

# Cabinet

## 2 December 2020



Working in partnership with **Eastbourne Homes**

Time: 6.00 pm

**PLEASE NOTE: This will be a 'virtual meeting' held remotely in accordance with section 78 of the Coronavirus Act 2020 and section 13 of the related regulations.**

**Members of the press and public can view or listen to proceedings by clicking on the link provided on the agenda page on the Council's website.**

**Instructions for members of the Committee and Officers to join the meeting have been circulated separately.**

### **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, 24 November 2020*

## **Agenda**

- 1. Minutes of the meeting held on 4 November 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. Latest draft budget position 2021/22**

Presentation to be delivered by Chief Finance Officer  
Lead Cabinet member: Councillor Stephen Holt

## **8. Council tax and business rate base 2021/22 (Pages 9 - 18)**

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

## **9. Local council tax reduction scheme (Pages 19 - 22)**

Report of Director of Service Delivery  
Lead Cabinet member: Councillor Alan Shuttleworth

## **10. Corporate performance - quarter 2 - 2020/2021 (Pages 23 - 52)**

### **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

## **Information for the public**

**Accessibility:** This agenda and accompanying reports are published on the Council's website in PDF format which means you can use the "read out loud" facility of Adobe Acrobat Reader.

**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).

**Other participation:** Please contact Democratic Services for the relevant deadlines for registering to speak on a matter which is listed on the agenda if applicable.

## **Democratic Services**

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Working in partnership with **Eastbourne Homes**

## Cabinet

**Minutes of meeting held remotely on 4 November 2020 at 6.00 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), Philip Evans (Director of Tourism & Enterprise), Ian Fitzpatrick (Deputy Chief Executive and Director of Regeneration and Planning), Tim Whelan (Director of Service Delivery), Becky Cooke (Assistant Director for Human Resources and Transformation), Oliver Dixon (Interim Head of Legal Services), Jo Harper (Head of Business Planning and Performance) and Simon Russell (Interim Head of Democratic Services).

### **18 Minutes of the meeting held on 16 September 2020**

The minutes of the meeting held on 16 September 2020 were submitted and approved and the Chair was authorised to sign them as a correct record.

### **19 Apologies for absence**

None were reported.

### **20 Declaration of members' interests**

None were declared.

### **21 Recovery and reset programme**

The Cabinet considered the report of the Chief Executive, updating them on the progress of the Recovery and Reset Programme.

Scrutiny Committee considered the report at its meeting on 2 November 2020 and did not object to the officer recommendations.

### **Resolved (Key decision):**

(1) To note the progress made with the Recovery and Reset Programme.

(2) To agree an allocation of £250k to be added to the capital programme to ensure immediate start of the Recovery and Reset work.

**Reason for decisions:**

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

**22 Eastbourne Carbon Neutral 2030: A plan for action**

The Cabinet considered the report of the Deputy Chief Executive and Director of Regeneration and Planning, seeking their agreement to the strategy and action plan to deliver Eastbourne Carbon Neutral 2030.

Council activities would include decarbonising all Eastbourne Homes housing stock by 2030; decarbonising council vehicles by this date; buying renewable electricity and reducing its energy consumption; tree planting and nature projects, and undertaking a public consultation to engage residents in recycling more and producing less waste.

The Cabinet would receive an annual progress report detailing the council and borough carbon footprints.

Thanks were conveyed to Jo Harper, Head of Business Planning and Performance and Kate Richardson, Strategy and Partnership Lead (Sustainability) for their work throughout. The Cabinet also expressed their thanks to the Eco Action Network, cross-party Climate Change Strategic Panel and everyone else involved in the work set out in the report.

Scrutiny Committee considered the report at its meeting on 2 November 2020 and were supportive of the officer recommendations, subject to amendments. These were published as a supplement and considered by Cabinet during their discussions.

Following discussions, Cabinet unanimously agreed to the officer recommendations as originally set out in the report.

**Resolved (Key decision):**

(1) To approve the 'Eastbourne Carbon Neutral 2030: The Climate Emergency Strategy and Action Plan' for publication

(2) To approve the 'Eastbourne Carbon Neutral 2030: A Plan for Action' summary document for publication

(3) To require the Deputy Chief Executive and Director of Planning and Regeneration to produce an annual progress report detailing the council and borough carbon footprints, and progress against the action plan in September each year.

**Reason for decisions:**

To progress towards the aims of achieving Eastbourne Carbon Neutral 2030 as resolved in July 2019.

**23 Exclusion of the public****Resolved:**

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

**24 Redundancy and redeployment**

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

**Resolved (Key decision):**

(1) To note the actions taken to manage implications of change for displaced individuals through support, redeployment and assistance with self marketing under the redundancy and redeployment procedure.

(2) To agree the financial implications of severance for those identified.

**Reason for decisions:**

This is as a result of the Devonshire Quarter consultation. Actions have been taken to manage the implications of this change for displaced individuals through support, redeployment and assistance with self marketing under the redundancy and redeployment Procedure

*Notes: (1) The report remained exempt. (2) Exempt information reasons 1 and 2- Information relating to the individual or likely to reveal the identity of an individual.*

The meeting ended at 6.28 pm

Councillor David Tutt (Chair)

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# Agenda Item 8

<b>Report to:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>2 December 2020</b>
<b>Title:</b>	<b>Council Tax Base and Non-Domestic Rates income for 2021/22</b>
<b>Report of:</b>	<b>Homira Javadi, Chief Finance Officer</b>
<b>Cabinet member:</b>	<b>Councillor Stephen Holt (Cabinet Member for Financial Services)</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To approve the Council Tax Base and net yield from Business Rate Income for 2021/22 in accordance with the Local Government Finance Act 1992.</b>
<b>Decision type:</b>	<b>Key Decision</b>
<b>Officer recommendation(s):</b>	<ul style="list-style-type: none"><li><b>i) Agree the provisional Council Tax Base of 34,532.2 for 2021/22.</b></li><li><b>ii) Agree that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine the final amounts for the Council Tax Base for 2021/22.</b></li><li><b>iii) Agreed that the Chief Finance Officer, in consultation with the Portfolio Holder for Finance, determine net yield from Business Rate income for 2021/22.</b></li></ul>
<b>Reasons for recommendations:</b>	<b>Cabinet is required to approve the Tax Base which will be used for the purposes of calculating the 2021/22 Council Tax.</b>
<b>Contact Officer(s):</b>	<b>Name: Homira Javadi, Chief Finance Officer Tel: 01323 415512 or email Homira.Javadi@lewes-eastbourne.gov.uk</b>

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## **1. Introduction**

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

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

## 2. Council Tax Base 2021/22

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

## 3. Relevant amount

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

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

H	Over £320,001	16/9
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- 3.2 Deductions are made to the aggregate number of properties in each band in respect of various discounts such as empty properties and single persons. An adjustment is also made to reflect the impact of the Council Tax Reduction Scheme.
- 3.3 The results for each Band are then added together to arrive at the overall Band D or Relevant Amount. For 2021/22 this totals 35,777.3 equivalent properties.
- 3.4 The Relevant Amount has increased by 35 (0.09%) Band D equivalent dwellings from 2020/21. This is the net impact of increases in the total number of properties, less increased discounts and increases in the Council Tax Reduction Scheme.

#### **4. Collection Rate**

- 4.1 The Collection Rate is the Council's estimate of the proportion of the overall Council Tax collectable for 2021/22 that will ultimately be collected.
- 4.2 The key elements in making this calculation are losses on collection, appeals against valuation, changes in circumstances (e.g. application for discounts in respect of single person's occupancy or disability) and other adjustments. These other adjustments to bills can arise for a variety of reasons including bankruptcy, death and exemptions, plus an allowance for uncollectable debts.
- 4.3 The current level of Council Tax collection is forecast to show an in-year deficit balance of £1.241m at the end of 2020/21. This would indicate that the current collection rate of 97.5% is too high and therefore the rate has been reduced to 96.52% in line with the rate achieved for 2019/20. The 2020/21 rate was set prior to the impact of Covid-19, at a time when it was expected that the collection rate would be improved.
- 4.4 It should be noted that, under new accounting regulations brought in by Government in response to Covid-19, deficits can be spread over three financial years from 2021-2024 in respect of 2020/21 deficits.

