

Cabinet

12 December 2018



Working in partnership with **Eastbourne Homes**

Time and venue:

6.00 pm in the Court Room at Eastbourne Town Hall, Grove Road, BN21 4UG

Membership:

Councillor David Tutt (Chair); Councillors Alan Shuttleworth (Deputy-Chair) Margaret Bannister, Jonathan Dow, Stephen Holt, Colin Swansborough and John Ungar

Quorum: 3

Published: Tuesday, 4 December 2018

Agenda

- 1 Minutes of the meeting held on 24 October 2018 (Pages 1 - 4)**
- 2 Apologies for absence**
- 3 Declaration of members' interests (Please see note at end of agenda)**
- 4 Questions by members of the public**

On matters not already included on the agenda and for which prior notice has been given (total time allowed 15 minutes).
- 5 Urgent items of business**

The Chairman to notify the Cabinet of any items of urgent business to be added to the agenda.
- 6 Right to address the meeting/order of business**

The Chairman to report any requests received to address the Cabinet from a member of the public or from a Councillor in respect of an item listed below and to invite the Cabinet to consider taking such items at the commencement of the meeting.
- 7 Corporate performance - quarter 2 2018/19 (Pages 5 - 50)**

Report of Director of Regeneration and Planning and Chief Finance Officer
Lead Cabinet members: Councillors Colin Swansborough and Stephen Holt

8 Draft budget proposals 2019/20 (Pages 51 - 80)

Report of Chief Finance Officer

Lead Cabinet member: Councillor Stephen Holt

9 Council tax base and non-domestic rates income for 2019/20 (Pages 81 - 90)

Report of Chief Finance Officer

Lead Cabinet member: Councillor Stephen Holt

10 Community safety partnership annual report (Pages 91 - 96)

Report of Director of Regeneration and Planning

Lead Cabinet member: Councillor John Ungar

11 Sustainability policy (Pages 97 - 102)

Report of Director of Regeneration and Planning

Lead Cabinet member: Councillor Jonathan Dow

12 Sustainable energy investment feasibility (Pages 103 - 110)

Report of Director of Regeneration and Planning

Lead Cabinet member: Councillor Jonathan Dow

13 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).

14 Community and housing grants - Major grants (Pages 111 - 124)

Report of Director of Regeneration and Planning

Lead Cabinet member: Councillor Alan Shuttleworth

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

Information for the public

Accessibility: Please note that the venue for this meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired. This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

Filming/Recording: This meeting may be filmed, recorded or broadcast by any person or organisation. Anyone wishing to film or record must notify the Chair prior to the start of the meeting. Members of the public attending the meeting are deemed to have consented to be filmed or recorded, as liability for this is not within the Council's control.

Public participation: Please contact Democratic Services (see end of agenda) for the relevant deadlines for registering to speak on a matter which is listed on the agenda if applicable.

Information for councillors

Disclosure of interests: Members should declare their interest in a matter at the beginning of the meeting.

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).

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

Democratic Services

For any further queries regarding this agenda or notification of apologies please contact Democratic Services.

Email: committees@lewes-eastbourne.gov.uk

Telephone: 01323 410000

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Working in partnership with **Eastbourne Homes**

Cabinet

Minutes of meeting held in Court Room at Eastbourne Town Hall, Grove Road, BN21 4UG on 24 October 2018 at 6.00 pm

Present:

Councillor David Tutt (Chair)

Councillors Alan Shuttleworth (Deputy-Chair), Margaret Bannister, Jonathan Dow, Stephen Holt, Colin Swansborough and John Ungar

Officers in attendance:

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Philip Evans (Director of Tourism & Enterprise), Ian Fitzpatrick (Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Peter Finnis (Assistant Director for Corporate Governance) and Simon Russell (Committee and Civic Services Manager)

34 Chief Finance Officer

Homira Javadi, Chief Finance Officer was welcomed to her first meeting of the Cabinet.

35 Minutes of the meeting held on 12 September 2018.

The minutes of the meeting held on 12 September 2018 were submitted and approved and the chair was authorised to sign them as a correct record.

36 Apologies for absence

None were reported.

37 Declaration of members' interests

None were declared.

38 Review of safeguarding children and vulnerable adults policy

The Cabinet considered the report of the Director of Service Delivery seeking their agreement to the proposed joint safeguarding children and vulnerable adults policy.

The Cabinet stated the importance of the report and expressed their thanks to Pat Taylor, Strategy and Partnership Lead (Thriving Communities) and her team for their work on the policy.

As part of the policy, training sessions on safeguarding for officers and councillors must be completed within 3 months from the start of employment/term of office and would form part of the member induction programme following the 2019 elections.

Cabinet made reference to the 'Domestic Violence Disclosure Scheme' that gave members of the public a formal mechanism to make enquiries about an individual who they are in a relationship with, or who is in a relationship with someone they knew, where there is a concern that the individual may be violent towards their partner.

Resolved (key decision):

(1) To note the review of Eastbourne Borough Council and Lewes District Council's safeguarding children and vulnerable adult policies and procedures carried out in 2018.

(2) To approve the new safeguarding policy, appended to the report

(3) To delegate authority to the Director of Service Delivery in consultation with the Lead Member for Direct Assistance Services to make any minor amendments required following consultation.

Reason for decision:

To update the previous policy, bringing it into line with recommended practice and with current pan-Sussex policies and procedures.

39 Statement of Community Involvement

The Cabinet considered the report of the Director of Regeneration and Planning, highlighting changes to the Statement of Community Involvement as a result of the Neighbourhood Planning Act 2017. The report also sought members to authorise the publication of a revised Statement of Community Involvement for public consultation with the local community and other stakeholders for an 8 week period.

Resolved (key decision):

(1) To approve the revised Statement of Community Involvement (SCI) as set out at appendix 1, for publication for an 8 week consultation period to receive representations and comments.

Recommended to Council (budget and policy framework):

(2) To delegate authority to the Director of Regeneration and Planning in consultation with the Lead Cabinet Member to make minor or technical amendments arising from the consultation and to seek its adoption by Full Council.

Reason for decision:

The Council's previous SCI is considered to be out of date as a result in changes in legislation since it was adopted on 19 July 2017 and a new SCI is being prepared to guide public consultation in the preparation of the new Local Plan for the town.

To ensure the new SCI is progressed towards adoption in a timely manner thereby supporting the implementation and delivery of the new Local Plan.

40 Joint transformation programme update

The Cabinet considered the report of the Assistant Director for Human Resources and Transformation, updating them on the progress of the joint transformation programme and seeking their approval for the phase 3 business case.

Phase one and two of the programme had secured savings and efficiencies of £2.8 million, with £400,000 targeted in phase three. Phase three would conclude this programme of transformational activity and enable the council to face current and future challenges and opportunities from a position of strength and with increased resilience.

Support for staff during phase three was detailed at 2.17 of the business case. The Cabinet conveyed thanks to staff for the work undertaken during the programme and their positive response to the challenges faced.

Resolved (key decision):

(1) To note the progress of the joint transformation programme.

(2) To approve the business case for the joint transformation programme phase 3 which included recommendations to approve:

(a) The total savings/income target of £400,000 for phase 3.

(b) The approach for delivering the phase 3 transformation and savings/income.

(c) The phase 3 governance arrangements.

(d) The phase 3 costs and allocate an additional £1.4m to the programme (£700,000 from Eastbourne Borough Council).

(e) The revised costs and benefits realisation ratio of 50:50 between Eastbourne Borough and Lewes District Councils.

Reason for decisions:

To enable Cabinet members to consider the progress of the Joint Transformation Programme and to determine the next steps in the transformational journey.

The meeting ended at 6.14 pm

Councillor David Tutt (Chair)

Agenda Item 7

Body:	Cabinet
Date:	12 December 2018
Subject:	Corporate Performance Q2 2018/19
Report of:	Chief Finance Officer Director of Regeneration and Planning
Cabinet member:	Councillor Stephen Holt, Councillor Colin Swansborough
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 Q2 2018/19 period.
Decision type:	Non Key
Recommendation:	Cabinet is recommended to : <ul style="list-style-type: none">i) Note the achievements and progress against Corporate Plan priorities for 2018/19, 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 2018/19.iii) Agree the General Fund, HRA and Collection Fund financial performance for the quarter ended September 2018 as set out in part B of this reportiv) 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
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council's progress and performance.

Contact: Jo Harper, Head of Business Strategy 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 2 2018/19.
- 5.2 Both the General Fund and HRA budgets are on target. Capital expenditure is in line with expectations
- 5.3 The Collection Fund forecast for Council Tax is indicating a surplus of £0.5m and a deficit for Business Rates of £1.6m. This will be allocated to or collected from preceptors during 2019/20.
- 5.4 Treasury Management performance is on target and all activities were within the approved Treasury and Prudential Limits, except for temporary balances exceeding limits with Lloyds Bank.

Appendices

Appendix 1 – Q1 Performance Overview

Appendix 2 – General Fund

Appendix 3 – Housing Revenue Account

Appendix 4 – Capital Programme

Background Papers:

The Background Papers 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 2018/19*
- *Collection Fund and Business Rates Collection Fund monitoring working papers September 2018*

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

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Part A

Corporate Performance Q2 2018/19

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 second quarter of 2018/19 (1 July to 30 September 2018).
- 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 2018/19 Q2 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 – Q2 2018/19

4.1 Achievements:

There were a number of significant achievements to report including:

- Bandstand patrons: numbers have far exceeded our targets.
- The Beacon: Next, H&M, Fat Face and Costa Coffee are all open for business.
- Planning: almost all targets met.
- Eastbourne Park initiatives project: Completed ahead of schedule.
- DFG processing times: considerably improved.
- Sickness figures: are within target for the year although we expect a drop as flu/cold season approaches.

4.2

In Q2, 3 areas of the Council's work missed their targets. For all of these areas, as outlined below, focussed intervention work has been taking place and latest performance figures (Oct 2018) show that the situation is improving. That said external pressures (such as the national housing crisis and Universal credit pressures continue to affect the authority).

a) Housing: Numbers in emergency accommodation remain around the 150 mark. This is despite excellent work done by the teams which has resulted in more clients leaving emergency accommodation. The homelessness pressures project, which kicked off earlier this year, achieved the following in Q2:

The landlord's reward scheme is slowly gaining momentum and interest, having secured its first tenancy, with several lined up to start over the coming months.

There are seven new trainees all ready to start the trainee programme on 12th

November, so this will support with demand/resourcing.

b) Benefits processing: Processing times were over target times in Q2, however through systematic management support of training and coaching, performance was above target in Oct.

c)Calls: As previously reported, a number of interventions are taking place. As a result, the call handling times and abandonment figures have both significantly improved.

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.

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Appendix 1

Eastbourne Borough Council Corporate Performance Report Q2 2018-19

1. Prosperous Economy

1.1 Prosperous Economy Key Performance Indicators

1.2 Prosperous Economy Projects & Programmes

2. Quality Environment

2.1 Quality Environment Key Performance Indicators

2.2 Quality Environment Projects & Programmes

3. Thriving Communities

3.1 Thriving Communities Key Performance Indicators









3.2 Thriving Communities Projects & Programmes

4. Sustainable Performance

4.1 Sustainable Performance Key Performance Indicators

4.2 Sustainable Performance Projects & Programmes

Community Projects – Devolved Ward Budgets Q2

Key			
	Performance that is at or above target Project is on track		Performance that is below target Projects that are not expected to be completed in time or within requirements
	Project has been 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
	Direction of travel on performance indicator : improving performance		Direction of travel on performance indicator : declining performance
	Direction of travel on performance indicator : no change		Data with no performance target

CPR Ebn 1 Prosperous Economy 18-19

1.1 Prosperous Economy Key Performance Indicators

1.1 Prosperous Economy Key Performance Indicators

a Investing in housing and economic development

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Increase the number of affordable homes delivered (gross)	30	0	0	✓	0	0	✓	➡	<p>There were no homes delivered in Q2 as expected. The target for this PI has been profiled through the year. There are no deliveries expected until Q1 2019 (June/July 2019).</p> <p>The following are being delivered by the Development Team : 12 units at Northbourne Road, 7 units at Fort Lane</p> <p>The following are being delivered in conjunction with Clear Futures: 9 units at 183 Langney Road, 8 units at Lanark Court, 4 units at Timberley Road, 5 units at Biddenden Close and 7 units at Brede Close. Expected to be on site in Q1/Q2 2018/19.</p>

b Providing opportunities for businesses to grow and invest

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Town centre vacant retail business space	7.1%	5.51%	7.1%	✓	5.66%	7.1%	✓	⬇️	In Q2 the vacancy rate has risen slightly from 5.51% in Q1 to 5.66%. This is still below the national vacancy rate and also within target.

c A great destination for tourism, arts, heritage and culture

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Increase numbers of bandstand patrons	38,000	18,446	8,000	✓	45,003	30,000	✓	↑	Bandstand performance is up by around 30% compared to last year. With an extended season up to 15 October, targets have been exceeded.




Page 15 CPR Ebn 1.2 Prosperous Economy Projects & Programmes 18-19

1.2 Prosperous Economy Projects & Programmes



1.2 Prosperous Economy Projects & Programmes

a Supporting investment in infrastructure





Project / Initiative	Description	Target completion	Status	Update
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.	Q1 2019/20	✓	Monthly meetings held with Mildren and ESCC. Paving is progressing well in Terminus Road and Cornfield Road. A 3 metre wide footway has been provided outside Next and H&M. H&M and Next opened in October.
Extension to Arndale Shopping Centre (The Beacon)	Led and financed by Legal and General. An £85m scheme to provide 22 new retail units, 7 restaurants and 9 screen cinema.	Q3 2018/19	✓	External works along Terminus Road and Ashford Road are almost complete. H&M unit is fully fitted out and opened on 12 October. Next, Fat Face and Costa are also now open for

Project / Initiative	Description	Target completion	Status	Update
				business.
Sovereign Centre Review	A new leisure centre	Q4 2019/20		<p>The scheme is now on track with Revised RIBA Stage 3 report due mid October 2018. Planning application will be made December 2018 with start on site due early summer 2018 with opening targeted for early Spring 2021.</p> <p>The construction contractor has been selected through the CSF process. The consultancy/design team are in the process of being transferred to CSF.</p> <p>Negotiations are underway to appoint Serco to operate the existing Centre until the new Centre opens.</p>
Delivery of Community Centre to serve the Sovereign Harbour Neighbourhood	EBC working with Sea Change Sussex to deliver a Community Centre at Sovereign Harbour.	Q2 2018/19		Construction work complete. Have arranged a meeting on site to agree outstanding internal and external works (snagging list). Kitchen and gas connection was completed in Q3.
Bedfordwell Road - EBC New Build Housing	One project within the Housing and Economic Development Programme to deliver refurbished and redeveloped housing within the Borough.	Q1 2025/26		ClearFutures are taking over programme, with internal EBC resource oversight. The survey and report to identify wind and water tight works at the Pump House was recently carried out. Site plans are being drawn up for pre-planning. Site in part is under licence to Mildren for storage of materials during works at the new shopping centre.

b Providing opportunities for businesses to grow and invest

Project / Initiative	Description	Target completion	Status	Update
Sovereign Harbour Innovation Park (SHIP)	New contemporary business premises at Sovereign Harbour Innovation Park	Q4 2021/22		Occupancy of Pacific House remains at 80%. Meeting held with John Shaw from Sea Change Sussex on 11 September to discuss the delivery of Phase 2 of the SHIP.
Hampden Retail Park	The acquisition and development of Hampden Retail Park as part of the Property Acquisition and Investment Strategy (PAIS).	Q2 2019/20		Exchange of contracts on the land adjacent to the car park from East Sussex County Council took place this quarter which will allow for the scope of development at the site. New tenants 'Office Depot' now in the empty unit left by the closure of Maplins.

c A great destination for tourism, arts, heritage and culture










Project / Initiative	Description	Target completion	Status	Update
Refurbish the Redoubt Fortress	Restoration of the fort - Create a new entrance, lift access, opening of remaining casements, environmental improvements.	Q4 2019/20		<p>Planning is progressing well for the refurbishment and building works that will enable improved access and increased use of the Redoubt.</p> <p>Non-intrusive investigations to the fabric of the building will begin when the Redoubt closes to the public in November 2018. Building works are due to commence in mid 2019.</p> <p>The Redoubt will open for weekend 'Hard-Hat' tours by early summer 2019.</p>
Wish Tower Restaurant	Scheme to deliver a flagship restaurant	Q1 2019/20		<p>Construction of the restaurant started on site 19/11/18 (with the founder of the Bistro Pierre chain present to launch this). Clear Sustainable Futures are leading on the contract management of Sunninghill. The design and build specification and associated lease have been finalised.</p>
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.	Q4 2019/20		<p>Work towards 'The Story of Eastbourne' in Victoria Mansions progressing well.</p> <p>Heritage team currently bringing the narrative and display together and all external illustrations have been commissioned and completed.</p> <p>Works to the unit are starting in October and due to be complete by mid-December 2018. The Heritage Team will then complete the fit-out to ensure the facility opens to the public in Spring 2019.</p>
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: Improving Accessibility: Improving tennis facilities: New Conference/exhibition Space & Cafe: Public realm improvements	Q3 2020/21		<p>Welcome Building (expected completion 24 March 2019) External panels and concrete cladding on-going. Curtain walling and glazing proceeding well. Internal fit out commenced. Bridge connection to Congress Theatre underway. Congress (expected completion 24 March 2019) M&E installation progressing well; boilers and plant room complete. Decoration and finishing BOH on-going. Lighting bridge and balcony lighting almost complete. FOH refurbishment on-going including terrazzo in toilets. Stage tech installation proceeding well. Internal scaffold strike has begun; rear stalls area clear for new flooring/seating infrastructure installation. Racquet Court Storage options in development. Winter Garden (expected completion - late 2019) Final design drawings complete. Reviewing procurement options with Clear Futures. West facade to be replaced following detailed survey. Tennis Devonshire Halls demolition complete. Drainage and resurfacing to commence mid-October. Misc Remobilisation planning ongoing. IT equipment on order. Highways work commenced; starting in Compton Street. Kitchen design to be adjusted to incorporate refinements to fire escape from Winter Garden and Stage Door.</p>

CPR Ebn 2 Quality Environment 18-19




2.1 Quality Environment Key Performance Indicators

2.1 Quality Environment Key Performance Indicators


a High Quality Built Environment

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Increase the percentage of Major Planning Applications processed within 13 weeks	65%	100%	65%		100%	65%			Performance remains above target for Q2. Three major planning applications were processed within 13 weeks during this quarter.
Increase the percentage of minor planning applications processed within 8 weeks	75%	73%	75%		74%	75%			34 out of 46 minor planning applications were processed within 8 weeks. Q2 shows a modest increase in performance but remains slightly under the target of 75%. Attention to caseload following transition will result in enhanced performance for the coming quarter.
Increase the percentage of other planning applications processed within 8 weeks	75%	73%	75%		78%	75%			65 out of 83 other planning applications were processed within 8 weeks. Performance is above target and has improved this quarter (Q1: 73%).

b A clean and attractive town

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Decrease the number of reported fly-tipping incidents	600	102	150		130	150			Performance within target for Q2. Therefore at the end of Q2 the yearly maximum figure of 600 is also on track.

c Less waste and low carbon town


KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Increase the percentage of household waste sent for reuse, recycling and composting	36.00%	37.40%	36.00%		tbc	36.00%	tbc	tbc	We are awaiting Q2 data. As with every quarter there is a lag with receiving the verified waste data flow.

