors can take part in challenges such as the Beachy Head Marathon and Velopace Butts Lane Hill Climb.

The town has an elegant seafront and beach, including a lit promenade which is used by runners and walkers throughout the year. Eastbourne's beach, from the Pier to the Wish Tower, has won many awards for its excellent water quality and provides opportunities for swimming, rowing, fishing and other activities. Further east, Sovereign Harbour has a marina, popular with sailing and fishing facilities.

Despite these amenities and huge array of sports clubs, gyms, leisure facilities and parks, it is estimated that only 59.4% of adults living in Eastbourne achieve the recommended levels of activity to maintain good health. This means that 40.6% of adults are not active enough and are at risk of developing a range of health conditions and 29.4% achieve less than 30 minutes of physical activity a week, increasing the risks to their health.





EASTBOURNE

Breathe It In

Health Profile of Eastbourne

Eastbourne shares many of the challenges faced by other areas in the South East which may contribute to the low levels of physical activity. Whilst there is an increasing proportion of young people and families in the town, there is also a high proportion of older residents and people living with long-term limiting illness. There is a significantly higher percentage of older people aged 65 years and over and 85 years and over compared with England as a whole and population projections show that the proportion of older people is expected to continue increasing. The average age of residents in the town is 43 whilst Meads is the first Ward in the country to have an average age of over 70.



Older age is associated with increasing risks and incidence of coronary heart disease, stroke, type 2 diabetes, cancer and obesity. Older adults are also at greatly increased risk of falling. There is strong evidence that physically active adults aged 65 years and over have higher levels of cardio-respiratory fitness and physical function, and lower incidence of numerous chronic non-communicable diseases than those who are inactive.



Within Eastbourne it is estimated that 19.5% of children live below the poverty line and the health profile of Eastbourne shows that there are issues with:

- The prevalence of some chronic diseases – asthma, COPD, coronary heart disease, hypertension, heart failure and stroke - and the percentage of cardiovascular deaths are significantly higher than the England averages
- 18.1% of children up to the age of 11 are classified as ‘obese’
- Admissions to hospital related to alcohol are significantly higher amongst under 18s than nationally
- The rate of drug misuse in those aged 15 -64 is significantly higher than the national average
- The prevalence of smoking amongst 18-64 year olds is significantly worse than both the county and the national average.
- Teenage pregnancy rates are 6% higher than the national average.

The latest Department of Health guidelines for recommended levels of different types of activity at different ages are available at:

- <http://www.nhs.uk/Livewell/fitness/Pages/physical-activity-guidelines-for-children.aspx>
- <http://www.nhs.uk/Livewell/fitness/Pages/physical-activity-guidelines-for-young-people.aspx>
- <http://www.nhs.uk/Livewell/fitness/Pages/physical-activity-guidelines-for-adults.aspx>
- <http://www.nhs.uk/Livewell/fitness/Pages/physical-activity-guidelines-for-older-adults.aspx>

Be Active...



Our Vision for Eastbourne

Our vision is for Eastbourne to be an active town where more residents and visitors choose to take part in sport and physical activity. In line with the Sport England Strategy we are keen to place more emphasis on groups who are less active, such as women, disabled people and those from lower socio-economic backgrounds, as well as those who are already very active.

There are many clubs, leisure and training providers, funders and other health, community and business partners involved in efforts to promote sport and physical activity and to improve the health of local people and by establishing an Active Eastbourne Partnership we will work together to share resources and coordinate our efforts to promote more active lifestyles.



Our
Vision...

Objectives

Objective 1: To support inactive people to be more active

Objective 2: To encourage people to stay active

Objective 3: To promote volunteering, training and professional development

Objective 4: To improve local facilities and amenities

The following pages will form the basis of our action plan to implement this strategy.



Priority One:

Support inactive people to be more active

We are particularly keen to encourage those who are the least active to increase their levels of activity. We aim to focus particularly on girls and women, disabled people, and older people and others at particular risk.

What	How	Who	Targets	How will it be measured?
Communicate opportunities to inactive people	Target publicity to promote activities and opportunities effectively using the full range of media including the internet, social media, texting, local notice boards and newsletters, newspapers, community events, and local networks and ensure communication is inclusive and accessible	<ul style="list-style-type: none"> EBC Charities Age Concern YMCA 	Partnership to set SMART targets and measurements	
Improve	Work with partners to identify groups of people who are at risk and would benefit from outreach programmes. Monitor and tackle practical barriers to participation - cost, safety, access, time pressures and health issues		Partnership to set SMART targets and measurements	
	Develop a Cycling and Walking Strategy and promote and encourage active travel options such as running, cycling, skating and walking .	<ul style="list-style-type: none"> EBC ESCC 	Write Strategy	Implementation with KPI's
	Use 'This Girl Can' and other campaigns to encourage girls to become more active. Build on high profile events to attract people to try new activities	<ul style="list-style-type: none"> All partners 	AE Partnership to set smart targets	
	Promote swimming, linking with Swim4Life, 10 Minute Shake Up and other campaigns Encourage higher levels of activity in the home environment and promote One You campaign.	<ul style="list-style-type: none"> Partners 	AE Partnership to set smart targets	
	Offer free taster sessions in identified areas. Attract funding	<ul style="list-style-type: none"> Partners 	AE Partnership to set smart targets	Amount of events/sessions Head counts
	Support and promote the development of community gardening, 'grow your own' schemes and allotments			

Support...



Encourage...



Priority Two:

Encourage people to stay active

We aim to encourage those people who are already active in sport and other physical activities to maintain their levels of activity. This includes supporting local sporting events and working to ensure children and young people remain active as they move through school and into further education and work. See below Table of recommended activity levels.

What	How	Who	Targets	How will it be measured?
Deliver varied, balanced dynamic programmes, events and pilot projects.	Work continuing in EBC sports Centres. Work with existing and new partners to maintain existing events and encourage more.	<ul style="list-style-type: none"> LA Sports Centres Eastbourne Leisure Trust University of Brighton YMCA AGE Concern NGB's Wave Leisure 	Annual Targets To be set by AE Partnership	Amount of Events and participants
Promote Local Success Stories and encourage local champions to help	Contact local champions and involve them in open days, events ETC		Annual Targets To be set by AE Partnership	Amount of Events attended/ promoted
Liaise with Schools	Support schools to engage students and families	<ul style="list-style-type: none"> Partners 	Annual Targets To be set by AE Partnership	Meetings
Increase Activities on the Seafront	Build a Beach Volleyball Arena Investigate opportunities for more events Investigate an outdoor gym (similar to archery rec)	<ul style="list-style-type: none"> EBC in partnership EBC Events and Seafront Team 	AE Partnership to set smart targets	Amount of Events and participants

Priority Three:

Promote volunteering, training and professional development

We will work to promote and support volunteering, and make good use of opportunities to develop coaching, accredited training and professional development for people interested in delivering sports and other leisure activities.

