

Cabinet

16 September 2020



Working in partnership with **Eastbourne Homes**

Time: 6.00 pm

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Membership:

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

Quorum: 3

Published: Tuesday, 8 September 2020

Agenda

- 1 Minutes of the meeting held on 15 July 2020 (Pages 5 - 8)**
- 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 Recovery and reset programme (Pages 9 - 18)

Report of Chief Executive
Lead Cabinet member: Councillor David Tutt

8 Provisional revenue and capital outturn 2019/20 (Pages 19 - 30)

Report of Chief Finance Office
Lead Cabinet member: Councillor Stephen Holt

9 Treasury management annual report 2019/20 (Pages 31 - 46)

Report of Chief Finance Officer
Lead Cabinet member: Councillor Stephen Holt

10 Corporate performance - quarter 1 - 2020/21 (Pages 47 - 84)

Part A - Portfolio Progress and Performance

Report of Deputy Chief Executive and Director of Regeneration and Planning
Lead Cabinet member: Councillor Colin Swansborough

Part B - Financial Performance

Report of Chief Finance Officer
Lead Cabinet member: Councillor Stephen Holt

11 Medium term financial strategy (Pages 85 - 120)

Report of Chief Finance Officer
Lead Cabinet member: Councillor Stephen Holt

12 College Conservation Area Appraisal (Pages 121 - 162)

Report of Deputy Chief Executive and Director of Regeneration and Planning
Lead Cabinet member: Councillor Colin Swansborough

13 Improving recycling - public consultation (Pages 163 - 190)

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

Information for the public

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Public Participation: Please contact Democratic Services (see end of agenda) for the relevant deadlines for registering to submit a speech on a matter which is listed on the agenda if applicable. Where speeches are normally allowed at a Committee, live public speaking has temporarily been suspended for remote meetings. However, it remains possible to submit speeches which will be read out to the Committee by an Officer.

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).

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Working in partnership with **Eastbourne Homes**

Cabinet

Minutes of meeting held remotely on 15 July 2020 at 2.00 pm

Present:

Councillor David Tutt (Chair)

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

Officers in attendance:

Robert Cottrill (Chief Executive), Homira Javadi (Chief Finance Officer), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Philip Evans (Director of Tourism & Enterprise), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Peter Finnis (Assistant Director for Corporate Governance), Jo Harper (Head of Business Planning and Performance), Mark Langridge Kemp (Head of Property, Delivery and Compliance), Millie McDevitt (Performance and Programmes Lead) and Simon Russell (Committee and Civic Services Manager)

Also in attendance:

Councillor Robert Smart (Shadow Cabinet Member)

72 Minutes of the meeting held on 3 June 2020

The minutes of the meeting held on 3 June 2020 were submitted and approved and the Chair was authorised to sign them as a correct record.

73 Apologies for absence

None were reported.

74 Declaration of members' interests

Councillor Holt declared a personal interest in agenda item 8 (Recovery group update) as an employee of the Business Improvement District and Director of Chamber of Commerce. He remained in the meeting and took part in discussions.

75 Financial assessment of Covid-19 update

The Cabinet considered the report of the Chief Finance Office updating them on the financial impact of Covid-19 and associated budgetary implications.

Visiting member, Councillor Smart, addressed the Cabinet on this item.

The report detailed that Covid-19 was currently estimated to leave the council facing a budget deficit of around £9.9 million for the financial year and this projection was under regular review.

The council had to date received emergency funding of £1.09 million from the government for their response to Covid-19. The government had announced further help for local authorities and the council was awaiting further information.

The Chief Executive advised that the impact of Covid-19 and future uncertainty around the potential of a second wave meant that it was unlikely that the council's theatres would re-open before the middle of next year. Colleagues would be consulted shortly to put resources in place to ensure the future culture, theatre and leisure offer from the council was sustainable.

Resolved (Non-key decision):

(1) To note the initial financial impact of Covid-19 and associated vulnerability of the authority's budget.

(2) To note the assumptions being made about the ongoing financial impact of Covid-19.

Reason for decisions:

The Council's response to Covid-19 has been and continues to be fast paced. Budgetary assumptions are liable to change and are only given as an indication. This report provides a position statement at this time to keep Cabinet informed.

76 Recovery group update

The Cabinet considered the report of the Director of Tourism and Enterprise informing them and seeking their support for the initiatives recommended and facilitated by the Eastbourne Recovery Group.

Thanks were conveyed to the cross party Recovery Group and wider community for the work undertaken thus far.

Councillor Holt declared a personal interest in this item. He remained present and took part in discussions during this item.

Resolved (Non-key decision):

Cabinet is recommended to note the report and in particular;

(1) The work to establish a PPE Buying Consortium.

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- (2) The East Sussex Colleges Group Million Pound Pledge to provide accredited Level 1 and Level 2 qualifications.
 - (3) Providing an online shopping platform for independent businesses in Eastbourne.
 - (4) Development of a COVID Ready Quality Standard.
 - (5) Development of a Love Eastbourne destination marketing campaign.

Reason for decisions:

The Covid-19 pandemic and associated lockdown has resulted in a significant downturn in the local economy, especially on the tourism and retail sectors and has had a subsequent impact on local people. This report sets out what actions are being taken by the Recovery Group in Eastbourne, including representation on the group by Eastbourne Borough Council.

77 Corporate performance - quarter 4 - 2019/20

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, considering the Council's progress and performance in respect of key projects and targets for the fourth quarter of the year, as detailed at Appendix 1 to the report.

It was detailed in the report that performance outturn had been affected to a degree at the end of the performance quarter due to the Covid-19 pandemic however services for the most part were able to maintain their performance levels. The Cabinet welcomed a number of performance achievements during the quarter and the year including answering 87% of calls to the contact centre within 60 seconds and processing of disabled facilities grants, benefit claims and planning applications.

The Cabinet conveyed thanks to all staff for their work across the Council for the year and in their extraordinary response during Covid-19. Headline achievements as part of the Council's response were detailed in the report.

Resolved (Non-key decision):

To note progress and performance for Quarter 4.

Reason for decision:

To enable Cabinet members to consider specific aspects of the Council's progress and performance.

78 Downland Whole Estate Plan Approval

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning seeking their agreement to adopt the final Downland Whole Estate Plan and prioritisation of possible future projects.

Councillor Dow stated that engagement with stakeholders will take place throughout the process. Cabinet expressed their thanks and appreciation to the Trustees of the Countryside Centre for their work over the years.

Reason (Non-key decision):

(1) To agree the adoption of the Downland Whole Estate Plan, as attached at Appendix A to the report, noting the summary of main changes to the document outlined at Appendix B to the report

(2) To agree prioritisation of future possible projects outlined within the Downland Whole Estate Plan, as attached at Appendix C to the report.

(3) To agree that initial work should focus on changes to the Beachyhead Countryside Centre and re-purposing redundant farm buildings at Black Robin Farm to reflect the Downland Whole Estate Plan priorities, subject to a business case.

Reason for decisions:

Public consultation on the Downland Whole Estate Plan has completed and the Plan is now in its final form. The Plan requires formal adoption by the Council prior to endorsement by the South Downs National Park Authority.

The meeting ended at 3.05 pm

Councillor David Tutt (Chair)

Agenda Item 7

Report to:	Cabinet
Date:	16 September 2020
Title:	Recovery and Reset Programme
Report of:	Robert Cottrill, Chief Executive
Cabinet member:	Cllr David Tutt, Leader of the Council
Ward(s):	All
Purpose of report:	To set out the reasons for, and purposes of, the Recovery and Reset Programme to address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate.
Decision type:	Key
Officer recommendation(s):	<ol style="list-style-type: none">(1) Cabinet to agree the Recovery and Reset Programme, described in this report, including governance arrangements as set out at paragraph 4.1 of the report.(2) Cabinet to note the formal notification process with the Ministry of Housing, Communities and Local Government, as set out in section 2 of the report(3) Cabinet to endorse those measures taken to date, details of which are set out in paras 3.3 – 3.5 of the report.(4) Cabinet to agree to establish a cross party Board comprising members from Eastbourne Borough Council and Lewes District Council to oversee the programme.(5) Cabinet to agree that the Chief Executive, taking advice from the Board set out above and in consultation with Leaders of the Councils, be given delegated powers to oversee and progress the Recovery and Reset Programme and for tasking individual Corporate Management Team postholders with the delivery of identified workstreams within it.(6) That further update reports on the progress of the Recovery and Reset Programme be provided on a regular basis.

Reasons for recommendations: **The Recovery and Reset Programme provides a structured and accountable approach for delivering the level of significant organisational change needed to respond to current challenges.**

Contact Officer(s): **Name: Jo Harper**
Post title: Head of Business Planning and Performance
E-mail: jo.harper@lewes-eastbourne.gov.uk
Telephone number: 01273 085049

1 Introduction

- 1.1 This report sets out the purpose of the Recovery and Reset Programme, explaining how it will address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate. This follows previous reports to Cabinet earlier this year on; the Council's Response to Covid-19 (3 June), Initial Financial Assessment of Covid-19 (3 June), Financial Assessment of Covid-19 Update (15 July) and Recovery Group Update (15 July).
- 1.2 Prior to the Covid-19 pandemic, the council had set a challenging financial but realistic budget for the current financial year as a result of various factors, including the end of government funding, sharp increases in demand for essential services particularly housing and homelessness, economic uncertainty and the significant support and investment the Council has undertaken to support the local economy. The budget set for this financial year (2020/21) included a requirement to achieve challenging savings and additional income targets of £6.967m.
- 1.3 The Covid-19 pandemic and associated lockdown has significantly affected the council's financial position. As has been set out in previous reports, the council's ability to generate income through its tourism offer, through its investments and through other fees and charges has been massively reduced. Alongside this, the council has had to undertake activities in response to Covid-19 which were not budgeted for and have put further pressure on the financial situation. In addition, many of the savings and income targets which were a budget requirement of the current year will not now be achievable in full due to the economic downturn.
- 1.4 There has been some welcome support from central government to offset the council's additional expenditure and loss of income. However, it is clear that this will not be sufficient to bridge the budget gap, as is demonstrated in the Medium Term Financial Strategy report found elsewhere on this agenda. The last submission to the Government identified the cost of Covid-19 to EBC to be c£10m beyond the savings and income already achieved. The grants received from Government so far total £1.3m plus other initiatives such the partial recovery of income. Although further government support is expected (see section 2 below), this will only be part of a much wider change to the way the Council operates.

- 1.5 It has become clear that there needs to be a fundamental reset of the council's plans, and budgets to respond to this challenging situation. This reset will be undertaken at pace, in order to achieve a balanced budget position for the current year, as well as for the medium and long-term. Given that the economic impact of the pandemic will last into the next few years, the way the Council delivers its services will also need to adapt to ensure they are sustainable and resilient in the long term. The changing needs of residents and how they interact with the council will also need to drive future delivery. The Recovery and Reset Programme has been established to respond to these factors and deliver appropriate organisational change.

2 The Financial Context

- 2.1 Local authority finances throughout the country have been affected by Covid-19 and this has been particularly significant for district and borough councils. The impacts are yet to emerge fully, but the pace and scale of the impact is highly likely to be significant. Like many authorities, the council has a significant reliance on its locally generated fee and receipts income. With its economy largely driven by tourism and leisure services, where the financial impact is the deepest and pace of recovery very slow, the council projects a gap of £10m including significant shortfalls in income levels for 2020/21.
- 2.2 As part of a range of measures designed to mitigate and manage the financial impacts of Covid-19, including the Recovery and Reset Programme, the Council is engaging directly with the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.3 In recognising that Councils across the country have been affected and that some may need additional temporary funding, MHCLG has introduced a formal notification process for those local authorities that request further support to deal with the financial impacts of the pandemic. Eastbourne Borough Council's historic and anticipated future reliance on tourism related income (which, pre-covid had income for the year forecast at around £5.4m) is such that it is in a more vulnerable position than some authorities. In addition, measures to deal with the marked increase in demand for housing and from homeless households, reported to Cabinet on a regular basis, has had a negative impact on the Council's finances, estimated at around £2m. The Council has also invested significantly to underpin the local economy such as the transformation and revenue support for Devonshire Park in preparation for its full re-opening. The closure of the theatres, the collapse of the conference industry and resulting loss of income due to the pandemic has delayed the implementation of the Devonshire Park Business Plan. In this context and the wider economic downturn, it is considered prudent to make use of this new notification process to underscore the unique factors affecting the council's position. This was undertaken in August and discussions are ongoing with MHCLG.

3 Recovery and Reset Programme

- 3.1 The purpose of the Recovery and Reset Programme is to address the council's financial challenges in a sustainable way to ensure delivery of the following

objectives;

- A sustainable service delivery model to adapt to the needs of residents and businesses as a result of the pandemic.
- A balanced budget
- A sustainable Medium Term Financial Strategy
- No on-going reliance on reserves to support revenue budgets
- An affordable Capital Programme
- A continued focus on the Corporate Plan priorities, recognising that these may need to be revisited in light of resource limitations

3.2 The programme has been designed to deliver these objectives through a variety of projects and interventions falling under four main pillars; best use of digital, reshaping delivery, best use of assets, and restart. The programme builds on what we have learned through recent months and the organisation's proven ability to flex and rapidly adapt to changing situations.

3.3 Good progress has been made already to start addressing the challenges, whilst also tackling the fall-out of the past few month's pressures on the council. Members will recall from previous reports that a tactical officer team was set up in March 2020 to oversee the emergency during the lock down period. The focus at that stage was on;

- Establishing a Community Hub drawing together a council helpline with voluntary and community organisations to ensure local people were supported, particularly with regard to accessing food and essential medication.
- Working with local foodbanks and providing additional food stocks to meet local needs
- Ensuring additional government grants to local businesses were administered quickly and effectively
- Keeping council staff safe whilst ensuring services could continue to be provided to customers
- Enabling remote working, including remote council meetings
- Keeping local people informed

3.4 With the easing of lockdown, a Tactical Restart Team (TRT) was established to steer the council's emergence from the lockdown period. This group has coordinated the council's work to gradually restart those areas of activity which had to stop during lockdown or which needed to change to co-exist with Covid-19. This has been done cautiously and carefully, being mindful that plans may have to change in light of any Covid-19 resurgence. Focus of the group has been in the following areas;

- Recovery – with particular attention to the local economy, the restart of tourism and welfare issues continuing to affect local residents
- The health and safety of staff, tenants and customers
- Covid-safe service delivery mechanisms, including re-introducing some limited face-to-face contact with customers
- How buildings and processes need to be reconfigured to ensure staff and customers are protected
- Continuing to support and enable staff as they work, in the main, from home

- Preparing for a resurgence of Covid-19 cases and related service demands, should this occur
- Undertaking an analysis of lessons learned during lockdown to improve future resilience (a summary of which is reported elsewhere on this Cabinet agenda)
- Continuing to keep local people, and staff, informed and reassured
- Tracking the costs of Covid-19 to the council

3.5 Through TRT, given the clear financial challenges ahead, the following particular pieces of work have been progressed at pace over recent months, in consultation with Cabinet Members;

- a) Establishing the Workplace 2021 programme, the purposes of which are;
 - Create clarity, direction and structure for staff on the council's new "reality" – including a blueprint for what we do, how we do it and from where we do it
 - Implement further efficiencies and take advantage of technology to support new ways of working and use of data
- b) Redesign of the Tourism and Enterprise service to re-shape it in response to current limitations caused by the pandemic
- c) A review of assets to determine a schedule for retention, transferal and /or disposal in line with corporate priorities and future requirements
- d) Channel shift – increasing the council's transactional on-line offer to make services more resilient through periods of lockdown, as well as increasing efficiency

3.6 The projects listed above, together with a number of other key work-streams, form the overall Recovery and Reset Programme. As well as addressing the financial and organisational challenges going forward, the programme also has a focus on ensuring the council remains equipped to deal with a Covid-19 resurgence, should this occur. It has been designed to be flexible, responsive and to allow for any external changes that may occur to be accommodated whilst making the organisation more resilient. The programme is structured within 4 pillars,

Pillar 1: Best use of Digital

This builds on existing work-streams to ensure we maximise use of technology to bring about efficiency by automation, responding to customer demand for self-service options and further aligning systems and processes between LDC and EBC.

Pillar 2 : Reshaping Delivery

A key part of this pillar is the Workplace 2021 programme (W21) which will address the council's future office and community contact provision and the ways of working to respond to the new context within which we work. As the needs of customers change, how council services are shaped to respond to them will need to change too. Following a reshaping of the tourism and enterprise team, and introduction of a newly shaped customer resolution team,

other relevant areas will be reshaped to reflect future customer and business demand and need.

Pillar 3 : Best Use of Assets

All of the council's assets will be reviewed, in light of future requirements. This will then lead to a revision both of the capital programme and the commercial investment strategy to ensure these are in line with the council's future strategic direction. This pillar will also consider the future governance options for Devonshire Park.

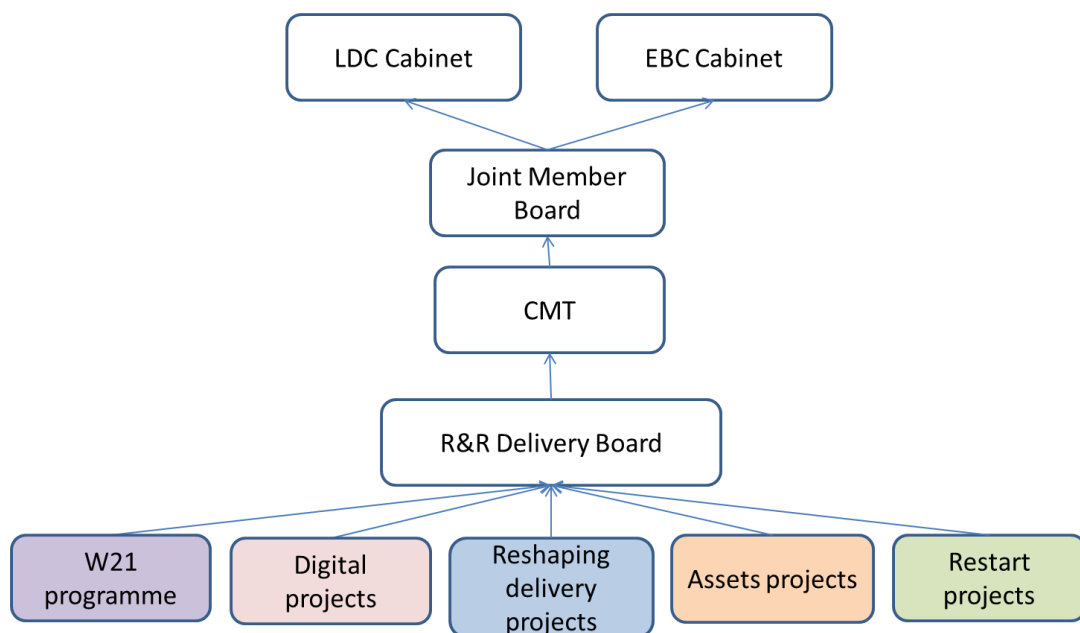
Pillar 4 : Restart

This pillar will continue the work started as the council came out of lockdown, looking to aid the recovery of the borough through economic development work, supporting tourism and working with other agencies to ensure the welfare of local people experiencing hardship due to Covid-19. There will also be a continued focus on keeping staff and customers safe and ensuring that services can continue to be delivered throughout the pandemic, including during any further resurgence or lockdown.

A fuller description of the programme objectives can be found at Appendix A.

4 Programme Governance

4.1 The programme has been designed to be delivered at pace, in order to ensure the council's resilience going forward. It is proposed that a new cross party Member Board be established to oversee the Programme comprising members from both EBC and LDC. The aim of this Board would be to provide guidance and more detailed oversight of the Programme and would meet more frequently than formal Cabinet meetings to ensure that pace and direction are set and agreed by members. CMT will act as the Programme Board focussed on delivery. A proposed governance structure is set out below;



5 Programme Delivery

- 5.1 This is a large programme which will require a significant level of organisational change to deliver. To this end, as would be expected for any programme of this size and complexity, it will be necessary to invest in dedicated, time-limited programme management resource to support the work. The resource requirements for this will be further formulated as the programme is established.
- 5.2 Each part of the programme will be supported by a lead officer at Senior Managers Forum level in the organisation, brought together in regular Delivery Board meetings. Oversight of the programme at officer level will be undertaken by CMT.

6 Performance management

- 6.1 A dashboard style report will be established to provide reports to CMT regarding the progress of each of the projects. This will track the achievement of project actions as well as flagging any strategic issues and risks. Progress towards the achievement of savings targets will also be tracked and reported regularly.
- 6.2 Regular reports will be prepared for the Joint Member Board and for Cabinet to update on progress and outcomes.

7 Consultation, communication and engagement

- 7.1 The programme is likely to result in significant changes, learning from our experience of adapting quickly during the Covid-19 pandemic, using information from residents and businesses on how they want to access our services and ultimately impacting both customers and council staff. As a result, it will be necessary to undertake a range of consultation and engagement activities (both internal and external) as the programme progresses. Details of these will be reported at an appropriate time.
- 7.2 Given the wide ranging changes likely, a communications plan will be developed to sit alongside the programme. This will ensure timely communications to our residents and partners on matters that will affect them. Internal communications with staff and Councillors will also be undertaken on a regular basis throughout the programme.

8 Corporate plan and council policies

- 8.1 The Programme has been developed being mindful of the priorities set out in the council's Corporate Plan for 2020-2024. Although it is set out within the Programme purpose (see para 3.1) to have a 'continued focus on the Corporate Plan priorities', Cabinet should note that the level of financial pressure on the council may mean that a further review of Corporate Plan priorities, to ensure that the level of ambition articulated remains realistic.

9 Financial appraisal

- 9.1 The recommendations from this report have no immediate direct financial

implications. However, the priorities within the Recovery and Reset Programme are to address the financial and organisational challenges faced in light of the Covid-19 pandemic and resultant economic climate. As the Recovery and Reset Programme progresses and gets adopted it is likely that existing resources and budget will need to be redirected and refocused towards the programme outcomes. Other cross party Board proposals will be covered within the Council Medium Term Financial Strategy and all future budget proposals will be subject to the usual democratic and scrutiny process.

10 Legal implications

- 10.1 As is made clear in the report, this programme has been designed to be delivered at pace, for which reason it is recommended that Cabinet gives the Council's Chief Executive delegated powers to progress and oversee it. It is intended that the programme will be a standing item on both CMT and Cabinet agendas.

In addition, it is recommended that the governance structure include a cross – party, cross-authority member Board, the purpose of which will be to give guidance and act as a sounding board for officer proposals, as well as providing member oversight in the period between Cabinet meetings.

Eastbourne and Lewes councils are already in the process of establishing a cross –party Joint Staff Advisory Committee, sign off for which is to be formally approved at forthcoming full Council meetings (Lewes 17 Sept; Eastbourne 18 Nov). This Advisory Committee will contain the portfolio holder responsible for staff matters at each authority. It is suggested that the membership could be augmented by including the Leader at each council in order to meet in the capacity of the Recovery and Reset Joint Member Board.

Of course, should it be preferred, an additional, new cross–party joint member board can be created for this purpose.

11 Risk management implications

- 11.1 The risks within this programme will be regularly assessed and managed as part of the programme and project management activities. Significant risks will be reported to CMT, along with mitigation plans to deal with them.

12 Equality analysis

- 12.1 An equality analysis will be undertaken for each project within the programme and the outcomes will be reported to CMT.

13 Environmental sustainability implications

- 13.1 A number of the projects within the programme have sustainability implications. These implications will be considered as the detailed project plans are established for each project, being mindful of the councils' stated objective, as set out in the Corporate Plan, of achieving net carbon zero by 2030.

14 Appendices

Appendix A - Objectives of the Recovery and Reset Work-streams

15 Background papers

[Cabinet report - Council's Response to Covid-19 \(3 June\)](#)

[Cabinet report - Initial Financial Assessment of Covid-19 \(3 June\)](#)

[Cabinet report - Financial Assessment of Covid-19 Update \(15 July\)](#)

[Cabinet report - Recovery Group Update \(15 July\)](#)

Objectives of the Recovery and Reset Work-streams

Pillar	Project	Objective
Best use of Digital	Cx housing system	A new IT system for housing to increase efficiency and enable self service
	GDPR	Improving our management, retention and disposal of documents
	Digital democracy	Deliver a fully digital democratic process for council meetings
	Officer self service	Enhanced levels of self-service functionality within council back-office operations including finance, HR, Payroll etc
	Artificial Intelligence / Bots	Deliver an approach for the councils to achieve efficiencies through AI/Bots
	Single R&B system	A single revenues and benefits system across the councils to increase efficiency
Reshaping Delivery	Workplace 2021 Programme	Implement a new operating model that responds to the challenges we face
	Reshape for future delivery	New delivery models including ; EBC tourism and enterprise, customer resolution team, and other service areas
	Companies	To ensure the council owned company structure is fit for purpose and meets future organisational needs
Best use of Assets	EBC Devonshire Park Review	To consider future governance options for Eastbourne Devonshire Park
	Asset review and disposal	To agree which council buildings will be retained, transferred and /or disposed in line with corporate priorities and future requirements, and then to dispose of relevant assets in line with the asset review to generate appropriate capital receipts
	Commercial investment review	A future-proof commercial investment portfolio and strategy
	Capital Programme review	A sustainable capital programme
Restart	Recovery (economy, tourism and welfare)	Aiding the recovery of the district/borough through economic development work, supporting tourism and working with other agencies to ensure the welfare of local people experiencing hardship due to Covid-19
	Health and Safety and Business Continuity	Ensuring staff and customers are safe and that services can continue to be delivered throughout the pandemic, including during any further resurgence or lockdown

Agenda Item 8

Body:	Cabinet
Date:	16 September 2020
Subject:	Provisional revenue and capital outturn 2019/20
Report of:	Chief Finance Officer
Cabinet member:	Councillor Stephen Holt, Cabinet member for financial services
Ward(s):	All
Purpose of the report:	To update Members on provisional outturn for 2019/20.
Decision type:	Key
Recommendation:	Cabinet is recommended to : i) Endorse the provisional outturn for 2019/20. ii) Approve the transfers from/to reserves as set out in section 4.2.
Reasons for recommendations:	To enable Cabinet members to consider specific aspects of the Council's financial performance for 2019/20.
Contact:	Homira Javadi: Chief Finance Officer Tel: 01323 415512 or email Homira.Javadi@lewes-eastbourne.gov.uk

1.0 Background

1.1 All local authorities have a legal duty to produce annual accounts, in support of openness and accountability. The Statement of Accounts were completed and signed off by the Chief Finance Officer on 27th July 2020. The audit of accounts by Deloitte LLP is currently underway and for information the draft Statement itself is freely available on the Council's website.

1.2 This report provides Cabinet with an update on the provisional outturn and seeks endorsement for certain matters. The Council's financial performance is integral to its service performance overall.

2.0 Provisional Revenue Outturn: Summary

2.1 A summary of the revenue outturn position for the main service accounts of the Authority is set out below.

	Revised Budget Position £000's	Provisional Outturn £000's	(Under) / Overspend £000's
Housing Revenue Account (HRA)	608	64	(544)
General Fund	13,342	13,342	-

3.0 Housing Revenue Account (HRA)

3.1 The Housing Revenue Account was underspent in last year by approximately £544K when compared to the revised budget.

3.2 A summary of the HRA provisional outturn is included at **Appendix A**.

3.3 Discounting any notional and presentational variances, the main variances are as follows:

	Variance £000's
Reduced revenue funding of capital expenditure	(680)
Reduced contribution to bad debt provision	(226)
Reduction in supervision and management costs	(76)
Underspend on under occupation incentives	(57)
Net increase in gross income	30
Additional depreciation charges	66
Increased contribution to earmarked reserves	379
Other minor variances	20
Total Variances	(544)

4.0 General Fund

4.1 Revenue Outturn

4.1.1 The 2019/20 financial year saw significant challenges in the last month with the impact of Covid-19 pandemic and associated lockdown. This has had an impact on the outturn position as a result of additional emergency spending and losses of income across many service areas. Income was down some £250k on the previous year in March.

4.1.2 Overall net expenditure was £253k above the revised estimate which has been met from additional transfers from reserves. Details of key variances are set out in 4.1.3.

General Fund	Original Budget	Revised Budget	Actual	Variance
	£000's	£000's	£000's	£000's
Corporate Services	4,764	4,672	4,221	(451)
Service Delivery	4,947	5,492	5,016	(476)
Regeneration and Planning	(298)	312	803	491
Tourism and Enterprise	3,496	4,349	4,320	29
Other Income and Expenditure	151	151	0	(151)
Service Total	13,060	14,976	14,360	(616)
Capital Financing	1,763	530	1,382	852
Total Expenditure	14,823	15,506	15,742	236
Transfers to/(from) Reserves	(1,277)	(2,164)	(2,400)	(236)
Budget Requirement	13,546	13,342	13,342	0
Council Tax	(8,637)	(8,637)	(8,637)	0
Business Rates	(4,594)	(4,313)	(4,313)	0
Government Grants	(315)	(392)	(392)	0
Total Funding	(13,546)	(13,342)	(13,342)	0

4.1.3 The main variances are also set out in the following table.

Analysis of Major Variances	Variance £000's
Corporate Services	
ICT net savings	(223)
ICE Income	(197)
Doro Income	(166)
Insurance savings	(83)
Elections (funded from General Fund Reserve)	110
Treasury Management – additional brokerage and commission costs, plus reduced interest charged to HRA	45
Additional Pension costs	25
Net Covid-19 direct costs	21
Service Delivery	
Additional transfer from EHL	(275)
Housing Benefits – overall net credit against revised estimate	(263)
Customer Contract Team savings (mainly staffing)	(119)
Car Parking – net additional income and underspend on equipment	(65)
Crematoria – income shortfall against revised estimate	59
Neighbourhood First Team – additional staffing costs following transfer of Facilities Team from Estates (see saving below)	74
Deposit Loan Scheme – increase in bad debt provision required	34

DFG Funding Reallocation – increased applications processed in respect of DFG's resulting in reduced funding	85
Regeneration & Planning	
Estates & Property – reduced operational building costs and staff savings following the transfer of the Facilities Team to Neighbourhood First	(147)
Investment Properties – reduced rental income, £200K of which relates to Victoria Mansions	324
Development Control - increased agency costs	133
Housing Delivery Team – shortfall on cost recovery linked to delays on housing capital schemes	189
Tourism & Enterprise	
Events – net saving on staffing and other expenses	(145)
Heritage and TIC's net underspending	(92)
Sports Delivery contract savings	(85)
Catering – additional cost and under achievement on income targets	148
Seafront – shortfalls in income and increased wages costs	139
Capital Financing	
Investment Income – Additional interest generated	(212)
External Interest Payments (see 4.1.5 below)	1,383
Capital Financing – reduced minimum revenue provision & revenue funding of capital	(319)
Transfers to/(from) Reserves – See section 4.2 for details	
Additional transfers to /(from) Reserves	(236)
Other minor net overspends	104

4.1.4 One of the main variances within capital financing relates to increased borrowing costs of £1.383M. The additional costs were originally budgeted to be met from additional income from the investments associated with the schemes funded from borrowing. However, due to the negative impact of the economic downturn the planned income was not generated resulting in an additional cost to the Council.

4.1.5 The initial direct cost of Covid-19 for food parcels, additional staff costs, equipment etc came to £85K and was partly offset by the £64K Government grant. However, the impact is being felt more severely in 2020/21, which is seeing an increase in direct costs as well as significant reductions in income.

4.1.6 The impact of ongoing under and over spending will be factored into the forthcoming review of the Medium Term Financial Strategy, which will also take into account the on-going impact of the Covid-19 pandemic and lockdown.

4.2 Reserves

4.2.1 In closing the accounts for last year the Council's reserves have been reviewed and the transfers to and from each reserve is set out in the table below.

Summary	01 April 2019 £000's	Transfers (In)/Out £000's	31 March 2020 £000's
General Fund Earmarked Reserve	(506)	506	0
Strategic Change Reserve	(198)	(46)	(244)
Capital Programme Reserve	(345)	9	(336)
Commercial Reserve	0	(250)	(250)
Revenue Grants Reserve	(952)	338	(614)
SHEP Properties Works Reserve	(1)	0	(1)
Total Earmarked Reserves	(2,002)	557	(1,445)
General Fund Reserve	(5,553)	3,528	(2,025)
ICE Reserve	0	(1,750)	(1,750)
Total Reserves	(7,555)	2,335	(5,220)

4.2.2 The transfers to and from earmarked reserves reflect their use in supporting service delivery or the use of grants previously received for specific service activity. The main transfers are as follows:

- **General Fund Earmarked Reserve** - £545K has been consolidated into the main General Fund Reserve, after contributions in or (£39K).
- **Strategic Change Reserve** – net contribution into the reserve of (£46K).
- **ICE Reserve** – (£2M) transferred from the General Fund Reserve and £250K drawn down to revenue.
- **Commercial Reserve** – (£250K) transfer into a new Commercial reserve to provide future financial resilience for the Council's companies.
- **Revenue Grants Reserve** - £338K transferred to revenue to cover additional costs relating to welfare services and tourism services.
- **General Fund Reserve** - £2M transferred into the ICE reserve, £1.727M budgeted transfer to fund one-off growth items and £110K to fund district elections. Offset by (£545K) transferred from the General Fund Earmarked Reserve and a transfer back to revenue of £236k to offset the additional net cost for the year.

4.2.3 The transfer of £318K from the non-earmarked reserve relates to the funding of compensation payments in respects of CPO's on the town centre retail development.

5 Collection Fund

5.1 The Collection Fund deals with local taxation matters and as such, its

performance has a direct bearing on General Fund services. For this reason, a high level review of its outturn is presented for Members' information.

5.1.1 The Collection Fund for the year is as follows:

	Council Tax	Business Rates
	£000's	£000's
Balance B/fwd 01 April 2019	(360)	2,258
(Deficit recovery)/Surplus distributed	456	(1,827)
Debit due for year	(69,114)	(36,272)
Payments to preceptors	68,319	35,154
Allowance for cost of collection	-	129
Transitional Relief	-	(412)
Allowance for appeals	-	364
Write offs and provision for bad debts	491	937
Balance 31 March 2020	(208)	331
Allocated to:		
MHCLG	-	83
East Sussex County Council	(151)	86
Eastbourne Borough Council	(27)	146
Sussex Police	(20)	-
East Sussex Fire & Rescue	(10)	16
	(208)	331

5.2 The overall Collection Fund is showing a deficit of £123K (Council tax surplus (£208K) and Business Rates deficit £331K) as at 31 March 2020 (compared to a deficit of £1.898M as at 31 March 2019). Collection Fund surpluses or deficits declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. The January 2020 forecast surplus for the Council Tax element of the fund of £481K will be distributed to precepting bodies pro rata to their Band D Council Tax during 2020/21 leaving a deficit of £273K to be recovered. This Council's share as at 31 March 2020 was £27K. The forecast deficit for the Business Rate element of the fund was £73K, which will be collected from preceptors in proportion to their share of the business rate income during 2020/21 leaving a balance of £258K to be collected in 2021/22. This Council's share as at 31 March 2020 was £146K.

5.3 It should be noted that as part of the Government's response to the Covid-19 pandemic and the impact it is having on Local Government finances, it is proposing three year phasing of 2020/21 collection fund deficits. This means that repayments to meet collection fund deficits accrued in 2020/21 will instead be phased over a three year period (2021/22 to 2023/24) to ease immediate pressures on budgets. This will be factored into the calculations to determine the Collection Fund surplus/deficit position in December/January.

6 Capital Outturn

6.1 **Appendix B** includes a provisional capital expenditure and financing statement for the year, which is summarised in the following table:

2019/20 Capital Programme Summary	Original Estimate	Revised Estimate	Actual	Variance
	£000's	£000's	£000's	£000's
HRA	5,633	6,545	4,529	(2,016)
Community Services	7,222	3,808	3,260	(548)
Tourism & Leisure	12,655	2,485	752	(1,733)
Corporate & Core Services	43,440	19,768	17,469	(2,299)
Asset Management	2,994	7,058	6,249	(809)
Grant Funded Schemes	0	498	1,115	617
Total Programme	71,944	40,162	33,374	(6,788)
Financed By:-				
Capital Receipts HRA	1,300	455	91	(364)
1-4-1 RTB Receipts	998	1,705	1,201	(504)
Capital Receipts GF	1,196	862	1,890	1,028
Grants and Contributions	8,162	3,054	2,516	(538)
Major Repairs Reserve	4,333	5,298	4,334	(964)
Revenue Contribution to Capital	491	1,135	0	(1,135)
Reserves	0	0	9	9
Section 106 Contributions	27	0	0	0
GF Borrowing (Committed)	29,041	27,653	23,333	(4,320)
GF Borrowing (Uncommitted)	26,396	0	0	0
Total Financing	71,944	40,162	33,374	(6,788)

6.2 The Council's capital programme spending in the year was £33.374M, compared with a revised budget of £40.162M, giving a net underspend of £6.788M. Comments on the key variances are also included in Appendix B.

7.0 Treasury Management

7.1 In accordance with legislation and codes of practice the council is required to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2019/20. The Treasury Management Annual Report 2019/20 is being considered as a separate report on this agenda.

8.0 Conclusion

- 8.1 This report provides an overview of financial performance for 2019/20. All figures are provisional and subject to the audit of the Council's accounts.
- 8.2 The General Fund total expenditure, before reserves transfers, was £236k above the revised estimate, around 1.5% of the net budget (2.7% under for 2018/19).
- 8.3 The HRA delivered an overall underspending of £544K around 3.6% of turnover (1.6% for 2018/19). The HRA balance is in line with the expectation and is sufficiently robust to support the housing self-financing 30 year business plan.
- 8.4 Capital expenditure is £6.788M lower than the revised estimate.
- 8.5 The Collection Fund forecast for Council Tax is indicating a surplus of £208K and a deficit for Business Rates of £331K. This will be allocated to or collected from preceptors during 2020/21 and 2021/22.

9.0 Financial Implications

- 9.1 As set out in the body of the report.

10.0 Legal implications

- 10.1 There are no legal implications arising directly from this report.

11.0 Risk management implications

- 11.1 There are no risk management implications arising directly from this report.

12.0 Equality analysis

- 12.1 There are no equality implication arising directly from this report.

13.0 Environmental sustainability implications

- 13.1 There are no environmental sustainability implications arising directly from this report.

