

Published 13 March 2018

Agenda for meeting of the Cabinet to be held at 6.00 pm on Wednesday, 21 March 2018 in the Town Hall, Eastbourne

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

Councillor Dean Sabri: Core support and strategic services.

Councillor Alan Shuttleworth: Direct assistance services including revenues and benefits, housing and community development and bereavement services.

Councillor John Ungar – Community safety and the crime reduction partnership.

[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 7 February 2018. (Pages 1 - 6)

2 Apologies for absence.

3 Declarations of disclosable pecuniary interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct and regulation 12(2)(d) of the 2012 Access to Information Regulations. (Please see note at end of agenda).

4 Questions by members of the public.

On matters not already included on the agenda and for which prior 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 Local car parking standards for new residential development (KD). (Pages 7 - 18)

Report of Director of Regeneration and Planning.
Lead Cabinet member: Councillor Jonathan Dow.

8 Joint transformation programme - update. (Pages 19 - 22)

Report of Assistant Director for Human Resources and Transformation.
Lead Cabinet member: Councillor Dean Sabri.

9 Devonshire Park redevelopment (KD). (Pages 23 - 36)

Report of Director of Tourism and Enterprise.
Lead Cabinet member: Councillor Margaret Bannister.

10 Corporate performance - quarter 3 - 2017/18 (KD). (Pages 37 - 82)

Report of Deputy Chief Executive and Director of Regeneration and Planning.
Lead Cabinet member: Councillors Gill Mattock and Dean Sabri.

(This report contains an exempt appendix. Any discussion of this must take place at item 13 following exclusion of the public.)

11 Waste services delivery vehicle (KD). (Pages 83 - 94)

Report of Director of Service Delivery.
Lead Cabinet member: Councillor Jonathan Dow.

(Appendices to this report are exempt. Any discussion of these must take place at item 14 following exclusion of the public.)

12 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).

13 Write-off of irrecoverable debts (KD). (Page 81)

Exempt appendix to report of Deputy Chief Executive and Director of Regeneration and Planning at item 10 (Corporate performance – quarter 3 2017/18) above.

Cabinet lead members: Councillors Gill Mattock and Dean Sabri.

Exempt information reason 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

14 Waste service delivery vehicle appendices (KD). (Pages 89 – 93)

Exempt appendices to report of Director of Service Delivery at item 11 (Waste service delivery vehicle) above.

Cabinet lead member: Councillor Jonathan Dow.

Exempt information reason 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

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 Democratic Services 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 Democratic Services.

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 Democratic Services 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 Democratic Services. To receive regular e-mails alerting you to the publication of Cabinet agendas (or other meeting agendas) please send an e-mail to:
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Members of the public are welcome to attend and listen to the discussion of items in the “open” part of the meeting. Please see notes at end of agenda concerning public rights to speak and ask questions.



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Cabinet



Minutes of meeting held on Wednesday, 7 February 2018 at 6.00 pm

Present:-

Councillors **David Tutt** (Chairman and Leader of the Council), **Gill Mattock** (Deputy Chairman and Deputy Leader of the Council), **Margaret Bannister**, **Jonathan Dow**, **Dean Sabri**, **Alan Shuttleworth** and **John Ungar**.

60 Minutes of the meeting held on 13 December 2017.

The minutes of the meeting held on 13 December 2017 were submitted and approved and the chairman was authorised to sign them as a correct record.

61 Declarations of members' interests.

None were declared.

62 General fund revenue budget 2018/19 and capital programme 2017/21.

The Cabinet considered the report of the Deputy Chief Executive (Chief Finance Officer) regarding the general fund budget proposals for 2018/19 and a rolling three year capital programme for 2017/2021.

The Cabinet highlighted the major challenges affecting councils as a result of continued reduction in government funding. Thanks were conveyed to Councillor Mattock and the finance team for their work towards planning and producing the budget, and ensuring that front line services were maintained.

The Chief Finance Officer gave an overview of the specific legal responsibility and legality of the budget, outlined at 1.6 of the report, in response to a question from Councillor Ungar.

Resolved (budget and policy framework):

That full council, at their meeting on 21 February 2018, be recommended to approve the following:

(1) A general fund budget for 2017/18 (revised) and 2018/19 (original), as set out at appendix 1 to the report, including growth and savings proposals for 2018/19 as set out at appendix 2 to the report.

(2) An increase in the council tax for Eastbourne Borough Council of 2.9% resulting on a 'Band D' charge of £239.67 for 2018/19.

(3) A revised general fund capital programme 2017/21 as set out at appendix 3 to the report.

(4) Note the section s151 officers sign off as outlined in 1.6 of the report.

Reason for decision:

The Cabinet has to recommend to Full Council the setting of a revenue budget and associated council tax for the forthcoming financial year by law.

63 Treasury management and prudential indicators 2018/19.

The Cabinet considered the report of the Deputy Chief Executive (Chief Finance Officer) regarding the annual treasury management strategy, and treasury and prudential indicators for the next financial year.

Resolved (budget and policy framework):

(1) To note the extended role of the Chief Finance Officer, as set out at appendix 4 to the report.

That full council, at their meeting on 21 February 2018, be recommended to approve the following:

(2) The treasury management strategy and annual investment strategy as set out in the report.

(3) The methodology for calculating the minimum revenue provision set out at paragraph 2.3 of the report.

(4) The prudential and treasury indicators as set out in the report.

(5) The specified and non-specified investment categories listed at appendix 2 to the report.

Reason for decision:

It is a requirement of the budget setting process for the Council to review and approve the Prudential and Treasury indicators and Treasury Strategy.

64 Housing revenue account revenue budget and rent setting 2018/19 and capital programme 2017/21.

The Cabinet considered the report of the Deputy Chief Executive (Chief Finance Officer) and Director of Service Delivery regarding the housing revenue account (HRA) budget proposals, rent levels, service charges and heating costs for 2018/19, and the HRA capital programme for 2017/2021.

The HRA had a requirement to be self-financing, meaning that expenditure had to be supported from rental and other income.

Councillor Shuttleworth added that there was still uncertainty over the government's levy on the sale potential of HRA 'high value properties'.

The necessary regulations had yet to be issued and it was expected that councils would now not have to pay the levy until April 2019. The government had not however given any indication that the levy would be abandoned.

Resolved (budget and policy framework):

That full council, at their meeting on 21 February 2018, be recommended to approve the following:

- (1) The HRA budget for 2018/19 and revised 2017/19 as set out at appendix 1 to the report.
- (2) That social and affordable rents (including shared ownership) are decreased by 1% in line with government policy.
- (3) That service charges for general needs properties are increased by 5.14%.
- (4) That service charges for the older persons sheltered accommodation are increased by 1.78%.
- (5) That the support charge for sheltered housing residents remains at £7.50 per unit, per week pending a review in the summer.
- (6) To give delegated authority to the Director of Service Delivery, in consultation with the Cabinet portfolio holders for Financial Services and Direct Assistance Services to set the support charge for sheltered housing residents following a review of costs in the summer.
- (7) That heating costs are set at a level designed to recover the estimated actual cost.
- (8) That water charges are set at a level designed to recover the estimated cost of metered consumption.
- (9) Garage rents are increased by 4% this year following the disposal and repurposing of designated garage sites.
- (10) To give delegated authority to the Chief Executive, in consultation with the Cabinet Portfolio holders for Financial Services and Direct Assistance Services and the Head of Finance to finalise Eastbourne Homes' Management Fee and Delivery Plan.
- (11) The HRA capital programme as set out at appendix 2 to the report.

Reason for decision:

The Cabinet has to recommend to Full Council the setting of the HRA revenue and capital budget and the level of social and affordable housing rents for the forthcoming year.

65 Equality and fairness policy, equality objectives, annual report and action plan.

The Cabinet considered the report of the Director of Regeneration and Planning regarding progress against the Council's current equality objectives and proposed new equality and fairness policy, set of objectives and 2018 action plan.

The Cabinet commented on the various successful events that had occurred during 2017 and conveyed their thanks to Pat Taylor, Strategy and Commissioning Lead for Community and Partnerships and Devan Briggs, Policy & Engagement Co-ordinator for all their work in bringing the various community groups together.

2016 also saw the first Syrian refugees in the area as part of the national programme and ongoing support, in partnership with the statutory services and voluntary organisations had been well received and helped them integrate into their communities.

Councillor Ungar commented on the issue of caste and Councillor Sabri agreed to look at this as part of his role of portfolio holder.

Resolved (key decision):

- (1) That the equality and fairness policy set out at appendix A be adopted
- (2) That the equality objectives proposed for 2018 to 2021 and set out in paragraph 4.1 of the report be adopted.
- (3) That the annual report of activities carried out in 2017, set out at appendix B to the report be noted.
- (4) That the action plan, set out at appendix C to the report be approved.

Reason for decision:

To promote equality and fairness and eliminate discrimination, ensuring fair access to services and opportunities; and to comply with the Council's general and specific duties under the Equality Act 2010.

66 Exclusion of the public.

Resolved: That the public be excluded from the remainder of the meeting as otherwise there was a likelihood of disclosure to them of exempt information as defined in schedule 12A of the Local Government Act 1972. The relevant paragraph of schedule 12A and a description of the exempt information is shown beneath each item below. (The requisite notice having been given under regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.)

67 Community grants programme - small grants.

The Cabinet considered the report of the Director of Regeneration and Planning regarding the level of grant to voluntary organisations in Eastbourne for the year 2018/19 and agree priorities for small grants for 2019/20.

Thanks were conveyed to Councillor Shuttleworth and the Grants Task Group for their work in producing the recommendations.

Resolved (key decision):

(1) To agree to award the grants to specified voluntary and community organisations as set out in paragraph 3.9 of the report.

(2) To agree that £2,500 of the small grants budget be set aside for annual events for the organisations listed at paragraph 5.1 of the report and delegate authority to the Director of Regeneration and Planning in consultation with the Chair of the Grants Task Group.

(3) To agree to set aside £2,000 of the small grants budget as a contingency fund and delegate authority to the Director of Regeneration and Planning to award grants from this fund in consultation with the Chair of the grants task group

(4) To agree the priorities for the 2019/20 small grants programme as recommended at paragraph 7.2 of the report.

Reason for decision:

To approve the allocation of the Council's annual small grants budget of £60,000 in 2018/19 and priorities for small grants in 2019/20.

Notes: (1) The report remains confidential. (2) Exempt information reasons 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).

68 Redundancy and redeployment policy.

The Cabinet considered the report of the Assistant Director for Human Resources and Organisational Development. The report set out the current activity within the redundancy and redeployment procedure and actions taken to support affected individuals.

Resolved:

(1) That the actions taken to manage implications of change for displaced individuals through support, redeployment and assistance with self marketing under the redundancy and redeployment Procedure be noted.

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

Reason for decision:

The organisation is currently in phase two of the joint transformation programme and actions have been taken to manage the implications of this change for displaced individuals through support, redeployment and assistance with self-marketing under the redundancy and redeployment procedure.

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

The meeting closed at 6.28 pm

Councillor David Tutt
Chairman

Agenda Item 7

Body:	Cabinet
Date:	21 March 2018
Subject:	Local Car Parking Standards for new residential development
Report of:	Director of Regeneration and Planning
Cabinet member:	Councillor Dow, Portfolio Holder for Place Services
Ward(s):	All
Purpose:	To consider the cost and viability of introducing a policy on local car parking standards for all new residential developments
Decision type:	Key Decision
Recommendations:	<p>That Cabinet agrees:</p> <ol style="list-style-type: none">1. That it is not viable for Eastbourne Borough Council to introduce a policy on local car parking standards for all new residential development;2. That Eastbourne Borough Council work with East Sussex County Council to address Member concerns within the framework of the existing County guidance;3. That future consideration be given to issues relating to car parking and sustainable travel through the new Local Plan.
Reasons for recommendations:	The introduction of local car parking standards is likely to be ineffective as they could not hold significant weight in decision making and many of the concerns raised can be addressed by working with East Sussex County Council within the existing car parking standards.
Contact:	Matt Hitchen, Senior Planning Policy Officer Tel no: (01323) 415253 E-mail: matthew.hitchen@lewes-eastbourne.gov.uk

1.0 Introduction

- 1.1 At Full Council on 13 November 2017, a motion that *Cabinet consider the cost and viability of introducing a policy on local car parking standards for all new*

residential developments was resolved.

- 1.2 Currently, on schemes in excess of five units, advice on the amount of car parking to be provided in development and other highways issues relevant to a planning application is provided by East Sussex County Council as the local highway authority. On schemes less than 5 units, the Eastbourne Borough Council relies on standing advice from East Sussex County Council, supported by highway officers on individual cases if requested by Planning officers.
- 1.3 This report considers the cost and viability of Eastbourne Borough Council introducing its own car parking standards for new residential development that could be used in the determination of planning applications, instead of basing planning decisions on advice provided by the Statutory Highway Authority, East Sussex County Council.

2.0 Background

- 2.1 Some concern has been raised about the provision of car parking within new residential development. The matter was debated at Full Council, where some members felt the existing East Sussex County Council car parking standards did not take sufficient account of the varying needs of different sites and areas, often resulting in inadequate parking provision. Other members offered some counter-commentary about encouraging excessive car usage by applying over-generous provision standards. It was resolved that Cabinet would consider the cost and viability of introducing a policy on local car parking standards that could be used in determining planning applications.
- 2.2 Planning law¹ requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise. A material planning consideration is one that is relevant to making the planning decision in question. Provided regard is had to all material considerations (and provided that they don't lapse into *Wednesbury* irrationality²), it is for the decision maker to decide what weight is to be given to the material considerations in each case. However, case law³ suggests that the decision-maker should give the views of statutory consultees 'great' or 'considerable' weight, and a departure from those views requires 'cogent and compelling reasons'.

¹ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and Section 70(2) of the Town and Country Planning Act 1990.

² A reasoning or decision is *Wednesbury* unreasonable (or irrational) if it is so unreasonable that no reasonable person acting reasonably could have made it (*Associated Provincial Picture Houses Ltd v Wednesbury Corporation* (1948) 1 KB 223)

³ *Steer v SSCLG* [2017] EWHC 1456 at [52], applying *Shadwell Estates Ltd v Breckland DC* [2013] EWHC 12 (Admin), at [72] outside the environment context

- 2.3 East Sussex County Council, as local highway authority, is a statutory consultee, which means that they must be consulted on relevant planning applications. Statutory consultees provide advice to local planning authorities on specialist technical issues that are outside of their remit.
- 2.4 The advice provided by East Sussex County Council on highways issues is a material planning consideration. East Sussex County Council base their advice on the amount of car parking that should be provided in a development on their published guidance, which was originally adopted in 2013 and last updated in October 2017.
- 2.5 Following East Sussex County Council's adoption of their guidance in 2013, a report was presented to Eastbourne Borough Council's Cabinet and Full Council, advising members about the new guidance and recommending the revocation of the previous East Sussex County Council guidance from 2002, which Eastbourne Borough Council had adopted as a Supplementary Planning Guidance (SPG). It was determined at the time that any advice on parking provided by East Sussex County Council as a statutory consultee would be a material consideration; therefore there would be no requirement for Eastbourne Borough Council to adopt the new guidance as a Supplementary Planning Document (SPD). This is consistent with the approach of the majority of local planning authorities in East Sussex, all of whom rely on the East Sussex County Council guidance and treat it as a material consideration.

3.0 Policy Context

- 3.1 The introduction of the National Planning Policy Framework (NPPF) in 2013 allowed local authorities to set their own parking standards. Paragraph 39 of the NPPF requires that parking standards take into account local factors and circumstances, including:
- the accessibility of the development;
 - the type, mix and use of development;
 - the availability of and opportunities for public transport;
 - local car ownership levels; and
 - an overall need to reduce the use of high-emission vehicles.
- 3.2 The national Planning Practice Guidance (PPG) suggests that local planning authorities should seek to ensure parking provision is appropriate to the needs of the development and not reduced below a level that could be considered reasonable⁴. The PPG also encourages the use of Travel Plans, Assessments and Statements to reduce the need for parking in order to release land for

⁴ National Planning Practice Guidance – Travel Plans, Transport Assessments and Statements (Paragraph: 008 Reference ID: 42-008-20140306)

development that would otherwise be taken up by parking⁵.

3.3 The Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013) identifies in Policy D8 that 'Sustainable travel will be promoted through a variety of measures aimed at reducing the need to travel and reducing the reliance on the private car'.

3.4 Saved Policy TR11: Car Parking from the Eastbourne Borough Plan 2001-2011 (adopted 2003) requires development to comply with approved maximum car parking standards. In 2011, there was a change in government guidance to remove maximum parking standards, which means that Policy TR11 is out of date as it no longer conforms fully to current Government guidance and the current East Sussex County Council adopted guidance.

4.0 Eastbourne Context

4.1 According to the Department for Transport⁶, there were 53,913 licensed vehicles (cars, motorcycles, light/heavy goods and buses/coaches) in Eastbourne in 2016, of which 86% were cars. Over the previous five years, the number of cars in Eastbourne increased by 3,515, which represents an annual growth of 1.6%.

4.2 Data from the 2011 census shows that there was an average of 1.04 cars per household in Eastbourne, although this ranged from 0.77 in Devonshire to 1.26 in Old Town. Car ownership varies according to tenure, accommodation type and household composition. Households in social rented properties tend to own fewer cars than owner occupied households, and households living in flats or apartments tend to own fewer cars than households living in houses or bungalows.