#### **5. Council Tax Base**

- 5.1 Taking the Relevant Amount of 35,777.3 and applying the Collection Rate of 96.52% produces a Council Tax Base for 2021/22 of 34,532.2.
- 5.2 The Council Tax Base has reduced by 0.91% compared with 2020/21. This is equivalent to a reduction of 316 Band D dwellings. The detailed number of properties is shown at Appendix 1.
- 5.3 The Council's Medium Term Financial Strategy is updated annually to take account of movement in the Council Tax Base. The assumed tax base for the current MTFS was 34,848.6, therefore this would represent a reduction in assumed Council Tax income of £80k based on the current Band D Council Tax rate of £251.71.

## **6. Business Rate Income**

- 6.1 The Local Government Finance Act 2012 introduced a new system for the local retention of business rates. This means that the Council is required to formally approve the expected business rate income for the forthcoming year. The estimate for the 2021/22 financial year must be approved by 31 January 2021.
- 6.2 The Business Rate income is collated on the Government's NNDR1 form which shows the net rate income yield for the central and local shares of the business shares of the business rates. The actual NNDR1 form and guidance notes have not yet been received.
- 6.3 The net business rate yield is calculated using the total expected gross income by multiplying the Rateable value by the nationally set multipliers (for 2020/21 these are 51.2p standard and 49.9p for small businesses). These multipliers are uplifted annually by the September CPI rate which was 0.5%, but this increase is still to be confirmed by Government. This gross yield is then adjusted for mandatory and discretionary reliefs, an allowance for cost of collection, adjustment for changes in Rateable Value due to growth or reduction in property numbers, estimated losses on collection and an allowance for appeals.
- 6.4 The resulting calculation is the net business rate yield which is shared as follows:
- 50% to Central Government
  - 40% to Local Billing Authority (this council)
  - 9% to the County
  - 1% to the fire authority.
- 6.5 The local share is then payable to the Council's General Fund. All other adjustments to the overall level of Business rate income are then accounted for within the General Fund.
- 6.6 The final amount of business rates income retained by the Council is adjusted by deduction tariff and levy payments.
- 6.7 The system of tariff or top up is to redress the balance of Business Rate income nationally to ensure that no local authority is worse off as a result of business rate income at the outset of the rates retention scheme in 2013. This authority currently makes a tariff payment, and information on the level of tariff payment will be announced as part of the Government grant settlement figures.
- 6.8 Levy payments allow authorities to retain a proportion their growth. The levy has been set at 50% of the growth over the baseline allowance set by Government.

## **7. Setting the Business Rate Income**

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

## **8. Business Rate Pooling**

- 8.1 The Council is working within a Business Rate Pool with the other East Sussex Borough and District Councils, East Sussex County Council and East Sussex Fire Authority. Under this arrangement, 50% of any growth in business rate income which would otherwise be paid as level to the Government can be retained by the Pool to be redistributed to its participating authorities in accordance with an agreed memorandum of understanding.
- 8.2 In recognition of the current economic climate and the impact Covid-19 is having on businesses, no redistribution from the Pool has been assumed for 2021/22.

## **9. Collection Fund Performance**

- 9.1 As at 31 March 2020 the Collection Fund showed a net deficit of £123,281 (£207,899 Council Tax surplus and £331,180 Business Rates deficit). £407,621 is currently being distributed across Council Tax and Business Rates preceptors during 2020/21, leaving a balance of £530,902 to be recovered in 2021/22.
- 9.2 The Council has to estimate the overall surplus/deficit at 31 March 2021 and inform precepting authorities in January 2021 of this estimate in order that the amount is included in the 2021/22 precept figures.
- 9.3 Current monitoring figures indicate a deficit by 31 March 2021 of £1,032,485 for Council Tax; this will be revisited in January and the results reported to members as part of the budget report to the February Cabinet. Any surplus or deficit is allocated to preceptors in 2021/22 in proportion to the 2020/21 Band D Council Tax. For this council this represents a 12.34% share of the total.
- 9.4 The calculation on the Business Rate income element of the Collection Fund currently indicates a deficit balance of £3,559,801. Any surplus or deficit is allocated in 2021/22 in accordance with the proportions given at paragraph 6.4 above.

## **10. Outcome expected and Performance Management.**

- 10.1 Once the Council Tax Base and the estimate balance on the Council Tax element of the Collection Fund has been determined, East Sussex Council, Sussex Police and Crime Commissioner and East Sussex Fire Authority will be notified.
- 10.2 Once the NNDR1 2021/22 has been completed and the estimated balance on the Business Rate element of the Collection Fund has been determined, this will be submitted to Central Government and both East Sussex County Council and East Sussex Fire Authority will be notified.
- 10.3 Council Tax and Business Rates income and payments to precepts are accounted for in the Collection Fund which is regularly monitored and reported to members as part of the quarterly performance monitoring report.

## **11. Financial appraisal**

- 11.1 The Council Tax Base will be used to calculate the level of Council Tax requirement that will be recommended to the Council on 24 February 2021.

- 11.2 The net yield from Business Rates income will be used to calculate the amount of retained Business Rates to be credited to the General Fund.

## **12. Legal implications**

- 12.1 The Council Tax Base must be calculated in accordance with the Local Government Finance Act 1992 and The Local Authorities (Calculation of Council Tax Base) Regulations 2012.

- 12.2 Under these Regulations, the billing authority (this council) is required to calculate its Council Tax base by 31 January for the next financial year and inform all its preceptors of this calculation.

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

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

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

## **13. Risk management implications**

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

## **14. Equality analysis**

- 14.1 There are no equality implications to this report.

## **15. Conclusion**

- 15.1 The provisional Council Tax Base for 2021/22 has been calculated in accordance with the relevant legislation. Summary calculations are set out within the attached appendix.

- 15.2 The figures required to set the Business Rate Income are not yet available as the NNDR1 form and guidance notes have not yet been received from the MHCLG.

- 15.3 It is recommended that delegated authority be given to the Chief Finance Officer, in consultation with the Portfolio holder for Finance, to agree the final figures for both calculations.

## **16. Appendices**

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

## **17. Background papers**

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

- Local Government Finance Act 1992
- The Local Authorities (Calculation of Council Tax Base) Regulations 1992
- The Local Authorities (Calculation of Council Tax Base) (Amendment) Regulations 2003
- Non-Domestic Rating (Rates Retention) Regulation 2013
- Calculation of Council Tax Base – CTB (October 2020) form.

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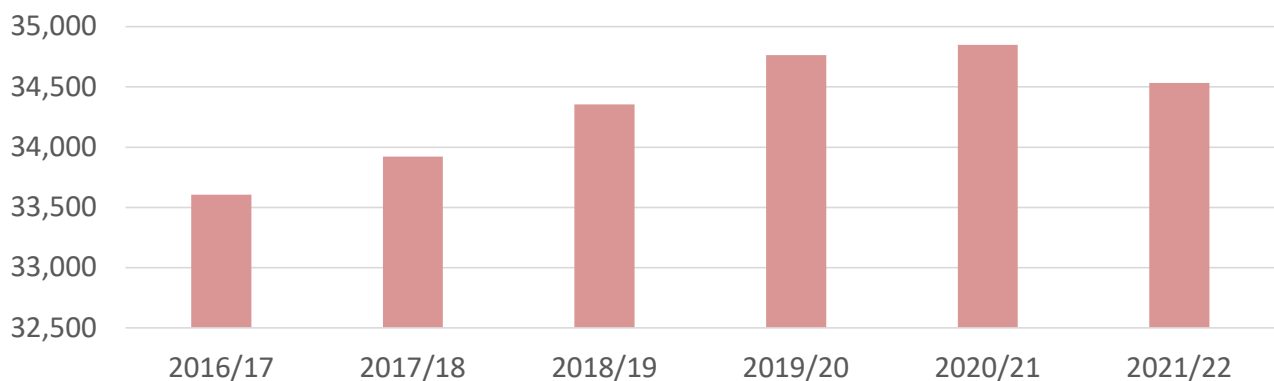