Appendices

Appendix A – HRA Outturn

Appendix B – Capital Programme Outturn

Background Papers:

None

HOUSING REVENUE ACCOUNT

	2019-20			
	Original Budget £000's	Revised Budget £000's	Actuals £000's	Variance £000's
INCOME				
Gross Rents	(14,083)	(14,349)	(13,936)	413
Charges for Services	(1,000)	(1,000)	(1,383)	(383)
GROSS INCOME	(15,083)	(15,349)	(15,319)	30
EXPENDITURE				
Supervision and Management	8,965	8,776	8,643	(133)
Rent, Rates, Taxes and Other Charges	0	210	211	1
Provision for Doubtful Debts	127	203	(23)	(226)
Debt Management Costs	12	12	22	10
Depreciation and Impairment of Fixed Assets	4,234	4,234	4,300	66
GROSS EXPENDITURE	13,338	13,435	13,153	(282)
NET COST OF SERVICES	(1,745)	(1,914)	(2,166)	(252)
Loan Charges - Interest	1,961	1,917	1,883	(34)
Interest Receivable	(13)	(75)	(32)	43
NET OPERATING SURPLUS	203	(72)	(315)	(243)
Transfer to/(from) Reserves	(200)	0	379	379
Revenue Contribution to Capital Expenditure		680		(680)
HOUSING REVENUE ACCOUNT (SURPLUS) / DEFICIT	3	608	64	(544)
HOUSING REVENUE ACCOUNT WORKING BALANCE				
In Hand at 1st April	(5,306)	(5,947)	(5,947)	
Transfer (To)/From Working Balance	3	608	64	
In Hand at 31st March	(5,303)	(5,339)	(5,883)	

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2019/20 Capital Programme Summary		Original Estimate	Revised Estimate	Actual	Variance	Comments
		£000	£000	£000	£000	
	HRA				0	
1	Major Works	4,333	4,334	4,501	167	
2	Fort Lane	1,300	0	28	28	
3	62a Tideswell Road	0	0	0	0	
4	New Builds	0	2,211	0	(2,211)	Re-profiling to 2020/21
	Total HRA	5,633	6,545	4,529	(2,016)	
	Community Services					
5	Disabled Facilities Grants	2,556	1,373	929	(444)	Grant returned to ESCC
6	BEST Grant (housing initiatives)	82	100	69	(31)	
7	Acquisition of Land & Property	1,979	0	0	0	
8	Coast Defences Beach Management	300	349	154	(195)	Works delayed due to weather
9	Madeira Wall Replacement	0	0	50	50	
10	Cycling Strategy	41	0	0	0	
11	Play Area Sovereign Harbour	27	0	0	0	
12	Terminus Road Improvements	450	440	450	10	
13	Sovereign Harbour Community Centre	0	0	58	58	
14	Car Parking Machines	0	6	6	0	
15	Shinewater Park - Scoping	10	19	0	(19)	
16	Oak Tree Lane Play Equip	17	35	25	(10)	
17	Mulberry Close Play Equip	30	0	0	0	
18	Lower Holywell Public Con	50	0	0	0	
19	Redoubt Public Convenience	40	0	0	0	
20	Refurbishment of Public Facilities	40	0	0	0	
21	Waste Fleet Procurement & IT	1,600	1,457	1,456	(1)	
22	CCTV (Recycling Points)	0	29	13	(16)	
23	Waste & Recycling Equipment	0	0	41	41	
	Total Community Services	7,222	3,808	3,251	(557)	
	Tourism & Leisure					
24	ILTC - Air Conditioning	0	4	0	(4)	
25	Redoubt Stair Climber	20	0	0	0	
26	Colonnade Removal	500	0	0	0	
27	Redoubt Asphalt Gun Platform	50	50	0	(50)	
28	Sovereign Centre	11,885	2,000	279	(1,721)	Scheme still being considered
29	Sovereign Centre Skate Park	200	250	228	(22)	
30	Seafront Van	0	12	9	(3)	
31	Sports Park Lighting	0	60	79	19	
32	Bach Huts - Holywell	0	85	91	6	
33	Dev Park Grounds Equipment	0	24	22	(2)	
34	Devonshire Park Theatre	0	0	23	23	
35	Congress Theatre	0	0	11	11	
36	Welcome Building	0	0	10	10	
	Total Tourism & Leisure	12,655	2,485	752	(1,733)	
	Corporate & Core Services					

2019/20 Capital Programme Summary		Original Estimate	Revised Estimate	Actual	Variance	Comments
37	Carbon Reduction Works	199	0	0	0	
38	Invest to Save	80	0	0	0	
39	Investment Capital	4,365	0	0	0	
40	IT - Block Allocation	0	161	161	0	
41	Contingency	250	0	0	0	
42	JTP Finance Transformation	200	200	12	(188)	
43	EHC	22,216	7,371	9,931	2,560	Re-profiling
44	Aspiration Homes	5,714	6,058	3,842	(2,216)	Re-profiling
45	Bedfordwell Road - Land & Pump House	1,949	500	484	(16)	
46	Construction Training Unit	0	477	501	24	
47	Retail Refurbishment	6,748	2,000	45	(1,955)	Scheme still being considered
48	The Stage Door (Previously Buccaneer)	0	40	39	(1)	
49	MOJ Site	0	1,640	1,399	(241)	Balance for demolition - started 2020/21
50	JTP	1,719	1,321	1,444	123	
	Total Corporate & Core Services	43,440	19,768	17,858	(1,910)	
	Asset Management					
51	Devonshire Park Redevelopment Project	2,494	6,262	5,480	(782)	Re-profiling to 2020/21
52	DP Project (Tennis Players Facility)	0	0	(7)	(7)	
53	Victoria Mansions Commercial	0	0	200	200	Rent reductions as part of major works
54	Holiday Letting Refurbishment	0	30	6	(24)	
55	Bandstand & Promenade Renovations	0	0	111	111	Re-profiling to 2020/21
56	Towner Improvements	0	0	(3)	(3)	
57	Motcombe Baths Improvements	0	0	24	24	
58	EDGC - improvements	0	0	17	17	
59	Royal Hippodrome Theatre	0	0	1	1	
60	ILTC - Improvements	0	119	73	(46)	
61	Downland Water Schemes (Pipes)	0	400	301	(99)	
62	Boilers at Sports centres	0	46	46	0	
63	Asset Management - Block Allocation	0	201	0	(201)	See below
	Total Asset Management	2,494	7,058	6,249	(809)	
	Grant Funded Schemes					
64	Wish Tower Restaurant	0	477	1,115	638	Overspend partly met from the Asset Mgt Block Allocation
65	Statue Sculpture Installation	0	21	0	(21)	
	Total Grant Funded Schemes	0	498	1,115	617	
	Total Programme	71,444	40,162	33,754	(6,408)	

Report to:	Cabinet
Date:	16 September 2020
Title:	Treasury Management Annual Report 2019/20
Report of:	Chief Finance Officer
Cabinet member:	Councillor Stephen Holt, Cabinet Member for Finance
Ward(s):	All
Purpose of report:	To report on the activities and performance of the Treasury Management service during 2019/20
Decision type:	Budget and Policy Framework
Officer recommendation(s):	To recommend to Full Council: (1) To agree the annual Treasury Management report for 2019/20. (2) To approve the 2019/20 prudential and treasury indicators included.
Reasons for recommendations:	Requirement of CIPFA Treasury Management in the Public Sector Code of Practice (the Code) and this has to be reported to Full Council in September 2020.
Contact Officer:	Name: Ola Owolabi Post title: Deputy Chief Finance Officer E-mail: ola.owolabi@lewes-eastbourne.gov.uk Telephone number: 01323 415083

1 Introduction

- 1.1 This Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2019/20 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council 06 February 2019)
 - a mid year (minimum) treasury briefing (Council 05 February 2020)
 - an annual report following the year describing the activity compared to the

strategy (this report).

- 1.3 In addition Treasury Management updates are included in the quarterly performance management reports, considered by both the Cabinet and Scrutiny Committee. Recent changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members. This report was considered by the Audit and Governance Committee at their 9th September 2020 meeting.
- 1.4 This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit & Governance Committee before they were reported to the full Council. Member training on treasury management issues was undertaken on 22 January 2020, Court Room, Town Hall, Eastbourne. This is to support Members' scrutiny role and further training is expected to take place in 2020-21.
- 1.5 This report summarises:
- Capital activity during the year;
 - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement (CFR));
 - Reporting of the required prudential and treasury indicators and changes to be approved;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
 - Summary of interest rate movements in the year;
 - Debt activity and investment activity.
 - Economic and Interest Rates

2.0 The Council's Capital Expenditure and Financing 2019/20

- 2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2018/19 Actual £m	2019/20 Revised Estimate £m	2019/20 Actual £m
Non-HRA capital expenditure	35.8	14.6	14.3
HRA capital expenditure	4.7	6.5	4.5
Commercial Activities/nonfinancial investments	4.0	19.0	15.0
Total capital expenditure	44.5	40.01	33.8
Resourced by:			
• Capital receipts	7.8	3.0	3.6
• Capital grants & external funding	3.8	3.1	2.6
• Capital Reserves	4.2	5.2	4.2
• Revenue	0.5	1.1	0.5
Use of internal balances/ borrowing	28.2	27.7	23.4

3.0 **The Council's overall borrowing need**

3.1 The Capital Financing Requirement (CFR) represents the Council's total underlying need to borrow to finance capital expenditure, i.e. capital expenditure that has not been resourced from capital receipts, capital grants and contributions or the use of reserves. Some of this borrowing is from the internal use of cash balances.

3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLb] or the money markets), or utilising temporary cash resources within the Council.

3.3 **Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied

capital receipts); or

- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

3.4 The Council's 2019/20 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2019/20 on 6 February 2019. The Council's CFR for the year is shown below, and represents a key prudential indicator. The figures include a credit sales agreement on the balance sheet, which increases the Council's borrowing need, the CFR.

CFR	31 March 2019 Actual £m	31 March 2020 Revised Estimate £m	31 March 2020 Actual £m
Opening balance	122.6	149.9	149.9
Add unfinanced capital expenditure (per table 2.0)	28.2	27.7	23.4
Less MRP	(0.9)	(0.6)	(0.5)
Closing balance	149.9	177.0	172.8

3.5 Minimum Revenue Provision (MRP) - A consultant was commissioned to review the Council MRP, which resulted in a revision to the MRP methodology recommendation. The current methodology for borrowing incurred before 1 April 2008 is based on using an equal instalment method and other appropriate options. The alternative now proposed was an annuity method.

3.6 Under this revised methodology, MRP will be lower in the early years and increases over time. This is considered a prudent approach as it reflects the time value of money (i.e. the impact of inflation) as well as providing a charge that is better matched to how the benefits of the asset financed by borrowing are consumed over its useful life. That is, a method that reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years. The revised MRP Policy Statement therefore reflects this change in policy introduced during 2019/20.

3.7 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the Authorised Limit.

Net borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term, the Council's external borrowing net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2018/19 plus the expected changes to the CFR over 2019/20 and 2020/21. This indicator allows the Council some flexibility to borrow in advance of its immediate capital need in 2019/20. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2019 Actual £m	31 March 2020 Revised Estimate £m	31 March 2020 Actual £m
Net borrowing position	123.6	151.3	162.2
CFR	149.9	177.0	172.8

3.8 **The Authorised limit** - the Authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its Authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the Authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Descriptions	2019/20
Authorised limit	£202.7m
Maximum gross borrowing position	£168.0m
Operational boundary	£187.1 m
Average gross borrowing position	£143.0m
Financing costs as a proportion of net revenue stream:	
Non HRA	10.8%
HRA	14.1%

4.0 **Treasury Position as at 31 March 2019**

4.1 The Council’s debt and investment position is organised by staff within Financial Services in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.

4.2 Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council’s Treasury Management Practices. At the beginning and the end of 2019/20 the Council’s treasury position was as follows:

TABLE 1	31 March 2019 Principal	Rate/ Return	31 March 2020 Principal	Rate/ Return
Fixed rate funding:				
-PWLB	£87.1m		£125.7m	
-Market	£36.5m		£36.5m	
- Serco Paisa	£0.0m		£0.0m	
Total debt	£123.6m	2.74%	£162.2m	2.52%
CFR	£149.9m		£172.8m	
Over/ (under) borrowing	(£26.3m)		(£10.6m)	
Total investments (excl. cash)	£0m		£0m	

The Council held cash balances of £3.2m in a current account on which interest of 0.65% was being earned until the March base rate change.

4.3 The maturity structure of the debt portfolio excluding Serco Paisa was as follows:

	31 March 2019 Actual £m	31 March 2020 Original limits £m	31 March 2020 Actual £m
Under 12 months	28.1	20.0	37.71
12 months and within 24 months	-	4.0	5.21
24 months and within 5 years	18.3	22.0	10.74
5 years and within 10 years	-	2.1	13.98
10 years and above	77.2	103.2	94.52

The exposure to fixed and variable rates (including Serco Paisa) was as follows:

	31 March 2019 Actual £m	31 March 2020 Original limits £m	31 March 2020 Actual £m
Principal - Debt Fixed rate	123.6	151.3	162.1
Principal – Investments Variable rate	0	N/a	0

5.0 The Strategy for 2019/20

- 5.1 Investment returns remained low during 2019/20. The expectation for interest rates within the treasury management strategy for 2019/20 was that Bank Rate would stay at 0.75% during 2019/20 as it was not expected that the MPC would be able to deliver on an increase in Bank Rate until the Brexit issue was finally settled. However, there was an expectation that Bank Rate would rise after that issue was settled, but would only rise to 1.0% during 2020. Shorter term investment interest rates were fairly flat during most of the year until the two cuts in Bank Rate in March 2020 caused investment rates to fall sharply.
- 5.2 The Council does not have sufficient cash balances to be able to place deposits for more than a month so as to earn higher rates from longer deposits. While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 5.3 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.
- 5.4 During 2019-20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 5.5 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 5.6 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Finance Officer, therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks. If it had been felt that there was a significant risk of a sharp FALL in long and short term rates,

(e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.

- 5.7 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2019/20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 31.3.20								
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

- 5.8 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk. Since PWLB rates peaked during October 2018, most PWLB rates have been on a general upward trend.

6.0 Borrowing Outturn for 2019/20

6.1 Treasury Borrowing.

Borrowing – The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. New loans totalling £41m were drawn down from PWLB in 2019/20 to fund the net unfinanced capital expenditure and to replace maturing loans. Interest rates for PWLB borrowing was between 1.59% and 2.21% compared with a budget assumption of 2.8%. Various temporary loans were taken to cover cash flow requirements. All loans drawn were for fixed rate and are detailed in Appendix A.

In taking this decision, the Council carefully considered achieving best value, the risk of having to borrow at higher rates at a later date, the carrying cost of the difference between interest paid on such debt and interest received from investing funds which would be surplus until used, and that the Council could ensure the security of such funds placed on temporary investment.

Rescheduling – no debt rescheduling was carried out during the year as there was no financial benefit to the Council.

Repayment – £0m of long term PWLB debt was repaid at maturity on 19 June

2018 and £2.5m was an instalment repayment for the repayment (EIP) loans. Various temporary loans were repaid during the year, see Appendix A.

Summary of debt transactions – the overall position of the debt activity resulted in a fall in the average interest rate by 0.2%, representing a saving to the General Fund.

7.0 Interest Rates in 2019/20

7.1 The tight monetary conditions following the financial crisis continued through 2019/20 with little material movement in the shorter term deposit rates.

7.2 Bank Rate remained at 0.75% until 11 March 2020 when it was reduced to 0.25%, which was followed with a further reduction on 19 March 2020 to 0.10%. Investment rates remained very low. With many financial institutions failing to meet the Council's investment criteria, the opportunities for investment returns were limited. The investment rates at the beginning, average and end of the year are provided below.

Investment Term	Interest Rate March 2019	Average Rate	Interest rate April 2020
Overnight	0.55%	0.72%	0.10%
1 Month	0.70%	0.56%	0.11%
3 Months	0.80%	0.63%	0.26%
6 Months	0.80%	0.70%	0.31%
12 Months	0.95%	0.80%	0.39%

The PWLB rates (including the 0.2% reduction for Certainty Rate) at the beginning, average and end of the year are provided below.

Term	Interest Rate March 2019	Average Rate	Interest rate April 2020
1 Year	1.46%	1.83%	1.90%
5 Years	1.52%	1.77%	1.95%
10 Years	1.84%	2.00%	2.14%
25 Years	2.41%	2.56%	2.65%
50 Years	2.24%	2.40%	2.39%

8.0 Investment Outturn for 2019/20

8.1 **Investment Policy** – the Council's investment policy is governed by MHCLG guidance, which was been implemented in the annual investment strategy approved by the Council on 06 February 2019. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

8.2 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

8.3 **Resources** – the Council’s longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council’s core cash resources comprised as follows, and met the expectations of the budget:

Balance Sheet Resources	31 March 2019 (Restated) £m	31 March 2020 £m
Balances	5.55	2.03
Earmarked reserves	5.29	6.86
HRA	5.95	5.88
Major Repairs Reserve	1.06	1.15
Capital Grants & Contributions	2.60	1.95
Usable capital receipts	7.55	6.26
Total	28.00	24.13

8.4 **Investments held by the Council** - the Council maintained an average balance of £6.4m of internally managed funds. The internally managed funds earned an average rate of return of 0.6%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.53%. This excludes the Council’s investment with Lloyds Bank of £1m for 5 years, (matured January 2019) at 3.03% which supported the Local Authority Mortgages Scheme (LAMS).

9.0 The Economy and Interest Rates Forecast

9.1 The Council’s treasury advisor, Link, provides the following forecast as at March 2020:

Link Asset Services Interest Rate View		31.3.20						
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

The Link central forecast is for the Bank Rate to increase to 1.00% in quarter 1 of 2020. The Economy and Interest Rates Forecast is attached as Appendix B.

10.0 Executive Summary and Conclusion

10.1 During 2019/20, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2018/19 Actual £m	2019/20 Revised Estimate £m	2019/20 Actual £m
Actual capital expenditure	43.6	40.1	33.8
Total Capital Financing Requirement:			
• Non-HRA	107.3	134.4	130.2
• HRA			
• Total	<u>42.6</u>	<u>42.6</u>	<u>42.6</u>
	149.9	177.0	172.8
Net borrowing	123.6		162.2
External debt	123.6		162.2
Investments (all under 1 year)	-		-

10.2 Other prudential and treasury indicators are to be found in the main body of this report. The Chief Finance Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the Authorised limit), was not breached. The financial year 2019/20 continued the challenging environment of previous years; low investment returns and continuing counterparty risk continued.

11 Corporate plan and council policies

11.1 The priority themes were considered as part of the overall Capital Programme which forms part of the Treasury Management Strategy.

12 Financial appraisal

12.1 Financial appraisals were considered as part of the overall Capital Programme which forms part of the Treasury Management Strategy.

13 Legal implications

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

14 Risk management implications

14.1 Risks relating to the timing of borrowing and terms of borrowing are considered and advice is provided by Link. Risk management is considered for each of the schemes within the Capital Programme.

15 Equality analysis

15.1 Equality issues are considered

16 Appendices

- 16.1
- Appendix A – Temporary loans taken during 2019/20.
 - Appendix B - The Economy and Interest Rates

17 Background papers

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

CIPFA Treasury Management in the Public Services code of Practice (the Code)
Cross-sectorial Guidance Notes
CIPFA Prudential Code
Treasury Management Strategy and Treasury Management Practices adopted by the Council on 18 May 2010.
Link Asset Services Citywatch and interest rate forecasts

Appendix A

Temporary loans taken during 2019/20

Lender - Temp Debt	£m	Start Date	End Date	Rate
North Yorkshire CC	5.0	18/04/2019	15/07/2019	0.82%
Cherwell DC	3.0	20/05/2019	17/02/2020	0.84%
Worcester CC	5.0	23/05/2019	23/09/2019	0.80%
Cambridge CC	3.0	22/11/2019	27/02/2020	0.75%
Oxfordshire CC	3.0	25/11/2019	26/05/2020	0.87%
GLA Fund for LTL London	9.0	19/12/2019	19/06/2020	0.90%
North Yorkshire CC	5.0	24/02/2020	24/11/2020	1.00%
East Riding of Yorkshire Pension Fund	10.0	16/03/2020	07/07/2020	0.95%

Long Term Loans taken during 2019/20

Lender - Long Term Debt	£m	Start Date	End Date	Rate
PWLB EIP	4.0	18/04/2019	24/09/2033	1.87%
PWLB EIP	4.0	26/04/2019	24/09/2033	1.84%
PWLB EIP	4.0	10/05/2019	24/09/2033	1.77%
PWLB EIP	4.0	17/05/2019	24/09/2033	1.71%
PWLB EIP	4.0	28/05/2019	24/09/2033	1.66%
PWLB Maturity	4.0	30/05/2019	24/09/2059	2.21%
PWLB Maturity	3.0	25/07/2019	24/09/2058	2.06%
PWLB Maturity	2.0	16/08/2019	24/09/2060	1.83%
PWLB Maturity	2.0	28/08/2019	24/09/2061	1.86%
PWLB Maturity	2.0	30/08/2019	24/09/2057	1.77%
PWLB Maturity	4.0	05/09/2019	24/09/2068	1.59%
PWLB Maturity	2.0	26/09/2019	24/03/2065	1.66%
PWLB Maturity	2.0	01/10/2019	24/03/2066	1.62%

Maturity loans – repayment is due in full at maturity.

EIP loans – loans are repaid over the term of the loan in equal instalments paid half yearly.

The long term borrowing interest rates vary between 1.59% and 2.21% compared with a budget assumption of borrowing at an interest rate of 2.8%.

Appendix B

The Economy and Interest Rates

UK. Brexit. The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.

Economic growth in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 down at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.

After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn.

The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services.

At the time of writing, this is a rapidly evolving situation so there may be further measures to come from the Bank and the Government in April and beyond. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the

annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lock down is ended. Provided the coronavirus outbreak is brought under control relatively swiftly, and the lock down is eased, then it is hoped that there would be a sharp recovery, but one that would take a prolonged time to fully recover previous lost momentum.

Inflation has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

Employment had been growing healthily through the last year but it is obviously heading for a big hit in March – April 2020. The good news over the last year is that wage inflation has been significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, while people cannot leave their homes to do non-food shopping, retail sales will also take a big hit.

USA. Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US in a big way, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.

The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition there will be \$500bn of funding from the Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.

However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%. The first two weeks in March of initial jobless claims have already hit a total of 10 million and look headed for a total of 15 million by the end of March.

EUROZONE. The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% y/y in quarter 4 in 2019. The European Central Bank (ECB) ended its programme of quantitative easing purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in EZ growth, together with inflation falling well under the upper limit of its

target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth.

At its March 2019 meeting it announced a third round of TLTROs; this provided banks with cheap two year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt to start in November at €20bn per month, a relatively small amount, plus more TLTRO measures. Once coronavirus started having a major impact in Europe, the ECB took action in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth. What is currently missing is a coordinated EU response of fiscal action by all national governments to protect jobs, support businesses directly and promote economic growth by expanding government expenditure on e.g. infrastructure; action is therefore likely to be patchy.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing. The major feature of 2019 was the trade war with the US. However, this has been eclipsed by being the first country to be hit by the coronavirus outbreak; this resulted in a lock down of the country and a major contraction of economic activity in February-March 2020. While it appears that China has put a lid on the virus by the end of March, these are still early days to be confident and it is clear that the economy is going to take some time to recover its previous rate of growth. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.

JAPAN has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It appears to have missed much of the domestic impact from coronavirus in 2019-20 but the virus is at an early stage there.

WORLD GROWTH. The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which is going to sweep around the world and have a major impact in causing a world recession in growth in 2020.

Body:	Cabinet
Date:	16 September 2020
Subject:	Corporate Performance Quarter 1 2020-21
Report of:	Chief Finance Officer Deputy Chief Executive and Director of Regeneration and Planning
Cabinet member:	Councillors Colin Swansborough and Stephen Holt
Ward(s):	All
Purpose of the report:	To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets for the first quarter of the year 2020-21.
Decision type:	Non Key
Recommendation:	Cabinet is recommended to : i) Note the achievements and progress against Corporate Plan priorities for the first quarter of 2020-21, as set out in Part A of this report. ii) Note the General Fund, HRA and Collection Fund financial performance for the quarter, as set out 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 Tel 01273 085049 or email : jo.harper@lewes-eastbourne.gov.uk Millie McDevitt : Performance and Programmes Lead Tel : 01273 085637 / 01323 415637 or email : millie.mcdevitt@lewes-eastbourne.gov.uk Homira Javadi, Chief Finance Officer Tel: 01273 085512 or e-mail homira.javadi@lewes-eastbourne.gov.uk

1.0 Consultation

- 1.1 The priority themes in the Corporate Plan were developed in consultation with residents.

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.

5.0 Conclusion

- 5.1 This report provides an overview of performance against the authority's priority actions and indicators for 2020-21.
- 5.2 Financial performance at the end of June reflects the impact Covid-19 is having on the Council.

Appendices

Appendix 1 – Q1 Performance Overview

Appendix 2 - EBC response to Covid-19 pandemic and lessons learned

Appendix 3 – Housing Revenue Account

Appendix 4 – Capital Programme

Background Papers:

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

- Corporate Plan 2020/24 <https://www.lewes-eastbourne.gov.uk/about-the-councils/corporate-plans/>

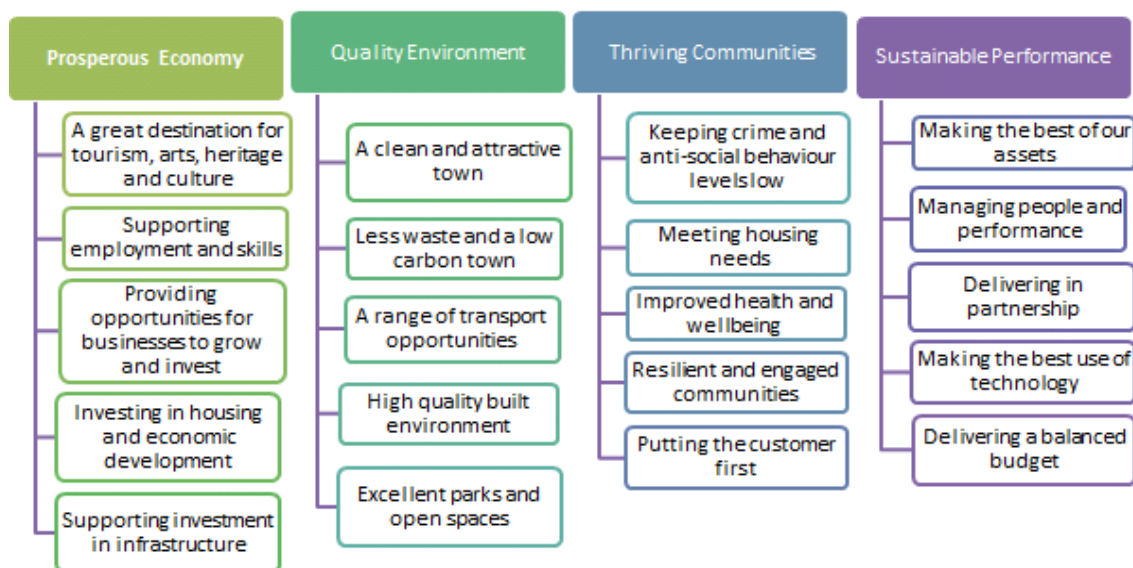
Part A – Portfolio Progress and Performance Q1 2020/21

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 first quarter of 2020/21 (1 April- 30 June 2020).
- 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 2020/21 Q1 Performance Overview

- 3.1 Appendix 1 provides detailed information on progress and performance for Members’ consideration. 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.
- 3.2 During this quarter, the Covid-19 pandemic affected the country and lockdown

measures were enforced. Performance out-turn was affected by this to some degree, however for the most part, services were able to maintain their performance levels. This was achieved whilst at the same time quickly rolling out new procedures to support the borough's communities with the impact of Covid-19. The peak of the virus was estimated to have affected the UK in mid-April.

4 Lessons learned

4.1 A review of the council's response to the pandemic was conducted in June 2020 and a summary of the lessons learned, as well as a time-line of the council's measures is provided in appendix 2.

5.0 Community Ward Projects - Devolved Budget

5.1 The last section of Appendix 1 details the 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.

6 Financial Appraisal

6.1 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 reports (also reported to Cabinet each quarter) as there is a clear link between performance and budgets/resources.

7 Legal Implications

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

8 Risk Management Implications

8.1 It is important that corporate performance is monitored regularly otherwise there is a risk that reductions in service levels, or projects falling behind schedule, are not addressed in a timely way.

9 Equality Analysis

9.1 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.

10 Appendices

Appendix 1 – Portfolio Progress and Performance Report (Quarter 1 2020/21)

Appendix 2- EBC response to Covid-19 pandemic and lessons learned

Appendix 1

Eastbourne Borough Council Corporate Performance Report Q1 2020-21

1. Growth & Prosperity

- 1.1 Growth & Prosperity Projects & Programmes
- 1.2 Growth & Prosperity Key Performance Indicators

2. Housing

- 2.1 Housing Projects & Programmes
- 2.2 Housing Key Performance Indicators

3. Thriving Communities

- 3.1 Thriving Communities Projects & Programmes
- 3.2 Thriving Communities Key Performance Indicators









4. Quality Environment

- 4.1 Quality Environment Projects & Programmes
- 4.2 Quality Environment Key Performance Indicators

5. Best Use of Resources

- 5.1 Best Use of Resources Key Performance Indicators

Community Projects – Devolved Ward Budgets Q1





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 Growth & Prosperity 2020/21

1.1 Growth & Prosperity Projects & Programmes

1.2 Growth & Prosperity Key Performance Indicators

1.1 Growth & Prosperity Projects & Programmes

Project / Initiative	Description	Target completion	Status	Update
Eastbourne Town Centre Improvement Scheme (Town Centre Public Realm Improvements)	Significant improvements to the pedestrian environment in Terminus Road, Cornfield Road and Gildredge Road to be delivered alongside the extension to the Arndale. Joint Partnership Project with ESCC.	Dec 2019 Completed		Works to remedy water ingress in the signage nodes and reprinting of the maps had to be put on hold due to the Covid-19 pandemic. Works are expected to take place in the next month.
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	Now Q4 2020/21 (previously Q3 2020/21) due to outstanding works and defects that will need to be addressed following end of liabilities review in July		Continued work to agree Final Account sum. End of liabilities reports developed and Vinci contractors are back on site attending to defects. Winter Garden: Successful SELEP bid for £1.6m confirmed in August. Options report developed. Clearance of Floral Hall and Racquets Court and enabling works in progress. Outstanding works to be undertaken following defects review. Tourist Information Centre open in Welcome Building 7 th September.
Sovereign Centre Review	Construction of new leisure centre on existing Sovereign Centre car park to provide leisure, 8 lane and diving/training pools, ten pin bowling and 'clip and climb' facilities, cafe; and children's zone. Project also includes reviewing options for site of existing facility.	TBC		Discussions on existing project continuing with CSF. Existing site has re-opened Covid Secure.
Hampden Retail Park	The acquisition and development of Hampden Retail Park as part of the Property Acquisition and Investment Strategy (PAIS).	[carrying out feasibility so project end date is expected to be agreed by the end of August]		Agreement to proceed with feasibility of a reduced scope scheme (one new build unit and refurbishment of existing units along with re-let of vacancies) and appointment of Montagu Evans. Tasks to be completed during this period are to review location of Costa and the current agreement, explore new tenants and get existing tenants on board with new plans, and develop any new planning permission requirements.

CPR Ebn 1 Growth & Prosperity 2020/21

1.1 Growth & Prosperity Projects & Programmes

1.2 Growth & Prosperity Key Performance Indicators

1.2 Growth & Prosperity Key Performance Indicators

KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Town centre vacant retail business space	10.4%			10.4%			No data provided by ESCC due to Covid-19. Data for Q2 will be provided.
Increase numbers of bandstand patrons		0	0	10,000			The bandstand was closed during Q1 due to Covid-19. The bandstand will remain closed until the new year.
Percentage of Council Tax collected during the year - Eastbourne	97.50%	96.52%	27.98%	28.88%			A new revenue collection initiative was introduced in July to restart collection activity and to start addressing the significant fall in income. Working with our partner Ascendant Solutions, different types of 'soft' reminder letters will be sent to residents based on their financial position and ability to pay. Using this detailed information we are able to identify and differentiate those residents who can and those that can't afford to pay and tailor our approach to collection. Those residents identified as experiencing potential hardship will be contacted and offered the right level of support and advice. A small team of Customer Advisors has been set up to solely handle these calls.. So far £268k has been collected in June and without taking this innovative approach to recovery the collection rate would have been 1.28% below target.
Percentage of Business Rates collected during the year - Eastbourne	98.25%	95.82%	35.19%	29.31%			The net collectable debit has reduced as a result of the government expanding eligibility to Retail, Leisure and Hospitality Relief in response to the Covid-19 pandemic. Businesses eligible for the relief no longer have a rates liability for 2020/21. This has resulted in the collection rate reporting above target in Q1.
Number of visitors to Eastbourne (day visitors and staying trips)		Not measured for Quarters	Not measured for Quarters				Awaiting data from Cambridge model- delayed due to Covid-19
Total tourist spend in Eastbourne (Annual)		Not measured for Quarters	Not measured for Quarters				Awaiting data
Total day visitor spend in		Not measured for	Not measured for Quarters				Awaiting data



KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Eastbourne (Annual)		Quarters					
Total holiday accommodation spend in Eastbourne (Annual)		Not measured for Quarters	Not measured for Quarters				Awaiting data

CPR Ebn 2 Housing 2020/21

2.1 Housing Projects & Programmes

2.2 Housing Key Performance Indicators

2.1 Housing Projects & Programmes

Project / Initiative	Description	Target completion	Status	Update
Housing Development Programme - Ebn	Deliver an ambitious housing delivery programme over the next 3 years of up to 150 units through the development, investment and repurposing of land and property assets that provides good quality, diverse and affordable mixed-tenure homes that makes a positive contribution to Eastbourne's economic future.	Q4 2023/24		<p>Ongoing programme of work.</p> <p>The largest single housing development scheme is currently at Bedfordwell Road (circa 96 homes). The preliminary contract was signed at the end of July 2020 under the Scape Procure Framework with Willmott Dixon, to support the Council in taking the project to the planning stage. The scheme design is being finalised with relevant feasibility surveys starting in the near future.</p> <p>As part of the HRA Business Plan review, there are a number of other key sites also being considered as part of the Capital Programme for housing delivery, which will be taken through the usual due diligence and governance processes for formal approval.</p>
Rough Sleeping Project	Reduce homelessness.	Q4 2019/20		<p>The majority of the service moved to telephone only contact during lockdown, however more staff are now starting to do outreach with relevant PPE.</p> <p>The number of rough sleepers (RS) dropped as a result of the 'Everyone In' directive from central government at the start of lockdown, but this is now increasing again as they lose placements and through natural increase in summer months</p> <p>There have been huge challenges in managing behaviour within the street community and the hotels, with regular meetings in place with police to try and tackle some of the hotspots. Further staff members, including a clinical psychologist, will be recruited subject to confirmation of funding.</p>

Project / Initiative	Description	Target completion	Status	Update
				Verified rough sleepers over Q1: April 8; May 15; June 18 Rough sleepers accommodated over Q1: April 25; May 8; June 1 Rough Sleepers who declined accommodation over Q1: April 0; May 0; - June 1



CPR Ebn 2 Housing 2020/21











2.1 Housing Projects & Programmes

2.2 Housing Key Performance Indicators

2.2 Housing Key Performance Indicators

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KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
(Ann) Net additional new homes provided	284	Not measured for Quarters	Not measured for Quarters				<p>This indicator measures additional units delivered across all sectors against the Local Plan Target.</p> <p>As noted previously, it is challenging to achieve the annual target of 245 net additional dwellings. This is largely due to approximately a quarter of planning applications granted not proceeding to construction within the year.</p> <p>So far, in the plan period (2006-2027), a total of 2,704 units have been delivered against a plan period target of 5,022. There are 2,318 units to be delivered over the remaining nine years of the plan period. A total of 57 net additional dwellings were completed in Q4, taking the total for the year to 128 net additional dwellings completed.</p> <p>There are 287 dwellings currently under construction across 39 sites, and 654 dwellings with permission across 98 sites where construction has not yet commenced.</p>
DFGs - Time taken from council receiving a fully complete application to the council approving the grant	28 days	1 days	4 days	28 days			The DFG process continues to be efficient and streamlined now the OT's are working within EBC.

KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Number of Licensed HMO's Inspected per Quarter	50	11	7	12.5			Limited visits due to lockdown. The HMO's that were inspected were empty.
Taking everything into account, percentage of tenants satisfied or dissatisfied with overall Homes First service	90%	83%	0 cases this period	90%			Moving to annual STAR satisfaction survey. Q4 2019/20 figure will be reported until 2020/21 figure available.
Rent arrears of current tenants (expressed as a percentage of rent debit) (E)	3%	4.66%	4.46%	3%			<p>The overall percentage has decreased as a result of the annual rent reviews and the new increased rental charges being added to the EHL tenants rent accounts.</p> <p>The Account Management Team has continued to monitor and chase rent arrears during the Covid-19 lockdown, where the predicted negative impact has resulted in an increase of rent arrears across the EHL housing stock. For the last quarter, it was very difficult to estimate what the impact would be, but it's worth noting it could have been significantly worse if it wasn't for the monitoring and outbound calls that the Customer First and Homes First staff were doing throughout and the sign-posting of tenants for additional support where the lockdown was having a real impact on their ability to pay their rent.</p> <p>As a result of the increase in rent arrears, the Council has reacted to this and implemented a Rent Action Plan that has brought together staff from various teams to work as one for a period of time. This will enhance existing working processes and deliver significant improvements to our IT systems and reporting capabilities, with the end goal of working towards reducing the rent arrears, whilst continuing to help tenants maximise what they are entitled to. This and current changes being made by the DWP, to pay the Universal Credit Housing Element direct to landlords on the same day as they pay the tenants their Universal Credit will greatly assist with the rent collection because of the current confusion it causes tenants. So we are hopeful that the rent arrears will start to reduce over the coming months and show improvement for the Quarter 2 outturn.</p>
Average void relet time key to key (month & YTD) (E)		20.4	.0	20.0			<p>There were no relets in Q1 and due to Covid-19 void operatives were furloughed and no works were completed.</p> <p>The target for this PI is profiled so will move from 20 to 15 days by the end of Q4</p>
Number of households living in emergency (nightly paid) accommodation (E)		147	156				<p>At the end of June there were 156 households in EA for Eastbourne.</p> <p>Since the start of the pandemic the team have been working hard to maintain levels of performance so that improvements made during Q3 and Q4 19/20 are not lost. In June we provided 137 case outcomes for people who are homeless or threatened with homelessness across Lewes and Eastbourne. This is up from 106 in May and 49 in April.</p> <p>During June we also moved 33 households out of EA and placed 31 into this type of accommodation.</p>






KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
							Alongside service delivery we have also been developing an online Housing Options Application Form to improve the level of service we provide. The new form will make it easier for customers to apply for help and support and reduce the amount of time front-line staff are completing paperwork. It is hoped that the online form will improve the customer experience, and lead to further efficiencies in the service

CPR Ebn 3 Thriving Communities 2020/21

3.1 Thriving Communities Key Performance Indicators

3.2 Projects & Programmes











3.1 Thriving Communities Key Performance Indicators









KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Average days to process new claims for housing/council tax benefit (E)	22	21	19	22			Despite seeing a huge increase in the number of new claims the team has still managed to perform ahead of target. This has been achieved through focussed work on new claims and support from other officers who have been able to assist with benefits work. Numbers of new claims over Q1: April-288 May-164 June-181
Average days to process change of circs (housing/council tax benefit) (E)	8	5	5	8			In spite of the increase in workload caused by the pandemic the team have pulled together and, with support from the Specialist team and other officers from different areas that have some benefits experience, have managed to exceed the performance target.
Improve our ranking compared to similar authorities in relation to all crime - Eastbourne	5	4		5			We get the data for this PI from the externally managed iQuanta recording system. It has not been updated for June so we are unable to see our ranking.

CPR Ebn 4 Quality Environment 2020/21

4.2 Quality Environment Key Performance Indicators

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KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Total number of reported fly-tipping incidents	480	127	266	120			<p>The number of reported fly-tips for Q1 (266) has significantly increased from Q 4 (127) with June seeing the highest number in the quarter with 102 reports. The COVID-19 lockdown period has seen a large portion of households decluttering and having clear outs which, anecdotally, is attributed to the increase in fly tipping along with the temporary closure of textile recycling banks Household Waste and Recycling Sites (tips).</p> <p>The Neighbourhood First teams continue to use Keep Britain Tidy posters along with our own and mobile CCTV cameras at key sites.</p>
Increase the percentage of Major Planning Applications processed within 13 weeks	65%	80%	100%	65%			Good performance in Q1 with 2 major planning applications processed in time.
Increase the percentage of minor planning applications processed within 8 weeks	75%	78%	88%	75%			22 out of 25 minor applications processed within 8 weeks during Q1.
Increase the percentage of other planning applications processed within 8 weeks	75%	94%	98%	75%			In Q1, 65 out of 66 other planning applications processed within 8 weeks.
Percentage of household waste sent for reuse, recycling and composting	40.00%	30.85%	31.83%	40.00%			<p>2019/20 annual recycling results (provisional until confirmed by Defra in November): 34.88%</p> <p>N.B. This is a holding figure of the average for Q4 from 2019/20 until the data from ESCC</p>

KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
							comes through. <ul style="list-style-type: none"> • April = 31.83% • May = 31.83% • June = 31.83% • Qrt Average: 31.83%
Percentage of local searches that are returned within 10 working days of receipt	80%	99.54%	99.11%	80%			Q1 performance above target. 223 out of 225 local searches returned within 10 working days.
% Container Deliveries on Time	100%	34.93%	43.07%	100%			There was an increase in demand for containers, particularly in June (as a result of a successful social media campaign). Consequently, demand exceeded stock resulting in delays. Extra teams have been put in place, including some Saturdays, to catch up on this lag plus the minimum stock level threshold has been increased.
Number of missed bins (per 100,000)	100	32.67	34	100			Q1 sees an average of 34 missed bins across the quarter a slight increase on the previous Q4 (32.6) but remaining well within target each month.
Missed Assisted Collections	1%	1.15%	0.23%	1%			Q1 sees an average of 0.21% of assisted collections being missed and within target. This quarter is not being compared to any previous as a new method of reporting the data has been instigated and a new target being set. N.B. Total number of customers receiving an assisted collection = 3,198 Total number of assisted collections made across all the services per month = 19,188 <ul style="list-style-type: none"> • April saw 0.25% of assisted collections being missed and within target. • May saw 0.17% of assisted collections being missed and within target. • June saw 0.2% of assisted collections being missed and within target.