What	How	Who	Targets	How will it be measured?
We will work to promote and support volunteering, and make good use of opportunities to develop coaching, accredited training and professional development for people interested in delivering sports and other leisure activities.	<ul style="list-style-type: none"> • Offer an annual forum with Active Sussex to promote the opportunities. to network. • Build on Sport England work on coaching plan to improve recruitment and training of volunteers and coaches • Work with Active Sussex and other funders and training providers to develop and promote accredited training opportunities for volunteers and paid sessional staff and ensure local clubs make good use of these and improve the representation of women, disabled people and people from BME backgrounds amongst staff and volunteers • Work with the University of Brighton, Sussex Downs College and other training providers to support pathways to adult learning and professional practice, particularly with groups at risk of exclusion or under-represented in physical activity in Eastbourne • Support and promote the new approach to coaching set out in 'Sporting Future' • Work with sport, leisure and community partners to ensure opportunities for volunteering and training are promoted as widely as possible • Identify appropriate rewards for volunteers – e.g. free tickets • Promote the use of apprenticeships, student and work placements • PROMOTE SUPPORT REWARD 	<ul style="list-style-type: none"> • EBC • University • Colleges • Clubs • NGB's 	Annual Targets To be set by Partnership	Annual Measurements Attendees at Forum



VOLUNTEER

Volunteer & Development...



Improve facilities...

Priority Four:

Improve local facilities and amenities

Eastbourne has a range of outdoor and indoor spaces which need investment both to improve their quality, increase participation and ensure their financial sustainability in the longer term. We will work together to ensure a coordinated approach and make the best use of resources available.

What	How	Who	Targets	How will it be measured?
New Amenities on the Seafront	<ul style="list-style-type: none"> Develop a Beach Volleyball site. Investigate other amenities 	<ul style="list-style-type: none"> EBC with local partner 	By Summer 2017 Ongoing	
Using under used facilities	<ul style="list-style-type: none"> Investigate ways of encouraging sites to open longer (Schools ETC) Support and encourage sports clubs and organisations to identify appropriate external funding sources 	<ul style="list-style-type: none"> EBC 	Annual targets to be set by AE Partnership	
Invest in facilities	<ul style="list-style-type: none"> Review the Council's Rent Support Grant policy to ensure financial assistance is directed where it is most needed and supports investment in facilities 	<ul style="list-style-type: none"> EBC Partners 	Annual targets to be set by AE Partnership	
Devonshire Park development for Tennis	<ul style="list-style-type: none"> Invest in extension of tennis courts and surrounding facilities at Eastbourne Tennis Centre in Devonshire Park Invest in Eastbourne Sports Park and explore the potential for a cycling hub 	<ul style="list-style-type: none"> EBC 	To be completed by 2018	



Appendix 1

General Content

Current NHS Guidelines

NHS guidelines are updated in line with new research findings. The recommended levels of activity vary according to age and currently cover early childhood, young people, adults and older adults.

Current guidelines emphasise the need to encourage movement in babies and recommend three hours a day of active play for toddlers. There is growing evidence that long periods of inactivity (other than sleep) in the under 5's can increase the risk of poor health.

Young people aged 5 to 18 need to do three different types of activity including at least one hour of moderate or vigorous activity every day and exercises to strengthen muscles and to strengthen bones three times a week.

Adults aged 19 to 64 and older adults, aged 65 and over are recommended to be active every day and to do at least 150 minutes of moderate activity or 75 minutes of vigorous activity or a combination of moderate and vigorous activity every week. They should also include exercises to strengthen muscles at least twice a week. The guidelines recommend breaking up long periods of sitting and inactivity.

More detail on the different types of activity recommended and examples are included on the NHS physical activity guidelines pages on its Live Well website.





The links between physical activity on wellbeing

In 2008 the Big Lottery commissioned an evaluation of their Well-being and Changing Spaces programme from the Centre for Local Economic Strategies and New Economics Foundation. The report highlights the key lessons drawn from a survey of projects funded under the programme.

The programme had three key aims: to develop new or better early intervention approaches to common mental health problems, to educate and promote healthy eating within communities, and to increase participation in physical activity, including active travel.

The evaluation found that increasing their levels of physical activity often led participants in the programme to improve their diet. Increases in physical activity were also associated with people feeling more positive, greater self-esteem and self-confidence and an overall increase in general happiness.

The study found “a positive cycle of increasing well-being” with improvements in mental health and well-being underpinning changes in eating and increased levels of activity. However, the report stresses the importance of participants developing their self-confidence before feeling motivated to make improvements to their eating and exercise habits. The study also found that projects which focused on food growing or cookery were particularly effective engaging people in physical activity.

The report identifies a number of factors associated with success including a holistic approach, enabling friendships to develop and encouraging engagement through volunteering, suitable venues, empathetic staff, volunteers who can provide peer support, providing training, measuring progress and flexibility.

Public Health England, Everybody Active, Every Day sets out data on current levels of inactivity and the impact on health outcomes and services, and outlines inequalities in participation in physical activity. The report identifies four areas for action:

- active society: creating a social movement
- moving professionals: activating networks of expertise
- active lives: creating the right environments
- moving at scale: scaling up interventions that make us active

Government Strategy for Sport, ‘Sporting Future: A New Strategy for an Active Nation’, 2015

The Government’s new Strategy for Sport focuses on the wider social benefits of physical activity including mental wellbeing, individual development, social and community development and economic development as well as physical wellbeing. There is a particular focus on those people who tend not to take part in sport, including women and girls, disabled people, older people and those in lower socio-economic groups. As part of this, Sport England’s remit has been extended to cover younger age groups from the age of five rather than 14. Active Lives survey will replace the Active People Survey and will measure how active people are rather than their participation in sport. There is also an increased focus on involvement in sport through volunteering and watching sport as well as participation in the sport itself.



Sport England, ‘Towards an Active Nation’ Strategy 2016 – 2021 sets out Sport England’s strategy for achieving the Government aims and delivering the key outcomes of physical wellbeing, mental wellbeing, individual development, social and community development and economic development. More money will be focused in the next five years on tackling inactivity, developing positive attitudes to activity amongst children and young people from the age of five, and helping people to stay active. The strategy also stresses the importance of welcoming and inclusive activities, and of collaboration, partnership and learning from best practice to achieve change across the sector.

Sport England – Coaching Plan for England 2013 to 2017 recognises the vital role of coaching and looks at ways of adapting coaching and training to encourage wider participation, deliver a coordinated approach to coaching and raise the profile of coaching in England. **Sport England – Getting Active Outdoors** looks at the factors which motivate people to be active outdoors and the barriers that stop others from being active outdoors.