**Council Tax Base comparison over years.**

**Appendix 1**

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>NUBER OF DWELLINGS</b>						
Valuation List as at November	47,489	47,703	47,749	47,841	48,077	48,080
Less discounts equated to property numbers	(4,775)	(4,716)	(4,817)	(4,989)	(4,891)	(4,956)
<b>Total equivalent property numbers</b>	<b>42,714</b>	<b>42,987</b>	<b>42,932</b>	<b>42,853</b>	<b>43,186</b>	<b>43,124</b>
Estimated changes in year	102	81	73	165	20	183
Less Local Council Tax Reduction Scheme	(6,079)	(6,087)	(5,598)	(5,330)	(5,067)	(5,115)
<b>Total Number of Properties</b>	<b>36,737.2</b>	<b>36,981.2</b>	<b>37,406.5</b>	<b>37,687.6</b>	<b>38,138.8</b>	<b>38,192.1</b>
% increase (decrease)		0.66%	1.15%	0.75%	1.20%	0.14%
<b>TAXBASE CALCUATION</b>						
Relevant Amount (Band D Equilavant)	34,556.4	34,793.5	35,145.2	35,384.5	35,742.2	35,777.3
Collection Rate	97.3%	97.5%	97.8%	98.3%	97.5%	96.5%
<b>Council Tax Base</b>	<b>33,606.1</b>	<b>33,923.7</b>	<b>34,354.4</b>	<b>34,765.3</b>	<b>34,848.6</b>	<b>34,532.2</b>
% growth/(reduction) increase		0.94%	1.27%	1.20%	0.24%	(0.91%)

Council Tax Base - Band D Equivalent Properties



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<b>Report to:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>2 December 2020</b>
<b>Title:</b>	<b>Local Council Tax Reduction scheme 2021/22</b>
<b>Report of:</b>	<b>Tim Whelan, Director of Service Delivery</b>
<b>Cabinet member:</b>	<b>Councillor Alan Shuttleworth, Cabinet member for direct assistance services</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of report:</b>	<b>To gain Cabinet's recommendation to Full Council that the 2020/21 Local Council Tax Reduction Scheme is adopted as the 2021/22 scheme.</b>
<b>Decision type:</b>	<b>Budget and policy framework</b>
<b>Officer recommendation(s):</b>	<b>(1) That Cabinet recommend to Full Council that the 2020/21 Local Council Tax Reduction Scheme is adopted as the 2021/22 scheme.</b> <b>(2) That the Exceptional Hardship Scheme is continued in 2021/22.</b>
<b>Reasons for recommendations:</b>	<b>The 2020/21 scheme meets the principles of supporting the most vulnerable with the Exceptional Hardship scheme providing an extra level of support for those most affected.</b>
<b>Contact Officer(s):</b>	<b>Name: Bill McCafferty</b> <b>Post title: Functional Lead for Thriving Communities</b> <b>E-mail: bill.mccafferty@lewes-eastbourne.gov.uk</b> <b>Telephone number: 01323 415171</b>

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## **1 Introduction**

- 1.1 The government abolished the national Council Tax Benefit scheme from April 2013 and required local authorities to develop and adopt their own scheme of support for working age claimants. This change came with a 10% cut in funding; for the Council this was c£1m.
- 1.2 To protect pensioners from any reduction in support, the government put in place a national scheme that local authorities had to adopt. Therefore, any reduction in support had to come from those of working age.
- 1.3 The Council, on 16 January 2013, adopted a Local Council Tax Reduction scheme (LCTR) of support for 2013/14 which, in the main, followed the rules of

the Council Tax Benefit scheme, as well as agreeing changes to certain council tax discounts and exemptions.

1.4 On 20 November 2015 the Council adopted a revised scheme for 2016/17 that:

- Limited a Council Tax Reduction to 80% of the council tax liability
- Assumed a minimum income for claimants who have been self-employed for more than 12 months

1.5 There have not been any changes to the scheme since 2016/17 so the current 2020/21 scheme follows the principles of protecting the most vulnerable, incentivising individuals into work and takes into account the financial pressures on the Council and the major preceptors.

1.6 An Exceptional Hardship fund of £47,499 was established for 2016/17 to provide additional support to those most affected by the 20% reduction in liability and the change to the way self-employed claims are assessed. The Council contributed £6,426 to the fund with the remainder coming from the major preceptors in proportion to their share of the Council Tax. Of this amount there was £27,837.88 available in 2020/21.

## **2 Proposal**

2.1 That the LCTR 2020/21 scheme is adopted for 2021/22.

2.2 That the Exceptional Hardship Scheme continues in 2021/22.

## **3 Outcome expected and performance management**

3.1 That the LCTR scheme supports those on low incomes to meet their council tax liabilities and that the Exceptional Hardship Scheme provides additional support to those facing exceptional hardship.

3.2 The cost of the LCTR scheme and the Exceptional Hardship scheme will be monitored monthly.

## **4 Consultation**

4.1 There is no requirement to consult as no changes to the scheme are being proposed.

## **5 Corporate plan and council policies**

5.1 The Local Council Tax Reduction Scheme supports the Council's objective of addressing deprivation through helping residents on a low income meet their council tax liabilities.

## **6 Business case and alternative option(s) considered**

6.1 No alternatives considered as it is a statutory requirement to have in place a

Council Tax Reduction Scheme.

## **7 Financial appraisal**

The cost, in terms of a reduction in tax base, of the 2021/22 scheme will be in the region of £8.2m. The cost of the scheme in 2020/21 is likely to increase in line with any rises in council tax.

## **8 Legal implications**

Recommendation (1) of this report reflects the duty on the Council under section 5 of the Local Government Finance Act 1992 to consider, for each financial year, whether to revise its council tax reduction scheme or to replace it with another scheme. It is open to the Council to decide to make no changes to the scheme from one financial year to the next.

If, despite the recommendation (1), the Council is minded to revise or replace the scheme for 2020/21, it must do so no later than 11 March 2021, following consultation with the major preceptors and other interested parties.

Under section 67 of the 1992 Act, adoption of a Council Tax Reduction Scheme is reserved to full Council. The role of Cabinet is to consider the proposed scheme and make a recommendation to Council, with any amendment to the scheme it considers appropriate.

Section 13A(1)(c) of the 1992 Act permits the Council to make further reductions to a person's council tax liability (in addition to any reduction already made under the CTRS) as it thinks fit. This provision forms the lawful basis for the Exceptional Hardship Scheme.

In accordance with Schedule 1A, paragraph 2(7), to the 1992 Act, the Council has a procedure under which persons may apply for an exceptional hardship payment.

*Lawyer consulted 08.10.20*

*Legal ref: 009591-EBC-OD*

## **9 Risk management implications**

The main risk to the Council is that the cost of the scheme rises substantially. This could happen if there is an upturn in the number of people who become eligible for, and claim, CTR. This risk has to be accepted as the Council has no mechanism to prevent this happening.

- 9.1 Monthly monitoring will identify any unexpected rise in the amount of CTR being awarded and this will be notified to the relevant Finance officers.

## **10 Equality analysis**

As there are no changes to the scheme being proposed there is no requirement for an Equality Analysis as one was carried out on the 2016/17 scheme.

**11 Environmental sustainability implications**

Nothing arising from this report has any detrimental Environmental impact.