CPR Ebn 5 Best Use of Resources 2020/21





5.1 Best Use of Resources Key Performance Indicators

5.2 Best Use of Resources Projects and Programmes

5.1 Best Use of Resources Key Performance Indicators

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KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
Number of new sign-ups to the Councils' social media channels	600	280	1,303	150			We have seen a marked increase in the number of customers following our social media channels during Q1. We are attributing this increase to resident's increasing use of digital channels, particularly social media to find out information during the Covid-19 pandemic. We have been more active than ever during the period in terms of the content we have been posting and our engagement with our customers through these channels.
Increase the percentage of calls to the contact centre answered within 60 seconds - Ebn	80%	87.22%	86.89%	80%			<p>The Customer Advisors continue to work hard on maintaining the improved stats, where we have hit and exceeded the SLA of 80% of all calls answered within 60seconds for 2 out of 3 of the quarter's months – with April being just shy of target at 76.67%. This is in spite of increased calls due to Covid-19.</p> <p>As the COVID-19 situation started to become more serious and lockdown extended during April with no apparent easing of restrictions imminent, the team continued to make quick adaptations and changes in resource priority as both the public and council workers were urged to stay at home wherever possible. This included making weekly phone calls to our council tenants. IT was provided to team members to enable them to effectively work at home and advise residents and the wider Lewes district community. Webchat has been effectively used in many cases.</p> <p>Performance Improvement Plan: As we enter Q2 for 2020/2021 our focus continues to remain on not only maintaining the great performance, but also supporting those in our</p>

KPI Description	Annual Target 2020/21	Q4 2019/20	Q1 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
							<p>communities who are most vulnerable and in need of our support due to the impact of COVID-19. In addition to covering our normal duties on the phone lines, webchat, emails and post and with reduced staffing present, we now see Customer Contact solely covering the Community Hub lines where residents who are most vulnerable have been contacting us for assistance. We will continue to evaluate our available resources on a daily bases and ensure that those most in need are able to contact us quickly and effectively, whilst encouraging those that are able to self-source information on our website or use of the Webchat facility.</p> <p>Numbers of calls over Q1: April-8058 May-6989 June-8051 Average time (in seconds) taken to answer calls over Q1: April 44 May 36 June 26 Number of calls to corona virus helpline over Q1 (Joint) April 1801 May 782 June 527</p>
Average days lost per FTE employee due to sickness (J)	8.0 days	2.52 days	1.63 days	2.0 days			<p>This is the first full quarter of reporting average days lost due to sickness for our entire staff group since lockdown measures were introduced and the majority of staff who were able, commenced working from home. This has had a positive impact on sickness levels with the councils recording only 1.63 days which is a significant reduction from Q4 which was 2.52 days. If this trend continues we will achieve the annual target of 8 days.</p> <p>If we remove LDC Waste Services, the Q1 figure reduces to 1.10 days and Waste Services on its own is 5.24 days, which is a reduction from 5.89 days in Q4. It is worth noting that Waste Services staff have continued to work operationally during the pandemic.</p> <p>Absences due to Covid-19 were relatively low during Q1 with 11 staff reporting Covid-19 sickness (those staff reporting symptoms) and 6 staff recording Covid-19 Isolation (those staff required to self-isolate as have been in contact with someone showing symptoms) These relatively small numbers will be largely due to the change in ways of working, including working from home and strict social distancing measures within our buildings. Although sickness levels have reduced the HR Business Partners continue to support managers and staff in managing any attendance issues that arise.</p>
Social media responsiveness rate	80%	84.33%	88.67%	80%			<p>We achieved our best ever quarter for responsiveness to social media during Q1 and this is due to the hard work of the customer advisors in Customer First who were responding to these enquiries alongside enquiries made via web chat.</p> <p>Number of social media and web enquiries over Q1 April 1563 May 1550 June 3918</p>

Devolved ward budget scheme 2020/2021 – Summary by ward to end of Quarter 1 (1 April – 30 June 2020)

Ward	Project	Description	Project Spend to Date
Devonshire	Elms Avenue Tree Stump	Removal of a tree stump at Elms Avenue	£850.00
	Tree Planting	The planting of 6 trees (including protection) in Cavendish Place - between Pevensey Road and Langney Road.	£1,500.00
	Tree Planting	Tree planting (including tree protection) - 2 outside Bradford Court, 2 outside and opposite the Working Mens Club on the corner of Firl Road and Cavendish Place	£1,000.00
	Friends of Seaside Rec	Contribution to the refurbishment of the changing rooms into a Tea Chalet	£1,100.00
	PPE Shop	Launch of the PPE Shop by the Eastbourne Hospitality Association	£500.00
	Play Equipment	Contribution for installing new play equipment at St Andrew's CE Infants School	£750.00
Total spend to end of Quarter 1			£5,700.00
Hampden Park	Eastbourne Eco Education Network	Proposal for engaging with schools and families in Hampden Park	£2,250.00
Total spend to end of Quarter 1			£2,250.00
Langney	No schemes to end of Quarter 1		
Total spend to end of Quarter 1			£0
Meads	Historic Meads Walk Booklet	Historic Meads Walk Booklet	£500.00
Total spend to end of Quarter 1			£500.00
Old Town	The JPK Sussex Project	Upgrading and enlarging disability accessible facilities at the JPK Project to allow "access for all"	£1,000.00
	Community Wise	To help this popular community centre implement measures required by government guidelines to help make the centre safe for use with regards to Covid-19.	£450.00

Ward	Project	Description	Project Spend to Date
Total spend to end of Quarter 1			£1,450.00
Ratton	Tree Planting	Tree Planting at Westlords	£1,000.00
Total spend to end of Quarter 1			£1,000.00
St Anthony's	Eastbourne Education Business Partnership	Eastbourne Youth Radio - Stafford Junior School Programme 13.11.19	£288.00
Total spend to end of Quarter 1			£288.00
Sovereign	Kingsmere Community Association	To assist the community of Kingsmere	£200.00
Total spend to end of Quarter 1			£200.00
Upperton	JPK Project	Upgrading and enlarging disability accessible facilities at JPK Project to allow "Access for all". First part of funding was provided in 2019/20.	£450.00
	Hurst Road Group	Hurst Road Street Community have a weekly music night to bring people together during this crisis. They require percussion instruments to involve all residents.	£200.00
	Community Wise	To assist Community wise to implement measures required by government guidelines on making workplaces and shops safe for all users before its reopening.	£450.00
Total spend to end of Quarter 1			£1,100.00
Number of schemes to end of Quarter 1			16
All wards total spend to end of Quarter 1			£12,488.00

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Appendix 2: Covid-19: Lockdown March 2020

Background: On 16 March 2020, the Prime Minister asked people to avoid non-essential travel and work from home where possible. Schools were soon closed and a formal lockdown was introduced on 23 March, restricting when and why people could leave their homes. Eastbourne Borough council (EBC) staff responded in a phenomenal and impressive manner; supporting residents, businesses and the voluntary sector tirelessly, whilst protecting themselves and their families from the Coronavirus. This is a summary of the lessons learned from that experience. Two things should be noted:

- 1) the emergency response continues for some teams so many of the challenges outlined below are still encountered;
- 2) unlike traditional lessons learned, this note tries to capture the positive as well as some of the more challenging to ensure that these are remembered and referred to should a similar response be needed in the future.

Summary of lessons learned:

1. Emergency response:

- a) The EBC response started up quickly and there was no 'lag' in actions. However, there could have been more preparations for working off-site.

2. Staff

- a) EBC has an extremely flexible, agile, team-spirited and responsive workforce which can be re-directed to deliver tasks beyond their usual work. Moreover, the workforce has a plethora of skills and experience that were re-deployed into different roles.
- b) During an emergency, delivering services to our communities has to dovetail with maintaining our staff's health & wellbeing. EBC's existing agile working policy was a huge help and having consistent messaging from managers is also vital.
- c) Clear and explicit empowerment of staff to ensure timely decision making is essential.

3. Communication

- a) Our external communications worked extremely well. Social media engagement was particularly successful. Using existing websites helped. Internal communication was also good. For consistency, all communication, from the beginning of an emergency, should be led by the communications team with relevant teams supporting (e.g. HR/IT/ finance).
- b) There must be a clear description of the purpose and roles of different groups/ meetings and membership (why certain people are involved) and flow of information and intelligence sharing between the groups. There should be a review of any emergency response groups' membership and clear understanding of why people are invited to join.
- c) Get distribution lists set up quickly to ensure coordination of work and so that communications and activities are known by relevant officers so that the right people are involved in the right activities.

4. Partnerships and expertise

- a) EBC, through existing relationships, worked incredibly effectively with partners and local networks. In many cases we enabled partners to continue to operate. In the future, there needs to be a clear exit strategy and expectations managed around what will be provided and under what circumstances.

5. Tools

- a) The nimbleness provided by having in-house IT, print team, graphic designers etc resulted in fast turn-around of vital resources.
- b) The rapid re-configuration of our IT set-up was impressive. IT support was consistently excellent however further thought needs to be given to an out of hours IT on-call provision (eg weekends/nights when staff may need to work).
- c) Managers should ensure that their staff receive emergency response refresher training and that they have the tools to work from home and, where appropriate, off-line tasks which they can complete without EBC laptops/ phones etc.

16/3 PM advises against non-essential travel; 20/3 Pubs, cafes, restaurants etc closed & furlough scheme

17/3-20/3:

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- Website update/ phone lines/ additional staff for customers contact (*separate Comms plan*)
- Staffing spreadsheet (redeployment/absence/ personal circs) re-started/ circulated to HoS
- Staff guidance & comms issued (repeat weekly as a minimum)
- HR - fixed term contracts; working hours for all staff etc
- Managers' script - re staffing/ flexibility etc
- Finance & costs guidance provided/ cost-codes set up
- IT set up for increased WFH; IT guidance & wiser internet usage issued (prob w/24-7 apps)
- Whatsapp put on all corporate phones
- Waste areas prioritised- bulky waste stopped
- Customer contact: receptions closed/ notice re how to contact us
- N1st staff trained to help at crem
- Vol sector needing assistance identified as an area to investigate. Emergency £ given to food banks
- Local resilience forums (LRF) asked to set up community hubs.
- Potential issue around office vehicles: extra may need to be hired due to MOT expiry
- Potential need for extra delivery drivers (taxi trade contacted)
- Community info packs issued to cllrs & printed cards for delivering to residents.

Lockdown announced by PM 23/3; Coronavirus Act passed 25/3; Police new enforcement powers-26/3

24/3-28/3:

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- Mini call centre created for C-19 calls. Phone message & social media re opening times
- Additional licences (incl webchat) for WFH obtained. Additional soft phones needed.
- Webex trialled, Outlook challenges. Vid-conf options being looked at. 24/7 IT use not pos: data backup
- Enforcement action notices drafted
- T&E food suppliers contacted for foodbank support. Neighbourhood First assisting with delivery of food
- Increase in benefits applications. Staff redeployed to assist.
- Top Desk Guidance being prepared, health & wellbeing info
- Micollab issue resolved by Cavendish
- Staff: essential travel explained, Hub FAQs, school place letters , C1st staff rota for in office; Online courses for staff increased. Staff info re tactical group.
- Food package centre set up in Devonshire Park
- Public toilets closed. Signage in parks
- Staff redeployed into waste team and CF additional staff for crem admin (new guidance for funerals)
- CA's making welfare calls to tenants . 1st case of C-19 in sheltered accom.
- Housing- non-emergency repairs & visits stopping; Rough Sleepers accommodated
- Hardship funds received. Business rates- more gov't guidance. Daily team mtg- comms to join. Rate relief work done by CoC & teams. FB updated with info for businesses
- 14 day payment terms implemented by finance
- Increase in Cllr comms- incl Facebook live Q&A. Staff redeployed to help in comms. Voluntary sector directory underway.
- FAQs for taxi drivers (licensing team)
- Garden waste collection suspended.
- Teams going out to inspect food premises. Protocols on working with police/ trading standards
- Income losses starting to come through

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- Staff redeployed to help voluntary sector (3VA) & matching volunteers to roles
- C-19 line launched (comms); Online form for C-19 help. Contact centre needing more staff. CAs rota
- Revised IVR message and start of business queue. TIC staff helping with calls
- Probs w/ C-19 phone line when dialling from land-line (ITBAU investigating)
- Risk assessments/ safe systems of work completed
- More PPE & hand sanitiser received. Dev Park needing more gloves.
- Business rates scheme – preparing project plan approx. 2 – 3 weeks before can roll out scheme – waiting for software suppliers
- Working with partners to see if can assist businesses where they pay themselves dividends.
- Businesses being re-directed by CoC to revenue team. Website guidance updated and callers re-directed
- ILO number given for out of hours calls.
- EBC tourism website – portal for businesses re: moving from restaurant to takeaway.
- Possible homeless hub arrangements needed
- SRF stepping up to do multi-agency handling. C-19 testing for relevant staff
- C-19 landing page on website
- ESCC have given parking concessions
- Easter handling of call still TBC but good response from staff
- Further comms re waste etc over Easter

6/4-9/4 Easter weekend 10/4-13/4

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- Remote committee meetings to be held via video conf- request to start these soon. Looking at Webex CMT trialling Webex as well. MS Teams chosen for virtual meetings (starting with planning/ licensing)
- Probs with C-19 contact number. Online ok- most requests : food parcels/ medication/ befriending
- SRF and Army food supplies for parcels. Devonshire Park opened and staff ready to receive pallets
- SMF will cover staff redeployment – to ensure business critical service areas are fully resourced
- Crematorium – preparing for increased demand in coming weeks. NF staff covering technicians due to staff shortages. Discussions about rolling out shift work/rotas, may need to tap into other resources
- Foodbank – food parcel deliveries increased. 2 members of staff doing transfers. Pos need more drivers
- EB Town hall clock face turned blue
- Business grants – majority of data capture forms have been finalised and branding work completed. Go live scheduled for 9 April & letters to be dispatched. Staffing tbc. Payment plans to be tested
- Businesses- starting to sell off-licence and asked to apply for licence.
- Phone support from Civica/ Cavendish for Easter weekend in place
- Further staff comms – pre Easter weekend. CMT visiting office buildings over Easter weekend
- Request for ideas for staff wfh
- Working with probation office – offenders being released early. Linking with DWP re benefits
- Staff deployed to help manage volunteers for 3VA
- Business Portal caused 400 calls as well as large number of web chats due to technical issues.
- Waste services over Easter in place. Staff wfh helping with data transfer

14/4-17/4 (UK peak)

- Week 5
- Bonfire & homelessness info provided to Members
 - Business grants – huge amounts processed over weekend.
 - Claremont Hotel – further collapse
 - W360 issues. Team and Civica in process of resolving.
 - Advice on meals on wheels, food boxes etc to be given to CF team
 - Staff: Focus on work that can be done from home (eg data cleansing; W360). Working with managers to ID staff at home not fully utilised or unable to WFH b/c their job is not suitable or due to technology
 - Homelessness – issues with social distancing and getting them to stay in hotels
 - Public conveniences – lots of queries about opening them. Possibly one or two could be opened with a permanent attendant.
 - Low stock on soft phones, no mobile phone 10 laptops in stock. Team looking to obtain stock. Increase in no of IT help calls from 100 (normally) to 400.
 - Letter from Lewes cabinet will go out to all residents. Tel number for Covid 19 in this letter.
 - Refuse sites – Las come under pressure to reopen refuse sites (tips) across the region. The decision is that they are to remain closed in line with government advice
 - Reviewing foodbank distribution capacity due to high volumes. 3VA possibly co-ordinating additional drivers to assist with foodbank distribution.
 - PPE equipment still in short supply in Sussex, waiting for online ordering system (clipper system)
 - Keyworker testing due to commence. SRF -would like a snap shot of public facing keyworkers who are self-isolating but are currently well
 - Members briefing which will include the information regarding demand on services

20-24/4

- Week 6
- Defra keen on reopening waste sites
 - Post-lockdown: Managers to focus on new ways/ what their services will look like
 - HF, NF and EF have all received PPE. Not all orders delivered , need to look at the next 6 months to ensure we are prepared with regards to PPE provision
 - Testing - Commenced at the AMEX and referral details with us shortly
 - SRF RAG status is amber - means we are carrying out essential services and currently coping
 - County setting up own hub. Their stock of food parcels will go to them by the end of the week
 - Beach Hut contracts – giving extensions to their lease
 - Information posters being printed and given to businesses that are experiencing social distancing issues (to put in their windows to reiterate the rules), ie for food takeaway / food shops.
 - Microsoft Teams will be used for all Council meetings and they are factoring in the ability for people to speak, to engage and to mute people in the meeting
 - Taxi licence changes nearly completed. Looking at issues occurring with W360 to try and get the Covid form back up on- line as it is useful for reporting. New form for customer advisors being worked on so they can update their records when customers call in.
 - Starting to look at things we are doing now that in future we will be able to switch off, but be able to switch back on if there is another Covid spike
 - Countywide homelessness meeting - 82 rough sleepers and now down to 19 rough sleepers. Awaiting guidance around prison leavers and who is responsible for them.
 - Sheltered Accommodation in Ringmer (person in bungalow) is the only case of Covid-19 in our housing stock that we are aware of.

Part B

Financial Performance Q1 2020/21

1.0 General Fund

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

Department	Current Budget	Profiled Budget	Actual to 30 th June 2020	Variance to date
	£'000	£'000	£'000	£'000
SUMMARY				
Corporate Services	3,337	2,054	2,088	34
Service Delivery	5,876	1,428	1,867	439
Regeneration & Planning	(37)	749	792	43
Tourism & Enterprise	2,659	724	1,467	743
Total Service Expenditure	11,835	4,955	6,214	1,259
Covid-19	0	0	(413)	(413)
Contingencies & Corporate Savings	(599)	0	0	0
Capital Financing and Interest	2,286	30	35	5
Net Expenditure	13,522	4,985	5,836	851

1.2 The position at the end of June shows a negative variance of £851k on net expenditure. Variances at 30 June included:

Additional Software costs	£65k
Housing Benefit Payments and Subsidy - Mainly shortfall in subsidy on emergency accommodation	£149k
Revenues – no summons cost income	£136k
Crematorium – reduction in income	£52k
Car parks – reduction in income	£128k
Corporate Landlord – additional business rates and R&M	£42k
Tourism – net catering income shortfalls	£236k
Sovereign Centre – transferred back to the Council in March	£185k
Seafront – net shortfall in income	£153k
Events – cost savings from cancellations	(£188k)
Theatres – net shortfall in income	£358k
Covid-19 – balance of grant to be applied to future costs	(£413k)

1.3 The impact of the pandemic and associated lockdown has had a significant impact on the Council's financial position, in particular on income within the Tourism and Enterprise service which has a net shortfall of £747k at the end of June.

1.4 The £413k balance on the Covid-19 grant is expected to be fully allocated against future costs before the year end. Therefore, excluding this, the current shortfall is £1.264m, and is expected to increase as the impact of lockdown continues.

- 1.5 It should be noted that the returns to MHCLG on the financial impact of Covid-19 (previously reported) include forecast losses in Collection Fund income, and also the additional cost of homelessness and temporary accommodation which is expected to materialise later in the year. The above is purely as snapshot at the end of June specifically for General Fund.
- 1.6 The updated Medium Term Financial Strategy report, elsewhere on this agenda, provides the latest forecast which is a shortfall of approximately £8m by year end. This is after allowing for additional Government support in relation to income shortfalls (see below). The position is being monitored closely and updates will continue to be reported to Cabinet and Government.
- 1.7 The Government has sought to help Councils throughout this time with grants to deal with the immediate costs associated with pandemic/lockdown and has also now announced an income compensation scheme for lost sales, fees and charges.
- 1.8 Councils have to absorb the first 5% of their planned sales, fees and charges and then the Government compensates them for 75p in every pound of relevant loss thereafter.

2.0 HRA

- 2.1 HRA performance of the quarter is as follows:

	Full Year Budget	Profiled Budget	Actual to 30 June 2020	Variance to date
	£'000	£'000	£'000	£'000
HRA				
Income	(15,473)	(3,868)	(3,868)	-
Expenditure	13,501	3,372	3,326	(46)
Capital Financing & Interest	1,897	474	487	13
Contribution to Reserves	3,656	914	914	-
Total HRA	3,581	892	859	(33)

There is a small positive variance of £33,000 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 1 compared to the revised allocation for 2020/21 and the total spend for each scheme as at 30 June. Comments are provided for each scheme in the appendix.

4.0 Collection Fund

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

4.2 The Collection fund for the year is as follows:

	Council Tax £'000	Business Rates £'000
Balance B/fwd 1.4.20	(208)	331
(Deficit recovery)/Surplus distributed	481	(73)
Debit due for year	(70,348)	(12,148)
Payments to preceptors	71,062	37,540
Allowance for cost of collection	-	129
Additional Business Rate Reliefs	-	(24,717)
Transitional Relief	-	(40)
Allowance for appeals	-	164
Write offs and provision for bad debts	805	326
Estimated balance 31.3.21	1,792	1,511
Allocated to:		
Government	-	756
East Sussex County Council	1,311	604
Eastbourne Borough Council	221	136
Sussex Police	176	-
East Sussex Fire & Rescue	84	15
	1,792	1,511

4.3 The allocation to preceptors reflects the operation of the Collection Fund for Council Tax and Business Rates which are distributed on different bases under regulations. The distributions for the estimated balance calculated at quarter 3 will be made in 2021/22.

4.4 Council Tax is showing a deficit of £1.792m for the quarter. The Council's share of the deficit is £221k. This has resulted from a reduction in income collected and increased provision for bad debt. The position continues to be monitored on a monthly basis and the final surplus or deficit will be formally set in January 2021. Under new accounting regulations brought in by Government in response to Covid-19, deficits can be spread over three financial years from 2021-2024.

4.5 The Business Rate deficit for the quarter is £1.5m. There continues to be a significant risk associated with business rate income, despite the additional business rate reliefs (£24.7m) that have been given by Government. The latest deficit would be split between the relevant preceptors with Eastbourne's share equating to £136k. This again could be spread over the following three financial years. The exact surplus or deficit position will be determined in January 2021.

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

Economic growth 2020 started with optimistic business surveys pointing to an

upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the coronavirus outbreak. The overall growth rate in quarter 1 was -2.2%, -1.7% y/y. However, the main fall in growth did not occur until April when it came in at -24.5% y/y after the closedown of whole sections of the economy. What is uncertain, however, is the extent of the damage that will have been done to businesses by the end of the lockdown period, how consumer confidence and behaviour may be impacted afterwards, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover to what was formerly regarded as normality. However, some changes during lockdown are likely to be long lasting e.g. a shift to online purchasing, working from home, etc. The lockdown has also had a sharp effect in depressing expenditure by consumers which means their level of savings have increased and debt has fallen. This could provide fuel for a potential surge in consumer expenditure once some degree of normality returns.

Although the UK left the EU on 31 January 2020, we still have much uncertainty as to whether there will be a reasonable trade deal achieved by the end of 2020. At the end of June, the UK government rejected extending the transition period beyond 31 December 2020. This has increased the chances of a no-deal **Brexit**. However, the most likely outcome is expected to be a slim deal on trade in order to minimise as much disruption as possible. However, uncertainty is likely to prevail until the deadline date which will act as a drag on recovery.

After the Monetary Policy Committee left **Bank Rate** unchanged at 0.75% in January 2020, the onset of the coronavirus epidemic in March forced it into making two emergency cuts in Bank Rate first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in **quantitative easing (QE)**, essentially the purchases of gilts (mainly) by the Bank of England of £200bn. In June, the MPC decided to add a further £100bn of QE purchases of gilts, but to be implemented over an extended period to the end of the year. The total stock of QE purchases will then amount to £745bn. It is not currently thought likely that the MPC would go as far as to cut Bank Rate into negative territory, although the Governor of the Bank of England has said all policy measures will be considered. The Governor also recently commented about an eventual tightening in monetary policy – namely that he favours unwinding QE before raising interest rates. Some forecasters think this could be as far away as five years.

The Government and the Bank were also very concerned to **stop people losing their jobs** during this lockdown period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months to the end of June while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lockdown period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as there is, and will be, insufficient demand for their services. The furlough scheme was subsequently

extended for another three months to October, but with employers having to take on graduated increases in paying for employees during that period. The Bank of England expects the unemployment rate to double to 8%.

The Government measures to support jobs and businesses will result in a huge increase in the annual budget deficit for the current year, from about 2% to nearly 17%. **The ratio of debt to GDP is also likely to increase from 80% to around 105%.** In the Budget in March, the Government also announced a large increase in spending on infrastructure; this will also help the economy to recover once the lockdown is ended. Economic statistics during June were giving a preliminary indication that the economy was recovering faster than previously expected. However, it may be a considerable time before economic activity recovers fully to its previous level.

Inflation. The annual inflation rate dropped to 0.5% in May from 0.8% in April and could reach zero by the end of the year. Inflation rising over 2% is unlikely to be an issue for the MPC over the next two years as the world economy will be heading into a recession; this has caused a glut in the supply of oil which initially fell sharply in price, although the price has recovered somewhat more recently. Other UK domestic prices will also be under downward pressure; wage inflation was already on a downward path over the last half year and is likely to continue that trend in the current environment where unemployment will be rising significantly. In May’s Monetary Policy Report, the Bank of England predicted that inflation would hit their 2% target by 2022. This was in the context of its forecast that GDP would rise by 3% in 2022 after a recovery during 2021. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.

5.3 Interest Rate Forecast

The Council’s treasury advisor, Link Group, provided the following forecast on 31 March 2020. This forecast will be updated to take account of recent downward movements in LIBID rates, (currently they are 3 month 0.01%, 6 month 0.15% and 12 month 0.33%).

Link Asset Services Interest Rate View								
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

The above table is based on PWLB certainty rates – gilt yields plus 180bps.

Uncertainty over Brexit caused the MPC to leave Bank Rate unchanged during 2019 and at its January 2020 meeting. However, since then the coronavirus outbreak has transformed the economic landscape: in March, the MPC took emergency action twice to cut Bank Rate first to 0.25%, and then to 0.10%. It is now unlikely to rise for the next two years pending a protracted recovery of the economy from this huge set back.

The assumption is that there will be some form of muddle through agreement on a reasonable form of Brexit trade deal but the coronavirus outbreak could affect the timing of reaching a deal. As there is so much uncertainty around the impact of, and pace of recovery from this outbreak, the above forecasts currently only cover two years, not three as provided in the past.

However, HM Treasury imposed two changes of **margins over gilt yields for PWLB rates** in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then at least partially reversed for some forms of borrowing on 11 March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4 June but the date has since been put back to 31 July. It is clear that the Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).

Following the changes on 11 March 2020 in margins over gilt yields, the current situation is as follows: -

PWLB Standard Rate is gilt plus 200 basis points (G+200bps)

PWLB Certainty Rate is gilt plus 180 basis points (G+180bps)

PWLB HRA Standard Rate is gilt plus 100 basis points (G+100bps)

PWLB HRA Certainty Rate is gilt plus 80bps (G+80bps)

Local Infrastructure Rate is gilt plus 60bps (G+60bps)

As the interest forecast table for PWLB certainty rates (gilts plus 180bps) above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.

5.4 **Annual Investment Strategy**

The Treasury Management Strategy Statement (TMSS) for 2020/21 which includes the Annual Investment strategy, was approved by the Full Council on Wednesday, 19th February. It sets out the Council's investment priorities as being :

Security of Capital;

Liquidity;

Yield.

There were no short term investments held as at 30 June. Approved limits within the

Annual Investment Strategy were not breached during the quarter ending 30 June 2020, except for the balance held with Lloyds Bank, which exceeded the £5m limit for 43 days 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.

5.5 Investment performance for the quarter ending 30 June is as follows:

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day LIBID	-0.04%	0.04%	£1,874.15

The Council outperformed the benchmark by 0.08%. The budgeted investment return for 2020/21 is £50,000. Due to cash flow requirements and current low interest rates, investments held are at minimum and it is unlikely that this budget will be achieved, but this will be offset by reduced borrowing.

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.

5.6 Borrowing

The following loan was taken during the quarter:

New Short Term Borrowing				
Start Date	Counterparty	Amount	Interest Rate %	End Date
21-05-20	Sevenoaks District Council	3.0	0.55	23-11-20
21-05-20	North Yorkshire County Council	5.0	0.55	23-11-20
29-06-20	PCC Gwent	5.0	0.14	30-10-20
Total		13.0		
Less Short Term Borrowing Repaid				
Repayment Date	Counterparty	Amount	Interest Rate	No of Days
26-05-20	Oxfordshire CC	3.0	0.87	183
19-06-20	GLA Fund for LTL London	9.0	0.90	183
Total		12.0		
Net New Short Term Borrowing during quarter		1.0		

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.

5.7 Debt Rescheduling

Debt rescheduling opportunities have been limited in the current economic climate and following the various increases in the margins added to gilt yields which has impacted PWLB new borrowing rates since October 2010. During the quarter ended 30 June 2020 no debt rescheduling was undertaken.

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 June 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 temporary balances exceeding limits with Lloyds Bank.

5.9 Climate change and environmental implications

Treasury management is a Council-wide function and its climate change, environmental and sustainability implications are the same as for the Council itself. The Council and its TM Advisors will have regard to the environmental activities of its Counterparties (where reported) but: -

Prioritises Security, Liquidity and Yield,

Recognises that as large, global institutions our high-quality counterparties operate across the full range of marketplaces in which they are legally able to, and as a result climate change considerations are an increasingly important and heavily-scrutinised part of their overall business.

Excluding any one counterparty will likely mean others will similarly have to be avoided and thus impact the Council's capacity to mitigate risk through diversification.

5.10 Covid-19 crisis

The projection of gradual rises in interest rates that formed the Bank of England Monetary Policy Committee's guidance at the start of the period eased through the year and then evaporated entirely with the onset of the Covid-19 crisis. As the Council's borrowing rates are directly linked to market expectations this gives rise to the potential that our borrowing rates will remain close to all-time lows for some time. With the Council's Capital Programme and re-financing commitments over the next few years, our ability to secure good value in our borrowing has significant implications for the spending plans of Council as a whole. This ability will be affected

by the outcome of the current consultation by Public Works Loan Board (PWLB) on how it offers debt to the sector. Potentially this may mean some reversal of the PWLB's 1% margin hike imposed in October 2019. At the time of writing any such reversal is by no means certain and so our central borrowing strategy remains one of undertaking regular transactions in order to lock in current rates to fulfil our long-term borrowing requirement. Timing will be managed through a portfolio of short-term debt and we will seek to add new sources of borrowing while PWLB's margin remains competitive.

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Appendix 3

Housing Revenue Account 2020/21

	Original Budget £000's	Q1 Budget £000's	Q1 Actual £000's	Variance £000's
INCOME				
Gross Rents	(14,448)	(3,612)	(3,612)	0
Charges for Services	(1,025)	(256)	(256)	0
GROSS INCOME	(15,473)	(3,868)	(3,868)	0
EXPENDITURE		0		
Management Fee	7,834	1,959	1,924	(35)
Supervision and Management	1,157	285	274	(11)
Provision for Doubtful Debts	203	51	51	0
Depreciation & Impairment of Fixed Assets	4,307	1,077	1,077	0
GROSS EXPENDITURE	13,501	3,372	3,326	(46)
NET COST OF HRA SERVICES	(1,972)	(496)	(542)	(46)
Loan Charges - Interest	1,947	487	487	0
Interest Receivable	(50)	(13)	0	13
NET OPERATING SURPLUS	(75)	(22)	(55)	(33)
Transfer from Reserves	0	0	0	0
Revenue Contribution to Capital Expenditure	3,656	914	914	0
HRA (SURPLUS) / DEFICIT	3,581	892	859	(33)

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Line No	Scheme	Total Scheme Approved	Total Scheme spend 31 Mar 2020	Spend 2020-21 to 30 June 2020	Allocation 2020/21	Allocation 2021-22	Allocation 2022-23	Remaining Allocation 2020/21	Funding Comments
		£000	£000	£000	£000	£000	£000	£000	
1	HOUSING REVENUE ACCOUNT								
2	Major Works	Ongoing	385	-	4,388	4,442	4,535	4,388	EBC Slow progress due to COVID-19
3	Sustainability Initiatives Pilot	500	61	-	439	-	-	439	EBC Slow progress due to COVID-19
4									
5	Managed by Eastbourne Homes	Ongoing	446	-	4,827	4,442	4,535	4,827	
6	Other Schemes								
7	Fort Lane	2,283	680	12	-	-	-	12	EBC/Grant Viability being considered as part of overall New Build allocation
8	New Build	26,752	-	15	6,310	14,154	6,288	6,295	EBC/Grant Schemes being developed
9	Acquisitions	Annual allocation	-	-	3,748	-	3,332	3,748	EBC/Grant Available for schemes to be identified
10	Total HRA		1,126	27	14,885	18,596	14,155	14,858	
11	COMMUNITY SERVICES								
12	Disabled Facilities Grants	Ongoing	-	4	1,450	-	-	1,446	Grant Slow progress due to COVID-19
13	BEST Grant (housing initiatives)	Ongoing	-	5	30	-	-	25	Grant Slow progress due to COVID-19
14	Coast Defences Beach Management	Ongoing	-	216	495	300	300	279	Grant Due to the particularly stormy weather earlier in the year, which caused a lot of shingle to be lost from the western end of the frontage, beach management works were brought forward to raise beach levels above the critical trigger levels. This work was carried out in May and June. Further monitoring surveys will be carried out later this year to determine the design for the next phase.
15	Cycling Strategy	41	-	-	41	-	-	41	EBC At the end of June, ESCC finished their consultation on the East Sussex Local Cycling & Walking Infrastructure Plan which includes proposed cycle routes within the Borough. This funding will contribute to the routes as they are progressed.
16	Play Area Sovereign Harbour	27	-	-	27	-	-	27	S106 Ongoing discussions relating to the location of the playground. Anticipated start winter 2020
17	Shinewater Park - Scoping	20	10	-	10	-	-	10	EBC Initial reports carried out. Awaiting further information to see if additional reports are required
18	Oak Tree Lane Play Equip	35	25	-	11	-	-	11	EBC Completed
19	Mulberry Close Play Equip	30	-	-	30	-	-	30	EBC Ongoing consultation. Anticipated start winter 2020
20	Lower Holywell Public Con	50	-	-	50	-	-	50	EBC On hold pending MTFS

Line No	Scheme	Total Scheme Approved	Total Scheme spend 31 Mar 2020	Spend 2020-21 to 30 June 2020	Allocation 2020/21	Allocation 2021-22	Allocation 2022-23	Remaining Allocation 2020/21	Funding Comments
21	Redoubt Public Convenience	40	-	-	40	-	-	40	EBC On hold pending MTFS
22	Refurbishment of Public Facilities	81	-	-	81	-	-	81	EBC On hold pending MTFS
23	CCTV (Recycling Points)	29	13	-	16	-	-	16	EBC Completed under budget
24	Play Equipment - Palesgate	35	-	-	35	-	-	35	EBC On hold pending MTFS
25	Play Equipment - Vancouver Rd	35	-	-	35	-	-	35	EBC On hold pending MTFS
26	Langney Cemetery - Road Improvements	30	-	-	30	-	-	30	EBC On hold pending MTFS
27	Ocklynge Cemetery - Road Improvements	15	-	-	15	-	-	15	EBC On hold pending MTFS
28	Crematorium - Road Improvements	15	-	-	15	-	-	15	EBC On hold pending MTFS
29	Crematorium - Cesspit Replacement	25	-	-	25	-	-	25	EBC On hold pending MTFS
30	Crematorium - Chapel Improvements	80	-	-	80	-	-	80	EBC On hold pending MTFS
31	Shinewater Toilets & Kiosk	50	-	-	50	-	-	50	EBC On hold pending MTFS
32	SEESL Loan	12	-	-	12	-	-	12	EBC Available for drawdown as required
33	Total Community Services		48	225	2,578	300	300	2,353	
34	TOURISM & LEISURE								
35	ILTC - Air Conditioning	87	82	-	5	-	-	5	EBC Completed. Retention outstanding
36	Colonnade Removal	500	16	-	484	-	-	484	EBC Extent of works being considered - anticipated works Autumn/Winter 2020
37	Redoubt - Asphalt Gun Platform	50	-	-	50	-	-	50	EBC Not started
38	Sovereign Centre	29,050	1,467	-	9,721	17,862	-	9,721	EBC Negotiations with CSF are ongoing
39	Sovereign Centre Skate Park	250	228	-	22	-	-	22	EBC Facility completed and open. Retention outstanding.
40	EDGC - Storage Sheds	25	-	-	25	-	-	25	EBC Not started
41	Total Tourism & Leisure		1,793	-	10,307	17,862	-	10,307	
42	CORPORATE SERVICES								
43	Contingency	Ongoing	-	-	23	250	250	23	EBC Available for drawdown as required
44	JTP Finance Transformation	200	12	-	188	-	-	188	EBC Requirements under review
45	EHIC - Revolving Credit	250	250	-	-	-	-	-	EBC Facility fully drawn down
46	EHIC - Loan Facility (Private Properties)	15,000	4,662	-	2,665	2,500	5,173	2,665	EBC Further properties to be identified
47	EHIC - new mixed tenure homes facility	20,000	13,352	660	6,649	-	-	5,989	EBC Schemes to be identified
48	Aspiration Homes - Credit facility	100	65	-	35	-	-	35	Available for drawdown as required
49	Aspiration Homes - Loans	10,000	1,935	-	4,573	3,472	-	4,573	EBC Available for drawdown as required
50	Aspiration Homes - RTB Grants	1,489	942	-	468	-	-	468	EBC Available for drawdown as required
51	AH - Street Acquisitions Loans	2,500	1,781	-	719	-	-	719	EBC Available for drawdown as required
52	AH - Street Acquisitions RTB Grant	772	763	-	9	-	-	9	EBC Available for drawdown as required
53	Bedfordwell Road	6,100	3,283	3	-	-	-	3	EBC Appropriation to HRA due in 2020-21
54	Retail Refurbishment	5,000	897	10	2,103	2,000	-	2,093	EBC Planning application is currently being explored to delivering the new Costa unit early as Phase 1 of the scheme, with relets of existing units as Phase 2.
55	MOJ Site	1,640	1,399	2	241	-	-	239	EBC Site preparation in progress
56	JTP Programme Office	8,278	9,208	327	267	-	-	60	EBC Completed
57	Total Corporate Services		38,549	1,002	17,940	8,222	5,423	16,938	
58	Asset Management								
59	Devonshire Park Redevelopment	53,960	52,840	-	1,103	-	-	1,103	EBC Completed. Retention outstanding

Line No	Scheme	Total Scheme Approved	Total Scheme spend 31 Mar 2020	Spend 2020-21 to 30 June 2020	Allocation 2020/21	Allocation 2021-22	Allocation 2022-23	Remaining Allocation 2020/21	Funding	Comments
60	Winter Garden	3,000	-	-	3,000	-	-	3,000	EBC	New allocation approved March 2020. Procurement in progress.
61	Holiday Letting Refurbishment	30	6	-	24	-	-	24	EBC	Officers have met to agree a way forward, which in principle will be to establish lettings and a learning hub on the site. A project approval request will be agreed by PRSO and/or CMT but we will still need a capital budget approving.
62	Congress Theatre Roof	300	-	-	300	-	-	300	EBC	On hold pending MTFS
63	Bandstand & Promenade Renovations	3,000	111	-	2,889	-	-	2,889	EBC	On hold pending MTFS - urgent works only being carried out
64	Seafront Lighting	500	-	-	500	-	-	500	EBC	On hold pending MTFS - initial design works being progressed
65	Towner Improvements	200	-	-	200	-	-	200	EBC	On hold pending MTFS
66	Motcombe Baths Improvements	300	24	-	276	-	-	276	EBC	On hold pending MTFS
67	Royal Hippodrome Theatre	600	-	-	600	-	-	600	EBC	Awaiting internal discussion on likely premium sum
68	ILTC - Improvements	Ongoing	114	-	46	-	-	46	EBC	Extent of works being considered - anticipated works Autumn/Winter 2020
69	Downland Water Schemes (Pipes)	Ongoing	486	-	99	-	-	99	EBC	Almost completed
70	Asset Management - Block Allocation	Ongoing	-	-	63	500	500	63	EBC	Available for projects under review
71	Total Asset Management		53,581	-	9,100	500	500	9,100		
72	Grant Funded Schemes									
73	Wish Tower Restaurant	1,800	2,438	1	-	-	-	1	EBC/Grant	Completed.
74	Statue Sculpture Installation	22	2	-	20	-	-	20	Grant	Location to be confirmed; works on hold pending a decision.
75	Total Grant Funded Schemes		2,440	1	20	-	-	19		
	General Fund		96,411	1,228	39,945	26,884	6,223	38,717		
	HRA		1,126	27	14,885	18,596	14,155	14,858		
	Total		97,537	1,255	54,830	45,480	20,378	53,575		

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Body:	Cabinet
Date:	16 September 2020
Subject:	Medium Term Financial Strategy
Report Of:	Chief Finance Officer
Cabinet member	Councillor Stephen Holt (Cabinet Member Holder for Financial Services)
Ward(s)	All
Purpose	To provide an update on the process and approach to the Council's Medium Term Financial Strategy for the period 2020/21 to 2024/25.
Decision Type:	Key Decision
Officer Recommendation(s):	To note the background to the Medium Term Financial Strategy for 2021/22 and approve the approach outlined in this report.
Reason for recommendations:	To progress the Medium Term Financial Strategy process and update Cabinet on the background to this.
Contact:	Homira Javadi, Chief Finance Officer E-mail address: Homira.Javadi@lewes-eastbourne.gov.uk

1.0 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. This report outlines the proposed process for the MTFS for the period 2020/21 to 2024/25, which ultimately leads to the setting of the Council's budget in February 2021.
- 1.2 The Council approved its Medium Term Financial Strategy (MTFS) in July 2019 and the Cabinet recommended a resulting draft 2020/21 budget proposal in February 2020 following the service and financial planning process in the autumn. The Council's updated MTFS is included in Appendix A of this report. This together with the outturn report will form the basis for formulating the Council's revised MTFS and annual budget.
- 1.3 To ensure Members have a sound basis for planning and decision making, the MTFS this year will be reviewed and updated at the following key points in the year:

- Midyear (this report) – 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 identified corporate issues, and the detailed budget build; and
- February – with the final Budget for the new financial year.