Public Health England, Change4Life provides information and resources for people to Eat Well, Move More and Live Longer. Campaigns such as '10-minute Shake Up!' and 'Get Going Every Day' build on research into the impact of different levels of activity and the recommended guidelines. The annual Workplace Challenge, promoted locally by Active Sussex, is part of Public Health England's 'Shake Up September' campaign.

The English Federation of Disability Sport and Sport England have also produced a range of resources under the heading '**Mapping Disability**'. This includes research and a guide to engaging disabled people.

This Girl Can is a national campaign that has been developed by Sport England to inspire and encourage women to get active whatever their level of fitness.



Appendix 2

Local Context - Strategies and Plans



East Sussex Better Together is a programme designed to transform health and social care services across the county. As well as integrating services, a key aim is to reduce over-reliance on medical and hospital services and priorities include improving health and wellbeing and tackling health inequality. The programme involves working with employers, voluntary and community organisations and schools to support people to lead healthy lives and reduce the risks of poor health. Health Improvement Grants to schools and colleges will fund the development of projects which encourage healthy eating and physical activity and support mental health.

The Annual Report – Director of Public Health 2015/16 focuses on ‘Strengthening Personal Resilience’ and identifies the promotion of wellbeing as a key way in which local authorities, communities and services providers can contribute to personal resilience. The report recommends a continued focus on work with parents and children through work in the early years of childhood; work with partners in all sectors to promote work-based programmes; and actions to tackle loneliness and social isolation, particularly amongst older people.

The East Sussex Healthy Weight Plan (2016–19) sets out four objectives covering

- creation of a physical and social environment that enables healthier lifestyle choices to be made in healthy eating, physical activity and mental wellbeing
- services and support to help people achieve and maintain a healthy weight and reduce their risk of developing a condition associated with excess weight
- communication and engagement to help people to understand the importance of a healthy weight and take action to address it
- developing capacity and capability within the local workforce so that they are able to support others in achieving and maintaining a healthy weight.

The Joint Youth Strategy for Eastbourne (2015–18) identified the need to continue promoting physical activities. Two priorities are to maintain the number and range of affordable, accessible clubs and activities and raise the profile of what is available and to help young people to stay healthy – with a particular emphasis on weight management and physical activities.

Local Context - Needs and Priorities

The **Joint Strategy Needs Assessment** reviews statistics from different parts of East Sussex and compares them to the county average. Of the areas it compares, Eastbourne has the lowest adult population that engages in the recommended level of physical activity (55%) in comparison to a county average of 60%. The Assessment then highlights that 32% of adults in Eastbourne are 'physically inactive', in comparison with 27% of adults in Lewes. The lack of active adults in Eastbourne is highlighted through the concerning statistic that 1 in 4 adults are obese, compared to a county statistic of 1 in 5.

In attempt to raise awareness of opportunities for people to improve their health, a website entitled '**Healthy Eastbourne**' was set up. The 'Get Active' page gives details of all sporting activity and news which is taking place in and around Eastbourne. The site provides information regarding latest news and events within Eastbourne as well as listing community projects and schemes which are open for the public to use. A page can be found which describes parts of Eastbourne which present people with an opportunity to exercise, "Eastbourne's seafront, parks, gardens and surrounding countryside makes it the ideal place to get out and about, whether you like walking, running, cycling, gardening or just a gentle stroll."



The Active People Survey is a national tool used by Sport England in order to find out levels of physical activity throughout the country. Conducted on an annual basis, the survey looked into the percentage of adults who took part in 4 sessions of '30 minute moderate intensity physical activity', and found that since 2012 the percentage of active adults in Eastbourne has decreased. In October 2012, the APS 7 survey revealed that 37.9% of adults within Eastbourne were 'physically active', however just 1 year later, in October 2013, this was estimated to have dropped by as much as 5%. This could be attributed to the participation legacy created by the London 2012 games. However, the most recent survey (APS 9 for Sept 2015) reveals that participation is rising again, with 37.4% of adults now participating. In comparison with other areas in East Sussex, Eastbourne now has the second highest proportion of active adults, with only Wealden being higher.

The **Eastbourne Cycling Strategy** was approved in 2012. A new Cycling and Walking Investment Strategy is currently being developed by the government and East Sussex County Council is developing its own Walking and Cycling Strategy.



Active Eastbourne...



Appendix 3

Eastbourne's Resources

South Downs

The South Downs is a 628 square mile National Park on the edge of Eastbourne which is used by residents and visitors for different activities. The Downs are popular with walkers, runners, cyclists and dog walkers and benefits from a number of trails for walkers and cyclists.



Seafront

The seafront is the most accessible of Eastbourne's natural resources. Activities available include water sports, mini golf, swimming, running, beach sport, jogging, cycling, walking, football, skating and skateboarding, Frisbee, yoga and Tai Chi as well as large scale sporting events.



Parks, recreation grounds and gardens

Eastbourne has 22 different parks, recreation grounds and gardens:

- Hampden Park is particularly popular with local people and families for its wildlife and scenery and has a children's play area and sports facilities - a bowls club, tennis courts, football/rugby pitches, BMX and skate facilities and facilities to store bikes
- Princes Park has a bowls ground, tennis facilities and a water play area
- Gildredge Park has tennis courts, a skate park, newly extended bowls club and play area
- Shinewater Park has a fishing lake, skate and BMX equipment, all-weather court for 5-a-side football, basketball and cricket and children's playground.

Sports Facilities

Eastbourne Sports Park is a multi-sport complex with facilities for athletics, football, futsal and tennis. The athletics track is floodlit with 8 lanes and a 250 seat stand, with field facilities available on the inside of the track. The 3G all-weather pitch is also floodlit and can be used for football and hockey. The park also has 7 senior grass football pitches, 3 junior football pitches and 3 junior rugby pitches. The indoor tennis and Sports Centre is a plexi pave surface, again floodlit, with the facilities to accommodate tennis, netball, basketball, badminton, volleyball and futsal.

Hampden Park Sports Centre has a gym, squash courts, sports hall and a dance studio. The centre is a public facility but also works alongside the Eastbourne Academy College to offer children the opportunity to engage in sport and physical activity through the use of its facilities. Outdoor facilities include a floodlit 3G Astroturf football pitch and a newly re-surfaced concrete court used for netball and tennis. The Centre also hosts Fitness Classes, children's birthday parties and school holiday play schemes.



Shinewater Sports and Community Centre

has gym facilities and a sports hall for hire for 5 a side football, badminton and table tennis. Activities and classes are run for people of all ages and the Centre hosts children's classes and play schemes.



The University of Brighton Sports Centre is open to the public as well as students. Facilities include a 25m swimming pool, 36 station fitness suite, a large sports hall with cricket nets, 3G artificial football pitch marked for football, hockey and lacrosse, an indoor climbing wall and two gymnasiums with disabled access.