**12 Appendices**

- None

**13 Background papers**

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

- [Local Council Tax Reduction Scheme 2020/21](#)

# Agenda Item 10

<b>Body:</b>	<b>Cabinet</b>
<b>Date:</b>	<b>2 December 2020</b>
<b>Subject:</b>	<b>Corporate Performance Quarter 2 2020-21</b>
<b>Report of:</b>	<b>Homira Javadi, Chief Finance Officer</b> <b>Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning</b>
<b>Cabinet member:</b>	<b>Councillors Colin Swansborough and Stephen Holt</b>
<b>Ward(s):</b>	<b>All</b>
<b>Purpose of the report:</b>	<b>To update Members on the Council's performance against Corporate Plan priority actions, performance indicators and targets for the second quarter of the year 2020-21.</b>
<b>Decision type:</b>	<b>Non Key</b>
<b>Recommendation:</b>	<b>Cabinet is recommended to :</b>  <b>i) Note the achievements and progress against Corporate Plan priorities for the second quarter of 2020-21, as set out in Part A of this report.</b>  <b>ii) Note the General Fund, HRA and Collection Fund financial performance for the quarter, as set out in part B of the report.</b>
<b>Reasons for recommendations:</b>	<b>To enable Cabinet members to consider specific aspects of the Council's progress and performance.</b>
<b>Contact:</b>	<b>Jo Harper, Head of Business Strategy and Performance</b> <b>Tel 01273 085049 or email :</b> <b><a href="mailto:jo.harper@lewes-eastbourne.gov.uk">jo.harper@lewes-eastbourne.gov.uk</a></b>  <b>Millie McDevitt : Performance and Programmes Lead</b> <b>Tel : 01273 085637 / 01323 415637 or email :</b> <b><a href="mailto:millie.mcdevitt@lewes-eastbourne.gov.uk">millie.mcdevitt@lewes-eastbourne.gov.uk</a></b>  <b>Homira Javadi, Chief Finance Officer</b> <b>Tel: 01273 085512 or e-mail</b> <b><a href="mailto:homira.javadi@lewes-eastbourne.gov.uk">homira.javadi@lewes-eastbourne.gov.uk</a></b>

## **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 September reflects the impact Covid-19 is having on the Council.

## **Appendices**

Appendix 1 – Q2 Performance Overview

Appendix 2 - Housing Revenue Account

Appendix 3 – 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 Q2 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 second quarter of 2020/21 (1 July- 30 September 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.

Prosperous Economy	Quality Environment	Thriving Communities	Sustainable Performance
A great destination for tourism, arts, heritage and culture	A clean attractive town	Keeping crime and anti-social behaviour levels low	Making the best of our assets
Supporting employment and skills	Less waste and a low carbon town	Meeting housing needs	Managing people and performance
Providing opportunities for businesses to grow and invest	A range of transport opportunities	Improved health and wellbeing	Delivering in partnership
Investing in housing and economic development	High quality built environment	Resilient and engaged communities	Making the best use of technology
Supporting investment in infrastructure	Excellent parks and open spaces	Putting the customer first	Delivering a balanced budget

### **3.0 Revised format**

- 3.1 Appendix 1 provides a high level summary of progress and performance. The summary shows where performance and projects are 'on track/on target' and where there are areas of risk, concern or under-performance. Where performance or projects are 'off track/below target', an explanation of the management action being taken to address this is also provided
- 3.2 During this quarter, a review of the corporate performance report was undertaken to ensure it met newly introduced accessibility legislation. It was proposed that certain key performance indicators should be reported at the beginning of the report. The remaining performance indicators follow. It was also agreed with the Cabinet portfolio holder that full commentary should continue to be given where performance is going off-track. This maintains transparency of the council's performance levels whilst avoiding out of date notes.
- 3.3 A list of projects is provided and updates can be requested as required from project managers. This would allow more detailed and bespoke reports rather than short paragraph updates.
- 3.4 The Performance team is also supporting the Recovery and Restart Programme, ensuring that delivery of that is achieved in order to deliver the Corporate Plan aspirations.
- 4 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.









### **5 Appendices**

- 5.1 Appendix 1 – Portfolio Progress and Performance Report (Quarter 2 2020/21)















Appendix 1

## Eastbourne Borough Council Corporate Performance Report Q2 2020-21

- **Councillor David Tutt** - (Leader of the Council and Chair of Cabinet) - Cabinet member for responsibilities aligned with the Chief Executive.
- **Councillor Stephen Holt** - (Deputy Leader) - Cabinet member for financial services.
- **Councillor Margaret Bannister** - Cabinet member for tourism and leisure services.
- **Councillor Jonathan Dow** - Cabinet member for climate change.
- **Councillor Alan Shuttleworth** – Cabinet member for direct assistance services.
- **Councillor Colin Swansborough** – Cabinet member for place services and special projects.
- **Councillor Rebecca Whippy** – Cabinet member for disabilities and community safety.

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

## KPIs

KPI Description	Annual Target 2020/21	Q1 2020/21	Q2 2020/21				Latest Note
		Value	Value	Target	Status	Short Trend	
<b>Finance:</b> Percentage of Council Tax collected during the year - Eastbourne	97.50%	27.98%	54.36%	54.89%			The collection rate is 0.53% below target .Targets have been revised from September onwards to track actual collection against 2019/20 as we deem this to be a more effective and realistic measurement of performance this year because of the impact of the Covid pandemic on collection.  Any customers identified as being in potential hardship will be sent an additional letter prior to the final notice being issued to provide a final opportunity for the customer to engage before the right to instalments is lost. Further support will be provided to the most financially vulnerable customers through the surplus funds in the Covid Council Tax hardship fund.
<b>Finance:</b> Percentage of Business Rates collected during the year - Eastbourne	98.25%	35.19%	54.57%	53.73%			The collection rate is 0.84% above target.
<b>Benefits:</b> Average days to process new claims for housing/council tax benefit (E)	22	19	19	22			Close monitoring of the new claims being received and moving resources when needed have enabled the team to continue to perform ahead of target.
<b>Benefits:</b> Average days to process change of circs (housing/council tax benefit) (E)	8	5	5	8			Close monitoring of the workload being received and moving resources to areas under pressure when needed have enabled the team to continue to perform ahead of target.
<b>Customers:</b> Increase the percentage of calls to the contact centre answered within 60 seconds - Ebn	80%	86.89%	96.31%	80%			With all members of the Customer Contact team now having the correct equipment to work from home, staff see themselves based at home as per current government guidelines for the majority of their working week. As we enter Q3 for 2020/2021 our focus will continue to remain on not only maintaining performance, but also ensuring we are up to date on any new government guidelines and community needs as a result of COVID19.  Number of telephone calls: July- 8647; August -8006; September - 9965 Average time (in seconds) to answer calls: July-16; August-20; September -28 # of calls to Coronavirus helpline (Joint): July-374; August -237; September -234
<b>Customers:</b> Reduce the numbers of abandoned calls to the contact centre - Ebn	5%	2.81%	1.64%	5%			Target being met
<b>Housing:</b> Number of households living in emergency (nightly paid) accommodation (E)	Data only	156	142	Data only			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.

## Other PIs

KPI Description	Annual Target 2020/21	Q1 2020/21	Q2 2020/21			Notes	
		Value	Value	Target	Status		Short Trend
Community Safety: Improve our ranking compared to similar authorities in relation to all crime - Eastbourne	5	3	2	5			The second quarter has recorded 21.967 crimes per 1,000 population. Of the similar group of authorities only Preston at 19.248 has a lower outturn
Customers: Number of new sign-ups to the Councils' social media channels	600	1,303	510	150			Performance target met
Customers: Number of people registering for our email service (GovDelivery)	1,800	3,084	2,885	600			Performance target met
Customers: Percentage of local searches that are returned within 10 working days of receipt	80%	99.11%	99.52%	80%			Performance target met
Customers: Social media responsiveness rate	80%	88.67%	91.33%	80%			Performance target met
Growth: Town centre vacant retail business space	10.4%		11.27%	10.4%			Impact of Covid-19
Housing: Average void relet time key to key (month & YTD) (E)		13.0	65.6	18.0			The impact of lockdown prevented works being carried out to void properties with only limited works being carried out in the last few weeks of quarter 2. This, in addition contractors furloughing some staff and a shortage of some materials for many aspects of internal works has had a detrimental impact on void performance.
Housing: DFGs - Time taken from council receiving a fully complete application to the council approving the grant	28 days	4 days	3 days	28 days			Performance target met
Housing: Number of Licensed HMO's Inspected per Quarter	50	7	8	12.5			Due to Covid-19, inspections are reduced, they are being risk assessed and prioritised. New HMO's visited but renewals are put on waiting list unless high risk or complaints received. All HMOs due a licence renewal were called, and all the necessary safety certificates were obtained electronically.
Housing: Rent arrears of current tenants (expressed as a percentage of rent debit) (E)	3%	4.46%	4%	3%			A rent action plan is in place and extensive work continues to be undertaken with all our rent accounts and a number of repayment arrangements in place. The team continues signposting tenants to get the appropriate assistance to maximise entitlements. They encourage tenants to pay regularly and actively promote tenants to pay via Direct Debit at every opportunity.
Planning: Increase the percentage of Major Planning Applications processed within 13 weeks	65%	100%	100%	65%			Performance target met