4.3 Evidence from the Department for Transport's Journey Time Statistics⁷ show that there are generally high levels of accessibility to services and facilities in Eastbourne. According to this data, the average minimum journey time by walking/public transport (at AM peak time) to an employment centre, a primary school, a secondary school, a GP surgery and a food store is less than 30 mins for all households in Eastbourne. In addition, for each of the services and facilities identified, the average minimum journey time is shorter in Eastbourne than for the average for East Sussex.

4.4 The 2011 census indicates that 70% of Eastbourne residents work within the Eastbourne and South Wealden area. 63% of Eastbourne residents in

⁵ National Planning Practice Guidance – Travel Plans, Transport Assessments and Statements (Paragraph: 006 Reference ID: 42-006-20140306)

⁶ Licenced vehicles by body type, diesel cars and vans by local authority (Table VEH0105), Department for Transport (<https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01#table-veh0105>)

⁷ Via East Sussex in Figures – Access to Services (<http://www.eastsussexinfigures.org.uk/>)

employment travel less than 5km to work, which is equivalent to a six minute drive at an average speed of 30 miles per hour. This suggests that the majority of Eastbourne residents travel relatively short distances to their place of work.

- 4.5 The main area for travel to work broadly equates to the Hailsham, Polegate and Eastbourne Transport Corridor. East Sussex County Council have recently consulted on proposals to minimise traffic congestion in this area and make sustainable transport more attractive through improved cycling routes and bus infrastructure. Such proposals are expected to increase walking and cycling, and significantly improve bus reliability and reduce journey times, making bus travel a more attractive option in order to minimise traffic growth.

5.0 Current Parking Guidance

- 5.1 In order to provide further context, the current parking guidance provided by East Sussex County Council as local highway authority and statutory consultee is summarised below.
- 5.2 East Sussex County Council has two separate documents offering car parking standards guidance: one for residential development and one for non-residential development. It is common practice to have separate origin-based standards (i.e. residential) and destination-based standards (i.e. non-residential). In both cases, the standards are expressed as optimum parking guidelines, rather than a minimum or maximum requirement.
- 5.3 The residential car parking standards are based on evidence taken from site surveys and household questionnaires, as well as census data on car ownership and travel to work at a ward level. It was last updated in October 2017.
- 5.4 The appropriate level of parking provision for residential development is identified through a calculation tool that takes into account the particular characteristics of proposed dwellings, including location, unit type, tenure, number of bedrooms and the number of units being provided. The guidance is designed so that it can be specific to the particular ward in the Borough or District where the proposal is located, and therefore the parking requirements that are identified are particular to the location and the type of development proposed. The parking requirement is also adjusted to take account of expected growth in car usage to 2026.
- 5.5 The level of parking provision identified by the tool is used as a guide. The guidance recommends that some flexibility is applied in determining the actual provision at developments; this will depend on the location and be under discretion of officers and should be supported with justification.
- 5.6 As part of the transport statement/assessment for more significant applications, a car parking capacity survey is also required. This should identify the capacity

available on-street to accommodate the number of vehicles expected to be owned by residents of the site and their visitors that cannot be provided off-street. East Sussex County Council has area-based officers with specialist knowledge who undertake site visits as necessary to clarify the findings of such surveys.

- 5.7 East Sussex County Council provides advice to Eastbourne Borough Council on whether a planning application is proposing sufficient car parking and on the quality and suitability of any supporting information within the transport statement/assessment.

6.0 Cost of introducing a policy on local car parking standards

- 6.1 The lack of any in-house transport planning expertise within Eastbourne Borough Council means that the introduction of a policy on local car parking standards would require the commissioning of consultants to provide the detailed and technical expertise that would be required to justify a local car parking standards.
- 6.2 There would be a cost associated with the commissioning on consultants to provide this, and depending on how any new car parking standards were introduced, an on-going cost of obtaining expert advice necessary to support decisions made using those standards.
- 6.3 Based on the experience of East Sussex County Council in preparing their own standards, the commissioning of specialist transport consultants to prepare a methodology the work could cost in the region of £5,000. There would also be an additional cost to undertaking and analysing household surveys to feed into evidence, which could cost around £10,000 depending on the size and format of the survey.
- 6.4 Also, any new residential car parking standards would need regular updating, which would require a commitment to future funding.
- 6.5 If consultants are required to help defend a decision to refuse an application on the basis on Eastbourne Borough Council's car parking standards at appeal, it is likely that this could cost around £3,000 per appeal depending on the circumstances.
- 6.6 In the event that a decision for refusal based on Eastbourne Borough Council's car parking standards is overturned on appeal, the Council may be at risk of an award of costs being made against them if they are considered to have behaved unreasonably, the first example of which is "preventing or delaying development which should clearly be permitted, having regard to its accordance with the development plan, national policy and any other material considerations". The risk of an award of costs would be higher if the Council failed to take into

account both national policy (the NPPF as updated in March 2015) and other material considerations (statutory consultee advice).

7.0 Viability of introducing a policy on local car parking standards

7.1 The NPPF at paragraph 39 clearly allows local planning authorities to set local parking standards for residential development. However, it should be noted that the Planning Update from Government dated March 2015⁸ provides the following text to be read alongside the NPPF: “Local planning authorities should only impose local parking standards for residential and non-residential development where there is a clear and compelling justification that is necessary to manage their local road network.”

7.2 In considering the viability of introducing a policy on local car parking standards for new development, regard needs to be had to whether there is sufficient evidence to justify a deviation from the current East Sussex County Council standards, what will be required to produce new car parking standards and how any new car parking standards could be implemented.

7.3 Justification for policy on local car parking standards

7.3.1 In order to conform to the NPPF, any locally set car parking standards would need to be based on and be backed up by locally relevant evidence. It is likely that any evidence that could be used by Eastbourne Borough Council to justify new car parking standards would be similar to that used by East Sussex County Council to justify their existing car parking standards.

7.3.2 At the current time it is considered unlikely that there would be sufficient evidence to justify a significant deviation from the current East Sussex County Council standards. Evidence from the 2011 census on car ownership and ‘travel to work’, as well as other sources such as the Department for Transport’s Journey Time Statistics, suggests that, relative to other local authorities in East Sussex, Eastbourne generally has low levels of car ownership, good levels of accessibility to services and facilities, and short travel distances to places of work, although it is appreciated that there may be variations in different parts of the Borough. Based on the requirements of the NPPF that parking standards take into account local factors and circumstances (see paragraph 3.1 of this report), a significant increase in the amount of parking provision in new resident development is unlikely to be justified by the evidence.

7.3.3 The impact of increased car parking provision on the amount of houses that can be delivered also needs to be considered. Eastbourne is currently under-delivering housing against the Local Plan targets. The NPPF requires local planning authorities to have five year supply of housing land, and Eastbourne

⁸ Written statement to Parliament – Planning update March 2015
(<https://www.gov.uk/government/speeches/planning-update-march-2015>).

can currently only demonstrate a 3.16 year supply. An increase in requirements for car parking provision would further reduce the ability for Eastbourne to deliver the housing required.

7.3.4 Higher provision of car parking in Eastbourne could encourage increased car use. There is evidence to suggest that in other locations the availability of off-street parking has a strong effect on levels of car ownership, and that higher levels of car ownership are associated with higher levels of car use⁹. This could have the effect of discouraging a wider modal shift to more sustainable forms of travel, and would not complement sustainable travel schemes such as those in the Hailsham, Polegate and Eastbourne Movement and Access Corridor. This modal shift is required in order for Eastbourne to accommodate the additional housing required in a sustainable manner. Not doing so could lead to increasing problems of congestion and travel disruption within the town.

7.4 Preparation of local car parking standards

7.4.1 As explained in Section 6 of this report, consultants would need to be commissioned to produce this work due to a lack of in-house expertise.

7.4.2 Data from the 2011 census would form the basis for any potential local car parking standards policy, along with evidence from household surveys. It is accepted that data from the 2011 census is now 7 years old; however it is the most comprehensive and representative dataset available and can be analysed at lower level geographies, which would be required to allow robust comparisons about parking needs in different parts of the Borough.

7.4.3 Census data would be used to identify trends, such as certain types of development or locations that might have higher or lower car ownership than others. Specialist software would then be used to adjust expected levels of car ownership based on forecast traffic growth over time, which would then inform the level of car parking demand.

7.4.4 However, it should be noted this is the same process used by East Sussex County Council to prepare their current standards, and is therefore unlikely to produce significantly different results and unlikely to justify significantly different car parking standards.

7.5 Implementation of local car parking standards

7.5.1 It is important to be clear that new planning policy for use in determining planning applications can only be made through the Local Plan. A 'policy' made

⁹ Mayor of London/Transport for London – Residential Car Parking Evidence base (https://www.london.gov.uk/sites/default/files/london_plan_evidence_base_-_residential_car_parking.pdf)

outside of the Local Plan can only be considered as guidance in assessing planning applications.

- 7.5.2 New car parking standards guidance (i.e. made outside of the Local Plan) would act as advice to developers as to how much car parking Eastbourne Borough Council would like them to provide, but it could not be seen as a mandatory requirement.
- 7.5.3 East Sussex County Council's car parking standards represent their position as local highway authority and statutory consultee. Any new guidance prepared by Eastbourne Borough Council would not supersede East Sussex County Council's advice, and therefore it is likely that inconsistencies in approach could result in confusion for applicants.
- 7.5.4 As it is provided by a statutory consultee, considerable weight should be afforded to the East Sussex County Council advice in determining planning applications, as identified in paragraph 2.2 of this report. Therefore, if any new guidance conflicts with the existing East Sussex County Council car parking standards, decisions should be weighed in favour of the East Sussex County Council guidance.
- 7.5.5 The PPG is clear that where a local planning authority has relied on the advice of the statutory consultee in refusing an application, there is an expectation that the consultee in question will substantiate its advice at any appeal¹⁰.
- 7.5.6 In the event that a planning application is refused on the grounds of Eastbourne Borough Council's own car parking standards guidance and the decision was appealed, Eastbourne Borough Council would not have the in-house transport planning expertise to defend the decision. Therefore it would be necessary to commission consultants to defend the decision on Eastbourne Borough Council's behalf. If the proposal is in accordance with the East Sussex County Council standards but not the Eastbourne Borough Council guidance, the appeal is likely to succeed, with the potential for costs to be awarded against Eastbourne Borough Council.
- 7.5.7 The PPG states that '*demonstration of a 5 year supply is a key material consideration when determining housing applications and appeals*'¹¹, and therefore should be given weight in decision making. Eastbourne's lack of a five year housing land supply means that there is a significant risk that refusals of planning permission for residential development could be overturned on appeal, even if the application is contrary to Local Plan policy. Therefore it would be difficult to defend a refusal based on any new car parking standards at appeal,

¹⁰ National Planning Practice Guidance: Appeals (Paragraph: 055 Reference ID: 16-055-20140306)

¹¹ National Planning Practice Guidance: Housing and Economic Land Availability Assessment (Paragraph: 033 Reference ID: 3-033-20150327)

as an Inspector is likely to give more weight to the five year housing land supply than the car parking standards.

8.0 Recommended Approach

- 8.1 Local car parking standards produced outside of the Local Plan would only be considered as guidance and would be unlikely to outweigh East Sussex County Council's advice as local highway authority and statutory consultee. As such it is not considered viable to introduce local car parking standards for all new residential developments as they would hold no statutory weight in the decision making process.
- 8.2 If a decision was taken for Eastbourne Borough Council to introduce its own car parking standards, the evidence that would be used in the preparation of these new standards is likely to be the same as the evidence used by the County Council in their standards, and is therefore unlikely to justify a significantly different position.
- 8.3 It is recommended that issues relating to car parking and sustainable travel be considered through the Local Plan process, which will allow a more comprehensive and holistic view of car parking, mitigation and managing travel demand across the Borough and the introduction of appropriate policies to deal with this in new development.
- 8.4 It is felt that some of the concerns about parking provision could stem from a misunderstanding of the conclusions on the amount of parking required, which suggests a need for further explanation or justification. East Sussex County Council has confirmed they would be happy to speak to Councillors about their concerns in light of their local knowledge and see if they can address them through the calculation tool and the advice that they provide.

9.0 Implications

9.1 Legal Implications

- 9.1.1 The legal implications on determining planning applications are discussed in Sections 6 and 7 of this report and have been approved on behalf of the legal department. (Legal Implications Approved 19.02.18 007155-EBC-JCS)

9.2 Financial Implications

- 9.2.1 The financial implications of introducing a policy on local car parking standards for all new residential development is discussed in Section 6 of this report.

9.3 Human Resource Implications

9.3.1 Eastbourne Borough Council lacks the in-house expertise on transport planning, and therefore it would be necessary to commission consultants to assist in the creation of any new car parking standards.

9.4 Equalities and Fairness Implications

9.4.1 If a decision is taken to introduce a policy on car parking standards for all new residential development, this would need to be subject to an Equalities and Fairness Impact Assessment.

10.0 Conclusion

10.1 East Sussex County Council currently provide advice on the provision of car parking in development in their role as statutory consultee; as such, their advice is a material consideration that should carry weight in the decision making process.

10.2 The advice provided by East Sussex County Council is based on the outputs from their calculation tool, which uses data on location, unit type, tenure and size to identify an optimum amount of parking provision. The calculation is based on the location of the development at ward level, and therefore the East Sussex County Council parking standards should be considered to be 'local' and indeed area and site specific.

10.3 National planning policy allows local planning authorities to set their own car parking standards, provided that there is a clear and compelling justification. Initial evidence suggests that car ownership in Eastbourne is lower than average; that there is good accessibility to services and facilities by public transport; and generally people travel relatively short distances to work. The data used by East Sussex County Council in creating their standards would be the same that would need to be used by Eastbourne Borough Council for any new standards, and would therefore not provide significant justification for deviating from the current East Sussex County Council standards.

10.4 Any new car parking standards introduced by Eastbourne Borough Council outside of the Local Plan can only be considered as guidance and would be outweighed by the County advice as a statutory consultee. Therefore this would be considered to be ineffective and not viable.

10.5 In the short term, it is recommended that Eastbourne Borough Council work with East Sussex County Council to address members concerns within the framework of the existing adopted guidance, including applying the existing parking standards more consistently and with additional justification.

10.6 In the longer term, it is recommended that issues relating to car parking and sustainable travel be considered through the Local Plan, which will allow a more comprehensive and holistic view of car parking, mitigation and managing travel demand across the Borough.

Background Papers:

- Eastbourne Core Strategy Local Plan 2006-2027 (adopted 2013)
- Eastbourne Borough Plan 2001-2011 (adopted 2003) (Saved Policies, 2007)
- Guidance for parking at new residential development (East Sussex County Council, 2017)
- Guidance for Parking at Non-Residential Development (East Sussex County Council, 2013)
- National Planning Policy Framework (DCLG, 2012)
- National Planning Policy Guidance (DCLG, 2018)

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

Agenda Item 8

Body:	Cabinet
Date:	21 March 2018
Subject:	“Stronger Together” Joint Transformation Programme Update
Report of:	Assistant Director for Human Resources and Transformation
Cabinet member:	Councillor Dean Sabri
Ward(s)	All
Purpose	To update Cabinet on the progress of the Joint Transformation Programme and key decisions taken by the Programme Board
Decision Type:	Non-key decision
Recommendation:	It is recommended that Cabinet notes the progress of the Joint Transformation Programme, specifically Phase 2 activity, and the decisions made by the Programme Board.
Reasons for recommendation:	To note the progress of Phase Two of the Joint Transformation Programme and the decisions made by the Programme Board.
Contact:	Lee Banner, Joint Transformation Programme Manager Tel: 07894 237929 email lee.banner@lewes-eastbourne.gov.uk

1. Executive Summary

- 1.1 In May 2016 the Cabinets of Eastbourne and Lewes councils approved the Joint Transformation Programme (‘the Programme’) to deliver the majority of council services via shared teams adopting new ways of working.
- 1.2 This is a major change programme for both councils and a significant contributor to the Medium Term Financial Strategy savings targets. Through the Programme, the councils are projecting to deliver the £2.8m of savings and the cultural shift as set out in the business case.
- 1.3 Cabinet approved the three phase delivery of the Programme, Phase 1 commenced in September 2016, Phase 2 commenced in April 2017 and the timeframe for Phase 3 will be determined over the next reporting period. This update outlines the progress made from November 2017 to February 2018, looks ahead to the plans and activities for the coming three months and outlines key decisions made by the Programme Board.
- 1.4 The Programme has a clear governance structure led by the Programme Board. The Programme Board meets bi-monthly and consists of the leaders and deputy leaders, the leaders of the main opposition groups, the Chief Executive, three additional Corporate Management Team (CMT) members and the Joint Transformation Programme Manager. The last meeting of the Programme Board took place in January 2018.

2. Programme Activity November 2017 – February 2018

2.1 Phase 2

Activity within this reporting period centred on Phase 2 of the Programme, which aims to create joint teams to deliver the majority of public facing services, with the exception of the following services which are out of the scope of the Programme and are subject to separate reviews/programmes:

- Waste services;
- Tourism and leisure services;
- Building control services; and
- Property services (Homes First).

2.2 The Phase 2 recruitment process concluded at the end of November 2017 following over 400 interviews. This process was followed by activity to plan the mobilisation and transition for the new teams with all newly appointed staff moving into their new posts from 1 January 2018. In line with the councils' duty to minimise redundancies, to safeguard continuity of employment where possible and in accordance with the principles agreed by the Programme Board, the number of compulsory redundancies resulting from Phase 2 was limited to 4 (2 of the members of staff affected are Eastbourne Borough Council employees). The members of staff unsuccessful in securing a new post are being supported by HR colleagues.