1.4 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.

1.5 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.”*

1.6 The key underlying principles of the MTFS are:

- securing a balanced budget and setting modest increases in Council tax when appropriate;
- 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..

2.0 MTFS Review Areas – Economic Picture, Public Finances, and Core Funding

2.1 The Council’s MTFS is shaped by the national economic background, affecting the costs the Council incurs, the funding it receives, and demand for services. The following external factors will be analysed in undertaking the mid-year review of the MTFS:

- National and local economic outlook, including the impact of Covid-19 and Brexit
- Inflation
- Interest rates
- Public Sector Pay
- Factors affecting demand-led services

2.2 The national Public Finances position directly affects the Council’s Core Funding – consisting of Government Grants, Business Rates, Council Tax and New Homes Bonus (NHB).

2.3 The four-year period to be covered by the next MTFS represents one of considerable uncertainty in light of the impact of Covid-19 and associated lockdown on the Council’s

financial position, in addition to the overall Local Government financing position.

- 2.4 In April this year the Government announced that it would be suspending implementation of the Review of Relative Needs and Resources and the planned increase to 75% business rates retention in 2021/22. This was to allow councils to focus on meeting the immediate public health challenge posed by the pandemic, but again does not give any certainty over future funding proposals for local government.
- 2.5 Regardless of shorter term uncertainties, the trend is undoubtedly likely to be that the Council will continue to become ever more reliant on internally generated resources and local taxation. This has a positive benefit in that the council is more locally focussed and responds directly to local needs. However, current events have demonstrated how exposed the council can be when it is heavily dependent upon locally generated income. This necessitates the need to have healthy reserves and a strong balance sheet, and to deliver on efficiency savings and income generation. These internal review areas are briefly outlined in the next section.
- 2.6 The draft MTFS at Appendix A provides an initial assessment of the current financial position. It reflects the impact the pandemic is having on the Council's financial position, in terms of lost income from fees and charges, reduced savings, additional direct costs and the new financial support being given by Government. Projecting the continuing impact is extremely difficult and as a starting position the worst case scenario shows that continuing deficits will range from £9.7m in 2021/22 to £4.5m in 2024/25. However, there are new savings being progressed and future ones being developed as part of the Recovery and Reset Programme (see report elsewhere on this agenda). Factoring in these known/potential savings reduces the deficits to £5.4m in 2021/22 to £0.6m by 2024/25. It must be emphasised that this position is continually changing and evolving and the programme of savings to be delivered must not only cover future deficits but also be sufficient to build reserves back up, as they will inevitably be required to cover off the 2020/21 position.

3.0 MTFS Review Areas – Internal Process

- 3.1 The internal MTFS review process is underway, starting with a root and branch review, challenging current budgets directorate by directorate. 2019/20 outturn data will be reviewed against current 2020/21 budgets, with a view to ascertaining what in-year adjustments and savings could be achieved. Consideration of potential budget requirements for 2021/22 will be mindful of the challenging budget position of the Council and the need to find savings.
- 3.2 This review will in particular include consideration of :
- Realistic income projections
 - Fee and charging levels tolerable to the market
 - Service pressures and changes
 - The delivery of existing savings targets
 - Additional achievable savings
- 3.3 In addition, the Capital Programme and its implications and interactions with the budget will be carefully reviewed. Finally, reserve levels will be reviewed and the MTFS and

Budget comprehensively risk assessed.

4.0 Implications

4.1 Financial

None arising directly from this report.

4.2 Legal

None arising directly from this report.

4.3 Risk Management implications

None arising directly from this report.

A full risk assessment will be provided as part of the mid-year MTFS to be reported to Cabinet later in the year.

4.4 Equality Analysis

The equality implication of any individual decisions relating to the projects/services reviewed as part of the MTFS will be in other relevant Council reports.

5.0 Conclusion

The Council faces considerable financial challenges in the medium term, primarily relating to changes and uncertainty in both public finances and the wider economic environment. The MTFS process briefly outlined in this report is intended to support in meeting these challenges and moving to a long-term sustainable position.

6.0 Appendices

6.1 Appendix A – Medium Term Financial Strategy 2020/21 – 2024/25



**Medium Term Financial Strategy
And
Budget Setting Strategy 2021/22**



Executive Summary

- a) The purpose of the Medium Term Financial Strategy (MTFS) is to;
 - a. enable the Council to ensure the effective planning and allocation of resources;
 - b. enable the Council to meet the objectives it has set out in its Council Plan.
- b) This has been prepared at a time of massive uncertainty with regard to the Covid-19 pandemic and its impact on the economy. The MTFS will be considered by Scrutiny Committee on the 14 September, by Cabinet on the 16 September before approval at Council on the 18 November.
- c) The Council has seen a significant drain on its budgets and reserves due to the impact of Covid19. Although lockdown is now eased, the full impact of the virus is still to be seen but the current estimated net cost to the Council is circa £21m over the 4-year model based on the current position.
- d) The financial position over the medium term shows an annual revenue budget deficit of £8m for 2020/21, with future years as follows:

Forecast Deficits	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Worst Case Scenario	9,748	5,571	4,699	4,482
Current Position	5,398	2,421	1,299	582

The range of outcomes depends on two key factors, being the recovery of the tourism industry and the savings generated from the Recovery and Reset (R&R) Programme. The worst case assumes minimal tourism recovery and no savings from the R&R Programme. The current position assumes tourism recovers by 50% and R&R programme savings ranging from £2.1m to £3.9m. Details are set out in Appendix 2.

- e) R&R Programme savings identified to date are based on indicative estimates and still need to be developed. Further estimated savings are continually being developed and will provide an improved position. However, it does emphasize the need for significant savings still to be identified and implemented. In addition, the savings will need to be sufficient, not only to cover the deficits, but also to replenish the Council's reserves in the event that these are drawn upon to deal with Covid-19. The position is also dependent upon any further Government support being provided.
- f) Levels of deficit are dependent upon robust underlying assumptions around income and expenditure changes, and these will be analysed in depth as part of the 2021/22 budget setting process. In addition, work to implement savings and ensure a balanced budget for 2021/22 onwards will continue and be reported as part of the 2021/22 budget process.
- g) The Council budgeted to generate over £17m of income through fees and charges annually with a further £8.8m from Council Tax: this high level of fees and charges has increased the Council's financial exposure to Covid-19. However, the Council is still dependent on monies from the Government.
- h) The Government's planned changes to local authority funding have been delayed due to Brexit, the General Election and now Covid-19. There is now great uncertainty about whether and when these changes will be implemented.

- i) Capital Funding – The capital programme reflects assumptions of investments subject to robust business case and affordability. Not all of these expenditure plans will be accepted and taken forward once assessed for suitability and affordability. The programme assumes borrowing as source of funding as other capital resources are exhausted.
- j) Reserves - the Council's reserves were £5.2m at the start of 2020/21 of which a proportion is earmarked. The risk assessment proposes that the Council should also maintain a minimum general reserve of circa £2m: current projections suggest reserves will be significantly below that level by March 2021, mainly due the impact of Covid-19 but the financial strategy is based on the levels of reserve being restored by the end of the 4 year plan.
- k) Overall the Council's financial position has been weakened significantly by Covid-19, as shown by the General Fund balances and reserves. Challenging times are ahead to identify and decide upon options that will provide the solution to the remaining revenue deficits.

1. Introduction

The Medium Term Financial Strategy (MTFS) is a key element of the financial management structure of local authorities which seeks to ensure there are sufficient resources available to deliver the Council priorities:

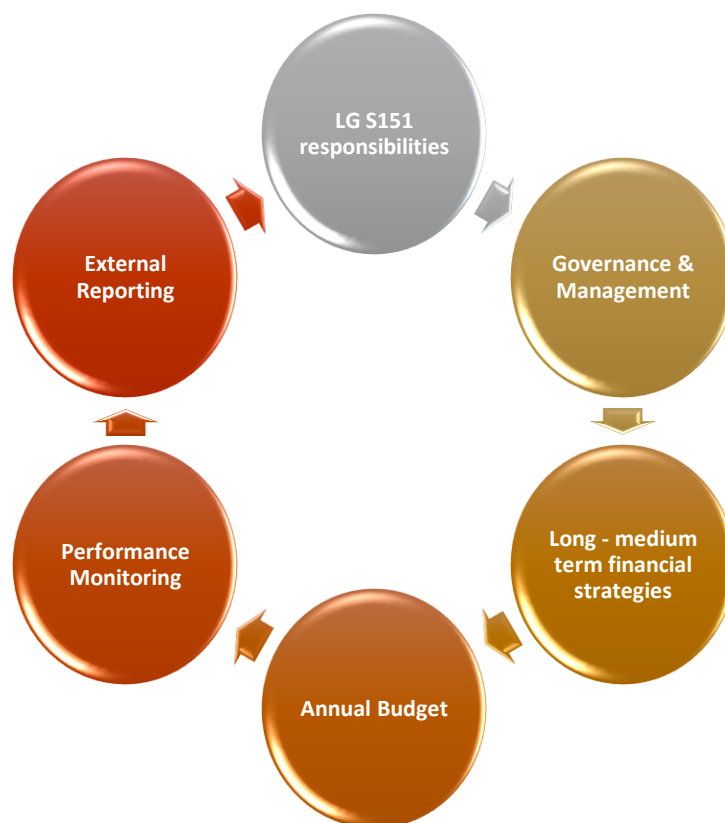


The medium-term financial planning process has been in place for a number of years and is an established part of the budget setting process. It provides a forecast of the cost of continuing to provide existing levels of service and the resources, both capital and revenue, that are likely to be available to the Council over the period, any shortfalls and sets out how this will be managed. This document is reviewed regularly during the year: regular review

and update is essential to ensure the MTFS takes full account of any changes in the Council's aspirations, strategic and service delivery priorities, changes in Government legislation, financial regulation and funding streams.

The MTFS considers the Council's major service strategies and plans, the external financial environment, the financial demands of services and the Council's existing and projected financial resources. The MTFS is reviewed annually but covers a rolling 4-year period. It was last reviewed in July 2019 as part of the 2020/21 budget setting process and the financial model was last updated and approved alongside the Council's budgets in February 2020.

It is therefore a key element of the financial management cycle:



The MTFS is supported by:

- The annual revenue budget
- The Capital Strategy and capital programme
- The Reserve Strategy and risk assessment of the level of reserves
- The Treasury Management Strategy (including the Investment Strategy and Borrowing Strategy)
- The Council's Constitution, in particular the Financial Procedure Rules and Contract Procedure Rules All of these documents are reviewed annually. 2

2. Vision for Eastbourne and local context

The MTFS aims to support the Council's overall vision of providing outstanding customer service and providing Eastbourne's communities and visitors with a great place to live, work and enjoy.

The Corporate Plan sets out the strategic approach to how the Council will deliver its vision, focused around its five themes of;

- Growth and prosperity – a prosperous, thriving and sustainable economy which provides opportunities for businesses to grow and invest, supports employment and skills, invests in housing and regeneration along with the infrastructure to support economic growth. Eastbourne will continue to be an outstanding destination for tourism, arts, leisure, heritage and culture.
- Housing and Development- decent, safe and well managed housing, meeting the needs of residents by: investing in our homes, creating communities that work, helping our tenants with their energy bills as we take steps to make council homes more environmentally sustainable, and responding to homelessness and housing needs through maximizing the provision of new affordable housing.
- Quality Environment - clean and attractive zero carbon town, producing less waste with better air quality than before. The town will have a high quality built environment, excellent parks, open spaces and be served by a number of good transport options.
- Thriving Communities - strong communities where individual residents and their different organisations and support networks have the resources they need to be healthy, feel safe, and thrive. Key to this is our work with partners through the Eastbourne Youth Partnership and the Community Safety Partnership, and with partners in the police, health services and East Sussex County Council. We will also promote equality and foster positive relationships.
- Best Use of Resources - use of our limited resources to deliver high quality customer services. Whilst doing so, we will embed sustainability into our procurement practices and make considered purchasing decisions such as finding alternatives to single-use plastics. We will also become more efficient in our use of energy at our sites, making targeted improvements where cost effective to do so.

The Corporate Plan is being delivered within the context of our organisations' vision and values, which is to deliver outstanding customer service and provide our communities with a great place to live, work and enjoy.

- We care about our customers and understand their needs
- We support our staff to help our customers
- We listen to customer feedback and act on it
- We are proud of our staff and the services we provide
- We deliver what we promise
- We set ourselves clear targets and achieve great outcomes

Recovery and Reset Programme (R&RP)

Included in today's agenda is the Council's newly developed Recovery and Reset Programme. The Programme has been developed to provide a critical framework for a fundamental review of its services and their deliveries post COVID19. COVID19 has made a significant and long-lasting impact on all lives and livelihoods across the globe.

Local authority spending throughout the country has been effected and this has been particularly significant for district councils. The impacts are yet to emerge fully but the pace and scale of the impact is significant. Like many authorities, the Council has a significant reliance on it's locally generate fee and receipts income. With its economy largely driven by

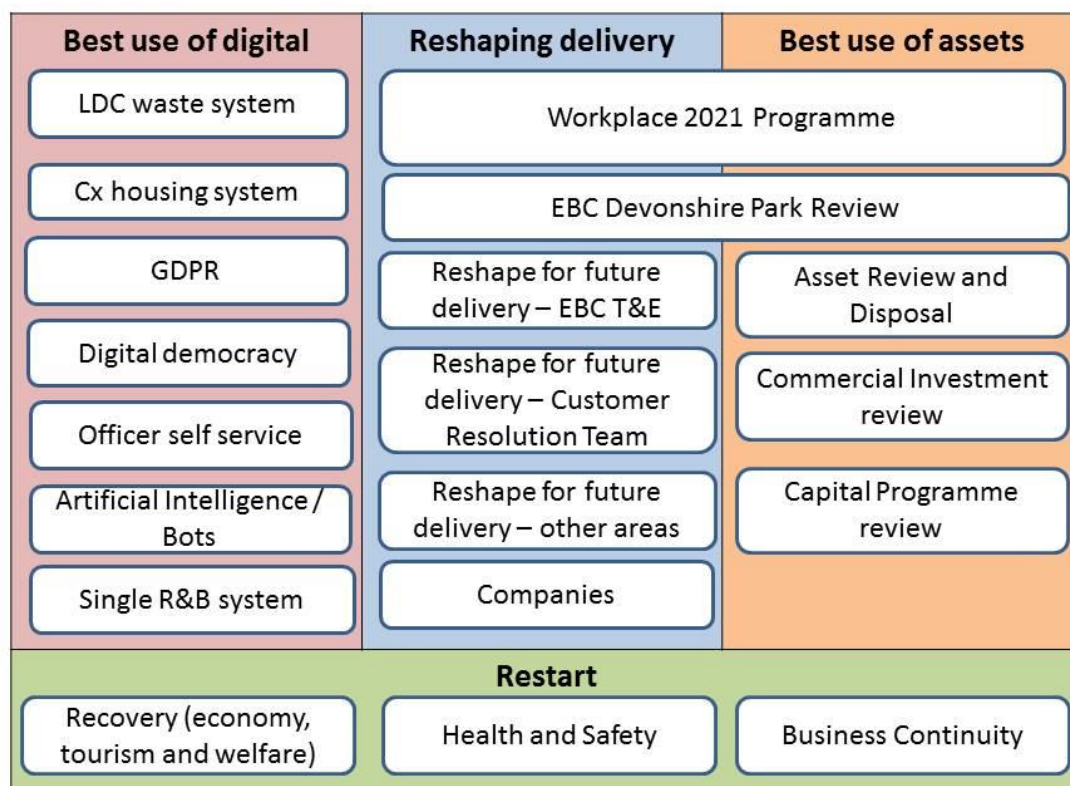


tourism and leisure services, where the financial impact is the deepest and pace of recovery very slow. As part of a range of measures designed to mitigate and manage the financial impacts of COVID19 including the Recovery and Reset Programme, the Council is continuing to engage with the Ministry.

Arching over a key areas review of Best use of Digital, Reshaping Delivery, Best use of Assets and Restart, the Programme is a pivotal part of the Council’s Budget and Policy Framework. R&RP is the whole cycle of how our services, programmes, projects and partnerships are planned, designed, developed, delivered, managed, evaluated and terminated.

The Programme is the bedrock of the MTFs and the Council’s future financial sustainability.

Recovery and Reset Programme



The Council is in the process of preparing a Commercial Strategy and also uses its Digital Strategy and Asset Management Strategy to direct resources.

3. Financial strategy

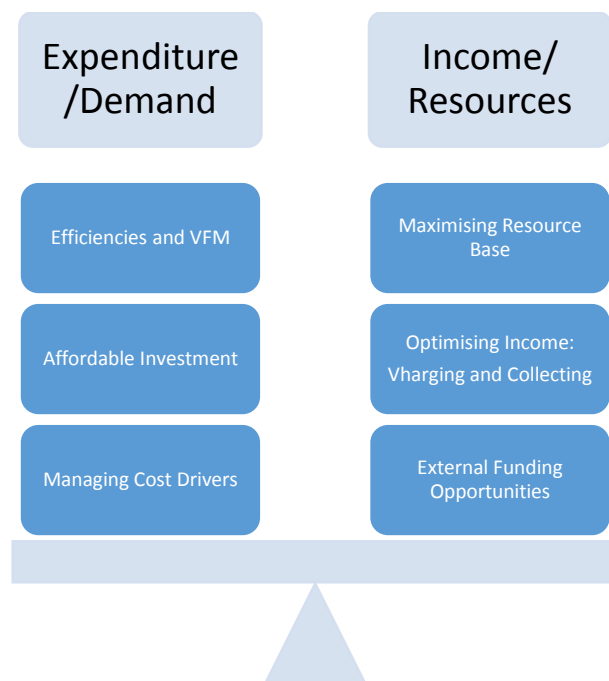
An essential requirement of any successful organisation is financial stability that requires strong corporate governance supported by effective procedures, processes and controls with Council-wide involvement in supporting an integrated approach to the preparation of soundly based capital and revenue bids for resources.

The MTFs is based on sound financial assumptions that are based on robust assessments. The ‘robustness’ of the MTFs is highlighted in the Appendices to this strategy which show



the key elements of the Council's financial management framework. The risks log at Appendix x (*to be completed*) summarises the key financial risks facing the Council and the steps to be taken to mitigate these risks.

The Council's financial strategy is to balance budgets-



This is supported by:

Strong financial management:

The Council controls and monitors the actual position of the authority on a regular basis setting out actions to correct any emerging issues.

- a) **Legal transactions:** the approval and adoption of the Council's Constitution, particularly the Budget and Policy Framework, Financial Procedure Rules and the Contract Procedure Rules set foundations for ensuring legal transactions alongside the whole system of internal control reviewed annually in the Annual Governance Statement.
- b) **Asset maintenance:** the Capital Programme should ensure adequate programmes of maintenance to sustain values of key assets, especially income-generating assets.
- c) **Working with others:** to ensure all services are delivered by the most appropriate body. This may require the Council to work in partnership or to facilitate provision by other bodies.
- d) **Minimise financial risk** including holding reserves as appropriate and sustainable levels of debt.
- e) **Strategic risk management:** to identify, monitor and mitigate significant risks to the Council's services, performance and resources.

The Council has a duty to ensure value for money in everything it undertakes. Value for Money (VFM) is an assessment of whether or not we obtain the maximum benefit from the goods and services we both acquire and provide, within the resources available to achieve it. This assessment includes considerations about suitability, quality, whole life costs and the relationship between economy, efficiency and effectiveness and is summarised as:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

The rest of this paper uses these principles to construct the Medium Term Financial Strategy for 2020/21 – 2024/25.

4. Covid-19

Covid-19 is having a widespread impact on the world. Local authority spending throughout the country has been effected and this has been particularly significant for district councils. The impacts are yet to emerge fully and as yet, we don't have data across a range of factors important to the health, wellbeing and resilience of residents and communities. This is a picture which will develop further and possibly quite quickly.

What we can say is that our expectations are that the Covid-19 will result in:

- increased service demand,
- increased risk to council tax receipts; and
- increased risk to income from fees and charges, as expanded on below. This needs vigilance and updating of forecasts.

Eastbourne Borough Impact

Local Economy:

The Borough's economy has been identified as particularly vulnerable to the impacts of COVID19 due to its high reliance on the visitor economy, particularly a predominance of employment in the accommodation, food and drink, arts and entertainment, leisure and retail sectors.

June figures showed 11,500 employees (around 29.5% of those in employment) have been furloughed in the Borough, representing 19.5% of furloughed staff in East Sussex. For context, Eastbourne Borough employment accounts for 14.4% of the total employed within East Sussex. The South East has also had a relatively high amount of people taking up Self-Employment Income Support, with 4,100 (73%) of its eligible population having made claims. The latest claimant figures (for Job Seekers Allowance (JSA) and Universal Credit in the searching for work category) show that Eastbourne has had an increase of claimants by 102.2% from March, with the claimant count now at 4,540 compared to 2,245 previously.

Financial uncertainty, cash flow challenges and unknown customer demand have caused a lack of business confidence in their long-term survival. While business confidence has increased following the government announcements that retail and hospitality businesses can reopen, many are still temporarily closed or operating at a reduced capacity. The high streets will continue to face a very challenging period, with consumer confidence taking time to return and national surveys are indicating that a high percentage of visitors will not be returning immediately, instead waiting until a future time when they feel safe and ready to do so.



Council Financial Impact

This section summarises the main impacts to date and the uncertainties around estimating the financial impact on the Council.

Income from customers:

The greatest impact to date has been the reduction in income from fees and charges. Although income has started to recover it is currently unclear when, if ever, income will return to former levels. On 2 July 2020 the Government announced a new scheme to help to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover 75p in every pound lost.

Based on a calculation of losses as at July's activities, the potential lost income from fees and charges is:

	2020/21 £'000
Value of deductible 5%	453
Non recoverable	1,545
Shortfall	2,153
Total Shortfall	4,151

It is expected that income loss will continue into 2021/22 onwards.

Council Tax:

The Council budgeted to collect £71m of Council Tax in 2020/21 on behalf of the preceptors. The level of tax takes into account number, occupation and type of properties across the district, the expected level of collection and the expected level of claim for Council Tax Reduction Scheme (CTRS).

	Band D £	Budgeted Council Tax 2020/21 £'000	Estimated Council Tax Reduction £'000
Eastbourne Borough Council	251.71	8,772	1,000
East Sussex County Council	1,492.02	51,995	5,925
East Sussex Police & Crime Commissioner	199.91	6,967	794
East Sussex Fire Authorities	95.53	3,329	379
	2,039.17	71,063	8,098

The Council faces two major challenges around Council Tax: due to the increased level of unemployment and increased claimants for Universal Credit and other support, the number of claims for support through CTRS have increased from an expected level of 7,650 to 7,859 at 30 June 2020. Currently officers predict an increased cost of £0.4m for the CTRS and reduced collection of £0.3m for 2020/21.

Any deficit on Council Tax collection is split between preceptors based on their share of the Council Tax and normally has to be charged to the following financial year. As part of the



funding package announced on 2 July 2020 the Government has proposed any deficit may be spread over 3 years rather than the usual one. The Government will determine if there is to be any additional support to councils to offset lost income from council tax as part of the next **Spending Review**.

Council Tax Hardship Relief:

The Government announced additional support to all those of working age in receipt of council tax support through the Council Tax Reduction Scheme (CTRS). The Council has received a grant of £918,455 and the expectation is that the majority of this fund will be used to provide council tax relief alongside existing local council tax support schemes. In addition, it is expected that the Council may also want to use some of this funding to deliver increased financial assistance having considered local circumstances. The Council has resolved that all recipients of working age CTRS during the financial year 2020/21 will receive a further reduction in their annual council tax bill of up to £150.

Business Rates:

The Council collects Non-Domestic Rates (usually known as business rates although payable for most non-business properties as well unless they pay council tax or are agricultural) and shares the income with Government (50%) and East Sussex County Council (9%) after reductions for reliefs, discounts and bad debts. The Government has made funding available for additional Retail, Hospitality and Leisure reliefs and Nursery reliefs given to business rate payers. The total amount of rates expected to be collected in 2020/21 has been reduced by over 66% from £35.8m to £12.1m. The Government will reimburse the Council for the additional relief granted. This relief gives a very significant financial boost to eligible businesses and will cushion the Council's financial impact for 2020/21.

The current business rate projection assumes £1m of business rate growth and £15.1m receipts from the business rates pool. Current projections assume a reduction in business rates collected of £1.7m, which would result in a reduction in income from pool of £0.7m and £0.2m which would normally fall in 2021/22 due to statutory accounting rules but with the potential to spread this cost over 3 years.

The financial impact on business rates is especially hard to predict as the large number of reliefs will temporarily obscure the potential number of businesses who will either not be trading or will be unable to pay their business rate bill from April 2021. There may also be reductions in the rates payable due to appeals against the rateable value of individual properties where there is a material change in circumstances arising from Covid-19.

Business Grants:

The Government has also made a Small Business Grant Scheme and a Retail, Hospitality and Leisure Grant Scheme available. This was announced by the Government in March 2020. The Council received £22.5m of grant on 1 April 2020 and has paid to date (as at 02 August 2020) 1,485 grants totalling £18.6m.

This government funding is earmarked for these grants: anything not spent will need to be repaid.

On 1 May 2020 the Government announced a discretionary grant scheme for small businesses who do not pay rates but have fixed property costs and have seen a reduction in



income, for example bed and breakfast businesses who pay Council Tax instead of rates. The Council has received £1.1m of grant and has currently paid £1.06m. The Council is expecting to receive a grant to cover the administrative costs of this scheme which should have no overall impact on the Council's budget.

Expenditure:

The full additional costs are still being accumulated. There has been relatively little financial impact to date arising from staff sickness with either staff redeployment covering gaps or temporary reductions in service. At the moment it is anticipated that the additional costs will exceed the additional Government grant received to date of £1.3m and the proposed income recovery grant.

Reserves:

The current forecast shows that general fund reserves and the working balance will be at risk of being completely depleted. Other measures including additional financial support and further relaxation of some accounting treatments together with further savings will be required throughout the Medium Term Financial Plan period in order to balance the budget and rebuild reserves.

Summary	01 April 2019	Transfers (In)/Out	31 March 2020	Transfers (In)/Out	31 March 2021
	£000's	£000's	£000's	£000's	£000's
General Fund Earmarked Reserve	(506)	506	0		0
Strategic Change Reserve	(198)	(46)	(244)		(244)
Capital Programme Reserve	(345)	9	(336)		(336)
Commercial Reserve	0	(250)	(250)		(250)
Revenue Grants Reserve	(952)	338	(614)		(614)
Business Rates Equalisation Reserve*- to fund CF deficit	0	0	0	(1,032)	(1,032)
Total Earmarked Reserves	(2,001)	557	(1,445)	(1,032)	(2,476)
General Fund Reserve	(5,553)	3,528	(2,025)		(2,025)
ICE Reserve	0	(1,750)	(1,750)		(1,750)
Total Reserves	(7,554)	2,335	(5,220)	(1,032)	(6,251)

Overall impact:

The overall impact of Covid-19, over the life of this plan, is just under £18m with Government funding of £8m and the remaining £10m to be funded from Council tax and other savings and revenue resources:

Capital Programme:

The Council approved an ambitious capital programme of £27.9m for 2020/21 (before carry-forwards from 2019/20). Full delivery of this programme must now be in doubt and individual schemes within the programme will be reviewed in depth during the year for phasing and

affordability. Whilst this may have a beneficial impact on capital financing charges it should be noted that there are a number of schemes that contribute directly to income. The viability of some capital projects may be effected by Covid-19. Other schemes are funded through time-limited grant offers: the Government has been approached to relax the time-limit on these schemes to ensure delivery.

	2020/21
Capital Programme	£000
Community Services	1,866
Tourism & Leisure	8,510
Corporate & Core Services	11,847
Asset Management	5,721
Total Programme	27,944
Financed By:-	
Capital Receipts GF	551
Grants and Contributions	1,300
Revenue Contribution to Capital	41
Section 106 Contributions	27
GF Borrowing (Committed)	16,428
GF Borrowing (Uncommitted)	9,597
Total Financing	27,944

5. Horizon Scanning: Other Key Risks

Economic Outlook

The full extent of the impact of the pandemic has still to be fully reflected. In the short term there has been a severe global downturn, with mass job losses and declines in output. Massive central bank and government support has eased some of the pain but will not prevent business closures, especially in the already troubled high street. The Office of National Statistic (ONS) published its 'Business Impact of Coronavirus Survey' which reported that the number of firms ceasing trading has slowed from 25% in early April to 18% in the first half of May. The furlough scheme will be pared back in August, which will put businesses into a position as to whether to retain staff or release them. This could force the Bank of England to loosen policy further in order to generate demand and push inflation back towards the 2% target.

The easing of the lockdown on May 13th generated only modest recovery in activity. Data shows that GDP declined by 5.8% m/m in March, even though lockdown was only in place for nine days. Worst hit sectors were those where social distancing was a fundamental problem such as hotels/restaurants, education and transport/leisure.

Consumer spending will be helped by the lifting of restrictions, but it will take time to recover. Retail sales dropped by a record 18.1% m/m in April, pulling sales to 2005 levels. Online sales benefited but clothing and petrol sales were badly hit, both falling by more than 50% m/m, and even food and drink spending suffered, but to a far lesser degree. With hotels/restaurants/car sales falling outside of retail sales, overall consumption contraction will be even sharper over Q2, possibly up to 25%. On the plus side, with nothing to spend



on, household debt was reduced by a record £7.4bn. Consumers remain pessimistic about their financial position, indicating that a return to normality remains a way off, even though shops are starting to open.

The Coronavirus Job Retention Scheme should ensure that the rate of unemployment has not run away during the pandemic. The claimant count unemployment rate increased to 5.8%, but with Universal Credit claims having fallen back nationally, the rate of joblessness might peak at around 9%, which would be lower than had been initially feared. Average earnings growth fell to 2.4% in March but was set to fall further in April.

Consumer price inflation has fallen and will remain subdued as it will likely take demand some time to fully recover. April saw CPI ease to 0.8%, after the largest monthly decline since December 2008. Underlying core inflation has dipped, while output price inflation is in negative territory for the first time in nearly four years. With demand having collapsed, core deflation will deepen, particularly in the hardest hit industries. Analysts do not see CPI inflation getting too close to the 2% target in the next 18 months.

Equity markets have continued to reverse losses and are expected to gradually climb over the coming years. At the end of May, the FTSE 100 had recovered 25% from the March crash.

Governments have increased levels of debt to unprecedented levels, which will likely take some time after the pandemic clears to bring down to more manageable levels. Central banks are maintaining stability and viability of their financial markets with massive asset purchasing programmes. These also help to suppress upside rate pressures, having followed interest rate policies that have seen all major central banks slash interest rates to, or almost zero percent. The Bank of England base rate is currently 0.1%. This low level has had a major impact on the Council's investment income. Interest rates have been predicted to increase beyond 0.5% in 18 months for the last eight years and have not. The financial model prudently assumes base rate remains at the current level for the duration of the model.

National Policy

Spending Review:

It is likely that the 2020 Spending Review will now be moved back from July 2020 and is now expected to be November 2020 to coincide with the Autumn Budget, adding a further delay of at least four months to the process.

The last three-year Spending Review was in 2015, covering the financial years 2016-17, 2017-18 and 2018-19. The anticipated 2018 Spending Review never took place and departmental budgets were instead 'rolled over' into 2019-20, while the Spending Review in 2019 was also cancelled and replaced by an interim Spending Round that set out current spending by departments for one financial year (2020-21) and capital investment plans for two financial years (2020-21 and 2021-22).

In his summer statement on 8 July 2020, Chancellor Rishi Sunak said that the government will cut VAT on hospitality, introduce a stamp duty holiday, and spend up to £9bn rewarding employers that bring back furloughed staff, as part of a £30bn plan to prevent mass unemployment. VAT on food, accommodation and attractions will be cut from 20% to 5% next Wednesday, while a new "Eat Out to Help Out" plan will fund 50% discounts for meals eaten out Monday to Wednesday, up to £10 per head. An immediate stamp duty holiday for

homes sold for up to £500,000 in England and Northern Ireland, until 31 March, was also announced, as was a £1,000 bonus for employers for each one of the 9.4m staff furloughed since March that return to work. A £2.1bn “Kick-start Scheme” will subsidise six-month work placements for people on Universal Credit aged between 16 and 24, who are at risk of long-term unemployment.

Changes to Business Rates Retention:

A number of changes were planned by the Government initially from April 2019 but initially delayed due to Brexit and now further delayed due to Covid-19. The proposals are expected to have a significant impact on the business rate income retained: both the amount to be retained and the Fairer Funding review to change how it is distributed.

As a result the level of income from business rates is particularly difficult to predict from April 2021 even before the impact of Covid-19. The Fair Funding Review, also now delayed until at least April 2022, is expected to prioritise social care and other services provided by other authorities in 2-tier areas over services provided by district councils. There is also a baseline reset due in April 2021 which will redistribute growth in business rates. It has not yet been confirmed if this will still take place and the form it may take. Initially it was intended to redistribute all growth from the areas where the growth has occurred to areas of greater need. Again, it is generally considered that this is unlikely to benefit district councils.

Business Rate Pooling:

Business Rate Pools were established to share the risks of changes in business rate income between Councils in exchange for the reward of avoiding payment of 50% levy on growth in income above baseline. The Council is a member of the East Sussex Business Rate Pool. The East Sussex Pool retained £3.5m of levy in 2018/19 that would otherwise have been paid to the Government, of which the Council received £266k, figures for 2019/20 are not yet available. If the reset were to go ahead then the ability to generate more income from the pool would be foregone along with lost growth of roughly equal value.

It is expected that business rate pooling would cease when the new rate retention system is introduced as it is expected that levy would be abolished. If the new system is delayed it is possible that the East Sussex pool will continue in its current form, however, dependent upon the impact of Covid-19 on growth projections. This has not been reflected in the financial model.

New Homes Bonus (NHB):

This scheme was introduced in 2011/12 as a way to encourage local authorities to facilitate housing growth. The grant is top sliced from Revenue Support Grant and paid as a un-ring fenced revenue grant. The Government has indicated the NHB is not delivering the policy objective of increasing new houses and will cease from 2020/21 with only legacy payments made after April 2021.

Welfare Reforms and Universal Credit:

Universal Credit was to be introduced between 2013 and 2017 through the Welfare Reform Act. Universal Credit is an integrated working-age credit that will provide a basic allowance with additional elements for children, disability, housing and caring. It will support people both in and out of work. For local authorities, this means the link between Housing Benefit and Council tax discounts will be broken and that universal credit will be administered by the



Department of Work and Pensions. As Universal Credit currently only applies to new working age claim it is assumed the Council will continue to administer housing benefit for the duration of the MTFS.

Homelessness:

During 2019/20 the maximum number of households in emergency accommodation at any one time was 182. At the end of Q4 2019/20 this had been reduced to 147 households. However, this downward trend was reversed by the end of Q1 2020/21 when there were 156 households and an upward monthly trajectory- this rise is due to the increase in cases presenting during the Covid-19 pandemic and is likely to continue.

The main reasons for homelessness are:

- The reduced benefits for people of age under 35 years;
- High rents;
- Loss of private sector tenancy;
- Lack of affordable housing;
- Family relationship breakdowns.

The implementation of the Homelessness Reduction Act in April 2018 has also influenced results and this is reflected both regionally and nationally. While additional grants will assist with the additional costs relating to Covid-19 cases there is a potential additional cost in the future.

Environment Bill:

The Government is proposing a consistent set of materials to be recycled by each authority from households and businesses, including weekly collection of food waste. The Council currently collects cans, plastics, paper & card, glass and green waste free of charge fortnightly. The financial impact of the proposals has not yet been evaluated.

6. Financial Challenge

Financial context

The Budget Reports for 2019/20 included updates of the financial model and concluded that the Council's future financial outlook was likely to continue to be challenging over the next few years as reductions in overall public spending and changes in local government funding. Meeting new cost pressures requires a rigorous approach to identifying efficiencies, enhanced productivity, and reprioritisation of spending within services.

Key issues and assumptions

The table below summarises the key assumptions built into the current financial model and highlights where changes may be needed when the financial model is updated.

Description	Base Assumption	Unit	2020/21	2021/22	2022/23	2023/24
Pay award		%	2.5	2.5	2.5	2.5
National Living wage		£	9.21	9.39	9.58	9.77
Inflation on Contracts	Based on T&C indexation	%	2	2	2	2
Pension Contribution	Plus one off contribution 2020/21 for McCloud	%	20.65	20.15	19.65	TBA
Bank base rate		%	0.1	0.1	0.1	0.1
Borrowing		£'000	134.6	160.9	166.8	166.8
Business Rate Multiplier	Pence per £1 rateable value (RV)		49.9	50.9	51.9	52.9
Business Rate Retention Above Baseline		£'000	1,104	0	0	0
Business Rate - District Share		%	50	40	40	40
Business Rate Pool			Yes	No	No	No
Council Tax	Taxbase	Properties	34,848.6	34,148.5	34,148.5	34,148.5
	Tax Band D	£	251.71	256.74	261.88	267.12
	Council Tax Reduction (CTR)	Properties	5,067.13	5,567.13	5,567.13	5,567.13
	Collection Rate	%	97.5	97.5	97.5	97.5
	Empty Homes (long term)	Properties	848	848	848	848
Service Income		%	2	2	2	2
New Homes Bonus		£000's	332	26	11	0

The MTFS financial model assumes:

Pay inflation of 2.5% for 2020/21 and onwards. The financial impact of a 1% movement in pay inflation is around £132k change in the general fund employee budget. The employee budget is reduced by 2% (£264k) for vacancies and turnover. The Council follows national pay awards and the national local government pay spine. The pay offer of 2.75% for 2020/21 is currently being considered by unions.