KPI Description	Annual Target 2020/21	Q1 2020/21	Q2 2020/21				Notes
		Value	Value	Target	Status	Short Trend	
Planning: Increase the percentage of minor planning applications processed within 8 weeks	75%	88%	88%	75%			Performance target met
Planning: Increase the percentage of other planning applications processed within 8 weeks	75%	98%	93%	75%			Performance target met
Recycling & Waste: % Container Deliveries on Time	100%	43.07%	79.16%	100%			Below target but performance has improved greatly since the last quarter.
Recycling & Waste: Missed Assisted Collections	1%	0.23%	0.19%	1%			Performance target met
Recycling & Waste: Number of missed bins (per 100,000)	100	34	33	100			Performance target met
Recycling & Waste: Percentage of household waste sent for reuse, recycling and composting	40.00%	31.83%	37.69%	40.00%			Slightly below target but increase from Q1.
Recycling & Waste: Total number of reported fly-tipping incidents	480	266	264	120			Quarterly breakdown July – 67; Aug 86; Sep 111 reports. The Neighbourhood First teams continue to use Keep Britain Tidy posters along with bespoke EBC posters and mobile CCTV cameras at key sites.
Staff: Average days lost per FTE employee due to sickness (J)	8.0 days	1.63 days	1.56 days	2.0 days			Performance target met

## Projects

Project / Initiative	Description	Target completion
Winter Garden improvements	Upgrade of the Winter Garden including use of recent central government grants	Q4 2020/21
Housing Development Programme - Ebn	Deliver an ambitious programme of housing development and refurbishment that provides homes and makes a positive contribution to Eastbourne's economic future (including Bedfordwell Road; Southfields car park; former law courts site)	ongoing
Sovereign Centre Review	Under review	tbc

## Devolved ward budget scheme 2020/2021 – Summary by ward to end of Quarter 2 (1 April – 30 September 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 Men's Club on the corner of Firle 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
	Bourne School	Forest/Beach School Equipment Bourne School	£1,000.00
<b>Total spend to end of Quarter 2</b>			<b>£6,700.00</b>
Hampden Park	Eastbourne Eco Education Network	Proposal for engaging with schools and families in Hampden Park	£2,250.00
<b>Total spend to end of Quarter 2</b>			<b>£2,250.00</b>
Langney	<b>No schemes to end of Quarter 2</b>		
<b>Total spend to end of Quarter 2</b>			<b>£0</b>
Meads	Historic Meads Walk Booklet	Historic Meads Walk Booklet	£500.00
	Eastbourne Culture Group	Eastbourne Culture Group plan to enliven the town by commissioning artwork for the windows of the empty Debenhams building.	£700.00
	Trees in Chiswick Place	To investigate the scope for planting trees in Chiswick Place if satisfactory an additional request will be made for a number of trees at £250 each.	£400.00

Ward	Project	Description	Project Spend to Date
	The Tree of Light	To assist in funding 'The Tree of Light' by Rotary Club of Sovereign Harbour raising monies for local charities.	£600.00
<b>Total spend to end of Quarter 2</b>			<b>£2,200</b>
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
<b>Total spend to end of Quarter 2</b>			<b>£1,450.00</b>
Ratton	Tree Planting	Tree Planting at Westlords	£1,000.00
	Archaeological Dig	Archaeological dig within Ratton.	£1,000.00
	Rotary Tree of Light	Funding towards Tree of Light as no funding this year.	£600.00
<b>Total spend to end of Quarter 2</b>			<b>£2,600.00</b>
St Anthony's	Eastbourne Education Business Partnership	Eastbourne Youth Radio – Stafford Junior School Programme 13.11.19	£288.00
<b>Total spend to end of Quarter 2</b>			<b>£288.00</b>
Sovereign	Kingsmere Community Association	To assist the community of Kingsmere	£200.00
	Recycling Bins	To provide seven new recycling multi-purpose Litter/'Dog Poo' Bins around Sovereign Harbour. Three of the bins will be in new additional locations with replacement of existing small red 'poo bins' in four locations.	£2,000.00
	The Tree of Light	To assist in funding 'The Tree of Light' by Rotary Club of Sovereign Harbour raising monies for local charities.	£600.00
	Defiant Sports	To help fund ongoing requirements for equipment including a mascot for this wonderful organisation in Sovereign.	£1,000.00
<b>Total spend to end of Quarter 2</b>			<b>£3,800.00</b>



Ward	Project	Description	Project Spend to Date
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
	Road Closure Leaflets	As part of World Car Free Day, we intend to close a section of Compton Place Road for 12 hours on 22.09.20. This is to encourage children and parents to walk and ride to school safely. We need to notify residents and will need 600 leaflets delivered and printed.	£95.00
<b>Total spend to end of Quarter 2</b>			<b>£1,195.00</b>

<b>Number of schemes to end of Quarter 2</b>	<b>26</b>
<b>All wards total spend to end of Quarter 2</b>	<b>£20,483</b>

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**Part B**

**Financial Performance Q2 2020/21**

**1.0 General Fund**

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

<b>Department</b>	<b>Current Budget</b>	<b>Profiled Budget</b>	<b>Actual to 30<sup>th</sup> Sept 2020</b>	<b>Variance to date</b>	<b>Q1</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>SUMMARY</b>					
Corporate Services	3,337	3,219	3,548	329	34
Service Delivery	5,876	3,195	4,203	1,008	439
Regeneration & Planning	(37)	(248)	222	470	43
Tourism & Enterprise	2,659	1,369	4,159	2,790	743
<b>Total Service Expenditure</b>	<b>11,835</b>	<b>7,535</b>	<b>12,132</b>	<b>4,597</b>	<b>1,259</b>
Covid-19	0	0	(177)	(177)	(413)
Contingencies & Corporate Savings	(599)	(375)	0	375	0
Capital Financing and Interest	2,286	1,141	1,141	0	5
<b>Net Expenditure</b>	<b>13,522</b>	<b>8,301</b>	<b>13,096</b>	<b>4,795</b>	<b>851</b>
				<b>Income Recovery Claims Due*</b>	<b>(1,500)</b>
				<b>Quarter 2 Variance</b>	<b>3,295</b>
				<i>Quarter 1 Variance</i>	<i>851</i>
				<b>Increase</b>	<b>2,444</b>

\* Note that the income recovery claim has been based on a prudent view of the amounts recoverable at this stage. Further work is required to ensure all current net losses are eligible for recovery in line with the guidance prior to the return being completed in December.

1.2 The position at the end of September shows an initial deficit of £4.795m. However, the Council is still due money back from Government in respect of the Income Recovery Scheme (£1.5m), which would reduce the deficit down to £3.295m (Q1 £851k) on net expenditure. The main variances as at the end of September include:

<b>Corporate Services</b>		
Additional IT costs – software licences, network & equipment costs		£326k
<b>Service Delivery</b>		
Account & Case Management – mainly salary savings	(£78k)	
Housing Benefit Payments and Subsidy - mainly a shortfall in subsidy on emergency accommodation	£457k	
Waste Contract – delay in Trade Waste savings being achieved	£114k	
Revenues – no summons cost income	£244k	
Crematorium – reduction in income	£116k	
Car parks – mainly reduction in income	£166k	£1,019k

<b>Regeneration &amp; Planning</b>		
Housing Delivery Team – feasibility work	£155k	
Corporate Landlord – mainly reduced rental income	£328k	£483k
<b>Tourism &amp; Enterprise</b>		
Redundancy costs	£508k	
Net income losses on facilities and events	£2,282k	£2,790k
<b>Covid-19:</b>		
Direct costs incurred to date (food parcels, staffing, PPE etc)	£1,104k	
Emergency Grant received to date	(£1,281k)	(£177k)
<b>Contingencies &amp; Savings</b> – 6 months of corporate savings target relating to vacancy savings and staff reductions. The actual savings are contained within the relevant service areas.		£375k

- 1.3 Overall, the deficit has increased by just over £2.4m since Q1 to the current £3.3m position. This will inevitably increase as a result of the latest lockdown which will further impact on the recovery.
- 1.4 The Government announced a fourth tranche of emergency Covid-19 grant monies at the end of October, of which Eastbourne was allocated £474k. This is in addition to the £1.281m shown in the table above. This has not been included in the above figures as it is anticipated that it will be needed to cover future costs relating to homelessness and temporary accommodation.
- 1.5 In September, it was reported that the deficit was expected to be in the region of £8m for the current financial year and whilst this is a snapshot at the end of quarter 2 the position will worsen. If the current trajectory of losses continues into the second half of the year then the deficit could increase to £8.2m. Mainly as a result of the second lockdown and the impact this will have on income losses and continued cost pressures. Detailed 2020/21 revised and draft 2021/22 budgets are currently being prepared which will give a clearer picture.