2.3 In recognition of the councils' duty relating to redundancies and in line with best practice, recruitment to any vacant posts within the teams in scope was paused throughout Phase 2. As a number of vacancies remained upon conclusion of the internal process, external recruitment commenced so that the posts could be filled as early as possible to support effective transition of the teams to the new ways of working. At the time of writing this report, applications have been received for all the vacant posts and the outcome of the process will be confirmed once known.

2.4 Transition

The first of the Phase 2 transitions took place in January 2018 and starts the process of the shared teams adopting the new ways of working enabled by technology. Throughout the transition process for each team, robust support measures are put in place to ensure any issues impacting performance are identified and resolved as quickly as possible and to ensure all opportunities for learning for subsequent transitions are exploited fully.

2.5 The remaining Phase 2 transitions will take place over the coming months and will conclude in June 2018.

2.6 New Technology

In order to achieve the efficiencies and service improvements set out in the business case, the Programme will deliver considerable changes in technology that will enable the scale of transformation needed by the councils. In this reporting period, the following have been delivered:

- The migration of staff to the new network has been completed. At the time of writing this report, there is a plan for the migration of councillors to be completed in March 2018 and to be issued with new tablet devices that enable secure connection to Eastbourne Borough Council networks in

compliance with the General Data Protection Regulations which come into effect in May 2018;

- The new joint website (www.lewes-eastbourne.gov.uk) which launched in November 2017 continues to develop and become the main point of contact for many customers. Initial results indicate an increase in the number of online transactions being completed; this demonstrates a positive direction of travel towards channel shift and the aspiration to be digital by default;
- “Report It Lewes and Eastbourne”, the new joint app for reporting environmental issues (ie. littering, fly-tipping, dog fouling), launched in February 2018. The new app will be promoted in the April edition of Eastbourne Review and will be accompanied by wider advertising across the borough;
- The new joint intranet launched in February 2018. It is a single point of reference across the councils for the most up to date and accurate information to support councillors and staff in their roles. As the most used part of the former intranet, the new phone book is helping councillors/staff communicate with their colleagues; and
- Continued work to implement the key technologies and systems to support the joint teams in their new ways of working.

2.7 As reported to Cabinet in the last update, discussions have taken place with Civica, our strategic technology provider, to ensure the readiness of the technical elements of the Programme in alignment with the transition plan. These discussions continue and the challenges, which are to be expected in a Programme of the scale and impact of the Joint Transformation Programme, are being managed and monitored to ensure any impacts on service delivery and staff are mitigated.

2.8 Key Decisions by the Programme Board

In the last Programme Board meeting, the Board received an update on the key Programme workstreams and the outcome of the Phase 2 recruitment process along with detail on the plans and proposals for the coming months. The Board approved the proposal to phase the rollout of the digital mailroom; an initial focus will be on the outbound mailroom solution (as the more straightforward aspect of the deployment, it will enable the teams to become familiar and confident with the system/technology) and the more complex inbound mailroom solution will be delivered towards the end of 2018 (specific dates will be confirmed to Cabinet). The lessons learned from the outbound solution process will be applied and will provide greater confidence when implementing the inbound solution.

3. **Next Steps**

3.1 Over the coming months, activity will focus on making a success of the remaining Phase 2 transitions and embedding the technologies integral to the new ways of working in the joint teams. Colleagues within the Programme Office and across the councils are working collaboratively to ensure the effective transitions. As the transitions progress, activity will shift to exploring and planning opportunities to exploit further the new technologies and business process to deliver fully on the planned improvements and efficiencies.

3.2 To ensure the Programme continues to move at pace to deliver the required

transformation and savings, officer discussions on the potential options and timescales for Phase 3 have commenced. Once established, proposals for consideration will be set out in a business case for Cabinet.

4. Consultation

4.1 There are no current proposals for formal consultation with staff and staff representative groups. The Joint Transformation Programme Staff Consultative Forum continues to meet on a bi-monthly basis, engaging a range of staff representatives, including UNISON.

5. Financial Implications

The programme is operating within the budget approved by Cabinet in May 2016. There are no significant variances to report.

6. Legal Implications

There are no legal implications arising directly out of this report.

7. Risk Management Implications

Risk management is a standard part of managing a programme of this scale. Risks are assessed regularly and significant issues reported to the Programme Board and the Programme Assurance Panel.

8. Equality and Diversity

The JTP Equality and Fairness Forum will continue to meet to review any new equality and fairness analyses for projects that are yet to commence. All previous analyses have been approved.

9. Conclusion

The Programme remains on budget with overall Phase 2 milestones on track. Essential elements of the technology to underpin the transformation are being deployed successfully and there continues to be a need to prioritise and closely manage the remaining technologies to deliver full benefits realisation.

Background Papers

None

Agenda Item 9

Body:	Cabinet
Date:	21 st March 2018
Subject:	Update on the Devonshire Park Redevelopment and proposals for the refurbishment of the Winter Garden
Report of:	Director of Tourism & Enterprise
Cabinet member:	Cllr M Bannister
Ward(s):	Meads
Purpose of the report:	<p>To provide an update on the redevelopment of Devonshire Park including the budget position.</p> <p>To obtain agreement for the refurbishment of the Winter Garden, in order that the relevant part of the construction contract with Vinci Construction UK (Vinci) can be finalised.</p>
Decision type:	Key
Recommendation:	<p>Cabinet is recommended to:</p> <ul style="list-style-type: none">a) note the progress to date of the schemeb) approve the proposed works to the Winter Garden and instruct the Director of Tourism & Enterprise and the Asst. Director , Legal & Democratic Services to complete the relevant contract terms with Vinci Construction UKc) approve a revision to the capital programme for this scheme to £53.8m gross (£48.2m net of guaranteed contributions) in order to deliver the whole scheme as recommended by the Project Boardd) note the business plan is expected to meet targete) note that the Council can take advantage of a VAT exemption which will increase revenues by a minimum of £250,000 per annum.
Reasons for recommendations:	<p>When the contract for the redevelopment was let to Vinci the work to the Winter Garden was reserved to allow more detailed investigations of the structure and an evaluation of the options. The contract with Vinci provides for this work at the Council's discretion and it is now appropriate to finalise this element of the contract.</p> <p>For the reasons set out in this report the costs of the overall scheme have increased and it is necessary to make an allowance for this in the capital programme.</p>
Contact:	Graham Cook, Programme Manager, Devonshire Park Redevelopment – graham.cook@lewes-eastbourne.gov.uk 07880 787147

Executive Summary

This report addresses two issues:

- the need to agree the works to be carried out in the Winter Garden;
- the need to increase the capital programme because of cost increases;
- it also provides an update on the progress of the overall programme and the business case.

The programme has already delivered:

- the external refurbishment of the Devonshire Park Theatre and the installation of modern boilers;
- a new building for players at the International tennis Tournament – the building was ready in time for the 2017 tournament and was well received by the players and the LTA;
- a new show court which will be played on at the 2018 International Tournament and a new irrigation system serving all the courts;
- finally, construction of two practice courts will commence in September 2018.

This investment has secured the women's tournament for 10 years and the return of the men's tournament to Eastbourne.

The major contract with Vinci for the refurbishment of the Congress Theatre and the construction of the Welcome Building is well underway. The new mechanical and electrical systems are now being fitted in the Congress and the new seats procured. The basement of the Welcome Building is complete and the steel frame will start to be erected soon. Both these buildings will open March 2019.

This work will address the long term issues of overheating, poor lift access and limited acoustics in the Congress and provide a new 1,00m² conference/exhibition hall with associated break out and reception spaces in the Welcome Building. The scheme will provide pedestrian access through all 3 buildings and a new Plaza which will unify and enhance the entrance to the site.

The original Business Case supporting the Council's investment in this scheme has been reviewed and indicates that the planned return can be achieved.

In terms of benefit to the wider Eastbourne economy the economic analysis in support of the SELEP funding application identified:

- the investment would support almost 100 additional FTE jobs in the local economy and generate some 250 temporary construction jobs;
- the SELEP area would see an additional £4.6m pa spending by visitors from a site which already generates £18m pa spend in the local economy;
- the investment in retaining international tennis at Devonshire Park would secure some 36,000 visitors pa;
- the economic value of conferences to Eastbourne is £10m pa but in recent years some £800k of business had been lost due to the poor quality of the facilities.

The Winter Garden was included within the contract with Vinci on the basis of a high level design and budget allowance. The works were to address the need to

replace the fascia with a more appropriate design, provide a link to the Welcome Building, create more lettable space, improve access and refresh the interior.

Investigations of the building structure revealed that the new fascia could be installed more simply than originally thought. However, the structural frame within the Western Apse (the side facing the Welcome Building) is severely dilapidated and requires complete replacement.

Given the budget pressures facing the overall scheme and the cost of replacing the Western Apse the proposed Winter Garden scheme has been reduced. The revised scheme will not provide a lift nor refurbish the toilets. Redecorations will be carried out over a number of years.

An in depth review of the costs of the overall scheme has shown a cost increase to £53.8m compared to the original budget of £44m. The council has achieved £5.6m additional income through bids for grant income which reduce the net cost to £48.2m.

Should Cabinet decide to increase the capital programme by £4.1m in order to deliver the whole scheme then to the extent that contributions cannot be obtained externally the Council will need to borrow this sum. This will cause a total additional cost of £ 180k per annum. The Council can take advantage of a VAT exemption which will increase revenues by a minimum of £250k per annum.

1.0 Introduction

1.1 At the Cabinet of 9th December 2015, the Council approved a scheme to create a cultural destination at Devonshire Park. To achieve this required a number of objectives to be met:

- Deal with all the necessary essential repairs to those buildings that are being retained in the new development;
- Understand the significance of the three listed buildings and carry out sensitive renovations;
- Upgrade the facilities in the buildings to enable them to be better and more fully used;
- Preserve the future of the international tennis tournament;
- Create better conference facilities;
- Create a new entrance to 'Welcome' the visitors and users and make the site more inclusive;
- Create significant new public realm to provide an appropriate civic setting for the new complex;
- Develop a more sustainable future for the site, reducing subsidy and increasing income.

1.2 These objectives have been met by means of a series of contracts to:

- refurbish the exterior and foyer of the Devonshire Park Theatre and install a new heating system;
- construct a new player facility, layout a new Show Court and install a new irrigation system. As a result of this investment a new 10 year agreement

has been signed with the WTA and a rolling 3 year agreement with the APT securing top class international tennis for Eastbourne;

- refurbish the Congress Theatre and in particular address the issues of overheating and poor sound quality and replace the seats;
- construct the Welcome Building, which will provide the new entrance to the site, together with two exhibition halls totalling 1,000 m² and associated break out and catering space. The Welcome Building will also provide lift access to all floors of the Congress Theatre and internal pedestrian access to the Winter Garden, allowing the site to operate as a whole when required by hirers;
- construct a new plaza at the front of the Towner Art Gallery/Congress Theatre and Welcome Building. This will provide an appropriate setting for the buildings, address the access needs of all users and allow informal catering and performances;
- finally, the refurbishment of the Winter Garden which is considered later in this report.

1.3 In developing the designs for all the above work much of the decision making has been steered by the need to meet the requirements of a Business Case which projected an £814k pa improvement in the financial performance of the site by Year 3 from opening.

1.4 In terms of benefit to the wider Eastbourne economy the economic analysis in support of the SELEP funding application identified:

- the investment would support almost 100 additional FTE jobs in the local economy and generate some 250 temporary construction jobs;
- the SELEP area would see an additional £4.6m pa spending by visitors from a site which already generates £18m pa spend in the local economy;
- the investment in retaining international tennis at Devonshire Park would secure some 36,000 visitors pa;
- the economic value of conferences to Eastbourne is some £10m pa but records show some £800k pa of business had been lost due to the poor quality of the facilities.

2.0 Progress to date

2.1 As set out above this programme has been achieved through a series of projects.

2.2 Devonshire Park Theatre

The refurbishment the exterior of the Devonshire Park Theatre and the replacement of the heating system was to ensure that the theatre could be operated continuously and intensively during the main construction period, whilst the Congress Theatre and Winter Garden were closed. The theatre re-opened on time in November 2016 and has traded very successfully, achieving the highest ever audience figures and box office receipts.

2.3 Tennis

As noted above the work to secure the international tennis for Eastbourne has

included a new building, replacing the obsolete irrigation system and constructing 3 new courts. The new player facilities were used for the 2017 tournament and judged a great success by both the players and the LTA. The new Show Court will be played on in summer 2018 and in the final stage of this project two practice courts will be constructed in autumn 2018.

2.4 Congress Theatre, Welcome Building and Plaza

Following preparatory works in late autumn 2016 to divert a number of utility services, the contract with Vinci to construct the Welcome Building and Plaza and refurbish to Congress Theatre commenced in January 2017. At the time of writing:

- Congress – the heating, power and ventilation systems have been removed and the new systems are in the early stages of installation. The seats have been removed and a very experienced supplier appointed to design and install the new seating. The back-of-house areas are being prepared for redecoration and all the heritage items have been protected. The surface water drainage at the rear of the Congress and the Towner has been substantially improved to address historic problems with flooding;
- Welcome Building - the basement has been excavated and bulk of the concrete structure has been constructed. The steel frame will start to be erected in March, followed by the glazed facade;
- the design of the Plaza has now been completed;

This contract will be completed by February 2019, followed by fit out works by specialist sub contractors and council staff, with the first performance planned for late March.

3.0 **Proposals for the Winter Garden**

3.1 The proposed works to the Winter Garden retain the key elements of the original design:

- replace the poor quality glazed facade at the front of the building and return the appearance of the building to that of its early period;
- enable internal pedestrian access to the Welcome Building;
- provide further lettable space on the first floor;
- limited electrical, mechanical and plumbing works;
- replace the damaged floor coverings.

3.2 Due to the budget pressure on the overall scheme and the need to replace the severely dilapidated steel frame supporting the western apse of the Winter Garden (immediately facing the Welcome Building), works to the toilets and redecoration of the building will be deferred and carried out from the regular maintenance programme.

3.3 There is an allowance of £2.15m for this reduced scheme. The final figure will be provided to Cabinet by means of a written update at the meeting, as the tendered price from Vinci will not be available until after the publication of this report.

- 3.4 It was proposed within the reduced scheme that there will not be any works to the toilets and a new lift should not be installed. The Project Board did not support the loss of the lift. This has now been added to the Winter Garden scheme at a cost of £175k.
- 3.5 Subject to member decision to approve this work, the element of the contract with Vinci relating to the Winter Garden will be finalised with a planned completion date of March 2019.

4.0 Consultation

- 4.1 The development of this programme has been steered by a Member Project Board and has been subject to quarterly progress reports to the Scrutiny Committee.
- 4.2 The Council's heritage advisor and Historic England have been consulted throughout the design process.
- 4.3 Subject to the need to fund some urgent repairs, the design has been driven by the needs of the agreed Business Case with input from both the external business advisor (DCA) and the operational management team of Tourism & Enterprise.
- 4.4 The Partnership Group and Eastbourne DIG have been briefed throughout the development of the design.

5.0 Corporate plan and council policies

- 5.1 The Devonshire Park Project is a key element contributing to the Prosperous Economy theme and represents the biggest public sector cultural investment in the south-east.

6.0 Business Case

- 6.1 The 2015 Business Case set out a range of improvements to the financial performance of the site, totalling a net annual increase in income of £814,000. DCA proposed that the key drivers for change were:

- An accessible visible, quality, visitor attraction, efficiently operable - 10%
- Theatre/live entertainment business – working main venues harder - 20%
- Conference/events – transform performance in the 'distinctive venue' market - 40%
- Catering & visitor spends – essential quality offer & significant income driver - 30%

These drivers have informed the design and cost decisions.

- 6.2 A full update and review of the Business Case has confirmed the following that this target is achievable, although the mix of income streams may differ from the

original Business Case

- 6.3 The original Business Case assumed the outsourcing of the catering and bars. Following a full procurement no offers were received. Three of the shortlisted tenderers withdrew due to internal company issues not related to the opportunity at Devonshire Park, the other two tenderers decided not to proceed.
- 6.4 Following an analysis of options it was decided (and reported to the Project Board of 18th January 2018) to remain with an in house service for up to 3 years. This would allow the Council to review whether to go to the market again with the benefit of a fully constructed site, trading experience including the Buccaneer and for the LTA (which has let a short term catering contract) to come to a view on whether or not to combine its contract with the council's.
- 6.5 The capital budget for the overall scheme assumed some investment by the appointed external caterer in the fit out of the two cafes. This cost of will now fall to the Council and totals £100k. This is included in the revised cost for the overall scheme set out below.

7.0 Scheme Costs

- 7.1 In 2015 a capital budget of £44m was approved for the scheme. This included design and project management fees together with construction costs.
- 7.2 A successful bid to the South East Local Enterprise Partnership has attracted £5m funding. The LTA have also contributed £625k towards the various tennis related investments. Both of these grants have been received in 2017/18 financial year.
- 7.3 It became apparent in late 2016 that the scheme faced substantial cost increases in respect of the Southern Buildings Contract and Tennis related expenditure.

7.4 Southern Buildings Contract –

This contract includes the Congress Theatre, Welcome Building, Winter Garden and the Public Realm. This work was tendered as one package with the option of the Winter Garden being removed or reduced in scope.