The Sovereign Centre is a community leisure centre with an 80 station fitness suite and 4 swimming pools designed for leisure or competition level swimming or diving. Facilities also include a sports hall and a sauna/ steam room.

Bannatyne Health Centre has a heated, lit swimming pool, a cardiovascular and weights fitness suite, a spa pool and a specialist studio designed for cycling.

Cavendish Sports Centre provides a sports hall, gym and fully-mirrored dance studio. The Sports Hall is suitable for indoor football, badminton, skating and basketball.

Other privately run gyms currently include, the **City Gym, The Gym, Performance Fitness** and **Energie Fitness for Women**.

Golf courses are available at Eastbourne Downs Golf Club, The Royal Eastbourne Golf Club, Eastbourne Golfing Park and Willingdon Golf Club.



Bowls Clubs and facilities are available across the town at Hampden Park, Saffrons Road, Victoria Drive, Gildredge Park, Motcombe Gardens, Eastbourne Parade Bowls Club and various indoor centres

Tennis facilities are available at Devonshire Park, Gildredge Park, Hampden Park, Fisherman's Green and Eastbourne Sports Centre.

Swimming Pools are available at the Sovereign Centre, Motcombe Swimming Pool, University of Brighton Sports Centre, Bannatyne Health Centre and David Lloyd Gym.



Sources

1. Public Health England: Everybody Active, Every Day – An Evidence Based Approach to Physical Activity, October 2014
2. Public Health England: Working Together to Promote Active Transport – a briefing for local authorities, May 2016
3. Chalkley A, Milton K, Foster C: Change4Live Evidence Review: Rapid Evidence Review on the effect of physical activity participation among children aged 5 – 11, London, Public Health England 2015
4. What Works in Schools and Colleges to Increase Physical Activity? A briefing for head teachers, college principals, staff working in education settings, directors of public health and wider partners, Public Health England, October 2015



Active Eastbourne



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BODY:	Cabinet
DATE:	13 December 2016
SUBJECT:	Housing Investment Company – joint working arrangements
REPORT OF:	Director of Service Delivery
Ward(s):	All Wards
Purpose:	To seek approval for the development of a new joint housing and regeneration investment company with Lewes District Council.
Contact:	Ian Fitzpatrick, Director of Service Delivery, Telephone 01323 415935 or internally on extension 5935. Email: ian.fitzpatrick@eastbourne.gov.uk
Recommendations:	<ol style="list-style-type: none">1 To delegate authority to the Director of Service Delivery and the Assistant Director of Legal and Democratic Services, in consultation with the Lead Member for Housing and their counterpart at Lewes District Council to undertake work to set up a joint Lewes District Council/Eastbourne Borough Council wholly owned housing investment company (HIC).2 To authorise the Director of Service to procure specialist advice as necessary up to a value of £30k, this being the estimated cost of advice on setting up the joint HIC together with costs of developing the business case and investment proposals.3 Any investment proposals to be reported back to Cabinet for approval.

1.0 **Introduction**

1.1 The role of local authorities in shaping housing markets and meeting housing needs and aspirations has changed significantly in recent years.

In addition, the ability of the council to invest in new council-owned homes in the traditional way is constrained by the caps on borrowing that apply to the Housing Revenue Account (HRA).

1.2 The Government has recently introduced a series of measures which will reduce income, and restrict the HRA's ability to afford the interest

and principal repayments associated with additional borrowing to fund new homes for rent or shared ownership.

- 1.3 As a result, Councils are considering how to bring forward new homes and invest in ways that do not impact adversely on the HRA.
- 1.4 The Council also recognises that there is a role to play in taking up opportunities for commercial development where this might have a regenerative effect and/or assist the council in meeting strategic housing priorities.
- 1.5 Whilst the Council has retained Right to Buy receipts it is only able to fund 30% of any new development using these funds. As the Council has no or limited resources and/or borrowing ability, it is unable to use these funds and will have to return them to central Government.
- 1.6 Establishing a joint LDC/EBC HIC would simplify the sharing of necessary officer skills in managing future projects, allow the councils to choose to share risk on larger ventures and provide a stronger financial platform for activities in new commercial areas.
- 1.7 In addition, it is possible that a new 50/50 joint venture owned HIC would allow access to Right to Buy Receipts that would otherwise have to be returned to central Government as noted above.
- 1.8 The HIC will be wholly-owned by the councils and any investment decisions would require EBC and/or LDC lending approval before development or purchase began, subject to appraisal, therefore the Council would only approve schemes it is willing to support.

2.0 Eastbourne Housing Investment Company (EHICL)

- 2.1 Eastbourne Borough Council has already created a HIC: Eastbourne Housing Investment Company Limited (EHICL). This is a private company limited by shares where the Borough Council is the sole owner and shareholder. The company has been established in order to invest in both housing and business opportunities, with an initial focus upon regenerating the Devonshire ward of the Borough.
- 2.2 It is proposed that the new HIC would run alongside and separate to EHICL. The Council would consider investment routes and the best vehicle to take forward schemes as part of the viability process.
- 2.3 The HIC would be continued to be supported by a "Housing & Economic Development Partnership" (HEDP) officer team, which is a joint initiative between Eastbourne Borough Council and Eastbourne Homes Limited, and which provides development expertise that has already delivered over 100 affordable homes in Eastbourne. A programme of potential new housing is being planned that may be delivered through EHICL or a joint Lewes/Eastbourne HIC that will seek to combine commercial opportunities with strategic corporate objectives for sustainable communities and income generation.

3.0 Risk Management

- 3.1 The risks and issues of a council-owned HIC will be considered within the company business plan.
- 3.2 Oversight and direction of the HIC and its activities would remain with the council as shareholder, making sure that the HIC's activities are in line with corporate priorities, policies and strategies.
- 3.3 Further work to ensure due diligence will be undertaken and reported back to Cabinet at the point that the HIC becomes active with future schemes.

4.0 Resource Implications

- 4.1 The initial cost of setting up the proposed HIC, developing the business case and investment proposals is estimated to be £30,000 per authority. This can be funded from the General Fund budget for service priorities.
- 4.2 Operating with a Council owned HIC to develop and own housing as part of a programme of wider regeneration initiatives would have implications for both the HRA and General Fund. Under this route, the Council could dispose of land to the HIC and provide financial assistance to develop a mixed portfolio of housing. The financial implications would be considered as part of the future HIC's business plan and scheme appraisal. The Council would need to complete appropriate due diligence when considering any loan arrangements.
- 4.3 The HIC will be responsible for the repayment of any loans made to it by the Council(s). The Council would bear the risk of the HIC defaulting on repayment, in the event that the HIC does not perform as expected and sustains losses rather than generating surpluses. This situation could arise if, for example, there is a downturn in the property market.
- 4.4 New Homes Bonus – assuming that this Government scheme remains in place, the Council would receive additional revenue grant of £1,500 annually for 6 years for each new home which the company delivered.