CPR Ebn 2.2 Quality Environment Projects and Programmes 18-19

2.2 Quality Environment Projects and Programmes

2.2 Quality Environment Projects and Programmes




a High Quality Built Environment

Title	Description	Target Completion	Status	Update
Conservation area appraisals	<p>This relates to the Seafront & Town Centre Conservation area.</p> <p>Project to appraise Eastbourne's conservation areas. 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.</p>	31-Mar-2019		<p>Town Centre and Seafront Conservation Area appraisal is complete and recommends extending the boundary in key locations. These recommended extensions are under review by officers and will be reported to the necessary committees in the future.</p> <p>College Conservation Area Appraisal has been commissioned and begun. The results will be reported to the necessary committees.</p>

b Excellent parks and open spaces

Project / Initiative	Description	Target completion	Status	Update
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.	Q4 2019/20		<p>Information boards and new gates all installed and snagging completed.</p> <p>The project is now complete and finished ahead of time.</p>

c Less waste and a low carbon town




Project / Initiative	Description	Target completion	Status	Update
Clear Futures: Joint Venture for Energy and Sustainability	A joint venture between Eastbourne and Lewes Council and a private sector organisation to deliver local energy and sustainability ambitions for the next 20-30 years. The Joint Venture will follow a programme of work.	Q1 2037/38		Joint Venture (JV) Steering Board meetings to take place every other month. The meetings provide an update on what progress has been made on projects that are being delivered through the JV over the last two months; provide updates on New Project Requests and details of any potential new participants. First JV Steering Group Project meeting held on 18 September.
Single use plastic (SUPs) reduction in council offices	Project aiming to reduce the amount of single use plastic items used in offices in LDC and EBC.	Q4 2018/19		An internal communication strategy is currently underway to raise awareness of the issues of SUP and the work we are undertaking to reduce colleagues' use of SUP. We are preparing for the second plastic audit of council offices as well as the questions for the second staff survey which will both be undertaken in November. These will measure the impact of our work including the reduction in SUP use and staff behaviour and attitudes.
Waste mobilisation programme - overarching	Programme to establish a Local Authority Controlled Company (LACC) to manage waste services at EBC.	Q4 2020/21		<p>The Joint Waste Member Board (JWMB) comprising Cllr Paul Franklin and Cllr Jonathan Dow, the Director of Service Delivery and officers, met 8 August 2018 to agree terms of reference and receive reports on performance and work streams relating to the waste programme, with a further meeting 5 October.</p> <p>The purpose of the JWMB is:</p> <ul style="list-style-type: none"> • To provide oversight to the current Waste Programme across both councils. • To consider industry best practice and share lessons learned. • To help guide the development of recommendations for the shape and focus of future service delivery, exploring opportunities for joint working where appropriate. • To provide advice on issues that affect service users/ residents. • To receive and consider performance reports and information, as required. <p>The officer programme board has met regularly through Q2 to track related work streams. Good progress has been made in terms of depot provision; new fleet procurement for both waste services; and IT systems for the new service at Eastbourne.</p> <p>The new waste company has been incorporated with Company House as South East Environmental Services Ltd (SEESL) and Directors appointed to the board.</p>

CPR Ebn 3 Thriving Communities 18-19







3.1 Thriving Communities Key Performance Indicators

3.1 Thriving Communities Key Performance Indicators

a Improved Health and wellbeing













KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
DFGs - Time taken from council receiving a fully complete application to the council approving the grant	28 days	56 days	28 days		4 days	28 days			Processing times have improved considerably since Q1. The PI shows how long the council take in processing the DFG taking away the external influences that are out of our control and has been configured to take account of how the occupational therapists (OT) have changed their processing due to them having to employ private OT's.







b Meeting Housing Needs

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Number of Licensed HMO's Inspected per Quarter	50	46	12.5		38	12.5			Within target
Number of households living in emergency (nightly paid) accommodation	80	153	80		151	80			Despite on-going pressures the team continue to deliver some good work to continue with our overall objective to reduce emergency accommodation figures. 18 clients left emergency accommodation in Sept, with at least 10 more scheduled to leave in early October. We met our targets for the rough sleeping initiative, through a combination of rent




KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
									in advance loans and temporary accommodation placements, with the assessment centre due to open on 1st Nov. We continue to require significant agency support with backlog decisions.
Satisfaction with housing services	75%	86%	75%	✓	88%	75%	✓	↑	
Rent arrears of current tenants (as a percentage of all rent)	3%	2.68%	3%	✓	2.8%	3%	✓	↓	The rent arrears are within target. They have reduced from August to September. The Account Management Team has completed 74% of arrears recommendations during September.
Average void relet time key to key (month & YTD)	24.0	24.4	24.0	⚠	23.6	24.0	⚠	↑	<p>October Position</p> <p>Average re-let time for minor voids was 17.86 days, an improvement from Q2. We re-let 8 properties, 1 of which needed extensive repairs or adaptation installations. With the property, average relet times are 28.1 days.</p> <p>June-Sep commentary</p> <p>Average re-let times for minor voids was 18.4 days. 50 properties were re-let, of which 8 needed extensive repairs. For those, our relet times were adversely affected by our partners not achieving targets for completing repairs on vacant property. Through contract management mechanisms we are now driving forward improvement.</p> <p>Performance improvement plan carried out</p> <p>Our partners have an improvement plan which is expected to reduce the average number of days for the works phase in order to bring overall re-letting times back within target by end of Q3</p>

c Putting the Customer First

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Revs and Bens: Average days to process new claims	23	26	23		25	23			<p>Latest position (Oct 2018): Processing times have improved and were within target at 22 days which is above the national average of 23 days.</p> <p>June-Sep commentary: Performance has improved from Q1.</p> <p>Performance Improvement Plan Performance is being monitored and addressed by training and coaching staff. In Q3 an intensive, solutions based project was launched to look at this area with the aim of improving processing times.</p>
Revs and Bens: Average days to process changes	8	11	8		10	8			<p>Latest position (Oct 2018): Processing times have improved and were at 9 days in October. Please see note above.</p>
Number of new sign-ups to the Councils' social media channels	600	592	150		454	150			
Increase the percentage of calls to the contact centre answered within 60 seconds - Ebn	80%	27.69%	80%		27.65%	80%			<p>Latest position (19-23 Nov): Significant improvement and nearing target.</p> <p>Calls answered within 60 seconds: 65.2% (target 80%)</p> <p>Average speed of answer: 60 seconds (Back on target)</p> <p>Total number of calls offered: 3163</p> <p>Total number of calls handled: 3016</p> <p>June - September Commentary: Q2 was a challenging quarter however performance has</p>

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
									<p>improved. We continue to engage and train new members of staff and implement new ways of working. Queue busting continues to take place to assist with the average time to answer calls and although this can be demanding during busy lunch time periods, it does make a positive difference.</p> <p>Performance Improvement Plan Carried out: In late September the training for 8 Customer Advisors was successfully completed and 3 of the Advisors have now gone solo with less supervisory support needed. All 8 staff will still need light touch support, however this will decrease over the coming months. On a positive note on the 26th September we transitioned the LDC Planning calls into the customer contact team. There was an extensive 2 week training for this transition during the month and although this did have an impact on the number of staff available, we are now in a great position with many more staff than before in place who are able to assist customers with planning enquiries.</p>
Reduce the numbers of abandoned calls to the contact centre - Ebn	5%	31.16%	5%		29.24%	5%			<p>Latest Position (19-23 Nov)</p> <p>Calls abandoned (caller hung up after 6 seconds or longer): 4.5% (Back within target)</p> <p>June - September Commentary</p> <p>Q2 was a challenging quarter but improvement has improved significantly</p> <p>Performance Improvement plan carried out: Please see PI above.</p>
Number of people registering for our email service (GovDelivery)	4,000	5,310	1,000		1,158	1,000			<p>We would expect Q2 to be lower than Q1, as the introduction of GDPR in May 2018 saw an unusual spike in sign-ups.</p>


d Keeping Crime and anti-social behaviour low


KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Improve our ranking compared to similar authorities in relation to all crime - Eastbourne	5	1	5		1	5			Eastbourne was ranked 'lowest' in its Most Similar Group for crimes per 1000 population in this quarter - the best ranking and a significant improvement by comparison with other authorities in the group compared with previous months. The Community Safety Partnership continues to focus on addressing anti-social behaviour associated with young people and street communities and on developing work to address the increased risks posed by organised crime targeting vulnerable young people and adults. Further details will be included in the reports to Scrutiny and Cabinet in December.

CPR Ebn 3.2 Thriving Communities Projects and Programmes 18-19

2.2 Thriving Communities Projects and Programmes

Meeting housing need

Project / Initiative	Description	Target completion	Status	Update
Housing Development Programme	Deliver an ambitious programme of housing development and refurbishment that provides homes and makes a positive contribution to Eastbourne's economic future	Q4 2019/20		<p>CSF is now overseeing Bedfordwell Road in conjunction with the internal project team. Surveys have been done for progressing the Pump House wind & water tight works.</p> <p>Northbourne Road development of 12 new homes is now on site, foundation works are underway.</p> <p>Clear Sustainable Futures (CSF) is engaged for the infill sites (garage) project with 183a-c Langney Rd being included in this programme of works. Design and preparation works are underway.</p>

Project / Initiative	Description	Target completion	Status	Update
				<p>Fort Lane final contractual negotiations underway.</p> <p>Wind and watertight works at Victoria Mansions are due to commence soon. These are being overseen in conjunction with CSF.</p>
Homelessness Pressures and Rough Sleeping Project	Reduce homelessness.	Q4 2019/20		<p>Despite on-going pressures the team continue to deliver some good work to continue with our overall objective to reduce emergency accommodation figures. 18 clients left emergency accommodation in Sept, with at least 10 more scheduled to leave in early October. We met our targets for the rough sleeping initiative, through a combination of rent in advance loans and temporary accommodation placements, with the assessment centre due to open on 1st Nov. We continue to require significant agency support with backlog decisions.</p> <p>The homelessness pressures project, which kicked off earlier this year, achieved the following in Q2:</p> <p>The landlord's reward scheme is slowly gaining momentum and interest, having secured its first tenancy, with several lined up to start over the coming months.</p> <p>There are seven new trainees all ready to start the trainee programme on 12th November, so this will support with demand/resourcing in the mid-term</p>

c Resilient & engaged communities







Project / Initiative	Description	Target completion	Status	Update
Welfare Reform (Universal Credit)	To support those vulnerable residents affected by the government's welfare reform programme.	Q4 2019/20		<p>This is now considered to be business as usual in Eastbourne as the Full UC service has been operational for over a year. We still have regular contact with Jobcentre Plus managers and monitor the work done by the CAB in terms of assisted digital support and personal budgeting support.</p>

CPR Ebn 4 Sustainable Performance 18-19




4.1 Sustainable Performance Key Performance Indicators

4.1 Sustainable Performance Key Performance Indicators

a Delivering a balanced budget

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Target	Status		
Percentage of Council Tax collected during the year - Eastbourne	97.06%	28.75%	29.19%		55.53%	56.13%			We are 0.6% below the profiled target. This is primarily due to the backlog of work outstanding which the Account Management Team is reducing.
Percentage of Business Rates collected during the year - Eastbourne	98.50%	29.53%	29.90%		54.78%	54.72%			We are 0.06% ahead of the profiled target

b Managing our people & performance

KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Cumulative Target	Status		
Average days lost per FTE employee due to sickness	8.0 days	1.62 days	2.0 days		3.73 days	4.0 days			<p>This is the second quarter of reporting average days lost due to sickness for our entire staff group. In Q2, sickness was 2.11 days represent a decrease from the same period last year which was 2.85.</p> <p>There is generally a higher level of sickness in the Waste Service and it is interesting to note that if we take Waste out of the calculation, the Q2 figure reduces to 1.81. Waste</p>


KPI Description	Annual Target 2018/19	Q1 2018/19			Q2 2018/19			Direction of travel between Q1 18/19 and Q2 18/19	Latest Note
		Value	Target	Status	Value	Cumulative Target	Status		
									<p>Services on its own is 3.86 days for Q2.</p> <p>A few long term cases have been resolved recently and only 3 employees were off for the entire quarter, a decrease from Q1, all of whom are being supported by their manager with support from HR and progressing through the Attendance Management process.</p> <p>The total for Q1 and 2 is 3.7 days lost, which means we are in line to remain within our target of 8 days. However, we are mindful that Q3 and 4 historically have an increased absence rate, due to the winter months. HR has been promoting Influenza Vaccination to try and mitigate this.</p>

Page 29 CPR Ebn 4.2 Sustainable Performance Projects and Programmes 18-19

4.2 Sustainable Performance Projects and Programmes

4.2 Sustainable Performance Projects and Programmes

Delivering in partnership

Project / Initiative	Description	Target completion	Status	Update
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 £2.8m savings while protecting services	Q4 2019/20		<p>Latest Position (October 2018) Discussions over recent weeks relating to the delivery of technologies and the relationships with third party suppliers indicate an increased likelihood of an improved position for next quarter. Officers will continue working to manage and mitigate for these issues throughout the quarter.</p> <p>Q2 Update: The programme delivered a number of significant actions/progress towards actions within</p>

Project / Initiative	Description	Target completion	Status	Update
				<p>the quarter, including:</p> <ul style="list-style-type: none"> - Further services continue to transition to new systems and ways of working – primarily, the Planning Service – enhancing and modernising the way in which we provide services and manage activities. - Planning for the next JTP Phase 2 transition – Homes First – has been the primary focus of colleagues working on the programme. - Technology developments continue to be deployed to support the new ways of working (eg.tablet devices and Outlook Web Access were rolled out to councillors to provide flexible access to council emails) and an enhanced phonebook was launched on the intranet delivering greater usability and functionality for all users. - Channel shift (the process by which the council encourages customers to interact via digital channels) – progress has been made to increase customers' use of online channels (eg. there was a 6% increase in processes being completed online in the year to September 2018) and this is expected to grow further (eg. a number of processes for businesses/landlords are now "online only"). - The teams working on delivering the aims of the Joint Transformation Programme continue to listen and respond to feedback - mainly in relation to the joint website and the availability of staff on the phones. The Supporting Change Steering Group is driving this continuous improvement and the commitment is to ensure that all feedback is assessed and, where necessary, action is taken. - Planning for the next stage in the transformation journey - JTP Phase 3 – was finalised for consideration by Cabinet in October 2018. <p>The JTP tackles the same challenges and risks that all change management programmes of this scale and ambition face - issues relating to technologies, personnel and the relationships with third party suppliers are known and are being managed appropriately. Delivery of the transformation is being managed within the £6.8m budget and the £2.8m of savings for JTP Phases 1 and 2 have been achieved.</p>

Devolved Budgets 2018/19 - 1 July 2018 to 30 September 2018

Ward	Projects	Description	Project Spend to Date
Devonshire	Parade Bowls Club	To replace the kitchen floor at the Bowls clubhouse.	£500.00
	Splash point Jazz Festival	To help support Eastbourne's first Jazz Festival. Secure additional promotional materials to help launch the event so that it can be self sustaining in the future.	£2,000.00
	Plastic Free Eastbourne	To help promote the need to reduce single use plastic use and to ensure that it is disposed of responsibly. This project will help promote Plastic Free Eastbourne and the work it does.	£350.00
Total spend			£2850.00

Ward	Projects	Description	Project Spend to Date
Hampden Park			
Total spend			£0.00

Ward	Projects	Description	Project Spend to Date
Langney	Langney Shopping Centre Defibrillator	To provide the second instalment for funding for a defibrillator at Langney Shopping Centre.	£256.00
	MakeLunch	To provide hot and nutritious meal for those in receipt of free school meals during term time. The service will be provided on certain days throughout the summer holidays from St Barnabas Church.	£300.00
	Compass Community Arts	Phase two of contributions to the Compass Arts Project providing frames for completed art work.	£180.00
	Langney Community Library	To provide a contribution to the set up costs of the Langney Community Library	£4,000.00
	Netcall Youth Badminton	To provide a contribution towards Junior Netcall badminton sessions at Shinewater Sports Centre	£350.00
Total spend			£5086.00

Ward	Projects	Description	Project Spend to Date
Meads	Wish Tower Planting	To convert the Moat of the Wish Tower into a memorial Peace Gardens.	£2,500.00
	Eastbourne Volunteers	To increase the spaces and facilities for the users of the service.	£1,504.93
	Coffee Pot	To provide mobile shelving, games and toys and promotion and branding to increase the success of the weekly event.	£1,050.00
	St Johns Bowling Club	To provide a replacement advertisement banner for St. John's (Meads) Bowling Club.	£140.00
Total spend			£5194.93

Ward	Projects	Description	Project Spend to Date
Old Town			
Total spend			£0.00

Ward	Projects	Description	Project Spend to Date
Ratton	Lakeside Festival	To provide funding for staging to allow local groups to perform at the Lakeside Festival.	£2,000.00
Total spend			£2000.00

Ward	Projects	Description	Project Spend to Date
St Anthony's			
Total spend			£0.00

Ward	Projects	Description	Project Spend to Date
Sovereign	Sovereign Community Centre	To assist with the funding of the fixtures and fittings for the new community centre at the Sovereign Harbour.	£8,000.00
Total			£8000.00

Ward	Projects	Description	Project Spend to Date
Upperton	JPK Project	To furnish a room for supported living accommodation at the JPK.	£1,200.00
Total spend			£1200.00

All Wards total spend	£23,130.93
Number of Schemes	15

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Financial Performance Monitoring Report

Part B

Quarter 2

Period Ending September 2018



1.0 General Fund

- 1.1 This quarterly monitoring report is prepared at a time where the Council's annual Service and Financial review process was also underway. The early outturn indication is a £129k of additional expenditure; however, further actions are taken to ensure the final outturn position is within the approved budget.

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

Department	Full Year Budget	Profiled Budget	Actual to 30th Sept 2018	Variance to date	Outturn
	£'000	£'000	£'000	£'000	£'000
SUMMARY					
Corporate Services	5,353	3,357	3,372	15	30
Service Delivery	5,180	27,704	27,706	2	(131)
Regeneration, Planning & Assets	(607)	606	619	13	66
Tourism & Enterprise Services	3,315	1,863	1,955	92	184
Contingencies, etc	(1,237)	(133)	-	133	267
Total Service Expenditure	12,004	33,397	33,652	255	416
Capital Financing and Interest	2,113	1,056	1,056	-	-
Contributions to/(from) Reserves	(620)	492	201	(291)	(287)
Net Expenditure	13,497	34,945	34,909	(36)	129

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

- 1.2 The position at the end of September shows a positive variance of £36k on net expenditure which is a movement of £48k compared to the position reported at the end of the first quarter in June.