The proposed contract price returned by Vinci substantially exceeded the budget. The key reasons for the tender exceeding the budget were identified by the project manager and quantity surveyor as:

- The scale and complexity of the scheme with a mix of new build and refurbishment and the risks attached to work in heritage buildings
- An overheated construction market, particularly in London, as clients sought to complete and schemes with a component of EU funding
- The main contractor finding it difficult to attract substantial key sub-contractors at competitive prices due to Eastbourne's location and the competition from projects in London and other major centres in the south-east;
- Nervousness on the part of all contractors about the impact of Brexit on

imported material prices and the supply of labour and sub-contractors. This nervousness has since been proved well founded with contractors struggling to manage materials costs and obtain sub contractors;

- Scope increase and clarification of quality for elements of the scheme since the original budget was developed in autumn 2015.

7.5 In order to avoid further delays to the scheme it was decided to proceed with some preliminary works from December 2016 to April 2017, while a substantial Value Engineering exercise was carried out to reduce the tendered scheme to a more affordable sum. This early work gained momentum for the project and in particular meant certain works could be carried out before the summer 2017 International Tennis Tournament. However, it was recognised that working in advance of all the Value Engineering work being completed was a less efficient process.

7.6 A detailed value engineering process was undertaken to try and bring the contract back to budget.

The first round of value engineering identified a long list of over 150 items for potential value engineering. From this process a consolidated set of six core options were identified:

Option 1 - Value Engineer the current proposals so that the “full” scope is delivered more efficiently with reductions across all buildings and public realm but Welcome Building floor area maintained

Option 2 - Reduce down the Welcome Building design removing the two upper floors but lift core retained (stair core not required), lifting the conference rooms to Floral Hall level and completing slightly reduced works in the Winter Garden and Congress Theatre

Option 3 – hybrid of Option 1 and 2 where the Welcome Building is reduced in scale by some degree at upper levels but conference halls remain at basement level. There are then reduced scopes across the Congress Theatre, Winter Garden, and Public Realm

Option 4 - Build the Welcome Building and works to Congress Theatre as designed and do not undertake any works in the Winter Garden

Option 5 - Build the Welcome Building and works to Winter Garden as designed and do not undertake any works in the Congress Theatre

Option 6 - Retender all or part of the works in hope of securing a more competitive tender price from the open market

7.7 Detailed consideration of the above options and potential sub-options/hybrids resulted in the decision to proceed with preferred option that prioritised the Welcome Building and essential works to the Congress Theatre with works to the Winter Garden contained to improving the heritage front and relocating the

kitchen. The Public Realm works scaled back to create a pedestrianised frontage and address levels and access issues.

7.8 **Tennis Building, Courts and Irrigation** – while the court construction works were within budget, it became apparent that the whole of the irrigation system would have to be replaced rather than extended. The old system was obsolete and incapable of supporting the maintenance of international standard courts. This work has future proofed the investment in the new courts. The Tennis Building was originally planned to be a refurbishment of existing buildings. However, in negotiations with the LTA it became clear that this route would not meet the needs of the international player governing bodies and that the quickest and most cost effective option was a modular building which could be in place for the June 2017 tournament. The building has also provided a number of high quality rooms for hire.

7.9 At the Project Board of 9th May 2017 it was reported that project costs had increased to £49.7m primarily as a result of the issues identified above. The main items making up this increase of £5.7m are set out in Table 1 below:

	Description	Cost £'000s
1	Tennis :	
1.1	New tennis players facilities rather than basic refurbishment of existing building in order to meet the needs of the LTA	1,700
2	Southern Buildings Contract :	
2.1	Main contractor's preliminaries, overheads and profit higher than anticipated at RIBA Stage 3	500
2.2	Main contractors allowance for increased costs to the end of the project – Increase over some of the inflation allowances made in October 2015	250
2.3	Early works by main contractor off site workshops with design team and on site installing UKPN substation, underground services diversion works, investigations, and early site presence from December 2016 to April 2017, some non-productive working as a result	500
2.4	Full strip out replacement of all mechanical and electrical services in the Congress Theatre rather than substantial replacement as evident that it offered better long term value in use and would provide a contractor warranty for all works – increased scope from RIBA stage 3 and contractor's price higher than anticipated	2,000
2.4	Replace Congress Theatre auditorium seating rather than refurbish existing as provided better long term value for money	300
2.5	Wardrobe lift to allow safe access of costume containers to the Congress Theatre for large shows	50
2.5	External works and drainage to the North of the Congress theatre/ Welcome building ramp and access road area	500
3	Other works:	
3.1	Increase in scope of repairs to Racquet Court Roof due to extent of disrepair in order that the building would be watertight and so capable of use	200
3.2	Requirement for early separate electrical works contract to relocate services from over the Congress Banqueting suite to suit specific operational needs	250
3.3	Increase in cost of EBC Office move to the Point to include IT/	25

	Electrical costs ; IT costs excluded at RIBA Stage 3	
	Total Increase Costs December 2015 to May 2017	£ 6,275
	Application of Contingency on Construction and Fees	(502)
	Net Increase £'000s	£ 5,700

The application of the external funding of £5.6m referred to above, which had not been budgeted for initially, allowed the overall budget to be maintained at £44m.

- 7.10 At the May 2017 Board meeting the following key risks were identified:
- potential problems with ground conditions when the Welcome Building foundations are excavated
 - pressure on the materials supply chain due to the impact of Brexit on the sterling exchange rate
 - the risk of hidden problems in the Congress and Winter Garden
 - the need to design a scheme for the Winter Garden which balanced heritage, essential works and business case.

- 7.11 Since commencing work on the Southern Building contract additional costs totalling some £5.7m have arisen. The key categories of construction cost increases are set out in Table 2 below. A number of the costs are linked to risks identified at the May 2017 Board, particularly the Welcome Building ground conditions and hidden problems in the Congress and Winter Garden.

Table 2

Item	£ '000s
1. Site Issues	
1.1 Welcome Building – ground conditions/piling/soft spots	415
1.2 Contamination – spoil/asbestos/lead paint	150
1.3 Complex access to Congress ceiling void & additional fire safety measures	120
1.4 Winter Garden west apse found to be severely dilapidated	217
2. Design development	
2.1 Welcome Building – need to strengthen basement due to ground conditions and provide improved drainage	900
2.2 Congress - ceiling access and hoist issues	316
2.3 Congress – not possible to implement removal of draught lobby	100
2.4 Utilities and statutory body additional costs	185
2.5 additional works in the area of Court 2 to address levels and drainage	199
3. Value Engineering savings added back as not achievable	
3.1 Congress – ensure new number of toilets was sufficient to meet customer need	400
3.2 Congress – need to replace main entrance doors	100
4. Risk & Contingency allowance	1,297

5. Allowance for predicted Extensions of Time/Disruption Costs	1,000
6. Contractors overheads, profit and Insurance	320
7. Enabling Works – additional traffic safety & temporary drainage	59
Total £'000s	£5,778

7.12 A full review of the entire scheme has now been carried out covering construction costs, fees and client direct costs (IT, new furniture etc). As part of this review a part of the contingency held outside of the contract has been applied to recognise the increase in construction costs and fees. This identifies a total projected gross spend of £53.8m, which when the grant income of £5.6m is applied is reduced to a net spend of £48.2m. This position is set out in Table 3 below. This budget includes the proposed works to the Winter Garden and a limited contingency. While the scheme is now clearer in terms of both design and site conditions the full picture will not be known for another 12 months.

Table 3

ITEM	9th MAY 2017 £000s	1st MARCH 2018 £000s
1. Utilities & Development Costs	627	663
2. Enabling Works	271	343
3. Devonshire Park Theatre Boiler	131	130
4. Southern Building Contract (Excluding Winter Garden)	32,197	37,975
4a. Winter Garden	2,300	2,150
5. Racquet Court and Kitchen	1,325	1,270
6. Tennis Building Courts and Irrigation	3,377	3,454
7. Client Direct Costs Fit-Out, Furniture and Equipment (inc Wayfinding)	1,573	1,557
8. Professional Fees and Development Costs	4,505	5,637
8a. Professional Fees Tennis Building		238
9. Contingency (held outside of contract)	3,390	500

10.Inflation	Included	Included
TOTAL COST £ 000s	49,696	53,817
External Contribution	(5,625)	(5,625)
TOTAL NET COST Cost £000s	44,071	48,192

8.0 External Funding

8.1 As noted above grants totalling £5.6 m have been received from SELEP and the LTA.

8.2 The project team worked with a fundraising consultant who specialises in the arts and heritage sector. He identified that of the main public sector funding sources (Arts Council, Heritage Lottery Fund and Coastal Communities Fund) only the latter was worth pursuing, as the others were heavily oversubscribed. A bid to the CCF is being developed.

8.3 The consultant also identified a target for fundraising from grant giving trusts, companies and high net worth individuals. However, he also noted two key obstacles to gaining any of this funding:

- the need to establish a trust to act as recipient to any grants
- the need to change the theatrical programme to one that was less commercial and more community/developmental based – this would have a considerable negative impact on the Theatres income.

The project team considered that the impact of these issues together with the staffing headcount needed to make bids for grants outweighed any potential benefit. Opportunities for sale of naming rights should continue to be pursued. This decision was supported by the Project Board.

9.0 Summary of Financial Implications

9.1 Should Cabinet decide to increase the capital programme by £4.2m in order to deliver the whole scheme then to the extent that contributions cannot be obtained externally the Council will need to borrow this sum. The cost of borrowing long term is in the region of 2.5% and capital repayments over 50 years would amount to £80k per annum in the first year. Therefore a total additional cost of £ 180k per annum will need to be factored into its medium term financial plan or until new capital receipts can be applied to reduce borrowing need. The Cultural VAT exemption, which the Council has established can be applied to performances at the theatres, will save the Council between £250k and £500k per annum as theatre tickets will no longer be treated as a taxable supply.

10 Legal Implications

- 10.1 It is understood that the works proposed in this report in relation to the Winter Gardens were included in the original scope of the contract awarded to Vinci.

Any changes to the original scope of work fall (i.e. removing or adding work) will need to be dealt with through a variation agreed under the contract terms. Vinci can decline a Variation under the contract in certain circumstances.

Contract variations are initiated through a Contract Administrator's Instruction and formalised by them issuing a Confirmed Acceptance of a Variation Quotation prepared by Vinci. Focus Consultants are the Council's Contract Administrator for this purpose.

The contract sets out how the Contract Sum will be amended to take into account the Variation. No allowance is made under the Variation procedure for any effect on the regular progress of the works or any other direct loss or expense for which the contractor may be reimbursed under any other provision of the contract.

The contractor may make a separate claim for direct loss or expense where a Variation has a material affect on the regular progress of the works (clause 4.24-4.25). In doing so they must have made reasonable and proper efforts to avoid or reduce such loss and/or expense and have given notice of the event which causes loss and/or expense to the Council within 7 days of the contractor becoming aware of the same and details of such event and its effect upon the progress of the works having been supplied by the contractor within a further 21 days.

Reimbursement of the contractor for loss and/or expense under clauses 4.23 to 4.25 shall be deemed to be full compensation for the contractor in respect of the matters for which the compensation is paid and the Council has no further liability to the contractor in respect of such matters arising under the Contract or generally at law.

11.0 Equality analysis

- 11.1 An Equality and Fairness Analysis was produced at the time of the original Cabinet report. This confirmed that the project would substantially improve access to buildings and services across the site. This priority has been maintained throughout the design process. EDIG continue to be consulted as the scheme develops.

12.0 Conclusion

- 12.1 Whilst the redevelopment scheme has faced substantial cost pressures it will address both the backlog repair issues of the site and deliver a complex of buildings which meet the needs of 21st Century users.

Appendices

Nil

Background papers

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

Nil

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

Body:	Cabinet
Date:	21 March 2018
Subject:	Corporate Performance Quarter 3 - 2017/18
Report of:	Deputy Chief Executive Director of Regeneration and Planning
Cabinet member:	Councillor Gill Mattock, Councillor Dean Sabri
Ward(s):	All
Purpose of the report:	To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets over Q3 2017/18 period.
Decision type:	Key
Recommendation:	Cabinet is recommended to : i) Note the achievements and progress against Corporate Plan priorities for 2017/18, as set out in Part A of this report. ii) Consider whether there are any particular aspects of Council progress or performance that it wishes to comment upon or consider further as part of its work programme in 2017/18. iii) Agree the General Fund, HRA and Collection Fund financial performance for the quarter ended December 2017 as set out in part B of this report iv) Agree the amended capital programme as set out in Appendix 4. v) Agree the Treasury Management performance as set out in section 5 in part B of the report vi) Approve the write offs as set out in the exempt appendix.
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council's progress and performance.

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1.0 Consultation

1.1 The priority themes were developed in consultation with residents via the Residents Survey and online Survey which were both conducted throughout July and August 2015 and informed the development of the corporate plan.

2.0 Financial appraisal

2.1 Project and performance monitoring and reporting arrangements are contained within existing estimates. Corporate performance information should also be considered alongside the Council's financial update as there is a clear link between performance and budgets/resources.

2.2 All the financial implications are contained within the body of the report.

3.0 Legal implications

3.1 Comment from the Legal Services Team is not necessary for this routine monitoring report.

4.0 Equality analysis

4.1 The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports or as part of programmed equality analysis. The equality implications of projects that form part of the Joint Transformation Programme are addressed through separate Equality and Fairness assessments.

5.0 Conclusion

5.1 This report provides an overview of performance against the authority's priority actions and indicators as at Quarter 3 2017/18.

5.2 The General Fund is currently showing a variance of £187,000 which is within 1.3% of the net budget. The HRA is showing a favourable variance for the quarter. Capital expenditure is on line with expectations.

5.3 The Collection Fund forecast for Council Tax is indicating a surplus of £1.3m and a deficit for Business Rates of £3.2m. This will be allocated to or collected from preceptors during 2018/19.

- 5.4 Treasury Management performance is on target and all activities were within the approved Treasury and Prudential Limits
- 5.5 This reports seeks Cabinet approval for the write offs of irrecoverable debts in excess of £5,000 totalling £102,511.26 where all other methods of recovery have been unsuccessful and it is not deemed appropriate to pursue the debts further.

Appendices

- Appendix 1 – Q3 Performance Overview
- Appendix 2 – General Fund
- Appendix 3 – Housing Revenue Account
- Appendix 4 – Capital Programme
- Exempt Appendix – Write offs

Background Papers:

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

- *Corporate Plan 2016/20* <http://www.eastbourne.gov.uk/about-the-council/council-policies-plans-and-strategies/corporate-strategies/>
- *Budget monitoring working papers 2017/18*
- *Collection Fund and Business Rates Collection Fund monitoring working papers December 2017*
- *Link Asset Services City Watch January 2018*
- *Link Asset Services Updated Interest Rate Forecast 7/11/17.*

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

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Part A

Corporate Performance Q3 2017/18

1.0 Introduction

- 1.1 The performance of the Council is of interest to the whole community. People expect high quality and good value for money services. Performance monitoring, and a strong performance culture helps us to ensure we continue to deliver excellent services and projects to our communities in line with planned targets.
- 1.2 This report sets out the Council's performance against its targets and projects for the third quarter of 2017/18 (October to December 2017).
- 1.3 The Council has an annual cycle for the preparation, delivery and monitoring of its corporate and service plans. This cycle enables us regularly to review the Council's work, and the targets it sets for performance, to ensure these continue to reflect customer needs and Council aspirations.

2.0 Themes and Priority Visions

- 2.1 The Corporate Plan was developed with four themes to focus delivery of improvement activity for the borough. Each of these themes had its own priority vision for how the authority and its stakeholders wanted Eastbourne to develop. Performance is measured against these themes and objectives.



3.0 2017/18 Q3 Performance Overview

- 3.1 Appendix 1 provides detailed information on progress and performance for Members' consideration, clearly setting out where performance and projects are 'on track/on target' and where there are areas of under-performance/concern. Where performance or projects have not achieved target, an explanation is provided, together with a summary of the management action that has been taken to address this. The Appendix is structured around the key theme areas.

3.2 The Council uses a Project and Performance Management System (Pentana - formerly known as Covalent) to record, monitor and report progress and performance. The system uses the following symbols to indicate the current status of projects and performance targets:

	Performance that is at or above target
	Project is on track
	<ul style="list-style-type: none"> • Performance that is slightly below target but is within an agreed (usually +/- 5%) tolerance • Projects where there are issues causing significant delay or change to planned activities
	<ul style="list-style-type: none"> • Performance that is below target • Projects that are not expected to be completed in time or within requirements
	Project has completed, been discontinued or is on hold

4.0 Summary of Progress and Performance – Q3 2017/18

4.1 Prosperous Economy

Achievements

- 13 units at Pear Tree Court and 4 units at Tideswell Rd were completed this quarter.
- Improvement in town centre vacancy rates at 5.51% against a target of 7.1%.
- Arndale Centre Extension is progressing well and the front two units are to be handed over to Next and H&M for fit out in May.
- Work on the access road to serve the next phase of the Sovereign Harbour Innovation Park (SHIP) and the community centre was completed in December.
- Successfully delivered The Eastbourne Beer Festival, Eastbourne Bonfire Society Procession, Beachy Head Marathon and 10K and Remembrance Sunday Service this quarter.

Issues / missed targets

- A total of 49 net additional homes were provided in Q3 against a target of 61. The annual target of 245 homes is unlikely to be met and it is estimated that 114 dwellings will be completed by year end.

4.2 Quality Environment

Achievements

- 100% of major planning applications were processed within 13 weeks.
- Tenders have been received and reviewed for the Town Centre Public Realm Improvements.
- Wooden bollards were installed in Hampden Park in December. This project has been completed.

Issues

- Percentage of Other planning applications processed within 8 weeks has reduced to 73% against a target of 80%.