5.0 Consultation

- 5.1 Consultation has taken place with Lewes District Council who have resolved to undertake work to develop a joint HIC.

6.0 Implications for Equalities and Fairness

- 6.1 The provision of new housing, regeneration and economic development activity is likely to be core objectives of the new company. Improving the supply of housing, enhancing neighbourhoods and generating employment and training opportunities help to reduce inequality and improve the health and wellbeing of the community.

7.0 Legal Implications

- 7.1 The Council has housing powers under Part II of the 1985 Act, together with a general power of competence available under section 1 of the Localism Act 2011 which enable it to establish a joint HIC.. Whilst the latter power is broad, its use must be appropriate and reasonably justified in public law terms to be lawfully exercised. The Council will need to reach agreement with the new joint HIC about how any RTB retention arrangement is to work . Any financial or in-kind assistance which the Council decides to provide to the company will need to be state aid compliant..
- 7.2 A complex system of land transfer consents exists in order to protect the land held by public authorities. Detailed consideration of the processes necessary to transfer particular properties from the Council to the new joint company will be needed in order to determine which to invoke on a case by case basis, depending on whether the land is HRA land, held within the General Fund and/or disposed of at an undervalue. General consents which obviate the need to obtain specific consents from the Secretary of State will be used where available. In certain instances the value of disposal will need to be based upon a valuation prepared and signed by a qualified valuer (a member of RICS).
- 7.3 If Cabinet approves the recommended delegations then further legal advice will need to be taken and legal work carried out to ensure that any joint HIC is established in such a way as to give the two councils maximum flexibility to achieve their housing and regeneration objectives

8.0 Recommendations

- 8.1 It is recommended to delegate authority to the Director of Service Delivery and the Assistant Director of Legal and Democratic Services, in consultation with the Lead Member for Housing and their counterpart at Lewes District Council to undertake work to set up a joint Lewes District Council/Eastbourne Borough Council HIC.
- 8.2 There is also a requirement to procure specialist advice as necessary. This is expected to cost up to £30k to set up up the joint HIC together with costs of developing the business case and investment proposals. It is recommended the cost of this advice is agreed by Cabinet so work can begin on the joint HIC.

Ian Fitzpatrick
Director of Service Delivery

Background Papers:

BODY:	Cabinet
DATE:	13 December 2016
SUBJECT:	Bridgemere Centre
REPORT OF:	Director of Service Delivery
Ward(s):	St. Anthony's; Hampden Park
Purpose:	To seek Members' approval for allocation of a capital funding to the Bridgemere Centre
Contact:	Ian Fitzpatrick, Director of Service Delivery, Telephone 01323 415935 or internally on extension 5935. Email: ian.fitzpatrick@eastbourne.gov.uk
Recommendations:	Cabinet is recommended to approve the use of £20,000 capital funding to facilitate community ownership of a community centre on a sustainable basis.

1.0 Introduction

- 1.1 The Bridgemere Centre was built in the mid-1980s with support from Eastbourne Borough Council.
- 1.2 The Centre is located on Environment Agency land in Bridgemere Road and offers local residents a wide range of services including a Breakfast and After School Club, a Parent and Toddler Group, 'Bridgebuilders' activities for adults with learning disabilities, activities for teenagers, and an Indoor Bowls club.

2.0 Background

- 2.1 The Bridgemere Centre was built in the 1986 with help from Eastbourne Borough Council grants to the local Residents' Association. Following the collapse of that association, ownership of the building reverted to the freeholders, the Southern Water Authority.
- 2.2 To ensure the building continued in use as a Community Centre, the Council asked the local Community Church to take over management of the building. Members of the Community Church established the Bridgemere Centre Limited and have been managing the building since the late 1990s.

- 2.3 Since taking on the lease of the building, the Bridgemere Centre Ltd. have face increases in rent imposed by successors to the Southern Water, currently the Environment Agency, from £1,500 to £9,500.
- 2.4 The Trustees of the Centre have found it increasingly difficult to generate the income required to pay this level of rent and have been negotiating with the Environment Agency to purchase the freehold of the property. This offers a more sustainable future for the Centre. They have succeeded in agreeing a reduced purchase price of £95,000 for the freehold of the site and building.
- 2.5 The Bridgemere Centre Trustees have succeeded in raising a grant of £20,000 and loans from the Community Church of £45,000 and £10,000 from an individual supporter towards the purchase price and legal costs. They have approached the Council asking for a grant or loan of £20,000 to make up the shortfall.

3.0 Proposal

- 3.1 It is proposed that a sum of £20,000 is offered as a one-off grant to the Bridgemere Centre Ltd. to enable them to purchase the freehold subject to the following conditions:

- The grant is made subject to a signed agreement confirming:
 - its use solely for the purchase of the property, such purchase to be made within a reasonable time frame (early in 2017);
 - the requirement that the property is to be used as a community centre for 40 years, provided that this requirement will cease to have effect if the grant is repaid in full together with interest payable at RPI (or equivalent); and
 - repayment of the grant in full together with interest payable at RPI (or equivalent) if there is any breach of the grant conditions.
- The Council's investment is protected by putting a charge on the property protected by registration of a restriction.
- No Eastbourne Borough Council Community Grants will be made towards the core costs of running the Bridgemere Centre in future years.

4.0 Consultation

- 4.1 The Trustees of the Bridgemere Centre have been consulted about alternative options including support to negotiate a lower rent but are keen to proceed with the purchase of the building if possible as this offers a much more sustainable future for the Centre.

5.0 Resource Implications

- 5.1 The proposal is for a grant of £20,000 to be made to Bridgemere Centre Ltd. to enable them to purchase the freehold of the community centre which they currently manage.
- 5.2 This contribution would allow the Bridgemere Centre Ltd. to run the Centre on a sustainable financial footing in the future and would remove the need to continue supporting the Centre with grants, freeing up an average of £3,000 a year, thereby covering the costs of this investment within 7 years.

6.0 Implications for Equalities and Fairness

- 6.1 The Bridgemere Centre offers opportunities for people of all ages to receive services and support and engage in activities which help reduce social isolation and promote positive health and employment outcomes. The Centre has fully inclusive policies and procedures.

7.0 Legal Implications

- 7.1 The Legal implications are set out in the body of this report.

8.0 Other Implications

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

9.0 Recommendations

- 9.1 Cabinet is recommended to approve the use of £20,000 capital funding to facilitate community ownership of a community centre subject to the conditions set out at 3.1 above.

Ian Fitzpatrick
Director of Service Delivery

Background Papers:

None.