Service expenditure has a variance of £416k mainly as a result of:

Development Control Fee additional income	(£30k)
Bandstand income	(£136k)
Building Control - reduced contract fee	(£33k)
Corporate Landlord income target shortfall and additional costs	£75k
Savings target for transitional posts to be delivered in 2019	£133k
One off items funded to be funded from reserves	£291k

- 1.3 The contingency currently stands at £148k which is available to fund one off areas of expenditure during the year. This is likely to be utilised to fund any overall outturn variance.
- 1.4 The projected outturn shows a variance of £129k. This variance is less than 1% of the net budget. Corporate Management Team (CMT) will be closely monitoring the expenditure and will be taking remedial action to ensure that expenditure is contained within the bottom line budget figure.

2.0 HRA

2.1 HRA performance of the quarter is as follows:

	Full Year Budget	Profiled Budget	Actual to 30 Sept 2018	Variance to date	Projected Outturn
	£'000	£'000	£'000	£'000	£'000
HRA					
Income	(15,301)	(7,844)	(7,824)	20	35
Expenditure	12,733	3,740	3,727	(13)	5
Capital Financing & Interest	1,924	-	-	-	-
Contribution to Reserves	500	-	-	-	-
Total HRA	(144)	(4,104)	(4,097)	7	40

There is a small negative variance of £7k for the quarter. A further breakdown is shown at **Appendix 3**.

3.0 Capital Expenditure

3.1 The detailed capital programme at **Appendix 4**, provides a summary of spend for quarter 2 compared to the revised allocation for 2018-19 and the total spend for each scheme as at end of September. The 2018-19 allocation has been revised to allow some re-profiling of schemes between 2018-19 and 2019-20. Brief comments are provided for each scheme and more detailed comments are provided below for larger schemes.

3.2 The Capital Programme for 2018-19 totals £54.1m compared to original Capital Programme approved in February 2018 of £50.4m. The changes to the Capital Programme are shown in the table below.

Summary of Capital Programme 2018/19 to 2021/22	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000
Original Approved Budget at 7.2.18	50,394	36,073	14,775	
HRA - Fort Lane increase	102			
Re-profiled prior years	34,522			
EHIC Revolving Credit	65			
Devonshire Park	4,360			
Year end re-profiling	456			
DFG allocated to SHCC	(400)			
Bedfordwell Road - Pump House	3,000			
West Langney Gates & Signs	18			
Sovereign Centre		4,820		
EHIC - Loan Facility	2,500	2,500	2,500	2,500
Waste Fleet	1,600			
Crematorium Improvements (Main Chapel)	50			
JTP Allocation agreed Cabinet Oct 18	1,400			
Re-profiling mid -year	(43,235)	28,246	14,990	
RTB receipts applied 2017-18 for AH	(353)			
Devonshire Park Theatre – Toilet refurbishment	103			
Current Programme	54,582	71,639	32,265	2,500

3.3 Detailed comments on larger schemes:

Line No. ref CP	Comment
7	New Build Phase 2 – Sumach Close is complete. The scheme for Fort Lane is planned to start late in quarter 3. Contractual negotiations are in progress.
16	<p>DFGs - It anticipated that the total spend on adaptations will be in the region of 700k. A further 125k will be spent on the Occupational Therapist (OT) integration project in 18/19 and again in 19/20 with the intention to extend to 20/21 in line with the Better Care Fund. This project will Integrate OT's into the Council, to focus on the prevention agenda that cuts across housing, social care and inclusion and community healthcare. It will aim to provide a less bureaucratic and more efficient offer to the local population in relation to DFG's, minor adaptations; provision of equipment and Telecare and assessments for Housing Options.</p> <p>Additionally a new discretionary policy is being written for 2018-2020 for DFG's to deliver a greater range of financial assistance, including fast track hospital discharge and adapted Temporary Accommodation.</p>
20	Coast Defences Beach Management - Works started 22 October. Despite difficulties due to the stormy weather work is anticipated to be completed before Christmas.
23	Works in Terminus Road (east and west), Cornfield Road and Gildredge Road are progressing well. £50k has been set aside to deliver a Wayfinding Strategy for the Town Centre. Sites for all signs have been agreed and signs for first section of Town Centre Improvement Scheme are being manufactured. The balance due to ESCC is likely to be paid in 2019-20.
24	Sovereign Harbour Community Centre. Construction work is complete. Outstanding internal and external works have been agreed with the Project Manager. A licence has been granted to allow installation of a kitchen.
62	IT – Block Allocation - Significant investment is taking 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 full allocation for 2018-19 has been committed and the allocations for 2019-20 & 2020-21 have been brought forward into 2018-19.
65	EHIC Loans (Properties purchased from EBC) - Agreed facility of £4,173k to provide loans to purchase EBC properties. Two loans totalling £980k have been agreed of which £955k has been drawn down. The remaining facility of £2,958k is available for other properties to be identified. A loan of £235k relating to Northbourne Road was drawn down and subsequently repaid.
68	EHIC loans (Properties purchased on the open market) - Agreed facility of £15m to provide loans to purchase private properties. 20 loans totalling £3,923k have been agreed of which £2,567k has been drawn down. The remaining facility of £11,077k is available for other properties. This facility is currently allocated to various years. One loan for £365k has now been repaid.

72	Aspiration Homes LLP Loan – Agreed a facility of £10m to provide loans to build and refurbish properties. Two facilities totalling £4,524k have been approved and £988k has been drawn down. There is a remaining facility of £5,476k
73	Bedfordwell Road – Clear Futures are progressing the site scheme and Pump House wind and water tight works. Remediation and well filling works are due to restart soon.
74	Hampden Retail Park Refurbishment – project is underway and the construction contractor has been appointed. The scheme has now had planning consent, but there are some last minute details to resolve prior to works commencing in Q4.
76	JTP Programme - This scheme is the subject of regular update reports to Cabinet. Additional allocation of £1.4m was agreed by Cabinet on 24.10.18; £700k relates to Eastbourne and £700k relates to Lewes.
79	Devonshire Park Development. The scheme is moving to completion with The Locker Room and bulk of the tennis court works complete. The Congress Theatre and associated landscaping will reopen in March 2019, followed soon after by the Welcome Building. The works to the Winter Garden will commence in 2019 and are currently anticipated to take some 9-12 months depending on the final scope.
91	Wish Tower Restaurant – design almost finalised; expecting stage 2 report from Clear Futures soon. Cost will exceed the current allocated budget and will be the subject of a separate Cabinet report.

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. The Collection fund for the year is as follows:

	Council Tax £'000	Business Rates £'000
Balance B/fwd 1.4.18	(1,267)	3,522
(Deficit recovery)/Surplus distributed	1,378	(2,969)
Debit due for year	(65,741)	(35,449)
Payments to preceptors	64,919	36,314
Allowance for cost of collection		128
Transitional Relief		(50)
Allowance for appeals		343
Write offs and provision for bad debts	255	(199)
Estimated balance 31.3.19	(456)	1,640
Allocated to:		
CLG	-	820
East Sussex County Council	(336)	148
Eastbourne Borough Council	(58)	656
Sussex Police	(40)	-
East Sussex Fire & Rescue	(22)	16
	(456)	1,640

- 4.2 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 2018/20. Any changes in quarter 4 will be made in 2020/21.
- 4.3 Council Tax performance is predicted to be a £0.5m surplus for the year. As the aim of the collection fund is to break even the surplus represents an overachievement of £0.6m 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 31.3.19 represents 0.7% of the gross debit.
- 4.4 The predicted Business Rate deficit of £1.6m for the year represents an in year underachievement from business rate income of £1m. There continues to be a significant risk associated with business rate income, with more than 117 appeals still outstanding against the 2010 rating list remaining to be settled with a total rateable value of £13.1m.
- 4.5 There is also a continued uncertainty over the number of appeals against the 2017 rating list received by the Valuation Office. Limited information is available on these appeals, therefore until more detail is known and evaluated an estimate has been calculated based on the previous appeals experience.
- 4.6 The estimated deficit balance as at 31.3.19 represents 4.63% of the total debit for the year.

5.0 Treasury Management

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

5.2 Economic Background

- 5.3 The Chancellor presented his Autumn budget on Monday 29 October; he announced that public finance has reached a turning point and that since 2009-2010 the deficit has fallen by four-fifths, from 9.9% to 1.9%. Public debt peaked in 2016-17 and is now falling. Next year the deficit is expected to be below 1.4% of GDP and there is a buoyant outlook for employment which in turn, will have a positive effect on the underlying fiscal position. Amongst various funding announcements for local authorities it is the lifting of the debt cap for the Housing Revenue Account which potentially will have an impact for Treasury Management activities.
- 5.4 UK quarter 3 GDP seems set to maintain quarterly growth of 0.4%, however there are possibilities for greater strength as official data indicates that the rolling three month GDP growth to July was 0.6% which was 17 month high. The CBI suggests that retail sales did indeed remain healthy in September, but this has not been reflected in the high street, where many retailers are now struggling.

5.4 Interest Rate Forecast

On 2nd August the MPC increased Bank Rate by 0.25% to 0.75%.

Link Asset Services forecasts Base Rate increase to 1.00% during Q3 2019, followed by a further 0.25% increase during Q2 2020.

5.5 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2018/19 which includes the Annual Investment strategy, was approved by Council on 7 February 2018. It sets out the Council's investment priorities as being :

- Security of Capital;
- Liquidity;
- Yield.

A full list of short term investments held as at 30 September 2018 is shown in the table below:

Counterparty	Amount £	Interest Rate %	Maturity
Santander	5,000,000	0.50	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.

Approved limits within the Annual Investment Strategy were not breached during the quarter ending 30 September 2018, except for the balance held with Lloyds Bank, which exceeded the £10m limit for 1 day during the quarter.

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 30 June 2018 is as follows:

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day LIBID	0.43%	0.48%	£17,757

The Council outperformed the benchmark by 0.05%. The budgeted investment returns for 2018/19 is £50k. 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 loans were taken during the quarter:

New Short Term Borrowing				
Start Date	Counterparty	Amount	Interest Rate %	End Date
15-Aug-18	Derbyshire CC Pension Fund	£5,000,000	0.80	15-Nov-18
20-Aug-18	Barnsley Metropolitan Council	£3,000,000	0.75	20-Nov-18
Total		£8,000,000		
Less Short Term Borrowing Repaid				
Repayment Date	Counterparty	Amount	Interest Rate	No of Days
15-Aug-18	London Bor Brent Pension Fund	- £5,000,000	0.55	92
20-Aug-18	Vale of Glamorgan CC	- £3,000,000	0.70	182
Net New Short Term Borrowing during quarter		£0		

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 30 September 2018 the Council has operated within 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, except for a temporary balance exceeding limits with Lloyds Bank.

	Original Budget	Revised Budget	Profiled Budget	Actual	Variance	Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
CORPORATE SERVICES						
Corporate Management	169	151	121	158	37	45
Financial Services Team	644	664	450	450	-	-
Corporate Finance	1,216	1,223	615	601	(14)	(24)
Internal Audit and Corporate Fraud	207	201	123	123	-	(3)
Strategic Finance	2,067	2,088	1,188	1,174	(14)	(27)
Human Resources	478	451	251	248	(3)	(7)
Business Transformation	1,684	1,634	1,144	1,161	17	14
Legal Services	273	305	137	139	2	5
Local Democracy	659	617	516	492	(24)	-
Legal and Local Democracy	932	922	653	631	(22)	5
TOTAL CORPORATE SERVICES	5,330	5,246	3,357	3,372	15	30
SERVICE DELIVERY						
Service Management	(17)	16	16	(2)	(18)	(18)
Service Management	-	36	-	(5)	(5)	(8)
Case Management	672	428	610	616	6	6
Account Management	461	387	228	239	11	36
Specialist Advisory	4,496	3,625	26,390	26,209	(181)	(275)
Bereavement Services	(1,284)	(1,284)	(532)	(543)	(11)	-
Case Management and Specialist Services	4,345	3,192	26,696	26,516	(180)	(241)
Service Management	-	25	43	43	-	-
Customer Contact	828	672	875	920	45	25
Neighbourhood First	564	438	376	397	21	26
Customer and Neighbourhood Services	1,392	1,135	1,294	1,360	66	51
Homes First	(28)	45	(302)	(168)	134	77
TOTAL SERVICE DELIVERY	5,692	4,388	27,704	27,706	2	(131)
REGENERATION AND PLANNING						
Service Management	63	31	33	33	-	-
Regeneration	143	177	(43)	(45)	(2)	(3)
Planning	259	261	425	360	(65)	(100)
Group Head of Commercial Business	38	38	45	45	-	-
Housing Development Team	-	-	120	120	-	-
Corporate Landlord	(2,548)	(2,531)	(948)	(873)	75	150
Facilities Management	501	465	493	497	4	13
Estates and Property	(2,047)	(2,066)	(455)	(376)	79	163
Business Planning and Performance	908	916	481	482	1	6
TOTAL REGENERATION AND PLANNING	(636)	(643)	606	619	13	66

	Original Budget	Revised Budget	Profiled Budget	Actual	Variance	Outturn
	£'000	£'000	£'000	£'000	£'000	£'000
TOURISM AND ENTERPRISE						
Service Management	95	93	47	49	2	4
Towner	423	423	232	232	-	-
Devonshire Park Complex	1	1	1	1	-	-
Tourism and Enterprise	493	484	159	220	61	62
Catering	311	182	109	115	6	23
Heritage	183	182	83	90	7	2
Tourist Information	101	101	51	77	26	30
Tourism and Enterprise	1,088	949	402	502	100	117
Sports Delivery	238	238	254	254	-	-
Seafront	(15)	(15)	2	(77)	(79)	(17)
Events	611	617	608	677	69	80
Theatres	1,006	1,006	317	317	-	-
TOTAL TOURISM AND ENTERPRISE	3,447	3,312	1,863	1,955	92	184
Other Operating Income and Expenditure	(1,278)	(422)	(211)	-	133	267
TOTAL SERVICE EXPENDITURE	12,555	11,881	33,319	33,652	255	416

HOUSING REVENUE ACCOUNT 2018/19					
	FULL YEAR BUDGET £' 000	BUDGET TO 30.9.18 £' 000	ACTUAL £' 000	VARIANCE £' 000	OUTTURN VARIANCE £' 000
INCOME					
Gross Rents	(14,322)	(7,242)	(7,193)	49	65
Charges for Services	(979)	(602)	(631)	(29)	(30)
TOTAL INCOME	(15,301)	(7,844)	(7,824)	20	35
EXPENDITURE					
Management Fee (Eastbourne Homes Limited)	7,261	3,630	3,630	0	0
Supervision and Management	1,038	94	77	(17)	0
Provision for Doubtful Debts	96	16	20	4	5
Depreciation and Impairment of Fixed Assets	4,338	0		0	0
TOTAL EXPENDITURE	12,733	3,740	3,727	(13)	5
NET COST OF SERVICE	(2,568)	(4,104)	(4,097)	7	40
Loan Charges - Interest	1,935	0	0	0	0
Interest Receivable	(11)			0	0
NET OPERATING (SURPLUS) DEFICIT	(644)	(4,104)	(4,097)	7	40
Appropriations					
Transfer to Reserve	500	0	0	0	0
HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	(144)	(4,104)	(4,097)	7	40
HOUSING REVENUE ACCOUNT WORKING BALANCE					
In Hand at 1st April 2018	(5,188)				
Surplus for 2018/19	(144)				
In Hand at 31st March 2019	(5,332)				

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Appendix 4

Line No.	Scheme	Total Scheme Approved	Total Scheme spend 2013 to 31 Mar 2018	Scheme Spend 2018-19 Q2	Updated Allocation 2018-19	Updated Allocation 2019-20	Updated Allocation 2020-21	Variance to allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000		
1	HOUSING REVENUE ACCOUNT									
2	Major Works	Ongoing	22,121	1,503	4,896	4,344	4,399	-3,393	EBC	On target to complete 2018-19
3	Environmental Improvements	Ongoing	286	4	45	-	-	-41	EBC	New schemes approved Sept. Planning to complete in 2018-19
4	Riverbourne House Kitchen Conversion	262	-	140	262	-	-	-122	EBC	Practically complete. Final electrics to be installed before letting
5	Managed by EHL	Ongoing	22,407	1,647	5,203	4,344	4,399	-3,556		
6	Other Schemes									
7	New Build Phase 2	4,217	2,443	25	474	1,300	-	-449	EBC/Grant	Works planned to start late Q3
8	Empty Homes Prog Ph2	2,394	2,277	-	45	-	-	-45	EBC/Grant	Completed. Retention outstanding
9	Total HRA		27,127	1,672	5,722	5,644	4,399	-4,050		
10	COMMUNITY SERVICES									
11	Memorial Safety Cems	40	15	-	25	-	-	-25	EBC	Works planned for 2019-20
12	Digitalise Burial Records	10	-	-	10	-	-	-10	EBC	Works planned for 2019-20
13	Ocklynge Cemetery Chapel	150	80	-	70	-	-	-70	EBC	Works planned for 2019-20
14	Main Chapel Refurb - Phase 2	26	23	-	3	-	-	-3	EBC	Planned to complete in 2018-19
15	Crematorium Improvements (Main Chapel)	174	-	30	174	-	-	-144	EBC	Works in progress. Planned to complete in 2018-19
16	Disabled Facilities Grants	Ongoing	4,686	268	825	2,556	-	-557	Grant	Working with ESCC to plan spend
17	BEST Grant (housing initiatives)	Ongoing	2,035	11	96	82	-	-85	Grant	Spending plans being considered
18	Acquisition of Land & Property	2,104	-	-	-	2,104	-	-	EBC	Schemes under investigation
19	Contaminated Land	185	145	-	40	-	-	-40	Grant	Remaining grant committed in 2018-19
20	Coast Defences Beach Management	Ongoing	5,871	8	302	300	300	-294	Grant	Works expected to be October - December 2018
21	Cycling Strategy	41	-	-	-	41	-	-	EBC	No spend to date. Dependent on which schemes are implemented after the Cycling & Walking Strategy has been prepared by ESCC
22	Play Area Sovereign Harbour	27	-	-	-	27	-	-	S106	Awaiting allocation of land. Works planned for 2019-20
23	Terminus Road Improvements	500	-	22	50	450	-	-28	EBC	Works progressing well. Payment to ESCC expected in 2019-20
24	Sov Harbour Community Centre	1,790	1,097	658	693	-	-	-35	EBC/S106/Grant	Construction work is complete
25	Hampden Park - Improvements (Green Flag)	50	48	-	2	-	-	-2	EBC	Completed
26	Old Town Rec. - Improvements (Green Flag)	25	22	-	3	-	-	-3	EBC	Completed
27	Seaside Rec - all weather path	50	48	-	2	-	-	-2	EBC	Completed. Balance held for snagging