Contract indexation- In the MTFS financial model inflation on contract prices has been uplifted by appropriate indices as stated in the conditions of the contracts. No inflationary increase has been applied to the general services budget, except specific items such as utilities where inflation is unavoidable. We will continue to monitor the impact of this policy,

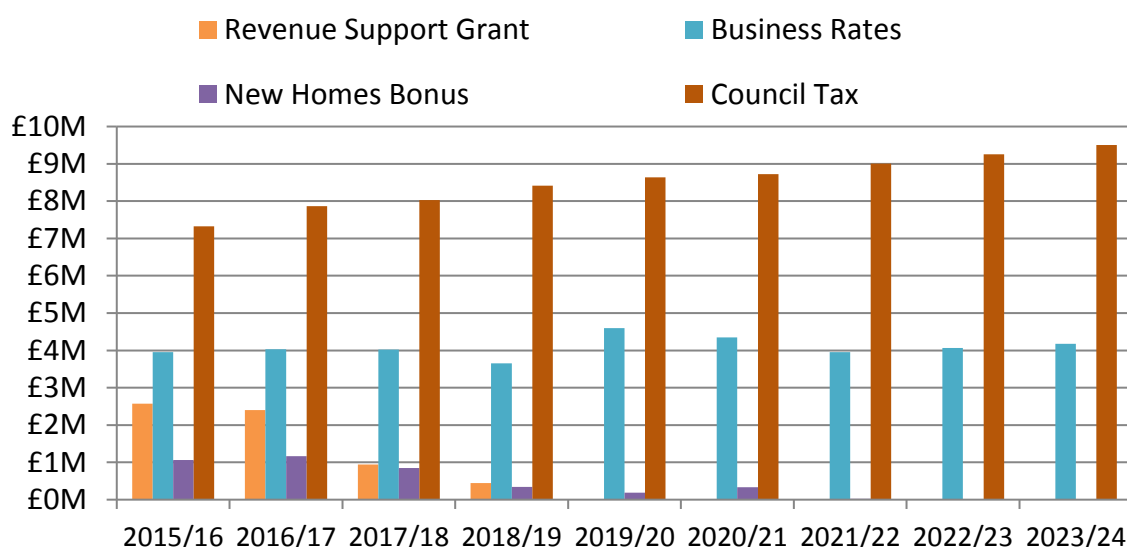


including the impact at contract renewal. The financial impact on running costs of a 1% movement in inflation is around £56k.

Business Rates and Government Grant

As a result of the Government's cuts to Council income and changes in funding from grant to rate retention the Council's income from these sources has reduced. This reduction is expected to continue for district councils due to the notable pressure to increase funding for social care while total local government funding beyond the current finance settlement was expected to be unchanged. The table and chart below show Government support since 2015/16 and the projected income until 2024 based on the position at February 2020: the impact of Covid-19 on the level and timing of changes in funding cannot currently be predicted.

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Business Rates	4.844	5.394	3.956	4.066	4.180
Trans to BR Equalisation Reserve	-	(1.032)	-	-	-
Business Rates – (Deficit)	(0.250)	(0.015)			
New Homes Bonus	0.183	0.332	0.026	0.011	-
Council Tax	8.579	8.772	9.010	9.254	9.505
Council Tax – Surplus/(Deficit)	0.058	(0.060)	-	-	-
Other Government Grants	0.132	0.131	0.132	0.132	0.132
Total Resources	13.546	13.522	13.124	13.463	13.817



The financial projections assumed the current funding arrangements would be rolled forward into 2021/22, including the current sharing arrangements for business rate income, levy and baselines. However, it is assumed that New Homes Bonus is not rolled-forward and at the moment it is assumed there is no East Sussex business rate pool.

The full implementation of the new funding arrangements has been assumed from April 2022 with the impact damped over 4 years. Implementation of a new baseline to redistribute



growth will be particularly challenging during a period of very unusual levels of reliefs, discounts and potential levels of business failures.

Council Tax

The Council is committed to do all it can to reduce the financial burdens placed upon its residents and the Council was able to freeze its average band D Council tax for the five consecutive years from 2010/11 to 2015/16. Since 2016/17 there is now an expectation from Government that annual increases in Council tax will form an integral part of the resources supporting local authorities. There is also an assumption, built into the Government's calculation of Spending Power, that Council's will increase Council tax by the maximum permissible amount.

The MTFS assumes the Council's average band D Council tax will increase by 2% per annum for a Band D equivalent property (from £251.71 at 1 April 2020). For every £1 increase in the average Band D Council tax there is only an additional £35k of income.

Due to the uncertainty surrounding the level of future business rate income due to system changes and the unpredictability of external income then Council tax is the most stable of income sources for the Council.

Therefore any decision to change levels of Council tax must have regard to the medium and long-term implications on the Council's financial stability. The decision on Council tax is reviewed every year as part of the budget and Council tax setting process.

Income Generation

The Council relies on a number of external income sources and Covid-19 has significantly affected our income streams, in particular in service areas linked to tourism and visitors. A number of significant fees, including liquor licences and planning application fees are set by Government. The Government increased planning fees during 2018 but with conditions attached on the use of the additional income to be applied to the improvement of the planning service. The Local Government Association has campaigned for local freedom for authorities to set fees based on local circumstances.

Income from fees and charges are a key element of financial sustainability for the Council. Income from tourism exceeds all other income sources except Council tax.

Any proposals to reduce income streams are treated as growth bids. All fees and charges are set in accordance with the Council's Policy on Fees and Charges. It is intended that a new Commercial Strategy will be prepared and approved during 2020/21 – no adjustments have been made to the financial projections for changes that may arise from this new strategy.

Historically, the Council had a good track record for debt collection but the current circumstances suggest higher levels of irrecoverable debt should be expected, at least in the short-term. Monitoring information which is produced monthly will be further enhanced to provide information on evaluating the effectiveness of debt recovery actions, associated costs, and the cost of not recovering debt promptly.

The financial model assumes income from external charges in general increases by 2% annually with the exception of recycling credits (assume frozen but they should increase annually by an agreed amount set in legislation) and includes reviewing individual charges to ensure the balance of income generation is appropriate.



Nationally revenue resources have declined, which has increased pressure to maximise returns on investments. The Council is required to follow Government regulations which require investments to be rated based on Security, Liquidity and Yield (SLY), in that order of importance. The Council's income from investments is controlled by its Treasury Management Strategy and Investment Strategy, part of the Prudential Code for Local Authorities which sets out how Councils can borrow and invest. Service Demand and Other Budget Pressures

The Government expects local authorities to play a major part in revitalising the local economy and at the same time bear a share of the costs of Covid-10. Nationally, the greatest pressure on demand for services is due to the aging population profile and is mainly affecting immediate health and social care budgets. There has been little concentration on longer term preventative measures such as housing, employment and leisure, many of these services are provided by district councils in 2 tier areas. Councils have increased requirements to prevent homelessness and have also seen an increase in the number of cases.

The Council will monitor trends in the economy, particularly the predicted change in town centres from retail to other uses while the importance of tourism to the local economy has increased. The impact of these changes on the Council's service delivery and balance between costs and income streams will be kept under review.

The Projected Net Budget Position

The financial model (detailed in Appendix 2) shows deficits over the future 4 year period of between £9.7m and £4.5m.

The Council is focused on achieving savings, primarily through efficiencies. During the budget and planning process there is an emphasis on ensuring resources are directed to priority areas in line with the Council Corporate Plan, with service efficiencies monitored and reviewed highlighting where further savings can be made. The introduction of a Recovery and Rest Programme and a Commercial Strategy will help balance service demand and income generation. However, the size of the budget gap suggests that efficiencies may not be enough to bridge the gap.

The Budget Strategy for 2021/22 must concentrate on closing the revenue deficits, either through increases in income or reductions in expenditure. Where capital expenditure is required or able to generate future revenue savings it should be prioritised. Unless funding from earmarked resources, no revenue budget growth bids (including reductions in income) should be accepted until all budget pressures are funded and the 2021/22 budget deficit is met.

Reserves

The Council will retain its approved minimum Working Balance level of £2m, reviewing this regularly in the light of changing financial risk assessment. Risks to the Council's financial position could derive potentially from budget overspend, loss of investment income, contractual/legislative failure or challenge and emergency events. In the recent years, the Council has faced challenging financial position in delivering its services within budget, therefore this is seen as high importance and necessary to the Council to make additional contingency provision.

The Council also considers the impact of holding monies unnecessarily in reserves given the ongoing impact of the economic downturn to local residents and taxpayers. It should be stressed that there is no theoretically “correct” level because the issues that affect an authority’s need for reserves will vary over time.

The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but it would be a low probability with a potentially high impact. However, it is not appropriate to set aside large amounts of reserve against the possibility of this happening. Appendix 3 assesses the main financial risks facing the General Fund revenue accounts and the suggested appropriate level of reserve required to offset this risk, were it to materialise.

In setting budgets and projections for individual years, it is important that the use of reserves is sustainable and not increasing and creating an unsustainable future problem. The fundamental principle within the Council’s Policy on Reserves and Balance governing the use of reserves is that they should not be used to fund recurring expenditure. If exceptional circumstances make this a necessity, the use of the reserve should be clearly stated and approved as an exception to the rule.

Total reserves were £5.2m at 31/3/20 including the General Reserve (£2m). All other reserves are either earmarked by statute, legal agreement, Council decision or the purpose for which a grant has been given. Use of reserves is only included in the projections when the associated expenditure is included in the capital programme or revenue budgets. A copy of the policy for reserves and balances can be found in Appendix x (still being prepared: will be ready for Council) including details of the projected balance on each reserve.

The balances beyond March 2021 are less certain as expenditure from reserves and working balances to meet unexpected demands obviously cannot be predicted,

Capital

The Council’s Capital Strategy sets out how the Council will manage its capital investments in the future. It is agreed on an annual basis and sets out how capital contributes to the achievement of the Council’s corporate objectives, how capital resources are allocated and how capital projects should be managed and monitored to ensure the outcomes are delivered.

The Capital Strategy was approved by Council in February 2020.

Property and Land Management Strategy

The Council’s Property and Land Management Strategy (to be developed and approved by cabinet) guides the Council on land and building investment, disposals and acquisitions. This aims to ensure investment is prioritised in the right areas to balance the Council’s estate over the medium and long term and in the wider context of other assets in public ownership, to ensure sufficient governance is in place to allow the estate to flex and ensuring that the decisions achieve a balance of requirements for capital receipts, investment and revenue income generation.

The strategy also lead to the establishment of the Strategic Asset Management Plan Board (SAMP Board) which will provide oversight and governance and ensure a more strategic approach to the management of its property estate.

All capital investment and disposal decisions have been made with reference to the strategic objectives within the Council Corporate Plan.



The Capital Funding strategy is set out below:

The Council's capital programme has, in general, been funded by the use of capital receipts, contributions, major repairs reserve or from capital grants and borrowing. The Council now has low levels of uncommitted capital resources to fund new projects and will require external borrowing.

The cost of revenue financing of capital includes interest and principal repayment or Minimum Revenue Provision (MRP). This is linked to the life cycle of the asset. As an example a borrowing for £1m with a 3% interest rate to finance an asset with a life span of 25 years is £70k per annum for 25 years.

The capital programme for 2019/20 to 2024/25 was approved by Council in February 2020. The programme shown at Appendix 5 has been updated for requested carry forwards from 2019/20 and other minor budget changes and reflects the projected levels of resources.

There are a number of potential changes to be made to the capital programme that have yet to be finalised. These schemes would lead to changes to capital financing costs assumed and presented in Appendix 5. A report setting out the likely financial implications and benefits and timescales will be provided in due course.

Any additional schemes included in the Programme are as part of the overall longer-term capital plans and are aspirational should suitable funding be identified.

These schemes will be subject to detailed business case assessment before they become part of the approved draft capital programme and will only be selected with overall consideration of the affordability of the capital programme.

The decisions of how to fund capital expenditure, including the treasury management decision of whether to borrow externally, are taken at the end of the financial year as per delegated powers. The decisions are based on the Treasury Management framework for the relevant financial year and ensuring value for money. Underspends on schemes may not be automatically diverted to other schemes. This will be considered against the demands of the programme as a whole, any reserve project list and funding requirements for the following year.

Revenue implications of capital programme

One of the key considerations for the Council's approach to capital expenditure is revenue affordability. Most Capital Projects have financial implications on the annual revenue budget. The revenue implications can take a variety of forms and they include debt costs, loss of investment income and annual non-capital financing costs, e.g. salaries, rent, rates, energy costs, on-going maintenance costs and any income generated from the scheme or project.

The Council has largely used capital receipts and reserves to fund capital expenditure with borrowing only used to fund a small proportion of the programme. The current capital programme now includes the use of borrowing to fund more than 93% of scheme costs. The Council will be undertaking external borrowing to fund these schemes. The Council's revenue budgets assume:

Borrowing Requirements	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
	£m	£m	£m
External Borrowing			
GF Borrowing at 1 April	108.7	134.6	160.9
GF Expected change in borrowing	25.9	26.3	5.9
Gross borrowing at 31 March	134.6	160.9	166.8

Officers will consult the Council's Treasury Management advisors to determine the optimal time to borrow, which may identify an opportunity to achieve lower interest payments in the future.

One of the largest revenue cost is the Minimum Revenue Provision (MRP). This is the statutory requirement to charge the revenue account with the principle cost of borrowing over the life of the asset created. For the purposes of this calculation, borrowing is treated as any expenditure not funded by capital receipts or contributions.

The current MRP projections are based on the Capital Programme approved in February 2020:

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m
MRP	1.38	1.80	1.94	2.11
Interest Payable	2.48	3.14	3.14	3.14
Total Cost	3.86	4.94	5.08	5.25

Sensitivity analysis and scenario planning

Risk Management is a key feature of the Council's financial planning process. The Council is very aware of the need for effective risk management and considers that the assessment and minimisation of all types of risk to be vital. It has an adopted Risk Management Strategy in place, and the financial risks to the Council are assessed in the context of the Council's overall approach to risk management.

To mitigate risk the Council regularly monitors its budgets. The corporate Risk Management process is used by EBC to identify, monitor and report on risks. Quarterly performance monitoring reports provide a platform for the Members to scrutinise the financial and non-financial performance (e.g. local and national indicators).

Some of the greatest risks are around the assumptions relating to income from business rates from April 2021 when the current arrangements may change: currently the Government plans are unclear around the nature and timing of the business rate reset. The MTFS assumes the level of annual reductions in Government funding since 2013 will continue from April 2021. There are also a number of variables that will have an impact on income from business rates. Depending on the assumptions made, income retained by the Council from 2021/22 could vary by around 30% or £1.3m pa.

All local authorities are required to ensure there are sufficient resources available to meet the expenditure in the year: the Council receives a formal report from the Chief Finance Officer as part of the budget setting process. The Council continuously monitors factors that may push a local authority into tipping into unsustainable expenditure, including intelligence from other bodies including Society of District Council Treasurers and the Local Government Association. Not all authorities share the same level of resilience or risk. Providing the assumptions in this MTFS are sound, the policies and recommendations are followed and the savings targets are met the Council is not expected to fall into deficit other than for the impact of Covid-19.

7. Addressing the Budget Gap

The following approach is recommended to identify savings. There will be some savings which can be generated in the short-term to bridge the gap in 2020/21, others may need longer lead time to consider for approval:

- a. Business as usual budget monitoring, ensuring value for money in all transactions during the year. Identifying issues and agreeing action plans to address issues early to prevent significant financial variances.
- b. Using the Recovery and Reset Programme to prioritise services and spend.
- c. Priority based budgeting to clearly link business planning and budgeting and focus on Council Plan priorities.
- d. Review of procurement practices & contract management to ensure the costs of each route to market is reviewed, whole life costs are considered and multi-disciplinary project teams are used to consider all potential contract issues early in the procurement process. A review of the Council's expenditure on third party service provision, including potential re-procurement of services to secure better market rates.
- e. Delivery of further transformation, through continuous improvement in digital enabled processes, the implementation of the Customer Strategy to drive more customer transactions to self-serve, releasing resources for other priorities, and review of the areas of operation not already covered by the Joint Transformation programme.
- f. The Council is, in the main, a people-driven organisation with a large proportion of our expenditure linked to staff costs. The Joint Transformation Programme has implemented a new operating model, with re alignment of how work is processed in the organisation, a reduction of management layers and broader spans of control. A review of human resources policies and procedures, particularly around temporary and agency staff, expenses, sickness and absence management, will complement the work that has already taken place.
- g. Commercial Strategy: a Commercial Strategy is being developed. The principles of the strategy need to be Implemented to ensure that there is a coordinated, focused approach to maximise commercial opportunities where available, providing a positive contribution to the Council's overall financial sustainability whilst enhancing the reputation of the Council in the provision of its services.

The Commercialisation strategy identifies how the authority can use its financial, staff and asset resource in a way that maximises short and long term income generation and social value benefits, whilst delivering the priorities within the Council Plan.

The strategy will cover, how the authority's services can operate in a more commercial way including opportunities for further joint working, consultancy etc; how we can maximise the use of our land and buildings, including subletting, concessions, etc.; options for direct commercial activity and how we can use commercial activities to drive social value whilst managing our risk exposure.

h. Working with Partners to ensure all projects and services are delivered by the most effective body.

i. Reviewing potential use of alternative funding to delivery Council priorities, including new Government initiatives which may duplicate planned Council spend, or more focussed use of earmarked reserves.

Managing Budgets and Forecasting

Accountability and responsibility:

Whilst the Chief Finance Officer as Section 151 officer has overall responsibility for reporting the financial position, the responsibility and accountability for the financial position of services lies with the budget holder. If the budget holder cannot resolve issues within their own service area budgets these should be dealt with by Directors with an overarching expectation that pressures arising will be accommodated within overall service budgets. All budget holders are responsible for ensuring external income is maximised for their service and for seeking out new opportunities to generate income. By following the approach set out in this MTFS there should be sufficient resources to deliver services in all teams.

Finance business partnering:

The finance team is creating a business partnering approach to support budget holders and Directors in the financial management of their services.

The main focus of the finance business partnering approach is to:

- a. Look at a specific business problem and propose solutions based on research and insight;
- b. Perform and analyse benchmarking against other areas and services to improve business decision making;
- c. Work with business intelligence to understand activity and cost drivers;
- d. Support services to look at the totality of investment against objectives;
- e. Support services to focus on being sustainable;
- f. Support services in developing business cases and support with project managing change through greater involvement in strategic decision making;
- g. Work to better understand, manipulate and extract better outcomes from contracts, improving deliverables and forward planning procurement exercises.

8. Conclusion and Way Forward

Although the financial model hasn't been fully updated, a budget shortfall is still expected from April 2021 onwards once the impact of Covid-19 are taken into account. Biggest variables in the financial model are:

- The nature and the extent of disruption from Covid-19; and



- The timing and nature of change in Government funding.

The MTFS should be considered in the context of the following issues:

- a. The Council is now in a very serious financial position, although the adequate General Fund balances and reserves before the pandemic, robust financial management practices and achieving planned/ proposed efficiency savings should assist the resolving of the current position.
- b. The underlying financial model has not been updated except for the impact of Covid-19 and the business rate timing changes. Full reviews of the model are underway and the model will be updated in future updates of the MTFS projections.
- c. Further significant key decisions will still be needed to deliver savings while safeguarding frontline services to maintain a balanced budget.
- d. Significant changes were expected to the local government finance system from April 2021 which are expected to reduce income available to the Council: the timing of these changes is now very uncertain.
- e. The size of the capital programme and major renewals of Council assets will require robust testing and review.
- f. Inflation and other budget pressures may increase spend above the projections included in the financial model.
- g. Any changes to the financial position will be closely monitored and updates to the financial projections will be reported during the 2021/22 budget process. The financial model is reviewed at least quarterly and forecasts are updated as necessary and reported as part of the Quarterly Corporate Financial Update process.

Consultation:

The Council carries out regular consultation with local people, customers, stakeholders, and partners organisations to establish current and future needs and priorities of the community. The MTFS is submitted to Cabinet annually for approval. It is subject to challenge and scrutiny through the Overview and Scrutiny Committee before final approval by Council. The Council consults on its budget proposals with business ratepayers in accordance with statutory requirements.

Equality Impact Assessments (EIA):

The Council is committed to ensuring equality and diversity issues are given proper consideration. Equality Impact Assessments are an important part of our decision making to enable us to assess the impact of decisions on our residents, stakeholders and customers. Where the impact is high mitigation plans can be developed to reduce the impact of decisions. These are completed in accordance with national guidance and best practice. In developing individual budget proposals officers have undertaken equality impact assessments. An overall equality impact assessment of the budget process and proposals will be carried out as part of each annual budget process. Appendices to the Medium Term Financial Strategy and Budget process 2021/22 to 2024/25

By incorporating the Budget Strategy within the Medium Term Financial Plan the Council ensures the two parts of the budget process are seamless and consistent.



Appendix 1

Budget Setting Strategy 2021/22

Proposed 2021/22 Budget Strategy

1. This proposed Budget Strategy explains the approach to setting a balanced budget for 2021/22 in accordance with the principles set out in the Medium Term Financial Strategy. Through the MTFS updates, corporate issues have been addressed that will alter the future years position from the budget that was approved in February 2020.

2. To address future deficits, savings options have been approved for 2020/21 and for future years. Savings will also be sought to provide funding for budget pressures to ensure the Council's priorities are delivered. Members will be asked to consider the range of options for savings put forward and which are to be consulted on. These may include critically evaluating the impact of expenditure on the achievement of council priorities and as a result:

- increasing income
- reducing costs by improving service efficiency including the use of assets
- reduction of costs through cutting overheads
- alternative service delivery mechanisms
- ceasing to deliver services

3. Leadership team will use the following approach to inform the proposals:

- Business as usual budget monitoring, ensuring value for money in all transactions during the year. Identifying issues and agreeing action plans to address issues early to prevent significant financial variances.
- using the Recovery and Reset Strategy to prioritise services and spend
- Priority based budgeting to clearly link business planning and budgeting and focus on Council Plan priorities.
- Review of procurement practices & contract management.
- review of human resources policies and procedures, particularly around temporary and agency staff, expenses, sickness and absence management
- Commercial strategy: a Commercial Strategy is being developed. The Council will provide the right services, to the right markets, at the right time and at the right price.
- Partnership working
- Reviewing potential use of alternative funding to delivery Council priorities, including new Government initiatives which may duplicate planned Council spend, or more focussed use of earmarked reserves.

4. The detailed service and capital budgets will be reviewed to ensure that these remain reasonable, with reference to the 2019/20 out-turn, monitoring during 2020/21 and the Service Managers' knowledge of any changes due to take effect over the budgeting time frame. General Fund Services

5. The overall General Fund Service budget strategy is that:

- budgets will be updated by Finance for known, externally-driven changes to salaries including inflation; they will also update capital charges and recharges;
- all establishment changes must be treated as growth bids or savings and forwarded to Corporate Management leads and subject to Corporate Management Team (CMT) review at the appropriate time;

- minor variations and cost neutral changes (less than £10k gross) can be made to base budgets without bid documents;
- changes identified as part of the Recovery and Reset Programme and savings identified as part of the corporate prioritisation exercise will be worked up into budget amendments as part of the budget process;
- all other changes, including those that are statutory or demand led will need to be brought forward for consideration as part of a budget amendment process, signed off by Chief Finance Officer and Portfolio Holder.

6. More detail of the approach is given below:

- Salary budgets are increased by known incremental advances. From April 2021 2% will be included for inflationary pay awards. A 4% reduction will be allowed for vacancies and turnover on all salary cost centres unless considered exempt from this process; posts which are currently vacant will be budgeted at the scale mid-point; rates and thresholds for PAYE, NI and pension deductions will be updated.
- No allowance will be made for inflation in expenditure budgets unless contractually committed or unavoidable (e.g. energy, fuel and utility bills); the current inflation assumptions built in to the base will be reviewed and updated where necessary. Where a contract is due for re-tendering a review of the appropriate inflation rate and budget should be undertaken and a budget pressure bid prepared where necessary.
- Future years' income base budgets already have inflationary growth built into them. Where this cannot be met or managed through reductions in expenditure, this will be identified as a budget pressure.
- Fees and Charges need to be consistent with income budgets. This process must involve:
 - review of 2019/20 out-turn and any relevant multi-year trends;
 - review of current 2020/21 budget position and the likely impact of Covid-19;
 - review of future year income budget; and
 - assessment of the options for any changes to fees (structures as well as tariff) and the impact of this on the income budget.
 - For any service area where income budgets are £100k or more per annum, this process will be documented. All services must review the potential for new fees.
 - Fees and Charges must be consistent with the Council's Corporate Charging Policy.
- Existing base budgets will be challenged to identify savings that can be released to offset projected budget deficits.

Budget Pressures:

- the delivery of the Council Corporate Plan requires constant review of budgets to ensure funding is available to deliver the Council's priorities. Any increases to expenditure or decreases to income base budgets will be either matched corporately by a compensating saving or will need to be submitted as budget pressures. The de-minimis is set at £10k.
- No growth bids will be accepted unless growth is to be funded from corresponding savings and or additional income.
- Reserves will be used in accordance with their agreed policies with the fundamental principle that they are not used to fund recurring expenditure.

- Effective consultation will be carried out in accordance with the Corporate Consultation practices.
- Schemes which attract external funding need to be considered with reference to the Corporate Plan and capacity to deliver.
- The Budget assumes a 2% Council tax increase annually from April 2021 onwards. The decision on the actual Council tax each year will be taken by Council in February and will be influenced by current Government policy and the influence of this on local government funding.
- The working balance contributions be reviewed against the current long-term target minimum General Fund working balance of £2m by 31 March 2021; any surplus over this target should be transferred to the General Reserve.

Capital

7. The approach to setting the capital programme will be as follows:

- A longer-term view will be taken of spending needs to balance priorities and resources more evenly over the life of the capital programme and to reflect the Property and Land Management Strategy. The Council's property advisors will be consulted as to the on-going maintenance programme with the aim being to develop a 10 year programme for recurring capital costs.
- It is assumed that no new Bids will be considered unless they are invest to save or unavoidable. Schemes which attract external funding should be considered in the light of capacity to deliver, with resources identified to deliver these and need to be prioritised with reference to the Council Plan.
- Capital Bid documents will be required prior to a scheme being accepted as part of the Capital Programme. These are to be signed-off by the relevant Portfolio Holder and will be prioritised by Members as part of developing the 2021/22 to 2030/31 Capital Programme. Bids will be considered alongside future expected spend on major projects, as indicated in the capital programme.
- Existing schemes within the programme will also be reviewed with reference to their progress and any external funding restrictions with the assumption that all schemes should be deferred by at least 12 months.
- Capital receipts will only be committed once they have been received. Although there may be known sources of capital, future aspirations will take into account the resources required to support unavoidable recurring costs.
- Right to Buy receipts will be earmarked for social housing to replace the units sold that generated the receipt.

8. Budget Process

- The approach to the review of the current-year budget, based on budget monitoring, will continue. The 4 year position will be set out as part of the process.
- Regular budget reports will be provided to inform Members on the emerging issues. This will integrate information from review of base budgets, higher level factors (such as the grant settlement) represented in the MTFs and the corporate savings process.
- Following approval of these proposals, Lead CMT Officers, managers and finance staff will work together on the preparation of budgets based on the strategy set out (ensuring consultation with the relevant Portfolio Holders).

- Work will continue to be undertaken on refining the options for reducing the deficits currently projected and inclusion in the future Budget reports. High level 2021/22 Budget and Council Plan timetable Additional reports may be taken to meetings in addition to this timetable if required e.g. spending review, significant changes to funding settlement

	2020/21			2021/22	2022/23	2023/24	2024/25	
	Original Budget	19/20 Recurring Pressures	Savings Shortfall	Revised Budget	Forecast	Forecast	Forecast	Forecast
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Corporate Services	3,337		388	3,725				
Service Delivery	5,876		563	6,439				
Regeneration & Planning	(37)	325	384	672				
Tourism & Enterprise	2,659		964	3,623				
Net Cost of Services	11,835	325	2,299	14,459	14,459	14,459	14,459	14,459
Capital Financing & Interest Payable	3,363	434		3,797	4,547	4,629	5,007	5,058
Interest Receivable	(1,077)	150		(927)	(1,080)	(1,080)	(1,080)	(1,080)
Contingency	151			151	151	151	151	151
Corporate Efficiency Savings	(750)			(750)				
Net Revenue Budget	13,522	909	2,299	16,730	18,077	18,159	18,537	18,588
Covid-19 Impact								
Additional Costs				2,000				
Income Shortfall				10,600	5,000	1,000		
New Government Funding								
Covid-19 Grant				(1,300)				
Income Compensation Grant				(6,500)				
Recovery & Reset Programme					TBC	TBC	TBC	TBC
Pay Inflation (2.5%) & Increments					288	345	404	464
General Contractual Inflation @ 2%					110	110	110	110
Income Inflation @ 2%					(224)	(288)	(334)	(334)
Latest Net Revenue Budget Projection	13,522			21,530	23,251	19,326	18,717	18,828
Financing:								
Council Tax	(8,772)			(8,772)	(8,947)	(9,126)	(9,309)	(9,495)
Council Tax Deficit	60			60	50	50	50	
Business Rates	(5,394)			(5,394)	(4,449)	(4,538)	(4,629)	(4,722)
Business Rates Deficit	15			15	213	213	213	
Transfer to/(from) BR Equalisation Reserve	1,032			1,032	(213)	(213)	(213)	
New Homes Bonus	(332)			(332)	(26)	(11)		
Other Govt Grants	(131)			(128)	(130)	(130)	(130)	(130)
Total Financing	(13,522)			(13,519)	(13,503)	(13,755)	(14,018)	(14,346)
BUDGET SHORTFALL	0			8,011	9,748	5,571	4,699	4,482
					Worst Case Scenario			
					<i>Current Position</i>			
Currently Identified Recovery & Reset Savings				(2,100)	(2,900)	(3,400)	(3,900)	
Additional Income Recovery				(2,250)	(250)			
				5,398	2,421	1,299	582	

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Report to:	Cabinet
Date:	16 September 2020
Title:	College Conservation Area Appraisal
Report of:	Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning
Cabinet member:	Councillor Colin Swansborough, Cabinet member for place services and special projects
Ward(s):	Meads
Purpose of report:	To seek the approval to adopt the revised College Conservation Area following the two public consultations
Decision type:	Key decision
Officer recommendation(s):	(1) To approve the adoption of the revised College Conservation Area as shown outlined red on the plan at Appendix 1 and detailed in the draft Conservation Area Appraisal at Appendix 2 (2) To delegate authority to the Director of Regeneration and Planning in consultation with the Chair of Planning to make minor or technical amendments as necessary to the revised College Conservation Area
Reasons for recommendations:	To allow the expansion of the College Conservation Area Appraisal as detailed in the draft Conservation Area Appraisal at Appendix 2
Contact Officer(s):	Name: Chris Connelley Post title: Conservation Specialist, Conservation E-mail: chris.connelley@lewes-eastbourne.gov.uk Telephone number: 01323 415673 Name: Jenny Martin Post title: Conservation Specialist, Conservation E-mail: jenny.martin@lewes-eastbourne.gov.uk Telephone number: 01323 415942

1 Introduction

- 1.1 Conservation areas were introduced nationally in the late 1960s to support heritage retention at a time of significant change in the built environment through

designating areas of architectural and historic interest that were able to benefit from additional protection. Previously, protection tended to be concentrated on individual assets such as scheduled monuments or listed buildings rather than broader settings such as streets, neighbourhoods and squares.

- 1.2 In the half century since the passage of the original 1967 Civic Amenities Act, there are now over 10,000 conservation areas across the UK. There is no typical form, and they come in different sizes, cover different property periods and types, and evidence different conditions
- 1.3 Eastbourne Borough Council has adopted 12 conservation areas since the passage of the original legislation. They very much mirror the national situation, covering different size areas and different property periods and types, though they are concentrated in central and southern areas of the town
- 1.4 College Conservation Area was first adopted in 1986 to cover a central area immediately adjacent to Eastbourne College, the institution that confers it with meaning and provides its distinctive identity.
- 1.5 Independent heritage consultancy Locus Consulting was commissioned to lead on this review during Autumn 2018, with a brief to produce an appraisal document, to include a consideration of the area's current boundaries
- 1.6 A detailed survey of the conservation area and immediate setting was undertaken on the 2nd and 3rd of October 2018. The character and appearance of the conservation area was recorded according to established townscape characterisation methodologies (Historic England, 2017) and guidance regarding the production of conservation area appraisals (Historic England, 2016). Relevant documentary, cartographic and other archival resources were consulted as set out within the Bibliography of the draft report attached at Appendix 1. The appraisal also assessed the current boundaries and made suggestions for possible extensions.

2 Proposal

- 2.1 To extend the College Conservation Area as set out in Appendix 1 and to formally designate the new College Conservation Area.

3 Outcome expected and performance management

- 3.1 To fulfil the Council's statutory requirement to periodically review conservation areas and to help maintain the character and appearance of the College Conservation Area in the longer term.

4 Consultation

- 4.1 At its meeting on 22 January 2019, Planning Committee endorsed public engagement in relation to the appraisal of the College Conservation Area, with a formal public consultation established between 14 February 2019 and 28 March

2019. During this period, the draft appraisal document was made available online and in hard copy formats at the Customer Contact Centre and in the library, along with alternative larger print versions for those requiring this adaptation. The consultation cycle was advertised in the local press, and also included a dedicated website and an open public meeting facilitated by Locus Consulting. This allowed for the presentation of headline findings and for questions and comment. A second session was also run for members of the Conservation Areas Advisory Group. 19 responses were received through the portal, along with submissions from the Eastbourne Society and Turley Heritage. These responses where they differ and or raise a new issue can be viewed as background papers.

- 4.2 The responses received were strongly in support of the extension with some suggestions of further extension and better publicity of the consultation
- 4.3 Following the first consultation, the authority's Conservation team undertook a review of the proposed boundary changes and other suggestions to extend the conservation area. On the basis of the identified characteristics of the area, and further conversations with Locus Consulting and other stakeholders, they agreed a set of proposals which then formed the basis for further consultation.
- 4.4 A second cycle of consultation was undertaken on the proposed extension to the Conservation Area boundary. This ran between 28 October 2019 and 6 December 2019, and involved the establishment of a dedicated website and, in response to requests of better publicity, a door-to-door delivery of postcards within the proposed extension area. This activity generated a total of 23 responses. The responses where they differ and or raise a new issue are included as background papers.
- 4.5 The responses received were broadly in support of the proposed boundary extension. The comments received that did not agree with the extension were based on reasons that would not in fact be affected by the adoption of the boundary extension; such as preventing home owners installing double glazing into their homes.

5 Corporate plan and council policies

- 5.1 It is clear that support for the larger College Conservation area will elevate the importance of the heritage assets in this part of the Borough and add significantly to the range/type of property that is deemed of sufficient quality to warrant Conservation designation.
- 5.2 However it does only bring another material consideration into play when assessing any future planning applications and should not be read as an impediment to future development/change.

6 Financial appraisal

There are no identified financial implications for the Council on this application.

7 Legal implications

7.1 A conservation area is an area of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance (section 69(1), Planning (Listed Buildings and Conservation Areas) Act 1990. A local planning authority (LPA) is under a duty to designate conservation areas within its locality and to review them from time to time (section 69(2)). This can result in:

- New areas being designated.
- Boundaries of existing conservation areas being extended or reduced.
- Cancellation of the designation, if the original special interest of a conservation area has been significantly eroded.

7.2 There is no statutory right of appeal following the designation of a conservation area although it is possible to seek a judicial review of an LPA's decision to designate a conservation area in the event the correct procedures have not been followed. 007863-EBC-HM 04.08.2020

8 Risk management implications

8.1 There are not considered to be any risk management implications arising out of this report.

9 Equality analysis

9.1 There are not considered to be any equality implications arising out of this report.

10 Environmental sustainability implications

10.1 Building Conservation is predicated on the repair and re-use of existing buildings and materials wherever possible and the adoption of the report and extension of the boundary is commended as making a positive contribution to the borough's sustainability agenda.

11 Appendices

- Appendix 1 Plan
- Appendix 2 College Conservation Area Appraisal Draft Document

12 Background papers

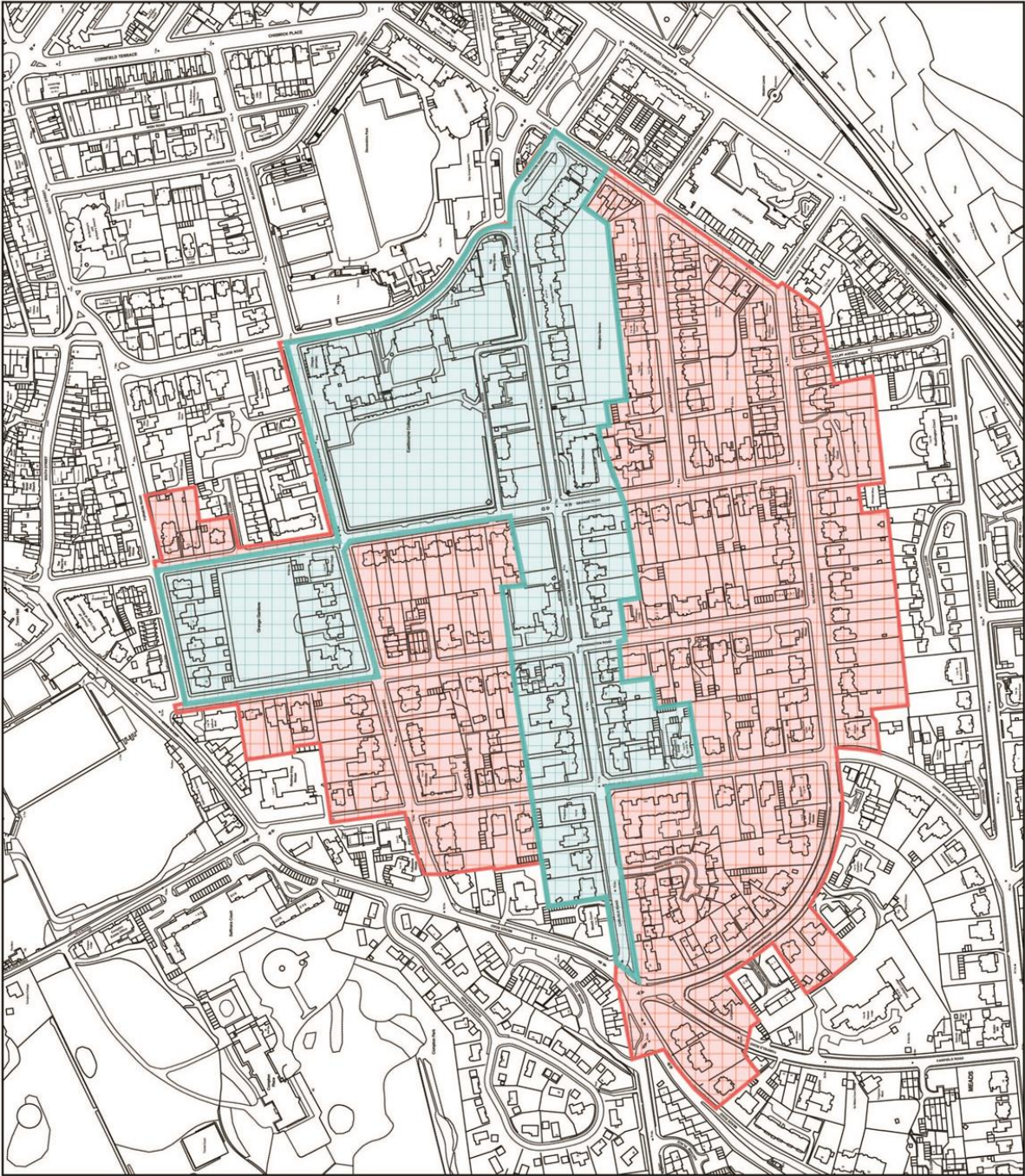
The background papers used in compiling this report were as follows:

- [View the Planning Committee Report \(24 March 2020\)](#)
- Representation (s) summary to consultation on College Conservation Area Appraisal document (electronic copy on request)

College Conservation Area Boundary Review
September 2019

Conservation area as of September 2019

Prospective conservation area boundary



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**DRAFT
Conservation Area Appraisal: College**

October 2019





Picture Ref: 01

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1. Introduction and Method

This conservation area appraisal assesses the special architectural and historical interest of College Conservation Area, and shows those interests are manifested in the area's character and appearance.

Conservation areas are protected by legislation under the Planning (Listed Buildings and Conservation Areas) Act 1990. As designated heritage assets, their preservation and enhancement enjoy a high material consideration in the planning process.