4.3 Thriving Communities

Achievements

- 83.4% of calls answered within 30 seconds against a target of 80%.
- 2.49% of calls abandoned against a target of 5%.
- The Spyglass, the second iconic beach hut was completed in November.
- Eastbourne achieved its target of being ranked 4th or lower for overall crime in its most similar group.
- Access road to Sovereign Harbour Community Centre completed in December.

Current issues

- The average number of days for assistance with Disabled Facilities Grants has increased to 136 days against a target of 100 days. Additional resources have been deployed to manage the number of cases to improve performance.
- There were 61 households living in emergency accommodation against a target of 30. Performance is steadily improving on a month by month basis.
- The completion date of the Community Lottery Project has been revised to March 2018 due to delays in obtaining the Gambling Commission Licence.

4.4 Sustainable Performance

Achievements

- A new Programme Manager for the Joint Transformation Programme started in November.
- The new joint website was launched in November.
- All staff were fully migrated to @lewes-eastbourne.gov.uk email address by the end of the quarter.

Current Issues

- Sickness absence for EBC and LDC is 2.37 days against a target of 1.45 days.

5.0 Community Ward Projects - Devolved Budget

5.1 The last section of Appendix 1 details the current devolved budget spend by ward and the projects that have been supported through this scheme so far this year.

Each ward has a total of £10,000 available to spend each year on schemes requested by the local community.

Eastbourne Borough Council Corporate Performance Report Q3 2017-18

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Key			
	Performance that is at or above target;		Performance that is below target Projects that are not expected to be completed in time or within requirements
	Project is on track		Project has completed, been discontinued or is on hold
	Performance that is slightly below target but is within an acceptable tolerance Projects : where there are issues causing significant delay, changes to planned activities, scale, cost pressures or risks		Data with no performance target
	Direction of travel on performance indicator : improving performance		Direction of travel on performance indicator : declining performance
	Direction of travel on performance indicator : no change		

1. Prosperous Economy

1.1 Prosperous Economy Key Performance Indicators

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
Investing in Housing and Economic Development								
Increase the number of affordable homes delivered (gross)	30	0	0	0	17			13 units at Sumach Close (now known as Pear Tree Court) and 4 units at 62A Tideswell Rd have been completed this quarter.
Increase net additional homes provided	245	5	17	61	49			A total of 49 net additional dwellings were completed in the third quarter of 2017/18, taking the total for the year to 71 net additional dwellings completed.
								<p>Performance Improvement Plan : This indicator measures additional housing units delivered across all sectors against the Local Plan target.</p> <p>In recent years there have been lower levels of house-building in Eastbourne than previously. Housing delivery in the third quarter has been lower than average; however it is still significantly higher than delivery in the first two quarters of the year.</p> <p>There are currently 290 net additional dwellings currently under construction, although the majority of these sites are not expected to be completed this financial year. There are also an additional 591 net additional dwellings where construction is yet to commence.</p> <p>It is very unlikely that the annual target of 245 net additional dwellings will be achieved this year largely due to only 76% of those with planning permission actually being built. The total number of completions for the 2017/18 financial year is now estimated to be 114 dwellings.</p>

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
Providing opportunities for businesses to grow & invest								
Town centre vacant retail business space	Less than 7.1%	5.65%	6.77%	7.1%	5.51%			Q3 saw an improvement in town centre vacancy rates with a fall in vacancies. Q3's figure of 5.51% is within the target of 7.1% and the Springboard national vacancy average of 9.6%.
A great destination for tourism, arts, heritage and culture								
Increase numbers of bandstand patrons	At least 30,000	12,941	48,584	-	-			The Bandstand was closed during Q3 apart from over Christmas. It was open to the public for the traditional Christmas and New Year concerts which are free to the public and visitor numbers are not used for the purposes of this PI which records paying visitors.
Increase paying visitors to the Redoubt Fortress	At least 8,500	3,085	3,491	1,500	1,601			Visitor figures for this quarter are above target. The feedback received this year via websites and social media has been the most positive received over the last 9 years.

1.2 Prosperous Economy Projects & Programmes

Project / Initiative	Description	Target Completion	Status	Update
Supporting investment in infrastructure				
Extension to Arndale Shopping Centre	Led and financed by Legal and General. An £85m scheme to provide 22 new retail units, 7 restaurants and 9 screen cinema.	30-Nov-2018		Works on erecting the steel frame are progressing well. The front two units are to be handed over to Next and H&M for 'fit out' in May.
Providing Opportunities for businesses to grow & invest				
Sovereign Harbour Innovation Park (SHIP)	New contemporary business premises at Sovereign Harbour Innovation Park	31-Mar-2022		Work on the access road to serve the next phase of the SHIP and the community centre were completed in December.
A great destination for tourism, arts, heritage & culture				
Refurbish the Redoubt Fortress	Restoration of the fort - Create a new entrance, lift access, opening of remaining casements, environmental improvements.	31-Mar-2020		<p>The change from museum to historic building this year has been the first step in a long journey for re-purposing the Redoubt as a sustainable heritage resource for Eastbourne. The increase in family visits is encouraging and the feedback via websites and social media has been very positive.</p> <p>The process of reinvigoration will continue in 2018 and although only minor changes will be made internally, EBC will look at increasing its profile through more targeted marketing.</p>
Wish Tower Restaurant	Scheme to deliver a flagship restaurant	01-Apr-2019		The new Wish Tower Restaurant is to be delivered through the Joint Venture for Energy & Sustainability (CLEAR Futures CF). The design development is on-going with input from Bistro Pierre to ensure the project can be delivered within agreed timeframes and cost.
New Museum	A purpose built museum on the site of the Pavilion, which will house the story of Eastbourne, with a cafe, shop and education facilities.	31-Mar-2020		Locations for a new museum facility are still being explored. In the meantime the stories and interpretation plan are being developed.
Devonshire Park Redevelopment	Significant 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: Improved tennis facilities: New Conference/exhibition Space & Cafe: Public realm improvements	01-Dec-2020		<p>This project is currently amber due to budgetary pressures. A report on Devonshire Park is elsewhere on the agenda for this Cabinet meeting.</p> <p>Welcome Building : Progressing well, basement almost complete. Drainage : Work to west of site scheduled for completion mid January. Congress Theatre : M&E installation well underway and seating contractor appointed. Racquet Court : Roof work underway with completion in February. Winter Garden : Western apse demo to commence in January 2018. Tennis : new practice courts plans to be finalised in January 2018. Wayfinding : Consultant developing proposals. Parking scheme : Informal consultation underway.</p>

Project / Initiative	Description	Target Completion	Status	Update
Vibrant Events Programme	<p>All year round programme that attracts visitors to Eastbourne</p> <ul style="list-style-type: none"> •Airbourne •Beer & Cider Festival •Cycling Festival •Magnificent Motors •Eastbourne Extreme •Beachy Head Marathon • AEGON Tennis Championship 	31-Mar-2018	▶	<p>In this quarter a number of events were successfully delivered.</p> <p>The Eastbourne Beer Festival was held from 5th to 7th October in the Winter Gardens. Over 3,500 visitors enjoyed a range of over 160 real cask ales on tap and plenty of award winning ales. Beverages also included Cider, Wine and International Bottled Beer. The local branch of CAMRA (Campaign for Real Ale) supported the event by providing over 30 bar staff.</p> <p>The Eastbourne Bonfire Society Procession was held on the 7 October. The local bonfire tradition was well attended and finished with a firework finale.</p> <p>The Beachy Head Marathon & 10k enjoyed its busiest year ever with over 3,000 participants taking to the start line. Participants travelled from as far as the USA, Jamaica, Japan, China, Australia and New Zealand. Regional news covered the event on the radio, online and on the TV.</p> <p>This year the Events Team took over the planning and organisation of the Remembrance Sunday Service from the disbanded ex services association. The event ran smoothly and was well attended. The Events Team will continue to support the Remembrance Service next year.</p> <p>The Events Team also supported the following Christmas events with the installation of road closures and provision of major equipment: BoHo, Meads Magic, Little Chelsea Little Christmas, Motcombe Village Christmas Fair, and Terminus Christmas Market.</p>
Hotel of Excellence	<p>To establish and run an industry standard, hotel management training school linked to an operational hotel. The concept is for students and apprentices at the hotel training school to be able to access 'real time' hotel management training opportunities, by working in and experiencing the day to day operations and service departments of a hotel in Eastbourne.</p> <p>The professional training school, housed in a nearby building to the hotel will provide first class practical and vocational skills training and education for future hotel employees, hotel management and existing hotel apprentices. Collaboration between the Eastbourne training hotel, the University of Brighton and Sussex Downs College will offer an opportunity to present a unique proposition to both clients at the hotel and the hospitality professionals of tomorrow.</p>	31-Mar-2018	▶	<p>A feasibility and viability study was commissioned at the end of Q2. During November and December, stakeholders were consulted and the statistical data analysed. A draft report is due in Q4.</p>

2. Quality Environment

2.1 Quality Environment Key Performance Indicators

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
High Quality Built Environment								
Increase the percentage of Major Planning Applications processed within 13 weeks	At least 60%	100%	75%	60%	100%			100% of major applications processed within statutory timeframes, assisted by the use of 'extensions of time'.
Increase the percentage of minor planning applications processed within 8 weeks	At least 70%	88%	70%	70%	69%			Performance this quarter is just below target, despite use of 'extension of time' agreements. The rolling year performance remains above target.
Increase the percentage of Other planning applications processed within 8 weeks	At least 80%	87%	85%	80%	73%			There was a dip in performance for this quarter compared to Q2. This is due in part to recruitment and carrying two vacant roles (1x Specialist Advisor and 1x Senior Specialist Advisor).
								<p>Performance Improvement Plan : The Senior Specialist Advisor has instigated a more focused monitoring of live cases between the Specialist Advisor and the Caseworker (weekly case conferences). This, together with the greater use of 'Extensions of Time' agreements will assist in improving the performance on this PI.</p>
A clean and attractive town								
Decrease the number of reported fly-tipping incidents	600	82	82	375	76			Q3 saw a similar number of fly-tipping incidents compared to Q1 and Q2. There is however, a slight increase in comparison to last year's data, largely due to an increase of fly-tipping reports received from Neighbourhood First.
Less waste and low carbon town								
Increase the percentage of household waste sent for reuse, recycling and composting	At least 35%	42.58%	40.95%	35%				Data for this PI will only be available later on in March/April.

2.1 Quality Environment Project & Programmes

Project / Initiative	Description	Target Completion	Status	Update
High Quality Built Environment				
Conservation area appraisals	Eastbourne has 12 conservation areas across the borough and these vary in size and character. Every 5-10 years a conservation area appraisal is required to audit the heritage value of the conservation area. This audit will identify areas of the Conservation Area that have retained heritage value and areas that are showing signals of decline, along with an assessment of whether the boundary/extent of the conservation area should be retained/extended/reduced.	31-Mar-2019		All consultations have been completed and the final documents are being prepared.
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 ESCC.	01-Feb-2019		Tenders have been received and reviewed. Interviews with contractors took place in January. The company, Placemarque, has been commissioned to deliver a 'Wayfinding' strategy for the scheme.
Victoria Mansions	£5m purchase by EHIC of Victoria Mansions on Terminus Road. The acquisition seeks to enhance the area by attracting new businesses and use residential units to meet the housing demand.	31-Mar-2018		EHIC progressing refurbishment of the building. The Council owns the commercial units, of which the majority are let and income is on target.
Excellent parks and open spaces				
Eastbourne Park Initiatives	Delivery of priority initiatives identified in the Eastbourne Park Supplementary Planning Document including 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.	31-Mar-2020		Further progress has been made regarding illustrations for the new information panels. The photographic illustrations of important species have been acquired. There is a good archive of photographs available at no cost to EBC and is high quality material. The details required for a large scale guide map will be confirmed with one further site visit. Informative text is being written for each sign.
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	31-Dec-2017		Installation of wooden bollards completed in December 2017. This project is now complete.
Parks and Open Spaces Signage	Create and roll out standard, future proof signage throughout the parks and open spaces of Eastbourne	30-Nov-2017 Revised to 31-Mar-18		New Project manager in place from January 2018. Installation of play area signs delayed slightly but a new deadline of 31 st March 2018 has been agreed. Main parks entrance signs are being designed and being checked that they conform to new branding and legislation before production.

Project / Initiative	Description	Target Completion	Status	Update
Less waste & a low carbon town				
Joint Venture for Energy and Sustainability	Set up a joint venture between Eastbourne and Lewes Councils and a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years. Suitable joint venture partner is found by May 2017. The Joint Venture will then develop a programme of work.	12-Jul-17 Revised to 01-Apr-2037		The Joint Venture website (www.clearsustainablefutures.co.uk) has been launched. The EBC priority project is Wish Tower Restaurant.
LDC / EBC Waste Programme	This is the overarching programme for a suite of projects designed to effect and manage changes in the waste, recycling, street and beach cleaning services across Lewes District and Eastbourne Borough Councils	31-Mar-2020		A report on the waste programme is elsewhere on the agenda. The first Waste Programme Board took place on 13th December 2017, with officers reporting back on progress against allocated tasks. The focus is on bringing Eastbourne waste services in-house. Key work streams at Eastbourne include: <ul style="list-style-type: none"> • securing the lease for the depot ; • identifying requirements in respect of the fleet; • recommendations coming forward to EBC Cabinet about whether to set up as a Direct Service Organisation or a Local Authority Controlled Company; • implementing the new chargeable garden waste collection service.

3. Thriving Communities

3.1 Thriving Communities Key Performance Indicators

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
Improved Health & Wellbeing								
Shorten time taken to completed adaptations for disabled people (Disabled Facilities Grants - DFGs)	Less than 100 days	89 days	115 days	100 days	136 days			All DFG's are referred to EBC following an assessment from an Occupational Therapist (OT). Due to a backlog of cases ESCC have employed a number of private OT's to reduce their waiting lists. This has meant an influx of DFG applications for both councils. In addition the OT's are no longer commissioning stair lifts which has now fallen to the Local Authority to obtain quotes for and order. All of this, combined with the introduction of our discretionary DFG policy on the 1st December has caused unpredicted delays in processing.
							Performance Improvement Plan: Extra resources have been allocated to manage the numbers of cases, the effect of this may not be seen however until later in the year.	
Meeting Housing Needs								
Decrease the number of households living in emergency accommodation	Under 30	73	69	30	61			At the end of December, there were 61 people in emergency accommodation, significantly higher than the target of 30. Performance is steadily improving on a month by month basis.
							Performance Improvement Plan: The pressure on Housing continues to reflect the national and regional position. A new Lead Officer for the service has been appointed. The revised structure, through the JTP process is now complete although a number of key vacancies remain unfilled. A recruitment campaign is underway and agency help is being sought in the interim period. The current initiatives underway are continuing to improve performance slowly on a month by month basis. The Homeless Reduction Act which becomes law in April 2018 will place further obligations and pressures on the service and Managers are currently planning to mitigate these effects.	

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
Putting the Customer First								
Increase the percentage of calls to the contact centre answered within 30 seconds	More than 80%	86.17%	82.36%	80%	83.4%			Q3 was on target with the team continuing to ensure they meet and exceed expectations for customers. Call volumes were lower this quarter, which is expected based on previous years data.
Reduce the numbers of abandoned calls to the contact centre	Less than 5%	2.06%	3.42%	5%	2.49%			Q3 was on target with the team continuing to ensure they meet and exceed expectations for customers. Call volumes were lower this quarter, which is expected based on previous years data.
Keeping Crime & Anti-social behaviour low								
Improve our ranking compared to similar authorities in relation to all crime	At least 4 th	4	5	4	4			In Q3 Eastbourne achieved its target of being ranked 4th or lower for overall crime in its most similar group. During this quarter there was a greater focus on domestic abuse with partners raising awareness of the White Ribbon Campaign and 16 Days of Action. 'The Visit' was also launched by Sussex Police and promoted by partners to help address domestic abuse over the Christmas period.

3.2 Thriving Communities Projects & Programmes

Project / Initiative	Description	Target Completion	Status	Update
Improved health & wellbeing				
Sovereign Centre Review	A new leisure centre	31-Mar-2020		<p>The new Sovereign Centre project is made up of two work streams: construction of the new centre and appointment of a new Operator.</p> <p>The construction achieved RIBA Stage 3 in July as planned. Consultation with a key user group is now being finalised to confirm certain elements of the design. This may identify the opportunity for some external funding. A revised Stage 3 report will be issued once this consultation is complete.</p> <p>The Operator procurement has been paused while the consultation is completed.</p>
Health & Housing – East Sussex	A new countywide programme of health & housing related projects	31-Mar-2020		<p>The Health and Housing Coordinator role has continued to work with health, housing and social care to develop step down accommodation for those who are unable to return home from hospital. Three properties in Extra Care schemes are being prepared to offer the opportunity for self-catering, independent living, with on-site care to support with rehabilitation prior to successfully moving home. It is expected that these Step Down properties will be operational next month.</p> <p>The Health and Housing Coordinator role is also working with Extra Care Home housing and care providers to develop a single, cross County allocation system. This process started in December 2017 and is ongoing.</p>
Meeting housing need				
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	31-Mar-2020		<p>The second iconic beach hut, The Spyglass, was completed in November.</p> <p>Sumach Close and Tideswell Road have both been completed this quarter.</p> <p>Remediation works in Bedfordwell Road are due to start in February.</p> <p>The Pipeline programme and next phase delivery is being brought forward to include garage sites.</p>
Resilient & engaged communities				
Delivery of Community Centre to serve the Sovereign Harbour Neighbourhood	EBC working with Sovereign Harbour Community Association and Wave Leisure to deliver a £1.6m community centre	30-Apr-2018		<p>Piling works are complete. Access road completed in December. Erection of steel frame commenced in early January.</p>

Project / Initiative	Description	Target Completion	Status	Update
Welfare Reform	To support those vulnerable residents affected by the government's welfare reform programme.	31-Mar-2020		<p>The Housing Benefit working age caseload has reduced by approx. 300 claims which is as expected. The main impact has been on rent arrears. Of the 132 tenants on Universal Credit (UC), 103 have arrears totalling £53k. This represents 21.3% of current tenant arrears. As tenants can wait for six weeks or more to get their first payment this is, again, to be expected.</p> <p>There have been 30+ claimants on UC in temporary accommodation who are still waiting to receive the first payment from Jobcentre Plus. Investigations are underway to identify the reasons for the delay.</p> <p>Over 75 people have been assisted to claim online and the drop-in sessions have proved very popular.</p>
Community Lottery	Launch an online Eastbourne Local lottery to help fund discretionary support for Community organisations and to enable good causes to raise funds directly.	31-Jan-2018 Revised to 31-Mar-18		Due to the delays in obtaining the licence the new deadline for completion is 31 st March 2018.