Appendix 4

Line No.	Scheme	Total Scheme Approved	Total Scheme spend 2013 to 31 Mar 2018	Scheme Spend 2018-19 Q2	Updated Allocation 2018-19	Updated Allocation 2019-20	Updated Allocation 2020-21	Variance to allocation	Funding	Comments
28	Signage Re-branding (Parks & Open Spaces)	30	5	9	25	-	-	-16	EBC	Signs purchased and completion due Q3 at a reduced cost of £12k
29	Car Parking Machines	97	66	-	25	-	-	-25	EBC	On target to complete in 2018-19
30	Shinewater Park - Scoping	20	-	-	10	10	-	-10	EBC	Survey works commenced. Initial meetings with Architects in progress
31	Helen Gardens Play Equip	40	39	-	1	-	-	-1	EBC	Completed
32	Chiltern Close Play Equip	25	-	24	25	-	-	-1	EBC	Completed
33	Oak Tree Lane Play Equip	35	-	-	18	18	-	-18	EBC	Ongoing feasibility in progress
34	Mulberry Close Play Equip	30	-	-	-	30	-	-	EBC	2019-20 Allocation
35	Lower Holywell Public Con	50	-	-	-	50	-	-	EBC	Works planned for 2019-20
36	Redoubt Public Convenience	40	-	-	-	40	-	-	EBC	Works planned for 2019-20
37	Refurbishment of Public Facilities	81	-	-	41	40	-	-41	EBC	Schemes to be identified
38	West Langney Lake Gates & Signs	18	-	18	18	-	-	-	S106	Completed
39	Waste Fleet Procurement & IT	1,600	-	-	-	1,600	-	-	EBC	Fleet ordered. Delivery expected 2019-20
40	Total Community Services		14,180	1,048	2,458	7,348	300	-1,410		
41	TOURISM & LEISURE									
42	Volleyball Court	25	6	12	12	7	-	-	EBC	This scheme is on hold. No further spend anticipated
43	Sports Park Flood Lights	30	-	-	30	-	-	-30	EBC/External	Awaiting quotes, Planning to complete in 2018-19
44	Re-surface Tennis Courts	265	242	-	23	-	-	-23	EBC/External	Allocation no longer required
45	ILTC - Air Conditioning	87	-	-	87	-	-	-87	EBC	Works due to start Q3
46	Redoubt - Stair Climber	20	-	-	-	20	-	-	EBC	Works planned for 2019-20
47	Colonnade Removal	500	-	-	-	500	-	-	EBC	Works planned for 2019-20
48	Redoubt - Asphalt Gun Platform	50	-	-	-	50	-	-	EBC	Works planned for 2019-20
49	HPSC - Changing Rooms	20	-	-	20	-	-	-20	EBC	Price negotiations expected to be concluded by 31st October. Works planned to completed in 2018-19
50	Equipment at Devonshire Park	120	66	5	54	-	-	-49	EBC	On target to complete 2018-19
51	Sovereign Centre	29,100	711	56	1,339	11,885	15,165	-1,283	EBC	Initial planning work in progress. Construction works planed to start 2019-20
52	Sovereign Centre Skate Park	200	-	-	-	200	-	-	EBC	Consultation in progress. Currently engaging with all the schools and relevant clubs in Eastbourne. The survey is also available online
53	Wash Down - Devonshire Park	20	19	-	1	-	-	-1	EBC	Completed
54	Seafront Van	13	-	-	13	-	-	-13	EBC	Order will be placed before 31st December 2018

Appendix 4

Line No.	Scheme	Total Scheme Approved	Total Scheme spend 2013 to 31 Mar 2018	Scheme Spend 2018-19 Q2	Updated Allocation 2018-19	Updated Allocation 2019-20	Updated Allocation 2020-21	Variance to allocation	Funding	Comments
55	Sports Park Lighting	60	-	-	60	-	-	-60	EBC	On target to complete 2018-19 price negotiations to be finalised by 31st October 2018
55	Signage	10	1	-	9	-	-	-9	EBC	Work anticipated to be completed in Q3
56	Devonshire Park Theatre - Toilet refurbishment	103	-	-	103	-	-	-103	External	New scheme funded by DPT Friends. Works planned for Q4
57	Total Tourism & Leisure		1,045	73	1,751	12,662	15,165	-1,678		
58	CORPORATE SERVICES									
59	Carbon Reduction Works	434	235	-	-	199	-	-	EBC	Works planned for 2019-20
60	Invest to Save	15	-	-	10	80	80	-10	EBC	Available for schemes to be identified
61	Investment Capital	5,600	1,235	-	-	4,365	-	-	External	Schemes to be identified
62	IT - Block Allocation	Ongoing	1,238	299	490	-	-	-191	EBC	On target to complete 2018-19. Allocations for 2019-20 & 2020-21 re-profiled due to high cyclical spend on new laptops
63	EHIC - Loan (Gowland Ct)	1,850	1,835	10	15	-	-	-5	EBC	Available for drawdown as required
64	EHIC - Revolving Credit	250	160	-	155	-	-	-155	EBC	Available for drawdown as required
65	EHIC - Loan Facility (EBC purchases)	2,958	-	-	-	2,958	-	-	EBC	Further schemes to be identified
66	EHIC - 27 Longstone	257	255	2	2	-	-	-	EBC	Completed. Works due 2018-19
67	EHIC - 13 The Avenue	723	658	40	40	25	-	-	EBC	Completed. Works due 2018-19
68	EHIC - Loan Facility (Private Properties)	15,000	2,481	86	2,285	5,233	2,500	-2,199	EBC	Further properties to be identified
69	EHIC - new mixed tenure homes	20,000	-	-	-	14,000	6,000	-	EBC	Schemes to be identified
70	EHIC - Victoria Mansions	6,535	3,070	65	965	-	-	-900	EBC	Completed. Remaining facility available for drawdown as required
71	Aspiration Homes - Credit facility	100	-	5	100	-	-	-95	EBC	Available for drawdown as required
72	Aspiration Homes - Facility	10,000	369	619	917	5,714	3,000	-298	EBC	Available for drawdown as required
73	Bedfordwell Road - Land & Pump House	6,100	2,151	217	2,000	1,949	-	-1,783	EBC	Clear Futures are progressing this scheme
74	HPK Retail Refurbishment	9,000	252	321	2,000	6,748	-	-1,679	EBC	Project is underway and construction due to commence in Q4
75	The Stage Door (Previously Buccaneer)	2,030	1,667	174	363	-	-	-189	EBC	Planned works completed. Further works being considered
76	JTP Programme Office	8,278	4,872	976	1,687	1,720	-	-711	EBC	Planned works on schedule. Further details in Cabinet report 24.10.18
77	Total Corporate Services		20,478	2,814	11,029	42,991	11,580	-8,215		
78	Asset Management									

Appendix 4

Line No.	Scheme	Total Scheme Approved	Total Scheme spend 2013 to 31 Mar 2018	Scheme Spend 2018-19 Q2	Updated Allocation 2018-19	Updated Allocation 2019-20	Updated Allocation 2020-21	Variance to allocation	Funding	Comments
79	Devonshire Park Redevelopment Project	53,960	19,903	8,863	31,242	2,494	321	-22,379	EBC	Scheme progressing - subject to separate report
80	Holiday Letting Refurbishment	30	-	-	30	-	-	-30	EBC	New scheme planned for 2018-19
81	EDGC - improvements	45	41	4	4	-	-	-	EBC	No further works planned for 2018-19
82	Towner - improvements	125	14	-	111	-	-	-111	EBC	Roof replacement, upgrades work for doors & chillers planned for 2018-19
83	ILTC - Improvements	60	-	13	60	-	-	-47	EBC	External works planned for 2018-19 but weather dependent
84	Devonshire Park Theatre	47	-	47	47	-	-	-	EBC	Completed
85	Bandstand Rennovations	100	-	-	100	-	-	-100	EBC	Survey reports completed. Currently made safe.
86	Wish Tower Martello - Improvements	90	-	-	90	-	-	-90	EBC	Options being considered based on surveys received
87	Downland Water Schemes	24	-	24	24	-	-	-	EBC	Completed
88	Asset Management - Block Allocation	Ongoing	-	-	218	500	500	-218	EBC	Available for projects under review
89	Total Asset Management		19,958	8,951	31,926	2,994	821	-22,975		
90	Grant Funded Schemes									
91	Wish Tower Restaurant	1,800	126	158	1,674	-	-	-1,516	EBC/Grant	Design almost finalised. Additional allocation will be required
92	Statue Sculpture Installation	22	1	1	22	-	-	-21	Grant	Installation planned for Spring 2019
93										
94	Total Grant Funded Schemes		127	159	1,696	-	-	-1,537		
95	General Fund		55,788	13,045	48,860	65,995	27,866	-35,815		
96	HRA		27,127	1,672	5,722	5,644	4,399	-4,050		
97	Total General Fund & HRA		82,915	14,717	54,582	71,639	32,265	-39,865		

Report to:	Cabinet
Date:	12th December 2018
Title:	Draft Budget Proposals 2019/20
Report of:	Chief Finance Officer
Cabinet member:	Councillor Stephen Holt
Ward(s):	All
Purpose:	To summarise the main elements of the emerging 2019/20 revenue budget that has arisen from the corporate and service financial planning process to date.
Decision type:	Key decision
Recommendations:	Members are asked to: <ul style="list-style-type: none">i) Agree the draft budget proposals for consultation.ii) Agree that subject to there being no material change in the government settlement that Cabinet is minded to propose a council tax rise of 2.99% for 2019/20 to make a Band D charge £246.84, in line with the current cap.iii) Note the updated MTFS
Reasons for recommendation:	The Council is required by legislation to set a balanced budget. The report forms part of the process that will culminate in the Council Tax setting by the Council in February.
Contact:	Homira Javadi, Chief Finance Officer Homira.Javadi@lewes-eastbourne.gov.uk

1.0 Introduction

- 1.1** Each year the Council consults with a range of stakeholders on its detailed draft budget proposals for the following financial year. This follows consultation on the corporate plan and Medium Term Financial Strategy (MTFS), which is carried out over the summer and autumn. The results of the corporate plan consultation are reported elsewhere on this agenda.
- 1.2** The Cabinet will consider the draft proposals on 6th February 2019 in order to recommend a final budget and capital programme to the Council, on 20th February 2019. The process of service and financial planning is an integral part of the corporate planning cycle that looks over a medium term horizon. The corporate change programmes principally the Joint transformation programme (JTP) is also

considered a key component of the MTFS.

- 1.3 Government funding is projected to fall a further 30% to 40% in real terms to 2023/24 based on current trends but there is no certainty as the 4-year local government settlement ends after the next financial year.
- 1.4 The new Fair Funding Review will have a major impact on all assumptions, savings targets and resources available to the authority for 2020/21 and beyond. However, the indicative signs from central government are not positive for local government, especially those without social care, as we are lower down the list of central government priorities with NHS and Brexit being far higher up. Therefore, any assumptions beyond this financial year, should be viewed as potentially subject to significant revision, likely in downwards direction in terms of resources.

2.0 Integrated corporate planning process

- 2.1 The MTFS set out the principles for the budget of the following five years and models the financial impact of the strategy. The Service and financial planning process looks to address the MTFS 5-year £3.7m cumulative gap. The main backdrop to the MTFS is the requirement to set a balanced budget and dealing with the effects on the Councils finances of the current economic downturn. More details are in the accompanying appendices.
- 2.2 Eastbourne has a successful track record of delivering efficient services in the past and is committed to transforming the way it delivers its services but clearly the path is becoming more challenging. Commercialisation and greater efficiencies from integration with Lewes will form the majority of the savings strategies going forward.
- 2.3 Whilst at the time of writing the settlement has not been finalised but the following items are assumed in the draft budget. It is important to note that the level of income is broadly similar to that in 2018/19, which one takes into account inflation, means there has been a significant reduction in resources available to the authority.

Year	2019/20
	£'m
RSG	(0)
Retained Rates/section 31 grants	(4.6)
Other grants	(0.1)
New Homes Bonus	(0.2)
Council Tax	(8.8)
TOTAL	(13.7)

3 The Draft Budget Proposals 2019/20

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

- 3.2 In response the challenge set out in the MTFS, the service and financial planning process has identified proposed savings of £1.1m (8% of net spend) shown in **(Appendix 1)**

These are categorised as:

	£'m
Efficiency savings	(0.5)
Increases in income	(0.6)
Total	<u>(1.1)</u>

- 3.3 A total of £2.6m of growth*(includes £1.3m of one-off planned expenditure) is proposed categorised as follows (and detailed in Appendix 2):

	£'m
Corporate inflation	0.9
Other Growth	<u>1.7</u>
Total	<u>2.6</u>

- 3.4 The draft budget assumes a rise in Council Tax of 2.99% for 2019/20, consistent with the MTFS. The requirement to hold a referendum may apply if any proposed tax rise were 3% or greater (The Government may announce cap on Council Tax rises as part of settlement).

4.0 Summary of Revenue Proposals

- 4.1 The following is a summary of the effect of the proposed changes.

4.2

	£'m
Base Budget 2018/19	13.5
Growth	1.3
Savings	(1.1)
Net budget requirement	<u>13.7</u>
Funded By:	
Government Grants/Retained Rates	(3.8)
Council tax	<u>(8.8)</u>
Total Resources	<u>(13.7)</u>

5.0 Capital Programme 2018/19-2023/24

- 5.1 The Council currently finances its capital programme from capital receipts and grants and contributions. Borrowing is permitted on a business case basis where savings or new income generated from a scheme can repay the capital costs. However, the Council does not have spare reserves that have not already been committed to fund capital schemes.

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

7.0 Consultation

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

8.0 Conclusions

- 8.1 Faced with the lasting effects of the recent economic climate and subsequent reduction in core funding by the Government, the Council has identified opportunities for efficiencies, innovative working and seeking commercial opportunities.
- 8.2 Should the budget proposals and assumptions remain materially intact following consultation and further announcements, The Council will have continued to move its financial position towards longer term sustainability as outlined in the MTFS.

Homira Javadi (FCCA, ACCA, CPFA)
Chief Finance Officer

Background Papers:

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

Budget 2018/19

*Cabinet Reports: – Finance Matters Each Cabinet Meeting
- Budget Setting Feb 2018 & MTFS July 2018.*

Audit Committee- Final Accounts- July 2018.

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

MEDIUM TERM FINANCIAL STRATEGY



Eastbourne Borough Council

2018/19 – 2023/24



1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy (MTFS)** sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. As is the first year of the incoming Section 151 Officer, continuity was viewed as more important and the assumptions are not materially different to last year's report bar minor changes due to improved data.
- 1.2 To ensure Members have a sound basis for planning and decision making, the MTFS in the future will be reviewed and updated at key points in the year these are:
- Midyear – as a series of principles and as a framework for initial detailed budget discussions for the forthcoming financial year;
 - December/January – an update to include additional information received at a national level and corporate issues identified through service planning, and the detailed budget build; and
 - February – with the final Budget for the new financial year.
- 1.3 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Corporate Plan, over the medium term.
- 1.4 The vision of the Eastbourne Corporate Plan is to *“put value for money and the needs of our residents at the heart of all we do whilst supporting the town and its businesses to thrive.”*
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget and setting modest increases in Council tax when appropriate; and
 - delivering service efficiencies and generating additional income where there are opportunities to do so.
 - ensuring that the council maintains sufficient reserves and contingencies to be resilient to manage the increased level of risks associated with a more commercial agenda.
- 1.6 In setting annual budgets the Council has a policy of meeting its ongoing budget requirement from ongoing resources in each year. The policy applies to the cycle of the MTFS, as it is reasonable to use reserves to smooth out the budget requirement as savings accrue over the cycle. By using reserves in this manner it means that reserves over the minimum level are available for one off investments in services decided via the service and financial planning process.
- 1.7 The Council, as a registered social landlord is obliged to run a Housing Revenue Account (HRA) that is statutorily ring-fenced from its general fund. A 30 year rolling business plan has been adopted for the HRA. The Council is working in partnership with Lewes to

deliver efficiency savings in partnership using shared services. All savings accruing to the HRA are reinvested in housing services.

- 1.8 As with all Councils, the effect of inflation is felt on gross expenditure, whilst any increase in council tax or grant is based on a net position. This “gearing effect” means that there is a natural gap of at least £300k per annum that needs to be met from efficiencies (approximately 2-3% of net spend) if services are to be protected. This is on top of the Government reductions. Given the current reduction in grant and the inability to raise council tax in real terms due to capping criteria, the Council has to look to longer term measures to maintain sustainable finances. Therefore, it is looking to a combination of at the very least self-financing investments to locally regenerate the area and commercialising existing services.
- 1.9 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. A MTFS risk analysis together with mitigating actions is provided in Appendix B1.

2 ECONOMIC PICTURE & PUBLIC FINANCES

- 2.1 The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances. The inflation rate impacts on the cost of services the Council procures, as the Council delivers much of its service provision through contractual arrangements where inflationary pressures have to be negotiated and managed. Specific contractual inflation has been incorporated into the Council’s financial position, where appropriate, based on the actual contractual indices.
- 2.2 The wider economic picture is challenging for local government. The Chancellor’s budget delivered on 29th October was not regarded by the Institute for Fiscal Studies as a ‘bonanza’, with its director, Paul Johnson, stating that *“many public services are going to feel squeezed for some time.”* Even upper tier authorities see £650m additional social care monies as not covering the planned cuts for 2019/20.

Gross Domestic Product (GDP)

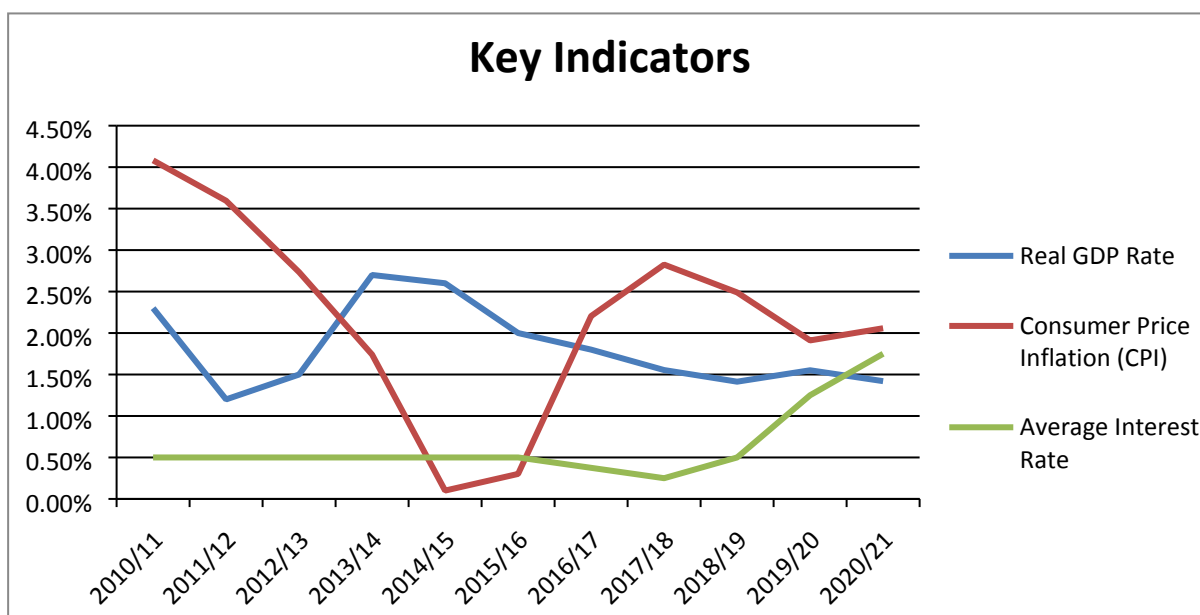
- 2.3 Growth is estimated to be weak for the new future at 1.6% for 2019 after an estimated 1.3% in 2018. Therefore, with Brexit on the horizon, currently anticipated to take place on March 29th 2019, it is unlikely that the Council will see an improvement in its funding from central government, particularly as there is still one year to go on its current 4-year financial settlement. The only possible exception is if the Chancellor is required to release his fiscal power to prevent a major recession. Second tier councils are also likely to be lower down the priorities of any government with the NHS, tax cuts and highways utilising the majority of additional incoming public resources (tax growth).