The conservation area appraisal identifies elements, features and characteristics of the suburban townscape that, either individually or cumulatively, create a townscape of high aesthetic quality and historical interest.

The overall aim of the document is to help future development in the area to sustain and, where possible, enhance the character and appearance of the conservation area.

The appraisal can be used as an inspiring basis for architectural design, to inform ongoing maintenance, and in support of applications for planning permission. It is an evidence base, when adopted by Eastbourne Borough Council, that will be used to assess the impact of proposed development, both within the conservation area itself and within its setting, where proposals may change how its character and appearance are experienced.

The appraisal gives direction to developers, owners, the local planning authority and other interested parties, informing decision-making within the prevailing framework of legislation and policy.

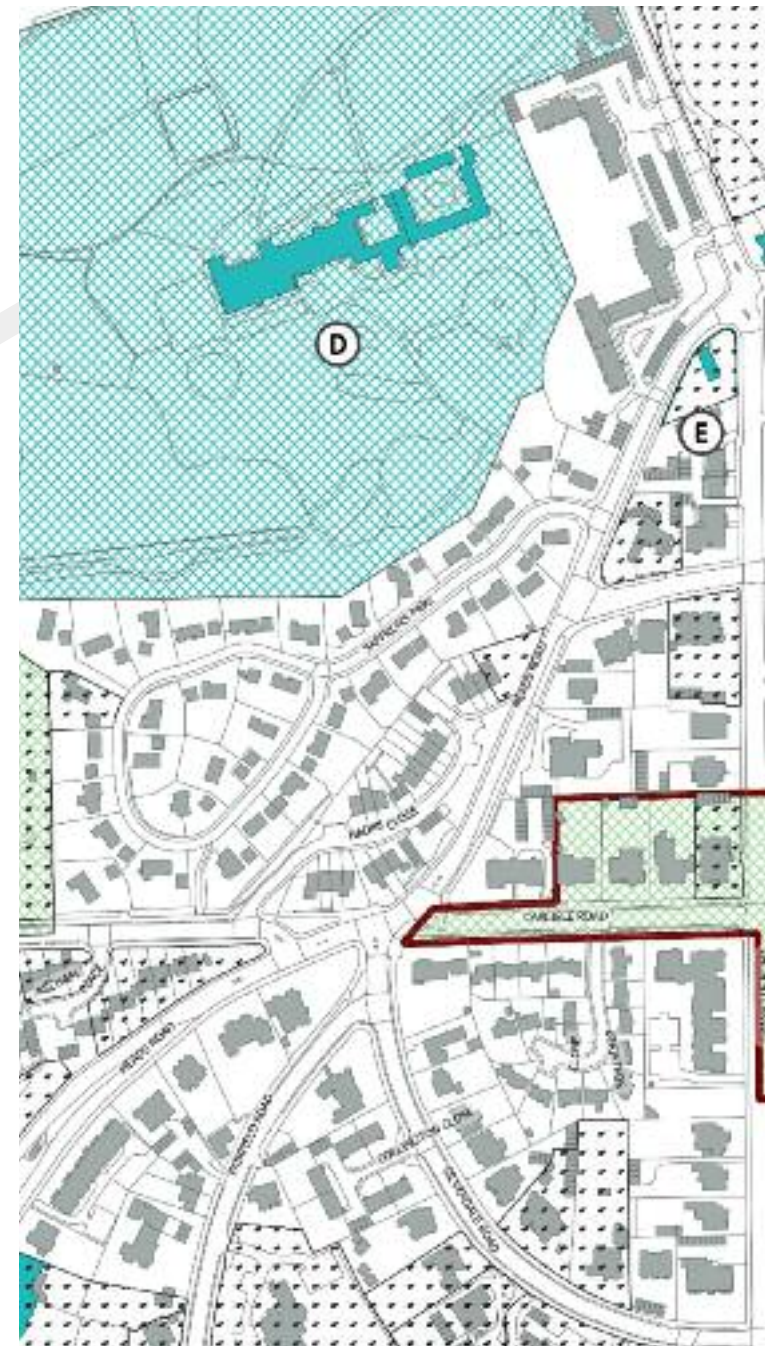
This document should be read in conjunction with the *Conservation Areas in Eastbourne: Companion Document* and *Eastbourne Townscape Guide SPG*, both issued by Eastbourne Borough Council, and guidance on conservation area designation and management from Historic England.

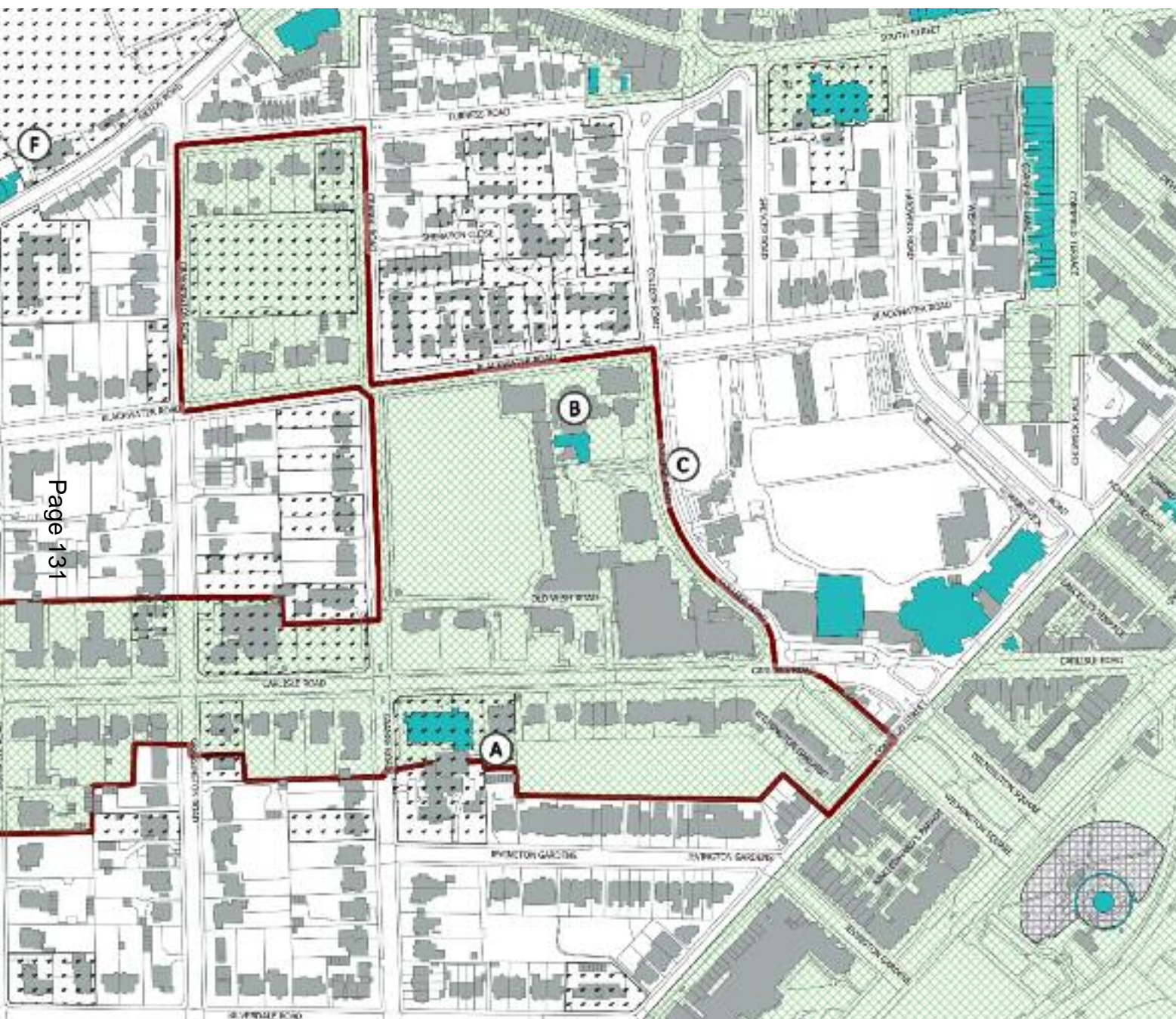
Method

The appraisal was undertaken by heritage and planning consultancy Locus Consulting on behalf of Eastbourne Borough Council.







A detailed survey of the conservation area and immediate setting was undertaken on the 2nd and 3rd of October 2018. The character and appearance of the conservation area was recorded according to established townscape characterisation methodologies (Historic England, 2017) and guidance regarding the production of conservation area appraisals (Historic England, 2016). Relevant documentary, cartographic and other archival resources were consulted as set out within the Bibliography.

A public consultation on the draft appraisal is scheduled for October - December 2019.





The College Conservation Area and Designated Heritage Assets as of October 2018

-  College Conservation Area
-  Conservation Areas
-  Listed Buildings
-  Registered Parks and Gardens
-  Scheduled Monuments
-  Tree Preservation Order

(A) Labelled Features

- A Church of All Saints (NHLE 1353110)
- B Warden's House (NHLE 1043672)
- C College gates and wall (NHLE 1190253)
- D Compton Place (NHLE 1000735)
- E Cottage and wall, Granville Road (NHLE 1043648; 1190490)
- F Greystone House & Greystone Haugh (NHLE 1353138)

N

0 100 200 m



2. Statement of Significance

The statement of significance for the College Conservation Area sets out the key points of architectural and historical interest that are manifest within its character and appearance. An overview of the suburb's historical development can be read in Chapter 4 of the document, and a detailed appraisal of the area's urban form is provided in Chapter 5.

- 1 The area has strong historical associations with significant individuals of national repute, who made major contributions to Eastbourne's development, notably William Cavendish, Duke of Devonshire, and his favoured architect Henry Currey, both of whom were highly influential in the town's growth in the late 19th century. (As in College Conservation Area, high status mid- to late 19th century suburban estates were often backed by aristocratic investment.)
- 2 The suburb at Lower Meads, within which the conservation area lies, is a well-executed and well-preserved example of a 'residential park' suburb. The residential parks influenced the garden suburb movement that emerged in the late 19th century, going on to herald new orders of town planning, including the Garden Cities Movement that prevailed well into the 20th century. **Due to its quality and condition, the suburb at Eastbourne is likely to rank among the top ten of its type in England.**

The character and appearance of the suburb's designed aesthetic is all the more significant, as it retained precious few features of the original landscape. As such, almost all elements of the development were intentionally designed, providing a clear insight into the traditions of the time and the thinking of the suburb's architect and patron.

Larkfield House, now the College Warden's House, and Old Wish Road are exceptions. The latter originated as a historical track from a small inlet and harbour, and may hold a degree of archaeological interest in respect of the area's early history as a series of small fishing and farming villages.

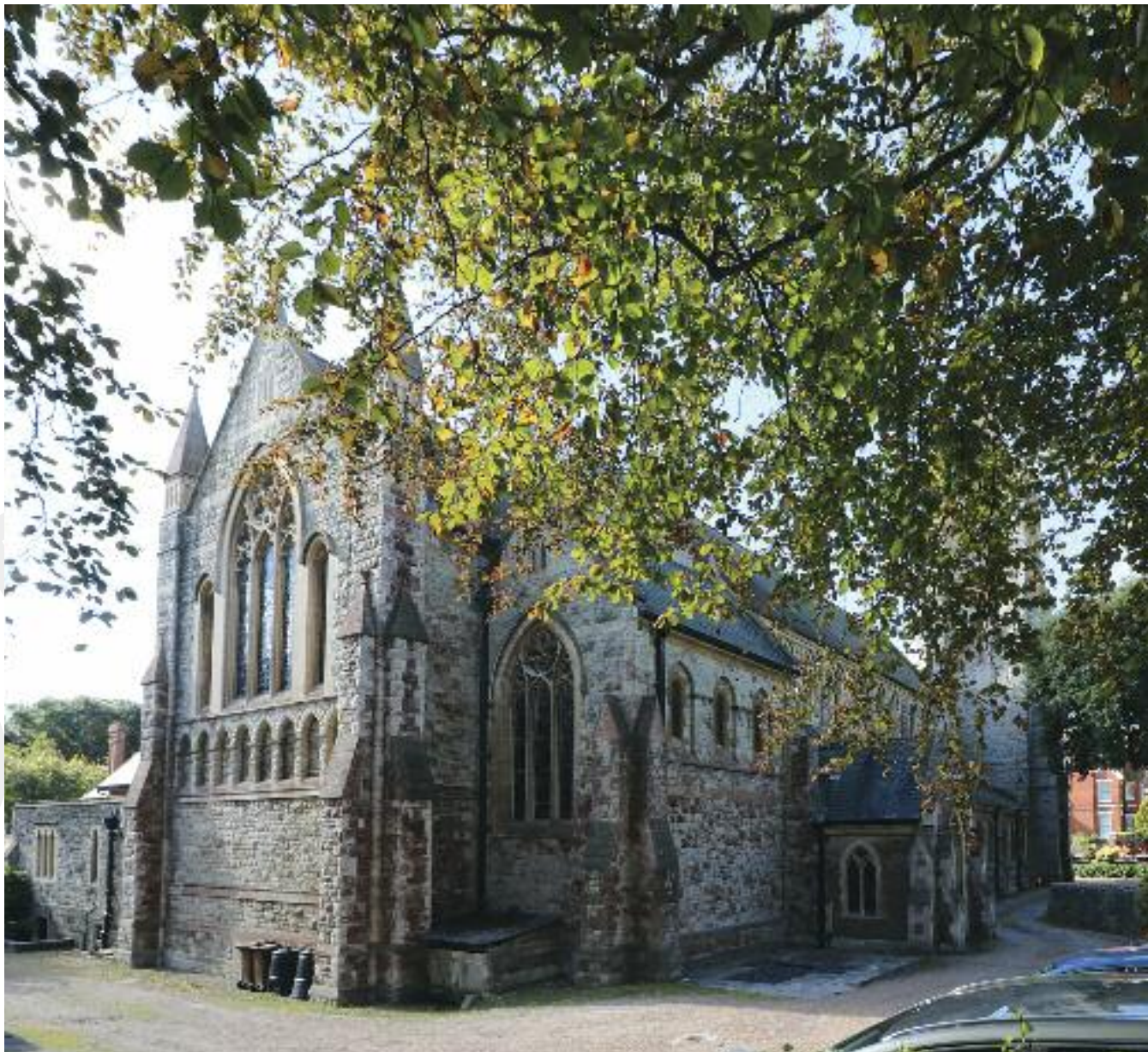
- 3 The conservation area, and surrounding suburb, is a planned townscape with a consciously designed aesthetic. Set out as a single development unit, an attention to detail is observable from the macro scale such as roads, urban blocks and plot layout, down to the micro-scale (architectural details). Throughout, the townscape is illustrative of the overarching vision for the area and its authoritative execution by William Cavendish and his agents.
- 4 A rich assemblage of 19th-century private villas can be observed within and outside of the area. Prestigious through their spacious size and ornate decoration, the villas embrace many of the Revival styles distinctive of the late Victorian era, notably Gothic and Queen Anne styles. The architecture of many houses is influenced by the Arts and Crafts movement and appears as an early example of the movement nationally, before it became popularised.
- 5 Although the construction of the suburb was clearly administered with a high degree of scrutiny by the aristocratic developer, there is a personalised and at times eclectic level of architectural detailing that creates variety and intrigue within the street scene. The architecture of individual build units reflects the personalised choices of speculative builders and prospective owners, emphasising the plot-by-plot infill of the planned streetscape.
- 6 The stock of middle-class residences, alongside the

inclusion of large amounts of private open space, illustrates the modernising architecture of domestic houses. Large plots reflect the increasing interest in gardens, translating what was once the preserve of only the wealthiest into middle-class domestic life. The large footprints of dwellings indicate the inclusion of services such as sewerage, running water and lighting into the house itself, a product of a wave of ongoing health and sanitary improvements at the time.

- 7 The walkability and navigability of the suburb, alongside its connectivity to the main town, illustrate the focus on railways as a new form of transport for people and goods. The shift is exemplified by the near wholesale lack of stables, coach houses and mews, amongst other service buildings, typically associated with larger houses.
- 8 At a time of exponential population growth, the area illustrates a changing emphasis in the economies of urban development towards the end of the 19th century, with highly marketable speculative suburban house building increasingly attractive to investors. In addition, the suburb represents a second phase in the growth of seaside towns and resorts, emphasising their increasing national popularity.
- 9 Eastbourne College campus has architectural and historical interest in its own right. The establishment of the initial school was subsidised by William Cavendish and was a major investment by the then newly formed town council, creating a new civic landmark. The campus block is formed of an assemblage of educational buildings, many of which were designed by Henry Currey, and their Tudor-revival style distinguishes them from the remainder

of the suburb. The plot features a series of landmark structures, most notably the Memorial Building, prominently facing Grange Road over the playing field. Celebrated alumni include Gwilym Lloyd George (1894-1967), 1st Viscount Tenby, son of David Lloyd George, and Home Secretary 1954-1957, and Sir Hugh Casson (1910-1999), architect and director of the 1951 Festival of Britain.

- 10 Beyond the campus, the Church of All Saints (1877-1879, rebuilt 1927-1930) is a landmark building at the junction of Carlisle Road and Grange Road.



Picture Ref: 02

3. Location and Setting

The conservation area is located in the southwest of Eastbourne, occupying an area of approximately 14 hectares within a suburban area known as Meads. Designed in phases across the late 19th and early 20th century, Meads represents a loosely contiguous residential area that stretches over two kilometres southwest from Eastbourne town centre along the coastline and towards the South Downs.

Meads is unofficially divided into 'Upper Meads' and 'Lower Meads', the former constituting areas elevated by the South Downs escarpment, the latter the plain below. The conservation area occupies much of the lower-lying land, with the terrain rising away to the south and the west, and to a lesser extent the north. The local topography is experienced within long vista views encountered within the conservation area when looking along the linear streets. The views are terminated by prominent landmarks atop the distant hills, given added prominence through their elevated setting, and making both positive and negative contributions; for instance (respectively), views of woodland of the South Downs looking northwest along Carlisle Road, or of large post-war blocks looking southwest along Granville Road.

The conservation area forms an early phase of Eastbourne's southwestern expansion, with its design both pre-empting, and contemporaneous with, much of the Meads area. The conservation area therefore shares many characteristics in terms of layout, street scene, built form, and buildings with its suburban surroundings. The sense of transition between the conservation area and other parts of Meads (much of which is designated as the Meads Conservation Area) is therefore often subtle, and sometimes seamless. Conversely, the character and appearance of the conservation area contrasts markedly with that of the historic town centre and seafront, located immediately to the east and south. The Regency-inspired townscape of the centre and seafront are rapidly superseded by the late

19th-century suburban aesthetic, with little overlap. This firmly establishes the conservation area, and Meads more broadly, as a separate and distinctive locality of Eastbourne, and clearly manifests the chronology of the town's development.



Picture Ref: 03



4. Historical Development

Until the mid 19th century Eastbourne was predominately a rural area, with a loose cluster of villages around the area occupied by the current town. Historically referred to as 'Lower Meads', land within College Conservation Area lay to the north of the village of 'Meads' and was mainly used for grazing and arable crops. To the south, towards the location of the Wish Tower, was a small inlet and harbour known locally as 'The Wish'. Few remains of the harbour hamlet and its inlet survive, although traces of the former tow track can be seen at Old Wish Road.

The tithe map of 1841 shows an isolated cluster of buildings around The Wish, including a larger residence called Wish House surrounded by fields. The now demolished property has had a lasting impact on the conservation area. The house and area made such an impression on Mr C W Rawden, a retired Navy Officer visiting in the early-to-mid 19th century, that he built a large house known as 'Larkfield' immediately to the north. The house and its gateway survive today as the Grade II listed Warden's House at the heart of the Eastbourne College campus.

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Much of the area now known as Eastbourne lay in the ownership of the Davies-Gilbert family and William Cavendish, Earl of Burlington, who later became the 7th Duke of Devonshire. With a growing national infatuation for seaside retreats within easy reach of urban centres, ambitious plans were hatched by

both families early in the 19th century to establish a new town at Eastbourne. Areas to the east of the conservation area were initially developed in the classically inspired styles that typified the Regency and early Victorian periods, realising Cavendish's dream of bringing London's 'Belgravia' to the new seaside resort.

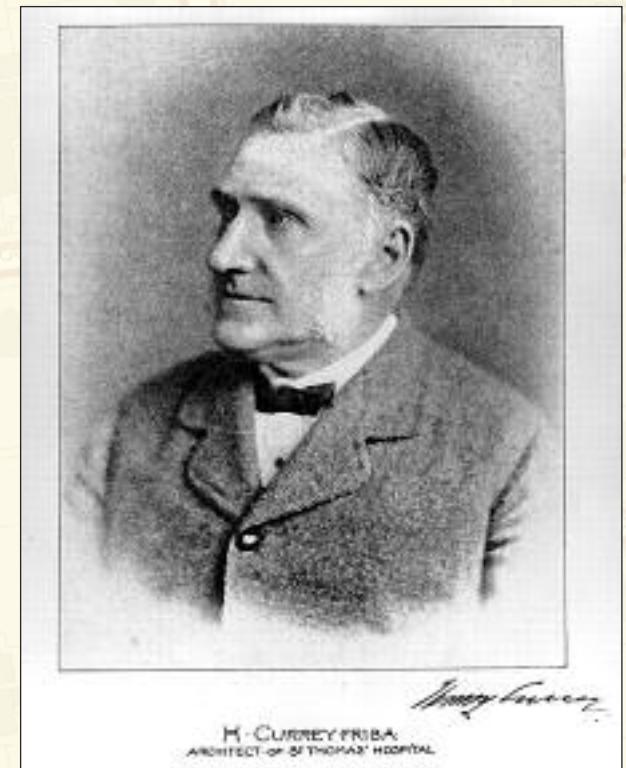
The arrival of the London, Brighton and South Coast Railway in 1849 was a much-needed catalyst for development. In 1859 Cavendish recruited architect Henry Currey to draw up plans for a new town, considering Eastbourne a premier and

upmarket seaside resort. Initial plans did not extend to 'Lower Meads', focussing instead on the town centre and seafront. It was not until Currey's Plan for Modern Meads in 1872 that extensive development within the College Conservation Area began.

Protected from the beach and weather by higher ground to the southeast and insulated from the established town centre by Devonshire Park and the school campus, Lower Meads was ideal for an innovative planned middle-class suburb.

Henry Currey (1820-1900)

William Cavendish's chosen surveyor was born in Westminster and educated at Eton before embarking on a career in architecture. He trained under prestigious architects of the age including Decimus Burton and William Cubitt, with his early works taking the form of contributions to hospitals, nursing schools and asylums. Following his appointment by William Cavendish, Currey gained responsibility for several of Eastbourne's most prominent developments including the Meads suburban extension, the College House, Chapel and library of Eastbourne College, the theatre, Winter Gardens and pavilion of Devonshire Park, the Bedfordwell pumping station and St Peter's Church in Lower Meads. Currey's architectural taste, originally Italianate, later evolving towards Gothic Revival, would regularly be referenced and replicated across other speculative schemes within the town.



With some foresight, the Duke acquired Larkfield as part of the plans for Lower Meads, bringing all land between Meads and the emerging town centre into his ownership. The Duke also assisted the then inaugural town council to establish an independent school, now Eastbourne College, through the provision of the house and twelve acres of surrounding land at a reduced price. Henry Currey was tasked with designing the new school house and chapel which was opened on 3rd July 1870. Lady Cavendish was invited to lay the foundation stone of the school house, whose Tudoresque style inspired a sequence of future school buildings. Beyond the school, a handful of buildings had also begun to appear within the Lower Meads area, including two houses to the north of the school, one of which, Blackwater Lodge, survives as one of the College's boarding houses.

In advance of housing, long broad streets were created to connect Lower Meads with developed streets to the east around Devonshire Place. Blackwater Road was extended across the area in 1873, Grange Road had been constructed by 1875, and Carlisle Road joined it from the recently created Devonshire Park. The layout of the roads, notably the tangential Carlisle Road which mirrors that of Chiswick Place, suggests that the Duke and his architect had ambitions to replicate the urban form of the established townscapes to the east. Classically styled houses along the eastern extents of Carlisle Road attest to the theory.

Construction of houses started in earnest during the mid 1870s and neared completion a decade later. Silverdale Road was added to the south of the established Carlisle Road and Blackwater Road, which were themselves extended to the west. Three east/west routes defined the planned development unit, meeting with a series of north/south roads – Grange, Grassington, Furness and Granville Roads – to create a broad grid-iron network that formed the basis for 150 new houses.

Houses were mostly built by speculative builders, but with

development along Carlisle Road also opened to individuals who desired to build houses for their own occupation. Catering for Eastbourne's professional elite of and local businessmen, large detached villas set within spacious plots were built for the first time in Eastbourne. All plans had to be checked by the Devonshire estate, often by the Duke's local agent, George Ambrose Wallis, who came to be known for his attention to detail.

The new suburb was heavily influenced by contemporary philosophies of urban design. The roots of the design were within the 'residential parks' movement that had emerged in the early 19th century, incorporating the development of high-status speculative estates, designed with an aesthetic inspired by the English country park. Notable features were tree-lined avenues along streets, capacious planted gardens, and ornate, classically inspired architecture. The suburb also looked forward, however, incorporating elements of the emerging Arts and Crafts and Garden Suburbs movements, and was contemporary with the famed Bedford Park in London, believed by many to be the world's first garden suburb.

The era witnessed an eclectic revival of architectural styles, with Gothic, Italianate and Tudor used in place of the stricter classicism previously favoured in other areas of Eastbourne. Houses at Lower Meads embraced many Gothic and Arts & Crafts features, styles championed by Ruskin amongst other leaders of reform in urban planning.

Services and amenities accompanied the provision of housing, although with the exception of the Church of All Saints and the established school, these seem to have been kept at the peripheries of the new suburb. Consecrated in 1879, the church's foundation stone was laid on 1st November 1877 and was built to the design of T.E.C. Streatfeild.



Picture Ref: 04

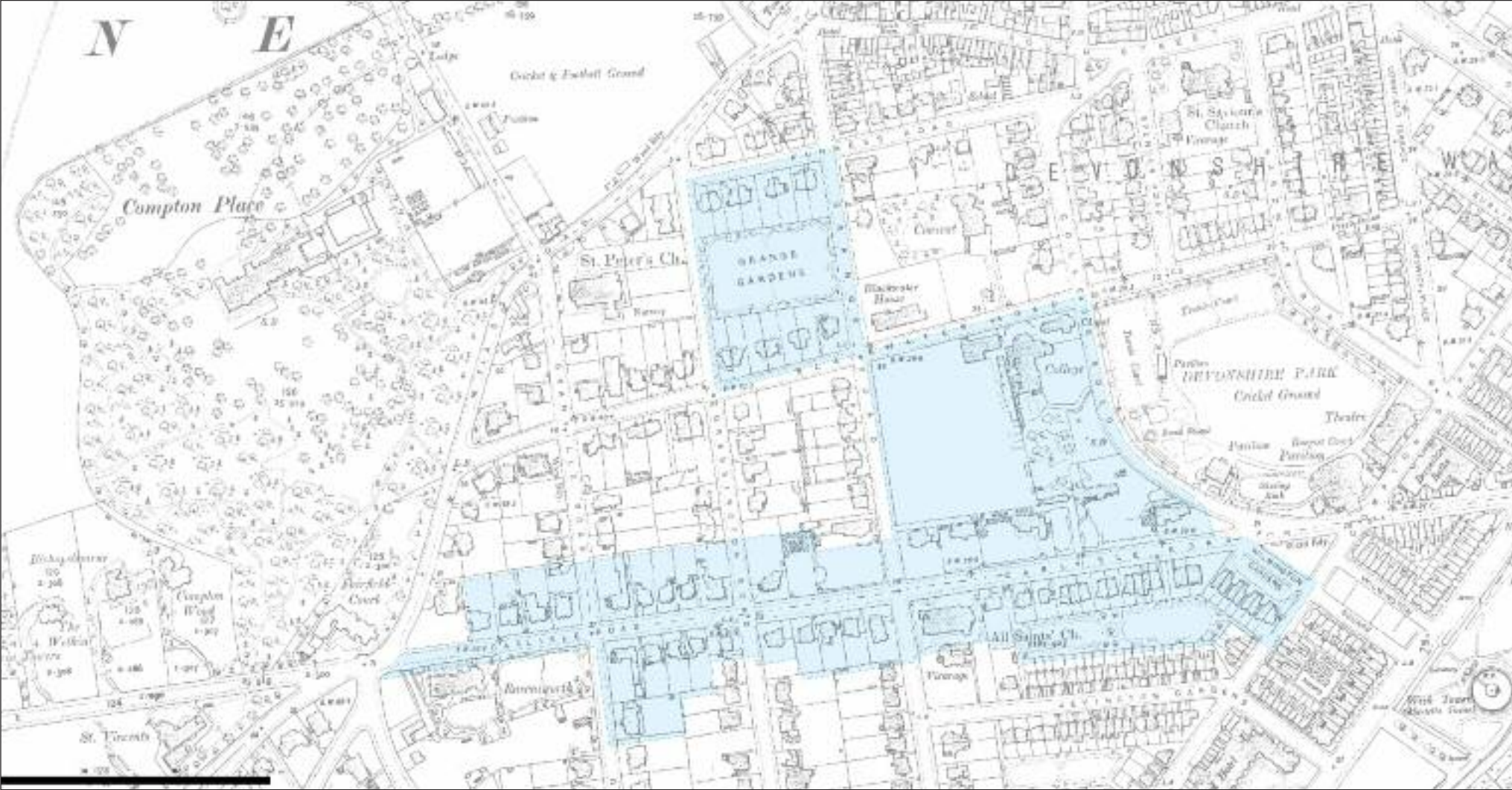
College Conservation Area – 1870



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The two maps shown here identify the growth in the area between 1870 and 1910, the period during which the conservation area grew and adopted its recognisable form.

College Conservation Area – 1910






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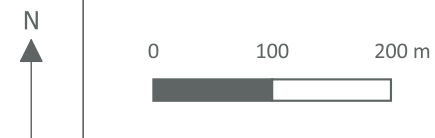
Analysis of Traditional Buildings, Fronts of Plots and Boundaries, and Street Scenes

Assessed Feature

-  Traditional buildings
-  Traditional fronts of plots and boundaries
-  Traditional street scenes

Colour

-  High historical integrity. Features architectural and/or historical interest makes a positive contribution to the character and appearance of the area.
-  Good historical integrity but with some irreversible structural changes. Overall contribution of features architectural and/or historical interest to the character and appearance of the area remains positive.
-  Feature makes little to no contribution to the character and appearance of the area through major alteration or modern redevelopment.
-  Not Assessed



OS data © Crown copyright and Database right 2018



Picture Ref: 05

5. Character and Appearance

This section outlines the character and appearance of the conservation area, through which the special architectural or historic interest of the suburb is experienced.

The appraisal should not, however, be seen as comprehensive list of all features or elements that contribute to its character and appearance. The omission of any particular building, feature, landscaping, material or space should not be taken to imply that it is of no interest.

The historical interest of the late 19th century suburb at Lower Meads can be closely tied to the ambition of the Duke of Devonshire's plans, which were created and executed in a remarkably short period of time. The architectural interest of College Conservation Area cannot be attributed to a single physical feature or component but is instead the sum of many parts appreciated collectively.

Repeated characteristics of the townscape form identifiable threads and reflect the vision behind its planned genesis. Some features are coherently applied, notably the height of front boundary walls, the structural composition and setback of buildings, or the shape of their window openings. Together, these coherent features act as a backbone to the conservation area's designed aesthetic.

Other built features are executed with a degree of individual flair, although still adhering to an underlying design philosophy. Examples might include the use of bespoke decoration, variations in structural form and scale and the application of materials in a personalised way. For example, all houses are built of brick, but different brick bonds may be applied.

Whilst a broader plan philosophy is adhered to, notably seen within the streetscape, there is greater nuance in the plot-by-plot interpretation of it and more so still in the built form. Consequently, clear deviations from the prevailing character of the conservation area are remarkable, commanding a relative prominence in the townscape. The school buildings and campus plot of Eastbourne College

establish themselves in this way and deserve consideration in their own right.

Fundamentally, the character and appearance of the College Conservation Area exemplifies two aspirations. Firstly, that of the Duke of Devonshire's grand vision for a planned suburb, and secondly, that of the individual developers that populated it. Very little of the previous landscape survives, with the suburb reflecting a specific moment in time.

In order to capture both the consistency of the planned townscape and localised expression within it, this appraisal is structured according to three interlinked architectural 'elements':

- Layout and Streetscene
- Built Form
- Buildings

The Eastbourne College campus forms a discrete and definable entity within the broader townscape and is given emphasis in its own regard within each element.



Picture Ref: 06



Picture Ref: 07

5.1. Element 1 – Layout and Street Scene

Key Points

- A designed street scene characterised by repeated features, including roads, verges, avenues of trees, surfaces, open spaces, and boundary walls that cumulatively emphasise the planned nature of the suburb and its authoritative construction.
- A balanced townscape with a subtle hierarchy of streets that promote a strong sense of integrity to the area and the broader suburban development unit within which it lies.
- A series of designed experiences, such as short- and long-range views, and a highly navigable layout of walkable streets that are well-connected to the town centre and seafront.
- A low building density with very high proportions of open space prioritised for private use, emphasising the status of its 19th-century middle-class inhabitants.
- Strong semi-natural suburban character, including a designed visual link to the South Downs alongside gardens, verges, mature trees and communal gardens that are associated with a marked change in late 19th-century approaches to town planning.



The suburb is arranged around a strict grid-iron pattern of roads orientated to the cardinal axes, the geometry of which illustrates its rigorously planned nature. Carlisle Road and, to a lesser degree, Blackwater Road, form east/west backbones to the area. North-to-south aligned roads, such as Grange Road, Grassington Road and Granville Road, come a close second in the hierarchy of streets. The lack of any distinct street hierarchy within the regular and highly navigable layout affords the townscape a balanced sense of integrity.

Urban blocks are relatively large, with precious few secondary routes extending into or through them, creating a continual sense of enclosure when moving along streets. The impermeable nature of blocks emphasises the capacious extent of private garden plots and the elevated status of the historically middle-class suburb.

Roads are broad, with ample footways and comfortable two-lane-width carriageways. Carlisle Road establishes a relative status through the incorporation of grass verges, illustrating how small deviations can influence the balance of planned elements of the suburb. Much of the public realm has been altered through maintenance and highways upgrades. Where traditional materials and fixtures survive, a clear and positive aesthetic between street scene and other elements of the townscape is re-forged, emphasising the designed aesthetic of the planned suburb. Several footways retain red and black brick paving, characteristic of Eastbourne's suburbs, but the majority has been replaced with modern 20th-century materials such as tarmac and concrete slabs. **Kerbs** are mainly of stone, occasionally flanked by thin brick **gutters**, although many of the latter have been covered by tarmac, which prevails along all road surfaces. **Street furniture** is occasional, with no discernible patterns and lighting is notably sparse. Historic features include cast-iron bollards, vents, lamp posts and post-boxes.

Avenues of mature trees line Blackwater Road and College Road, with those in the latter most established. Canopies

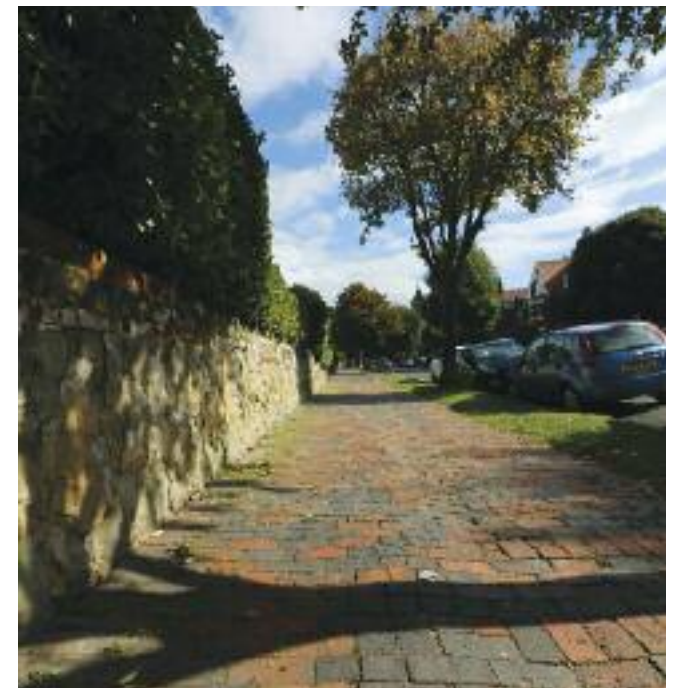
are lifted, enabling a highly enclosed but tunnel-like view along streets. Occasional planting can be seen along the footways of north/south roads, and the less systematically planted trees of domestic plots create a similar albeit less designed aesthetic.

Public open space is confined to streets and All Saints church yard. Beyond private garden plots, which make up a substantial proportion of the area, open space is limited to two communal gardens, Grange Gardens and Wilmington Gardens, and the college campus playing field. With the exception of the church yard, street access to the area is physically restricted to private gateways, many of which are neglected and in an overgrown condition. In all three instances the open spaces are formal parts of the planned layout of the suburb, with each comprising open grassland to the centre and semi-formal planting around their perimeters.

Views

The layout of the suburb affords elongated **vista views** along streets, successively framed by mature planting, boundary walls and building lines. The views are experienced within the conservation area along Carlisle and Blackwater Roads and at junctions with the network of north/south roads. Ground-level views along Carlisle Road and Blackwater Road reach to over 700m in length, capturing the full extents of the Duke of Devonshire's vision for the suburb. Notably, to the west, the views terminate with the elevated South Downs, drawing a close historical connection with Eastbourne's rural hinterland.

Elsewhere north/south vista views observed from junctions similarly terminate upon higher ground to the south and north, typically featuring landmark buildings of varying quality which have either positive or detrimental impacts on the character and appearance of the conservation area. Key examples include views of the Town Hall (Grange Road -



Picture Ref: 08 (Top) 09 (Bottom)

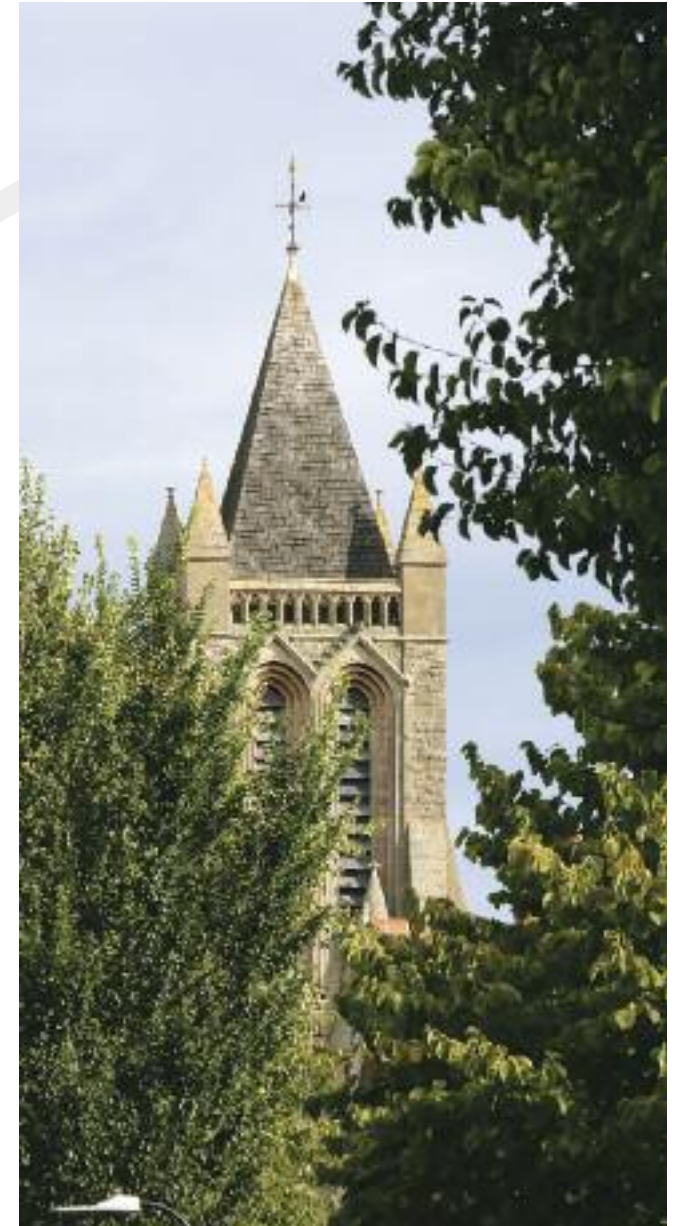


north), South Cliff Tower (Granville Road - south) and The Porters Lodge (Grange Road - south). The views to surrounding higher ground stimulate a broader sense of enclosure than is experienced within the suburb as a whole.