4. Sustainable Performance

4.1 Sustainable Performance Key Performance Indicators

KPI Description	Annual Target 2017/18	Q1 2017/18	Q2 2017/18	Q3 2017/18		Status	Direction of travel between Q2 and Q3	Latest Note
		Value	Value	Target	Value			
Delivering a balanced budget								
Percentage of Council Tax collected during the year - Eastbourne	At least 97.06%	29.19%	56.13%	83.18%	83.16%			Collection performance is currently being maintained at the same level as it was in Q3 last year.
Percentage of Business Rates collected during the year - Eastbourne	At least 98%	29.9%	54.72%	71.82%	80.38%			Performance for Q3 is 1.50% above target. At this stage we remain on track to achieve an annual collection rate target of 98%.
Managing our people & performance								
Reduce absence from work due to sickness	No more than 5.8 days	1.73 days	1.97 days	1.45 days	2.37 days			<p>During Quarter 3 the number of long term absences (4 weeks or more) increased significantly. The reasons for these long term absences were varied and included bereavement, heart attack and recovery post -surgery. There are some absences due to stress and these staff are being appropriately supported (these include personal stress, stress resulting from a physical health condition and one relating to JTP Phase Two).</p> <p>During December 2017 our short term absences also increased with reports of viral infections, vomiting and diarrhoea.</p>
								<p>Performance Improvement Plan :</p> <p>Sickness absence continues to be priority within the organisation with close monitoring of attendance management within the councils and support available to staff and managers from HR. HR are working with key managers and colleagues in Finance to ensure robust follow up of information from managers regarding return to work dates and interviews. HR continue to analyse the levels of absence monthly and quarterly to assess whether they are trends or concerns in any particular service area or any specific reasons for absence.</p> <p>With effect from 1 February 2017 the majority of employees have been employed by Eastbourne Borough Council. From Q1 of 2018/19 absence information will reflect absence rates across both councils and not be split. HR will continue to maintain detailed absence rates across service</p>

areas and reasons for absence.

4.2 Sustainable Performance Projects & Programmes

Project / Initiative	Description	Target Completion	Status	Update
Delivering in partnership				
Joint Transformation Programme	A major programme to integrate the Eastbourne Borough Council and Lewes District Council workforces, and transform the service delivery model for both organisations. Deliver £2.7m savings while protecting services	31-Mar-2020		<p>The new Joint Transformation Programme Manager started in November.</p> <p>The Phase 2 recruitment process was completed in November.</p> <p>The new joint website was launched in November delivering a modern and efficient way for customers to engage with the Councils.</p> <p>All staff were successfully migrated to @lewes-eastbourne.gov.uk email addresses by the end of the quarter.</p> <p>As is to be expected with a programme of JTP's scale and with the range of IT enabled processes, there are a number of challenges which are being managed, hence the amber status. Work is underway to mitigate the issues and plans will be finalised shortly.</p>

Community Projects - Devolved Ward Budgets Q3

Ward	Projects	Description	Project Spend to Date
Devonshire	Allchorn Pleasure Boats	To enable schools and the Public etc to access the public viewing gallery / building for observation purposes and talks on what we are doing, this will enable us to raise more money for the project.	£1,000.00
	Mardi Gras	To support the organisation of Eastbourne's first Mardi Gras parade on 22 July 2017.	£2,500.00
	Gated Alleyway in Latimer Road	To fit gates to prevent access to residential alleyways.	£2,055.00
	Same Sky / Princes Park	To support the Princes Park Community Fun Day.	£3,000.00
	Eastbourne Volunteers	To support volunteers, make the best use of shared resources, create a website so the public know where to go information about volunteer groups, promote inclusion and fight social isolation. These funds are to be used to assist in the production of a newsletter.	£597.00
	Boho Lights	To provide a series of workshops for schools and the community culminating in a Light Procession that commences in Eastbourne town Centre and ends at the Finale Event which is in and around Leaf Hall Community Arts centre.	£500.00
Devonshire Total			£9,652.00
Ward	Projects	Description	Project Spend to Date
Hampden Park	Balloon Festival	To support the organisation of Eastbourne's first Balloon Festival 29-30 July 2017.	£2,000.00
	Eastbourne Stagers	To supply new equipment to allow performances in the street and at the school venue where they currently perform.	£1,500.00
	Heron Park Academy	To provide assistance to sports development under the "Gold Sports" scheme at Heron Park Academy.	£3,000.00
	Eastbourne Junior Park Run	To encourage young people to take regular group exercise.	£500.00
	Bowls Club Lighting	To install security lighting to prevent malicious damage to a community facility in Hampden Park.	£546.10
Hampden Park Total			£7,546.10

Ward	Projects	Description	Project Spend to Date
Langney	Goals for Eastbourne Youth Team	To provide Goals, footballs and accessories for Youth football teams. Langney Wanderers/ Under 12 year olds.	£500.00
Langney Total			£500.00
Meads	1st Meads Scout Group	To acquire a shed (for storage) and flags for the 1st Meads Scout Group to assist in its development.	£1,575.85
	Friends of Meads Parks and Gardens	To provide a gazebo marquee for Friends of Meads Parks and Gardens	£79.84
	Meads Magic	To purchase safety equipment for annual Meads Magic event.	£92.28
	Wayfinder Woman Trust	To purchase of equipment, signage and literature for The Wayfinder Woman Trust.	£1,274.00
	Friends of Beachy Head Countryside Centre	To provide film and replacement monitor and associated electrical works at Beachy Head Countryside Centre.	£1,593.00
	Meads Village Website	To contribute towards the building of the new Meads Village Website which will help to build the Meads Village brand and increase footfall to our neighbourhood.	£1,500.00
	ECTV	To purchase HDMI Wireless video/audio transmitter to allow extended use of the Heritage Centre cinema room facilities for the public.	£200.00
Meads Total			£6,314.97
Ward	Projects	Description	Project Spend to Date
Old Town	Defibrillator within Ward	To procure a Public Access Defibrillator (PAD), to be installed within Ward, to provide life saving emergency equipment that is accessible to the community, 24 hours a day.	£1,341.25
	Trees within the Ward	To plant trees two trees in East Dean Road where the stumps have been removed.	£500.00
	Motcombe Bowling Green Treatment	To provide specialist treatment to the lawns following unusual weather. This involves bring specialist machinery in to improve the conditions of the Green by the use of a grading sand injection machine. This is a one off treatment.	£500.00
	Trees within the Ward	To plant trees in Pashley Road, Milton Road and Broomfield Street.	£1,000.00
	Defibrillator for the Ward	To procure a Public Access Defibrillator (PAD), to be installed at the outside Upwyke House.	£1,441.25
Old Town Total			£4,782.50

Ward	Projects	Description	Project Spend to Date
Ratton	Balloon Festival	To support the organisation of Eastbourne's first Balloon Festival 29-30 July 2017.	£2,000.00
	Trees in Rodmill Drive	To plant seven (7) trees on land at the foot of Rodmill Drive.	£1,750.00
Ratton Total			£3,750.00
Ward	Projects	Description	Project Spend to Date
St Anthony's	Tree within the Ward	Tree planted in Moy Avenue.	£350.00
	Langney Exhibition	To hold a a public exhibition to be held at Langney Village Hall for local residents and other interested people on Langney Priory and initial proposals for its future development. This is part of a process of consulting with local people about how the Priory might be used, the results of which will be used to support a bid to Heritage Lottery for funding for 80% of the costs of restoring this important building.	£442.00
St Anthony's Total			£792.00
Ward	Projects	Description	Project Spend to Date
Sovereign	Mardi Gras	To support the organisation of Eastbourne' s first Mardi Gras parade on 22 July 2017	£500.00
	Purple4Polio	To represent the Purple4Polio campaign where the cost that the Rotary Club pay for the bulbs is matched by Bill Gates of Microsoft and goes towards the total eradication of the Polio disease.	£314.64
	EWWE Kingsmere	To assist with Eastbourne Winter Wonderland Extravaganza Kingsmere to provide floodlighting for the Event with respect to Health & Safety requirements.	£300.00
	San Juan Residents Carol Service	To help towards the purchase of outdoor lights that will decorate the trees within the San Juan Development, and help with the printing of the promotional material including Carol Sheets, batteries for the lights and other disposable items.	£200.00
Sovereign Total			£1,314.64
Upperton	Community Wise	To provide chairs for the community centre.	£1,413.00
	Eastbourne Survivors	To provide therapy group courses for adults who have been abused in childhood.	£1,000.00
	Eastbourne Volunteers	To help with the cost of printing copies of a Newsletter called The Volunteer to residents in the ward.	£597.00
	Weaver Close community day	To help set up resident association and for the residents to get to know one another. Funding for bouncy castles and cost of flyers.	£256.68

Ward	Projects	Description	Project Spend to Date
	Child Safety Fence	To provide a child safety fence around community hall at St Michael & All Angels Church.	£1,260.00
	Bulb Planting and removal of a tree	To plant of bulbs in grass verges in Upperton area and Hartfield and Upperton Square gardens. And tree stump removal.	£2,000.00
	Gardening Tools	To buy gardening tools for volunteer gardeners.	£200.00
	Steam Punk Festival	To assist with the cost of arranging the Eastbourne Steampunk Festival.	£500.00
Upperton Total			£7,726.68
All Wards Total Spend			£41,678.89

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Part B

Financial Performance Q3 2017/18

1.0 General Fund

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

Department	Full Year Budget	Profiled Budget	Actual to 31st Dec 2017	Variance to date	Projected Outturn
	£'000	£'000	£'000	£'000	£'000
SUMMARY					
Corporate Services	5,286	4,781	4,873	92	(380)
Service Delivery	5,790	41,802	41,935	133	196
Regeneration, Planning & Assets	(291)	1,277	1,362	85	84
Tourism & Enterprise Services	3,731	2,205	2,312	107	122
Total Service Expenditure	14,516	50,065	50,482	417	22
Contingencies, etc	(728)	80	-	(80)	(107)
Capital Financing and Interest	1,951	256	6	(150)	
Contributions to/(from) Reserves	(1,206)	(63)	(63)	-	-
Net Expenditure	14,533	50,238	50,425	187	(85)

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

1.2 The position at the end of December shows a variance of £187,000 on net expenditure which is a movement of £124,000 compared to the position reported at the end of the second quarter in September. Variances at 31 December included:

Housing Benefit Subsidy difference on Bed and Breakfast	£122k
Bereavement Services shortfall in income	£97k
Airbourne cost of barriers	£30k
Housing Benefit Admin Grant reduction	£28k
Solarbourne Income	(£53k)

1.3 The contingency currently stands at £107,000 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 overall outturn variance.

1.4 The projected outturn shows a favourable variance of £85,000. This is within 0.6% of the net budget. This position is being closely monitored to ensure that the final outturn position is maintained.

2.0 HRA

2.1 HRA performance of the quarter is as follows:

	Current Budget	Profiled Budget	Actual to 31 Dec 2017	Variance to date	Projected Outturn
	£'000	£'000	£'000	£'000	£'000
HRA					
Income	(15,551)	(11,727)	(11,714)	13	26
Expenditure	12,617	5,741	5,687	(54)	(86)
Capital Financing & Interest	1,885	-	-	-	-
Contribution to Reserves	1,049	-	-	-	-
Total HRA	-	(5,986)	(6,027)	(41)	(60)

A further breakdown is shown at **Appendix 3**.

2.2 HRA performance shows a favourable variance of (£41,000), which is mainly due to the under occupation scheme (£48K). Other small variances are being carefully monitored.

3.0 Capital Expenditure

3.1 The detailed capital programme at **Appendix 4**, provides a summary of spend for quarter 3 compared to the revised allocation for 2017-18 and the total spend for each scheme as at 31.3.17. The 2017-18 allocation has been revised to allow re-profiling of schemes to 2018-19. Brief comments are provided for each scheme and more detailed comments are provided below for larger schemes.

3.2 The Capital Programme for 2017-18 totals £51.6m compared to original Capital Programme approved in February 2017 of £80.2m. The changes to the Capital Programme are shown in the table below.

Summary of Capital Programme 2017/18 to 2020/21	2017-18	2018-19	2019-20	2020-21
	£'000	£'000	£'000	£'000
Approved Budget at 7.2.18	80,184	50,394	36,073	14,774
Devonshire Park (External Funding)	5,625			
Re-profiled from 17/18 to 18/19	(34,205)	34,205		
HRA - Fort Lane increase		102		
Allocations no longer required	(32)			
EHIC – revolving credit facility		65		
Coastal Protection additional grant	20			
Current Programme	51,592	84,766	36,073	14,774

3.3 Detailed comments on larger schemes:

Line No.	Comment
7	New Build Phase 2 – Sumach Close is complete. The scheme for Fort Lane is being reviewed to allow for the use of Right to Buy Receipts. An additional allocation of £102k is required which is included within the Capital Programme Appendix.

23	Terminus Road Improvements - Contractor due to be appointed. Works to start on site in April 2018. As part of this scheme we have commissioned a consultant to deliver a Wayfinding Strategy for the Town Centre alongside the Devonshire Park Wayfinding Strategy.
24	Sovereign Harbour Community Centre - Works on site are progressing well and contractor is on schedule to complete the building by the target date of 16th April 2018. Some of the allocation has been re-profiled into 2018/19.
73	IT – Block Allocation - Significant investment will take place this year in storage systems, additional server capacity and replacement laptops and mobile devices to replace ageing equipment purchased during the agile working programme in 2010/11. The majority of this budget will be committed in 2017/18.
76	EHIC Loans (Properties purchased from EBC) - Agreed facility of £4,173k to provide loans to purchase EBC properties. Two loans totalling £900k have been agreed of which £893k has been drawn down. The remaining facility of £87k is available for other properties to be identified. One loan facility of £1,823k is no longer required as Northbourne Road site has been sold to Aspiration Homes LLP and the loan of £280k has been repaid.
77	EHIC loans (Properties purchased on the open market) - Agreed facility of £5m to provide loans to purchase private properties. 12 loans totalling £2,657k have been agreed of which £2,134k has been drawn down. The remaining facility of £523k is available for other properties.
80	Aspiration Homes LLP Loan – Agreed a facility of £10m to provide loans to build and refurbish properties. One loan of £1.7m has been agreed to develop the site at Northbourne Road. Site purchase was completed in December 2017. Works expected to start in 2018-19.
84	Hampden Retail Park Refurbishment – Master plan in place with 3 additional units to increase income generation. ESCC has agreed sale of land required to enable some of the utilities and strategically important for the general scheme. Drain clearance to be completed across the estate as part of the scheme. Offsite drainage works to culvert complete. Planning application scheduled for March. New leases now ready to be signed.
86	JTP Programme - This scheme is the subject of regular update reports to Cabinet. The budget will be spent over three years from 2016/17 to 2018/19.
90	Devonshire Park Redevelopment - Progress currently as per construction programme agreed in main contract, expected completion Feb/Mar 2019 and opens for business Spring 2019. This is the subject of a separate Cabinet report. Tennis player facilities construction complete.

99	Wish Tower Restaurant – design work is being carried and should be completed by April 2018. Planning application expected to be completed by July 2018. Demolition of Western View and works on site planned to start September 2018 with construction completed January 2019 and fit out by April 2019 ready for opening.
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4.0 Collection Fund

4.1 The Collection Fund records all the income from Council Tax and Non-Domestic Rates and its allocation to precepting authorities.

4.2 The Collection fund for the year is as follows:

	Council Tax £'000	Business Rates £'000
Balance B/fwd 1.4.17	(1,432)	2,377
(Deficit recovery)/Surplus distributed	973	(854)
Debit due for year	(61,788)	(34,013)
Payments to preceptors	60,709	35,731
Allowance for cost of collection		125
Transitional Relief		(52)
Allowance for appeals		(286)
Write offs and provision for bad debts	231	179
Estimated balance 31.3.18	(1,307)	3,207
Allocated to:		
CLG	-	1,604
East Sussex County Council	(960)	289
Eastbourne Borough Council	(170)	1,283
Sussex Police	(112)	-
East Sussex Fire & Rescue	(65)	32
	(1,307)	3,207

4.3 The allocation to preceptors reflects the operation of the Collection Fund for Council Tax and Business Rates which are distributed on different bases under regulations. The distributions for the estimated balance calculated at quarter 3 will be made in 2018/19. Any changes in quarter 4 will be made in 2019/20.

4.4 Council Tax performance is predicted to be a £1.3m surplus for the year. As the aim of the collection fund is to break even the surplus represents an overachievement of £0.8m for the year. This is due to the result of a combination of factors including better performance against the collection allowance forecast within the Council Tax base. The estimated balance as at 31.3.18 represents 2.12% of the gross debit.