Consumer Price Index (CPI)

- 2.4 Inflation as measured by CPI, was 2.4% for September 2018, down from 2.7% in August. The Bank of England latest forecast (as at November 2018 is set out below. The BoE target rate for inflation is 2%.

Bank Interest Rate

- 2.5 Interest rates are at 0.75% and it is not anticipated that they would rise prior to Brexit on March 29th. However, it is widely assumed that the gradual projection is upwards. Interest rates on short-term debt in the local government market are now around 0.7-0.9% for 6 months to 1-year debt. It was widely assumed until recently that interest rate increases would be limited to 0.5% per year. However, it is important to note that the Bank of England has referred to the new natural interest rate level as being between 2% and 3%. The following chart summarises the above assumptions:



* 2010/11 to 2016/17 based on ONS Data. 2017/18 and forecasts based on Office for Budgetary Responsibility data. It is important to note that 2018/19 to 2020/21 are forecasts and should be treated as such. Interest rate projects are assumed to be 0.5% per year as the Governor originally suggested would be likely. Impact of Brexit is unknown.

Public Sector Pay

- 2.6 From April the National Living Wage will rise again, by 4.9%, from £7.83 to £8.21. This demonstrates that while pay is going up at 2% for those on NJPC scales and 2% for those on the Chief Officer pay rates, that at the bottom there will be a bigger impact, more significantly affecting the bottom line of the council.

3 CORE FUNDING

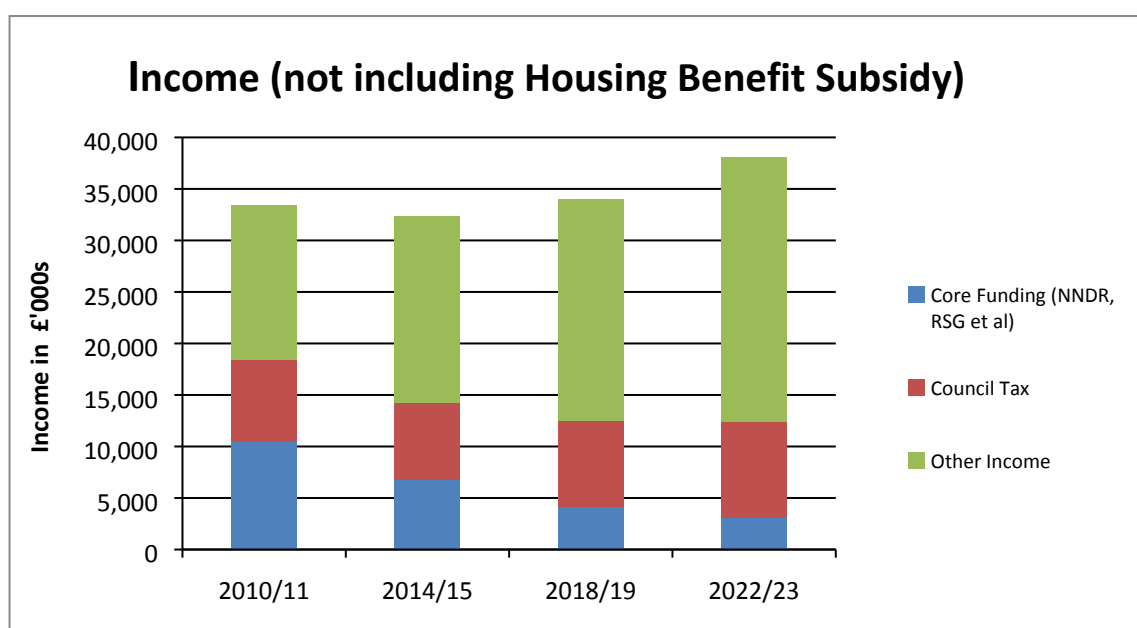
- 3.1 The 2016/17 Settlement offered councils a four-year settlement, giving greater certainty of funding until the end of the spending period (2019/20). The 2019 Spending Review will confirm overall local government resourcing from 2020/21, and the Government is working towards significant reform in the local government finance system in 2020/21. This includes an update to the baseline funding levels and resetting business rates baseline.

Revenue Support Grant (RSG)

- 3.2 RSG has been substantially reduced in recent years and will be zero in 2019/20. The funding settlement for Eastbourne has become tougher over the years, as the central government grants are now limited to cover the cost of housing benefit and one-off matters of Government interest. Negative RSG, which occurs when the Council pays the

government a central government grant rather than the other way around, has been eliminated recently but in practice this means that Government will reduce Councils' business rate entitlement instead of asking Eastbourne to give it an RSG payment.

- 3.3 In the long run, despite cuts now going back almost a decade, there is no end in sight to austerity for local government, even if it ends in the rest of the public sector. Even county councils, which have received some limited extra social care funding, expect to continue to need to go beyond efficiency measures. Ultimately, uncertainty, limited funding for social care and the scale of the reduction of government funding has put county council finances in a difficult position. Eastbourne Council cannot avoid the fallout from such a situation as services that deal with vulnerable residents are already facing greater pressures, such as Housing.



- 3.4 The Chart above shows the change in the income profile with a high level estimate for 2022/23 based on existing trends, subject to the caveat that central government has the right to significantly reduce our funding further and faster. However, the overall trend is clear that Core Funding (NNDR +RSG) is declining while income from fees, charges and commercial income is growing as a percentage of total funding and in real terms.
- 3.5 On 24 July 2018 the Ministry of Housing, Communities & Local Government (MHCLG) issued a technical consultation on the 2019/20 Local Government Finance Settlement. The consultation closed on 18 September 2018. The document set out the Government's proposed approach to the 2019/20 Settlement and outlined the following:
- The fourth year of the multi-year settlement
 - The Government's position on the New Homes Bonus threshold
 - The Government's proposal for Council Tax referendum principles for 2019/20
 - The Government's proposal for dealing with the issue of 'Negative Revenue Support Grant'
- 3.6 In April 2018 the former Secretary of State commissioned a review of the MHCLG oversight of the business rates system. On 24 October 2018 the report of an independent review of the governance and processes of the system was published. The

terms of reference for the review were set out under five themes: complexity; governance and management; capacity and capability; openness; and culture. In general, the review found that MHCLG and local authorities have managed the growing complexity of the system well, however noted that the Department's processes can be strengthened to ensure future challenges can be managed effectively.

- 3.7 In addition to focus on the MHCLG's own processes, the report also considered the overall approach to annual decisions on the local government finance system. The report recommended that the Provision Settlement should be released around 5 December and the Final Settlement no later than the 5 January. Having a clear settlement timetable in place will help ensure that local authorities can take a more planned approach. In light of this recommendation, the MHCLG has announced that it will aim to publish the Provisional Settlement for 2019/20 on 6 December 2018.

Business Rate Pool

- 3.8 This year, the Council re-entered into the existing pooled arrangement across East Sussex to retain the benefits of growth locally. It is anticipated that this will generate £200k of additional resources. Due to a change in government policy, the new pilot arrangements will in the future only keep 75% of the share in growth, whereas previously Central Government had a clear intent to achieve 100% localised funding as quick as possible.

75% Business Rate Pilot

- 3.9 In July of this year, The Government invited local authorities in England to apply for a 75% business rate retention pilot scheme for 2019/20. Eastbourne District Council jointly with its East Sussex Business Rate pooling partners submitted their bid to become BR Pilot on 25 September. The successful bids are expected to be announced prior or at the time of the provisional local government financial settlement in early December. Based on the work undertaken by LG Futures, the Council could see additional retained income of about £200k.

Business Rate

- 3.10 Nationally, business rate is expected to grow by inflation but many internet-based businesses are able to avoid the tax impact and there are national concerns that this has on the high street. However, whilst the new settlement is under review, all early indications are projecting a reduction in the business rate allocation to the lower tier authorities approach 10% per annum. This is to allow redistribution of the resources to higher priority services and economically disadvantaged authorities. This will lead to the Council becoming ever more reliant on council tax, fees and charges and commercial income sources.

National Non-Domestic Rates	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Retained Business Rates	(3,388)	(4,394)	(3,905)	(3,515)	(3,164)	(2,848)
Business Rates Pool	(266)	(200)	0	0	0	0
Previous Assumptions	(3,654)	(4,594)	(3,905)	(3,978)	(3,978)	(3,978)
Difference	0	0	0	(463)	(814)	(1,130)

- 3.11 This could be as high as £460k per annum, creating an additional pressure to the authority. As can be seen the assumptions were of growth after years of reductions. Another matter of interest is that the Government offered £1.5bn of reductions to business rates to smaller businesses, during the Budget, which it will fund back to authorities via section 31 grants.

Fair Funding

- 3.12 The Fair Funding review will affect how funding is allocated and redistributed between local authorities from 2020. How this will be done is the subject of further consultation between now and mid-2019. The Government is continuing to work with the Local Government Association (LGA) and local authority representatives to develop the new system. Indicative numbers for funding allocations to individual councils are expected to be available by spring-summer 2019, and the review is to be implemented in April 2020 via the Local Government Finance Settlement process.

Council Tax

- 3.13 The Chart below demonstrates the change in Council Tax over the years. A provisional estimate of our preceptors demonstrates how Eastbourne has always kept a lower council tax than them. The 2019/20 position is estimated based on past years and subject to council and preceptor decisions but the current model presently assumes 1.99% in Council Tax Growth and that existing preceptor demand follows existing patterns. From 2020/21 onwards, it will only be assumed that there is 0.3% growth in the Council Tax base to recognise the constrained land of Eastbourne.

	Year	2015/16	2016/17	2017/18	2018/19	2019/20
Band D	EBC	224.19	228.51	232.92	239.67	244.44
	Other	1,382.91	1,487.53	1,556.67	1,650.02	1,750.18
		1,607.10	1,716.04	1,789.59	1,889.69	1,994.62
Growth	EBC		1.93%	1.93%	2.90%	1.99%
	Other		7.57%	4.65%	6.00%	6.07%
Ratio	EBC	13.95%	13.32%	13.02%	12.68%	12.25%
	Other	86.05%	86.68%	86.98%	87.32%	87.75%
		100.00%	100.00%	100.00%	100.00%	100.00%
Band D Equivalents		32,558.90	33,606.10	33,923.70	34,354.40	34,939.10
Precepts	EBC	7,299,380	7,679,330	7,901,500	8,233,719	8,540,140
	Other	45,026,028	49,990,082	52,807,923	56,685,447	61,149,573
		52,325,408	57,669,412	60,709,423	64,919,166	69,690,087

New Homes Bonus (NHB)

- 3.14 Following the reduction from 6 years to 4 years of allocation, New Homes Bonus allocation is expected to drop significantly again. This is because Councils are now

required to achieve a net baseline growth of 0.4% or 178 in current Band D equivalent homes before they can receive any NHB income. It is important to note that this is not the same as new Council Tax properties as these are subject to discounts, exemptions, reliefs and more.

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Net New Properties	140	140	140	140	140	140
Affordable Properties	54	54	54	54	54	54
Amount	£339k	£187k	£102k	£60k	£60k	£60k

- 3.15 Self-sufficiency and resilience are key concepts to the path for all southern district councils but particularly for Eastbourne with its desire to regenerate and transform its local economy.

4 RESOURCES AVAILABLE TO EASTBOURNE & LOCAL CHALLENGES

- 4.1 As can be seen in the above Chart of Income (Section 2), Eastbourne has moved closer to becoming more reliant on internally generated resources and local taxation. This has a positive benefit in that the council is more locally focussed and respond directly to local needs. However, it also means that it is more exposed if there is a downturn in the local economy. This necessitates the need to have healthy reserves and a strong balance sheet.
- 4.2 The Council has successfully delivered on the Joint Transformation Plan and will inevitably generate further efficiencies. However, these will form only a smaller part of the future savings than new or additional income growth, as efficiencies have their limits. This necessitates a more structured approach to understanding our fees and charges and identifying areas where income can be most easily grown.
- 4.3 It is important to recognise that such income sources can take time to fully realise. Large projects will not necessarily deliver in their entirety from year 1, as there is inevitably a lead-in time and therefore prudently, the Council is careful not to rely overly on any single project. More importantly, Eastbourne cannot rely too heavily on immediate savings as most income growth going forward will be slower to ramp up and the Council will need to programme in the potential for some delays. Once again the need for significant reserves becomes clear.
- 4.4 Councils face a challenging time with a high degree of uncertainty as it will not be till July at the earliest that local government will know the next 4 years' allocation of retained business rate income. Eastbourne also has a significant level of deprivation and tackles this inevitably reduces the resources available to invest, particularly in relation to homelessness and requires the Council to maintain higher buffers to manage this risk.

Housing Revenue Account (HRA)

- 4.5 The scrapping of the HRA borrowing cap will give Eastbourne flexibility and the opportunity to borrow in a more efficient fashion. The Government is also consulting on relaxing its RtB formulae, to encourage shared ownership products and to allow us to use up to 50% of RtB funding on affordable housing, rather than the current 30%. The

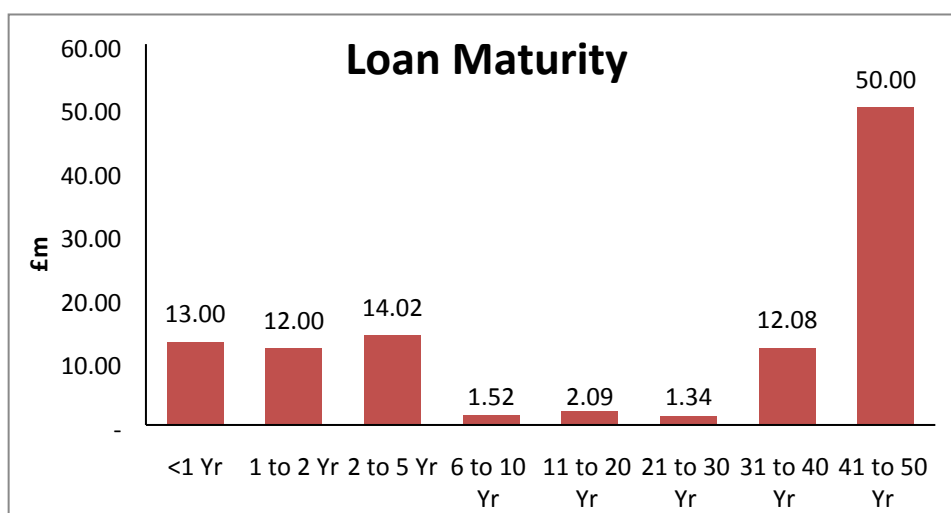
Council will ensure that it finances capital activities in the most efficient way possible to minimize unnecessary borrowing.

Capital Investment

- 4.6 The Capital Investment Programme also has an effect on the Councils revenue finances as any investments that cannot be met from grants, contributions, capital receipts or revenue funding need to be met from borrowing. This has to be repaid with interest from revenue and/or capital receipts over time. The General Fund policy is to use borrowing only on a business case basis.
- 4.7 Any such borrowing is fully financed by way of interest charges and the Minimum Revenue Provision (MRP) which is the capital repayment. As new schemes that require borrowing are approved, the Council has to make provision for repayment via the capital financing budget. In order to keep this sustainable a stability mechanism that pools the following budgets is maintained.
- Interest earned
 - Interest payable on debt
 - Minimum Revenue Provision
 - Revenue contributions to the capital programme (to balance)
- 4.8 It is up to Councils to set their own MRP and balances of Capital Receipts and Contributions can be offset to reduce this liability in the short term, although this only provides for short-term relief against the cost of capital. Any budget surplus from interest and MRP is recycled into the capital programme by way of a transfer to the “capital programme reserve”. This system creates a stabiliser mechanism between interrelated budgets.
- 4.9 Capital investment can be used as “invest to save” therefore borrowing is an important tool in the overall financial strategy where savings on schemes exceed the cost of capital. More recently it has been necessary to look for investments that have a yield over and above the borrowing costs to make a net contribution to the general fund. The Council has also taken advantage of schemes that give a return by providing a guarantee to a third party rather than incurring debt, contingent liabilities and corresponding assets are shown on the Council’s balance sheet to reflect this.
- 4.10 The Capital Programme has a significant focus on return on investment, and the borough’s focus on commercial opportunities must be understood through the lens of economic development and regeneration. Eastbourne is aware of CIPFA’s position that it should not borrow for commercial investment purposes and that is why its investment focus is on locally beneficial investments.
- 4.11 Eastbourne is reviewing its capital programme to ensure that not only do the investments cover the financing costs but that they also contribute to the revenue position. This could be through local regeneration, increasing business rates, and reducing the net cost of services (either through income generation or reduction in the operating costs).

Capital Programme	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s
HRA	7,022	4,344	4,399	-
Community Services	7,957	1,530	300	-
Tourism & Leisure	14,175	15,300	15,165	-
Corporate & Core Services	34,349	18,725	11,580	2,500
Asset Management	31,428	3,494	821	-
Pier Grant & Coastal Communities Grant	1,696	-	-	-
Total Programme	96,627	43,393	32,265	2,500
Financed By:-				
Capital receipts	2,209	2,168	-	-
Capital Grants & Contributions	3,401	8,253	300	-
Capital reserves	5,437	4,371	4,399	-
Revenue	58	491	-	-
Total Financing excluding borrowing	11,105	15,283	4,699	-
Borrowing Needed	85,522	28,110	27,566	2,500
Total Financing	96,627	43,393	32,265	2,500

- 4.12 Eastbourne is a net borrower and has been successful at borrowing long-term at very low rates. Going forward those rates are unlikely to be so favourable, as the UK appears to be on a gradual path to normalisation, subject the standard caveat of Brexit. The Council will need to borrow over £100m to meet the requirements of its Capital programme but the timing of this relates to capital delivery and interest rate predictions. The timing of Brexit and whether to borrow ahead of need to ensure a favourable rate bears heavily on the borrowing decision. It also needs to take into account of internal borrowing.



- 4.13 For 2019/20, the Council will be producing a capital investment strategy for the budget to comply with new statutory regulations. Therefore, it is not intended that the MTFS should cover Eastbourne's approach to capital investment in excessive detail.

5 REVENUE STRATEGY – EFFICIENCIES

- 5.1 Eastbourne and Lewes Councils' shared Joint Transformation Plan has delivered £2.8m savings and is anticipated to deliver a further £0.4m in 2019/20. By sharing services and business process re-engineering the way it operates, it has been successful in transforming its services. This places a heavy reliance on systems and careful implementation and re-training of existing employees.
- 5.2 The Council will continue on this path of transformation of core services but ultimately the organisation cannot produce enough savings by this process alone and so it will also need to find new ways to generate income, as discussed above.
- 5.3 The priority in the immediate term is to produce a robust budget with confidence in the key assumptions.