Two **landmark buildings** are located in the conservation area. The college's Memorial Building is a landmark, with its broad façade and central tower prominently facing across the adjacent playing field towards Grange Road. All Saints Church is a landmark at the crossroads of Carlisle Road and Grange Road. The building and spire are set back slightly from the corner, somewhat reducing their visual prominence within the long views down both roads, with the church's prominent status and architecture thus experienced largely in proximity to the crossroad.



Picture Ref: 10 (Top) 11 (Bottom)



Picture Ref: 12



Short-range views are limited in the conservation area, serving to focus attention on long-range views or the immediate surroundings. Notable local views include those of Eastbourne College's Memorial Building façade, both from across the open space of the playing field and in the designed view of the tower from College Road. The tall tower and spire of All Saints also attracts views along Grange Road and around its junction with Carlisle Road.

Corner buildings enjoy a relative prominence by nature of their position, larger plots, and double-frontage to the street, but generally conform to the prevailing character of other properties.

Throughout the area, gaps between buildings afford glimpsed views of side elevations through to open space above mature garden plots and roofscapes of the rear of properties beyond. Around areas of open space, such as the college playing fields and Grange Gardens, views are less intimate and enclosed, enabling a broader experience of the townscape.



Picture Ref: 13 (Top) 14 (Bottom Left) 15 (Bottom Right)

5.2. Element 2 – Built Form & Plots

Key Points

- High proportions of verdant green spaces that are an integral and mature element of the suburb's designed residential park aesthetic
- A prioritisation of green space within the overall ambiance and experience, both in terms of its application in the public and private realms
- A coherent urban grain of plots, detached and semi-detached units set in regular building lines with coherent boundary walls that emphasise the overarching vision and planned aesthetic of the suburb
- A defined historic campus plot of Eastbourne College that formed the precursor to the suburb's development and an early investment by a newly established Eastbourne Local Authority.
- Modest variations to characteristics of the suburb's designed aesthetic, observable within build units, reflecting the more personalised development of the suburb by speculative builders and owners.

The built form and plot-by-plot development of College Conservation Area, and the wider planned suburb within which it sits, reflect both the assiduous administration behind the delivery of the Duke of Devonshire's vision by local agent, George Ambrose Wallis, and its more personalised infill by local house builders and prospective occupiers.

Building plots form a broad convergence between streetscape (Element 1) and the built architecture (Element 3) that makes a strong contribution to the character and appearance of the area. Individually they frame views of buildings within their garden settings, emphasising the intimate relationship intentionally struck between dwellings and semi-natural features as part of the suburb's planned approach.



Picture Ref: 16

Front plots combine to form extensive and uninterrupted linear borders along streets. The forecourts typically have low planting surrounding small lawns, many of which have been converted to hardstanding for parking. Trees within plots often overhang the street, softening the public/private boundary and complementing the planting along streets. To the rear, adjacent and opposing rear gardens unite to form more expansive areas of open space that are at times given over to communal gardens or, more recently, car parking. Many feature large areas of lawn with mature planting, including tall trees set within perimeter borders. Collectively the capacious garden plots provide much of the area's green space and emphasise the designed suburban aesthetic.

Spacious plots to the front and rear of houses create an overwhelming sense of low **building density**. Corner plots are relatively broader, with their more capacious plots affording them a relative status in the townscape. Broad gaps from three to ten metres between buildings permit a visual and physical interconnectivity between front and rear garden plots, a relationship best experienced from the street.

The overall arrangement heightens the role played by **open space** in the area, with equal if not greater emphasis placed



Picture Ref: 17

on the openness of plots as on the buildings within them. The dynamic is notable and symptomatic of a designed suburb where a sense of open space and low-density development were prioritised to the benefit of the intended inhabitants who descended from the capital to take the coastal ambience.

There is a regular layout of rectangular **building plots** with their long axes aligned perpendicularly to the street. Buildings along streets front their plots and are arranged in strict building lines with a highly uniform **setback** of circa seven and ten metres that secures prominence to the front plot and emphasises the planned nature of the wider suburb. Together they produce a coherent **grain** to residential parts of the conservation area, creating a rhythm to its character and appearance. Throughout the conservation area, the **aspect of buildings** is to the street, including corner buildings which address both sides of their junctions, creating a sense of continuity along streets and offering a sense of activity and safety.

To the front, plots are defined by low **boundary walls**, generally around four feet in height, which allow for the experience of the architectural interest of buildings along streets. Walls are punctuated by pedestrian gates, many of which have been enlarged or partially reduced for driveway access. The pedestrian gates emphasise the walkability of the suburb, a key planned element of its designed aesthetic. The scale and material construction of walls is highly uniform, with the palette restricted to brick and stone with occasional use of flint. Openings are defined by taller brick piers and the material is used as a decorative accent such as in string courses, panelling and capping. Although a highly uniform characteristic of the street scene, boundary walls display a degree of idiosyncrasy within the application of the seemingly strict material palette. Brick, stone and occasionally flint are arranged in various configurations according to the different build units that make up the area.

Carlisle Road forms the spine of a single **development unit**



constructed according to the late 19th-century (sub)urban plan, with the exception of the College Campus. The area is made up of smaller **build units** of between one and six dwellings. The subtle pattern reflects the process of the sale and development of plots to speculative builders and prospective owners that took place in earnest once the road network had been laid out in advance. Individual build units are made up of single detached properties, with larger groups of plots often developed with up to three pairs of semi-detached houses (for example, 4-7 Grange Road) or up to four repeated detached houses (such as 65-69 Carlisle Road). Short terraces at



Picture Ref: 18 (Top Left) 19 (Top Centre) 20 (Top Right) 21 (Bottom)

the eastern end of Carlisle Road (numbers 31-41) relate to the continuation of an architectural style established earlier to the east.

College Campus forms a development unit in its own right, established before the formal layout of the suburb took place and probably forming an anchor from which Carlisle Road and other routes grew. The expansive plot is immediately distinguishable from the finer grained townscape around it. A mixed cluster of detached and attached classrooms, sports facilities and administrative buildings form an identifiable group of educational buildings which are unequally located within the east of the plot and often face internally, refocussing their activity inwards. The set back of buildings from the roadside varies, enabling the movement of pupils within the campus rather than addressing and encouraging movement across the public/private boundary.

Nonetheless, the campus integrates well with the surrounding townscape, with a low overall density of buildings that prioritises the open space of the playing field. The plot is surrounded by low boundary walls, built in flint and brick, with the former emphasising its relative status and non-domestic use. Trees within the inside of the boundary walls similarly contribute to the sylvan street scene. Importantly, the secondary façades of buildings still engage with the street, ensuring a dialogue is retained with the surrounding townscape. Its most notable presence is the broad arcaded façade of the Memorial building, which although distant, faces out of the campus plot across the playing field to its front.

Throughout the area there is a regular and generally low **sense of enclosure** created by the broad streets, set back of buildings, low front boundaries, glimpsed views through the building lines, and long views down streets. However, during summer months, the canopies of trees within gardens and along streets, notably along Carlisle Road, create a more intimate and enclosed feeling.

The interaction of public, college and private spaces across the medium of plots is illustrative of two fundamental drivers that together shaped the character and appearance of the conservation area. On the one hand, high levels of coherence in the spacing and layout of plots, alongside the placement of dwellings within them and the detail of their boundary walls, were subject to close scrutiny by the Duke of Devonshire and his agents. On the other hand, within these strict parameters set out by the Duke, buildings display a degree of individuality in the fabric of the townscape without detracting from the overall coherence of the suburb as a single vision. Greater expression can be observed in the architectural form of buildings (see Element 3).



Picture Ref: 22

5.3. Element 3 – Built Architecture

Key Points

- An identifiable and definable typology of middle class mid-to-late Victorian residential villas, many of which embrace Queen Anne and Gothic revival styles, as well as influences of the Arts and Crafts movement.
- A clear coherence in the scale and massing of buildings, their fenestration, and within the main palette of construction materials. Greater diversity is seen in materials applied for decorative purposes.
- An at times eclectic architectural character of buildings, both between and within build units. Small-scale changes in form and bespoke decoration reflect the plot-by-plot development of the suburb by speculative builders and owners.
- An assemblage of educational buildings within Eastbourne College campus, many of which were designed by Henry Currey, built in the Tudor-revival style. A number are landmark structures, including the Memorial Building.
- The Church of All Saints (1877-1879, rebuilt 1927-1930), is a notable landmark building at the junction of Carlisle Road and Grange Road.

The architectural form, style and detail of buildings in the conservation area is expressive and, of all elements of the townscape, the most illustrative of the individual contributions made by prospective owners and builders, together realising the Duke's overarching vision for a new suburb.

As with the layout and streetscape (Element 1) and the built form and plots (Element 2), the built architecture of the conservation area and wider suburb was controlled to a high degree by the Duke of Devonshire's local agent. With prospective owners along eastern parts of Carlisle Road given licence to build more bespoke properties, the construction of the remainder of the suburb was clearly expected to adhere to a relatively narrower set of design strictures.

Nonetheless, early parts of the suburb built along Carlisle Road (for example, Nos. 31-41) appear to have been largely guided by the classically inspired suburbs already built to the east, suggesting that the style initially remained in favour. The three classically styled buildings are a single build unit comprising a central semi-detached pair of villas flanked by blocks of four terraced townhouses to the east and three to the west. The terraced form or classical style was dispensed with as the suburb spread eastwards, signalling a clear and intentional departure from the then well-established form in Eastbourne.

However, the early classical build unit likely responded to a maximum scale imposed by the Duke and his adviser, dropping to a more modest three storeys, plus garden basement level, from the taller four-and-a-half-storey, plus basement, buildings seen at 1-8 Wilmington Gardens. Later residential properties to the west and north followed suit, with properties in the conservation area ranging from two-and-a-half to three storeys in height to a maximum of four-and-a-half with basements. Exceptions are landmarks in their own right and non-domestic, including the spire of All Saints Church and the central tower of Eastbourne



Picture Ref: 23 (Top) 24 (Bottom)



College's Memorial Building.

The chosen form of buildings was either detached or semi-detached, the latter an emerging form of housing that was to proliferate in late 19th- and early 20th-century suburbs. The overall **massing** of houses is large, with loosely square footprints promoting them as substantial residences fit for their elite inhabitants. The formulaic vertical emphasis of the classical style was substituted for a more horizontal emphasis and diverse, at times asymmetrical, **architectural** form. Buildings, typically on their front façades, frequently incorporate projecting wings, bays and other features including canted bay windows, towers, porches, and oriel windows, as well as complex roof structures.

Frontages are generally highly active, with a moderate-to-low solid-to-void ratio, with facades featuring large amounts of fenestration. Traditional **window** forms and arrangement are generally distinctive of individual build units, but with timber vertical sliding sashes, prevailing usually with large single panes below multiple-paned upper sections. **Doorways** are irregularly positioned, located either to the side or centrally within the façade. A shared characteristic is of ornate doorway detail and construction, with most featuring porches, glazed atriums, or verandas.

Roof structures mirror the complexity of the facades beneath, commonly presenting multiple ridge lines and projections. Dormers, cross-gables, and double-pile arrangements all feature, with multiple gable ends facing onto the street a common characteristic. This is particularly evident in corner buildings, which take advantage of their double frontages.

Individual houses define themselves through variation in finer detail and decoration. Bespoke arrangements are adopted from one build unit to the next, with the 'Victoriana' styles of the late 19th century eclectically expressed through a compendium of decorative features.

In terms of architectural style, classicism is rare, with an

Picture Ref: 25 (Top Left) 26 (Top Right) 27 (Bottom Left) 28 (Bottom Right)

often-eclectic mixture of Gothic Revival, Queen Anne, and Arts and Crafts prevailing. However, a few notable classical features are included on the eclectic houses, such as the pedimented bay windows seen in Grassington Road.

Many **architectural features** are likely to have been sourced from pattern books at the time, but some are clearly bespoke. Decoration is applied to both the front façades of houses but equally to their roofscape. On front elevations, and to a lesser extent to the sides, features include string courses, dentilated eaves and diapering. **Roofscapes** commonly include multiple chimneys, often of ornate construction, some with moulded brick, and featuring terracotta or cast-iron chimney pots, and projecting high above the roof line. Ridge tiles and finials are also common. Eaves are often deep, and prominent through large bargeboards with brackets, framing and mouldings.

Greater individuality is often seen in the creative use of standard materials such as the arrangement of tiles in dormers and carved stonework. However, some elements such as stained-glass windows and moulded bargeboards are clearly bespoke commissions intended to elevate the status of buildings from their partners and give them a competitive edge.



Picture Ref: 29

Outside of some smaller-scale bespoke features, the material palette of construction materials is limited, probably at the behest of the suburb's designers and patron. Three materials – red brick, sandstone and flint – form a distinctive palette, with most buildings featuring at least two through decoration and detail. All buildings have load-bearing walls of red brick, with a select number using flint nodules, but likely only as a cladding to inner brick structures. Sandstone is often used for lintels and openings, but rarely in walling.

Houses within build units share a common material construction and plan form, bringing a degree of coherence to short stretches of the townscape. Buildings remain differentiated through modulations to their façade or roofscape, such as the use of gabled dormers in place of a gable end, the substitution of a canted bay for a rectangular



Picture Ref: 30

version, and often the symmetrical flipping of the plan form (for example, numbers 2-7 Blackwater Road). Individuality was clearly a premium and a key component of the commercial offer, if not the Duke's vision.

The overall effect is of a highly diverse and intriguing residential street scene that comprises a gallery of buildings constructed using similar techniques and materials, executed to individual effect within an identifiable typology.

Non-residential buildings express their relative status through clear differentiations from the design of domestic houses.

All Saints Church is of a Gothic Revival style, having been rebuilt entirely in the 1930s following the destruction of the original church by fire. Built entirely of coursed and rusticated stone, its materiality marks it apart from the brick



Picture Ref: 31

villas and affords it a singular status within the area. The church features an interesting spire at its western façade featuring a tall pyramidal roof, spirelet, and angle buttresses.

Traditional educational buildings in Eastbourne College share some characteristics with their residential counterparts. They are built of brick with stone or flint accents, and are generally two to three storeys in height, with the notable exception of the Memorial Building tower. Buildings are, however, notably broader in scale and offer up fewer doors to their frontages, emphasising the educational space within. The degree of decoration is also more controlled, with many buildings formed around a

Tudor revival style that was extrapolated from the School House, facing onto Blackwater Road, the earliest building and one designed by the suburb's architect Henry Currey. Other key traditional buildings within the campus include the **Memorial Building** (1830), spanning fifteen bays featuring oriel windows and a prominent central tower, the Warden's House, and the chapel amongst other distinctive 19th and early 20th-century buildings. The college campus has gradually expanded in its surroundings, taking in former domestic buildings for conversion to boarding houses, offices and other facilities. Consequently, the clear functional delineation between the suburb and the school has been somewhat blurred.



Picture Ref: 32



Picture Ref: 33



Picture Ref: 34



Picture Ref: 34

6. Change

Since its development, the conservation area (and the suburb at Lower Meads more broadly) has undergone a relatively modest degree of change, with many of the key elements of its special architectural and historical interest surviving with good levels of integrity. Nonetheless the area's character and appearance has partially evolved through a process of gradual cumulative change, the principal drivers for which have been:

- Changes in prevailing building practices and materials, notably the replacement of traditional windows and doors with modern alternatives, often uPVC.
- The rapid rise in car ownership over the 20th century precipitating the removal of parts of traditional front boundary walls, street trees, street furniture, street surfacing, and the resurfacing of garden forecourts to provide off-street parking.
- Change of use of historic residential properties, requiring the subdivision and extension of houses for multiple occupancy, either as flats, nursing homes or for use as college boarding houses.
- Extensions to traditional properties to create added floorspace, including rear extensions into the large garden plots, and to a lesser degree, side extensions infilling gaps between buildings. Extensions have generally attempted to resonate with the prevailing architectural character of the area, with some more successful than others. Modern developments around the junction of Carlisle Road and Granville provide good examples of both outcomes.

Within the setting of the conservation area, change has also included the redevelopment of historic plots for modern multi-storey apartment blocks. Prominent corner plots that face into the conservation area, for example, the southwest corner of Carlisle Road and Granville Road, have been susceptible to this change. A degree of new development

has occurred within what were once open spaces within the suburb, leading to a relative increase in density, and a new and distinct architectural form. Notable are those which occupy corner plots that were once part of large gardens associated to adjacent villas, for instance the southwest corner of Granville Road and Carlisle Road, and the corners of Silverdale Road with Granville Road and Grange Road. There are growing trends for the demolition and rebuilding of traditional properties, some attempting to mirror the character and appearance of the suburb, others taking a more bespoke approach. Further afield, large post-war tower blocks on the raised ground to the south are now relatively prominent, terminating long vista views along the north-south aligned roads.

7. Legislation and Policy

The prevailing legislation for conservation areas is the **Planning (Listed Buildings and Conservation Areas) Act 1990**, with Part II, Sections 69 through 80 of most relevance.

Section 69 (1a) and (1b) empowers local authorities to determine which parts of their area are of special architectural or historic interest, the character and appearance of which it is desirable to preserve or enhance, and to designate those areas as conservation areas.

Section 69 (2) establishes a duty on the local planning authority to periodically review past exercises in the identification and designation of conservation areas to determine whether existing areas and/or further areas warrant continued or new designation. Section 71 (1) establishes the duty of a local planning authority to periodically formulate and publish proposals for the preservation and enhancement of any parts of their area which are conservation areas. This conservation area appraisal fulfils obligations under Section 69 (2) and, in conjunction with the management plan, Section 71 (1) in respect of College Conservation Area.

Section 72 (1) establishes a duty on the local planning authority in the exercise of planning functions to pay special attention to the desirability of preserving or enhancing the character and appearance of a designated conservation area, with respect to any buildings or other land.

Sections 74 through 76 establish control of demolition within conservation areas, with planning permission required for demolition of most buildings, with some exceptions (see Section 71 (1)).

Urgent works can be carried out under Section 54, with the authority of the Secretary of State, relating to buildings in conservation areas that are not listed.

Notification must be given of felling, lopping and topping of trees, to enable a TPO to be served. Section 211 of the Town and Country Planning Act makes it an offence to carry out works to trees in conservation areas in contravention of the controls.

Sections 77 through 80 enable provision of grants and loans towards the preservation or enhancement of the character or appearance of a conservation area.

Conservation areas may include other forms of designated heritage assets such as listed buildings, scheduled monuments, and registered parks and gardens with respective legislative controls to be considered. For instance, Section 66 of the 1990 Act places a statutory duty on local authorities to have special regard to preserving the special architectural and historic interest of listed buildings and their setting.

7.1. National Policy

National government policy is set out in the National Planning Policy Framework (NPPF).

Section 16 engages with conserving and enhancing the historic environment. An expectation is placed on local planning authorities to ensure conservation areas justify such status because of their special architectural or historic interest, and the concept of conservation is not devalued through the designation of areas that lack special interest. Paragraph 200 states that local planning authorities should seek opportunities for new development within conservation areas which would enhance or better reveal their significance, and that proposals that preserve those elements of the setting that make a positive contribution to an asset (or which better reveal its significance) should also be treated favourably. Paragraph 201 highlights that not all elements of a conservation area will contribute to its significance, and that the loss of a building (or other element) which makes a positive contribution should be treated either as substantial or less than substantial harm as appropriate, considering the relative significance of the element affected and its level of contribution.

Section 12 engages with achieving well-designated places, including emphasis on the need for planning policies and decisions to ensure that developments “... are sympathetic to local character and history, including the surrounding built environment and landscape setting, while not preventing or discouraging appropriate innovation or change (such as increased densities)” (127 (c)).

The NPPF is supported by further advice in the National Planning Practice Guidance and by a range of guidance published by Historic England including:

- Conservation Area Designation, Appraisal and Management (2016)
- The Setting of Heritage Assets (Revised 2017)
- Managing Significance in Decision-taking (2015)
- Conservation Principles (2008)

7.2. Local Policy

Local government policy is set out in the Eastbourne Core Strategy Local Plan, adopted in 2013, and establishes the key direction and planning framework for Eastbourne. It provides the strategic policies which, alongside the saved policies of the Eastbourne Borough Plan (2003), are used to determine planning applications.

Conservation Areas feature in Key Spatial Objective 9, which seeks to ensure high standards of design and development throughout Eastbourne.

Policy D10 establishes the overarching presumption in favour of protecting and/or enhancing significant heritage assets, where practicable, from inappropriate change in relation to both designated and non-designated heritage assets.

Policy D10 states that development within conservation areas will be permitted if:

- i. it preserves or enhances the character, setting and appearance of the area;
- ii. it does not involve the loss of important features which contribute to the character of the building itself or wider area;
- iii. its form, bulk, scale, height, massing, materials and function of the development are appropriate to the development site and surrounding buildings, spaces and views;
- iv. it does not involve all or the partial demolition of a building or feature which positively contributes to the character of the area, unless it can be demonstrated to be wholly beyond repair, incapable of beneficial use or is inappropriate to the character of the area.

8 Glossary

This glossary contains definitions for most of the terms **highlighted in bold** used within this report.

Aspect

The direction which a building element, such as a façade, faces (e.g. north, east, south or west).

Building line

The line formed by the frontages of buildings along a street.

Build unit

A unit of development formed of buildings constructed at the same time and most often by the same builder/developer. Usually with a shared or very similar scale, form and massing.

Building plot

A defined piece of land within which a building or buildings are constructed, including the building itself, exterior and ancillary spaces (gardens, yards etc.), and the plot boundary.

Density

The number of buildings in any given area of land, and the percentage of that area taken up by those buildings' floorspace.

Development unit

A developed area envisaged, designed, and often (but not always) delivered as part of a unified scheme. For instance, a planned-out suburb would constitute one development unit, even if multiple builders/developers have been responsible for the construction of individual buildings within.

Fenestration

The arrangement of windows and window decoration on a façade.

Form

The combination of the layout (structure and urban grain), density, scale (height and massing), appearance (materials and details) and landscape of development.

Frontage

The area between the front-of-plot boundary and the front of the principal building within the plot. May also include the front façade of the building.

Grain

The pattern of the arrangement and size of buildings and their plots in an area; and the degree to which an area's pattern of urban blocks is small or large, and regular or irregular.

Landmark building

A building or structure that stands out from its background by virtue of height, size or some other aspect of design, granting it prominence or dominance, and in turn acting as a useful aid for navigation within an area.

Massing

The three-dimensional form of a building or group of buildings, the combined effect of the height, bulk and silhouette.

Material palette

The form and arrangement of materials (e.g. brick, stone, timber etc.) used for both construction and decoration within buildings.

Roofscape

The design, composition and materials of roofs and roof elements (e.g. dormer windows, bargeboards, chimneys etc.) in an area.

Scale

The impression of a building when seen in relation to its surroundings, or the size of parts of a building or its details. Sometimes it is the total dimensions of a building which give it its sense of scale, at other times it is the size of the elements and the way they are combined.

Sense of enclosure

A sense of defined space often formed by buildings and building lines enclosing a definable area.

Setback

The distance from the front of a building to the pavement or roadside.

Short-range views

Views which are enclosed or terminated by a visible discernible feature.

Solid-to-void ratio

Within a façade, the relationship between the voids (e.g. the window and door openings) to the solid (e.g. proportion of the façade that comprises a blank or solid wall).

Street furniture

Structures in and adjacent to the highway which contribute to the street scene, such as telephone and letter boxes, seating, lighting, railings and signage (etc.).

Street hierarchy

The local arrangement of different scales and categories of roads, encompassing major highways down to local lanes.

Urban block

An area fully enclosed by streets, usually containing buildings, particularly evident in highly planned areas

Vista views

An enclosed view, usually a long and/or narrow one.

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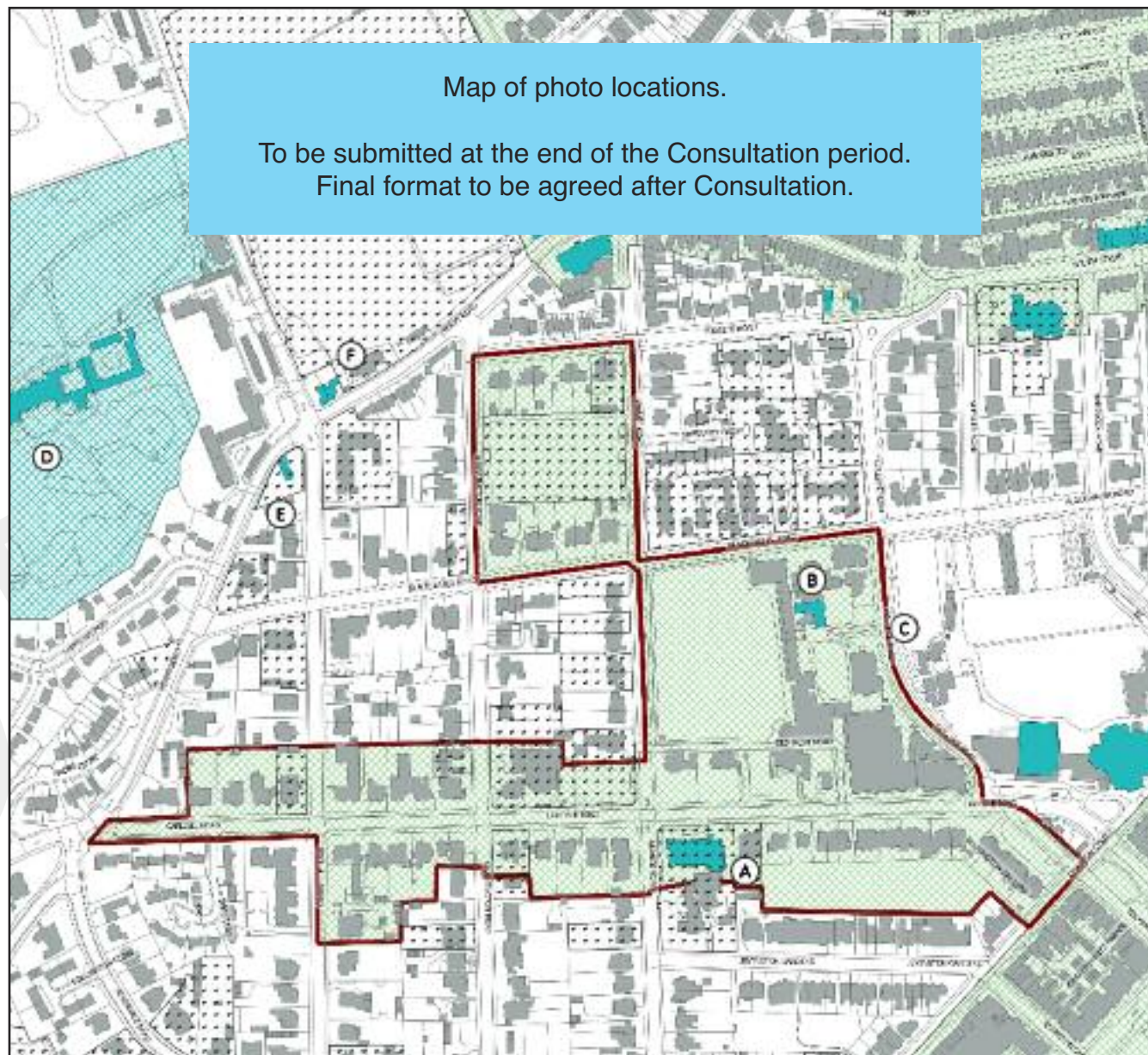
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10 Addendum Review of the College Conservation Area Designation and Management Framework

Background

This document is an addendum to a review of the College Conservation Area (C-CA) undertaken by Locus Consulting in October 2018 on behalf of Eastbourne Borough Council (EBC), exploring potential alteration to the existing C-CA boundary. The review provided an objective evaluation of levels of special architectural and historic interest in proximity to the C-CA, identifying candidate areas for expansion. This document gives a subsequent recommendation relative to these candidate areas, provided following discussions between Locus Consulting and EBC Officers on 12th November 2018. A public consultation was held between 14th February and 28th March 2019. 19 responses were received, all in support of extending the C-CA boundary. EBC officers reviewed the suggestions received for further extension and, of these, Jevington Gardens was assessed as meeting the criteria for inclusion within the C-CA boundary.

Recommendation

The proposed extension area includes plots adjacent to the following roads (either wholly or in part):

- Blackwater Road
- Grassington Road
- Grange Road
- Granville Road
- Silverdale Road
- Meads Road
- Fairfield Road
- Beristede Close (see Notes)
- Jevington Gardens

The existing and proposed C-CA boundary are mapped in Figure 1.

Recommended areas of extension were deemed to exemplify those architectural and historical elements that combine to create the special character and appearance of the existing C-CA, sharing characteristics including (but not restricted to):

- A coherent ‘planned’ urban morphology, laid out within a designed townscape in the late 19th century, and representing an early example of Victorian (sub)urban development.

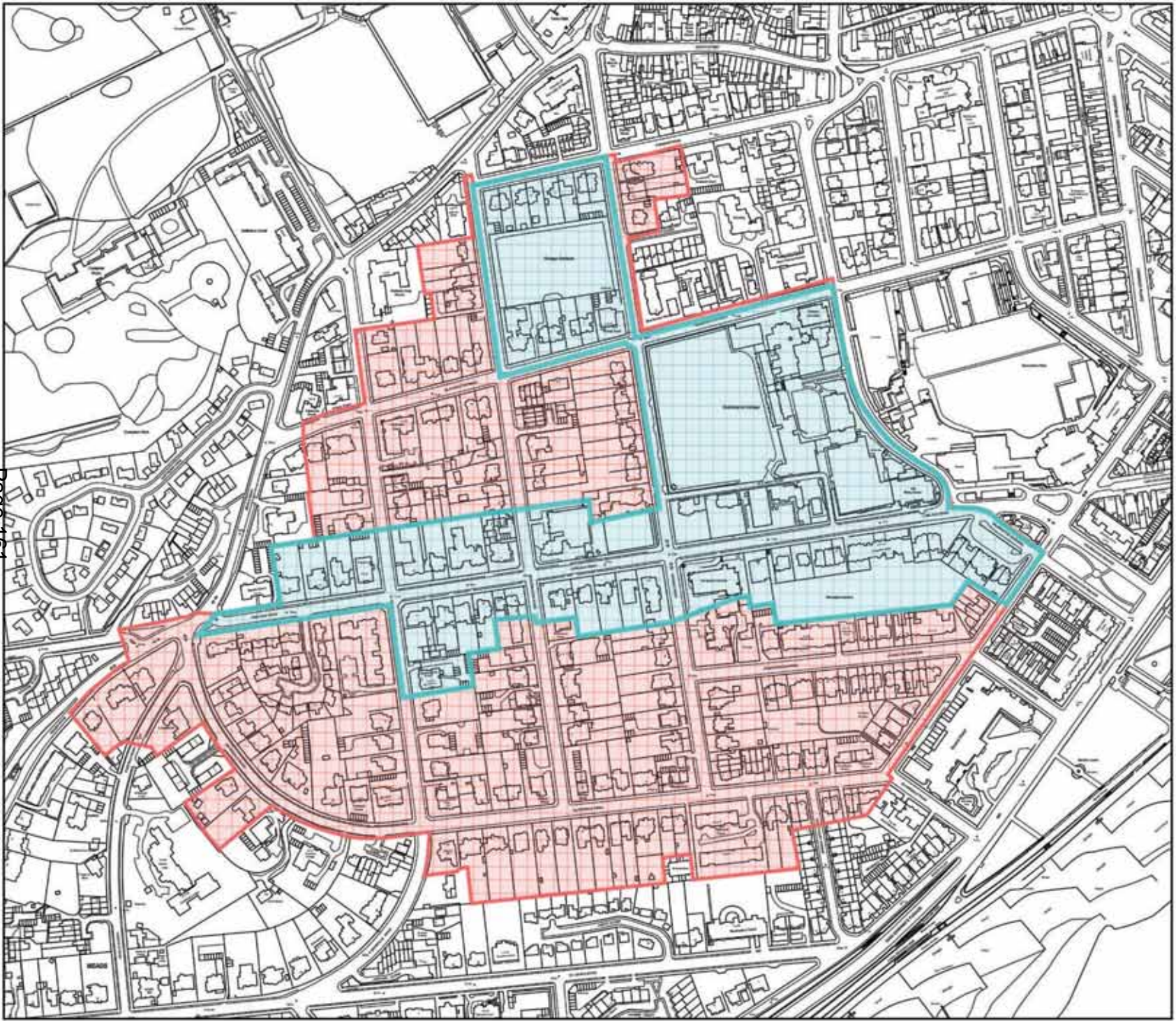
and/or

An association to the development and operations of Eastbourne College since the 19th century.

- Large detached and semi-detached villas ornately designed using architectural form and materials distinctive of middle- and upper-class domestic architecture in the region during the late Victorian era.
- A sylvan character created by mature street trees and planting within large domestic gardens.
- Long views created by the highly linear, ‘grid iron’ street pattern.
- Wide streets with traditional public realm including street furnishings and surfacing.
- Boundary walls of flint, brick and stone.

Notes

- Beristede Close and a number of plots located to the south of Carlisle Road towards and at the corner of Granville Road do not represent an area of special interest, nor do these buildings reflect the character and appearance of the existing C-CA. They are however surrounded by areas that are strong candidates for expansion. The conservation area appraisal for a revised C-CA should ensure this absence of special interest is noted.



College Conservation Area Boundary Review September 2019



Conservation area as of
September 2019



Prospective conservation
area boundary

Produced by



for Eastbourne Borough Council



Working in partnership with **Eastbourne Homes**

Report to:	Cabinet
Date:	16 September 2020
Title:	Improving recycling – public consultation
Report of:	Tim Whelan, Director of Service Delivery
Cabinet member:	Councillor Jonathan Dow, Cabinet Member for Climate Change
Ward(s):	All
Purpose of report:	To introduce a public consultation exercise on potential adaptations to the waste and recycling collection service in order to improve the town’s recycling rate and to contribute to meeting carbon reduction and financial objectives.
Decision type:	Key
Officer recommendation(s):	That Cabinet– (1) Agrees to officers working on potential adaptations to the waste and recycling collection service to meet challenging national and local recycling targets, to reduce the carbon emissions associated and contribute to meeting financial challenges (2) Approves the proposal to consult with residents through autumn 2020 on those potential adaptations (3) Invites officers to bring service change proposals and resident responses to Cabinet for consideration, early 2021
Reasons for recommendations:	The UK Government’s ambitions for higher recycling rates and increased resource efficiency, alongside helping to meet challenging local financial and carbon reduction objectives.
Contact Officer(s):	Name: Jane Goodall Post title: Strategy and Partnership Lead, Quality Environment E-mail: jane.goodall@lewes-eastbourne.gov.uk Telephone number: 01323 415383

1 Introduction

1.1 The Environment Bill, reintroduced to Parliament on 30 January 2020, includes

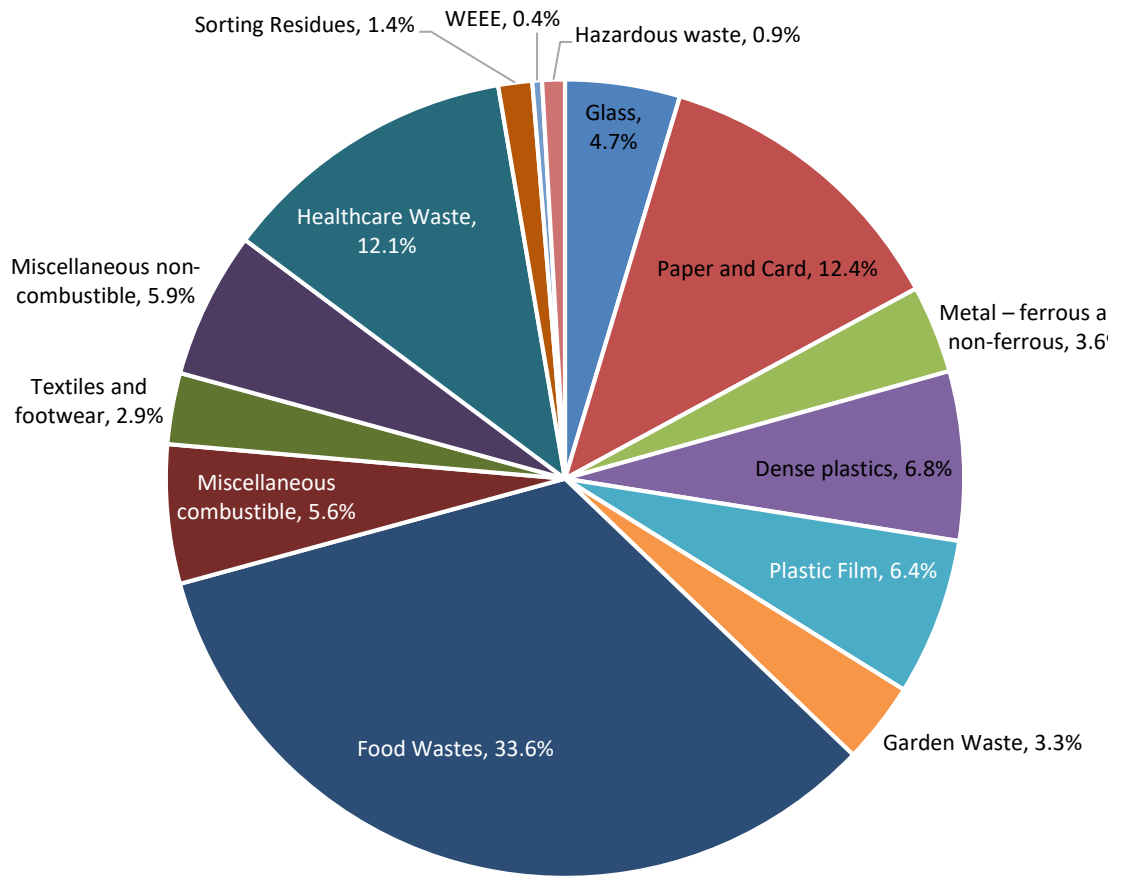
ambitions for higher recycling rates and increased resource efficiency, including the possible future requirement for food waste collections. Such ambition has significant implications for local government waste collection authorities.

- 1.2 The national recycling target for household waste this year is 50%, increasing to 65% of waste recycled by 2035, at a time when rates across the country have plateaued.
- 1.3 The percentage of household waste which has been sent by Eastbourne Borough Council for reuse, recycling and composting:
 - Provisional rate for 2019/20: 34.88%
 - 2018/19, confirmed as: 35.2%
- 1.4 In common with every other local authority at this time, we face significant financial challenges as a result of the Covid-19 pandemic.
- 1.5 This report marks the formal start of a work programme designed to support Eastbourne to meet the challenges of improving recycling performance within the current financial context and puts forward an approach for consulting with the public over likely future changes, with an emphasis on understanding what issues they may present for residents and how the council can help mitigate them.

2 Background

- 2.1 Broadly, the 'interventions' to improve recycling performance fall under the following: resident engagement, crew behaviour and changes to collections.
- 2.2 The council's waste collection service is provided by South East Environmental Services Ltd (SEESL), as Environment First. Collection frequencies are: weekly waste, fortnightly recycling and fortnightly paid-for garden waste.
- 2.3 Since July 2019, Environment First has been performing well (for example, missed bins reduced from 163 in July 2019 to 111 in July 2020) and EBC offers an extra recycling container to households as required.
- 2.4 Nevertheless, recycling performance has stalled; see Appendix 1, Waste and recycling performance.
- 2.5 From the waste composition analysis carried out on behalf of the East Sussex Joint Waste Partnership in June 2017, there is strong evidence that recyclable material is still in the residual waste stream (see Figure 1 and background papers, report to Scrutiny, 3 February 2020). According to this analysis, over a quarter of the residual waste collected in Eastbourne could have been recycled at the kerbside.