## 2.0 HRA

- 2.1 HRA performance of the quarter is as follows:

	<b>Full Year Budget</b>	<b>Profiled Budget</b>	<b>Actual to 30 June 2020</b>	<b>Variance to date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>HRA</b>				
Income	(15,473)	(7,737)	(7,737)	-
Expenditure	13,501	6,804	6,703	(101)
Capital Financing & Interest	1,897	949	949	-
Contribution to Reserves	3,656	1,828	1,828	-
<b>Total HRA</b>	<b>3,581</b>	<b>1,844</b>	<b>1,743</b>	<b>(101)</b>

There is a positive variance of £101,000 at the end of quarter 2 (Q1 £33k). The main variance relates to a £70k underspend on the management fee. A further breakdown is shown at **Appendix 2**.

### 3.0 Capital Expenditure

3.1 The detailed capital programme at **Appendix 3**, provides a summary of spend for quarter 2 compared to the revised allocation for 2020/21 and the total spend for each scheme as at 30 September. Current spend totals £3.465m against an overall budget of £54.830m. 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:

	<b>Council Tax £'000</b>	<b>Business Rates £'000</b>
<b>(Surplus)/Deficit Brought Forward 01 April 2020</b>	<b>(208)</b>	<b>331</b>
Total Collectable Income for year*	(70,975)	(11,095)
Payments to Preceptors	71,543	37,467
Write offs, provisions for bad debts and appeals	673	585
Additional Business Rate Reliefs – as a result of Covid-19	-	(23,728)
<b>Estimated Balance 31 March 2021 – (Surplus) / Deficit</b>	<b>1,033</b>	<b>3,560</b>
Allocated to:		
Government	-	1,780
East Sussex County Council	756	320
Eastbourne Borough Council	127	1,424
Sussex Police	101	-
East Sussex Fire & Rescue	49	36
	<b>1,033</b>	<b>3,560</b>

\* This represents the latest total amount of income due for the year and allows for changes as a result of discounts, exemptions and reliefs, as well as increases in the Council Tax and Business Rate bases.

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 £1.033m for the quarter (Qtr1 £1.792m), which is an improvement of £759k. However, this still represents an in-year deficit of £1.241m as there was a surplus of £208k brought forward from the previous year. The Council's share of the overall forecast deficit is £127k. The position continues to be monitored on a monthly basis and the final surplus or deficit will be formally set in January 2021. It should be noted that, should the position change, 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 There is a Business Rates deficit of £3.560m at the end of September (Q1 £1.511m), which is an increase of £2m. This represents an in-year deficit of £3.229m as there was a deficit of £331k brought forward from the previous year. There continues to be a significant risk associated with business rate income, despite the additional business rate reliefs (£24m) that have been given by Government. The latest deficit would be split between the relevant preceptors with Eastbourne's share equating to £1.424m. This would 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 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 September. Approved limits within the Annual Investment Strategy were not breached during the quarter ending 30 September 2020, except for the balance held with Lloyds Bank, which exceeded the £5m limit for 9 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.

As shown by the interest rate forecasts, it is now impossible to earn the level of interest rates commonly seen in previous decades as all investment rates are barely above zero now that Bank Rate is at 0.10%, while some entities, including more recently the Debt Management Account Deposit Facility (DMADF), are offering negative rates of return in some shorter time periods. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current forecast horizon of 31<sup>st</sup> March 2023, investment returns are expected to remain low.

### **5.3 Negative investment rates**

While the Bank of England has said that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the

Covid crisis; this has caused some local authorities to have sudden large increases in investment balances searching for an investment home, some of which was only very short-term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have suggested that they might resort to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a glut of money swilling around at the very short end of the market. Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

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

Benchmark	Benchmark Return	Council Performance	Interest Earning
7 day LIBID	-0.06%	0.03%	£1,096.22

The Council outperformed the benchmark by 0.09%. 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.

## 5.5 Borrowing

The following loan was taken during the quarter:

<b>New Short Term Borrowing – there was no new borrowing for quarter 2</b>				
Start Date	Counterparty	Amount	Interest Rate %	End Date
<b>Total</b>		<b>0.0</b>	-	-
<b>Less Short Term Borrowing Repaid</b>				
Repayment Date	Counterparty	Amount	Interest Rate	No of Days
07-07-20	East Riding of Yorkshire Pension Fund	10.0	0.95	113
<b>Total</b>		<b>10.0</b>	-	-
<b>Net New Short Term Borrowing during quarter</b>		<b>(10.0)</b>	-	-

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.

## 5.6 Interest Rate Forecast

The Council's treasury advisor, Link Group, provided the following forecasts on 11 August 2020:

Link Group Interest Rate View 11.8.20											
	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

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

The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its last meeting, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31st March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had, therefore, already been on a generally falling trend up until the coronavirus crisis hit western economies during March. At the close on 30<sup>th</sup> September,



all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were only at 0.76% and the 50 year at 0.60%.

From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream non-HRA capital schemes. At the same time the Government announced in the Budget a programme of increased infrastructure expenditure.

It also announced that there would be a consultation with local authorities on possibly further amending these margins; the HM Treasury consultation was initially due to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup> July. To date, the outcomes of the consultation have yet to be announced but it is clear that HM Treasury will most likely no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the primary aim is to generate an income stream (assets for yield).

Following the changes on 11<sup>th</sup> 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)

It is possible that the non-HRA Certainty Rate will be subject to revision downwards after the conclusion of the HM Treasury consultation; however, the timing of such a change is currently an unknown, although it would be likely to be within the current financial year.

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, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession 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.