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Body:	Cabinet
Date:	13th December 2016
Subject:	Disabled Facilities Grants: Enabling Disabled People to Live Independently
Report of:	Ian Fitzpatrick, Director of Service Delivery
Ward(s)	All
Purpose	To introduce a discretionary grant within the Disabled Facilities Grant policy
Recommendations:	<p>1. To approve the following changes to the existing Private Housing Policy and use of Disabled Facilities Grant funding:</p> <p>Introduction of a discretionary grant element which will allow the introduction of a fast track adaptations approach in line with best practice from the National Audit Office, DCLG and Department of Health (DOH)</p> <p>Enhanced delivery of adaptations in the development of new housing, housing investment and care facilities in the town.</p> <p>2. To grant delegated authority to the Director of Service Delivery to take any and all steps necessary for, and incidental to, the implementation and management of the changes recommended above.</p>
Contact:	Jessica Haines (Project Lead – Housing Delivery), Telephone 01323 410000 or internally on extension 6441. E-mail address jessica.haines@eastbourne.gov.uk

1.0 Background/Introduction

- 1.1 In 2013 the government made better cooperation between local services a main objective of the spending round. The Chancellor of the Exchequer announced that in 2015-16, the government would for the first time pool £3.8 billion into a single budget for health and social care services to work more closely together – the Better Care Fund (BCF). The Fund consists of sums reallocated from existing budgets. The Autumn Statement in December 2013 confirmed the government's aim that the Fund would be an enduring part of the health and social care system.
- 1.2 Following the announcement of the BCF in 2013 there were a number of changes affecting Disabled Facilities Grants:

- In 2014 the funding of DFG's moved from DCLG ownership to become part of the BCF fund. This was a fundamental shift of policy removing the previous 'ring fencing' of how DFG's could be spent. The introduction of the BCF came at the same time as the Care Act 2014 with legislation encouraging local authorities to 'collaborate, cooperate and integrate'. DCLG, however, retained the responsibility for setting DFG policy.
- The Spending Review & Autumn Statement 2015 announced the funding for DFG's would rise by more than 100% by 2019-20.
- In 2016-17 the Department of Health provided an extra £394m towards DFG's (compared with £220m in 15-16), an increase of c.80%
- In Eastbourne this increased the DFG budget from £769,450 in 2015-16 to £1.2 million in 2016-17.
- DFG funding is going to increase nationally to £500m by 2020 so we project to receive the same amount of grant for the next 3 years at minimum.

1.3 For this reason it is requested that Cabinet consider a change to our private housing policy that reflects the need to consider how this increase in funding can be best spent and achieve better outcomes for the most vulnerable people in our town.

2.0 A Discretionary Fund in Partnership with East Sussex Better Together

The Council over the past year have been developing a closer working partnership with East Sussex County Council and Clinical Commissioning Groups through East Sussex Better Together (ESBT). ESBT is a 150-week programme to transform health and social care services. The combined budget for health and social care across East Sussex is £850million and the programme is looking to see where joint commissioning could deliver the best possible services for local people. There is a strong recognition from ESBT that housing is a key partner and can deliver some of the efficiencies required.

Since the increase in DFG budget the demand for the existing service has not increased. With the removal of ring fencing there is a greater opportunity to make best use of surpluses within the fund by 'top-slicing' an amount to use at the Council's discretion, supporting innovative projects in the town to improve the lives of our disabled residents. Recommended changes include:

2.1 Fast Track Minor Adaptations Discretionary Grant

In the financial year 2015/16, 1559 days of delayed hospital discharge at the Eastbourne District General Hospital were recorded due to 'housing' or 'waiting for adaptations to be undertaken'. The cost of this can be avoided by:

- Undertaking minor adaptations before someone ends up in acute care by providing more flexibility
- Enabling teams to expedite works should someone already be in an

acute care setting

In order to make this possible we need to consider removing some of the barriers to accessing adaptations particularly the over 65's who account for 80% of those delayed in hospital. This report proposes the introduction of a fast track adaptation fund to include stairlifts and specialist toilets. The installation work would be managed by the County Council. This arrangement should reduce the installation time by 60%.

2.2 **A Discretionary Grant for New Developments & Home Relocation**

Using a discretionary grant for this type of assistance is intended to help with the cost of moving home where this is considered more appropriate to meet the needs of a disabled occupant and it is not reasonable or practicable to adapt the existing home to fully meet their needs. There are cases where significant investment of DFG grant has not delivered a long term housing solution. Financial assistance may be available towards the costs of either purchasing a new home where the applicant owns their existing home or for moving to alternative rented accommodation for an existing tenant. We anticipate offering a 'Do It Yourself Shared Ownership' model through our Housing Investment Company.

In the building of new homes, developers are not able to offer disabled adapted homes as part of the site due to the financial feasibility. Providing homes to Lifetime Homes standard plus or HAPPI standard often increases cost by 10%. We propose using our discretion to provide funds to ensure disabled homes are brought forward on sites. We'll invite grant applications to be assessed on the basis of need and demand. The programme will be reviewed at the end of year 1 to evaluate outcomes against cost.

2.3 **A Discretionary Grant for Capital Improvements of Existing Care Facilities**

We have a limited and hard to access nursing market in Eastbourne. This often results in people having to relocate to access the level of care they require. Providers in the town are struggling to maintain 'business as usual' due to the challenges of delivering care and often are owners of mid Victorian properties that do not lend themselves to adaptation easily.

The effect of a decreased residential nursing provision in the town meaning that people are often living in 'micro living' situations or left in acute hospital settings for long periods of time. It also means that Social Care is left with no choice but to pay above their standard rate by over 100%.

We propose that we issue a discretionary grant in partnership with East Sussex County Council to support care home owners to convert a proportion of their homes into a space that can facilitate nursing care.

2.4 **Project Management & Support**

There is a requirement for extra resource to manage the discretionary fund and focus solely on the development and integration of the proposals made. It is also envisaged that the Co-ordinator will play a key role in the creation

of service that brings together further opportunities of jointly commissioning the Integrated Community Equipment Service, telecare/health and DFG delivery in Eastbourne and Lewes achieving better outcomes for our residents.

- 2.5 We are seeking authority to release £600K of DFG budget for use in the Discretionary Fund. Listed below are the key initiatives and the estimated projected budgets for each. Should any project exceed or be below expected demand, funding will be reallocated in the programme up to the £600K limit.

Fast track minor adaptations - £100,000

Discretionary Grant for New Developments & Home Relocation - £250,000

Discretionary Grant for Capital Improvements of Existing Care Facilities - £200,000

Project Co-ordinator support - £50,000 incl. on costs.

3.0 Consultation

- 3.1 East Sussex County Council has been consulted on the proposed use of DFG budget and fully support the initiative.
- 3.2 Although no public consultation has been conducted, the staff member recruited to manage the project will be expected to produce an evaluation after year 1 which will include feedback from customers and partners.