Figure 1: Overall composition of residual waste in Eastbourne



- 2.6 A further complexity is the relatively high level of contaminated (or ‘prohibitive’) material in Eastbourne’s dry mixed recycling. In June 2020 ‘prohibitive’ content accounted for 7.33% of the mix. ESCC has set the contract specification tolerance at 10%. Contaminants include textiles and food which affect the quality and value of the collected recycling.
- 2.7 Quality checks are undertaken as part of the collection service and 225 recycling bins were logged as contaminated by our crews in June 2020. When this happens, the householder is required to remove the offending material from the receptacle before the next collection. Nevertheless, the levels of contamination continue to be a challenge.
- 2.8 Resident information campaigns are engaging and ‘how to recycle’ is regularly promoted. See Appendix 2 for examples of communications from Environment First.
- 2.9 Other measures have included tidying up bring sites and educating residents, for example those living in HMOs (houses in multiple occupation), with the aim of reducing fly-tipping, reducing contamination and increasing recycling.

2.10 Changing collection frequencies

The majority of local authorities have moved to alternate weekly collections (AWC) - i.e. one week waste the next week recycling, or in some cases to three or four weekly collections of refuse, in order to achieve optimised rounds and to influence residents' behaviour in how they sort their waste for collection, with a result that dry mixed recycling increases.

Table 1: A summary of the proportion of Waste Collection Authorities in England, Wales, and Scotland providing residual waste collections less frequently than every week. This is based on 2018/19 data provided by local authorities to WRAP (the Waste and Resources Action Programme). No data were available for Northern Ireland.

Region (No. WCAs recorded)	WCAs offering weekly residual to all premises	WCAs offering 2-weekly residual collections	WCAs offering 3-weekly residual collections	WCAs offering 4-weekly residual collections
England (307)	23%	75%	2%	0%
Scotland (32)	0%	84%	13%	3%
Wales (22)	0%	77%	23%	0%
TOTAL (361)	19%	76%	4%	0%

2.11 Within the South East of England, just 20 out of 67 authorities (less than 30%) still offered weekly residual waste collections across their area in 2018/19. Since that time even more authorities have been moving toward less frequent collections of residual waste (locally, Adur and Worthing moved to AWC last year).

2.12 Proposal

This report sets out the approach to consult with residents through the autumn on plans for an adapted waste and recycling collection service, beginning Monday 28 September 2020. The purpose is to ensure residents receive a fit for purpose service and obstacles to improving recycling are identified and mitigated before any changes are made.

2.13 Next steps

The next step for the operational service is to refine potential adaptations to waste and recycling collections to meet challenging recycling and financial targets.

3 Outcome expected and performance management

- 3.1 The council seeks to achieve an inclusive approach to communications and engagement that informs residents about the value of recycling properly and ensures that the preferred operational service model is a good fit for Eastbourne.
- 3.2 This report recommends a communications and engagement approach designed to improve residents' understanding of our mission and to improve the council's understanding of impacts of service changes on residents.
- 3.3 In tandem with this public consultation exercise, the collection service will be redesigned to lead to optimised rounds and improved recycling for Eastbourne. Some authorities provide two, three, or four weekly collections to many of their residents, while still offering weekly collections to a limited number of premises, e.g. town centres, areas prone to ASB or other issues.
- 3.4 The business case will be developed through the autumn to demonstrate financial efficiencies associated with proposed operational changes.
- 3.5 The potential to reduce carbon emissions associated with the waste and recycling service will also be clearly demonstrated as part of this process, see Appendix 3: Carbon emissions, fleet.

4 Consultation

- 4.1 The purpose of the consultation exercise is to identify the issues and obstacles for all residents, including those who may need assisted collections.
- 4.2 The improvements likely to be under consideration would be a big change for residents and while some will welcome the increased recycling, residents may also have questions or concerns. The purpose of the proposed consultation would be to better understand how potential changes would affect residents and what the council might need to put in place to help residents under the new arrangements.
- 4.3 It is proposed that a public consultation be carried out for twelve weeks beginning Monday 28 September. An online survey would be provided for residents to structure their feedback and an offer will be made to mail paper copies of the survey to those without internet access. The survey and consultation information will also be offered in alternative formats in-line with the Equality Act 2010 provisions around providing reasonable adjustments to those with protected characteristics.
- 4.4 A comprehensive frequently asked questions document will be made available which will be added to throughout the consultation. The purpose of this is to provide as much information as possible and be transparent about the implications of the changes.
- 4.5 The consultation will be widely publicised through all of the council's

communications channels and directly with partners and internal stakeholders.

5 Corporate plan and council policies

- 5.1 The council has committed to making the town carbon neutral by 2030. Optimising waste collection operations to reduce fleet mileage would contribute to a lower carbon footprint and improved air quality in Eastbourne.
- 5.2 The 'Eastbourne Carbon Neutral 2030 – A Plan for Action' climate change strategy (due November 2020) vision for waste is: 'We have a clean town that enables residents and visitors to reduce waste, our recycling rates put us in top 25% of authorities nationally and we have reduced non-recyclable waste'.
- 5.3 A key performance indicator is to 'increase the percentage of household waste sent for reuse, recycling and composting'.

6 Business case and alternative option(s) considered

- 6.1 The proposed consultation is part of the process to evaluate options.
- 6.2 The business case relating to changes in the collection service will be developed through the autumn.

7 Financial appraisal

- 7.1 The Environment Bill has some significant financial implications (food and garden waste) and it is not yet understood how any new requirements will be supported financially by central government.
- 7.2 For the purposes of this report, the direct financial and resource implications of the public consultation and engagement exercise are: printing costs (no more than £200); room hire, if required for a public meeting (between £344- £1,160 per day); and officer time.

8 Legal implications

- 8.1 The legal framework for consulting on potential changes to waste and recycling collections is governed by common law principles and relevant best practice and guidance. The potential impact of waste collection changes gives rise to an implied duty to consult over proposals. The key requirements of the consultation are that–

- It takes place while proposals are still at a formative stage
- It contains sufficient detail and explanation to enable consultees to understand the proposals and therefore to respond on an informed basis
- Consultees are given sufficient time to consider the proposals and respond
- The product of consultation are fed into the decision-making process, i.e. Cabinet must have due regard to responses before determining the future policy on collections

As the proposals are likely to affect every household and, if implemented, may require householders to change their approach to waste, best practice suggests that consultation should last 12 weeks, to enable consultees to consider the implications in full and formulate their responses.

Lawyer consulted 21.08.20

Legal ref: 008233-JOINT-OD

9 Risk management implications

- 9.1 This report is strategic in nature. It is noted that there are reputational risks associated with not achieving the target recycling rate of 50%.

10 Equality analysis

- 10.1 The purpose of the consultation exercise is to identify the issues and obstacles for all residents, including those who may need assisted collections. Alternative formats, including paper copies of the consultation, will be available upon request. Equality monitoring questions (in line with the council's equality monitoring policy) will be included as part of the survey.

An Equality & Fairness Analysis will be undertaken alongside the public consultation and completed by the time this matter is returned to Cabinet in early 2021.

11 Environmental sustainability implications

- 11.1 Eastbourne Borough Council aims to minimise waste and to recycle or reuse as part of a circular economy approach to tackle the climate and nature emergency.
- 11.2 The treatment and disposal of waste accounts for 2% of the borough's carbon footprint as calculated using the Scatter methodology, this amounts to around 9,300 tonnes of carbon dioxide equivalents emitted during 2017.
- 11.3 Increasing the recycling rate and optimising waste collection operations to reduce fleet mileage would contribute to a lower carbon footprint in Eastbourne.

12 Appendices

- Appendix 1 – Waste and recycling performance analysis
- Appendix 2 – Examples of comms and engagement
- Appendix 3 – Carbon emissions, fleet

13 Background papers

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

- The Environment Bill
<https://www.gov.uk/government/publications/environment-bill-2020/30-january-2020-environment-bill-2020-policy->

[statement#:~:text=The%20Environment%20Bill%20enables%20greater, and%20with%20relevant%20public%20bodies.](#)

- <https://www.circularonline.co.uk/news/government-to-set-legally-binding-targets-to-help-build-back-greener/>
- Scrutiny report 3 Feb
- SEESL Board report March 2020

Waste & Recycling Analysis

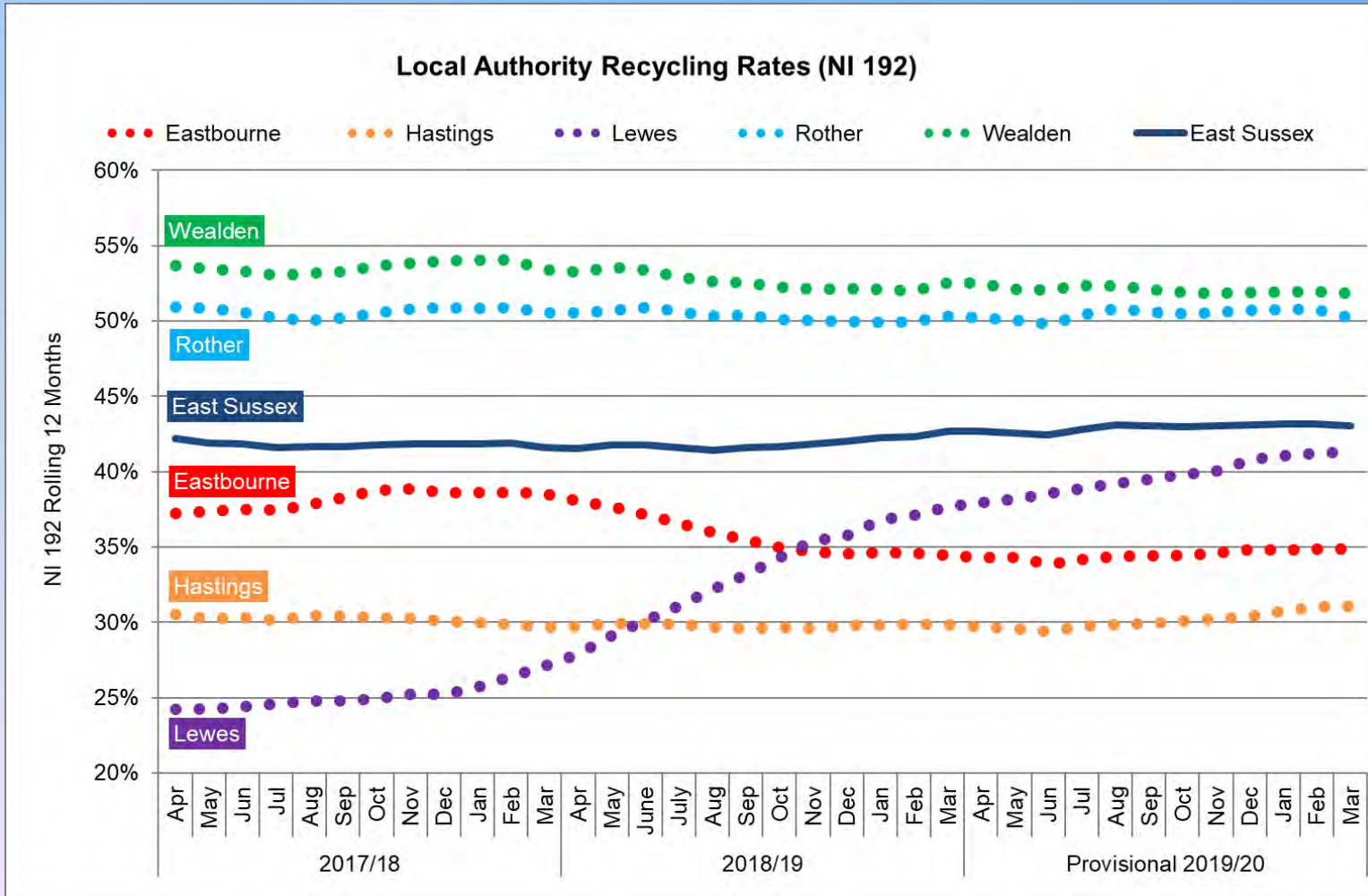
Eastbourne Borough Council

Produced 29 July 2020



NI 192 Recycling Rate

Provisional Outturns up to March 2020



NI 192 outturns are provisional until confirmed by Defra in November 2020

Waste Tonnages

Selected waste stream	2017/18	2018/19	2019/20
Dry mixed recycling	7,557	7,403	7,122
Garden waste	5,715	3,657	3,945
Residual black bag	21,751	21,525	21,475
All residual including streets	23,035	22,608	22,694
Total household waste	37,207	34,527	34,841
Total municipal waste	37,207	34,635	34,962

The tonnages above do not include waste and recycling deposited at the County Council's household waste recycling sites.

Comparison with Nearest Neighbours (2018/19)

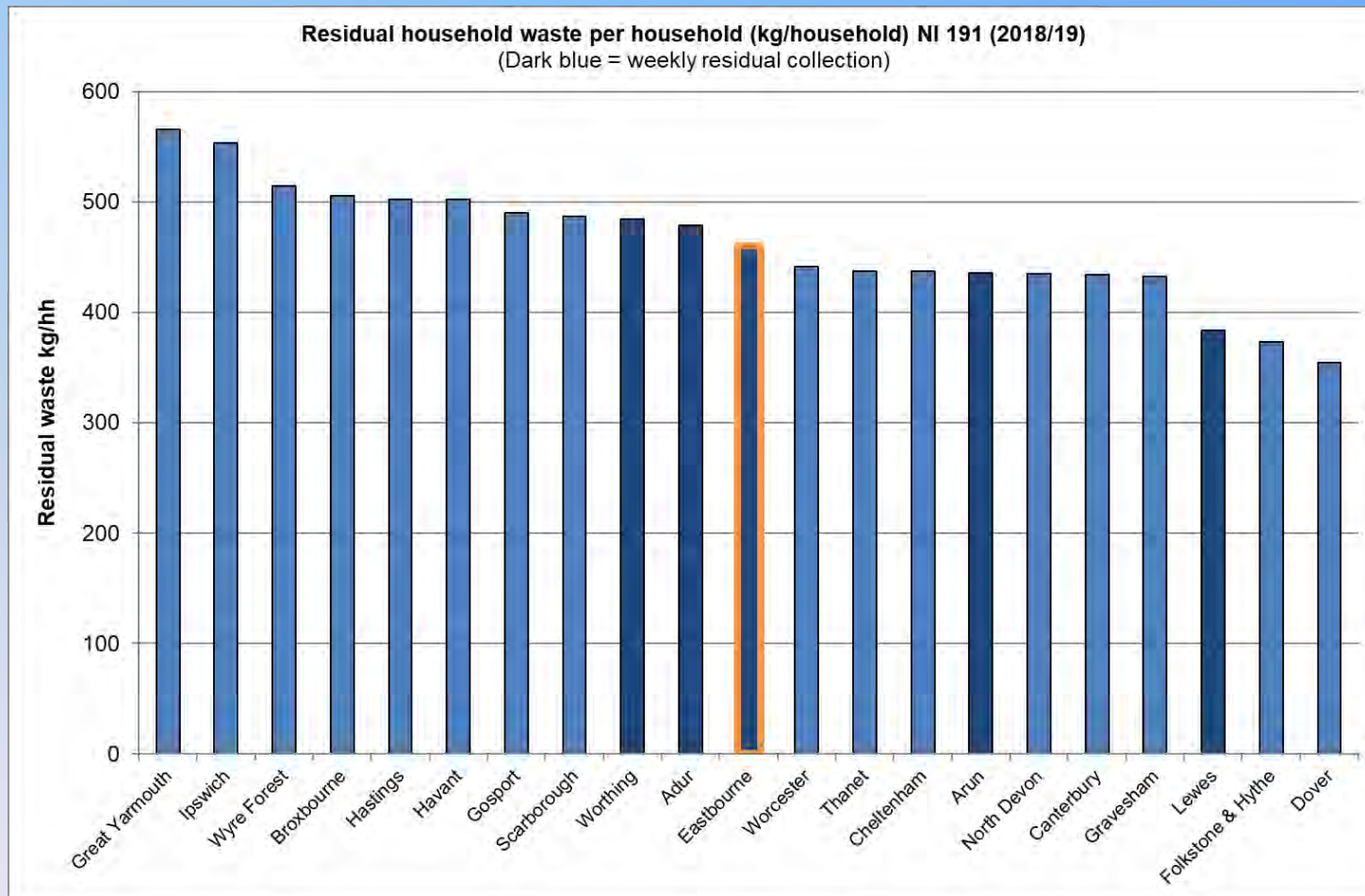
2018/19	Residual household waste per household (kg/household) (NI 191)	Percentage of household waste sent for reuse, recycling, or composting (NI 192)	Collected household waste (kg/person) (BVPI 84a)
Eastbourne	460	35.2%	335
East Sussex	560	43.3%	440
Nearest neighbours average	463	38.4%	341
England average	537	43.5%	n/a

The [CIPFRA Nearest Neighbour Tool](#) enables local authorities with similar geographic, demographic and economic characteristics to be identified. This is used to make benchmarking fairer by only comparing Eastbourne Borough Council against other similar organisations.

For Eastbourne Borough Council, the 20 nearest neighbours are Adur, Arun, Broxbourne, Canterbury, Cheltenham, Dover, Folkstone & Hythe, Gosport, Gravesham, Great Yarmouth, Hastings, Havant, Ipswich, Lewes, North Devon, Scarborough, Thanet, Worcester, Worthing and Wyre Forest.

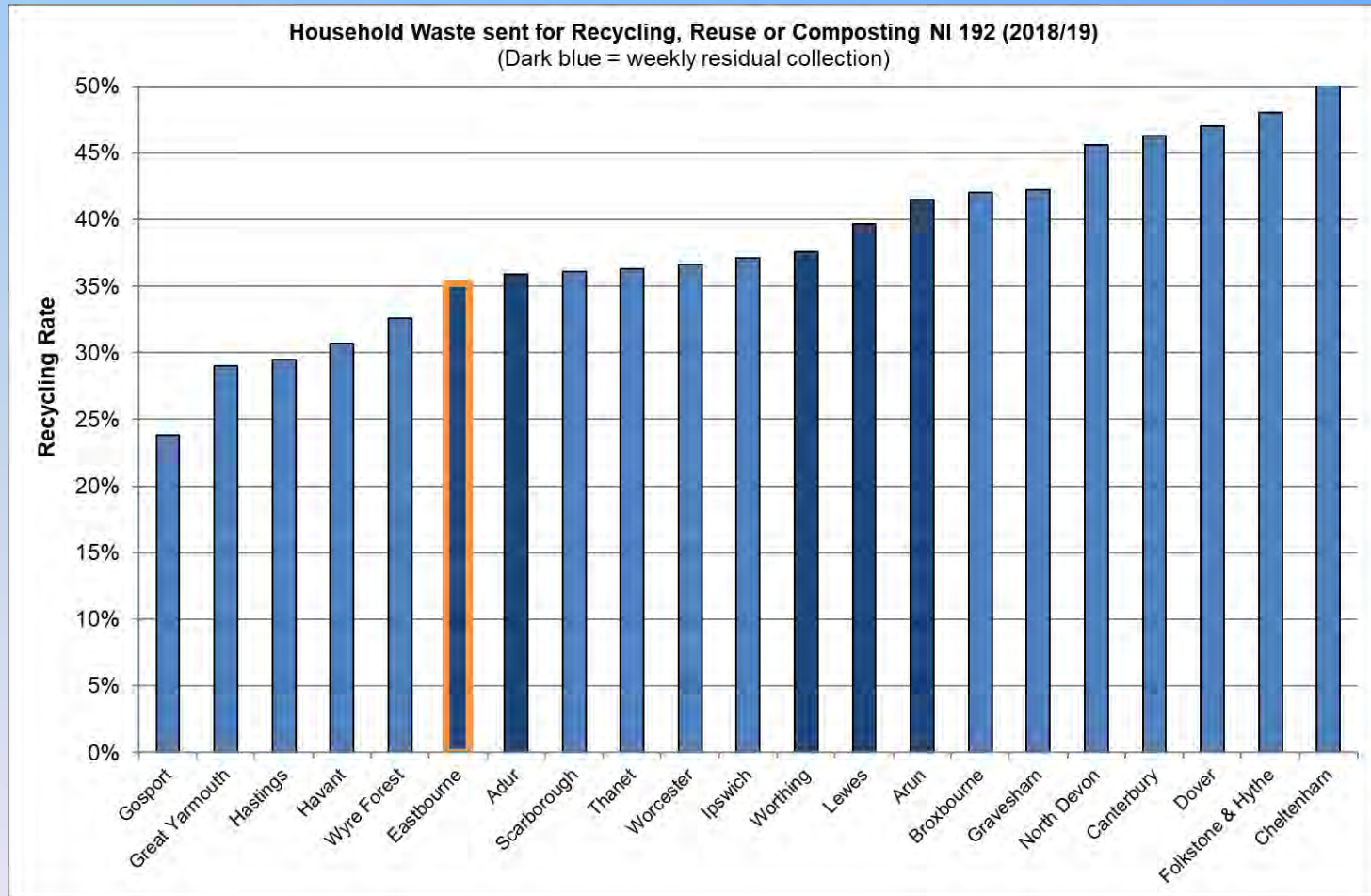
Nearest Neighbour Comparison

NI 191 Residual Waste per Household 2018/19



Nearest Neighbour Comparison

NI 192 Household Waste Recycling Rate 2018/19



Appendix 2: Examples of waste communications in Eastbourne

New waste service branding as of June 2019



Helping Eastbourne
waste less and
recycle more



Launch publicity



Borough-wide waste calendars, distributed November / December 2019



What goes into my Recycling bin?

Please put items in clean, dry, squashed and unbagged

Yes please:

- Glass bottles and jars - please rinse and recycle lids separately.
- Paper including newspapers, magazines, catalogues, telephone directories, Yellow Pages, envelopes with or without windows, junk mail, office paper, greeting cards, wrapping paper (not metallic foil, books).
- Shredded paper (in clear bags please).
- Cardboard (flattened).
- Food tins and drink cans (rinsed).
- Aluminium foil and trays (clean).
- Aerosol cans (empty but not paint, fertilizer or weed killer cans or sprays).
- Plastic bottles rinsed and squashed with lids put back on including bleach and cleaning bottles.
- Plastic pots, tubs and trays including yoghurt pots, ice cream tubs, margarine containers and food trays.
- Plastic bags and sacks (not black ones).
- Plastic film including magazine wrappers and tape-off food trays.
- Plastic packaging for example from bathrooms or toys.

No thanks:

- Refuse if your bin is full, you can take any extra refuse to the Household Waste Recycling Site.
- Bottles such as clothes and shoes.
- Food waste and garden waste.
- Black plastic bags and sacks.
- Woolies and other sanitary waste.
- Food and drink cartons such as Tetra Pak.
- Batteries and electrical equipment.
- Polystyrene and bubble wrap.
- Hard plastics such as toys, plant pots.
- CDs, DVDs and their cases.
- Foil-lined plastic pouches and bags like crisp packets.
- Toothpaste tubes and medical blister packs.
- Clap nets.
- Pyrex or ovenproof glassware and drinking glasses.
- Cookery.
- Window panes, mirrors, light bulbs, scrap metal, sand, wood, tyres and building materials.
- Wet paper and card.
- Bottles, cans or aerosols that have contained toxic or hazardous chemicals.
- Oil or pesticide containers.

Your collection day for 2020 is

FRIDAY

Public Open Recycling

Month	Day	Time	Day	Time
DEC 2019	FR 18th	08:00-12:00	FR 19th	08:00-12:00
JAN 2020	FR 3rd	08:00-12:00	FR 17th	08:00-12:00
FEB	FR 7th	08:00-12:00	FR 21st	08:00-12:00
MAR	FR 14th	08:00-12:00	FR 28th	08:00-12:00
APR	FR 1st	08:00-12:00	FR 18th	08:00-12:00
MAY	FR 1st	08:00-12:00	FR 22nd	08:00-12:00
JUN	FR 12th	08:00-12:00	FR 26th	08:00-12:00

KEY

- Public Open Recycling
- Public Open Recycling

BANK HOLIDAYS

Please note public open recycling will be closed on bank holidays. Please refer to the calendar for the dates of bank holidays. Recycling may not be available on these days.

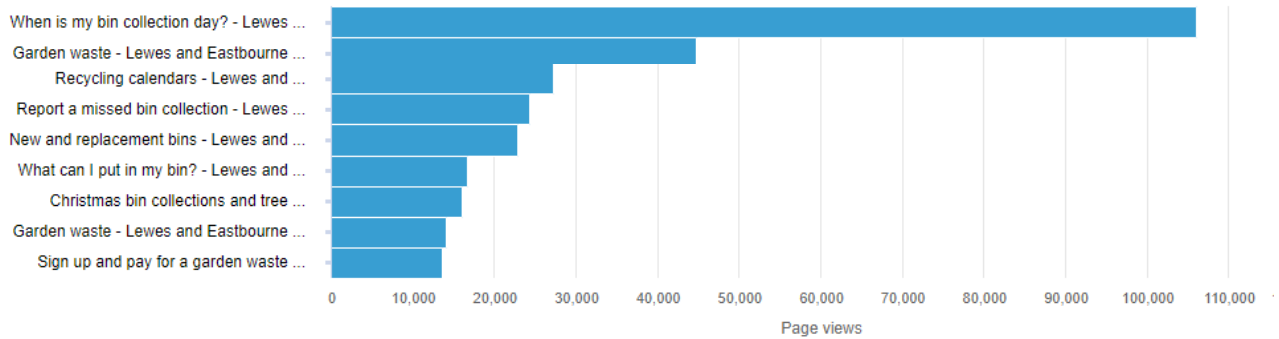
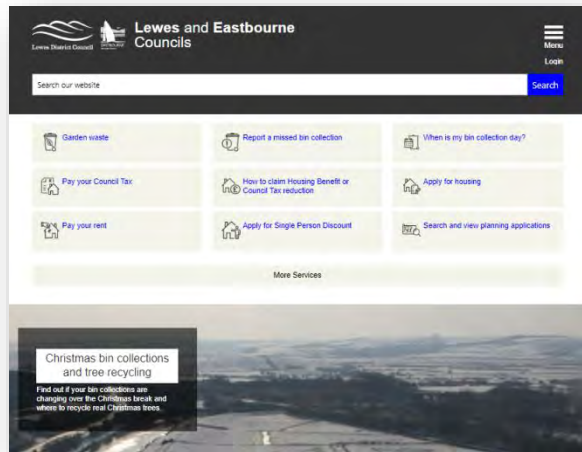
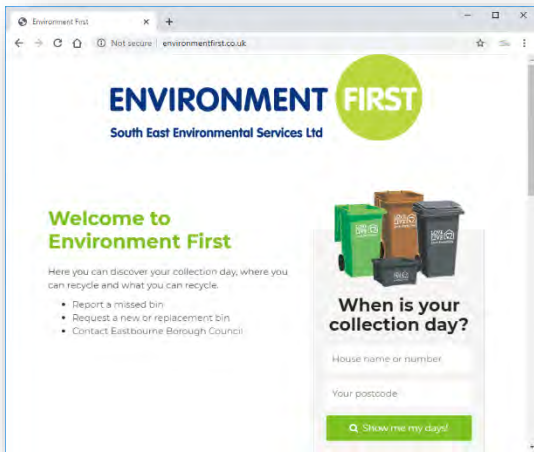
- JUL
- AUG
- SEP
- OCT
- NOV
- DEC

Your next collection calendar will be available in December 2020.

Presence at community events



EnvironmentFirst.co.uk and EBC website



Page views of most popular web content during 2019

Examples of social media activity

Impressions	3,122
Total engagements	97
Media engagements	62
Likes	19
Retweets	5
Detail expands	4
Profile clicks	4
Replies	3



Eastbourne BC @EastbourneBC
 After its first month in operation the new #Eastbourne waste and #recycling service has been heralded a 'resounding triumph' "https://www.lewes-eastbourne.gov.uk/eastbourne-borough-council-news/new-eastbourne-waste-service-heralded-a-resounding-triumph/ ... #EnvironmentFirst pic.twitter.com/2wqNqq7Ycq

Impressions	6,350
Total engagements	127
Media engagements	63
Link clicks	20
Likes	16
Detail expands	10
Retweets	8
Profile clicks	6
Hashtag clicks	3
Replies	1



Eastbourne Borough Council Like Page ...
 Published by Buffer | 25 December 2019 at 11:16

More and more people are recycling plastic bottles. Remember to wash and squash your bottles, and put the tops back on before you recycle them this Christmas. #recycling #ChristmasHacks #recyclenow



Get more likes, comments and shares
 Boost this post for £15 to reach up to 11,000 people.

1,390 People reached 119 Engagements **Boost Post**

3 5 Comments 3 shares

Like Comment Share

Performance for your post

1,390 People Reached

558 3-second video views

16 Likes, Comments & Shares

3 Likes	3 On Post	0 On Shares
10 Comments	9 On Post	1 On Shares
3 Shares	3 On Post	0 On Shares

103 Post Clicks

6 Clicks to Play	0 Link clicks	97 Other Clicks
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NEGATIVE FEEDBACK


1 Hide post	0 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Post Details

Eastbourne Borough Council
Published by Buffer | 13 August 2019

Broken glass can't go in the recycling bin, but when you throw it away please make sure it's contained safely - double bagged, or in a strong container. Refuse operatives might have to handle your rubbish bags, and that can really hurt if there are shards of glass sticking through the bin bag!



Get more likes, comments and shares
Boost this post for £15 to reach up to 11,000 people.

7,866 People reached | 1,846 Engagements

Sreelal Ak and Kevin John | 14 Comments | 6 shares

Performance for your post

7,866 People Reached

111 Reactions, comments & shares

20 Likes	2 On post	18 On shares
4 Haha	0 On post	4 On shares
1 Wow	1 On post	0 On shares
80 Comments	18 On Post	62 On Shares
6 Shares	6 On Post	0 On Shares

1,735 Post Clicks

57 Photo views	0 Link clicks	1,678 Other Clicks
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NEGATIVE FEEDBACK


4 Hide post	1 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts.

Post Details

Eastbourne Borough Council
Published by Buffer | 26 June 2019

Glass bottles and jars are getting easier to recycle, starting this July. Just ensure they're clean and dry and put them straight in your main recycling bin. You can reuse your old glass recycling box or dispose of it at your household waste recycling site



Get more likes, comments and shares
Boost this post for £15 to reach up to 11,000 people.

1,670 People reached | 146 Engagements

Melanie Wilson, Sharon Webb and 6 others | 5 Comments | 9 shares

Performance for your post

1,670 People Reached

38 Reactions, comments & shares

13 Likes	8 On post	5 On shares
1 Love	0 On post	1 On shares
1 Haha	0 On post	1 On shares
14 Comments	12 On Post	2 On Shares
9 Shares	9 On Post	0 On Shares

108 Post Clicks

13 Photo views	0 Link clicks	95 Other Clicks
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NEGATIVE FEEDBACK

1 Hide post	0 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts.

Council waste team praised for "above and beyond" clean-ups

Eastbourne Borough Council's street cleansing crews have gone into overdrive during lockdown taking on extra duties to keep the town looking its best.

The Environment First team has extended its rounds into areas the council is not responsible for cleaning, to ensure people enjoy tidy surroundings when they go out for exercise.

Councillor Jonathan Dow, Cabinet member for Climate Change, said: "Both street cleansing and waste crews have gone above and beyond during this time of crisis.

"For many of us, getting a dose of fresh air and exercise has recently taken on greater significance for the physical and mental benefits it provides, and stepping out into clean surroundings really adds to this enjoyment."

Environment First staff have been litter-picking, weeding, emptying bins and sweeping in community areas, open spaces and car parks when needed - whether they are publicly or privately owned.

Retail car parks across the town, Eastbourne Downs Golf Club, Golden Jubilee Way bridge and the car park of the District General Hospital are among the sites being targeted.

A large flytip creating an eyesore in a car park on Brodrick Road was also cleared.

Councillor Dow added: "Not only are all our household waste services operating at their usual high level, the team's commitment to caring for our environment is second-to-none. Well done Environment First!"

Post Details



Eastbourne Borough Council
Published by Buffer [?] · 17 June · 🌐

Environment First have lent a #helpinghand to St Wilfrids Hospice with a huge load of bulky waste, including broken furniture, white goods, and electronics which they cleared away and disposed of (recycling what they can). Just look at it all!



Performance for your post

1,539 People Reached

43 Reactions, comments & shares

36 Like	29 On post	7 On shares
2 Love	2 On post	0 On shares
3 Comments	3 On Post	0 On Shares
2 Shares	2 On Post	0 On Shares

297 Post Clicks

166 Photo views	0 Link clicks	131 Other Clicks
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NEGATIVE FEEDBACK

1 Hide post	0 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Post Details



Eastbourne Borough Council
Published by Buffer [?] · 8 July at 15:01 · 🌐

Here's a message from our friend Henry! Please avoid emptying your vacuum cleaner directing into your bin as it sends a large plume of dust into the air (and isn't very nice for our waste operatives). Please empty into a bag first before putting in your refuse bin.



✔ **Get more likes, comments and shares**
When you boost this post, you'll show it to more people.

2,077 People reached **271** Engagements [Boost post](#)

👍❤️👍 Max Monaghan, Sue Hayes and 12 others 4 Comments 5 shares

👍 Like 💬 Comment ➦ Share 🌐

Performance for your post

2,077 People Reached

42 Reactions, comments & shares

21 Like	13 On post	8 On shares
2 Love	1 On post	1 On shares
1 Wow	1 On post	0 On shares
13 Comments	4 On Post	9 On Shares
5 Shares	5 On Post	0 On Shares

229 Post Clicks

9 Photo views	0 Link clicks	220 Other Clicks
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NEGATIVE FEEDBACK

1 Hide post	0 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

Post Details

Eastbourne Borough Council
Published by Buffer | 11 - 5 June

If you already recycle enough to fill up your recycling bin (go you!), why not order an extra one? Twice as much bin space means you can do twice as much recycling! Order yours for free at <https://buff.ly/2XorWQW>

Performance for your post

1,214 People Reached

15 Likes, Comments & Shares

8 Likes	2 On Post	6 On Shares
2 Comments	0 On Post	2 On Shares
5 Shares	5 On Post	0 On Shares

52 Post Clicks

9 Photo views	23 Link clicks	20 Other Clicks
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NEGATIVE FEEDBACK

1 Hide post	0 Hide all posts
0 Report as spam	0 Unlike Page

Reported stats may be delayed from what appears on posts

✓ **Get more likes, comments and shares**
When you boost this post, you'll show it to more people.

1,214 People reached 67 Engagements **Boost post**

Jane Lamb 6 shares

Like Comment Share

VE Day Commemoration video

Eastbourne Borough Council
8 May

The Environment First team commemorated VE Day by displaying print outs of commemorative flags in the widows of their entire fleet this morning. Here's some footage of the crews rolling out of the depot first thing - a lovely tribute from a cracking bunch of people! Huge thanks to Richard from the Environment First team for putting this together

2,892 People reached 323 Engagements **Boost post**

40 5 comments 17 shares

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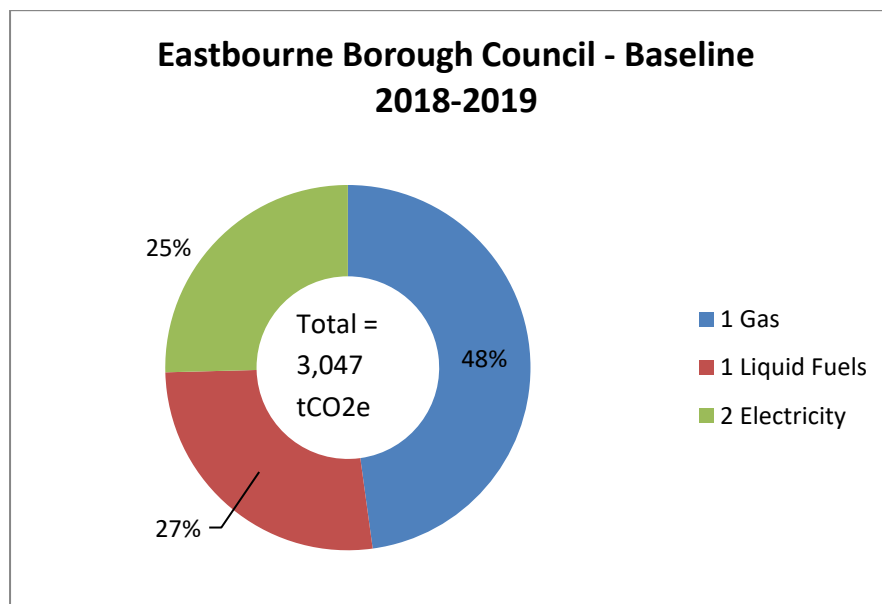
Appendix 3: Carbon emissions, fleet

Changes to the service which reduce the refuse collection fleet will contribute to our carbon reduction programme.

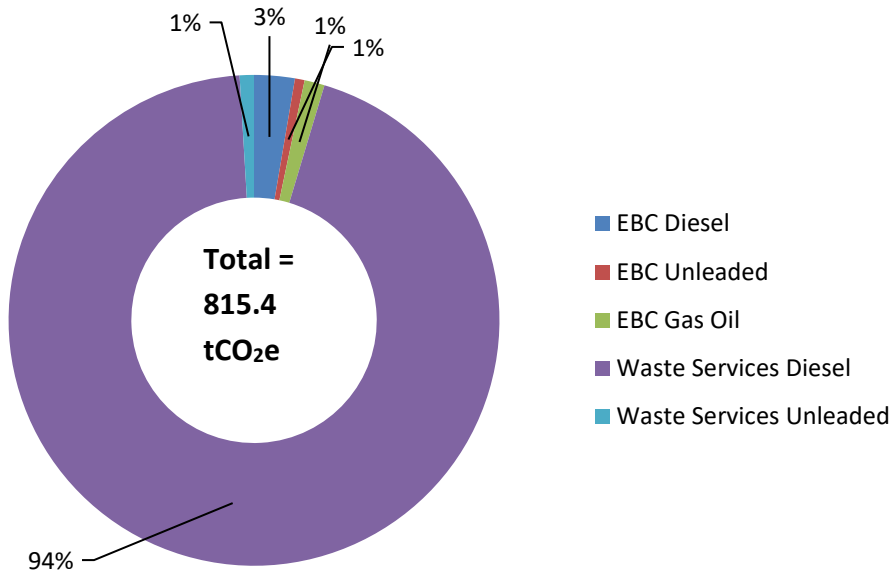
The figures below have been based on the calculations for the council's 2018/19 baseline emissions. The figures have been calculated as a retrospective estimate based on the first 3 months of the SEESL contract (before changes were made to numbers of vehicles and rounds) because we were unable to get figures from the previous contract.

Approximate average annual emissions per refuse collection vehicle (12 vehicles as of August 2019) = 29,000 kgCO₂e (29 tonnes)

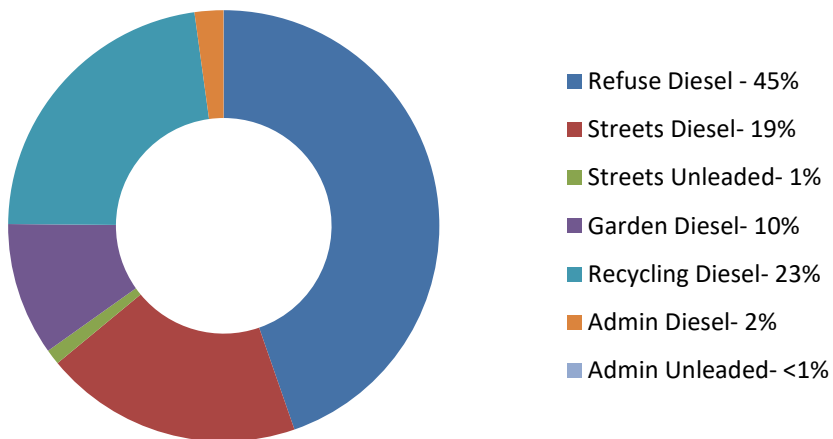
Approximate average annual emissions per recycling collection vehicle (10 vehicles as of August 2019) = 18,000 kgCO₂e (18 tonnes)



Emissions from liquid fuel by area and type 2018/19



Proportion of fuel consumed (litres) by waste service area



Total estimated emissions from fuel data for EBC 2018/19

	Total kgCO2e
All other fuel data	37,814.6
Estimated total SEESL	777,574.7
Grand total	815,389.2

Estimated annual kgCO2e for SEESL vehicles

	Total kgCO2e
Recycling collection vehicles	176,812.5
Refuse collection vehicles	348,070.5
Other vehicles	252,691.6

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