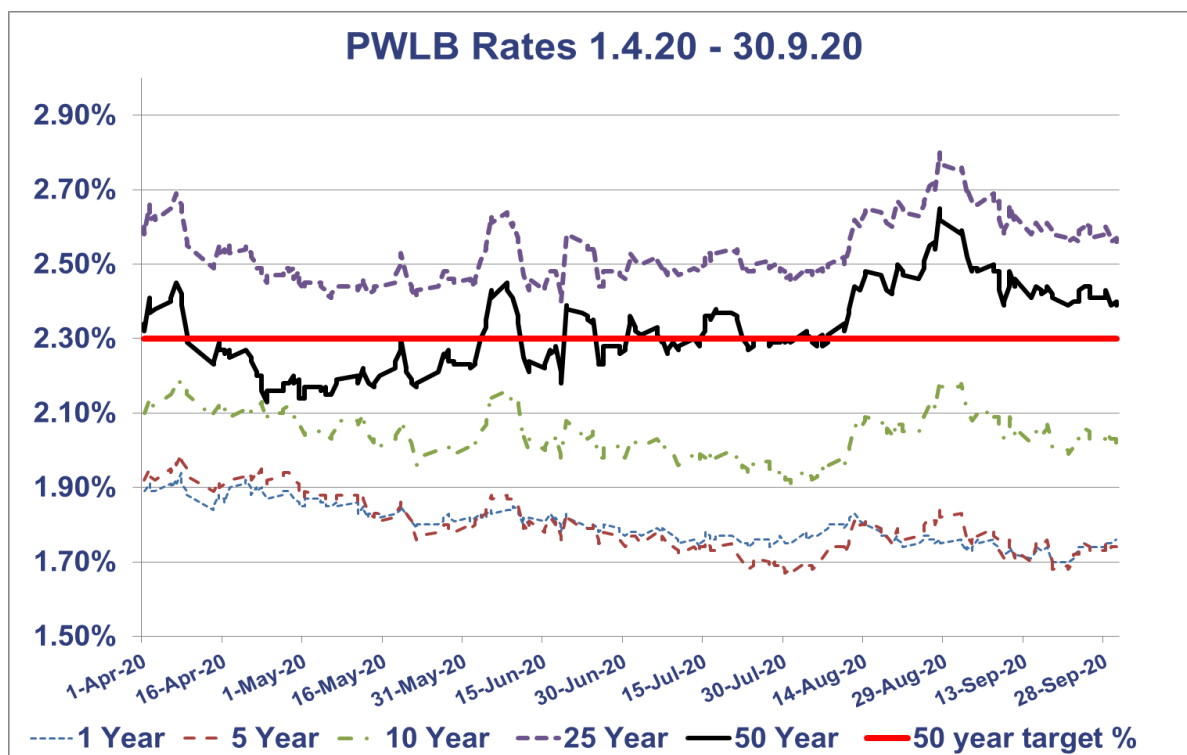
## 5.7 **Debt Rescheduling**

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. During the quarter ended 30 September 2020, no debt rescheduling was undertaken.

## 5.8 **PWLB maturity certainty rates (gilts plus 180bps) year to date to 30<sup>th</sup> September 2020**

There has not been a great deal of volatility in PWLB rates since the start of the financial year, apart from a more significant spike up during the second half of August into early September. The 50 year PWLB target rate for new long term borrowing was unchanged at 2.30%.

Year to 30<sup>th</sup> September 2020



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.70%	1.67%	1.91%	2.40%	2.13%
Date	18/09/2020	30/07/2020	31/07/2020	18/06/2020	24/04/2020
High	1.94%	1.99%	2.19%	2.80%	2.65%
Date	08/04/2020	08/04/2020	08/04/2020	28/08/2020	28/08/2020
Average	1.80%	1.80%	2.04%	2.54%	2.33%

5.9 Compliance with Treasury and Prudential Limits

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

During the quarter to 30 September 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.

5.10 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.

#### 5.11 **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.

#### 5.12 **Economic Background**

As expected, the Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 6<sup>th</sup> August (and subsequently 16<sup>th</sup> September). It also kept unchanged the level of quantitative easing at £745bn. Its forecasts were optimistic in terms of three areas:

- The fall in **GDP** in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
- The peak in the **unemployment rate** was revised down from 9% in Q2 to 7½% by Q4 2020.
- It forecast that there would be excess demand in the economy by Q3 2022 causing CPI **inflation** to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

It also squashed any idea of using **negative interest rates**, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including QE and the use of forward guidance. The MPC expected the £300bn of **quantitative**

**easing** purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.

In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to **downside risks**, which were judged to persist both in the short and medium term. One has only to look at the way in which second waves of the virus are now impacting many countries including Britain, to see the dangers.

However, rather than a national lockdown, as in March, any spikes in virus infections are now likely to be dealt with by localised measures and this should limit the amount of economic damage caused. In addition, Brexit uncertainties ahead of the year-end deadline are likely to be a drag on recovery. The wind down of the initial generous furlough scheme through to the end of October is another development that could cause the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1 November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours.

There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce still on furlough in mid-September.

Overall, **the pace of recovery** is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020 are now likely to show no growth as consumers will probably remain cautious in spending and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year will also be a headwind. If the Bank felt it did need to provide further support to recovery, then it is likely that the tool of choice would be more QE.

There will be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.

One key addition to **the Bank’s forward guidance** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate

The **Financial Policy Committee** (FPC) report on 6<sup>th</sup> August revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that

for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

**EU.** The economy was recovering well towards the end of Q2 after a sharp drop in GDP, (e.g. France 18.9%, Italy 17.6%). However, the second wave of the virus affecting some countries could cause a significant slowdown in the pace of recovery, especially in countries more dependent on tourism. The fiscal support package, eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support and quickly enough to make an appreciable difference in weaker countries. The ECB has been struggling to get inflation up to its 2% target and it is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support.

**World growth.** Latin America and India are currently hotspots for virus infections. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

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## Housing Revenue Account 2020/21

	Original Budget £000's	Q2 Budget £000's	Q2 Actual £000's	Variance £000's
<b>INCOME</b>				
Gross Rents	(14,448)	(7,224)	(7,224)	0
Charges for Services	(1,025)	(513)	(513)	0
<b>GROSS INCOME</b>	<b>(15,473)</b>	<b>(7,737)</b>	<b>(7,737)</b>	<b>0</b>
<b>EXPENDITURE</b>		0		
Management Fee	7,834	3,917	3,847	(70)
Supervision and Management	1,157	632	601	(31)
Provision for Doubtful Debts	203	102	102	0
Depreciation & Impairment of Fixed Assets	4,307	2,154	2,154	0
<b>GROSS EXPENDITURE</b>	<b>13,501</b>	<b>6,804</b>	<b>6,703</b>	<b>(101)</b>
<b>NET COST OF HRA SERVICES</b>	<b>(1,972)</b>	<b>(933)</b>	<b>(1,034)</b>	<b>(101)</b>
Loan Charges - Interest	1,947	974	974	0
Interest Receivable	(50)	(25)	(25)	0
<b>NET OPERATING SURPLUS</b>	<b>(75)</b>	<b>16</b>	<b>(85)</b>	<b>(101)</b>
Transfer from Reserves	0	0	0	0
Revenue Contribution to Capital Expenditure	3,656	1,828	1,828	0
<b>HRA (SURPLUS) / DEFICIT</b>	<b>3,581</b>	<b>1,844</b>	<b>1,743</b>	<b>(101)</b>

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Line No	Scheme	Total Scheme Approved	Total Scheme 31 Mar 2020	Spend 2020-21 as at 30.9.20	2020-21	2021-22	2022-23	Q2 variance to allocation	Funding	Comments
		£000	£000	£000	£000	£000	£000	£000		
1	<b>HOUSING REVENUE ACCOUNT</b>									
2	Major Works	Annual alloctaion	Ongoing	550	4,388	4,442	4,535	-3,838	EBC	Slow progress due to Covid-19
3	Sustainability Initiatives Pilot	500	61	0	439	0	0	-439	EBC	Slow progress due to Covid-19
4	<b>Managed by Eastbourne Homes</b>	<b>Ongoing</b>	<b>61</b>	<b>550</b>	<b>4,827</b>	<b>4,442</b>	<b>4,535</b>	<b>-4,277</b>		
5	<b>Other Schemes</b>									
6	Fort Lane	2,283	680	13	0	0	0	13	EBC/Grant	Options for the site continue to be considered.
7	New Build	26,752	0	106	6,310	14,154	6,288	-6,204	EBC/Grant	Pre-application planning in progress. Start on site for summer 2021.
8	Acquisitions	Annual allocation	0	0	3,748	0	3,332	-3,748		Uncertainty due to Covid has delayed progress. Expecting to make some progress in Q4
9	<b>Total HRA</b>		<b>741</b>	<b>669</b>	<b>14,885</b>	<b>18,596</b>	<b>14,155</b>	<b>-14,216</b>		
10	<b>COMMUNITY SERVICES</b>									
11	Disabled Facilities Grants	Annual Allocation	0	161	1,450	0	0	-1,289	Grant	Actual grants approved £521k as at 30.9.20. On target to spend full grant in 2020-21
12	BEST Grant (housing initiatives)	Annual Allocation	0	7	30	0	0	-23	Grant	Remaining grant expected to be spent in 2020-21
13	Coast Defences Beach Management	Annual Allocation	0	501	495	300	300	6	Grant	Work substantially completed in May & June. Monitoring surveys will be carried out & additional works will be funded by further grant.
14	Cycling Strategy	41	0	0	41	0	0	-41	EBC	At the end of June, ESCC finished their consultation with key stakeholders on the East Sussex Local Cycling & Walking Infrastructure Plan which includes proposed cycle routes within the Borough. Further public consultation is to take place later this year. This funding will be needed to contribute to the cycle routes as they are progressed.
15	Play Area Sovereign Harbour	27	0	0	27	0	0	-27	S106	On hold pending planning
16	Shinewater Park - Scoping	20	10	0	10	0	0	-10	EBC	Initial scoping completed awaiting next phase
17	Oak Tree Lane Play Equip	35	25	10	11	0	0	-1	EBC	Completed
18	Mulberry Close Play Equip	30	0	0	30	0	0	-30	EBC	Ongoing consultation
19	Lower Holywell Public Con	50	0	0	50	0	0	-50	EBC	On hold pending budget review
20	Redoubt Public Convenience	40	0	0	40	0	0	-40	EBC	On hold pending budget review
21	Refurbishment of Public Facilities	81	0	0	81	0	0	-81	EBC	On hold pending budget review
22	CCTV (Recycling Points)	29	13	0	16	0	0	-16	EBC	Completed under budget
23	Play Equipment - Palesgate	35	0	0	35	0	0	-35	EBC	On hold pending budget review
24	Play Equipment - Vancouver Rd	35	0	0	35	0	0	-35	EBC	On hold pending budget review
25	Langney Cemetery - Road Improvements	30	0	0	30	0	0	-30	EBC	Works planned for Q4
26	Ocklynge Cemetery - Road Improvements	15	0	0	15	0	0	-15	EBC	Works planned for Q4
27	Crematorium - Road Improvements	15	0	0	15	0	0	-15	EBC	Works planned for Q4
28	Crematorium - Cesspit Replacement	25	0	0	25	0	0	-25	EBC	Works planned for Q4
29	Crematorium - Chapel Improvements	80	0	0	80	0	0	-80	EBC	On hold pending budget review
30	Shinewater Toilets & Kiosk	50	0	0	50	0	0	-50	EBC	On hold pending budget review
31	SEESL Loan	12	0	0	12	0	0	-12	EBC	Awaiting drawdown
32	<b>Total Community Services</b>		<b>48</b>	<b>679</b>	<b>2,578</b>	<b>300</b>	<b>300</b>	<b>-1,899</b>		
33	<b>TOURISM &amp; LEISURE</b>									
34	ILTC - Air Conditioning	87	82	0	5	0	0	-5	EBC	Works completed. Retention outstanding