4.0 Resource Implications

- 4.1 Financial – The amount needed to cover our requirement to deliver 'mandatory' DFG's has been forecast for 16/17 to be £600,000 based on previous years demand. It is felt that there is enough DFG funding left to cover the cost of this project in 16/17 and 17/18. However should there be a change in funding from central Government the project will be reviewed.
- 4.2 Staffing - None

5.0 Legal Implications

- 5.1 The changes recommended in this report represent a material variation of the Council's existing private housing policy and disabled grant facilities arrangements. Changes of this nature require the approval of Cabinet.

Lawyer consulted: Oliver Dixon

7.0 Conclusion

- 7.1 By using DFG Grant Funding in a different way we are able to deliver pragmatic solutions to the challenges faced by those with care needs and/or a disability in Eastbourne. Moreover by developing a closer partnership with

health and social care we are facilitating the opportunity to best focus our resources to achieve better outcomes for the most vulnerable offering real housing and accommodation solutions.

lead officer name: Jessica Haines
job title: Project Lead – Housing Delivery

Background Papers:

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

Planning for the Better Care Fund (National Audit Officer, 2014)

Innovation in Homes Adaptations: A Fresh Chance (Care & Repair England, 2016)

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

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Body:	Cabinet
Date:	14th December 2016
Subject:	East Sussex Building Control Partnership
Report of:	Ian Fitzpatrick, Director of Service Delivery
Ward(s)	All
Purpose	To consider entering into a further agreement with the East Sussex Building Control Partnership for five years.
Decision type:	Key decision
Recommendation:	<ol style="list-style-type: none">i. Approve the new agreement for the East Sussex Building Control Partnership for five years;ii. Delegated authority to be given to the Director of Service Delivery in consultation with the Assistant Director - Legal & Democratic Services, to negotiate and finalise the agreement.
Contact:	Sue Oliver, Strategy & Commissioning Lead for Environment & Waste Telephone 01323 415360 or internally on extension 5360. E-mail sue.oliver@eastbourne.gov.uk

1.0 Background

- 1.1 Building Control is a statutory function with the prime aim of administering the Building Regulations. Building Control deals with health and safety issues regarding buildings together with matters covering access to and within buildings, and also matters relating to the conservation of fuel and power, designed to reduce carbon outputs from buildings.
- 1.2 Building Control also encompasses a wider range of services, such as dangerous structures, accessibility, structural engineering and other issues contained in the Building Act 1984 and associated legislation.
- 1.3 Local authority building control services, as part of the Building Regulations application process, are required to charge a fee for work relating to passing or rejecting plans deposited with them. They also charge for inspecting work connected with plans deposited or in relation to a building notice, and for consideration of plans of work reverted to the local authority, and inspection of that work as described in The Building (Local Authority Charges) Regulations 2010. The Regulations contain certain exemptions from charges, e.g. works improving access to buildings

such as the installation of ramps and/or works subject to a Disability Facilities Grant.

- 1.4 The amount that a local authority can charge is determined by The Building (Local Authority Charges) Regulations 2010 in conjunction with guidance issued by The Chartered Institute of Public Finance and Accountancy (CIPFA). The income derived shall not be less than costs incurred in performing the function under the Principal Regulations. The Local Authority, when estimating charges, is required to consider the aggregate proper costs over a continuous rolling yearly period. Surplus money should be reinvested in the Building Control service for improvements and/or returned to the customer.

2.0 East Sussex Building Control Partnership

- 2.1 Eastbourne Borough Council entered into a five year agreement with Wealden District Council to deliver building control services, via the East Sussex Building Control Service (ESBCP). This commenced in April 2011, and has been extended by a further year. The agreement will terminate on 31st March 2017.
- 2.2 Under the arrangement, Wealden District Council took the lead on management and employment issues. Eastbourne's Building Control staff transferred to Wealden District Council under the Transfer of Undertakings (Protection of Employment) Regulations 1981. The joint service delivered efficiencies and improved resilience for the two authorities.
- 2.3 A Joint Partnership Board oversees the delivery of the service, and meets twice yearly. The service has performed well and there are no concerns about Wealden's ability to deliver it. The Board has five members, the Portfolio Holder and lead officer from each authority, and the ESBCP Manager. Each has one vote, but consensus has consistently been reached throughout the five year agreement.
- 2.4 At its October 2016 meeting the Joint Partnership Board agreed to extend the ESBCP to cover the other local authority areas in East Sussex.
- 2.5 Eastbourne pays Wealden an annual management fee of £72,000 and it is worth noting that in 2015/16, this was reduced to £36,000 due to the excess income received by Wealden for the service.

3.0 Future arrangements

- 3.1 Rother District Council and Hastings Borough Council have had a partnership agreement in place which ends in March 2017. Due to a vacancy, the manager of the ESBCP has managed that partnership as well, for some months. Therefore it is a logical step for both Hastings Borough Council and Rother District Council to consider joining the ESBCP.
- 3.2 Given the Joint Transformation Project, Lewes District Council is also considering joining the ESBCP, so that both Eastbourne's and Lewes's Building Control service is fully integrated. A draft agreement to cover all five East Sussex authorities has been prepared by Wealden District Council

for review. This would deliver a building control service for five years, improving customer service and resilience, and delivering further efficiencies. There will be one set of charges across the county, a greater availability of experienced officers and improved cover. A larger building control service will find it easier to maintain a market share and to develop further partnerships and income streams.

- 3.3 An extended Partnership Board would be created, with representation from each Council who would have one vote each, and the present proposal is that Wealden as host would have a casting vote. Each authority would be represented by their Portfolio Holder, but in their absence, the lead officer for that authority could deputise and represent the authority's interests (at present both the Portfolio Holder and lead officer have a vote). This is a sensible and practical arrangement which will ensure that every authority is always represented. The Board would meet on a twice yearly basis.
- 3.4 One year's notice will be required from any authority who may wish to withdraw from the Partnership. Withdrawing from the Partnership would result in the service coming back in-house, or finding an alternative provider.
- 3.5 Wealden District Council have previously advised of their intention to explore alternative methods of service delivery, and if this is approved by the new Board, then during the five year agreement, a business case will be forthcoming to consider a local authority trading company. At the appropriate time and if this issue is pursued a further report will be brought to Cabinet for consideration.

4.0 Legal implications

- 4.1 At the time this report was prepared, Legal Services have had sight of the draft partnership agreement, and are liaising directly with Wealden District Council's lawyers on the content.

5.0 Resource Implications

5.1 Staffing

There will be no change to the employment status of the staff, who will continue to be employed by Wealden District Council. A restructure will be required given that the ESBCP will employ more staff across five authorities, than it does at present across Wealden and Eastbourne. The present establishment across the five authorities is 30.3 FTEs, and the proposal for the new structure is 28.7 FTEs. However due to the current vacancy level and on-going turnover of staff, Wealden have assured the incoming partners that there will be no staff redundancies.

5.2 Financial

Wealden propose that with five authorities in the ESBCP, Eastbourne's management fee will be £68,000 per annum, a reduction of £4,000.