6 REVENUE STRATEGY – INCOME GROWTH

- 6.1 The Council has assumed income inflation each year and £269k of new income sources in 2019/20.
- 6.2 Eastbourne is increasingly taking a more commercial approach to generating new income in the Borough, including property and housing development opportunities. Over the next 5 years, the council will examine the opportunities and the case for commercialising more services where possible and examining instances where the cost of operations needs to be recovered.

7 SENSITIVITY ANALYSIS

Risks	Cost	Impact	Likelihood	Detail and Possible Mitigations
0.25% change in interest rates on our existing capital programme	£100m	£0.25m	High	The Council could look to borrow earlier than when it needs it – up to 2 years in the future. The main lesson is that projects must cover borrowing costs unless the Council increases its savings target.
1% change in pay	£10m	£0.1m	Low	All services would need to cover pay inflation locally by holding vacancies.
1% change in average price inflation	£10m	£0.1m	Medium	Current inflation and Brexit means there is a significant likelihood of above average rises. However, the main contracts that are funded are only worth £3m so a £30k impact is possibly more likely.
1% change in pensions	£1m	£0.1m	Low	It is expected that Eastbourne will continue to see its lump sum increase by £50k per year to clear the existing deficits but this is already included in our assumptions
9% Reduction in retained NNDR	£4.6m	£0.4-0.5m annually	High	This reduction has already been modelled as the 9% reduction in reduced core funding (NNDR+RSG) was the original approach of the Coalition Government. Any over-provision could offset other costs in future years. Known for 2020/21

- 7.1 The Council's General Fund unallocated reserves would cover the realisation of these risks for three years. This indicates why the MTFs always needs to be prudent and why reserves are a key part of the Council's risk strategy.

8 RESERVES

- 8.1 As can be seen below the Council has significant reserves. However, the majority of these reserves are related to the Housing Revenue Account or are earmarked for specific purposes. This means that in practice, the reserves available to cover one-off needs or unexpected overspends is more limited.

	Known			Forecast		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
General Fund (Working Capital & Emergency Funds)	(3,283)	(2,660)	(3,040)	(3,631)	(4,119)	(2,525)
Capital & Regeneration	(3,190)	(3,115)	(1,838)	(1,738)	(432)	(432)
Devonshire Park Reserve	(1,000)	(960)	(1,488)	(1,613)	(874)	(874)
Earmarked/Grant Reserves	(1,878)	(1,881)	(1,972)	(1,979)	(1,979)	(1,979)
Total General Fund	(9,351)	(8,616)	(8,338)	(8,961)	(7,404)	(5,810)
HRA	(5,910)	(7,900)	(9,449)	(9,499)	(9,549)	(9,599)
Total	(15,261)	(16,516)	(17,787)	(18,460)	(16,953)	(15,409)

- 8.2 It is up to the Section 151 officer to set the appropriate level of reserves that they believe the authority should maintain. Currently, £2m or approximately 15% of the net general expenditure budget is considered to be within the range that is deemed appropriate. Further work will be undertaken to maximize on opportunities to create additional financial resilience to protect the Council against any new and additional risks which it may face.

5-YEAR MEDIUM TERM FINANCIAL PLAN PROJECTIONS

	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s
Adjusted Base Budget		13,509	13,986	13,858	14,455	15,535
Pay and Price Inflation		300	300	300	300	300
Pay Award & Increments		30	30	30	30	30
National Living Wage		20	0	0	0	0
Inflation on Contracts		250	250	250	250	250
Capital Financing		300	400	500	500	500
Recurring Growth		407	22	17		
	14,608	14,816	14,988	14,955	15,535	16,615
External Funding						
RSG	(445)	0	0	0	0	0
Retained Business Rates	(3,388)	(4,394)	(3,955)	(3,560)	(3,204)	(2,884)
Business Rates Pool	(266)	(200)	0	0	0	0
Other Government Grants	(195)	(147)	(147)	(147)	(147)	(147)
New Homes Bonus	(339)	(187)	(102)	(60)	(60)	(60)
Total External Funding	(4,633)	(4,928)	(4,204)	(3,767)	(3,411)	(3,091)
Council Tax	(8,234)	(8,234)	(8,626)	(8,910)	(9,203)	(9,506)
Council Tax Growth		(392)	(284)	(293)	(303)	(313)
Council Tax Surplus	(179)	(152)	0	0	0	0
Total Sources of Funding	(13,046)	(13,706)	(13,114)	(12,970)	(12,917)	(12,910)
Gap if no further action was taken	1,562	1,110	1,874	1,985	2,618	3,705
Inflation on Income		(180)	(130)	(100)		
Non-recurring growth		538	25	25		
JTP - Shared Transformation		(200)	(100)			
Service Efficiencies		(350)	(200)	(200)		
VAT Exemption - Cultural Services			(250)			
Devonshire Park		739	575	149		
Procurement Savings - Art			(50)			
NNDR Deficit						
Property Management Cost Review			(200)			
Contribution from HRA towards JTP		(250)				
Commercial Income		(100)	(200)	(200)		
Devonshire Park Reserve		(739)	(575)	(149)		
Balance to/from Reserves	(1,562)	(568)				
Cumulative Gap/ (Surplus)	0	0	769	2,279	TBC	TBC

1 PRIORITIES, AIMS AND OBJECTIVES

- 1.1 The Eastbourne Business Plan provides the overarching vision for the Council. In fulfilment of the Plan, the Authority makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources.

2 STRATEGY OBJECTIVES

- 2.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.

- 2.2 The specific objectives of the MTFS are to:

a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;

b) plan for a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;

c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and

d) maintain sufficient reserves and balances to ensure that the Council's long term financial health remains sound.

3 STRATEGY PRINCIPLES

- 3.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

General

- 3.2 There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;

b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;

c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;

d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken monthly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases where significant financial and service performance deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;

e) that the Council's Corporate Management Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and

f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

General Fund (Revenue)

3.3 In relation to its revenue budgets the Council will:

a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Business Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;

b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;

c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;

d) review the appropriateness of service delivery between the Council, parishes and other partners;

e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and

f) within Government guidelines, set a level of Council Tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

Capital

3.4 When considering its capital investment, the Council will:

- a) maximise the generation of capital receipts and grants to support its planned investment programmes;
- b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing;
- c) not recognise capital receipts until there is certainty that the receipt will materialise, and will not be earmarked against specific developments without express Cabinet approval;
- d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted;
- e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
 - the business case for any given project; asset management planning; and
 - affordability in line with the application of the Prudential Code.

Balances and Reserves

3.5 In relation to its balances and earmarked reserves, the Council will:

- each year, maintain the level of General Fund balances at around 15% of its budgeted net expenditure. This would lead the Council to maintain a General Fund balance around the £2m mark.
- have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
- review its earmarked reserves, which have been established to meet known or predicted liabilities, to ensure that the level of those reserves are still appropriate; and
- return reserve balances no longer required to the General Fund as appropriate.

Treasury Management and Investment

3.6 The Council will:

- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
- b) secure the stability of the Council's longer term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.

c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

4 OTHER CONSIDERATIONS

4.1 The Council's spending will have regard to:

a) the base budget position for the current financial year, adjusted for in year grant changes;

b) the Council's medium term priorities;

c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;

d) demographic and welfare changes;

e) consultation outcomes; and

f) fiscal matters including:

- price inflation
- the effect on the level of General Fund balances and reserves
- the impact of any changes to the capital programme on the potential costs of borrowing
- triennial revaluation of the pension fund
- ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants
- achieving budgeted savings from outsourcing, shared services and service reviews
- the likely implications of some Government departmental savings targets to councils

RISKS	LIKELIHOOD (HIGH), (MEDIUM), L)(LOW)	LIKELIHOOD (HIGH), (MEDIUM),) (LOW)	MITIGATING ACTIONS
The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.	L	H	Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.
Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.	L	H	Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.
Government is continuously reducing its departmental spending budget. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.	H	H	Take advantage of the Council's growth opportunities to reduce dependency on government funding. Align service delivery to funding levels, improve exist strategy to minimise risk.
Budget pressures arising from housing and economic growth and other demographic changes.	H	H	Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.
Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. Brexit, business rates and New Homes Bonus.	H	H	Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.
Uncertainty surrounding the Government's change agenda including, business rates and welfare reform over the medium term.	H	H	Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/

			key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.
Budget pressures from demand led services and income variances reflecting the wider economy.	M	M	Monitor pressures throughout the budget process and take timely actions.
Costs arising from the triennial review of the Local Government Pension Scheme.	H	M	Review and monitor information from Government and actuaries. Update forecasts as necessary.
Interest rate exposure on investments and borrowing.	L	L	Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.
The Council has entered into a number of strategic partnerships and contracts and is therefore susceptible to price changes.	M	H	Effective negotiation, sound governance arrangements and regular reviews of performance and partnership risks.
There is a potential risk to the Council if there is a financial failure of an external organisation, providing services to the public on behalf of the Council.	L	H	Ensure rigorous financial evaluations are carried out at tender stage. Consideration of processes to ensure annual review of the successful organisation, and review any external auditor comments.
Loss of key skills, resources and expertise.	M	M	Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified through 'My Conversation' programme with staff are satisfied.
Changes of responsibility from Government can adversely impact on service priorities and objectives.	L	L	Sound system of service and financial planning in place. Lobby as appropriate.
Loss of reputation if unforeseen resource constraints result in unplanned service reductions.	L	H	Have in place strong governance and risk management discipline followed by identification and implementation of robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.

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Summary	EBC Level 2 Plans		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Base Budget			
Corporate Services	3,978 TBC		TBC
Service Delivery	5,497 TBC		TBC
Regeneration	(960) TBC		TBC
Tourism and Leisure	2,969 TBC		TBC
Capital Financing	2,025 TBC		TBC
Transfer to Reserves	0 TBC		TBC
Adjustment to Base transfer to reserves			
Base Budget	13,509	13,986	13,858
Savings	(1,080)	(1,130)	(500)
Growth - Recurring	1,307	1,002	1,097
Growth - non recurring	538	25	25
Growth - devonshire Park	739	575	149
	15,013	14,458	14,629
Less contribution from Reserves	(1,307)	(575)	(149)
total net expenditure	13,706	13,883	14,480
Funding			
Council Tax Base	(8,626)	(8,910)	(9,203)
Council Tax Surplus	(152)	0	0
Business Rates	(4,394)	(3,955)	(3,560)
Business Rates Pool	(200)	0	0
RSG	0	0	0
New Homes Bonus	(187)	(102)	(60)
Other Government Grants	(147)	(147)	(147)
	(13,706)	(13,114)	(12,970)
Gap	0	769	1,510

Summary

EBC Level 2 Plans		
2019/20	2020/21	2021/22
£'000	£'000	£'000

Savings or Income Generation

Corporate Services	(566)	(850)	(500)
Service Delivery	(242)	0	0
Regeneration and Planning	(237)	(200)	0
Tourism and Enterprise	(35)	(80)	0

TOTAL Savings or Income Generation

(1,080)	(1,130)	(500)
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Growth Items

Corporate Services	965	987	1,083
Service Delivery	15	15	14
Regeneration and Planning	135	0	0
Tourism and Enterprise	192	0	0

TOTAL Growth

1,307	1,002	1,097
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Non-Recurring Growth

Corporate Services	215	0	0
Service Delivery	141	10	10
Regeneration and Planning	114	15	15
Tourism and Enterprise	68	0	0

TOTAL Non Recurring Growth

538	25	25
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Funding from Devonshire Park Reserves

739	(324)	(28)
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Total Budget Movement

1,504	(427)	594
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CORPORATE SERVICES

	EBCLevel 2 Plans		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
SAVINGS			
Corporate Services			
Joint Transformation Programme	(200)	(100)	0
VAT Exemption Cultural Services	0	(250)	0
Income inflation and usage		(100)	(100)
Commercial Income	(100)	(200)	(200)
Contribution from HRA towards JTP	(250)		
Service Efficiencies		(200)	(200)
Finance			
IT			
DR Contract	(10)	0	0
Canon Contract	(1)	0	0
HR			
Provision of HR support to external organisation, 3VA	(5)	0	0
New Saving and Income Proposals			
	(566)	(850)	(500)
GROWTH ITEMS			
Corporate			
Pay Award and Increments	300	300	300
Pension Contributions	30	30	30
National Living Wage	20	0	0
Inflation	250	250	250
Capitla Financing	300	400	500
Emergency Planning			
East Sussex Emergency Partnership	13	0	0
Local Democracy			
Audio minutes add on for Modern.Gov	2	0	0
ADSO Certificate in Democratic Services Knowledge	3	0	0
Tellus - Data mining module	2	0	0
Atlas - Boundary review and boundary changes module	1	0	0
Legal			
Apprentice Paralegal	9	0	0
IT			
PSN Compliance	7	(2)	0
Enterprise Vault Support	0	0	0
Network Support	0	0	0
Blackberry Licence and Support	18	3	3
Cloud Storage	5	0	0
IT Disposals	0	6	0
UPS Maintenance	2	0	0
PCIDSS Scans	3	0	0
TOTAL GROWTH ITEMS			
	965	987	1,083
NON RECURRING GROWTH ITEMS			
JTP implimenation assumed revenue exp	200	0	0
Members Allowances review - Money carried over as not used this financial year	5	0	0
Recruitment of HR apprentice	10	0	0
TOTAL NON RECURRING GROWTH ITEMS			
	215	0	0

Direct Service Delivery

	EBC Level 2 Plans		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
SAVINGS OR INCOME GENERATION			
Bereavement			
Increased burial and cremation costs by 2.4%	(92)	0	0
Envirnomenal Efficiencies	(150)	0	0
TOTAL Savings or Income Generation	(242)	0	0
GROWTH ITEMS			
Customer and Neighbourhood First			
Refurbishment of car park machines	0	0	0
New Bus shelters, Eastbourne Town Centre	10	10	10
Pest Control revenue	0	0	0
Community Engagement activities for Neighbourhood First fly tipping, littering, and other ASB activities. Purchasing of litter picking equipment, posters, signage etc	2	2	2
Upgrade of the customer PC teminals in Grove Road	0	0	0
Specialist & Case Management			
Implementation of use of company Teraquest for validation of planning applications	0	0	0
Ash Die Back	1	1	1
Welfare funerals	2	2	1
TOTAL GROWTH ITEMS	15	15	14
NON RECURRING GROWTH ITEMS			
Customer and Neighbourhood Services			
Car park machines	25	0	0
Upgrade customer terminals	15	0	0
Specialist & Case Management			
Empty Homes review to maximise the NHB	10	10	10
Annual SPD review	13	0	0
NNDR Bid software	22	0	0
Bed and Breakfast	56	0	0
TOTAL NON RECURRING GROWTH ITEMS	141	10	10

Strategy, Planning and Regeneration	EBC Level 2 Plans		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
SAVINGS AND INCOME			
Efficiency Savings	(200)		
Property and Facilities			
Property Asset Management System	(9)	0	0
Property Management Portfolio Cost Review		(200)	
Building Control Contract	(13)		
Business Planning and Performance			
Pentana systems maintenance	(11)	0	0
Grant Finder	(4)	0	0
Regeneration			
New Saving and Income Proposals	(237)	(200)	0
GROWTH ITEMS			
Property and Facilities			
Coindition Surveys	50	0	0
Eastbourne Downs Golf Club	40	0	0
Business Planning and Performance			
Gov Delivery	7	0	0
Press Office	36	0	0
BCIS online subscription	2	0	0
TOTAL GROWTH ITEMS	135	0	0
NON RECURRING GROWTH ITEMS			
Smart Survey	1	0	0
Langney Community Hall	9	0	0
Bandstand PC	6	0	0
Minimum Energy Efficenty Standards	10	10	10
Rating Revlautions	5	5	5
Downland Whole Estate Plan	43	0	0
Business Planning and Performance			
Planning Policy			
Terra Quest	40	0	0
TOTAL NON RECURRING GROWTH ITEMS	114	15	15

EBC Level 2 Plans			
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
New Saving and Income Proposals			
Towner			
Towner Grant	0	(50)	0
Beachy Head Marathon	(5)	0	0
Golf	0	(30)	0
Bandstand	(30)	0	0
Total Savings or Income Generation	(35)	(80)	0
GROWTH ITEMS			
Tourism and Enterprise			
Conference Marketing	8	0	0
Pavilion Café	14	0	0
Western View	4	0	0
EDGC - realistic budget for golf	40	0	0
Victoria Mansions Business Rates	7	0	0
Sports Delivery			
Cavendish Sports Centre	13	0	0
Events			
Airbourne	62	0	0
Dev Park Grass waste disposal costs	3	0	0
Events Admin	8	0	0
Nature valley Int Tennis	33	0	0
TOTAL GROWTH ITEMS	192	0	0
NON RECURRING GROWTH ITEMS			
Tourism and Enterprise			
Temporary exhibition Victoria Mansions	50	0	0
Events			
Dev Park Chemicals	5	0	0
Dev Park Trees Maintenance	3	0	0
Dev Park Landscape works	3	0	0
Events Development	2	0	0
Airbourne HVM Road Closure Traffic	5	0	0
TOTAL NON RECURRING GROWTH ITEMS	68	0	0
Devonshire park business plan	739	(324)	(28)
TOTAL FUNDING FROM DEVONSHIRE PARK RESERVE	739	(324)	(28)

Report to:	Cabinet
Date:	12 December 2018
Title:	Council Tax Base and Non-Domestic Rates income for 2019/20
Report of:	Chief Finance Officer
Cabinet member:	Councillor Stephen Holt
Ward(s):	ALL
Purpose of report:	To approve the Council Tax Base and net yield from Business Rate Income for 2019/20 in accordance with the Local Government Finance Act 1992, as amended 2018/19.
Decision type:	Key Decision
Officer recommendation(s):	<div><div>i)</div><div>Agree the provisional Council Tax Base of 34,765.3 for 2019/20.</div></div> <div><div>ii)</div><div>Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine the final amounts for the Council Tax Base for 2019/20.</div></div> <div><div>iii)</div><div>Agreed that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine net yield from Business Rate income for 2019/20.</div></div>
Reasons for recommendations:	Cabinet is required to approve the Tax Base which will be used for the purposes of calculating the 2019/20 Council Tax
Contact Officer(s):	Name: Pauline Adams Post title: Head of Finance E-mail: Pauline.adams@lewes-eastbourne.gov.uk Telephone number: 01323 415979 or 07932 665467

1. Introduction

- 1.1 The Council is required to set its Council Tax Base for the forthcoming year. This calculation is used as the basis for the amount of income the Council will precept from the Collection Fund.