4.5 The predicted Business Rate deficit of £3.2m for the year represents an in year underachievement from business rate income of £1.7m. This is as a result of a number of business rate backdated appeals settled and a reduction in the overall debit due to various redevelopment activities in the borough. The total number of appeals outstanding against the 2010 rating list as at 31.12.17 was 151 with a

total rateable value of £16.0m.

With the introduction of the new 2017 rating list the procedure for making appeals has been changed, which is intended to speed up the process, reduce the number of appeals and provide some certainty on the financial implications to local authorities. The valuation office is only just published any data relating to these appeals, therefore until this has been evaluated an estimate has had to be calculated based on experience from the previous appeals system.

The estimated deficit balance as at 31.3.18 represents 9.43% of the total debit for the year.

4.6 Collection fund performance is as follows:

Cash Collection Rates	Council Tax	Business Rates
Q3 Actual	83.16%	80.38%
Q3 Target	83.18%	78.85%

5.0 Treasury Management

5.1 The Annual Treasury Management and Prudential Indicators were approved by Cabinet and Council in February.

5.2 The Treasury Management Mid-year Review Report has been considered by the Audit and Governance Committee on 29th November 2017.

5.3 Economic Background

There seems to have been a fairly buoyant end to 2017 for the UK economy. The Purchasing Manager Indices eased a little in December but still suggest that growth may have accelerated a touch from Q3. This should leave growth for the year at around 1.8%. There is a spread of opinions with some forecasting a slowing of growth in 2018, but others suggest that there should be less of a real income squeeze, and that healthy business investment and positive input from net trade will underpin the economy. In summary:

- Q3 growth was confirmed at 0.4% q/q but prior revisions bolstered annual growth. If recent surveys are accurate there could be a slight acceleration in Q4 to 0.5% growth.
- Q3 consumer spending was revised a touch lower but was still considerably stronger than Q2, though this was largely down to car sales that are not likely to be matched in Q4.
- The current account deficit narrowed in Q3. The trade balance was little changed as a share of GDP but investment income declined. The October trade figures put a dampener on Q4 prospects with the goods and services trade balance widening quite sharply.
- CPI picked up to 3.1% in November, largely on increased airfares. Analysts

suggest that this may prove the peak and core inflation is already easing.

- The December MPC meeting had little or no impact on market interest rate expectations. Sterling has weakened against most currencies, though it strengthened to a three month high against the US\$ with the 10% gain in £/\$ exchange rate in 2017 the largest annual move in eight years.
- Equity markets have pushed higher, with both overseas and domestic focussed companies seeing strong gains, to leave the indices at near record highs. Oil price gains have seen Brent crude at its highest price for three years.

5.4 Interest Rate Forecast

On 2nd November the MPC increased Bank Rate to 0.5% and gave forward guidance that they expected to increase Base Rate only twice more in the next three years to reach 1% by 2020.

Link Asset Services forecasts Base Rate increase to 0.75% in May, followed by a further 0.25% increase in December 2018 and December 2019 rising to 1.50% in September 2020.

5.5 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2017/18, which includes the Annual Investment strategy, was approved by Council on 22 February 2017. 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 31 December 2017 is shown in the table below:

Counterparty	Amount £	Interest Rate %	Maturity
Santander	5,000,000	0.80	Call

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.

No approved limits within the Annual Investment Strategy were breached during the quarter ending 31 December 2017.

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.

5.6 Investment performance for the quarter ending 31 December 2017 is as follows:

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day LIBID	0.17%	0.44%	£15,688

The Council outperformed the benchmark by 0.27%. The budgeted investment return for 2017/18 is £50,000. Due to cash flow requirements and current low interest rates, investments held are at minimum and it is unlikely that this budget will be achieved.

The continuous use of internal balances is in line with the Council's strategy and reduces the amount of interest payable on loans and investment income.

5.7 Borrowing

The following loan was taken during the quarter:

New Long Term Borrowing form PWLB			
Date	Amount	Interest Rate	Years
23-Nov-17	2,000,000	2.38%	46.5
Total	£2,000,000		

New Short Term Borrowing				
Start Date	Counterparty	Amount	Interest Rate	End Date
8-Sep-17	Lewes District Council	£4,000,000	0.25	08-Dec-17
25-Sep-17	Middlesbrough Borough Council	£6,000,000	0.19	26-Oct-17
20-Oct-17	Middlesbrough Borough Council	£2,000,000	0.30	05-Jan-18
26-Oct-17	Middlesbrough Borough Council	£6,000,000	0.20	24-Nov-17
24-Nov-17	Middlesbrough Borough Council	£6,000,000	0.37	31-Jan-18
24-Nov-17	Middlesbrough Borough Council	£1,000,000	0.37	31-Jan-18
30-Nov-17	Vale of Glamorgan	£3,000,000	0.40	19-Feb-18
	Total	£28,000,000		
Less Short Term Borrowing Repaid				
Repayment Date	Counterparty	Amount	Interest Rate	No of Days
08-Sep-17	Manchester City Council	-£3,500,000	0.18	39
08-Sep-17	Middlesbrough Borough Council	-£5,000,000	0.17	30
26-Oct-17	Middlesbrough Borough Council	-£6,000,000	0.19	31
24-Nov-17	Middlesbrough Borough Council	-£6,000,000	0.20	29
30-Nov-17	Lewes District Council	-£3,000,000	0.26	92
08-Dec-17	Lewes District Council	-£4,000,000	0.25	91
	Total Repaid	-£27,500,000		
Net New Short Term Borrowing		£500,000		

Cash flow predictions indicate that further borrowing will be required in the next quarter, depending on the timing of capital expenditure. The exact timing and nature of this borrowing will be considered at that time in light of prevailing interest rates.

5.8 Compliance with Treasury and Prudential Limits

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

During the quarter to 31 December 2017 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.

6.0 Write Offs

6.1 Financial Procedure Rule 4.26 provides delegated authority to the Chief Finance Officer for the write off of irrecoverable debts below £5,000. Beyond that limit, unless particular circumstances apply (like bankruptcy and liquidation) the approval of Cabinet is required.

6.2 Details of the write offs being recommended for write off by Cabinet are listed in the Exempt Appendix to the report with brief explanation of the circumstances.

6.3 In all cases a number of methods of collection were attempted before the debts were recommended for write off. The write off does not mean that debt is not still due to the council and in cases where circumstances have changed the debt will be written back on and recover pursued,

6.4 The write offs do not have an immediate financial effect on the current year's budget as the bad debt provision is greater than the write off total. However, the making of that provision did have a cost implication at the time the provision was made. The Council maintains provisions against the level of debts outstanding as follows:

	Provision as % of total debt	Funded by
NNDR	25%	50% Central Government, 40% EBC, 9% East Sussex CC, & 1% East Sussex Fire
Council Tax	34%	73% East Sussex CC, 13% EBC, 9% Sussex Police & 5% East Sussex Fire
Housing Rents	27%	100% EBC HRA
Housing Benefit Overpayments	56%	100% EBC General Fund
Sundry Debts	4%	100% EBC General Fund

	Original Budget	Revised Budget	Profiled Budget	Actual	Variance	Projected Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
CORPORATE SERVICES						
Corporate Management	168	122	159	225	66	(419)
Financial Services Team	673	667	571	598	27	43
Corporate Finance	1,189	1,196	956	953	(3)	(2)
Internal Audit and Corporate Fraud	240	258	202	192	(10)	(6)
Strategic Finance	2,102	2,121	1,729	1,743	14	35
Human Resources	472	443	329	333	4	8
Business Transformation	1,699	1,683	1,797	1,806	9	7
Legal Services	234	286	270	269	(1)	(1)
Local Democracy	612	631	497	497	-	(10)
Legal and Local Democracy	846	917	767	766	(1)	(11)
TOTAL CORPORATE SERVICES	5,287	5,286	4,781	4,873	92	(380)
SERVICE DELIVERY						
Service Management	(70)	(89)	24	26	2	2
Service Management	81	81	77	77	-	-
Case Management	633	612	532	531	(1)	(1)
Account Management	448	421	308	329	21	17
Specialist Advisory	4,413	4,296	40,304	40,358	54	111
Bereavement Services	(1,147)	(1,146)	(772)	(674)	98	103
Case Management and Specialist Services	4,428	4,264	40,449	40,621	172	230
Service Management	-	-	35	35	-	-
Customer Contact	866	850	758	758	-	-
Neighbourhood First	574	580	403	374	(29)	(29)
Customer and Neighbourhood Services	1,440	1,430	1,196	1,167	(29)	(29)
Homes First	152	185	133	121	(12)	(7)
TOTAL SERVICE DELIVERY	5,950	5,790	41,802	41,935	133	196
STRATEGY, PLANNING AND REGENERATION						
Service Management	62	62	56	59	3	3
Regeneration	275	129	253	257	4	4
Planning	108	328	1,025	1,025	-	-
Group Head of Commercial Business	-	24	30	30	-	-
Corporate Landlord	(2,063)	(2,153)	(1,687)	(1,634)	53	56
Facilities Management	310	363	525	529	4	4
Estates and Property	(1,753)	(1,790)	(1,162)	(1,105)	57	60
Business Planning and Performance	918	956	1,075	1,096	21	17
TOTAL STRATEGY, PLANNING AND REGENERATION	(390)	(291)	1,277	1,362	85	84

	Original Budget	Revised Budget	Profiled Budget	Actual	Variance	Projected Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
TOURISM AND ENTERPRISE						
Service Management	69	93	70	73	3	3
Towner	623	623	647	649	2	1
Devonshire Park Complex	-	1	1	1	-	-
Tourism and Enterprise	445	444	284	283	(1)	(3)
Catering	231	124	44	117	73	93
Heritage	188	187	112	115	3	5
Tourist Information	120	119	62	67	5	19
Tourism and Enterprise	984	874	502	582	80	114
Sports Delivery	269	266	299	321	22	10
Seafront	(29)	(23)	(35)	(28)	7	3
Events	662	701	503	496	(7)	(9)
Theatres	1,186	1,196	218	218	-	-
TOTAL TOURISM AND ENTERPRISE	3,764	3,731	2,205	2,312	107	122
TOTAL SERVICE EXPENDITURE	14,611	14,516	50,065	50,482	417	22

HOUSING REVENUE ACCOUNT 2017/18					
	ORIGINAL BUDGET £' 000	BUDGET TO 30.12.17 £' 000	ACTUAL £' 000	VARIANCE £' 000	OUTTURN VARIANCE £' 000
INCOME					
Gross Rents	(14,489)	(10,886)	(10,851)	35	41
Charges for Services	(1,062)	(841)	(863)	(22)	(15)
TOTAL INCOME	(15,551)	(11,727)	(11,714)	13	26
EXPENDITURE					
Management Fee (Eastbourne Homes Limited)	7,261	5,446	5,446	-	-
Supervision and Management	1,024	250	221	(29)	(53)
Provision for Doubtful Debts	126	45	20	(25)	(33)
Depreciation and Impairment of Fixed Assets	4,206	-	-	-	-
TOTAL EXPENDITURE	12,617	5,741	5,687	(54)	(86)
NET COST OF SERVICE	(2,934)	(5,986)	(6,027)	(41)	(60)
Loan Charges - Interest	1,896	-	-	-	-
Interest Receivable	(11)	-	-	-	-
NET OPERATING (SURPLUS) DEFICIT	(1,049)	(5,986)	(6,027)	(41)	(60)
Appropriations					
Transfer to Reserve	1,049	-	-	-	-
HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	-	(5,986)	(6,027)	(41)	(60)
HOUSING REVENUE ACCOUNT WORKING BALANCE					
In Hand at 1st April 2017	(3,549)				
Surplus for 2017/18	-				
In Hand at 31st March 2018	(3,549)				

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Line No.	Scheme	Total Scheme Approved	Total Scheme spend to 31 Mar 2017	Scheme Spend 2017-18 to Q3	Approved Allocation 2017-18	Revised Allocation 2017-18	Approved Allocation 2018-19	Revised Allocation 2018-19	Allocation 2019-20	Allocation 2020-21	Q3 Variance to revised allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
1	HOUSING REVENUE ACCOUNT												
2	Major Works	Ongoing	17,599	2,154	5,167	5,167	4,250	4,250	4,344	4,398	3,013	EBC	On target to complete in 2017-18
3	Environmental Improvements	Ongoing	263	8	40	40	40	40	-	-	32	EBC	Planned to complete in 2017-18
4	Riverbourne House Conversion		262	-	262	-	-	262	-	-	-	EBC	Works planned for 2018-19
5	Managed by Eastbourne Homes	Ongoing	17,862	2,162	5,469	5,207	4,290	4,552	4,344	4,398	3,045		
6	Other Schemes												
7	New Build Phase 2		4,217	1,190	1,195	2,925	1,375	-	1,652	-	180	EBC/Grant	On target to complete in 2018-19
8	Empty Homes Prog Ph2		1,650	1,124	190	526	526	-	-	-	336	EBC/Grant	Practically complete
9	Total HRA		20,176	3,547	8,920	7,108	4,290	6,204	4,344	4,398	3,561		
10	COMMUNITY SERVICES												
11	Memorial Safety Cems		40	6	9	34	9	-	25	-	-	EBC	Planned works in 2017-18 completed. Balance re-profiled to 2018-19
12	Digitalise Burial Records		10	-	-	10	-	-	10	-	-	EBC	Re-profiled to 2018-19
13	Ocklynge Cemetery Chapel		150	80	-	70	-	-	70	-	-	EBC	Re-profiled to 2018-19
14	Main Chapel Refurb - Phase 2		26	9	13	17	14	-	3	-	1	EBC	Planned works in 2017-18 completed. Balance re-profiled to 2018-19
15	Crematorium Improvements		124	-	-	-	124	124	-	-	-		New 2018-19 Scheme
16	Disabled Facilities Grants	Ongoing	3,898	487	2,169	669	1,200	2,700	1,200	-	182	Grant	On target to complete 2017-18 with some allocation re-profiled to 2018-19
17	BEST Grant (housing initiatives)	Ongoing	1,936	20	159	29	117	247	-	-	9	Grant	On target to complete 2017-18 with some allocation re-profiled to 2018-19
18	Acquisition of Land & Property		2,354	-	2,380	-	-	2,354	-	-	-	EBC	Schemes under investigation
19	Contaminated Land		185	114	31	71	31	-	40	-	-	Grant	Planned works for 2017-18 completed. Balance re-profiled to 2018-19
20	Coast Defences Beach Management	Ongoing	5,605	195	248	268	300	300	300	300	73	Grant	On target to complete 2017-18
21	Cycling Strategy		41	-	-	41	-	-	41	-	-	EBC	ESCC are progressing the Cycling & Walking Strategy for the Borough. Allocation re-profiled to 2018/19.
22	Play Area Sovereign Harbour		27	-	-	27	-	-	27	-	-	S106	Re-profiled to 2018-19
23	Terminus Road Improvements		500	-	-	500	-	-	500	-	-	EBC	Re-profiled to 2018-19.
24	Sov Harbour Community Centre		1,600	371	332	1,229	1,229	-	-	-	897	EBC/S106 /Grant	On target to complete early 2018-19
25	Bodiam Cres Play Area Path		20	18	-	2	-	-	-	-	-	EBC	Complete
26	Shinewater Skate Park		50	-	49	50	49	-	1	-	-	EBC	Complete. Balance is for retention
27	Seaside rec - Play Equipment		120	9	111	111	-	-	-	-	-	EBC	Complete
28	Motcombe Pond		50	46	6	4	5	-	-	-	1	EBC	Complete
29	Hampden Park - Improvements (Green Flag)		50	15	32	35	32	-	2	-	-	EBC	Main works completed
30	Old Town Rec. - Improvements (Green Flag)		25	14	9	11	9	-	3	-	-	EBC	Main works completed