6.0 Other Implications: Equality and fairness analysis:

- 6.1 An equality and fairness analysis will be conducted.

7.0 Summary

- 7.1 Eastbourne has been a partner in the ESBCP for 6 years, and it is an arrangement that has delivered benefits for the authority and for customers. A further five year agreement is proposed with additional local authority partners, to deliver further efficiencies and a consistent service across East Sussex.

Body:	Cabinet
Date:	13 December 2016
Subject:	Land and Property Acquisitions & Investment
Report of:	Director Regeneration and Planning
Ward(s):	All
Purpose:	To propose an investment strategy for adoption by the Council and to consider a number of land and property acquisitions which would deliver additional revenue.
Decision Type:	Key Decision
Recommendation:	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none">i. Agree to adopt the proposed Property Acquisition and Investment Strategy for inclusion in the Council's Asset Management Plan.ii. Agree to set aside up to £30,000,000 within the Council's capital programme, for the acquisition of land and property that meets the objectives of the proposed Property Acquisition and Investment Strategy.iii. Agree to set aside up to £100,000 from the economic regeneration reserve to undertake due diligence work (to include surveys, legal, and other professional fees) relating to property acquisition, in the event that the expenditure cannot be capitalised.iv. Delegate authority to the Director of Regeneration and Planning, in consultation with the Portfolio Holder for Corporate and Strategic Services; the Strategic Property Board; and the Council's Section 151 Officer; to negotiate and finalise land and property acquisitions.
Contact:	Head of Property & Facilities Shared Service, Telephone 01273 471600 ext 1101 Email: bee.lewis@eastbourne.gov.uk

1.0 Introduction

- 1.1 In line with the Council's commitment to achieve a sustainable asset base, it is continually reviewing its portfolio to maximise the yield from its assets as well as exploring investment opportunities to secure future revenue opportunities for the Council.
- 1.2 The Council's MTF5 target for new income generation by 2020 is £1m. Management of the Council's property assets will go part-way to meeting that target, but it is clear that a step-change is needed by way of property acquisitions to generate new revenue opportunities.

2.0 Property Acquisition and Investment Strategy (PAIS)

- 2.1 The Council has the opportunity to drive towards financial self-sufficiency by maximising the income generated by investments. With central government grants due to be all but phased out by 2020, most councils will be forced to rely increasingly heavily on local sources of funding.
- 2.2 Smart investments, for instance in commercial property, could generate enough revenue for the Council to service its debt and retain a surplus to fund public services, while also having the potential to encourage the growth of local business.
- 2.3 At a time when interest rates are at an historic low, borrowing for investment would appear to be prudent, as long as:
- i. The investment is profitable
 - ii. It fits within the framework of the council's social and corporate goals,
 - iii. It is subject to proper risk management to ensure that the public does not have to bear unsustainable revenue costs to service the debt, and
 - iv. The investment strategy is balanced by prudence and transparency, whereby the Council is assured it will not be accumulating too much risky debt putting future revenues at risk for short-term gains.
- 2.4 To reduce the risks identified in para 2.3, it is proposed that the PAIS will incorporate the following principles:

- i. That the yield from the investment should achieve a return to the Council at a specific % above the cost of capital borrowing, and after servicing the purchase costs, to be agreed on a case by case basis by the Council's Section 151 Officer.
- ii. Due diligence checks are to be carried out on each acquisition to include the analysis of:
 - a. The minimum length of the unexpired lease terms.
 - b. Tenant covenant strength and credit checks.
 - c. Asset maintenance liability and building condition.
 - d. Legal encumbrances, including 3rd party rights and covenants.
 - e. Planning and/or regeneration potential.
- iii. That investment risk is spread over a range of property assets to include:
 - a. Retail – risks to be mitigated by selecting schemes in the right locations.
 - b. Commercial, with opportunities for conversion, or part-conversion to residential.
 - c. Industrial – risks to be mitigated by selecting schemes in good locations and where future capital investment costs are identified.
- iv. The asset base is to be balanced with the overall aim to achieve 70% of assets held as a long-term investment and 30% trading for profit.

2.5 To enable the Council to benefit from property acquisition opportunities, it is recommended that Cabinet approves the principles outlined in paras 2.3 and 2.4 as the Property Acquisition and Investment Strategy for inclusion in the Asset Management Plan.

3.0 Current Opportunities to Acquire Property

The Council has been presented with a number of potential acquisitions. Some of these opportunities are on the open market, but others may be secured by private negotiation.

An addendum to this report is circulated in the confidential part of the agenda and sets out the current opportunities.

4.0 Financial Implications

4.1 The proposals set out in the confidential addendum are consistent with the objectives of the Medium Term Financial Strategy (MTFS) and the Treasury Management Strategy (TMS). Local Authority capital receipts can only be reinvested in capital schemes or used

to repay debt.

- 4.2 The opportunities are not inter-dependent and may not all come to fruition. Should all of the opportunities be worth pursuing, the effect on successful completion of all of the opportunities could mean a net positive variation to the revenue budget of up to £2,000,000 per annum which could commence in 2017/2018.
- 4.3 To provide surety over long term finance costs, at the detailed due diligence stage, EBC will explore other options for borrowing in line with the TMS to include new forms of institutional funding. It is unlikely that these will be required, but will however provide important background to the Councils' mid to long term capital financing requirements and ensure we have a clear benchmark in making treasury management related decisions.
- 4.4 The Council can utilise capital receipts of prudential borrowing to finance its capital programme and therefore investments have to be affordable and risk managed.
- 4.5 Any borrowing required would be managed within the council's treasury management strategy approved by Council annually. As well as the yield, investment opportunities will need to be assessed with reference to risks such as:
- Interest rates
 - Voids
 - Future capital needs
 - Planning constraints
- 4.6 The council can source borrowing from the Public Works Loans Board and/or institutional investors. There are a range of products available including interest only and annuity loans and interest is usually at a fixed rate for a given period. At the time of writing the rates available are between 2 and 3 percent.

5.0 Legal Implications

- 5.1 There will always be an amount of due diligence required prior to the Council being properly able to complete any property acquisition. This is explained within the body of the report.

6.0 Corporate Plan and Council Policies

- 6.1 The principles of the PAIS contribute to the Corporate Plan priorities to create a prosperous economy and a quality environment.

7.0 Conclusions

- 7.1 By investing in purchasing property, the Council will contribute to

ensuring the long-term sustainability of its asset base and will contribute to unlocking housing, regeneration, and community benefits.

- 7.2 Cabinet is asked to approve the recommendations as outlined within this report.

Background Papers

Cabinet:

Medium Term Financial Strategy – July 2016

Research papers:

http://www.nlgn.org.uk/public/wp-content/uploads/Securing-a-Resilient-Future_FINAL.pdf

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