- 1.2 The Local Authorities (Calculation of Council Tax Base) Regulations 1992 prescribe that the billing authority (this council) must supply the precepting authorities (the County, Police and Fire authorities) with the calculation of the Council Tax Base. This information must be supplied between 1 December and 31 January in the financial year proceeding the financial year for which the calculation is being made.
- 1.3 Non-Domestic Rating (Rates Retention) Regulations 2013 also sets out a timetable for informing the Government and precepting authorities of the business rate income calculation. This information is completed via a Government return (NNDR1) which must be submitted by 31 January in the financial year preceeding the financial year for which the calculation is being made.
- 1.4 In order to assist the precepting authorities with their financial planning it is helpful to provide the information during December rather than wait for the January deadline.

2. Council Tax Base 2019/20

- 2.1 The Council Tax Base is the estimated full year equivalent number of chargeable dwellings. This is expressed as the equivalent number of Band D dwelling with two or more liable adults.
- 2.2 In making this estimate, account must be taken of discounts, disabled relief and property exemptions. Movements on and off the valuation list during the year must also be taken into account – e.g. where new properties have been built or old ones converted or demolished.
- 2.3 The basic calculation as determined by primary legislation is that the Council arrives at it's Council Tax Base by multiplying its Relevant Amount by its estimated Collection Rate.

3. Relevant amount

- 3.1 The Relevant Amount for each Bank is the estimated full year equivalent number of chargeable dwellings in the Band expresses the equivalent number of Band D dwellings. The Government's Valuation Office assesses the relative value of each property with the borough and places it in one of the eight bands. A conversion factor is then applied to each band in order to obtain the equivalent number of Band D property as set out below

Band	Valuation (at 1 April 1991)	Conversion Factor as proportion of Band D
A	Less than £40,000	6/9
B	£40,001 - £52,000	7/9
C	£52,001 - £68,000	8/9
D	£68,001 - £88,000	9/9
E	£88,001 - £120,000	11/9
F	£120,001 - £160,000	13/9
G	£160,001 - £320,000	15/9
H	Over £320,001	16/9

- 3.2 Deductions are made to the aggregate number of properties in each band in respect of various discounts such as empty properties and single persons. An adjustment is also made to reflect the impact of the Council Tax Reduction Scheme.
- 3.3 The results for each Band are then added together to arrive at the overall Band D or Relevant Amount. For 2019/20 this totals 35,384.5 equivalent properties.
- 3.4 The Relevant Amount has increased by 239 properties (0.68%) Band D equivalent dwellings from 2018/19. This reflects expected growth in the number of taxable properties of 165 plus the effect of the changes to the Local Council Tax Reduction scheme (LCTRS) agreed by the Council on 18th October 2017. The effect of these changes has resulted in an increase to the total number of chargeable dwellings of 281.

4. Collection Rate

- 4.1 The Collection Rate is the Council's estimate of the proportion of the overall Council Tax collectable for 2019/20 that will ultimately be collected.
- 4.2 The key elements in making this calculation are losses on collection, appeals against valuation, changes in circumstances (e.g. application for discounts in respect of single person's occupancy or disability) and other adjustments. These other adjustments to bills can arise for a variety of reasons including bankruptcy, death and exemptions, plus an allowance for uncollectable debts.
- 4.3 The current level of Council Tax collection is forecast to show an in-year surplus balance of £456,180 at the end of 2018/19, and this would indicate that the current collection rate of 97.75% should be adjusted upwards to 98.25% going forward.

5. Council Tax Base

- 5.1 Taking the Relevant Amount of 35,384.5 and applying the Collection Rate of 98.25% produces a Council Tax Base for 2018/19 of 34,765.30.
- 5.2 The Council Tax Base has increased by 1.2% compared with 2018/19. This is

equivalent to an increase of 610.9 Band D dwellings. The detailed number of properties is shown at Appendix 1.

- 5.3 The Council's Medium Term Financial Strategy is updated annually to take account of movement in the Council Tax Base. The assumed tax base for the current MTFS was 34,939.07

6. **Business Rate Income**

- 6.1 The Local Government Finance Act 2012 introduced a new system for the local retention of business rates. This means that the Council is required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2019/20 financial year must be approved by 31 January 2019.
- 6.2 The Business Rate income is collated on the Government's NNDR1 form which shows the net rate income yield for the central and local shares of the business shares of the business rates. The actual NNDR1 form and guidance notes have not yet been received.
- 6.3 The net business rate yield is calculated using the total expected gross income by multiplying the Rateable value by the nationally set multipliers (for 2018/19 these are 49.3p standard and 48.0p for small businesses). These multipliers are uplifted annually by the September CPI rate which was 2.9%, but this increase is still to be confirmed by Government. This gross yield is then adjusted for mandatory and discretionary reliefs, an allowance for cost of collection, adjustment for changes in Rateable Value due to growth or reduction in property numbers, estimated losses on collection and an allowance for appeals.
- 6.4 The resulting calculation is the net business rate yield which is shared as follows:
- 50% to Central Government
 - 40% to Local Billing Authority (this council)
 - 9% to the County
 - 1% to the fire authority.
- 6.5 The local share is then payable to the Council's General Fund. All other adjustments to the overall level of Business rate income are then accounted for within the General Fund.
- 6.6 The final amount of business rates income retained by the Council is adjusted by deduction tariff and levy payments.
- 6.7 The system of tariff or top up is to redress the balance of Business Rate income nationally to ensure that no local authority is worse off as a result of business rate income at the outset of the rates retention scheme in 2013. This authority currently makes a tariff payment, and information on the level of tariff payment will be announced as part of the Government grant settlement figures.
- 6.8 Levy payments allow authorities to retain a proportion their growth. The levy has been set at 50% of the growth over the baseline allowance set by Government.

7. Setting the Business Rate Income

- 7.1 As the final figures required to set the Business Rates Income are not yet available, Cabinet is asked that delegated authority be given to the Chief Finance Officer, in consultation with the portfolio holder for Finance.

8. Business Rate Pooling

- 8.1 The Council is working within a Business Rate Pool with the other East Sussex Borough and District Councils, East Sussex County Council and East Sussex Fire Authority. Under this arrangement, 50% of any growth in business rate income which would otherwise be paid as level to the Government can be retained by the Pool to be redistributed to its participating authorities in accordance with an agreed memorandum of understanding.

At the time of writing this report the East Sussex bid for the 75% business rate pilot has been submitted and we are awaiting the outcome. Further details will be provided as part of the Budget report in February.

- 8.2 It is expected that for 2018/19 Eastbourne's share of the pool will be in the region of £260,000, this will be confirmed at the end of the financial year once the volume of growth for the year has been calculated. The figures for 2019/20 can not be estimated until the NNDR1 form is complete.

9. Collection Fund Performance

- 9.1 As at 31 March 2018 the Collection Fund showed a deficit of £2,254,671 (£1,267,112 Council Tax surplus and £3,521,784 Business Rates deficit). £1,591,301 is being recovered across Council Tax and Business Rates preceptors during 2018/19, leaving a balance of £663,370 to be recovered in 2019/20.
- 9.2 The Council has to estimate the overall surplus/deficit at 31 March 2019 and inform precepting authorities in January 2019 of this estimate in order that the amount is included in the 2019/20 precept figures.
- 9.3 Current monitoring figures indicate a surplus by 31 March 2019 of £456,180 for Council Tax; this will be revisited in January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated to preceptors in 2019/20 in proportion to the 2018/19 Band D Council Tax. For this council this represents a 12.68% share of the total.
- 9.4 The calculation on the Business Rate income element of the Collection Fund currently indicates a deficit balance of £1,640,600 as a result of a combination of the backdated appeals being paid, and an increase in charity reliefs and exemptions granted. Any surplus or deficit is allocated in 2019/20 in accordance with the proportions given at paragraph 6.4 above.

10. Outcome expected and Performance Management.

- 10.1 Once the Council Tax Base and the estimate balance on the Council Tax element of the Collection Fund has been determined, East Sussex Council. Sussex Police

and Crime Commissioner and East Sussex Fire Authority will be notified.

- 10.2 Once the NNDR1 2019/20 has been completed and the estimated balance on the Business Rate element of the Collection Fund has been determined, this will be submitted to Central Government and both East Sussex County Council and East Sussex Fire Authority will be notified.
- 10.3 Council Tax and Business Rates income and payments to precepts are accounted for in the Collection Fund which is regularly monitored and reported to members as part of the quarterly performance monitoring report.

11. Financial appraisal

- 11.1 The Council Tax Base will be used to calculate the level of Council Tax requirement that will be recommended to the Council on xx February 2018
- 11.2 The net yield from Business Rates income will be used to calculate the amount of retained Business Rates to be credited to the General Fund.

12. Legal implications

- 12.1 The Council Tax Base must be calculated in accordance with the Local Government Finance Act 1992 and The Authorities (Calculation of Council Tax Base) Regulations 2012.
- 12.2 Under these Regulations 1992 the billing authority (this council) is required to calculate its Council Tax base by 31 January for the next financial year and inform all its preceptors of this calculation.

The legislation further provides that, where a billing authority fails to notify each of the major precepting authorities of this calculation it can be determined by those precepting authorities on the basis of all the information available and with reference to the preceding year's amount.

- 12.3 It is a requirement of the Non-Domestic Rating (Rates Retention) Regulations 2013 for the billing authority (this council) to notify MHCLG and precepting authorities of its calculation of expected rate income by 31 January preceding the commencement of the next financial year.

If the billing authority fails to comply with this requirement then the Secretary of State may make the calculation instead and inform precepting authorities of the calculation.

13. Risk management implications

- 13.1 If the Council did not set a Council Tax Base this can be imposed by the precepting authorities with the potential that an incorrect Band D Council Tax could be set. This would have implications to the Council Tax income for the Preceptors, this Council and the performance of the Collection Fund.

14. Equality analysis

- 14.1 There are no equality implications to this report.

15. Conclusion

- 15.1 The provisional Council Tax Base for 2019/20 has been calculated in accordance with the relevant legislation. Summary calculations are set out within the attached appendix.
- 15.2 The figures required to set the Business Rate Income are not yet available as the NNDR1 form and guidance notes have not yet been received from the MHCLG...
- 15.3 It is recommended that delegated authority be given to the Chief Finance Officer, in consultation with the Portfolio holder for Finance, to agree the final figures for both calculations.

16. Appendices

- Appendix 1 – Summary of property numbers and Council Base Calculation.

17. Background papers

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

- Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992
- The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003
- Non-Domestic Rating (Rates Retention) Regulation 2013
- Calculation of Council Tax Base – CTB (October 2018) form.

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	2016/17	2017/18	2018/19	2019/20
NUBER OF DWELLINGS				
Valuation List as at November	47,489	47,703	47,749	47,841
Less discounts equated to property numbers	-4,775	-4,716	-4,817	-4,989
Total equivalent property numbers	42,714	42,987	42,932	42,853
Estimated changes in year	102	81	73	165
Less Local Council Tax Reduction Scheme	-6,079	-6,087	-5,598	-5,330
Total Number of Properties	36,737	36,981	37,406	37,688
% increase (decrease)		0.66%	1.15%	0.75%
TAXBASE CALCUATION				
Relevant Amount (Band D Equilavant)	34,556.4	34,793.5	35,145.2	35,384.5
Collection Rate	97.25%	97.50%	97.75%	98.25%
Council Tax Base	33,606.1	33,923.7	34,354.4	34,765.3
% growth increase		0.94%	1.27%	1.20%

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Report to:	Cabinet
Date:	12 December 2018
Title:	Eastbourne Community Safety Partnership Annual Report
Report of:	Ian Fitzpatrick, Director of Regeneration and Planning
Cabinet member:	Councillor Ungar, Cabinet Member for Community Safety
Ward(s):	All
Purpose of report:	To enable Cabinet to consider the current performance of the Eastbourne Community Safety Partnership (ECSP)
Decision type:	Key
Officer recommendation(s):	That Cabinet note the achievements and activities of the Eastbourne Community Safety Partnership during 2017/18 and future risks/opportunities to performance.
Reasons for recommendations:	For Cabinet to consider progress on delivery of the current Community Safety Plan.
Contact Officer(s):	Name: Pat Taylor Post title: Strategy and Partnerships Lead – Thriving Communities E-mail: pat.taylor@lewes-eastbourne.gov.uk Telephone number: 013123 415909

1 Introduction

- 1.1 Community Safety Partnerships (CSPs) were established under the Crime and Disorder Act 1998. They are formed from a number of bodies referred to in the 2015 Act as “responsible authorities”, such as the police, fire and rescue service and local authorities.
- 1.2 Amongst other obligations, CSPs have a statutory duty to reduce crime and disorder, substance misuse and re-offending in their local authority area. Lewes District Council has a key role in coordinating partners of the Eastbourne Community Safety Partnership (ECSP) and contributing towards the delivery of local community safety priorities.
- 1.3 The ECSP works in partnership with the County CSP (namely the East Sussex Safer Communities Partnership) to address pan-county issues such as offender management and domestic abuse.

2 Proposal

- 2.1 CSPs have a statutory duty to set out a partnership plan and monitor progress. A new Community Safety Plan was developed in 2017 and approved early in 2018 following consultation with the policy and other key partners. The 2018/19 Plan addresses the priorities for Eastbourne at that time. The priorities of the Police and Crime Commissioner (PCC), Sussex Police and East Sussex Safer Communities Partnership were taken into account, as well key local issues.
- 2.2 The Plan will be reviewed at a meeting of the Community Safety Partnership Strategy Group in January and, in light of comments raised by members of the group, it is anticipated that the priorities for 2019/20 will be amended at that stage to reflect recent trends and concerns.
- 2.3 The Community Safety Plan for 2019/20 will be brought to Cabinet in 2019 along with an update on activities.

3 Outcome expected and performance management

- 3.1 The number of crimes reported in Eastbourne has increased in the last two years with the number of crimes recorded in the district rising from 6,720 in 2014/15 to 8,761 in 2017/18. There was a 13% increase in reported crimes in 2017/18 compared with 2016/18, a slightly lower increase than the 17% increase reported in 2016/17.
- 3.2 Factors contributing to the increase in reported crime include
 - (i) strict adherence to Home Office Crime Recording Procedures by Sussex Police; and
 - (ii) a PCC-led initiative to increase crime reporting in a number of categories including, domestic abuse, hate crime and sexual offences
 - (iii) the emergence of County Lines and other forms of crime which have had a significant impact on levels of crime in seaside and rural areas within Sussex.
- 3.3 Cabinet should note that Eastbourne continues to be a low crime area compared with similar towns. Eastbourne was ranked 3rd lowest for crimes recorded in its Most Similar Group in 2017/18, meeting the target set by the council is to maintain a position in the lowest third of the group, and is currently ranked the lowest.
- 3.4 **Progress in Priority Areas**
- 3.5 **Anti-Social Behaviour:**

Actions agreed and carried out by the Joint Action Groups have made a positive contribution to Community Safety in the borough. Ward councillors, local businesses, statutory and voluntary agencies are able to bring concerns to the Joint Action Groups to be considered and addressed. Partners have focused

recently on issues raised in Bridgemere and Roselands and in Naomi Place.

- 3.6 The council's Neighbourhood First teams deliver an important strand of the council's work addressing anti-social behaviour, with a particular focus on environmental anti-social behaviour and promotion of the Report It app.

3.7 **Street Communities**

The ECSP has contributed significantly to multi-agency work with street communities by

- contributing funds to Operation Mascot which is a Multi-Agency Street Community Operations Team helping homeless people to access the help they need and focusing patrols on areas of the town with a high profile of anti-social behaviour to tackle problems before they escalate
- contributing funding towards the costs of appointing an Outreach Worker to identify and engage with members of the street community and link them in with the services they need to address their barriers to housing
- collaborating with housing officers at the Council to develop a new Eastbourne and Lewes Street Communities Strategy. The Strategy was launched at the initial meeting of the Eastbourne and Lewes Street communities Partnership in September 2018.

3.8 **Proactively respond to emerging threats and priorities:**

The Partnership has also begun work on a County Lines Action Plan to address organised crime through multi-agency work and on the development of a new Streetz Project designed to safeguard young people at risk of being drawn into organised criminal activity through County Lines. This has included presentations to staff and partners, including the Board of Eastbourne Homes and the Eastbourne Youth Partnership.

- 3.9 Council staff have been trained on a range of safeguarding issues this year to increase their awareness of current exploitation issues and encourage reporting of offences. This has covered Modern Slavery, organised crime and child exploitation, cuckooing and how to identify and report potential terrorist activity. The council has also used its communication networks to promote training tools and raise awareness and understanding of Modern Slavery, Child Exploitation and Rogue Trading and signed up to the Friends Against Scam Charter.

3.10 **Contribute to the work of agencies and partnerships that have a leading role in working with victims and offenders:**

The ECSP liaises with members of the East Sussex Safer Communities Partnership to ensure best use is made of local resources. This year the partnership has continued its work to raise awareness of domestic abuse and promote the White Ribbon campaign, and funded a drop-in service for people seeking advice and support, and has funded the Safe from Harm project to work with victims of anti-social behaviour and hate crime.

3.11 **Prevent**

The Counter-Terrorism and Security Act 2015, places a duty on all specified authorities, including local authorities, in exercise of their functions to have due regard to “prevent” people from being drawn into terrorism. The **threat level** to the **United Kingdom** from international terrorism is currently 'Severe'. This means that a terrorist 'attack is highly likely'.

3.12 Although East Sussex is a low risk area, Prevent forms a standing Agenda item for the Eastbourne and Lewes District Community Safety Partnership Strategy Group and the council is an active member of the East Sussex Prevent Board.

3.13 An audit of the council's progress and performance on Prevent was conducted in 2017/18 and found overall governance and performance in relation to Prevent to be sound. Recommendations designed to ensure council contractors and tenants of council-owned buildings are made aware of their responsibilities under Prevent have been included in an updated action plan and delivered. We also included basic information on Prevent in our staff training on Safeguarding this year and organised a specialist training session on Prevent for relevant staff in October 2018.

3.14 Home Office plans to transfer responsibility for Prevent from the police to upper-tier local authorities have been delayed until 2019.

3.15 **Liaison with the Police and Crime Commissioner**

The Cabinet member for Community Safety, Councillor Ungar is Eastbourne Borough Council's representative on the Police and Crime Panel (PCP) which has the power to scrutinise the PCC and, in particular, her 'policing plan' and 'budget'. PCCs do not directly control local CSPs but directly impact on their effectiveness by control of budget allocation and their responsibility for monitoring CSP effectiveness.

3.16 CSPs are awarded an annual grant by the PCC, broadly based on population density and crime formula. Eastbourne CSP has received £26,200 per annum from the PCC over the five years up to and including 2017/18. A review of CSPs carried out by the PCC in 2017/18 led to a reallocation of funding between authorities. Eastbourne CSP benefited from an increase in funding and was allocated £37,901 for its work in 2018/19 and £40,733 in 19/20. A Spending Plan focusing on the four ECSP Plan Priorities has been developed.

3.17 **Proposed Eastbourne and Lewes District Community Safety Partnership**

In late 2015 the Police and Crime Commissioner for Sussex recommended that it would be appropriate for individual District and Borough Community Safety Partnerships to investigate merging options to reflect the new policing district boundaries and make efficiency savings.

3.18 A 'soft merger' of Lewes and Eastbourne CSPs was agreed and has been implemented in 2017/18 and consultation on a formal merger is nearing completion. It is expected that the merger will be finalised in 2018/19, subject to the approval of the PCC.