Line No.	Scheme	Total Scheme Approved	Total Scheme spend to 31 Mar 2017	Scheme Spend 2017-18 to Q3	Approved Allocation 2017-18	Revised Allocation 2017-18	Approved Allocation 2018-19	Revised Allocation 2018-19	- Allocation 2019-20	- Allocation 2020-21	Q3 Variance to revised allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
31	Seaside Rec - all weather path	50	28	21	22	21	-	2	-	-	-	EBC	Main works completed
32	Signage Re-branding (Parks & Open Spaces)	30	-	4	30	10	-	20	-	-	6	EBC	Works ongoing. Some initial delays whilst the new branding was deliberated and agreed. Some budget re-profiled to 2018-19
33	Tugwell Park - all weather path (Phase 1 & 2)	50	37	13	13	13	-	-	-	-	-	EBC	Works completed
34	Car Parking Machines	92	67	-	5	-	25	25	-	-	-	EBC	2017-18 Works completed
35	Public Conveniences Beachy Head	40	39	-	1	-	-	-	-	-	-	EBC	Works completed
36	Public Conveniences Green St	40	37	-	3	-	-	-	-	-	-	EBC	Works completed
37	Shinewater Park - Scoping	20	-	-	20	-	-	20	-	-	-	EBC	Re-profiled to 2018-19
38	Air Quality Monitoring Equipment	31	2	28	28	28	-	-	-	-	-	EBC	Completed within allocation
39	Helen Gardens Play Equip	40	-	-	40	-	-	40	-	-	-	EBC	Works ordered. Some delay by supplier. Works expected May 2018
40	Chiltern Close Play Equip	25	-	-	25	-	-	25	-	-	-	EBC	Works ordered. Works expected May 2018
41	Oak Tree Lane Play Equip	35	-	-	-	-	35	35	-	-	-	EBC	2018-19 Allocation
42	Mulberry Close Play Equip	30	-	-	-	-	-	-	30	-	-	EBC	2019-20 Allocation
43	Lower Holywell Public Con	50	-	-	50	-	-	50	-	-	-	EBC	Works planned for early 2018-19.
44	Redoubt Public Convenience	40	-	-	40	-	-	40	-	-	-	EBC	Allocation re-profiled.
45	Green Street Disabled Toilet	31	25	-	6	-	-	-	-	-	-	EBC	Works completed
46	Refurbishment of Public Facilities	81	-	-	-	-	81	81	-	-	-	EBC	New 2018-19 scheme
47	Total Community Services		12,356	1,360	7,451	2,527	1,882	6,785	1,530	300	1,167		
48	TOURISM & LEISURE												
49	Volleyball Court	25	7	-	18	-	-	18	-	-	-	EBC	Re-profiled to 2018-19.
50	Sports Park Flood Lights	30	-	-	30	-	-	30	-	-	-	EBC/Ext	Re-profiled to 2018-19.
51	Re-surface Tennis Courts	265	242	-	23	-	-	23	-	-	-	EBC/Ext	Re-profiled to 2018-19.
52	ILTC - Air Conditioning	60	-	-	60	20	-	40	-	-	20	EBC	Options being considered.
53	Redoubt - Stair Climber	20	-	-	20	18	-	2	-	-	18	EBC	Re-profiled to 2018-19.
54	Colonnade Removal	500	-	-	500	-	-	500	-	-	-	EBC	Works expected January 2019
55	Redoubt - Asphalt Gun Platform	50	-	-	50	-	-	50	-	-	-	EBC	Re-profiled to 2018-19.
56	HPSC - Changing Rooms	20	-	-	20	-	-	20	-	-	-	EBC	Works planned for early 2018-19
57	5 Iconic Beach Huts	90	-	102	90	90	-	-	-	-	12	EBC	2 huts completed. Additional costs for disabled access. Further huts being considered for 2018-19
58	Equipment at Devonshire Park	120	20	37	50	50	50	50	-	-	13	EBC	On target to complete 2017-18
59	Sovereign Centre	24,280	270	410	3,230	500	10,300	13,030	10,480	-	90	EBC	Initial planning work in progress.
60	Sovereign Centre Skate Park	200	-	-	-	-	200	200	-	-	-	EBC	Initial planning work in progress.
61	Changing Places	69	-	72	69	69	-	-	-	-	3	External	Completed
62	Wash Down - Devonshire Park	20	-	-	20	20	-	-	-	-	20	EBC	Works due to start February 2018
63	Seafront Van	13	-	-	13	-	-	13	-	-	-	EBC	Re-profiled to 2018-19. Waiting release of Ford's new electric/hybrid van
64	Sports Park Astro Pitch	35	-	35	35	35	-	-	-	-	-	EBC	Completed
65	Sports Park Lighting	60	-	-	-	-	60	60	-	-	-	EBC	New 2018-19 scheme
66	Signage	10	-	-	-	-	10	10	-	-	-	EBC	New 2018-19 scheme

Line No.	Scheme	Total Scheme Approved	Total Scheme spend to 31 Mar 2017	Scheme Spend 2017-18 to Q3	Approved Allocation 2017-18	Revised Allocation 2017-18	Approved Allocation 2018-19	Revised Allocation 2018-19	- Allocation 2019-20	- Allocation 2020-21	Q3 Variance to revised allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
67	Total Tourism & Leisure		539	656	4,228	802	10,620	14,046	10,480	-	146		
68	CORPORATE SERVICES												
69	Carbon Reduction Works	434	172	50	262	50	-	212	-	-	-	EBC	Options for heating at 1 Grove Road being considered
70	Invest to Save	Ongoing	-	-	15	-	80	80	80	80	-	EBC	Available for schemes to be identified
71	Future Model Phase 2	3,535	3,535	-	126	-	-	-	-	-	-	EBC	Programme complete. Remaining allocation transferred to IT Block
72	Investment Capital	5,600	1,150	85	4,450	85	-	4,365	-	-	-	External	Schemes to be identified
73	IT - Block Allocation	Ongoing	561	364	517	517	175	301	175	175	153	EBC	On target to complete planned works in 2017-18
74	EHIC - Loan (Gowland Ct)	1,850	1,835	-	15	-	-	15	-	-	-	EBC	Property purchased 26.11.15. Full loan for works not yet drawn down
75	EHIC - Revolving Credit	250	-	35	185	100	-	150	-	-	65	EBC	Available for drawdown as required
76	EHIC - Loan Facility (EBC sales)	4,173	450	643	3,723	678	-	3,045	-	-	35	EBC	Further schemes to be identified
77	EHIC - Loan Facility (Private Properties)	5,000	490	1,644	2,010	2,004	1,250	1,255	1,250	-	360	EBC	Further properties to be identified
78	EHIC - new mixed tenure homes	20,000	-	-	2,000	-	6,000	8,000	6,000	6,000	-	EBC	Schemes to be identified
79	EHIC - Victoria Mansions	4,035	2,960	100	1,075	105	-	970	-	-	5	EBC	Completed. Works due 2018-19
80	Aspiration Homes - Loan Northbourne Rd	1,700	-	-	1,000	30	700	1,670	-	-	30	EBC	Purchase completed Dec 2017. Loan drawdowns expected 2018-19
81	Aspiration Homes - Facility	8,300	-	-	-	-	2,300	2,300	3,000	3,000	-	EBC	Schemes to be identified
82	Bedfordwell Road - Land	3,100	1,604	141	1,495	196	-	1,300	-	-	55	EBC	Plans submitted. Determination due March 2018.
83	Hampden Retail Park	18,840	35	18,815	18,806	18,806	-	-	-	-	9	EBC	Completed April 2017
84	HPK Retail Refurbishment	9,000	-	72	1,000	150	4,000	4,850	4,000	-	78	EBC	Initial planning underway. Works to start 2018-19
85	Buccaneer Pub	1,800	-	1,586	1,800	1,700	-	100	-	-	114	EBC	Completed
86	JTP Programme Office	6,878	2,296	1,859	1,143	1,543	1,720	1,319	1,720	-	316	EBC	Planned works on schedule.
87	Mayor's Car	20	-	18	20	18	-	-	-	-	-	EBC	Completed
88	Total Corporate Services		15,088	25,412	39,642	25,982	16,225	29,932	16,225	9,255	570		
89	Asset Management												
90	Devonshire Park Project	49,600	6,064	8,769	17,744	14,600	16,877	25,621	2,994	321	5,831	EBC/Ext	See separate Cabinet report
91	Eastbourne Downs Golf Course Improvements	26	-	-	-	26	-	-	-	-	26	EBC	Asbestos removal to be completed 2017-18
92	Royal Hippodrome Theatre	127	-	-	127	-	-	-	-	-	-	EBC	No longer progressing
93	Town Hall Community Hub	20	-	-	20	-	-	20	-	-	-	EBC	Options being considered
94	The Point - improvements	20	-	12	20	12	-	8	-	-	-	EBC	Works being planned to bring property up to acceptable standard
95	Towner - improvements	75	-	-	-	75	-	-	-	-	75	EBC	Detailed investigations in progress
96	Asset Management - Block Allocation	Ongoing	-	-	286	339	500	500	500	500	339	EBC	Block allocation available in accordance with identified priorities
97	Total Asset Management		6,064	8,781	18,197	15,052	17,377	26,149	3,494	821	6,271		
98	Grant Funded Schemes												
99	Wish Tower Restaurant	1,800	75	-	1,725	75	-	1,650	-	-	75	Grant	Works planned to start Sep 2018

Line No.	Scheme	Total Scheme Approved	Total Scheme spend to 31 Mar 2017	Scheme Spend 2017-18 to Q3	Approved Allocation 2017-18	Revised Allocation 2017-18	Approved Allocation 2018-19	Revised Allocation 2018-19	- Allocation 2019-20	- Allocation 2020-21	Q3 Variance to revised allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
100	Statue Sculpture Installation	22	1	-	21	21	-	-	-	-	21	Grant	Planned to complete in 2017-18
101	Total Grant Funded Schemes		76	-	1,746	96	-	1,650	-	-	96		
102	General Fund Total		34,123	36,209	71,264	44,459	46,104	78,562	31,729	10,376	8,250		-19%
103	HRA Total		20,176	3,547	8,920	7,108	4,290	6,204	4,344	4,398	3,561		-50%
104	Grand Total		54,299	39,756	80,184	51,567	50,394	84,766	36,073	14,774	11,811		-23%

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Body:	Cabinet
Date:	21 March 2018
Subject:	Waste Services Delivery Vehicle – Direct Service Organisation v Local Authority Controlled Company
Report of:	Ian Fitzpatrick, Director of Service Delivery
Cabinet member:	Councillor Jonathan Dow, Lead Cabinet Member for Place Services
Ward(s)	All
Purpose of the report:	To support the decision on future arrangements for Eastbourne waste, recycling and street cleansing services post June 2019.
Decision type:	Key decision
Recommendation:	Cabinet is recommended to: <ol style="list-style-type: none">1. Consider the service delivery options for waste, recycling, street and beach cleansing services from June 2019, as follows:<ul style="list-style-type: none">• Either set up an in-house service (“Direct Service Organisation”, “DSO”) or;• Set up a local authority controlled company (“LACC”).2. Select the preferred option (either DSO or LACC);3. Authorise the Director of Service Delivery, in consultation with the Portfolio Holder for Place Services, to develop and implement the preferred option to ensure new service arrangements are in place for June 2019.4. Instruct officers to develop options to stay within budget through cost reduction or income generation measures and bring proposals to a future Cabinet
Reasons for recommendations:	<ul style="list-style-type: none">• Mutual exit of the Kier contract, June 2019• Decision to bring the service in-house, Cabinet 2017• Current financial context• Timely consideration of future shape of service

Contact: **Jane Goodall**
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1.0 Introduction

- 1.1 Cabinet 12 July 2017 made the decision to bring waste and recycling services in-house from June 2019, following a mutual exit agreed with Kier Services to terminate the current contract.
- 1.2 A business case produced last year to support the July decision has been updated as more information has become available. This report is intended to present the most recent assessment to Cabinet in order to support an informed decision with clarity about the high level financial impacts for Eastbourne Borough Council.
- 1.3 The business case outlines both the initial investment required along with ongoing operational costs, stating the benefits, opportunities and high level risks. All costs must be regarded as indicative, as absolute certainty cannot be achieved on any option until the Council starts the process of setting up the DSO or the LACC.
- 1.4 The decision relates to waste services in Eastbourne only. Lewes District Council will continue to operate as a DSO, although any opportunities for shared management across the two operations will continue to be explored.
- 1.5 Actual 2015/16 gross expenditure on waste collection and street cleansing was c. £3.9m and this netted down to c. £3.6m after the East Sussex Joint Waste Partnership cost sharing reduction. The table below provides a more detailed breakdown:

Actual Spend 15/16	
Authority	EBC
Collection	£2,185,364
Collection Overhead	£553,823
Street Cleansing	£1,061,719
Streets Overhead	£95,538
Sub Total	£3,896,444
Cost Sharing Reduction	-£269,556
Net Total	£3,626,889

2.0 Options for the new service

- 2.1 In 2017, iESE completed a high-level appraisal of future joint waste collection options across Lewes and Eastbourne which examined the following

alternatives:

- i) a Local Authority Controlled Company (LACC); or
- ii) a joint in-house service (Direct Service Organisation “DSO”)

This concluded that the cost differential between a DSO and LACC was marginal.

Further work has been undertaken to assess the financial and operational benefits, opportunities and risks of the two options for EBC only, following receipt of high level TUPE data from Kier and advice from Legal Services.

- 2.2 The Council’s aspirations to consider options for commercial activity would likely be developed alongside setting up the LACC for Waste Services. Should commercial activity represent 20% or more of all activities the Council would review optional structures to enable growth.

The LACC option allows for future consideration of the aggregation of related services within a new Environmental Services company

3.0 Timescales

- 3.1 In iESE’s view, either of the commissioning routes can comfortably be completed within the necessary timeframe of June 2019, when EBC’s current waste contract is expected to end.

4.0 Consultation

- 4.1 While Cabinet makes strategic decisions about the future direction of services, there are legal stipulations relating to staff information and consultation in TUPE situations, and formal consultation will take place regarding both the transfer arrangements and the operational set up of the service at the appropriate time.

- 4.2 As no change to service delivery is envisaged as a result of this report, consultations with the public are not considered necessary at this stage

5.0 Corporate plan and council policies

- 5.1 LDC and EBC have made the decision to join and are working together to share services. Known as the Joint Transformation Programme, the aim is to rationalise services thus reducing costs without impacting on the outcomes to customers.

There are opportunities to share knowledge, expertise and management arrangements between the two waste operations in Lewes district and Eastbourne.

5.2 The two authorities share objectives to reduce waste, increase recycling and improve street cleanliness while delivering an efficient and cost effective service.

6.0 Business case and alternative option(s) considered

6.1 To compare the relative costs of service provision across these two service delivery methods, a LACC and a DSO, costings were constructed based upon the following service profile:

Authority	Eastbourne
Service Description	Weekly Residual/Fortnightly Recycling Green Bin- Fully Comingled/Chargeable GW

6.2 The main set up costs associated with a DSO and LACC are detailed in the table at Appendix One (exempt).

LACC set up cost are forecast to be £50k greater than the DSO, driven by the need for additional Legal, Pension, Finance and HR/Recruitment support.

6.3 The LACC option, while protecting current terms and conditions under TUPE arrangements, would deliver a lower cost solution than a DSO by an estimated £200,000

6.4 This assessment relates purely to the costs of collection.
The Council and our East Sussex partners are currently completing work on arrangements for the disposal of dry mixed recycling material.
Proposed disposal arrangements will be reported to Cabinet in Summer 2018

6.5 iESE makes the following observation: ‘Eastbourne Borough Council and Lewes District Council have begun the process of joining together to create more cost-effective organisations, generate savings and protect frontline services. Waste operations, which comprise the collection of household residual waste, recycling and garden waste material along with clinical waste, commercial collections and street cleansing are a significant area of spend in both authorities and there are potential opportunities in the future where these services could be managed jointly more efficiently’.

7.0 Outcome expected and performance management

7.1 The new service will cost in the region of £3.73m - £3.93m according to the analysis carried out by iESE, which represents an increase over current costs of the Kier contract, as set out in para 1.5. Projected costs of a new EBC contracted-out service, post June 2019, were modelled at between £4m and £4.7m in 2017.

7.2 The LACC option offers flexibility to implement more competitive terms and conditions of employment. Against that, it will be slightly more expensive to set-up and its governance arrangements more onerous.

7.3 The DSO option may be less expensive to set-up and likely to have lower management and administration overheads within the 'operational function' than the LACC. The governance arrangements are also likely to be less complicated. Against this, staffing costs will be greater over the longer term and employment terms less flexible.

8.0 Financial appraisal

8.1 Based on the business plan produced by IESE the indicative annual running costs of using a LACC to run the service are considerably less than the in-house options by an estimated £200,000. Whilst the set up costs for a LACC are higher these are easily covered in the first year of operation.

Whichever option is decided upon there will be an increase in costs over the current budget and the implications will be reflected as part of the MTF5 consideration in July.

Once the decision on the future direction is made, further work will be undertaken to expand on the financial cost to a more detailed level and understand the VAT implications.

9.0 Legal implications

9.1 The Council has the power to provide the services either jointly with Lewes District Council or separately. They can if they choose to do so through a DSO or LACC route. In either case the provisions of the Environmental Protection Act 1990 (which imposes some obligations and restrictions in relation to the provision of the services within the administrative area of the Council) will need to be factored into any business case.

9.2 During the development of the proposals the position of any proposed LACC in relation to public procurement will need to be confirmed.

The LACC is likely to be a "body governed by public law" and so will have to comply with the public procurement regime as a contracting authority in its own right.

In addition it will be important to ensure that the governance arrangements of the company meet the requirements for the exemption from procurement for the award of contracts to a controlled entity (often referred to as a "Teckal" arrangement).

9.3 Generally funding provided for within the Council for activities carried out by the Council departments (like a DSO) will not raise issues of State aid as the Council in carrying out public duties is not acting as an "undertaking" carrying out economic activities. Where a separate entity is established then issues of State aid can arise as funding may not be regarded as simply just inter state transfers and the entity may be regarded as an "undertaking" for state aid purposes carrying out an "economic activity".

The position on State aid will need to be confirmed if a LACC is the chosen

option.

[006322-LDC-CJEC 15 January 2018]

10.0 Equality analysis

10.1 An Equality and Fairness Analysis has been completed and is available from the report author.

11.0 Conclusion

11.1 Both options are viable, the LACC being more expensive to set up than the DSO and governance arrangements more onerous. However, the LACC offers the following benefits:

1. Flexibility in terms and conditions
2. The potential to develop options in parallel on future trade waste
3. Lower operating costs and a broader Environmental Services offer

Appendices, Exempt

- **Appendix One**
- **Appendix Two**
- **Appendix Three**

Background papers

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

- *See below*

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

The following document is referred to in this report but is exempt from being a Background Paper under section 100D(4) LGA 1972 because it falls under the following paragraphs in Schedule 12A LGA 1972

1. Information relating to any individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information:

iESE Report

Eastbourne Borough Council - Waste Service Delivery Vehicle:

In-House Service v. Local Authority Controlled Company

Comparative Business Case

January 2018

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