Line No	Scheme	Total Scheme Approved	Total Scheme 31 Mar 2020	Spend 2020-21 as at 30.9.20	2020-21	2021-22	2022-23	Q2 variance to allocation	Funding	Comments
35	Colonnade Removal	500	16	0	484	0	0	-484	EBC	Funding being requested under Capital Programme Reset
36	Redoubt - Asphalt Gun Platform	50	0	0	50	0	0	-50	EBC	On hold pending a decision on the colonnade removal
37	Sovereign Centre	29,050	1,467	0	9,721	17,862	0	-9,721	EBC	On hold pending budget review
38	Sovereign Centre Skate Park	250	228	0	22	0	0	-22	EBC	Completed, subject to seating and snagging
39	EDGC - Storage Sheds	25	0	0	25	0	0	-25	EBC	On hold pending budget review
40	<b>Total Tourism &amp; Leisure</b>		<b>1,793</b>	<b>0</b>	<b>10,307</b>	<b>17,862</b>	<b>0</b>	<b>-10,307</b>		
41	<b>CORPORATE SERVICES</b>									
42	Contingency	Annual Allocation	0	0	23	250	250	-23	EBC	Available for drawdown as required
43	JTP Finance Transformation	200	12	0	188	0	0	-188	EBC	Requirements under review - see below
44	JTP Programme Office	8,278	9,207	407	267	0	0	140	EBC	Programme office contracts extended. Current overspend covered by the underspend on JTP Finance Transformation above.
45	EHIC - Loan Facility (Private Properties)	15,000	4,662	0	2,665	2,500	5,173	-2,665	EBC	Further properties to be identified
46	EHIC - new mixed tenure homes facility	8,600	13,352	1,383	6,648	0	0	-5,265	EBC	Schemes to be identified
47	Aspiration Homes - Credit facility	100	65	0	35	0	0	-35		Available for drawdown as required
48	Aspiration Homes - Facility	10,000	1,935	0	5,302	3,472	0	-5,302	EBC	Available for drawdown as required
49	Aspiration Homes - Street Acquisitions (Affordable)	1,489	942	0	468	0	0	-468	EBC	Available for drawdown as required
50	Bedfordwell Road - Land & Pump House	6,100	3,283	6	0	0	0	6	EBC	Transferred to HRA
51	Construction Hub Training Unit	478	501	1	0	0	0			Completed. Additional spend to be funded by ESCG
52	Retail Refurbishment	5,000	897	21	2,103	2,000	0	-2,082	EBC	Funding being requested under Capital Programme Reset
53	MOJ Site	1,640	1,399	98	241	0	0	-143	EBC	Demolition completed. Redevelopment options being considered. A pre-application has been submitted.
54	<b>Total Corporate Services</b>		<b>36,255</b>	<b>1,916</b>	<b>17,940</b>	<b>8,222</b>	<b>5,423</b>	<b>-16,025</b>		
55	<b>Asset Management</b>									
56	Devonshire Park Redevelopment Project	53,960	52,840	158	1,103	0	0	-945	EBC	Completed. Retention outstanding
57	Winter Garden	3,000	0	0	3,000	0	0	-3,000	EBC	Refurbishment design in progress
58	Victoria Mansions Commercial	200	200	0	0	0	0	0	EBC	No budget but keep for now. Delete for Cabinet
59	Holiday Letting Refurbishment	30	6	0	24	0	0	-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 require a capital budget allocation. A detailed and costed plan has been produced and it is anticipated that the remaining £24k will be spent in Q3 as the cottages need to be finished by Christmas
60	Congress Theatre Roof	300	0	0	300	0	0	-300	EBC	On hold pending budget review
61	Bandstand & Promenade Renovations	3,000	111	16	2,889	0	0	-2,873	EBC	On hold pending budget review
62	Seafront Lighting	500	0	0	500	0	0	-500	EBC	On hold pending budget review
63	Towner Improvements	200	-3	0	200	0	0	-200	EBC	On hold pending budget review
64	Motcombe Baths Improvements	300	24	0	276	0	0	-276	EBC	On hold pending budget review
65	Royal Hippodrome Theatre	600	0	0	600	0	0	-600	EBC	Part of Capital Programme Reset
66	ILTC - Improvements	60	114	19	46	0	0	-27	EBC	Extent of works being considered - anticipated works Autumn/Winter 2020
67	Buccaneer Pub (Stage Door)	-	0	6	0	0	0	6	EBC	Completed
68	Downland Water Schemes (Pipes)	410	486	0	99	0	0	-99	EBC	Almost completed
69	Asset Management - Block Allocation	Annual allocation	0	0	63	500	500	-63	EBC	Available for projects under review

Line No	Scheme	Total Scheme Approved	Total Scheme 31 Mar 2020	Spend 2020-21 as at 30.9.20	2020-21	2021-22	2022-23	Q2 variance to allocation	Funding	Comments
70	<b>Total Asset Management</b>		<b>53,778</b>	<b>199</b>	<b>9,100</b>	<b>500</b>	<b>500</b>	<b>-8,901</b>		
71	<b>Grant Funded Schemes</b>									
72	Wish Tower Restaurant	1,800	2,445	2	0	0	0	2	EBC/Grant	Completed. Final incidental spend
73	Statue Sculpture Installation	22	2	0	20	0	0	-20	Grant	Location to be confirmed; works on hold pending a decision.
74			<b>2,447</b>	<b>2</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>-18</b>		
75	<b>General Fund</b>		<b>94,321</b>	<b>2,796</b>	<b>39,945</b>	<b>26,884</b>	<b>6,223</b>	<b>-37,150</b>		
76	<b>HRA</b>		<b>741</b>	<b>669</b>	<b>14,885</b>	<b>18,596</b>	<b>14,155</b>	<b>-14,216</b>		
77	<b>Total</b>		<b>95,062</b>	<b>3,465</b>	<b>54,830</b>	<b>45,480</b>	<b>20,378</b>	<b>-51,366</b>		

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