4 Consultation

- 4.1 The ECSP Community Safety Plan 2018/19 was developed following consultation at meetings and workshops with relevant partners and stakeholders.

5 Corporate plan and council policies

- 5.1 The Community Safety Plan and work of the ECSP contribute to our Thriving Communities vision for Eastbourne to have some of the lowest levels of crime in the South East, and, as a result, our communities to feel safe.

6 Business case and alternative option(s) considered

- 6.1 The Council has a statutory duty to reduce crime and disorder, substance misuse and re-offending in their local authority area working in partnership with the police and a range of other local agencies. The current Community Safety Plan identifies priorities for action in 2018/19 based on local needs and provides a sound basis for the ECSP's spending plans. The Plan will be reviewed early in 2019 in consultation with local stakeholders and partners and will be revised to reflect current concerns and priorities.

7 Financial appraisal

- 7.1 There are no direct financial implications for the Council arising from the recommendations set out in this report.

8 Legal implications

- 8.1 This report sets out how the Council has complied, and will continue to comply, with its duties under section 6 of the Crime and Disorder Act 1998 and the Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007 as amended.

Lawyer consulted 05.11.18

Legal ref: 007815-EBC-OD

9 Risk management implications

- 9.1 Reviewing performance against the Community Safety Plan each year provides an assurance that the Council is fulfilling its statutory duties and is contributing effectively to reducing the incidence of crime and anti-social behaviour and the harm caused to local communities.

10 Equality analysis

- 10.1 An Equality and Fairness Analysis was carried out on the proposed Community Safety Plan 2018/19. This is available from the report author.

11 Background papers

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

- [Eastbourne Community Safety Plan 2018-19](#)

Report to:	Cabinet
Date:	12 December 2018
Title:	Sustainability Policy
Report of:	Ian Fitzpatrick, Director of Planning and Regeneration
Cabinet member:	Councillor Jonathan Dow, Cabinet member for place services
Ward(s):	All
Purpose of report:	To introduce the Sustainability Policy for Eastbourne Borough Council
Decision type:	Key
Officer recommendation(s):	To approve the Sustainability Policy for adoption
Reasons for recommendations:	Provide a policy frame work for Eastbourne Borough Council
Contact Officer(s):	Name: Jane Goodall/Kate Tradewell Post title: Strategy and Partnership Lead, Quality Environment/Strategy and Corporate Projects Officer (Quality Environment) E-mail: jane.goodall@lewes-eastbourne.gov.uk kate.tradewell@lewes-eastbourne.gov.uk Telephone number: 01323 415383

1 Introduction

- 1.1 Eastbourne Borough Council has undertaken a range of work relating to sustainability goals over the years, for example the installation of PV panels; bee-friendly and fruit tree planting; and supporting community beach cleans.
- 1.2 On 12 September 2018, Cabinet authorised the Strategy & Partnership Lead, Quality Environment, in consultation with the Cabinet member for place services, to prepare a Sustainability Policy to provide a framework for council activities for consideration and approval at Cabinet later in the year. The need for such a framework has been strengthened by the recent publication of the IPPC Special Report on Global Warming stating that to limit climate change to 1.5°C would require “rapid and far-reaching” transitions in land management, energy and industry, buildings, transport and cities.
- 1.3 Future council activities include how we manage air quality in the town through, for example, ‘no idling’ zones; higher standards for energy and sustainability in

our housing; and further work to support 'Plastic Free' Eastbourne.

- 1.4 The sustainability policy aims to comprise a number of core values guided by the generally accepted definition of sustainable development:

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" Brundtland Report, 1987

The core values will echo commitments already made to residents in the Corporate Plan and will direct them as to how we operate our own business.

- 1.5 The Sustainability Policy was reviewed at Scrutiny Committee on 3 December 2018.

2 Proposal

- 2.1 That this policy is recommended for adoption at Cabinet.

3 Outcome expected and performance management

- 3.1 The adoption of a set of guiding principles in the form of an overarching Sustainability Policy will bring Eastbourne Borough Council into line with many other councils nationally. The policy will support planning policy and guidance, guide procurement decisions, potentially reduce costs with regards to energy and waste (through staff education and project initiatives) and generally work to ensure the council has 'its own house in order' before guiding others.
- 3.2 The policy is intended to provide a high level framework to inform the work of the council through future projects activities and plans.

4 Consultation

- 4.1 A draft of the policy was reviewed at Scrutiny, 3 December 2018.

5 Corporate plan and council policies

- 5.1 Corporate Plan: a clean and attractive low carbon town, producing less waste than before, with a high quality built environment, excellent parks and open spaces and served by a number of good transport options.
- 5.2 This policy builds on a number of initiatives in Eastbourne including the installation of 410 PV panels; a commitment to developing the EV charge point network; and a reduction of single use plastics in council offices.

6 Business case and alternative option(s) considered

- 6.1 Future projects and activity arising from the adoption of this policy will be subject to viability analysis.

7 Financial appraisal

- 7.1 No financial implications arising from this report. Future projects and activity arising from adoption of this policy will be subject to viability analysis and due diligence

8 Legal implications

- 8.1 Under the Localism Act 2011 section 1, the general power of competence, the Council has the power to do anything that an individual can do that is not specifically prohibited or to which a more particular power or duty does not apply. The actions proposed in this Report fall within this power. Report considered by Legal on 31 August 2018 (IKEN-007643-EBC-OD).

9 Risk management implications

- 9.1 The risk of not developing a sustainability policy is that the organisation will lack a coherent framework by which it considers environmental impacts in its approach to plans projects and activities.

10 Equality analysis

- 10.1 EaFA 'no relevance' report included as a background paper.

11 Appendices

- Appendix 1 – Eastbourne Borough Council sustainability policy

12 Background papers

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

- [Decisions taken by the Cabinet on 12 September 2018](#) – Environmental initiatives
- [IPCC Special Report](#) on Global Warming [National Planning Policy Framework 2012](#)
- Equality and Fairness Analysis

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Appendix 1

Eastbourne Borough Council Sustainability Policy

December 2018

The government has set a clear agenda to be “the first generation to leave the environment in a better state than it was found”, with plans to deliver on a range of objectives, from cleaner air and water to minimising waste, banning pure combustion engine vehicles from sale by 2040 and a greenhouse gas emissions target of 80% reduction by 2050.

Eastbourne Borough Council acknowledges the community leadership and enabling role the council plays in the long-term sustainability and resilience of our communities. This is particularly important as we continue to provide new homes, redevelopment and regeneration into a future that will be subject to a changing climate.

Our role is reflected in the priority themes within the Council Plan and the vision to deliver a clean and attractive low carbon town, producing less waste than before, with a high quality built environment, excellent parks and open spaces, served by a number of good transport options.

The basic principles of sustainable development are generally accepted as:

- Living within environmental limits
- Ensuring a strong, healthy and just society
- Achieving a sustainable economy
- Promoting good governance
- Using sound science responsibly

This policy sets out how we will apply the principles above in our work. The policy is set out according to the 3 pillars of sustainability: the environment, the economy and social community. We accept that actions we take will be in line with the council's overarching vision and objectives and will be subject to viability analysis.

Actions that result to implement and fulfil this policy are embedded within the theme plans, service plans and the work of our CLEAR FUTURES Joint Venture (through which we will deliver many of our projects with an emphasis on energy and sustainability).

We are aware of and will work to reduce our environmental impact wherever it is within our power to control or influence this:

- We will embed sustainability into our procurement practices and make considered purchasing decisions such as finding alternatives to single-use plastics;
- We will seek out opportunities to improve biodiversity and green infrastructure within our town;
- We will seek to improve air quality;

- We will develop our coastal asset plan to integrate coastal issues and risk management in harmony with the natural environment;
- We will reduce waste, promote the re-use of materials where possible and increase recycling in our own operations. We will enable residents to do the same;
- We will continue to take action to address littering and fly-tipping;
- We will use our CLEAR FUTURES Joint Venture to encourage the highest standards of development, going above and beyond minimum standards;
- We will become more efficient in our use of energy at our sites, making targeted improvements where cost effective to do so.

We will encourage sustainable economic growth, for example:

- We will work with private and public sector partners to drive projects on key strategic sites through the CLEAR FUTURES Joint Venture;
- We will work with the East Sussex College Group to address the skills gap and tackle employability issues;
- We will work with the region's Universities and the East Sussex College Group to enable the further development of green growth and a knowledge-based, innovative economy.

We will enable our communities to thrive, for example:

- We will deliver affordable housing in line with housing need, that provides the best possible living environment for residents;
- We will work to tackle fuel poverty and improve energy efficiency of existing housing stock;
- We will enable resilient and sustainable communities and create places where people can and want to live into the future;
- We will choose sustainable locations for development;
- We will work to reduce the risk to our communities from flood events and coastal erosion;
- We will work in partnership with the voluntary & community sector so that communities can be encouraged to mobilise themselves to solve local problems and meet local needs;
- We will promote equality and foster positive relationships;
- We will promote the health and well-being of our residents.

Report to:	Cabinet
Date:	12 December 2018
Title:	Sustainable Energy Investment Feasibility
Report of:	Ian Fitzpatrick, Director of Planning & Regeneration
Cabinet member:	Councillor Jonathan Dow, Lead Member for Place Services
Ward(s):	All
Purpose of report:	To approve funding to commission Clear Sustainable Futures to determine if there is an investable business case for the deployment of sustainable energy generation technology at the Sovereign Leisure Centre
Decision type:	Key
Officer recommendation(s):	<p>(1) Delegate authority to the Chief Finance Officer and Director of Planning and Regeneration, in consultation with the Cabinet Member for Place Services to fund up to £25,000 for the commissioning of Clear Sustainable Futures to undertake the feasibility study of deploying sustainable energy generation at the Sovereign Leisure Centre</p> <p>(2) Delegate authority to the Chief Finance Officer in consultation with CMT and the Cabinet Member for Place Services, to proceed with the recommended sustainable energy solution for the Sovereign Leisure Centre if this is demonstrated to be a viable investment up to a value of £1.45m.</p> <p>(3) To note that a similar request is being made to Lewes District Council to progress viability analysis on their projects at Avis Way depot and Sutton Road and that the work is being conducted concurrently with knowledge being shared.</p>
Reasons for recommendations:	To reduce the carbon emissions of council developments; to enable the site to become a prosumer (a producer and consumer) of electricity and heat to reduce ongoing utility costs whilst also enabling income generation through provision of emerging grid flexibility services; to mitigate the impact of the development on the electrical grid and reduce utility costs.

Contact Officer(s): **Name:** Jane Goodall/Kate Tradewell
 Post title: Strategy & Partnership Lead, Quality Environment
 Strategy and Corporate Projects Officer, Quality
 Environment
 E-mail: jane.goodall@lewes-eastbourne.gov.uk
 kate.tradewell@lewes-eastbourne.gov.uk
 Telephone number: 01323 415383

1 Introduction

- 1.1 The current pipeline of redevelopment projects being undertaken by Lewes and Eastbourne councils and delivered by Clear Sustainable Futures provides an opportunity for the inclusion of clean energy generation technology that will provide for the site's own needs, could produce an excess to generate income and potentially provide flexibility services to the grid.

This will mean that the development can negate high electrical connection costs, reduce reliance on grid supplied utilities thus insulating against future price rises, can potentially store renewably-generated energy for use at other times and even generate an income through selling the power back to the grid or to tenants.

With the accelerating decarbonising of the electric grid, gas fired combined heat and power (CHP), the current choice for on-site heat and power generation at the Sovereign Leisure Centre, will quickly be considered the high-carbon solution with related negative connotations and impact on regional carbon targets. In the 12 months to October 2018 the average carbon intensity of the UK Grid has been 260g/kWh, this figure means that gas fired CHP boilers are now the higher carbon source of heat, as essentially grid electricity is cleaner than gas. Generating electricity on-site will make the energy supply even cleaner.

1.2 Sovereign Leisure Centre

The project is anticipated to enter detailed design in Early Feb 2019, start on site in August 2019 and enter operation before end March 2021.

The current design has a gross internal floor area of 6,200sqm and comprises a heating system which is the 'minimum Capex Design' and includes a gas fired CHP engine and large gas boilers, for which the latest cost plan includes a total of £350k for this equipment.

2 Proposal

- 2.1 It is proposed that CLEAR Futures (EBC and Clear Sustainable Futures together) complete a business case for Sovereign Leisure Centre to consider the technical, financial and contractual aspects of a low carbon energy solution. The cost for non EBC resources, CSF and external parties, would be up to £25,000.

It should be noted that subject to successful conclusion of this study it is expected justification for investment in such interventions on other projects,

Bedfordwell Road, Town Hall site, and College campus sites would likely flow without the need for additional funding.

- 2.2 See site plans for Sovereign with indication of solution attached as Appendix 1

If delegated authority to proceed with the proposed solution is granted then the council will invest in the solution provided by the business case without further Cabinet consultation.

3 Outcome expected and performance management

- 3.1 The outcome would be a full viability analysis for the preferred low carbon energy solution for the site. If this is financially viable the business case will then be presented to Cabinet for approval unless delegated authority to proceed is provided. If the business case is progressed the outcome will be the installation of a future-proofed low carbon heat and power solution for the Sovereign Centre that provides for future income generation.
If the results are positive it is likely that the justification for investments at other sites would flow without the need to incur additional costs for viability analysis.

- 3.2 The feasibility study will be project managed by Clear Futures. Any works will be subject to the usual council project management procedures and oversight.

4 Consultation

- 4.1 Information about this proposal has been shared with Wave Leisure.

5 Corporate plan and council policies

- 5.1 Corporate Plan:
- 2020 Eastbourne vision: a clean and attractive low carbon town, producing less waste than before, with a high quality built environment, excellent parks and open spaces, served by a number of good transport options.

A low carbon town:

Vision: We will be moving towards becoming a low carbon town with a wide range of locally derived environmentally friendly initiatives.

Achieved through:

- Using Clear Futures, the joint collaboration between Eastbourne and Lewes councils and private sector organisations, to deliver local energy and sustainability ambitions for the next 20-30 years

6 Business case and alternative option(s) considered

6.1 Sovereign Leisure Centre

The RIBA Stage 3 Building energy model predicts that the energy consumption of the leisure centre will be 1,263,000kWhr per year (split 885,000kWh heat and 377,000kWh electric). Wave Leisure currently pay approximately 2.7p/kWh for gas and 11.7 for electric (including Climate Change Levy) on their large consumption sites. This represents an annual spend of £23,895 on gas and £44,100 on electric; a total energy spend of £68k per annum at the new centre

What follows is a preliminary analysis of the proposed energy solution that has been used to estimate the investment required:

If a heat pump alternative was used for heat providing heat at an efficiency rating CoP (Coefficient of Performance) of 3.5, then total resulting electric cost for heating would be £29,500 per annum.

If the leisure centre was commissioned prior to end March 2021, it is estimated that an annual Renewable Heat Incentive (RHI) of £74,500 would be earned. Moving from gas sourced heat to electric heat from a heat pump, would therefore provide a benefit of approximately £68,895 (RHI less difference between grid gas and grid electricity cost) per annum to fund the additional cost of investment.

The investment cost of a heat pump making use of the sewer heat is in the region of £750k.

The investment cost of installing enough PV panels to generate 100% of the site electric demand once the site is fully electric, would be approximately £672,000 which would negate the need for importing the equivalent grid electricity costing circa £74,000 per annum.

Proposal

It is proposed to investigate the business case to install

1. a heat pump extracting heat from the Southern Water main sewer asset that runs along Prince Charles Parade to provide 95-100% of the heat requirement of the Leisure Centre;
2. PV panels to the roof of the Leisure Centre and if necessary over some of the parking spaces to generate 100% of the resulting annual electrical demand of the site;
3. a battery sufficient to minimise the grid electricity demand and to ensure that when mains electricity is required it is purchased at cheap tariffs.

Indicative investment required approximately: £1.45 million

These assets should be retained and operated by EBC, and the lease with the Leisure Centre operator should include terms for the supply of metered heat and power.

Initial engagement has taken place with Southern Water who are keen to investigate this as a pilot project for sewer sourced heat; they are seeking a first project to see the Sharc's proven technology deployed. Sharc are ready to engage. Southern Water would expect to earn a consideration for the heat that has been extracted from the sewer on a x pence/kWh, discussions have not started on this point.

Initial indications are that all 3 above actions are achievable with an IRR of 6-8% without considering the potential to earn additional revenue streams from grid services.

Appropriate ownership and management structures will need to be considered.

7 Financial appraisal

- 7.1 The £25k cost would be funded from Reserve.
- 7.2 At an discount (interest) rate of 3% and assuming a 20-year lifespan of the equipment, the maximum net savings would be £27k per year, if the Southern Water did not charge the Council for the sewage heat and if there were no maintenance costs.
- 7.3 The project viability is highly price sensitive to the cost charged by Southern Water. If they charge £1.465p per kilowatt hour, the heat pump scheme would break-even. Therefore, the negotiations here are key. Interest rate increases would also cause this scheme to be non-viable, as would a shorter lifespan of the assets or significant annual maintenance costs. This is why a detailed appraisal is necessary to conduct a feasibility study.

8 Legal implications

- 8.1 Clear Sustainable Futures can be appointed to undertake the feasibility work to produce the business case under the CLEAR Futures arrangements. The Council has a template agreement for the provision of Strategic Support Partnering Services which would be used for this purpose. Given the specialist and potentially innovative nature of the potential scheme it is anticipated that external legal support may be required if the scheme is taken forward.
- 8.2 Section 11 of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA) provides that a local authority may:
- produce heat or electricity or both;
 - establish and operate such generating stations and other installations as the authority thinks fit for the purpose of producing heat or electricity or both;
 - buy or otherwise acquire heat;
 - use, sell or otherwise dispose of heat produced or acquired or electricity produced by the authority by virtue of this section;
 - without prejudice to the generality of the preceding paragraph, enter into and carry out agreements for the supply by the authority, to premises within or outside the authority's area, of such heat as is mentioned in the preceding paragraph and steam produced from and air and water heated by such heat.
- 8.3 Under the LGMPA local authorities are only entitled to sell electricity produced in association with heat unless Regulations provide otherwise. The Sale of Electricity by Local Authorities (England and Wales) Regulations 2010 provide that local authorities can also sell electricity which is produced from the following renewable sources:

- wind,
- solar,
- aerothermal,
- geothermal,
- hydrothermal and ocean energy,
- hydropower,
- biomass,
- landfill gas,
- sewage treatment plant gas, and
- biogases.

8.4 Nothing in the LGMPA exempts a local authority from the requirements of Part I of the Electricity Act 1989.

[007821-EBC-CJEC]

9 Risk management implications

9.1 If members do not approve this feasibility study we will fail to get the information to further future energy projects and will fail to fulfil the objectives of the Clear Futures delivery vehicle.

There is a risk that the study will not result in a financially viable solution.

10 Equality analysis

10.1 There are no equality implications at this time and a no relevance form has been completed.

11 Appendices

- Appendix 1 – Sovereign Leisure Energy Concept

12 Background papers

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

- None



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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